Consultant Course

👤 **Financials**

F300 Intercompany Transactions 2022 R1

Revision: 4/5/2022

Acumatica
The Cloud ERP

Contents

Copyright

Software Version: 2022 R1

Last Updated: 04/05/2022

How to Use This Course

This course introduces the types of organizational structures that can be configured in Acumatica ERP, the configuration of interbranch balancing transactions, the processing of interbranch transactions, intercompany sales, and GL consolidations. The course consists of lessons that guide you step by step through the examples and explanations of the configuration and business process workflow in Acumatica ERP.

What Is in This Guide

The guide includes the *Company Story* topic and process activities. *Company Story* explains the organizational structure of the company preconfigured in the *U100* dataset, as well as the company's business processes and requirements. Each of the process activities of the course is dedicated to a particular user scenario and consists of processing steps that you complete.

Which Training Environment Is Needed

All lessons of the course should be completed on an instance of Acumatica ERP 2022 R1 with the *U100* training dataset preloaded; this dataset provides the predefined settings and entities you will need as you complete the activities of this course.

You or your system administrator prepare an instance of Acumatica ERP 2022 R1, as described in the *How to Create a Tenant with the U100 Dataset* section below.

What Is in a Lesson

Each lesson provides a story describing a particular user scenario and an overview of the relevant features that have been enabled in the system; configuration settings that are related to the described scenario are also listed. The lesson provides a brief overview of the process that should be performed to complete the described scenario, and instructions that guide you through the process in Acumatica ERP.

> ⚠ The completion of a lesson depends on the steps performed in the previous lessons. We recommend that you complete the lessons in the listed order.

What Is in a Configuration Lesson

A *configuration lesson*—that is, a lesson dedicated to the configuration of system settings and entities—provides a brief overview of the required system configuration and a description of other settings that could affect the configuration workflow.

Each configuration lesson includes at least one implementation activity that you have to complete in your Acumatica ERP instance to configure the core system settings or to prepare system entities.

What Is in a Process Lesson

A *process lesson*—that is, a lesson dedicated to the performing of a particular business process—includes a brief user scenario, a description of the process workflow and can include process diagrams that illustrate the user scenario supported by this process. The lesson also provides a brief overview of the settings that need to be specified and the entities that need to be prepared in the system before you start to perform this business process.

Each process lesson includes at least one process activity that you have to complete in your Acumatica ERP instance to learn how to perform the described business process.

What Are the Documentation Resources

The complete Acumatica ERP documentation is available on *https://help.acumatica.com/* and is included in the Acumatica ERP instance. While viewing any form used in the course, you can click the **Open Help** button in the top pane of the Acumatica ERP screen to bring up a form-specific Help menu; you can use the links on this menu to quickly access form-related information and activities and to open a reference topic with detailed descriptions of the form elements.

How to Create a Tenant with the U100 Dataset

Before you complete this course, you need to add a tenant with the *U100* dataset to an existing Acumatica ERP instance. You will then prepare the tenant for completing the activities. To complete this preparation, perform the following instructions:

1. Go to *Amazon Storage*.
2. Open the folder that corresponds to the version of your Acumatica ERP instance.
3. In this folder, open the `Snapshots` folder, and download the `u100.zip` file.
4. Launch the Acumatica ERP instance, and sign in.
5. Open the *Tenants* (SM203520) form, and click **Add New Record** on the form toolbar.
6. In the **Login Name** box, type the name to be used for the tenant.
7. On the form toolbar, click **Save**.
8. On the **Snapshots** tab, click **Import Snapshot**.
9. In the **Upload Snapshot Package** dialog box, select the `u100.zip` file, which you have downloaded, and click **Upload**.

   The system uploads the snapshot and lists it on the **Snapshots** tab of the *Tenants* form.
10. On the form toolbar, click **Restore Snapshot**.
11. If the **Warning** dialog box appears, click **Yes**.
12. In the **Restore Snapshot** dialog box, make sure that the correct snapshot package is being uploaded, and click **OK**. The system will restore the snapshot and sign you out.

    You are now on the Sign-In page, and you can sign in to the tenant you have just created.

Licensing Information

For the educational purposes of this course, you use Acumatica ERP under the trial license, which does not require activation and provides all available features. For the production use of this functionality, you have to activate the license your organization has purchased. Each particular feature may be subject to additional licensing; please consult the Acumatica ERP sales policy for details.

Company Story

This topic explains the organizational structure and operational activity of the company you will work with during this training.

Company Structure

The SweetLife Fruits & Jams company is a midsize company located in New York City. The company consists of the following branches:

- SweetLife Head Office and Wholesale Center: This branch of the company consists of a jam factory and a large warehouse where the company stores fruit (purchased from wholesale vendors) and the jam it produces. Warehouse workers perform warehouse operations by using barcode scanners or mobile devices with barcode scanning support.
- SweetLife Store: This branch has a retail shop with a small warehouse to which the goods to be sold are distributed from the company's main warehouse. This branch is also planning on selling goods via a website created on an e-commerce platform to accept orders online. The e-commerce integration project is underway.
- Service and Equipment Sales Center: This branch is a service center with a small warehouse where juicers are stored. This branch assembles juicers, sells juicers, installs juicers, trains customers' employees to operate juicers, and provides juicer servicing.

The ToadGreen Building Group is a subsidiary of the SweetLife Fruits & Jams company. ToadGreen Building Group—which is located in New York—is a general contractor coordinating construction projects for governmental and commercial customers. The company has only one branch, ToadGreen Building Group, in which the corresponding projects are being managed and all construction-related tasks are recorded.

The Muffins & Cakes company is a subsidiary SweetLife Fruits & Jams company. Muffins & Cakes—which is located in Denver, Colorado—consists of the following branches:

- Muffins Head Office and Wholesale Center: This branch owns a bakery and a wholesale warehouse where products are stored.
- Muffins Retail Shop: This branch, which sells products to retail customers, has a retail shop with a small warehouse.

Operational Activity

The company has been operating starting in the *01-2021* financial period. In November 2021, the company started using Acumatica ERP as an ERP and CRM system and migrated all data of the main office and retail store to Acumatica ERP. The equipment center has begun its operations in *01-2022* in response to the company's growth.

In October 2021, the company received an investment and opened a subsidiary company for construction (ToadGreen). In February 2022, the company started its first construction project.

The Muffins & Cakes company was established in January 2021 and started using Acumatica ERP at the end of the *01-2022* financial period.

The base currency of the company and its subsidiaries is the U.S. dollar (USD). All amounts in documents and reports are expressed in U.S. dollars unless otherwise indicated.

Company Purchases

The company purchases fruits and spices from large fruit vendors for sale and for jam production. For producing jams and packing jams and fruits, the company purchases jars, labels, and paper bags from various vendors. For the internal needs of the main office and store, the company purchases stationery (printing paper, pens, and pencils), computers, and computer accessories from various vendors. The company also purchases juicers

and juicer parts for sale from a large juicer vendor and either purchases the installation service for the juicers or provides the installation service on its own, depending on the complexity of the installation.

The Muffins & Cakes company also purchases stationery (printing paper, pens, and pencils) and advertising services.

Company Sales and Services

Each company's branch has its own business processes, as follows:

- SweetLife Head Office and Wholesale Center: In this branch, jams and fruit are sold to wholesale customers, such as restaurants and cafes. The company also conducts home canning training at the customer's location and webinars on the company's website.
- SweetLife Store: In the store, retail customers purchase fresh fruit, berries, and jams, or pick up the goods they have ordered on the website. Some of the goods listed in the website catalog are not stored in the retail warehouse, such as tropical fruits (which are purchased on demand) and tea (which is drop-shipped from a third-party vendor).
- Service and Equipment Sales Center: This branch assembles juicers, sells juicers, provides training on equipment use, and offers equipment installation, including site review and maintenance services. The branch performs one-time endeavors as well as complex projects with their own budgets.

The company has local and international customers. The ordered items are delivered by drivers using the company's own vehicle. Customers can pay for orders by using various payment methods (cash, checks, or credit cards).

The Muffins & Cakes branches have the following business processes:

- Muffins Head Office & Wholesale Center: In this branch, baked goods and products for baking are sold to wholesale customers, such as restaurants and cafes. The company also conducts baking classes at customer locations.
- Muffins Store: In the store, small retail customers purchase baked goods, or pick the goods ordered on the website.

Models of Organization

In Acumatica ERP, multiple companies can be configured within one tenant. Usually, a company represents a legal entity with an independent balance sheet and separate tax reporting. Companies have to use the same base currency (if the *Multiple Base Currencies* feature is disabled on the *Enable/Disable Features* (CS100000) form), chart of accounts, and preferences. One company may have no branches, or it may consist of multiple branches, each being a separate office or a point of sale.

Types of Multibranch Companies

Acumatica ERP supports multibranch functionality, which provides the ability to represent the most typical organizational structures within Acumatica ERP.

In this course, the following types of multibranch companies are used:

- **Organization with centralized accounting**

  This type of organization is a legal entity and consists of multiple branches, each branch representing a company office. The management does not need to have a separate balance sheet for each branch; however, profits and losses should be analyzed by branches. In an organization of this type, balancing entries are not required for transactions that involve two or more company branches. The branches use one posting ledger of the *Actual* type.

  The SweetLife Fruit & Jams company, which has been created for this course, is an organization that uses centralized accounting. Also, the WineLove company, which you will create in this course, uses this type of accounting.

- **Organization with autonomous branches**

  This type of organization has a number of branches with separate accounting. For each branch, the management needs to have a separate balance sheet along with a separate profit and loss statement. In an organization of this type, automatic balancing entries are required for transactions that involve two or more company branches. These autonomous branches share the same ledger of the *Actual* type, and interbranch transactions in this company require balancing entries.

  The Muffins & Cakes and CowZilla Meat & Knives companies, which you will use in this course, have autonomous branches.

Part 1: Configuring Companies and Branches

Lesson 1.1: Configuring a Company with Branches that Do Not Require Balancing

Company with Branches that Do Not Require Balancing: General Information

When you initially implement Acumatica ERP, you perform the company configuration that makes it possible for system implementation to proceed. This configuration includes enabling the necessary set of features and configuring the company in the system. You can then proceed to further Acumatica ERP implementation, which includes specifying the basic settings related to the general ledger and to cash management, accounts payable, and accounts receivable.

When you configure a company in Acumatica ERP, it can be defined as being without branches, as consisting of branches that require balancing entries (if transactions involve multiple branches), or as having branches that do not require balancing entries. The topics of this chapter describe the configuration of a company with branches that do not require balancing.

Learning Objectives

In this chapter, you will learn how to perform configuration of a company with branches that do not require balancing.

Applicable Scenarios

You configure a company with branches that do not require balancing if the company has multiple offices, but balance sheets are provided for the whole company (not separately for each branch).

You perform company configuration as a first phase of the implementation of Acumatica ERP, before the creation of the entities needed for business processes. You can also add a new company or a new branch to the existing companies in the tenant at any time.

Company Settings

In Acumatica ERP, you create new companies or maintain existing companies by using the *Companies* (CS101500) form. On this form, to configure the company with branches that do not require balancing, you have to specify the company's identifier, name, and address, and you ensure that the *With Branches Not Requiring Balancing* type is selected. You also specify the base currency of the company, which you cannot change after you save the newly created company for the first time. If you create multiple companies in the tenant, this base currency will be used automatically for all companies and cannot be changed if the *Multiple Base Currencies* feature is disabled on the *Enable/Disable Features* (CS100000) form. (If the company is not the first company you are creating in the tenant, the base currency is already filled in.)

After you have created the company, you add branches to it on the *Branches* (CS102000) form. You can navigate directly to this form or open it by clicking **Add Branch** on the *Companies* form. On the *Branches* form, for each branch you want to add, you specify its general information, including its identifier, name, address, default location, and employees.

⚠️ After the company has been configured, the *With Branches Not Requiring Balancing* company type can still be changed to *Without Branches* if the company has only one branch or no branches at all. The type can also be changed to *With Branches Requiring Balancing* if no transactions have been posted by company branches or the company has only one branch.

Company with Branches that Do Not Require Balancing: Implementation Activity

In this activity, you will learn how to enable the necessary set of features, define the appropriate settings for a company with branches that do not require balancing, and define the needed settings for the branches of the company if the company is created in a tenant in which other companies already exist.

Story

Suppose that your organization has grown, and a new company that sells wine has been established. The new WineLove company is located in Monterey, California, and consists of the following branches:

- WineLove Wholesale Center
- WineLove Liquor Store

The company uses centralized accounting and is going to use the default functionality of Acumatica ERP.

Acting as an administrator, you need to configure a company entity in Acumatica ERP for the WineLove company with these two branches.

Process Overview

In this activity, on the *Companies* (CS101500) form, you will create a company with branches that do not require balancing. On the *Branches* (CS102000) form, you will create two branches for the new company.

System Preparation

Launch the Acumatica ERP website with the *U100* dataset, and sign in as a system administrator by using the following credentials:

- Username: *gibbs*
- Password: *123*

Step 1: Defining a Company with Branches that Do Not Require Balancing

To configure the company with branches that do not require balancing for WineLove, do the following:

1. Open the *Companies* (CS101500) form and on the form toolbar, click **Add New Record**.

    ℹ️ To open the form for creating a new record, type the form ID in the Search box, and on the Search form, point at the form title and click **New** right of the title.

2. In the Summary area, specify the following settings:

    - **Company ID**: `WINELOVE`
    - **Company Name**: `WineLove`
    - **Company Type**: *With Branches Not Requiring Balancing*

3. In the **Main Address** section of the **Company Details** tab, specify the following address settings:

- **City**: `Monterey`
- **Country**: *US - United States of America*
- **State**: *CA - California*

4. In the **Base Currency Settings (Shared)** section, notice that *USD* is selected in the **Base Currency ID** box. The base currency specified for the first company in the tenant is applied to all companies in the tenant and cannot be changed.

5. On the form toolbar, click **Save**.

Step 2: Defining the Company's Branches

To define WineLove's branches, do the following:

1. While you are still viewing the WineLove company on the *Companies* (CS101500) form, on the **Branches** tab, click **Add Branch**.

   The *Branches* (CS102000) form opens with the predefined company. First, you will create a branch for the WineLove wholesale center.

2. In the Summary area, specify the following settings:
   - **Branch ID**: `WINEWHOLE`
   - **Branch Name**: `WineLove Wholesale Center`
   - **Company**: *WINELOVE*

3. In the **Main Address** section of the **Branch Details** tab, specify the following address settings:
   - **Address Line 1**: `2555 Garden Rd`
   - **City**: `Monterey`
   - **Country**: *US (United States)*
   - **State**: *CA - California*

4. On the form toolbar, click **Save**.

5. On the form toolbar, click **Add New Record**, and in the Summary area, specify the following settings to create a branch for the WineLove liquor store:
   - **Branch ID**: `WINERETAIL`
   - **Branch Name**: `WineLove Liquor Store`
   - **Company**: *WINELOVE*
   - **Address Line 1**: `475 Washington St`
   - **City**: `Monterey`
   - **Country**: *US (United States)*
   - **State**: *CA - California*

6. On the form toolbar, click **Save & Close**.

As you can see in the following screenshot, two branches not requiring balancing have been created for the new WineLove company.

Figure: New branches without balancing defined for the company

The system returns you to the *Companies* form, on which you can now create an actual ledger for the company you have created. For details, see *General Ledger: To Create an Actual Ledger*.

Lesson 1.2 (Optional): Configuring a Company with Branches that Require Balancing

Company with Branches that Require Balancing: General Information

When you configure a company in Acumatica ERP, it can be defined as being without branches, as consisting of branches that require balancing entries (if transactions involve multiple branches), or as having branches that do not require balancing entries. The topics of this chapter describe the configuration of a company with branches that require balancing.

Learning Objectives

In this chapter, you will learn how to perform configuration of a company with branches that require balancing.

Applicable Scenarios

You configure a company with branches that require balancing if the company has multiple offices, but reports are provided separately for each branch. The offices all use the same base currency, ledger, units of measure, chart of accounts, and financial year structure.

You perform company configuration as a first phase of the implementation of Acumatica ERP, before the creation of the entities needed for business processes. You can also add a new company or a new branch to the existing companies in the tenant at any time.

Workflow of the Configuration of a Company With Branches that Require Balancing

To implement the basic configuration of a company with branches requiring balancing in Acumatica ERP, you perform the following general steps:

1. On the *Enable/Disable Features* (CS100000) form, you enable the default set of features and the *Multibranch Support*, *Multicompany Support*, and *Inter-Branch Transactions* features. For details, see *Company with Branches that Require Balancing: Implementation Activity*.

   With the *Multicompany Support* feature enabled, users can create multiple companies within a tenant; with the *Multibranch Support* feature enabled, users can create companies with multiple branches.

   The *Inter-Branch Transactions* feature gives the users the ability to configure the automatic generation of interbranch balancing transactions for each transaction that involves any of the following: multiple companies, branches of different companies, or branches that belong to one company and require balancing. If this feature is disabled, the users can create interbranch transactions between only branches that belong to one company and do not require balancing.

   > ⚠️ In a production environment, after the features are enabled, you have to activate the Acumatica ERP license by using the *Activate License* (SM201510) form. Each particular feature may be subject to additional licensing; please consult the Acumatica ERP sales policy for details.

2. On the *Companies* (CS101500) form, you create the company entity in the system, and specify a type. You then add branches on the *Branches* (CS102000) form. For details, see *Company with Branches that Do Not Require Balancing: Implementation Activity*.

3. On the *Companies* (CS101500) form, you create the company's actual ledger. All branches of the company will use this single ledger for posting. For details, see *General Ledger: To Create an Actual Ledger*.

   > ⚠️ Regardless of the company type, you can configure and use only one actual ledger for a company, which all branches will use.

Company Settings

In Acumatica ERP, you create new companies or maintain existing companies by using the *Companies* (CS101500) form. On this form, to configure the company with branches that require balancing, you have to specify the company's identifier, name, and address, and you ensure that the *With Branches Requiring Balancing* type is selected. You also specify the base currency of the company, which you cannot change after you save the newly created company for the first time. If you create multiple companies in the tenant, this base currency will be used automatically for all companies and cannot be changed, if the *Multiple Base Currencies* feature is disabled on the *Enable/Disable Features* (CS100000) form. (If the company is not the first company you are creating in the tenant, the base currency is already filled in.)

After you have created the company, you add branches to it on the *Branches* (CS102000) form. You can navigate directly to this form or open it by clicking **Add Branch** on the *Companies* form. On the *Branches* form, for each branch you want to add, you specify its general information, including its identifier, name, address, default location, and employees.

> ⚠️ After the company has been configured, the *With Branches Requiring Balancing* company type can still be changed to *Without Branches* if the company has only one branch or no branches at all.
>
> The company type can be changed from *With Branches Requiring Balancing* to *With Branches Not Requiring Balancing* at any time even if there are transactions posted for the company.
>
> The company type can be changed from *With Branches Not Requiring Balancing* to *With Branches Requiring Balancing* if there are transactions posted for the company.

Company with Branches that Require Balancing: Implementation Activity

In this activity, you will learn how to define the appropriate settings for a company with branches that require balancing, and define the needed settings for the branches of the company if the company is created in a tenant in which other companies already exist.

Story

Suppose that your organization has grown, and the new CowZilla Meat & Knives company has been established. The new company is located in Houston, Texas, and consists of the following branches:

- CowZilla Meat Shop
- CowZilla Knife Shop

The company uses separate accounting for branches and is going to use the default functionality of Acumatica ERP.

Acting as an administrator, you need to configure a company entity in Acumatica ERP for the CowZilla company with these two branches.

Process Overview

In this activity, on the *Companies* (CS101500) form, you will create a company with branches that require balancing. On the *Branches* (CS102000) form, you will create two branches for the new company.

System Preparation

Launch the Acumatica ERP website with the *U100* dataset, and sign in as a system administrator by using the following credentials:

- Username: *gibbs*
- Password: *123*

Step 1: Defining a Company With Branches that Require Balancing

To configure the company without branches for CowZilla Meat & Knives, do the following:

1. Open the *Companies* (CS101500) form and on the form toolbar, click **Add New Record**.
2. In the Summary area, specify the following settings:
   - **Company ID**: `COWZILLA`
   - **Company Name**: `CowZilla Meat & Knives`
   - **Company Type**: *With Branches Requiring Balancing*
3. In the **Main Address** section of the **Company Details** tab, specify the following address settings:
   - **City**: `Houston`
   - **Country**: *US - United States of America*
   - **State**: *TX - Texas*
4. In the **Base Currency Settings (Shared)** section, notice that *USD* is selected in the **Base Currency ID** box. The base currency specified for the first company in the tenant is applied to all companies in the tenant and cannot be changed.
5. On the form toolbar, click **Save**.

Step 2: Defining Branches for the Company

To configure branches for CowZilla Meat & Knives, do the following:

1. While you are still viewing the CowZilla Meat & Knives company on the *Companies* (CS101500) form, on the **Branches** tab, click **Add Branch**.

   The *Branches* (CS102000) form opens with the predefined company. First, you will create a branch for the CowZilla meat shop.

2. In the Summary area, specify the following settings:
   - **Branch ID**: CZMEAT
   - **Branch Name**: CowZilla Meat Shop
   - **Company**: *COWZILLA*

3. In the **Main Address** section of the **Branch Details** tab, specify the following address details:
   - **Address Line 1**: 8514 C E King Pkwy
   - **City**: Houston
   - **Country**: *US (United States)*
   - **State**: *TX - Texas*

4. On the form toolbar, click **Save**.

5. On the form toolbar of the *Branches* form, click **Add New Record** and create a branch for the CowZilla knife shop with the following settings:
   - **Branch ID**: CZKNIVES
   - **Branch Name**: CowZilla Knife Shop
   - **Company**: *COWZILLA*
   - **Address Line 1**: 1275 Eldridge Pkwy
   - **City**: Houston
   - **Country**: *US (United States)*
   - **State**: *TX - Texas*

6. On the form toolbar, click **Save & Close**.

As you can see in the following screenshot, two branches requiring balancing have been created for the new CowZilla Meat & Knives company.

Figure: New branches with balancing defined for the company

The system returns you to the *Companies* form, on which you can now create an actual ledger for the company and branches you have created. For details, see *General Ledger: To Create an Actual Ledger*.

Lesson 1.3: Configuring Account Mapping Rules for Interbranch Transactions

Interbranch Account Mapping: General Information

Organizations can be configured in Acumatica ERP in a variety of ways, with multiple companies and multiple branches within companies. As such, multiple branches or companies may be involved in a particular transaction.

In interbranch or intercompany transactions, because credit and debit amounts are posted to different branches or companies, the account balances of the branches or companies may not be in balance. You may need to configure the system to automatically generate balancing entries for interbranch or intercompany transactions so that transactions are balanced in each involved branch or company.

> ⚠️ If you have extended a branch as a customer or as a vendor and want to use them in AP and in AR documents, you do not need to configure the account mapping. For more details on how to extend a branch as a customer and as a vendor, review *Intercompany Sales: Implementation Activity*.

Learning Objectives

You will learn how to configure account mapping rules for transactions between companies and between branches that require balancing.

Applicable Scenarios

You need to configure account mapping if you need to post GL transactions with different lines associated with different companies or branches, and you need to balance the transactions in the books of each company or branch.

For details on processing such interbranch and intercompany documents, see the following topics:

- *Interbranch Bills with Balancing: General Information*
- *Interbranch Invoices with Balancing: General Information*
- *Intercompany Funds Transfers: General Information*

Interbranch Balancing Entries

You need to set up the generation of balancing entries for interbranch transactions if any of the following transactions can be generated in the organization:

- Transactions between different companies
- Transactions between branches of different companies
- Transactions between branches of one company that have separate accounting—that is, branches of a company with the *With Branches Requiring Balancing* company type specified on the *Companies* (CS101500) form

In these cases, transactions should be balanced in each company or branch involved so that the accounts of each entity will be in balance and so that you can prepare financial statements for each company or branch.

Configuration of Interbranch Transactions with Balancing Entries

To configure in the system the rules the system will use to generate balancing entries, you have to do the following:

1. Make sure that the *Inter-Branch Transactions* feature has been enabled on the *Enable/Disable Features* (CS100000) form.

2. Define the rules according to which the system will generate balancing entries on the *Inter-Branch Account Mapping* (GL101010) form. In each rule, you specify the following:
   - The originating branch in which an interbranch transaction is initiated. This is the branch specified for the document whose release causes the transaction to be generated.
   - For the balancing entry in the originating branch, you specify the following:
     - The destination branch to which the interbranch transaction is targeted. This is the branch specified in the particular line of the document whose release causes the transaction to be generated.
     - The account range for mapping. That is, the range of accounts of the destination branch to which the rule applies.
     - The offset account to which the system will post the balancing entry in the originating branch. You can use as this offset account any asset or liability account assigned to an appropriate account class, depending on the organization reporting needs.
   - For the balancing entry in the destination branch, you specify the following:
     - The destination branch to which the interbranch transaction is targeted. This is the branch specified in the particular line of the document whose release causes the transaction to be generated.
     - The account range for mapping. That is, the range of accounts of the destination branch to which the rule applies.
     - The offset account to which the system will post the balancing entry in the destination branch.

Interbranch Account Mapping: Implementation Activity

In this activity, you will learn how to define account mapping rules for intercompany and interbranch transactions in the system.

Story

The Muffins & Cakes company registers transactions between its branches in the system. Its branches use separate accounting, so they require balancing. The company also registers transactions with the SweetLife head office and retail shop. The account mapping rules between the Muffins & Cakes head office branch (*MHEAD* in the system) and the Muffin & Cakes retail store branch (*MRETAIL*) have already been defined in Acumatica ERP as well as mapping rules between the Muffins & Cakes head office branch and the SweetLife head office branch (*HEADOFFICE*). You will review these rules. You need to define account mapping rules for transactions between Muffins & Cakes head office branch and SweetLife retail shop (*RETAIL*).

Process Overview

In this activity, you will review the preconfigured account mapping on the *Inter-Branch Account Mapping* (GL101010) form. On the same form, you will configure the account mapping rules for transactions between two branches of separate companies.

System Preparation

Launch the Acumatica ERP website with the *U100* dataset, and sign in as a system administrator by using the following credentials:

- Username: *gibbs*
- Password: *123*

Step 1: Reviewing the Configuration of Mapping Rules Between Branches

To review the configuration of account mapping rules between the two branches of the *Muffins Head Office & Wholesale Center* company, do the following:

1. Open the *Inter-Branch Account Mapping* (GL101010) form.

2. In the **Originating Branch** box of the Summary area, select *MHEAD*.

   The originating branch is the branch to which the rules defined on the tabs apply.

3. On the **Transaction in Originating Branch** tab, review the settings that are used to generate balancing transactions in the originating branch.

   In the first row on this tab, notice that the *MRETAIL* branch is selected as the destination branch. This mapping rule applies to all the accounts within the specified account range. The *19000 - Due from Related Entity* account is specified as the offset account to which the system will post the balancing entry in the originating branch. The same settings apply to the *HEADOFFICE* branch in the second row of the tab.

4. On the **Transaction in Destination Branch** tab, review the settings that are used to generate balancing transactions in the destination branch.

   In the rows on this tab, notice that *26000 - Due to Related Entity* is specified as the offset account to which the system will post the balancing entry in the destination branches.

5. In the **Originating Branch** box in the Summary area, select *MRETAIL*, and review the mapping rules for transactions originating from the *MRETAIL* branch.

Now that you have reviewed the settings of existing interbranch account mapping rules, you will create your own account mapping rules.

Step 2: Defining Interbranch Account Mapping for Intercompany Transactions

To configure the account mapping rules for transactions between the *Muffins Head Office & Wholesale Center* branch and the *SweetLife Store* branch, which are in separate companies, do the following:

1. While you are still on the *Inter-Branch Account Mapping* (GL101010) form, select *MHEAD* in the **Originating Branch** box of the Summary area.

2. On the **Transaction in Originating Branch** tab, click **Add Row** on the table toolbar, and specify the following settings in the new row:

   - **Destination Branch**: *RETAIL*
   - **Account From**: 00000
   - **Account To**: 99999
   - **Offset Account**: *19000 - Due from Related Entity*

   This mapping rule applies to all the accounts within the specified account range. The *19000 - Due from Related Entity* account is specified as the offset account to which the system will post the balancing entry in the originating branch.

3. On the **Transaction in Destination Branch** tab, click **Add Row** on the table toolbar, and specify the following settings in the new row:

- **Destination Branch**: *RETAIL*
- **Account From**: 00000
- **Account To**: 99999
- **Offset Account**: *26000 - Due to Related Entity*

This mapping rule applies to all the accounts within the specified account range. The *26000 - Due to Related Entity* account is specified as the offset account to which the system will post the balancing entry in the destination branch.

4. On the form toolbar, click **Save**.

   You have defined the account mapping rules to be used when *MHEAD* is the originating branch and *RETAIL* is the destination branch. Now you will specify the account mapping rules to be used when *RETAIL* is the originating branch and *MHEAD* is the destination branch.

5. In the **Originating Branch** box, select *RETAIL*.

6. On the **Transaction in Originating Branch** tab, click **Add Row** on the table toolbar, and specify the following settings in the new row:

   - **Destination Branch**: *MHEAD*
   - **Account From**: 00000
   - **Account To**: 99999
   - **Offset Account**: *19000 - Due from Related Entity*

7. On the **Transaction in Destination Branch** tab, click **Add Row** on the table toolbar, and specify the following settings in the new row as shown in the screenshot below:

   - **Destination Branch**: *MHEAD*
   - **Account From**: 00000
   - **Account To**: 99999
   - **Offset Account**: *26000 - Due to Related Entity*

8. On the form toolbar, click **Save**.

   Now you have configured balancing rules that will be used for transactions between the *Muffins Head Office & Wholesale Center* branch and the *SweetLife Store* branch.

Figure: Interbranch account mapping for RETAIL and MHEAD branches

Part 2: Processing Documents Involving Several Branches

Lesson 2.1: Processing a Bill Between Branches Not Requiring Balancing

Interbranch Bills Without Balancing: General Information

If a company consists of multiple branches, it may have bills that involve multiple branches of the company for the purchase of goods or services from the specified vendor. If branches use centralized accounting—that is, the *With Branches Not Requiring Balancing* type is selected on the *Companies* (CS101500) form—you can enter bills without configuration of additional balancing entries.

When you enter an interbranch bill on the *Bills and Adjustments* (AP301000) form, you perform the same steps as you do when you add a bill that involves only one branch, except that you need to specify the branch that incurs the expenses for each line of the bill in addition to specifying the originating branch for the bill on the **Financial** tab. For details on creating a bill, see *AP Bills: General Information*.

Learning Objectives

You will learn how to do the following:

- Process a bill between branches that do not require balancing
- Review the balances of accounts involved in the transaction

Applicable Scenarios

You create interbranch bills in the following cases:

- If one branch purchases goods for this branch and for other branches of the company
- If one branch purchases services for this branch and for other branches of the company

Interbranch Bills Without Balancing: Generated Transactions

When you release an AP bill between branches that do not require balancing, the system generates a transaction in the general ledger. You can view the details of the batch associated with a bill by clicking the link in the **Batch Nbr.** box on the **Financial** tab of the *Bills and Adjustments* (AP301000) form. The system opens the *Journal Transactions* (GL301000) form with the batch selected.

If there is a single bill from a vendor for the goods purchased for multiple branches not requiring balancing, the following accounts are involved in the transaction posted to the general ledger when the bill is released:

- The AP account of the originating branch (that is, the branch from which the bill originates and that is purchasing the goods). The system uses the account specified in the **AP Account** box on the **Financial** tab of the *Bills and Adjustments* form. When a bill is created, the system fills in this setting with the AP account specified for the vendor location (if multiple business locations are used in the system) or specified for the vendor (if a single location is used), but you can override this setting for a particular bill.
- The expense account, which is specified for each line of the bill in the **Account** column on the **Details** tab of the *Bills and Adjustments* form. If no non-stock item is selected in a document line, by default, the system inserts into this column the expense account specified for the vendor location (if multiple business locations

are used in the system) or specified for the vendor (if a single location is used), but you can override this value.

For a bill that involves two branches not requiring balancing, the following example demonstrates the transaction that is generated. In this example, *HEADOFFICE* is the originating branch that is purchasing goods and *RETAIL* is the destination branch to receive some of the goods. The transaction shown below will be recorded to the general ledger when the bill is released and the related batch is posted.

Branch	Account	Debit	Credit
HEADOFFICE - Originating Branch	*20000 - Accounts Payable*	0.00	450.00
HEADOFFICE - Originating Branch	*62400 - Office Expense*	300.00	0.00
RETAIL - Destination Branch	*62400 - Office Expense*	150.00	0.00

If one branch purchases goods for another branch of the company and the branches do not require balancing, the bill reflects goods being ordered by one branch (the originating branch) and completely transferred to another branch (the destination branch). In this example, *HEADOFFICE* is the originating branch that is purchasing goods and *RETAIL* is the destination branch to which the goods are transferred. In this case, the following transaction will be recorded to the general ledger when the bill is released and the related batch is posted.

Branch	Account	Debit	Credit
HEADOFFICE - Originating Branch	*20000 - Accounts Payable*	0.00	450.00
RETAIL - Destination Branch	*62400 - Office Expense*	450.00	0.00

Interbranch Bills Without Balancing: Activity

In this activity, you will learn how to process a bill for branches that do not require balancing; you will then review the relevant account balances.

Story

The head office of the SweetLife company needs to process a $450 bill that it has received from the Spectra Stationery Office vendor on March 1, 2022. The bill is for stationery that was purchased for the head office branch in the amount of $300 and for the retail store branch in the amount of $150. (These branches do not need to be balanced.)

Acting as a SweetLife accountant, you need to create a bill in the system to reflect the bill received from the vendor, and then release the bill, which causes a batch to be generated for it.

Process Overview

To process an interbranch bill for branches that do not require balancing, you will create and release the bill on the *Bills and Adjustments* (AP301000) form. You will then review the generated batch on the *Journal Transactions* (GL301000) form, check the account balances on the *Account Summary* (GL401000) form, and generate the trial balance report by using the *Trial Balance Summary* (GL632000) report form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset, and sign in as an accountant by using the following credentials:

   - Username: *pasic*
   - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *3/1/2022*. If a different date is displayed, click the Business Date menu button and select *3/1/2022*.

3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

Step 1: Reviewing the Account Balances Before Posting a Bill

To review the account balances for the branches of the SweetLife company in the *03-2022* financial period, do the following:

1. Open the *Account Summary* (GL401000) form.

2. To review the account balances in both branches, in the Summary area, make sure the following settings are specified:

   - **Company/Branch**: *SWEETLIFE*
   - **Ledger**: *ACTUAL*
   - **Financial Period**: *03-2022*

3. In the table, review the account balances.

   For the *HEADOFFICE* branch, notice the amount in the **Debit Total** column for the *62400 - Office Expense* account ($0) and the amount in the **Credit Total** column for the *20000 - Accounts Payable* account ($0).

   For the *RETAIL* branch, note that the amount in the **Credit Total** column for the *20000 - Accounts Payable* account is $0, and the *62400 - Office Expense* account is not listed, meaning that the account balances are zero for the period.

Now you will create a bill between branches, which involves these accounts.

Step 2: Creating and Processing a Bill for Branches Not Requiring Balancing

To create and process an AP bill for stationery purchased for multiple branches (*HEADOFFICE* and *RETAIL*) that do not require balancing, do the following:

1. Open the *Bills and Adjustments* (AP301000) form.

   > (i) To open the form for creating a new record, type the form ID in the Search box, and on the Search form, point at the form title and click **New** right of the title.

2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Bill*
   - **Vendor**: *STATOFFICE*
   - **Date**: *3/1/2022*

- **Description**: `Stationery`

3. On the **Details** tab, click **Add Row**, and enter the following settings in the row you have added:

   - **Branch**: *HEADOFFICE*
   - **Transaction Descr.**: `Stationery`
   - **Ext. Cost**: `300`

4. Add another row with the following settings:

   - **Branch**: *RETAIL*
   - **Transaction Descr.**: `Stationery`
   - **Ext. Cost**: `150`

   Notice the *62400 - Office Expense* account specified in the **Account** column for both lines, which is the expense account associated with the vendor.

5. On the form toolbar, click **Save** to save the bill.

6. On the form toolbar, click **Remove Hold**, and click **Release** to release the bill.

7. On the **Financial** tab, notice the originating branch of the bill (*HEADOFFICE*), which is specified in the **Branch** box. The system has filled in the **Branch** box automatically with the branch to which you are signed in. Also, notice the AP account (*20000 - Accounts Payable*), which is specified in the **AP Account** box.

8. Click the link in the **Batch Nbr.** box, and review the GL batch, which the system has opened on the *Journal Transactions* (GL301000) form.

When you released the bill, the system generated and posted the related GL transaction. The AP account of the originating branch of the bill has been credited with the amount of the bill ($450) and accounts from each document line have been debited in the destination branch with the amount specified in the related line ($300 and $150).

In the next step, you will check the balances of these accounts.

Step 3: Reviewing the Account Balances

To review the account balances for the branches in the *03-2022* financial period, do the following:

1. Open the *Account Summary* (GL401000) form.

2. To review the account balances in the *HEADOFFICE* branch, in the Summary area, make sure the following settings are specified:

   - **Company/Branch**: *HEADOFFICE*
   - **Ledger**: *ACTUAL*
   - **Financial Period**: *03-2022*

3. In the table, review the account balances. Notice the amount in the **Debit Total** column for the *62400 - Office Expense* account ($300).

4. In the **Company/Branch** box of the Summary area, select *RETAIL* to review the account balances in the *RETAIL* branch.

5. In the table, review the account balances. Notice the amount in the **Debit Total** column for the *62400 - Office Expense* account ($150).

Now you will review the balances for the financial period for the company as a whole.

Step 4 (Optional): Reviewing the Balances for the Financial Period

To review the balances for the *03-2022* financial period, do the following:

1. Open the *Trial Balance Summary* (GL632000) report form.

2. On the **Report Parameters** tab, specify the following parameters:

   - **Company/Branch**: *SWEETLIFE*
   - **Ledger**: *ACTUAL*
   - **Financial Period**: *03-2022*
   - **Suppress Zero Balances**: Selected

3. On the report form toolbar, click **Run Report**.

4. In the generated report, review the account balances. The amount in the **Credit** column for the *20000 - Accounts Payable* account equals the amount in the **Debit** column for the *62400 - Office Expense* account, as shown in the following screenshot.

Trial Balance Summary

Company/Branch:	SWEETLIFE	Financial Period: 03-2022		Page:	1 of 1
Ledger:	ACTUAL	Supress Zero Balances		Date:	12/2/2021 8:51 AM
				User:	Nenad Pasic

Account	Type	Description	Beginning Balance	Debit	Credit	Ending Balance
10100	Asset	SweetStore Cash Register	9,236.71	0.00	0.00	9,236.71
10200	Asset	Company Checking Account	244,988.67	0.00	0.00	244,988.67
10210	Asset	Checking Account (KeyBank)	4,490.00	0.00	0.00	4,490.00
10600	Asset	Credit Card Account	748.00	0.00	0.00	748.00
11000	Asset	Accounts Receivable	25,317.36	0.00	0.00	25,317.36
11010	Asset	AR Accrual Account	-720.00	0.00	0.00	-720.00
12100	Asset	Inventory Asset	135,176.22	0.00	0.00	135,176.22
13200	Asset	Deposit to Vendor	190.00	0.00	0.00	190.00
19000	Asset	Due from Related Entity	70.00	0.00	0.00	70.00
		Assets Total	**419,496.96**	**0.00**	**0.00**	**419,496.96**
20000	Liability	Accounts Payable	18,917.98	0.00	450.00	19,367.98
20100	Liability	Inventory Purchase Accrual	956.14	0.00	0.00	956.14
20110	Liability	Inventory Purchase Accrual for Direct Receipts	12,233.70	0.00	0.00	12,233.70
20200	Liability	Landed Cost Accrual	15.00	0.00	0.00	15.00
22100	Liability	Customer Deposit	4,540.00	0.00	0.00	4,540.00
23015	Liability	Accrued Expenses	1,200.00	0.00	0.00	1,200.00
23200	Liability	Accrued Rent	1,200.00	0.00	0.00	1,200.00
24100	Liability	Tax Payable	279.04	0.00	0.00	279.04
30100	Liability	Capital Stock	400,000.00	0.00	0.00	400,000.00
32000	Liability	Retained Earnings	-42,293.54	0.00	0.00	-42,293.54
33000	Liability	Net Income	22,448.64	450.00	0.00	21,998.64
		Liability Total	**419,496.96**	**450.00**	**450.00**	**419,496.96**
40000	Income	Sales Revenue	50,954.17	0.00	0.00	50,954.17
40010	Income	Sales - Freight	11.00	0.00	0.00	11.00
		Income Total	**50,965.17**	**0.00**	**0.00**	**50,965.17**
50000	Expense	COGS - Inventory	7,958.53	0.00	0.00	7,958.53
54100	Expense	Project Labor Expense	1,520.00	0.00	0.00	1,520.00
54200	Expense	Project Subcontract Expense	1,150.00	0.00	0.00	1,150.00
61000	Expense	Advertising Expense	520.00	0.00	0.00	520.00
62400	Expense	Office Expense	1,672.00	450.00	0.00	2,122.00
62900	Expense	Rent or Lease Expense	2,500.00	0.00	0.00	2,500.00
63300	Expense	Utilities	-1,300.00	0.00	0.00	-1,300.00
81000	Expense	Other Expenses	14,496.00	0.00	0.00	14,496.00
		Expense Total	**28,516.53**	**450.00**	**0.00**	**28,966.53**

Figure: The account balances of the SWEETLIFE branch specified for the financial period

In this activity, you have created and processed a bill between branches that do not require balancing, and you have learned how to review the relevant account balances.

Lesson 2.2: Processing a Bill Between Branches Requiring Balancing

Interbranch Bills with Balancing: General Information

If a company consists of multiple branches, it may have bills that involve multiple branches of the company for the purchase of goods or services from the specified vendor. If branches use separate accounting—that is, the *With Branches Requiring Balancing* type is selected on the *Companies* (CS101500) form—you have to configure the system so that it generates balancing entries for these bills.

When you enter an interbranch bill on the *Bills and Adjustments* (AP301000) form, you perform the same steps as you do when you add a bill that involves only one branch, except that you specify the branch that incurs the

expenses for each line of the bill in addition to specifying the originating branch for the bill on the **Financial** tab. For details on creating a bill, see *AP Bills: General Information*.

On posting of an interbranch transaction related to a bill, the system adds balancing entries to the batch according to the account mapping rules that have been specified in the system. For details, see *Interbranch Account Mapping: General Information*.

Learning Objectives

You will learn how to do the following:

- Process a bill between branches that require balancing

Applicable Scenarios

You create interbranch bills in the following cases:

- If one branch purchases goods for this branch and for other branches of the company
- If one branch purchases services for this branch and for other branches of the company

Interbranch Bills with Balancing: Generated Transactions

When you release an AP bill between branches that need to be balanced, the system generates a transaction in the general ledger. When this batch is posted, the system adds a balancing transaction to it. You can view the details of the batch associated with a bill by clicking the link in the **Batch Nbr.** box on the **Financial** tab of the *Bills and Adjustments* (AP301000) form. The system opens the *Journal Transactions* (GL301000) form with the batch selected.

If there is a single bill from a vendor for the goods purchased for multiple branches requiring balancing, the following accounts are involved in the transaction posted to the general ledger:

- The AP account of the originating branch (that is, the branch from which the bill originates and that is purchasing the goods). The system uses the account specified in the **AP Account** box on the **Financial** tab of the *Bills and Adjustments* form. When a bill is created, the system fills in this setting with the AP account specified for the vendor location (if multiple business locations are used in the system) or specified for the vendor (if a single location is used), but you can override this setting for a particular bill.
- The expense account for the goods purchased, which is specified for each line of the bill in the **Account** column on the **Details** tab of the *Bills and Adjustments* form. If no non-stock item is selected in a line, by default, the system inserts into this column the expense account specified for the vendor location (if multiple business locations are used in the system) or specified for the vendor (if a single location is used), but you can override this value.
- The offset account to which the system will post the balancing entry in the originating branch; this account is specified in the **Offset Account** column on the **Transactions in the Originating Branch** tab of the *Inter-Branch Account Mapping* (GL101010) form for the destination branch.
- The offset account to which the system will post the balancing entry in the destination branch; this account is specified in the **Offset Account** column on the **Transactions in the Destination Branch** tab of the *Inter-Branch Account Mapping* form for the destination branch.

For a bill that involves two branches requiring balancing, the following example demonstrates the transaction that is generated. In this example, *MHEAD* is the originating branch that is purchasing goods and *MRETAIL* is the destination branch to receive some of the goods. The transaction shown below will be recorded to the general ledger when the bill is released and the related batch is posted.

Branch	Account	Debit	Credit
MHEAD - Originating Branch	*20000 - Accounts Payable*	0.00	350.00
MHEAD - Originating Branch	*62400 - Office Expense*	250.00	0.00
MRETAIL - Destination Branch	*62400 - Office Expense*	100.00	0.00
MHEAD - Originating Branch	*19000 - Due from Related Entity*	100.00	0.00
MRETAIL - Destination Branch	*26000 - Due to Related Entity*	0.00	100.00

With the other applicable scenario for branches requiring balancing, the bill reflects goods being ordered by one branch (the originating branch) and completely transferred to another branch (the destination branch). In this example, *MHEAD* is the originating branch that is purchasing goods and *MRETAIL* is the destination branch to which the goods are transferred. In this case, the following transaction will be recorded to the general ledger when the bill is released and the related batch is posted.

Branch	Account	Debit	Credit
MHEAD - Originating Branch	*20000 - Accounts Payable*	0.00	350.00
MRETAIL - Destination Branch	*62400 - Office Expense*	350.00	0.00
MHEAD - Originating Branch	*19000 - Due from Related Entity*	350.00	0.00
MRETAIL - Destination Branch	*26000 - Due to Related Entity*	0.00	350.00

Interbranch Bills with Balancing: Activity

In this activity, you will learn how to create and process a bill for branches requiring balancing. You will then review the relevant account balances.

Story

The head office of the Muffins & Cakes company needs to process a $350 bill that it has received from the Spectra Stationery Office vendor on March 1, 2022. The bill is for stationery that is being purchased for the head office branch in the amount of $250 and for the retail store branch in the amount of $100; these entries need to be balanced.

Acting as a Muffins accountant, you need to create a bill in the system to reflect the bill received from the vendor, and then release the bill, which causes a batch to be generated for it.

Process Overview

To process an interbranch bill between branches requiring balancing, you will create and release the bill on the *Bills and Adjustments* (AP301000) form. You will then review the generated batch on the *Journal Transactions* (GL301000) form and check the account balances on the *Account Summary* (GL401000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset, and sign in as an accountant by using the following credentials:

   - Username: *pasic*
   - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *3/1/2022*. If a different date is displayed, click the Business Date menu button and select *3/1/2022*.

3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *Muffins Head Office & Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu to view the list of branches that you have access to, and then click *Muffins Head Office & Wholesale Center*.

Step 1: Creating and Processing a Bill for Branches Requiring Balancing

To create and process an AP bill for stationery purchased for multiple branches (*MHEAD* and *MRETAIL*) that require balancing, do the following:

1. Open the *Bills and Adjustments* (AP301000) form.

2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Bill*
   - **Vendor**: *STATOFFICE*
   - **Date**: *3/1/2022*
   - **Description**: Stationery

3. On the **Details** tab, click **Add Row**, and specify the following settings in the row you have added:

   - **Branch**: *MHEAD*
   - **Transaction Descr.**: Stationery
   - **Ext. Cost**: 250

4. Add another row with the following settings:

   - **Branch**: *MRETAIL*
   - **Transaction Descr.**: Stationery
   - **Ext. Cost**: 100

   Notice the *62400 - Office Expense* account specified in the **Account** column for both lines, which is the expense account associated with the vendor.

5. On the form toolbar, click **Save** to save the bill.

6. On the form toolbar, click **Remove Hold**, and then click **Release** to release the bill.

7. On the **Financial** tab, notice the originating branch of the bill (*MHEAD*), which is specified in the **Branch** box. The system has filled in the **Branch** box automatically with the branch to which you are signed in. Also, notice the AP account (*20000 - Accounts Payable*), which is specified in the **AP Account** box.

8. Click the link in the **Batch Nbr.** box, and review the GL batch, which the system has opened on the *Journal Transactions* (GL301000) form.

   When you released the bill, the system generated and posted the related GL transaction. The AP account of the originating branch of the bill has been credited and accounts from each document line have been debited in the destination branch specified in the related line. Notice that the system added the balancing

entries to the batch during the posting process. The balancing entries have been created based on the mapping rule that has been configured on the *Inter-Branch Account Mapping* (GL101010) form.

You have added an AP bill that includes items purchased for multiple branches requiring balancing, and you have released this bill and reviewed the batch created when the bill was released. In the next step, you will check the account balances in each of the branches.

Step 2: Reviewing the Account Balances

To review the account balances for the *MHEAD* and *MRETAIL* branches and the *03-2022* financial period, do the following:

1. Open the *Account Summary* (GL401000) form.

2. To review the account balances in the *MHEAD* branch, in the Summary area, specify the following settings:

   - **Company/Branch**: *MHEAD*
   - **Ledger**: *MACTUAL*
   - **Financial Period**: *03-2022*

3. In the table, review the account balances. Notice the amount in the **Ending Balance** column for the *20000 - Accounts Payable* account ($350), the *62400 - Office Expense* ($250), and the *19000 - Due from Related Entity* account ($100).

4. In the **Company/Branch** box of the Summary area, select *MRETAIL* to review the account balances in the *MRETAIL* branch.

5. In the table, review the account balances. Notice the amount in the **Ending Balance** column for the *62400 - Office Expense* account ($100) and the *26000 - Due to Related Entity* account ($100).

Lesson 2.3: Processing Payments for a Shared Vendor

Payments for a Shared Vendor: General Information

To process payments for a vendor that is shared by different companies of the same tenant, the vendor and its payment methods should be configured properly. That is, no cash account has to be specified for the vendor on the *Vendors* (AP303000) form and the necessary cash accounts have to be defined as the default accounts for the branches in the payment method of the vendor on the *Payment Methods* (CA204000) form.

After the necessary settings have been specified, you create bills in each company on the *Bills and Adjustments* (AP301000) form as you usually create bills. The system will fill in the **Cash Account** box on the **Financial** tab of the form with the cash account that the originating branch uses for the selected payment method when making payments to vendors. For details on how to create bills, see *AP Bills: General Information*.

You then prepare and process payments on the *Prepare Payments* (AP503000) form.

Learning Objectives

You will learn how to do the following:

- Create bills for different companies that share a vendor
- Prepare payments from companies that use different cash accounts

Applicable Scenarios

You process payments for a shared vendor if multiple related companies in your organization purchase goods or services (or both) from the same vendor.

Payments for a Shared Vendor: Activity

In this activity, you will learn how to process payments for a vendor that is shared by different companies of your organization.

Story

Suppose that the head office of the SweetLife Fruits & Jams company has received a $2,000 bill from the Blueline Advertisement vendor on January 30, 2022. The head office of the Muffins & Cakes company has also received a bill from this vendor for $1,500 on the same day. The SweetLife Fruits & Jams company and the Muffins & Cakes company use different cash accounts to pay the bills.

Acting as an accountant, you need to create and release bills in the system, prepare payments for these bills, and process the payments through their release.

Process Overview

In this activity, you will first review the settings of the shared vendor on the *Vendors* (AP303000) form and the settings of the vendor's payment method on the *Payment Methods* (CA204000) form. To process bills from a shared vendor of two related companies, you will create and release the bills on the *Bills and Adjustments* (AP301000) form. You will then prepare payments for the created bills on the *Prepare Payments* (AP503000) form. From there, you will open the *Process Payments / Print Checks* (AP505000) form and process the payments through the review of the printable checks (and printing the check, if needed). You will then release the payments on the *Release Payments* (AP505200) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset, and sign in as an accountant by using the following credentials:

   - Username: *pasic*
   - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2022*. If a different date is displayed, click the Business Date menu button and select *1/30/2022*.

3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu to view the list of companies and branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

Step 1: Reviewing the Settings of the Vendor and the Payment Method

To review the settings of the *BLUELINE* vendor and its payment method, do the following:

1. Open the *Vendors* (AP303000) form.

2. In the **Vendor ID** box, select *BLUELINE*.

3. On the **Payment** tab, review the settings in the **Default Payment Settings** section.

   The default payment method of this vendor is *CHECK*. The **Cash Account** box is empty, which means that no cash account is associated with the vendor and payments to the vendor can be created from cash accounts of different companies.

4. Open the *Payment Methods* (CA204000) form.

5. In the **Payment Method ID** box, select *CHECK*.

6. On the **Allowed Cash Accounts** tab, review the cash accounts associated with this payment method.

   Notice that the *10200WH (Wholesale Checking)* account related to the *HEADOFFICE* branch of SweetLife and the *10200MF (Muffins Checking)* account related to the *MHEAD* branch of Muffins & Cakes are both listed. The **AP Default** check box is selected for the cash accounts. It means that in the *HEADOFFICE* branch, the *10200WH* account will be used by default in the AP payments having the *CHECK* payment method, and in the *MHEAD* branch, the *10200MF* account will be used in the AP payments with the *CHECK* payment method.

Step 2: Creating and Processing a Bill for the SweetLife Company

To create and process an AP bill for the SweetLife company, do the following:

1. Open the *Bills and Adjustments* (AP301000) form.

2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Bill*
   - **Vendor**: *BLUELINE*
   - **Date**: *1/30/2022*
   - **Description**: `Advertising services`

3. On the **Details** tab, click **Add Row**, and specify the following settings in the new row:

   - **Branch**: *HEADOFFICE*
   - **Transaction Descr.**: `Advertising services`
   - **Ext. Cost**: `2000`

4. On the form toolbar, click **Save** to save the bill.

5. On the form toolbar, click **Remove Hold**, and then click **Release** to release the bill.

6. In the **Default Payment Info** section of the **Financial** tab, notice that the payment method is set to *CHECK* and the cash account is set to *10200WH*. The system has inserted these settings because the bill has been created for the *HEADOFFICE* branch and the *BLUELINE* vendor.

You have created the bill for the SweetLife company and processed it through its release. You will now perform the same instructions for the bill for the Muffins & Cakes company.

Step 3: Creating and Processing a Bill for the Muffins & Cakes Company

To create and process an AP bill for the Muffins & Cakes company, do the following:

1. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, click the selection menu to view the list of branches that you have access to, and then click *Muffins Head Office & Wholesale Center*.

2. While you are still on the *Bills and Adjustments* (AP301000) form, click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Bill*
   - **Vendor**: *BLUELINE*
   - **Date**: *1/30/2022*

- **Description**: `Advertising services`

3. On the **Details** tab, click **Add Row**, and specify the following settings in the new row:

   - **Branch**: *MHEAD*
   - **Transaction Descr.**: `Advertising services`
   - **Ext. Cost**: `1500`

4. On the form toolbar, click **Save** to save the bill.

5. On the form toolbar, click **Remove Hold**, and then click **Release** to release the bill.

6. In the **Default Payment Info** section of the **Financial** tab, notice that the payment method is set to *CHECK* and the cash account is set to *10200MF*. The system has inserted these settings because the bill has been created for the *MHEAD* branch and the *BLUELINE* vendor.

Now that you have processed both bills of the companies who share the vendor, you will prepare the payments for these bills and process them.

Step 4: Preparing the Payments for the Bills

To prepare the payments for these bills and process these payments through their release, do the following:

1. Open the *Prepare Payments* (AP503000) form.

2. In the **Branch** box, make sure that *MHEAD* is selected.

3. In the **Payment Method** box of the Summary area, select *CHECK*.

4. In the **Cash Account** box, make sure *10200MF* is selected.

5. In the **Vendor** box, select *BLUELINE*.

6. Clear the **Pay Date Within x Days** check box.

7. On the **Documents to Pay** tab, select the unlabeled check box in the row of the bill you created in Step 3.

8. On the form toolbar, click **Process**.

   The system has opened the *Process Payments / Print Checks* (AP505000) form with the check created for the bill.

9. On the form toolbar, click **Process**.

   The system opens a separate browser tab showing the printable version of the check.

10. Review the printable version of the check, and close the browser tab. (For the purposes of this activity, you do not need to actually print the check. In a production setting, you would click **Print** on the form toolbar to print the check before closing the browser tab.)

11. On the *Release Payments* (AP505200) form, which the system has opened, notice that the system has added a row with the payment and selected the unlabeled check box for it. On the form toolbar, click **Process**.

12. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, click the selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

13. Open the *Prepare Payments* form again.

14. In the Summary area, specify the following settings:

    - **Branch**: *HEADOFFICE*
    - **Payment Method**: *CHECK*
    - **Cash Account**: *10200WH*
    - **Vendor**: *BLUELINE*
    - **Pay Date Within x Days**: Cleared

15. On the **Documents to Pay** tab, select the unlabeled check box in the row of the bill you created in Step 2 (the bill dated 1/30/2022 for the amount of $2000).

16. On the form toolbar, click **Process**.

    The system has opened the *Process Payments / Print Checks* (AP505000) form with the check created for the bill.

17. On the form toolbar, click **Process**.

    The system opens a separate browser tab showing the printable version of the check.

18. Review the printable version of the check, and close the browser tab.

19. On the *Release Payments* form, which the system has opened, notice that the system has added a row with the payment and selected the unlabeled check box for it. On the form toolbar, click **Process**.

You have processed two payments for a vendor that is shared by related companies, from the creation of the bills through the creation and release of the associated payments. The payments have been made from the cash accounts that belong to the originating branches of each bill.

Lesson 2.4 (Optional): Processing an Invoice Between Branches Not Requiring Balancing

Interbranch Invoices Without Balancing: General Information

If a company consists of multiple branches, it may have invoices whose lines include goods or services that multiple branches of the company have provided to the customer. If branches use centralized accounting—that is, the *With Branches Not Requiring Balancing* type is selected on the *Companies* (CS101500) form—you can enter invoices without configuration of additional balancing entries.

When you enter an interbranch invoice on the *Invoices and Memos* (AR301000) form, you perform the same steps as you do when you add an invoice that involves only one branch, except that you specify the branch that earned the income for each line of the invoice in addition to specifying the originating branch for the invoice on the **Financial** tab. For details on creating an invoice, see *AR Invoices: General Information*.

Learning Objectives

You will learn how to do the following:

- Process an invoice between branches that do not require balancing
- Review the balances of accounts involved in transactions

Applicable Scenarios

You create interbranch invoices if one branch bills a customer for goods or services provided by another branch or multiple branches of your company.

Interbranch Invoices Without Balancing: Generated Transactions

When you release an invoice that involves branches that do not need to be balanced, the system generates a transaction in the general ledger. You can view the details of the batch associated with an invoice by clicking the link in the **Batch Nbr.** box on the **Financial** tab of the *Invoices and Memos* (AR301000) form. The system opens the *Journal Transactions* (GL301000) form with the batch selected.

If an invoice bills a customer for goods provided by multiple branches that do not require balancing, the following accounts are involved in the GL transaction generated when the invoice is released:

- The AR account of the originating branch. The system uses the account specified in the **AR Account** box on the **Financial** tab of the *Invoices and Memos* form. When an invoice is created, the system fills in this setting with the AR account specified for the customer location (if multiple business locations are used in the system) or specified for the customer (if a single location is used), but you can override this setting for a particular invoice.
- The sales account to be used for the transaction. This account is specified for each line of the invoice in the **Account** column on the **Details** tab of the *Invoices and Memos* form. By default, the system inserts into this column either of the following sales accounts:
  - If a non-stock item is specified in the line, the sales account associated with the item on the **GL Accounts** tab of the *Non-Stock Items* (IN202000) form
  - If a non-stock item is not specified in the line, the sales account specified for the customer location being billed (if multiple business locations are used in the system) or specified for the customer (if a single location is used)

  You can override this setting for a particular invoice line.

For an invoice that involves two branches not requiring balancing, the following example demonstrates the GL transaction that is generated. In this example, *HEADOFFICE* is the originating branch that bills a customer for providing services and *RETAIL* is the destination branch that provides part of the services. The transaction shown below will be recorded to the general ledger when the invoice is released and the related batch is posted.

Branch	Account	Debit	Credit
HEADOFFICE - Originating Branch	*11000 - Accounts Receivable*	290.00	0.00
HEADOFFICE - Originating Branch	*40000 - Sales Revenue*	0.00	90.00
RETAIL - Destination Branch	*40000 - Sales Revenue*	0.00	200.00

For an invoice that involves another branch of the company, one branch (the originating branch) bills a customer for the services that have been performed by another branch (the destination branch). In this example, HEADOFFICE is the originating branch that is billing the customer and RETAIL is the destination branch that is providing services. In this case, the following transaction will be recorded to the general ledger when the invoice is released and the related batch is posted.

Branch	Account	Debit	Credit
HEADOFFICE - Originating Branch	*11000 - Accounts Receivable*	290.00	0.00
RETAIL - Destination Branch	*40000 - Sales Revenue*	0.00	290.00

Interbranch Invoices Without Balancing: Activity

In this activity, you will learn how to create and process an invoice for items provided by multiple branches not requiring balancing and review account balances.

Story

On March 1, 2022, the SweetLife Fruits & Jams company issued an invoice to the FourStar Coffee & Sweets Shop customer in the amount of $290 for goods and services delivered to the customer by two branches that do not

require balancing. The SweetLife Head Office and Wholesale Center branch has provided home canning training in the amount of $90, and the SweetLife Store branch has provided fruits and berries in the amount of $200.

Acting as a SweetLife accountant, you need to create an invoice in the system and then release it, which causes a batch to be generated for it.

Process Overview

To process an interbranch invoice between branches that do not need to be balanced, you will create and release the invoice on the *Invoices and Memos* (AR301000) form. You will then review the generated batch on the *Journal Transactions* (GL301000) form and check the account balances on the *Account Summary* (GL401000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset, and sign in as an accountant by using the following credentials:

   - Username: *pasic*
   - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *3/1/2022*. If a different date is displayed, click the Business Date menu button and select *3/1/2022*.

3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

Step 1: Creating and Processing an Invoice for Branches Not Requiring Balancing

To create and process an AR invoice for goods and services provided by multiple branches (*HEADOFFICE* and *RETAIL*) that do not require balancing, do the following:

1. Open the *Invoices and Memos* (AR301000) form.

2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Invoice*
   - **Customer**: *COFFEESHOP*
   - **Date**: *3/1/2022*
   - **Description**: `Fruit Delivery and Home Canning Training`

3. On the **Details** tab, click **Add Row**, and specify the following settings in the row you have added:

   - **Branch**: *HEADOFFICE*
   - **Transaction Descr.**: `Home Canning Training`
   - **Ext. Price**: `90`

4. Add another row with the following settings:

   - **Branch**: *RETAIL*
   - **Transaction Descr.**: `Fruit Delivery`
   - **Ext. Price**: `200`

   Notice the *40000 - Sales Revenue* account specified in the **Account** column for both lines, which is the sales account associated with the customer.

5. On the form toolbar, click **Save** to save the invoice.

6. On the form toolbar, click **Remove Hold**, and then click **Release** to release the invoice.

7. On the **Financial** tab, notice the originating branch of the invoice (*HEADOFFICE*), which is specified in the **Branch** box. The system has filled in the **Branch** box automatically with the branch to which you are signed in. Also, notice the AR account (*11000 - Accounts Receivable*), which is specified in the **AR Account** box.

8. Click the link in the **Batch Nbr.** box, and review the GL batch, which is opened on the *Journal Transactions* (GL301000) form.

   When you released the invoice, the system generated and posted the related GL transaction. The AR account of the originating branch of the invoice has been debited and accounts from each document line are credited in the destination branch specified in the related line.

In the next step, you will check the balances of these accounts.

Step 2: Reviewing the Account Balances

To review the account balances for the branches in the *03-2022* financial period, do the following:

1. Open the *Account Summary* (GL401000) form.

2. To review the account balances in the *HEADOFFICE* branch, in the Summary area, specify the following settings:
   - **Company/Branch**: *HEADOFFICE*
   - **Ledger**: *ACTUAL*
   - **Financial Period**: *03-2022*

3. In the table, review the account balances. Notice the amount in the **Credit Total** column for the *40000 - Sales Revenue* account ($90).

4. In the **Company/Branch** box of the Summary area, select *RETAIL* to review the account balances in the *RETAIL* branch.

5. In the table, review the account balances. Notice the amount in the **Credit Total** column for the *40000 - Sales Revenue* account ($200).

Lesson 2.5 (Optional): Processing an Invoice Between Branches Requiring Balancing

Interbranch Invoices with Balancing: General Information

If a company consists of multiple branches, it may have invoices whose lines include goods or services that multiple branches of the company have provided to the customer. If branches use separate accounting—that is, the *With Branches Requiring Balancing* type is selected on the *Companies* (CS101500) form—you have to configure the system so that it generates balancing entries for these invoices.

When you enter an interbranch invoice on the *Invoices and Memos* (AR301000) form, you perform the same steps as when you add an invoice for a single branch and specify the branch that earned the income for each line of the invoice in addition to specifying the originating branch for the invoice on the **Financial** tab. For details on creating an invoice, see *AR Invoices: General Information*.

On posting of an interbranch transaction related to an invoice between branches that require balancing, the system adds a balancing entry to the batch according to the account mapping rules that have been specified in the system. For details, see *Interbranch Account Mapping: General Information*.

Learning Objectives

You will learn how to do the following:

- Process an invoice between branches that require balancing
- Review the balances of accounts involved in transactions

Applicable Scenarios

You create interbranch invoices if one branch bills a customer for goods or services provided by another branch or multiple branches of your company.

Interbranch Invoices with Balancing: Generated Transactions

When you release an invoice between branches that need to be balanced, the system generates a transaction in the general ledger. When this batch is posted, the system adds balancing entries to it. You can view the details of the batch associated with an invoice by clicking the link in the **Batch Nbr.** box on the **Financial** tab of the *Invoices and Memos* (AR301000) form. The system opens the *Journal Transactions* (GL301000) form with the batch selected.

If an invoice bills a customer for goods provided by multiple branches that require balancing, the following accounts are involved in the transaction generated when the invoice is released and the related batch is posted:

- The AR account of the originating branch. The system uses the account specified in the **AR Account** box on the **Financial** tab of the *Invoices and Memos* form. When an invoice is created, the system fills in this setting with the AR account specified for the customer location (if multiple business locations are used in the system) or specified for the customer (if a single location is used), but you can override this setting for a particular invoice.
- The income account, which is specified for each line of the invoice in the **Account** column on the **Details** tab of the *Invoices and Memos* form. By default, the system inserts into this column either of the following accounts:
  - If a non-stock item is specified in the line, the sales account associated with the item on the **GL Accounts** tab of the *Non-Stock Items* (IN202000) form
  - If a non-stock item is not specified in the line, the sales account specified for the customer location being billed (if multiple business locations are used in the system) or specified for the customer (if a single location is used)

  You can override this setting for a particular invoice line.
- The offset account to which the system will post the balancing entry in the originating branch; this account is specified in the **Offset Account** column on the **Transactions in the Originating Branch** tab of the *Inter-Branch Account Mapping* (GL101010) form for the destination branch.
- The offset account to which the system will post the balancing entry in the destination branch; this account is specified in the **Offset Account** column on the **Transactions in the Destination Branch** tab of the *Inter-Branch Account Mapping* form for the originating branch.

For an invoice that involves two branches that require balancing, the following example demonstrates the GL transaction that is generated. In this example, *MHEAD* is the originating branch that bills a customer for providing services and *MRETAIL* is the destination branch that provides part of the services. The transaction shown below will be recorded to the general ledger when the invoice is released and the related batch is posted.

Branch	Account	Debit	Credit
MHEAD - Originating Branch	*11000 - Accounts Receivable*	600.00	0.00

Branch	Account	Debit	Credit
MHEAD - Originating Branch	*40000 - Sales Revenue*	0.00	100.00
MRETAIL - Destination Branch	*40000 - Sales Revenue*	0.00	500.00
MHEAD - Originating Branch	*19000 - Due from Related Entity*	0.00	500.00
MRETAIL - Destination Branch	*26000 - Due to Related Entity*	500.00	0.00

With the other applicable scenario for branches that require balancing, one branch (the originating branch) bills a customer for the services that have been performed by another branch (the destination branch). In this example, *MHEAD* is the originating branch that is billing the customer and *MRETAIL* is the destination branch that is providing services. In this case, the following transaction will be recorded to the general ledger when the invoice is released and the related batch is posted.

Branch	Account	Debit	Credit
MHEAD - Originating Branch	*11000 - Accounts Receivable*	600.00	0.00
MRETAIL - Destination Branch	*40000 - Sales Revenue*	0.00	600.00
MHEAD - Originating Branch	*19000 - Due from Related Entity*	0.00	600.00
MRETAIL - Destination Branch	*26000 - Due to Related Entity*	600.00	0.00

Interbranch Invoices with Balancing: Activity

In this activity, you will learn how to process an invoice for items provided by multiple branches that require balancing; you will then review account balances.

Story

On March 1, 2022, the Muffins & Cakes company issued an invoice to the GoodFood One Restaurant customer in the amount of $600 for baking-related goods and services delivered to the customer by both branches. (These branches require balancing.) The Muffins Head Office & Wholesale Center branch has provided baking classes in the amount of $100, and the Muffins Retail Shop branch has provided ingredients for baking in the amount of $500.

Acting as a Muffins accountant, you need to create an invoice in the system and then release the invoice, which causes a batch to be generated for it.

Process Overview

To process an interbranch invoice for branches that need to be balanced, you will create and release the invoice on the *Invoices and Memos* (AR301000) form. You will then review the generated batch on the *Journal Transactions* (GL301000) form and check the account balances on the *Account Summary* (GL401000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset, and sign in as an accountant by using the following credentials:

    - Username: *pasic*
    - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *3/1/2022*. If a different date is displayed, click the Business Date menu button and select *3/1/2022*.

3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *Muffins Head Office & Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu to view the list of branches that you have access to, and then click *Muffins Head Office & Wholesale Center*.

Step 1: Creating and Processing an Invoice Between Branches Requiring Balancing

To create and process an AR invoice for goods and services provided by multiple branches (*MHEAD* and *MRETAIL*) that require balancing, do the following:

1. Open the *Invoices and Memos* (AR301000) form.

2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

    - **Type**: *Invoice*
    - **Customer**: *GOODFOOD*
    - **Date**: *3/1/2022*
    - **Description**: `Baking product delivery`

3. On the **Details** tab, click **Add Row**, and specify the following settings in the row you have added:

    - **Branch**: *MHEAD*
    - **Transaction Descr.**: `Baking Class`
    - **Ext. Price**: `100`

4. Add another row with the following settings:

    - **Branch**: *MRETAIL*
    - **Transaction Descr.**: `Ingredients for Baking`
    - **Ext. Price**: `500`

    Notice the *40000 - Sales Revenue* account specified in the **Account** column for both lines, which is the sales account associated with the customer.

5. On the form toolbar, click **Save** to save the invoice.

6. On the form toolbar, click **Remove Hold**, and then click **Release** to release the invoice.

7. On the **Financial** tab, notice the originating branch of the invoice (*MHEAD*), which is specified in the **Branch** box. The system has filled in the **Branch** box automatically with the branch to which you are signed in. Also, notice the AR account (*11000 - Accounts Receivable*), which is specified in the **AR Account** box.

8. Click the link in the **Batch Nbr.** box, and review the GL batch, which the system has opened on the *Journal Transactions* (GL301000) form.

    When you released the invoice, the system generated and posted the related GL transaction. The AR account of the originating branch of the invoice has been debited and accounts from each document line are credited in the destination branch specified in the related line. Notice that the system added the balancing entries to the batch during the posting process. The balancing entries have been created based on the mapping rule that has been configured on the *Inter-Branch Account Mapping* (GL101010) form.

In the next step, you will check the balances of these accounts.

Step 2: Reviewing the Account Balances

To review the account balances for the branches in the *03-2022* financial period, do the following:

1. Open the *Account Summary* (GL401000) form.

2. To review the account balances in the *MHEAD* branch, in the Summary area, specify the following settings:
   - **Company/Branch**: *MHEAD*
   - **Ledger**: *MACTUAL*
   - **Financial Period**: *03-2022*

3. In the table, review the account balances. Notice the amount in the **Debit Total** column for the *11000 - Accounts Receivable* account ($600). Notice the amount in the **Credit Total** column for the *19000 - Due from Related Entity* account ($500) and the *40000 - Sales Revenue* account ($100).

4. In the **Company/Branch** box of the Summary area, select *MRETAIL* to review the account balances in the *MRETAIL* branch.

5. In the table, review the account balances. Notice the amount in the **Credit Total** column for the *40000 - Sales Revenue* account ($500) and the amount in the **Debit Total** column for the *26000 - Due to Related Entity* account ($500).

Lesson 2.6: Processing a Funds Transfer Between Companies

Intercompany Funds Transfers: General Information

It may happen that you need to transfer funds from one company to another one within one tenant. When you enter an intercompany funds transfer on the *Funds Transfers* (CA301000) form, you perform the same steps as you do when you add a funds transfer of a single company, specifying the correct source account and destination account.

On posting of an intercompany transaction related to a funds transfer, an intercompany transfer, the system adds balancing entries to the batch according to the account mapping rules that have been specified in the system. For details, see *Interbranch Account Mapping: General Information*.

Learning Objectives

You will learn how to process a funds transfer between companies.

Applicable Scenarios

You create intercompany funds transfers if you want to redistribute funds among companies of your organization. For example, at the end of the financial period, the companies reconcile their due-to and due-from amounts to pay each other.

Intercompany Funds Transfers: Generated Transactions

When you release a funds transfer between different companies, the system generates a transaction in the general ledger. When this batch is posted, the system adds balancing entries to it. You can view the details of the batch

associated with a funds transfer by clicking the link in the **Batch Number** box of the *Funds Transfers* (CA301000) form. The system opens the *Journal Transactions* (GL301000) form with the batch selected.

For a funds transfer between different companies, the following accounts are involved in the GL transaction generated when the funds transfer is released and the related batch is posted:

- The account of the originating branch (that is, the branch from which the funds transfer originates). In the **Source Account** section of the *Funds Transfers* form, you select a cash account in the **Account** box, but in a GL transaction the system will use the GL account associated with the selected cash account.
- The account of the destination branch (that is, the branch that is receiving the funds transfer). In the **Destination Account** section of the *Funds Transfers* form, you select a cash account in the **Account** box, but in a GL transaction the system will use the GL account associated with the selected cash account.
- The offset account to which the system will post the balancing entry in the originating branch; this account is specified in the **Offset Account** column on the **Transactions in the Originating Branch** tab of the *Inter-Branch Account Mapping* (GL101010) form for the destination branch.
- The offset account to which the system will post the balancing entry in the destination branch; this account is specified in the **Offset Account** column on the **Transactions in the Destination Branch** tab of the *Inter-Branch Account Mapping* form for the destination branch.

For a funds transfer between companies, the following example demonstrates the transactions that are generated. In this example, *MHEAD* is the originating branch that transfers funds and *HEADOFFICE* is the destination branch to receive the transfer. The transaction shown below will be recorded to the general ledger when the funds transfer is released and the related batch is posted.

Branch	Account	Debit	Credit
MHEAD - Originating Branch	10200 - Company Checking Account	0.00	70.00
HEADOFFICE - Destination Branch	10200 - Company Checking Account	70.00	0.00
MHEAD - Originating Branch	19000 - Due from Related Entity	70.00	0.00
HEADOFFICE - Destination Branch	26000 - Due to Related Entity	0.00	70.00

Intercompany Funds Transfers: Activity

In this activity, you will learn how to make a funds transfer between related companies of an organization.

Story

At the end of the *01-2022* period, the SweetLife Fruits & Jams and Muffins & Cakes companies need to reconcile their due-to and due-from accounts so the companies can pay each other.

Acting as an accountant, you need to review the due-to and due-from accounts and create and release a funds transfer from one company to the other.

Process Overview

To process an intercompany funds transfer, you will create and release a funds transfer for the needed amount on the *Funds Transfers* (CA301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset, and sign in as an accountant by using the following credentials:

   - Username: *pasic*
   - Password: *123*

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/31/2022*. If a different date is displayed, click the Business Date menu button and select *1/31/2022*.

3. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *Muffins Head Office & Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu to view the list of branches that you have access to, and then click *Muffins Head Office & Wholesale Center*.

Step: Processing a Funds Transfer Between Companies

To process a funds transfer from the Muffins Head Office branch to the SweetLife Head Office branch, do the following:

1. Open the *Funds Transfers* (CA301000) form.

2. On the form toolbar, click **Add New Record**, and in the **Description** box of the Summary area, type `Intercompany payoff 01-2022`.

3. In the **Source Account** section, specify the following settings:

   - **Account**: *10200MF - Muffins Checking*
   - **Transfer Date**: *1/31/2022*
   - **Document Ref.**: `01312022`
   - **Amount**: `70.00`

   These settings indicate to the system that $70 will be transferred from the *10200MF - Muffins Checking* account on January 31, 2022. The document reference number is the number of the corresponding bank document.

4. In the **Destination Account** section, specify the following details:

   - **Account**: *10200WH - Wholesale Checking*
   - **Receipt Date**: *1/31/2022*

   These settings indicate that the funds will be transferred to the *10200WH* account, which is defined as a cash account for the SweetLife company.

5. On the form toolbar, click **Save** to save the funds transfer.

6. On the form toolbar, click **Remove Hold**, and then click **Release** to release the funds transfer.

7. Click the link in the **Batch Number** box, and review the batch, which the system has opened on the *Journal Transactions* (GL301000) form.

   Notice that the system added the balancing entries to the batch during the posting process. The balancing entries have been created based on the mapping rule that has been configured on the *Inter-Branch Account Mapping* (GL101010) form.

Lesson 2.7: Closing a Financial Period in a Company

Closing a Financial Period in a Company: General Information

After all the needed transactions have been posted to a financial period and all figures have been verified, you can close the financial period in the system to prevent users from posting new transactions to the period. Financial periods can be closed starting from the first period of the first financial year; that is, you cannot close a financial period if the previous one has not been closed yet. You can close multiple periods at once (for instance, all periods of a year). Once closed, a period can later be reopened; also, you can allow users to enter documents and post transactions to the closed period.

Learning Objectives

By completing the activity, you will learn how to close periods for an individual company in all subledgers and the general ledger at the same time when the *Centralized Period Management* feature is disabled on the *Enable/Disable Features* (CS100000) form.

Financial Period Management

You can manage financial periods at a company level and at the tenant level, depending on whether the *Centralized Period Management* feature is enabled or disabled on the *Enable/Disable Features* (CS100000) form.

When the *Centralized Period Management* feature is enabled, all companies within a single tenant use the same calendar (which is set up on the *Master Financial Calendar* (GL201000) form) and a particular financial period has the same status in all companies. You can open, close, lock, deactivate, reopen, and unlock a financial period for all companies at the same time.

If the *Centralized Period Management* feature is disabled, the accounting department of each company can open and close the periods independently. As a result, the period statuses can be different in different companies though the companies can use the same calendar. When this feature is disabled, you use the *Manage Financial Periods* (GL503000) form to change period statuses separately for each particular company. On the *Company Financial Calendar* (GL201100) form, you can review financial periods and their statuses for a particular company.

To use different calendars in different companies, the *Multiple Calendars Support* feature needs to be enabled.

If the *Multiple Calendars Support* feature is disabled, the system generates company calendars automatically when the master calendar is generated (for the companies that already exist) or when a new company is created. If the *Multiple Calendars Support* feature is enabled, users generate calendars for each company. The system generates the corresponding years in the master calendar in the background.

Closing a Period in the General Ledger

A period is assigned the *Closed* status only after it has been closed in the general ledger on the *Manage Financial Periods* (GL503000) form.

Before you close periods, check whether there are unposted documents for the periods that you want to close. To do that, on the *Manage Financial Periods* form, you select the periods you want to close and click **Unposted Documents** on the form toolbar. In the Unposted <subledger> Documents report, which opens, you can review the list of documents that have not been posted to the selected periods in a particular subledger. Before a period can be closed in the general ledger, it has to be closed in all the subledgers in use. Periods that are closed in one or several subledgers have the **Closed in <subledger>** check box selected for these subledgers. A period can be closed

in a particular subledger on the Close Financial Periods form of the subledger or on the *Manage Financial Periods* form, along with the general ledger.

If a period was closed by mistake, you can reopen it on the *Manage Financial Periods* (GL503000) form.

Closing a Financial Period in a Company: Activity

In this activity, you will learn how to close a financial period in an individual company in all subledgers and the general ledger at the same time.

Story

Suppose that as an accountant, you need to close the *2021* financial year in all the subledgers and the general ledger in the SweetLife Fruits & Jams company and in the Muffins & Cakes company.

The *Centralized Period Management* feature has been disabled on the *Enable/Disable Features* (CS100000) form, so periods can be managed separately in each company.

Process Overview

In this activity, you will review the statuses of financial periods on the *Company Financial Calendar* (GL201100) form, and close the financial periods of the SweetLife and Muffins companies on the *Manage Financial Periods* (GL503000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website with the *U100* dataset.

2. Sign in as an accountant by using the *pasic* username and the *123* password.

Step 1: Reviewing the Statuses of Financial Periods

To review the statuses of financial periods, do the following:

1. Open the *Company Financial Calendar* (GL201100) form.

2. In the Selection area, specify the following settings:

   - **Company**: *SWEETLIFE*
   - **Financial Year**: *2021*

   Notice that all periods in the *2021* financial year are open.

Step 2: Closing a Financial Year in SweetLife Fruits & Jams

To close the *2021* financial year and the preceding years in the SweetLife company, do the following:

1. While you are still on the *Company Financial Calendar* (GL201100) form with the *SWEETLIFE* company selected, on the More menu, click **Close Periods**.

2. On the *Manage Financial Periods* (GL503000) form that opens, select the unlabeled check box for the *13-2021* period. The check boxes for the preceding periods are automatically selected.

3. On the form toolbar, click **Unposted Documents** to verify that no unposted documents exist for these periods. The system opens the Unreleased AP Documents (AP656100) report listing one unposted AP document. Process this document as follows:

    a. Click the link in the **Reference Nbr.** column.

    b. On the *Checks and Payments* (AP302000) form, which opens, review the document.

    c. In the **Application Date** box, change the date to *1/30/2022*. Notice that the application period of the document has changed to *01-2022.*

    d. On the form toolbar, click **Save** to save the document.

    e. Close the *Checks and Payments* form.

4. On the *Manage Financial Periods* form, click **Unposted Documents** again. In the message that is displayed, click **OK**.

   There are no unposted documents for the selected periods in the branches of the SweetLife company and you can proceed with closing the periods.

5. On the form toolbar, click **Process**.

   The system displays a message that the selected range of periods will be closed in subledgers and in the general ledger. Click **OK**.

6. In the **Processing** pop-up window, which opens, click the **Processed** tab and review the list of processed records. Click **Close**.

7. Open the *Company Financial Calendar* form.

8. In the Summary area, specify the following settings:

   - **Company**: *SWEETLIFE*
   - **Financial Year**: *2021*

   The periods in the specified range have changed their status to *Closed* and the **Closed in AP**, **Closed in AR**, **Closed in IN**, and **Closed in CA** check boxes for these periods are selected.

Step 3: Closing a Financial Year in Muffins & Cakes

To close the *2021* financial year in the Muffins & Cakes company, do the following:

1. Open the *Manage Financial Periods* (GL503000) form.

2. In the **Company** box, select *MUFFINS*.

3. In the **Action** box, select *Close*.

4. In the **To Year** box, select *2021*.

5. Select the unlabeled check box for the *13-2021* period. The check boxes for the preceding periods are automatically selected.

6. On the form toolbar, click **Unposted Documents** to verify that no unposted documents exist for these periods.

   > (i) If there are unposted documents in any of the subledgers in the selected periods, when you invoke this action, the reports for the subledgers will be displayed showing all unposted documents in each subledger. Review each of the documents in the reports and either post it or reassign to a different period (as described in Step 2 of this activity). Once all documents in all the periods are posted, you can proceed to close the periods.

7. On the form toolbar, click **Process**.

   The system displays a message that the selected range of periods will be closed in subledgers and in the general ledger. Click **OK**.

8. In the **Processing** pop-up window, which opens, click the **Processed** tab and review the list of processed records. Click **Close**.

9. Open the *Company Financial Calendar* (GL201100) form.

10. In the Summary area, specify the following settings:

- **Company**: *MUFFINS*
- **Financial Year**: *2021*

The periods in the specified range have changed their status to *Closed* and the **Closed in AP**, **Closed in AR**, **Closed in IN**, and **Closed in CA** check boxes for these periods are selected.

Part 3: Processing Intercompany Sales

Lesson 3.1: Setting Up Intercompany Sales

Intercompany Sales: General Information

You use the intercompany sales functionality to record the sales of goods and services between related companies or branches of related companies. While viewing a company or branch, an administrator can quickly extend it—that is, cause it to be defined as a customer or vendor.

The intercompany sales functionality is available in the system if the *Inter-Branch Transactions* feature has been enabled on the *Enable/Disable Features* (CS100000) form.

Learning Objectives

In this chapter, you will learn how to extend branches and companies to be customers and vendors, so that they can later perform intercompany sales.

Applicable Scenarios

You use the intercompany sales functionality if there are multiple companies defined in the same tenant and one of the companies (the selling company) has rendered a service or sold goods to another company (the purchasing company). Each of these companies can consist of multiple branches. The selling company creates an AR document (invoice, debit memo, or credit memo) where the purchasing company is a customer. In the created AP document (bill, debit adjustment, or credit adjustment), the selling company should be specified as a vendor.

Extending of Companies or Branches as Customers and Vendors

Companies that have the *Without Branches* company type can be extended as customers or vendors on the *Companies* (CS101500) form. Branches of companies with the *With Branches Not Requiring Balancing* or *With Branches Requiring Balancing* company type can be extended as customers or vendors on the *Branches* (CS102000) form.

With a company of the *Without Branches* type selected on the *Companies* form, you click **Extend as Customer** (under **Company Management**) on the More menu. The system navigates to the *Customers* (AR303000) form and automatically inserts the company's settings into the appropriate boxes for the newly created customer based on the company. The system inserts the settings specified for the customer class, except for the **Tax Zone** and **Shipping Rule** on the **Shipping** tab, and the subaccounts specified on the **GL Accounts** tab (if subaccounts are in use in the system). Once the customer based on the company has been saved, this customer can be selected for documents on the *Invoices and Memos* (AR301000) form and other forms.

> ⚠ Once a company with the *Without Branches* type has been extended as a customer, you cannot change the type of this company.

With a company of the *Without Branches* type selected on the *Companies* form, if you click **Extend as Vendor** (under **Company Management**) on the More menu, the system navigates to the *Vendors* (AP303000) form and automatically inserts the company's settings into the appropriate boxes for the newly created vendor based on the company. The system inserts the settings specified for the vendor class, except for the **Tax Zone** on the **Purchase Settings** tab, and the subaccounts specified on the **GL Accounts** tab (if subaccounts are in use in the system). Once

the vendor based on the company has been saved, this vendor can be selected for documents on the *Bills and Adjustments* (AP301000) form and other forms.

> ⚠️ A company extended to be a customer or vendor cannot be deleted unless the customer or vendor record has been deleted first.

With a branch selected on the *Branches* (CS102000) form, if you click **Extend as Customer** (under **Company Management**) on the More menu, the system navigates to the *Customers* form and automatically inserts the branch settings into the appropriate boxes for the newly created customer based on the branch. The system inserts the settings specified for the customer class, except for the **Tax Zone** and **Shipping Rule** on the **Shipping** tab, and the subaccounts specified on the **GL Accounts** tab (if subaccounts are in use in the system). Once the customer based on the branch has been saved, this customer can be selected for documents on the *Invoices and Memos* form and other forms.

With a branch selected on the *Branches* form, if you click **Extend as Vendor** (under **Company Management**) on the More menu, the system navigates to the *Vendors* form and automatically inserts the branch settings into the appropriate boxes for the newly created vendor based on the branch. The system inserts the settings specified for the vendor class, except for the **Tax Zone** on the **Purchase Settings** tab, and the subaccounts specified on the **GL Accounts** tab (if subaccounts are in use in the system). Once the vendor based on the branch has been saved, this vendor can be selected for documents on the *Bills and Adjustments* form and other forms.

> ⚠️ A branch extended to be a customer or vendor cannot be deleted unless the customer or vendor record has been deleted first.

Setup of Default Sales Account in Intercompany Invoices

On the *Accounts Receivable Preferences* (AR101000) form, the **Use Intercompany Sales Account From** box defines which sales account the system inserts in the lines of an intercompany AR document whose customer was extended based on a company or branch. You can select one of the following options:

- *Customer Location* (default): The system inserts the sales account specified in the **Sales Account** box on the **GL Accounts** tab of the *Customer Locations* (AR303020) form for the customer location selected for the AR document.
- *Inventory Item*: The system inserts the sales account specified in the **Sales Account** box on the **GL Accounts** tab of the *Non-Stock Items* (IN202000) form if a non-stock item is specified in the AR document line.

Setup of Default Expense Account in Bills from Related Companies

On the *Accounts Payable Preferences* (AP101000) form, the **Use Intercompany Expense Account From** box defines which expense account the system inserts in the lines of an intercompany AP document of a vendor that was extended based on a company or branch. You can select the following options:

- *Vendor Location* (default): The system inserts the expense account specified in the **Expense Account** box on the **GL Accounts** tab of the *Vendor Locations* (AP303010) form for the vendor location selected for the AP document.
- *Inventory Item*: The system inserts the expense account specified in the **Expense Account** box on the **GL Accounts** tab of the *Non-Stock Items* (IN202000) form if a non-stock item is specified in the AP document line.

Intercompany Sales: Implementation Activity

The following activity will walk you through the process of setting up intercompany sales between branches of two companies within the same tenant.

Story

Suppose that the Head Office of the Muffins & Cakes company has to purchase juicer installation services from the Service and Equipment Sales Center of SweetLife Fruits & Jams. An accountant of SweetLife Fruits & Jams issues an invoice to the Muffins & Cakes company for the services. The corresponding AP bill needs to be processed in Muffins & Cakes. Two documents have to be created in the system for a single transaction (AR invoice in the selling company and AP bill in the purchasing company), but the accountant does not want to enter both of them manually. To cause the system to create the AP bill automatically based on an AR invoice, the chief accountant of SweetLife has decided to use the intercompany sales functionality.

> ⚠️ Before using this functionality, these related companies used interbranch account mapping specified on the *Inter-Branch Account Mapping* (GL101010) form, which caused the system to create balancing entries, but the companies did not issue invoices or bills for each other. This approach is described in the following activities: *Interbranch Bills with Balancing: Activity* and *Interbranch Invoices with Balancing: Activity*.
>
> For training purposes we illustrated these two approaches for the same pair of companies. However, in a production environment, you need to choose the approach that suites your company better–either creation of balancing entries or intercompany sales–and use it consistently.

Acting as a system administrator, you need to extend the *SWEEPEQUIP* branch of SweetLife to be a vendor and the *MHEAD* branch of Muffins & Cakes to be a customer.

Process Overview

In this activity, you will review the AP and AR preferences on the *Accounts Payable Preferences* (AP101000) and *Accounts Receivable Preferences* (AR101000) forms. On the *Branches* (CS102000) form, you will extend the *SWEETEQUIP* branch to be a vendor and the *MHEAD* branch to be a customer. On the *Vendors* (AP303000) form, you will update the settings of the new vendor and on the *Customers* (AR303000) form, you will update the settings of the new customer.

System Preparation

Launch the Acumatica ERP website, and sign in as a system administrator by using the following credentials:

- Username: *gibbs*
- Password: *123*

Step 1: Reviewing the AP and AR Preferences

Before you start configuring the intercompany sales functionality, you need to review the related AP and AR preferences. Do the following:

1. Open the *Accounts Payable Preferences* (AP101000) form.

2. In the **Data Entry Settings** section on the **General** tab, review the value in the **Use Intercompany Expense Account From** box.

   In the box, *Vendor Location* is specified, meaning that the system will use the expense account specified on the *Vendor Locations* (AP303010) form for the vendor location selected in an AP document.

3. Open the *Accounts Receivable Preferences* (AR101000) form.

4. In the **Data Entry Settings** section on the **General** tab, review the value in the **Use Intercompany Sales Account From** box.

In the box, *Customer Location* is specified, meaning that the system will use the sales account specified on the *Customer Locations* (AR303020) form for the customer location selected for the AR document.

Step 2: Extending a Branch as a Vendor

To extend the *SWEETEQUIP* branch as a vendor, do the following:

1. Open the *Branches* (CS102000) form.

2. In the **Branch ID** box, select *SWEETEQUIP*.

3. On the More menu (under **Company Management**), click **Extend as Vendor**. The system opens the *Vendors* (AP303000) form with the appropriate settings copied from the branch to the vendor.

4. In the **Vendor Class** box in the Summary area, select *INTERCO*.

5. In the warning message that displays, click **Yes**.

6. On the **GL Accounts** tab, review the settings of the *MAIN* location automatically created by the system.

   The account specified in the **Expense Account** column is *53100 - Intercompany Expenses*, which has been copied from the settings of the selected vendor class. This account will be used by default in generated AP documents.

7. On the form toolbar, click **Save**.

Step 3: Extending a Branch as a Customer

To extend the *MHEAD* branch as a customer, do the following:

1. Open the *Branches* (CS102000) form.

2. In the **Branch ID** box, select *MHEAD*.

3. On the More menu (under **Company Management**), click **Extend as Customer**. The system opens the *Customers* (AR303000) form with the appropriate settings copied from the branch to the customer.

4. In the **Customer Class** box in the Summary area, select *INTERCO*.

5. In the warning message that displays, click **Yes**.

6. On the **GL Accounts** tab, review the settings of the *MAIN* location automatically created by the system.

   The account specified in the **Sales Account** column is *43000 - Related Company Sales*, which has been copied from the settings of the selected customer class. The account specified in the **AR Account** column is *19010 - Accounts Receivable - Related Company*, which has also been copied from the settings of the selected customer class. These accounts will be used by default in generated AR documents.

7. On the form toolbar, click **Save**.

Lesson 3.2: Processing Intercompany Sales

Intercompany Sales: General Information

Once you have configured the intercompany sales functionality, the system can automatically create AP documents (bills, debit adjustments, and credit adjustments) in the purchasing company based on the AR documents (invoices, credit memos, and debit memos) that users create in the selling company.

Learning Objectives

In this chapter, you will learn how to do the following:

- Process an intercompany invoice and create an intercompany bill based on this invoice.
- Pay the intercompany bill.
- Process a payment for the intercompany invoice.

Applicable Scenarios

You use the intercompany sales functionality if there are multiple companies defined in the same tenant and one of the companies (the selling company) has rendered a service or sold goods to another company (the purchasing company). Each of these companies can consist of multiple branches. The selling company creates an AR document (invoice, debit memo, or credit memo) where the purchasing company is a customer. In the created AP document (bill, debit adjustment, or credit adjustment), the selling company should be specified as a vendor.

Automatic Creation of AP Documents

Once the intercompany sales functionality has been configured, as described in *Intercompany Sales: Implementation Activity*, you can start processing sales documents between the selling and purchasing companies.

You can use the *Generate Intercompany Documents* (AP503500) form to mass-generate AP documents based on AR documents from the selling company or branch. The form lists the AR documents in the related company for which new AP documents can be generated. When you generate AP documents either by clicking **Process** or **Process All** on the form toolbar of this form or by clicking **Generate AP Document** on the More menu (under **Intercompany**) for an individual AR document on the *Invoices and Memos* (AR301000) form, the system generates an AP document that corresponds to each AR document. For details, see *Intercompany Sales: Mapping Rules*.

> ⚠️ Taxes are not copied to an AP document; instead, they are calculated based on the tax zone of the vendor (the originating branch of the AR document). If the total amount or the tax total amount of the AR document differs from the total amount and the tax total amount in the AP document, the system will display a warning message, but you will be able to release the AP document.

The system generates an AP document if the original AR document meets the following criteria:

- The document's customer has been extended from a company or branch.
- The document's type is *Invoice*, *Credit Memo*, or *Debit Memo*.
- The document is released.
- The **Exclude from Intercompany Processing** check box has been cleared for the document on the **Financial** tab (**Intercompany Invoicing** section) of the *Invoices and Memos* form.
- The document has no related AP document. That is, the **Related AP Document** box is empty on the **Financial** tab (**Intercompany Invoicing** section) of the *Invoices and Memos* form.
- The document has not been migrated.
- The document is not a retainage document and is not a document with retainage.
- The document is not a child document of an AR document with the *Multiple* installment credit terms.

For details of the mapping rules between AR and AP documents, see *Intercompany Sales: Mapping Rules*.

Workflow of the Intercompany Sales

For intercompany sales of non-stock items between the branches of two different companies, the typical process involves the actions and generated documents shown in the following diagram.

Intercompany Sales

Start

The SWEETEQUIP branch (vendor)

1 Create and release an AR invoice
Invoices and Memos (AR301000)

Invoice
Customer: MHEAD
Balance: $250
Status: *Open*

GL Batch
Intercompany AR a/c (SWEETEQUIP), Dr: $250
Intercompany Sales a/c (SWEETEQUIP), Cr: $250

2 Generate an AP bill (click **Generate AP Document** on the More menu under **Intercompany**)
Invoices and Memos (AR301000)

Bill
Vendor: SWEETEQUIP
Balance: $250
Status: *Balanced*

3 Release the AP bill (click **Release**)
Bills and Adjustments (AP301000)

Bill
Vendor: SWEETEQUIP
Balance: $250
Status: *Open*

GL Batch
Intercompany Expense a/c (MHEAD), Dr: $250
Intercompany AP a/c (MHEAD), Cr: $250

The MHEAD branch (customer)

4 Pay the AP bill (click **Pay**)
Bills and Adjustments (AP301000)

Check
Vendor: SWEETEQUIP
Payment Amount: $250
Status: *On Hold*

5 Print the check (click **Print/Process**)
Checks and Payments (AP302000)

Check
Vendor: SWEETEQUIP
Payment Amount: $250
Status: *Printed*

6 Release the check payment (click **Process**)
Release Payments (AP505200)

Check
Vendor: SWEETEQUIP
Payment Amount: $250
Status: *Closed*

GL Batch
Intercompany AP a/c (MHEAD), Dr: $250
Cash a/c (MHEAD), Cr: $250

The SWEETEQUIP branch (vendor)

7 Create and release an AR payment
Payments and Application (AR302000)

Payment
Customer: MHEAD
Payment Amount: $250
Status: *Closed*

GL Batch
Cash a/c (SWEETEQUIP), Dr: $250
Intercompany AR a/c (SWEETEQUIP), Cr: $250

End

Figure: Intercompany sales process

Intercompany Sales: Generated Transactions

As you perform intercompany sales, you create and process an AR invoice. To update the account balances, the system generates and posts the GL transactions described in the following sections.

Transaction Generated for an AR Invoice

When you create and release an AR invoice, the system generates the following general ledger transaction:

Branch	Account	Debit	Credit
SWEETEQUIP (Selling branch)	*19010 - Accounts Receivable - Related Company*	Amount	00.00
SWEETEQUIP (Selling branch)	*43000 - Related Company Sales*	00.00	Amount

You can view the reference number of the GL batch on the **Financial** tab of the *Invoices and Memos* (AR301000) form.

Transaction Generated for an AP Bill

When the system creates an AP bill based on the AR invoice you created, the system generates the following general ledger transaction after release of this bill:

Branch	Account	Debit	Credit
MHEAD (Purchasing branch)	*26010 - Accounts Payable - Related Company*	00.00	Amount
MHEAD (Purchasing branch)	*53100 - Intercompany Expenses*	Amount	00.00

You can view the reference number of the GL batch on the **Financial** tab of the *Bills and Adjustments* (AP301000) form.

Transaction Generated for an AP Payment

When you create and release a check payment to pay the automatically generated AP bill, the system generates the following general ledger transaction:

Branch	Account	Debit	Credit
MHEAD (Purchasing branch)	*10200 - Company Checking Account*	00.00	Amount
MHEAD (Purchasing branch)	*26010 - Accounts Payable - Related Company*	Amount	00.00

You can view the reference number of the GL batch on the **Financial** tab of the *Checks and Payments* (AP302000) form.

Transaction Generated for an AR Payment

When you create and release an AR payment for an intercompany AR invoice, the system generates the following general ledger transaction:

Branch	Account	Debit	Credit
SWEETEQUIP (Selling branch)	*10200 - Company Checking Account*	Amount	00.00
SWEETEQUIP (Selling branch)	*19010 - Accounts Receivable - Related Company*	00.00	Amount

You can view the reference number of the GL batch on the **Financial** tab of the *Payments and Applications* (AR302000) form.

Intercompany Sales: To Process an Intercompany Invoice

The following activity will walk you through the processing of intercompany invoice between branches of two companies within the same tenant.

Story

Suppose that the Head Office of the Muffins & Cakes company has to purchase juicer installation services from the Service and Equipment Sales Center of SweetLife Fruits & Jams. The system administrator has set up the intercompany sales functionality to generate AP bills based on AR invoices.

Acting as an accountant of SweetLife, you need to create an AR invoice with the *MHEAD* branch as a customer, and automatically generate an AP bill based on this invoice.

Process Overview

In this activity, on the *Invoices and Memos* (AR301000) form, you will create an AR invoice, specifying *MHEAD* as the customer, and release the invoice. You will then cause the system to automatically create an AP bill based on the AR invoice by clicking **Generate AP Document** on the More menu. On the *Bills and Adjustments* (AP301000) form, you will review the settings of the created bill and release it.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Nenad Pasic by using the *pasic* username and the *123* password.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2022*. If a different date is displayed, click the Business Date menu button, and select *1/30/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. As a prerequisite activity, in the tenant with the *U100* dataset, be sure you have extended the *SWEETEQUIP* branch as a vendor and the *MHEAD* branch as a customer, as described in *Intercompany Sales: Implementation Activity*.

4. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *Service and Equipment Sales Center* branch.

Step 1: Processing an AR Invoice from the Selling Branch to the Purchasing Branch

To process an AR invoice from *SWEETEQIP* to *MHEAD*, do the following:

1. Open the *Invoices and Memos* (AR301000) form.

2. On the form toolbar, click **Add New Record**, and in the Summary area, specify the following settings:

   - **Type**: *Invoice*
   - **Date**: *1/30/2022* (inserted by default)
   - **Customer**: *MHEAD*

     This is the *MHEAD* branch of Muffins & Cakes that has been extended as a customer and to which *SWEETEQUIP*—the current branch, which has been extended as a vendor—provides services.

   - **Location**: *MAIN* (inserted by default)
   - **Description**: `Installation services`

3. On the **Details** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:

   - **Branch**: *SWEETEQUIP* (inserted by default)
   - **Inventory ID**: *INSTALL*
   - **Quantity**: `2.5`
   - **Ext. Price**: *250* (inserted automatically)
   - **Account**: *43000 (Related Company Sales)* (inserted automatically)

     Because on the *Accounts Receivable Preferences* (AR101000) form, the **Use Intercompany Sales Account From** box is set to *Customer Location*, the system has inserted the sales account specified on the **GL Accounts** tab of the *Customer Locations* (AR303020) form for the *MAIN* location of the selected customer.

4. On the form toolbar, click **Save**.

5. On the form toolbar, click **Remove Hold** to give the invoice the *Balanced* status.

6. On the form toolbar, click **Release** to release the AR invoice.

Step 2: Automatically Creating an AP Bill Based on the AR Invoice

To create an AP bill based on the AR invoice from *SWEETEQIP* to *MHEAD*, do the following:

1. While you are still on the *Invoices and Memos* (AR301000) form with the invoice open, on the More menu (under **Intercompany**), click **Generate AP Document**. The system opens the *Bills and Adjustments* (AP301000) form with an automatically created AP bill.

   Notice that in the **Vendor** box of the Summary area, *SWEETEQUIP* is specified as the vendor.

2. On the **Details** tab, review the account specified in the **Account** column.

   Because on the *Accounts Payable Preferences* (AP101000) form, the **Use Intercompany Expense Account From** box is set to *Vendor Location*, the system has inserted the expense account specified on the **GL Accounts** tab of the *Vendor Locations* (AP303010) form for the *MAIN* location of the selected vendor.

3. Open the **Financial** tab. In the **Related AR Document** box (**Intercompany Invoicing** section), notice that the system has inserted an invoice number. This is the document you created in Step 1, based on which the AP bill has been created.

4. On the form toolbar, click **Remove Hold**.

5. On the form toolbar, click **Release** to release the AP bill.

6. On the **Financial** tab, click the Edit button to the right of the **Related AR Document** box (**Intercompany Invoicing** section), and review the invoice that opens on the *Invoices and Memos* form.

7. On the **Financial** tab, review the link to the AP bill that the system has inserted in the **Related AP Document** box (**Intercompany Invoicing** section), as shown in the following screenshot.

Figure: Link to the AP bill automatically created based on the AR invoice

Intercompany Sales: To Pay an Intercompany Bill

The following activity will walk you through the payment of an intercompany bill between branches of two companies within the same tenant.

Story

Suppose that the Head Office of the Muffins & Cakes company (*MHEAD*) that purchased juicer installation services from the *SWEETEQIUP* branch of SweetLife Fruits & Jams decided to pay for the services on February 15, 2022.

Acting as an accountant of Muffins & Cakes, you have to pay the previously created bill in the amount of $250.

Process Overview

In this activity, on the *Bills and Adjustments* (AP301000) form, you will open the bill you are going to pay and click **Pay** on the form toolbar. On the *Checks and Payments* (AP302000) form, you will review the created check payment and click **Print/Process**. You will then print the check on the *Process Payments / Print Checks* (AP505000) form and release it on the *Release Payments* (AP505200) form. Finally, you will review the generated GL transaction on the *Journal Transactions* (GL301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Nenad Pasic by using the *pasic* username and the *123* password.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *2/15/2022*. If a different date is displayed, click the Business Date menu button, and select *2/15/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. As a prerequisite activity, in the tenant with the *U100* dataset, be sure you have extended the *SWEETEQUIP* branch and the *MHEAD* branch as a vendor and a customer, respectively. For details, see *Intercompany Sales: Implementation Activity*.

4. As a prerequisite activity, in the tenant with the *U100* dataset, be sure you have processed an intercompany invoice and an AP bill based on it. For details, see *Intercompany Sales: To Process an Intercompany Invoice*.

5. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *Muffins Head Office & Wholesale Center* branch.

Step: Paying an AP Bill Between Branches of Different Companies

To pay the AP bill that was automatically generated from an AR invoice that recorded an intercompany sales of services, do the following:

1. Open the *Bills and Adjustments* (AP301000) form.

2. In the **Reference Nbr.** box, select a bill for the *SWEETEQUIP* vendor and the amount of $250.

3. On the form toolbar, click **Pay**. The system navigates to the *Checks and Payments* (AP302000) form.

4. In the Summary area, review the settings of the created check payment. Make sure that the *10200MF - Muffins Checking* account is selected in the **Cash Account** box.

5. On the **Documents to Apply** tab, make sure that the system has added the AP bill in the amount of $250, which you are going to pay.

6. On the form toolbar, click **Remove Hold** to give the check the *Pending Print* status.

7. On the form toolbar, click **Print/Process**.

   The system navigates to the *Process Payments / Print Checks* (AP505000) form.

8. Review the details of the check selected in the row with the unlabeled check box selected for it.

9. On the form toolbar, click **Process**.

   A separate browser tab is opened showing the printable version of the check.

10. Review the printable version of the check and close the browser tab. (For the purposes of this activity, you do not need to actually print the check.)

11. On the *Release Payments* (AP505200) form, which the system has opened, review the details of the check you are going to release.

12. On the form toolbar, click **Process**.

13. Open the Checks and Payments (AP3020PL) form.

14. Open the check you have just released. (It should be the top record in the table and have the *Closed* status.)

15. On the **Financial** tab, click the link in the **Batch Nbr.** column to review the batch generated by the system.

16. On the *Journal Transactions* (GL301000) form that the system opens, review the batch details.

When the payment was released, the GL account associated with the cash account of the *MHEAD* branch (*10200*) was credited in the amount of the payment. The *26010 Accounts Payable - Related Company* account specified in the bill was debited in the total amount of the bill.

Intercompany Sales: To Pay an Intercompany Invoice

The following activity will walk you through the process of creating a payment for an intercompany invoice.

Story

Suppose that on February 15, 2022, the Head Office of the Muffins & Cakes (*MHEAD*) branch paid for the juicer installation services that it purchased from the Service and Equipment Sales Center (*SWEETEQUIP*) branch, and on February 18, 2022, the *SWEETEQUIP* branch received this payment.

Acting as an accountant of the *SWEETEQUIP* branch, you need to create an AR payment in the system to record this payment to the branch's cash account.

Process Overview

In this activity, you will open an intercompany invoice on the *Invoices and Memos* (AR301000) form and create a payment for this invoice. After releasing the payment, you will review the generated GL transaction on the *Journal Transactions* (GL301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Nenad Pasic by using the *pasic* username and the *123* password.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *2/18/2022*. If a different date is displayed, click the Business Date menu button, and select *2/18/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. As a prerequisite activity, in the tenant with the *U100* dataset, be sure you have extended the *SWEETEQUIP* branch and the *MHEAD* branch as a vendor and a customer, respectively. For details, see *Intercompany Sales: Implementation Activity*.

4. As a prerequisite activity, you have processed an intercompany AR invoice as described in *Intercompany Sales: To Process an Intercompany Invoice*.

5. As a prerequisite activity, you have paid the intercompany AP bill as described in *Intercompany Sales: To Pay an Intercompany Bill*.

6. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *Service and Equipment Sales Center* branch.

Step: Paying an AR Invoice Between Branches of Different Companies

To create an AR payment for an intercompany AR invoice, do the following:

1. Open the *Invoices and Memos* (AR301000) form.

2. In the **Reference Nbr.** box, select an invoice with the amount of $250 and the *MHEAD* customer (this is the invoice you created in *Intercompany Sales: To Process an Intercompany Invoice*).

3. On the form toolbar, click **Pay**.

4. On the *Payments and Applications* (AR302000) form, which opens, make sure the following settings are specified in the Summary area:

   - **Application Date**: *2/18/2022*
   - **Customer**: *MHEAD*
   - **Payment Method**: *CHECK* (inserted automatically)
   - **Cash Account**: *10200EQ - Equipment Checking* (inserted automatically)

5. On the **Documents to Apply** tab, make sure that the system has inserted the invoice in the amount of $250.

6. On the form toolbar, click **Remove Hold** to give the payment the *Balanced* status.

7. On the form toolbar, click **Release** to release the payment.

8. On the **Financial** tab, click the link in the **Batch Nbr.** box to review the generated GL transaction on the *Journal Transactions* (GL301000) form.

   When the payment was released, the GL account associated with the cash account of the *SWEETEQUIP* branch (*10200*) was debited in the amount of the payment. The *19010 Accounts Receivable - Related Company* account specified in the invoice was credited in the total amount of the invoice.

Intercompany Sales: Mass Processing

This topic explains how to automatically generate AP bills from multiple AR invoices.

Mass Processing of AR Invoices

You use the *Generate Intercompany Documents* (AP503500) form for the mass generation of AP documents based on AR documents from the selling company.

In the boxes of the Selection area of the form, you specify the selection criteria for the documents to be loaded in the table. You can also manage the process of generating AP documents by using the following check boxes:

- **Create AP Documents on Hold**: If this check box is selected, AP documents will be created with the *On Hold* status. If it is cleared, AP documents will be created with the *Balanced* or *Pending Approval* status, depending on whether approvals have been configured for accounts payable documents.
- **Create AP Documents in Specific Period**: If this check box is selected, AP documents will be created in the financial period that you specify in the **Fin. Period** box.
- **Copy Project Information to AP Document**: If this check box is selected, the project information (project code, cost code, and task ID) will be copied from the AR document to the AP document.

By default, full access rights to this form have been granted to the *AP Admin*, *AP Clerk*, and *Administrator* roles.

Lesson 3.3: Processing Intercompany Purchases and Returns of Stock Items

Intercompany Purchases and Returns: General Information

If the intercompany sales functionality is configured in Acumatica ERP, you can automatically generate a sales order for each purchase order from a company or branch within the same tenant to process a sale of stock or non-stock items.

Learning Objectives

In this chapter, you will learn how to do the following:

- Process an intercompany purchase of stock items
- Process and intercompany return of stock items

Applicable Scenarios

You use the intercompany sales functionality if there are multiple companies defined in the same tenant and one of the companies (the purchasing company) has ordered a service or purchased stock items from another company (the selling company).

Processing an Intercompany Purchase

Once the intercompany sales functionality has been configured, as described in *Intercompany Sales: Implementation Activity*, the sale and purchase documents between the selling and purchasing companies can be processed.

In Acumatica ERP, to begin processing an intercompany purchase, on the *Purchase Orders* (PO301000) form, the manager of the purchasing company creates a purchase order to the selling company. The manager of the purchasing company adds the required items to the purchase order and removes the *On Hold* status from the order. Then the manager of the selling company opens the *Generate Intercompany Sales Orders* (SO504000) form and generates a sales order for this purchase order by selecting the unlabeled check box in the line with the purchase order and clicking **Process**. The system generates a sales order with the *Open* status for the purchasing company and automatically copies the relevant settings and the line details of the originating purchase order.

Then the manager of the selling company creates a shipment by clicking **Create Shipment** on the form toolbar of the *Sales Orders* (SO301000) form and confirms the shipment on the *Shipments* (SO302000) form. When the shipment is confirmed, the manager of the purchasing company opens the *Generate Intercompany Purchase Receipts* (PO504000) form and generates a purchase receipt base on the shipment's settings and line details by selecting the unlabeled check box in the line with the shipment and clicking **Process**. Then the manager of the purchasing company releases the generated purchase receipt on the *Purchase Receipts* (PO302000) form.

The manager of the selling company bills the purchasing company for the shipped items by preparing an SO invoice, which is a financial document in the system that contains links to the applicable shipments and sales orders. The prepared SO invoice can be reviewed and released on the *Invoices* (SO303000) form. When the SO invoice is released, the system releases a corresponding AR invoice, which can be viewed on the *Invoices and Memos* (AR301000) form.

When the AR invoice is released, the manager of the purchasing company opens the *Generate Intercompany Documents* (AP503500) form and generates an AP bill by selecting the unlabeled check box in the line with the purchase receipt and clicking **Process**. Then the manager of the purchasing company releases the AP bill on the *Bills and Adjustments* (AP301000) form.

Workflow of the Intercompany Purchase

For an intercompany purchase between the branches of two different companies, the typical process involves the actions and generated documents shown in the following diagram.

Intercompany purchase
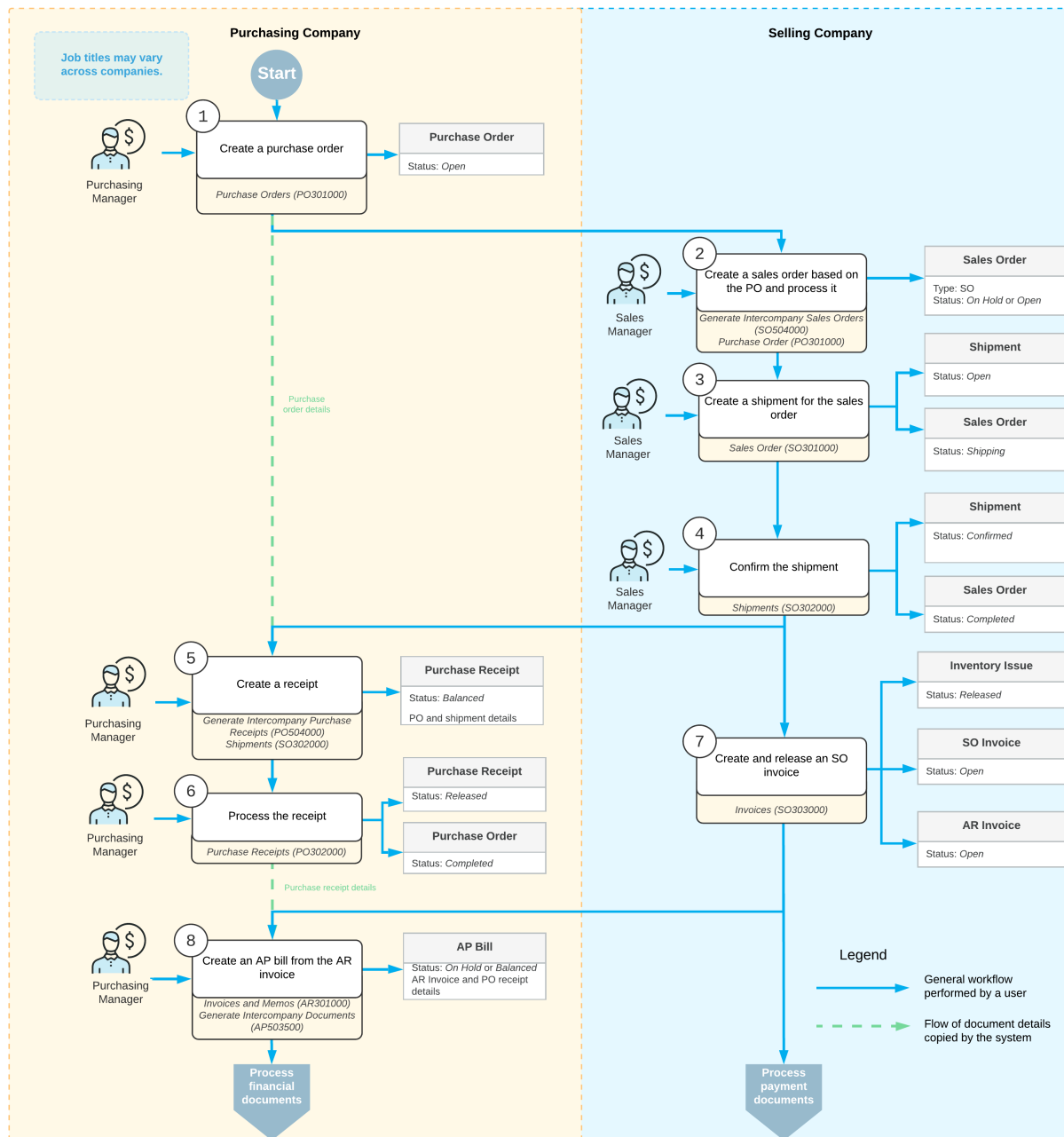
Intercompany Purchases and Returns: Intercompany Returns

For intercompany purchases, you can generate purchase returns.

In this chapter, you will learn how to create a purchase return and automatically generate a sales return based on the purchase return.

Learning Objectives

In this chapter, you will learn how to create a purchase return and automatically generate a sales return based on the purchase return.

Applicable Scenarios

You use the intercompany returns functionality if there are multiple companies defined in the same tenant and one of the companies (the purchasing company) needs to make a return of a purchased item to another company (the selling company).

Processing an Intercompany Return

In Acumatica ERP, to begin processing an intercompany return, on the *Purchase Receipts* (PO302000) form, the manager of the purchasing company creates a purchase return, which is a document of the *Return* type, that includes a line for each item being returned. To create a purchase return, the manager of the purchasing company opens the purchase receipt with the items to be returned, select the unlabeled check boxes on the **Details** tab for the lines with these items, and clicks **Return** on the form toolbar. The system copies the relevant information from the purchase receipt to a new purchase return on the *Purchase Receipts* form. In the copied lines, the purchasing manage specifies the quantity of items to be returned in the **Receipt Qty.** column. If no replacement required, the purchasing manager clears the **Open PO** check box in the lines of the purchase return. Then the manager save the purchase return and releases the return by clicking **Release** on the form toolbar.

The manager of the selling company opens the *Generate Intercompany Sales Orders* (SO504000), selects the *Purchase Return* option in the **Purchase Doc. Type** box in the Summary area of the form, selects the unlabeled check box in the line with the purchase return and clicks **Process** on the form toolbar. The system generates sales return of the *RC* type with the *Open* status and automatically copies the relevant settings and the line details of the originating purchase return. The manager of the selling company opens sales return on the *Sales Orders* (SO301000) form and creates a shipment with the **Receipt** operation by clicking **Create Receipt** on the form toolbar. Then the manager releases the shipment by clicking **Confirm Shipment** on the form toolbar.

To adjust the customer's balance, the manager of the selling company create an SO credit memo on the *Shipments* form by clicking **Prepare Invoice** on the form toolbar while the manager is still viewing the shipment. The system creates a credit memo to the customer and opens it on the *Invoices* (SO303000) form. On the form toolbar of the *Invoices* form, the manager clicks **Release** to release the credit memo.

When the manager of the selling company releases the SO credit memo, the system automatically generates a corresponding inventory receipt for the returned items on the *Receipts* (IN301000) form; it also creates and releases a credit memo on the *Invoices and Memos* (AR301000) form. Then the manager of the purchasing company open the *Generate Intercompany Documents* (AP503500) form, selects the unlabeled check box in the line with the credit memo and clicks **Process** on the form toolbar. The system generates a debit adjustment on the *Bills and Adjustments* (AP301000) form. The manager of the purchasing company opens the generated debit adjustment on the *Bills and Adjustments* form, clicks **Remove Hold** on the form toolbar and then clicks **Release**. The system adds the details of the debit adjustment to the **Billing History** tab of the *Purchase Receipts* (PO302000) form for the initial purchase return.

Workflow of an Intercompany Return

For an intercompany return between the branches of two different companies, the typical process involves the actions and generated documents shown in the following diagram.

Intercompany returns

Purchasing Company	Selling Company

Job titles may vary across companies.

Start

1 Create a purchase return — Purchasing Manager
Purchase Receipts (PO302000)

Purchase Return
Type: *Return*
Status: *On Hold* or *Balanced*

2 Release the purchase return — Purchasing Manager
Purchase Receipts (PO302000)

Purchase Return
Status: *Released*

Inventory Issue
Status: *Released*

Purchase return details

3 Create a sales order for the purchase return — Sales Manager
Generate Intercompany Sales Orders (SO504000)
Purchase Receipts (PO302000)

Sales Order
Type: *RC*
Status: *On Hold* or *Open*

4 Prepare a receipt — Sales Manager
Sales Orders (SO301000)

Shipment
Status: *Open*

5 Confirm the receipt (shipment) — Sales Manager
Shipments (SO302000)

Shipment
Status: *Confirmed*

Sales Order
Type: *RC*
Status: *Open*

6 Prepare an SO credit memo — Sales Manager
Shipments (SO302000)

SO Invoice
Type: *Credit Memo*
Status: *Balanced*

Shipment
Status: *Invoiced*

Sales Order
Status: *Completed*

7 Release the SO credit memo — Sales Manager
Invoices (SO303000)

SO Invoice
Type: *Credit Memo*
Status: *Open*

Shipment
Status: *Completed*

Inventory Issue
Status: *Released*

AR Credit Memo
Status: *Open*

8 Prepare a debit adjustment — Purchasing Manager
Generate Intercompany Documents (AP503500)
Invoices and Memos (AR301000)

AP Debit Adjustment
Status: *On Hold* or *Balanced*

Process financial documents

Process payment documents

Legend
→ General workflow performed by a user
⇢ Flow of document details copied by the system

Intercompany Purchases and Returns: Generated Transactions

As you perform intercompany purchases and returns, you create and process a purchase order, a sales order, a shipment, a purchase receipt, an AR invoice, and an AP bill. When you release the AR and AP documents, the system updates the customer's and vendor's balances. Inventory documents are used to track item movements. To update the account balances, the system generates and posts the GL transactions described in the following sections.

Transaction Generated for an AR Invoice

When you create and release an AR invoice, the system generates the following general ledger transaction.

Branch	Account	Debit	Credit
SWEETEQUIP (Selling branch)	*19010 - Accounts Receivable - Related Company*	Amount	00.00
SWEETEQUIP (Selling branch)	*43000 - Related Company Sales*	00.00	Amount

You can view the reference number of the GL batch on the **Financial** tab of the *Invoices* (SO303000) form and on the **Financial** tab of the *Invoices and Memos* (AR301000) form.

Transaction Generated When Goods Are Shipped

When the goods are shipped from the warehouse of the selling branch, the system generates the following general ledger transaction.

Branch	Account	Debit	Credit
SWEETEQUIP (Selling branch)	*12100 - Inventory Asset*	0.00	Amount
SWEETEQUIP (Selling branch)	*50000 - COGS Inventory*	Amount	00.00

You can view the reference number of the GL batch on the **Financial** tab of the *Issues* (IN302000) form.

Transaction Generated for an AP Bill

When the system creates an AP bill based on the AR invoice you created, the system generates the following general ledger transaction after release of this bill.

Branch	Account	Debit	Credit
MHEAD (Purchasing branch)	*26010 - Accounts Payable - Related Company*	00.00	Amount
MHEAD (Purchasing branch)	*20100 - Inventory Purchase Accrual*	Amount	00.00

You can view the reference number of the GL batch on the **Financial** tab of the *Bills and Adjustments* (AP301000) form.

Transaction Generated on Release of PO Receipt

When you process a purchase receipt, the system generates the following general ledger transaction on release of the receipt.

Branch	Account	Debit	Credit
MHEAD (Purchasing branch)	12700 - Inventory Asset for MHEAD warehouse	Amount	00.00
MHEAD (Purchasing branch)	20100 - Inventory Purchase Accrual	00.00	Amount

You can view the reference number of the GL batch on the **Financial** tab of the *Receipts* (IN301000) form.

Transaction Generated on Release of PO Return

When you process a purchase return, the system generates the following general ledger transaction on release of the return.

Branch	Account	Debit	Credit
MHEAD (Purchasing branch)	12700 - Inventory Asset for MHEAD warehouse	00.00	Return amount
MHEAD (Purchasing branch)	20100 - Inventory Purchase Accrual	Return amount	00.00

You can view the reference number of the GL batch on the **Financial** tab of the *Issues* (IN302000) form.

Transaction Generated for an SO Credit Memo

When you process a return of items, you create an SO credit memo. The system generates the following general ledger transaction after the release of the credit memo.

Branch	Account	Debit	Credit
SWEETEQUIP (Selling branch)	19010 - Accounts Receivable - Related Company	00.00	Return amount
SWEETEQUIP (Selling branch)	43000 - Related Company Sales	Return amount	00.00

You can view the reference number of the GL batch on the **Financial** tab of the *Invoices and Memos* (AR301000) form.

Transaction Generated for a Purchase Return

When you process the return of items to the warehouse of the selling branch, the system generates the following general ledger transaction.

Branch	Account	Debit	Credit
SWEETEQUIP (Selling branch)	12100 - Inventory Asset	Return amount	00.00
SWEETEQUIP (Selling branch)	50000 - COGS - Inventory	00.00	Return amount

You can view the reference number of the GL batch on the **Financial** tab of the *Issues* (IN302000) form.

Transaction Generated for a Debit Adjustment

When you process a return of items, after the creation of an AR credit memo to adjust the customer's balance, you create a debit adjustment to adjust the vendor's balance. The system generates the following general ledger transaction after the release of the debit adjustment.

Branch	Account	Debit	Credit
MHEAD (Purchasing branch)	*26010 - Accounts Payable - Related Company*	Return amount	00.00
MHEAD (Purchasing branch)	*20100 - Inventory Purchase Accrual*	00.00	Return amount

You can view the reference number of the GL batch on the **Financial** tab of the *Bills and Adjustments* (AP301000) form.

Intercompany Purchases and Returns: To Process an Intercompany Purchase

The following activity will walk you through the process of selling an item from one company to another company within the same tenant.

Story

Suppose that the Head Office of the Muffins & Cakes company has to purchase two new juicers from the Service and Equipment Sales Center of SweetLife Fruits & Jams. The system administrator has set up the intercompany sales functionality to enable generation of sales orders based on purchase orders, purchase receipts based on shipments, and AP bills based on AR invoices.

Acting as a purchasing manager of Head Office of Muffins & Cakes, you need to create a purchase order to the *SWEETEQIP* branch.

Process Overview

In this activity, you will first review the intercompany sales settings on the *Sales Orders Preferences* (SO101000) form. On the *Vendors* (AP303000) form, you will specify the warehouse of the Muffins & Cakes company as the default one for the *SWEETEQUIP* vendor. On the *Purchase Orders* (PO301000) form, you will create a purchase order from *Muffins Head Office & Wholesale Center* to *Service and Equipment Sales Center*, specifying *SWEETEQUIP* as the vendor, and save the purchase order. You will then cause the system to generate a sales order based on the purchase order on the *Generate Intercompany Sales Orders* (SO504000) form. When the sales order is generated, on the *Sales Orders* (SO301000) form, you will create and confirm a shipment for this sales order, and then you will cause the system to generate a purchase receipt based on the shipment on the *Generate Intercompany Purchase Receipts* (PO504000) form. You will then create an SO invoice by clicking **Prepare Invoice** on the form toolbar of the *Shipments* (SO302000) form. You will release the SO invoice on the *Invoices* (SO303000) form, and the system will create an AR invoice. You will cause the system to generate an AP bill on the *Generate Intercompany Documents* (AP503500) form and release this bill on the *Bills and Adjustments* (AP301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Nenad Pasic by using the *pasic* username and the *123* password.

⚠️ For simplicity, you perform all steps of this activity under the username which has access to both *Service and Equipment Sales Center* and *Muffins Head Office & Wholesale Center* branches. However, in a production environment, the steps for different branches may be performed by different users.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2022*. If a different date is displayed, click the Business Date menu button, and select *1/30/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *Muffins Head Office & Wholesale Center* branch.

4. As a prerequisite activity, in the tenant with the *U100* dataset, make sure you have extended the *SWEETEQUIP* branch as a vendor and the *MHEAD* branch as a customer, as described in *Intercompany Sales: Implementation Activity*

Step 1: Reviewing the Sales Order Preferences

To review the type of sales orders that will be used for intercompany sales, do the following:

1. Open the *Sales Orders Preferences* (SO101000) form.

2. On the **General** tab, in the **Intercompany Order Settings** section, review the following settings:

   - **Default Type for Intercompany Sales**: *SO - Sales Order*

     This is the type of sales order that the system will use by default when creating an intercompany sales order.

   - **Default Type for Intercompany Returns**: *RC - Return for Credit*

     This is the type of an order that the system will use by default when creating an intercompany return.

3. On the form toolbar, click **Save**.

Step 2: Specifying the Default Warehouse for the Vendor

To specify the warehouse of the Muffins & Cakes company as the default warehouse for the *SWEETEQUIP* vendor in the *MHEAD* branch to which you are currently signed in, do the following:

1. Open the *Vendors* (AP303000) form.

2. In the **Vendor ID** box, select *SWEETEQUIP*.

3. Go to the **Purchase Settings** tab.

4. In the **Warehouse** box (**Shipping Instructions** section), select *MHEADWH*.

5. On the form toolbar, click **Save** to save your changes.

Step 3: Creating an Intercompany Purchase Order

To create an intercompany purchase order, do the following:

1. Open the *Purchase Orders* (PO301000) form.

2. Click **Add New Record** on the form toolbar, and in the Summary area, specify the following settings:

   - **Type**: *Normal*
   - **Vendor**: *SWEETEQUIP*
   - **Date**: *1/30/2022* (inserted automatically)
   - **Description**: `Purchase of juicers`

3. On the **Details** tab, click **Add Row** on the table toolbar and specify the following settings for the new row:
   - **Branch**: *MHEAD*
   - **Inventory ID**: *JUICER35*
   - **Warehouse**: *MHEADWH* (inserted automatically based on the selected vendor)
   - **Order Qty.**: 2
   - **Unit Cost**: 1200
   - **Ext. Cost**: 2400 (calculated automatically)
4. On the form toolbar, click **Remove Hold** to save the document with the *Open* status.

Step 4: Generating an Intercompany Sales Order

To generate an intercompany sales order, do the following:

1. Open the *Generate Intercompany Sales Orders* (SO504000) form.
2. In the only line, select the unlabeled check box and click **Process** on the form toolbar.

   The system generates a sales order with the *SO* type and *Open* status for the *MHEAD* customer and automatically copies the relevant settings and the line details of the originating purchase order.
3. In the dialog box, which opens, click **Close**.
4. On the *Purchase Orders* (PO301000) form, open the purchase order that you have created in Step 3.
5. On the **Other** tab, notice that the system inserted the number of the generated sales order into the **Related Order Nbr.** box. This number is a link to the sales order.
6. Click the link in the **Related Order Nbr.** box. The system opens the sales order on the *Sales Orders* (SO301000) form.
7. Review the sales order.

   Notice that *MHEAD* is specified in the **Customer** box for this order. On the **Details** tab, *SWEETEQUIP* is specified in the **Branch** column and the order details have been copied from the originating purchase order. On the **Shipping** tab, notice that the system has inserted the number of the originating purchase order in the **Related Order Nbr.** box. This number is a link to the purchase order.

Step 5: Creating a Shipment

To generate a shipment for the intercompany sales order, do the following:

1. While you are still viewing the sales order for the *MHEAD* customer, on the form toolbar, click **Create Shipment**.
2. In the **Specify Shipment Parameters** dialog box, which opens, make sure that *1/30/2022* is selected in the **Shipment Date** box and *EQUIPHOUSE* is selected in the **Warehouse ID** box, and click **OK**.
3. The system creates a shipment for the sales order and opens it on the *Shipments* (SO302000) form.
4. On the form toolbar, click **Confirm Shipment**.

Step 6: Creating a Purchase Receipt

To create a purchase receipt, do the following:

1. Open the *Generate Intercompany Purchase Receipts* (PO504000) form.
2. In the only line, select the unlabeled check box and click **Process** on the form toolbar.

   The system generates a purchase receipt that contains the relevant settings and detail rows copied from the shipment.

3. In the dialog box, which opens, click **Close**.

4. On the *Shipments* (SO302000) form, open the shipment that you have created in Step 5.

5. On the **Shipping** tab, click the link in the **Related PO Receipt Nbr.** box.

6. On the *Purchase Receipts* (PO302000) form, which the system opens, review the purchase receipt with the *SWEETEQUIP* vendor and the *1/30/2022* date.

7. On the form toolbar, click **Remove Hold**, and then click **Release**.

Step 7: Creating an SO Invoice

To prepare an SO invoice for the shipment, do the following:

1. On the *Shipments* (SO302000) form, open the shipment that you created in Step 5.

2. On the form toolbar, click **Prepare Invoice**.

   The system creates an SO invoice for the shipment and opens it on the *Invoices* (SO303000) form.

3. On the form toolbar, click **Release**.

   The system assigns the *Open* status to the SO invoice and creates an AR invoice.

Step 8: Creating an AP Bill

To create an AP bill, do the following:

1. Open the *Generate Intercompany Documents* (AP503500) form.

2. In the only line, select the unlabeled check box and click **Process** on the form toolbar.

   The system generates an AP bill. The line in the AP bill is linked to the lines of the purchase order and purchase receipt that you have created in Steps 3 and 6.

3. In the dialog box, which opens, click **Close**.

4. On the *Bills and Adjustments* (AP301000) form, open the bill with the *SWEETEQUIP* vendor and the *1/30/2022* date.

5. On the form toolbar, click **Remove Hold**, and then click **Release** to release the bill.

6. Return to the purchase order to *SWEETEQUIP* on the *Purchase Orders* (PO301000) form, and review its details.

   Notice that the order now has a status of *Closed*, as shown in the screenshot below. On the **PO History** tab, notice that the information about the purchase receipt and AP bill that were prepared for the order is displayed. According to this information, the purchased items have been received to inventory of the *Muffins Head Office & Wholesale Center* branch and billed in full, so the intercompany purchasing process is completed.

Figure: Intercompany purchase order processed to completion

Intercompany Purchases and Returns: To Process an Intercompany Return

The following activity will walk you through the process of processing an intercompany return.

Story

Suppose that the Head Office of the Muffins & Cakes company has purchased two new juicers from the Service and Equipment Sales Center of SweetLife Fruits & Jams and then the company discovered that one juicer was enough to produce the required amount of juice.

Acting as an accountant of Muffins & Cakes, you need to process a purchase return of one juicer.

Process Overview

In this activity, on the *Order Types* (SO201000) form, you will review the intercompany settings of the *RC* order type. On the *Vendors* (AP303000) form, you will review the default warehouse of the *SWEETEQUIP* vendor. On the *Purchase Receipts* (PO302000) form, you will create and release a purchase return. You will then cause the system to generate a sales return based on the purchase return on the *Generate Intercompany Sales Orders* (SO504000) form. On the *Sales Orders* (SO301000) form, you will create and release a receipt for the sales return. You will then process an SO credit memo on the *Invoices* (SO303000) form and prepare a debit adjustment on the *Generate Intercompany Documents* (AP503500) form. On the *Bills and Adjustments* (AP301000) form, you will release the debit adjustment and finally, you will review the initial purchase return on the *Purchase Receipts* form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Nenad Pasic by using the *pasic* username and the *123* password.

⚠ For simplicity, you perform all steps of this activity under the username which has access to both *Service and Equipment Sales Center* and *Muffins Head Office & Wholesale Center* branches. However, in a production environment, the steps for different branches may be performed by different users.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2022*. If a different date is displayed, click the Business Date menu button, and select *1/30/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *Muffins Head Office & Wholesale Center* branch.

4. As a prerequisite activity, in the tenants with the *U100* dataset, make sure you have extended the *SWEETEQUIP* branch as a vendor and the *MHEAD* branch as a customer, as described in *Intercompany Sales: Implementation Activity*.

5. As a prerequisite activity, make sure you have processed an intercompany purchase of juicers, as described in *Intercompany Purchases and Returns: To Process an Intercompany Purchase*.

Step 1: Reviewing the Intercompany Sales Return Settings

To review the settings the system uses when processing intercompany sales returns, do the following:

1. Open the *Order Types* (SO201000) form.

2. In the **Order Type** box, select *RC*.

   This is the order type that the system will use later when generating a sales return. This order type is specified in the **Default Type for Intercompany Returns** box on the *Sales Orders Preferences* (SO101000) form.

3. Review the settings specified in the **Intercompany Posting Settings** section on the **General** tab.

   In the **Use Sales Account From** and **Use COGS Account From** boxes, *Inventory Item* is selected. It means that the system will use the sales account and COGS account associated with the inventory item when creating an intercompany sales return.

4. Open the *Vendors* (AP303000) form.

5. In the **Vendor ID** box, select *SWEETEQUIP*.

6. On the **Purchase Settings** tab, in the **Warehouse** box, review the default warehouse of this vendor specified for the *MHEAD* branch to which you are signed in.

   This is the warehouse you specified in *Intercompany Purchases and Returns: To Process an Intercompany Purchase*. It is used by default in documents created for the *SWEETEQUIP* vendor in the *MHEAD* branch.

Step 2: Creating an Intercompany Purchase Return

To create an intercompany purchase return, do the following:

1. Open the *Purchase Receipts* (PO302000) form.

2. Open the purchase receipt with the *SWEETEQUIP* vendor, which you created in *Intercompany Purchases and Returns: To Process an Intercompany Purchase*.

3. On the **Details** tab, select the unlabeled check box in the line of the purchase receipt with the *JUICER35* item.

4. On the form toolbar, click **Return** to create a purchase return that corresponds to the purchase receipt and includes the selected line.

The system creates a document with the *Return* type and with appropriate settings copied from the purchase receipt, and opens it on the same form.

Step 3: Specifying the Settings of the Intercompany Purchase Return and Releasing the Return

To define the specific settings of the return document, do the following:

1. While you are still viewing the purchase return that was created on the *Purchase Receipts* (PO302000) form, in the Summary area, make sure that the *Original Cost from Receipt* option is selected in the **Cost of Inventory Return From** box. With this option selected, the item will be issued from inventory at the cost at which it was purchased.

2. Make sure that the **Create Bill** check box is cleared. You will later generate a debit adjustment manually.

3. In the only return line on the **Details** tab, change the **Receipt Qty.** to 1 (which is the quantity of items to be returned).

4. In the line, clear the **Open PO Line** check box to indicate that no replacement is needed for returned items.

5. On the form toolbar, click **Save** to save the purchase return, which has the *Balanced* status and can thus be released.

6. On the form toolbar, click **Release**.

Step 4: Creating an Intercompany Sales Return

To generate an intercompany sales return, do the following:

1. Open the *Generate Intercompany Sales Orders* (SO504000) form.

2. In the Summary area, select the *Purchase Returns* option in the **Purchase Doc. Type** box.

3. In the only line, select the unlabeled check box and click **Process** on the form toolbar.

   The system generates a sales return of the *RC* type with the *Open* status and automatically copies the relevant settings and the line details of the originating purchase return.

4. In the dialog box, which opens, click **Close**.

5. On the *Sales Orders* (SO301000) form, open the sales order of the *RC* type with the *MHEAD* customer and review its details.

Step 5: Preparing and Releasing a Receipt

To create a receipt for the intercompany sales return, do the following:

1. While you are still viewing the sales return on the *Sales Orders* (SO301000) form, on the form toolbar, click **Create Receipt**.

2. In the **Specify Shipment Parameters** dialog box, which opens, make sure that *1/30/2022* is selected in the **Shipment Date** box and *EQUIPHOUSE* is selected in the **Warehouse ID** box, and click **OK**.

   The system creates a shipment with the *Receipt* operation and *Open* status, and opens this shipment on the *Shipments* (SO302000) form.

3. On the form toolbar, click **Confirm Shipment**.

Step 6: Processing an SO Credit Memo

Now that you have processed the return of the items to SweetLife's inventory, you need to prepare an SO credit memo to Muffins & Cakes to adjust the customer's balance. To prepare the credit memo, do the following:

1. While you are still viewing the shipment on the *Shipments* (SO302000) form, on the form toolbar, click **Prepare Invoice**. The system creates a credit memo to the customer and opens it on the *Invoices* (SO303000) form.

2. On the form toolbar, click **Release** to release the credit memo, which is assigned the *Open* status, as shown in the following screenshot.

Figure: Credit memo created for processing of a return

When you release the SO credit memo, the system automatically generates a corresponding inventory receipt for the returned items on the *Receipts* (IN301000) form; it also creates and releases a credit memo on the *Invoices and Memos* (AR301000) form. In the AR credit memo, the *MHEAD* company is specified as the customer so that an intercompany AP debit adjustment can be created.

Step 7: Preparing a Debit Adjustment

To prepare a debit adjustment, do the following:

1. Open the *Generate Intercompany Documents* (AP503500) form.

2. In the only line, select the unlabeled check box and click **Process** on the form toolbar.

   The system generates a debit adjustment on the *Bills and Adjustments* (AP301000) form.

3. In the dialog box, which opens, click **Close**.

4. On the *Bills and Adjustments* form, open the generated debit adjustment, click **Remove Hold** on the form toolbar, and then click **Release**.

   The system adds the details of the debit adjustment to the **Billing** tab of the *Purchase Receipts* (PO302000) form for the initial purchase return as shown in the following screenshot.

Figure: Purchase return processed to completion

Part 4: Performing GL Consolidation

Lesson 4.1: Configuring GL Consolidation

GL Consolidation Configuration: General Information

The functionality of GL consolidation allows consolidating data from specific branches of a subsidiary company (a consolidation unit) into a specific branch in the parent tenant. You can configure which data should be consolidated and how exactly the data should be consolidated. After consolidation has been configured, you can consolidate the data as often as you need to within each financial period.

> ⚠️ This functionality is available only if the *General Ledger Consolidation* feature is enabled on the *Enable/Disable Features* (CS100000) form.

Learning Objectives

In this chapter, you will learn how to do the following:

- Perform initial configuration in the parent company
- Create a tenant for a subsidiary company and perform initial configuration in it

Applicable Scenarios

You perform GL consolidations in the following cases:

- The parent company has one or multiple subsidiaries implemented as separate tenants and needs GL consolidation for reporting purposes. (This scenario is used in the activities that follow.)
- The parent company has one or multiple subsidiaries that use the base currency that differs from the parent's base currency and are implemented as separate tenants. The parent company needs GL consolidation for reporting purposes.

Consolidation Process

The consolidation process in the general ledger includes three stages:

1. Consolidation configuration, which is performed initially by each consolidation unit and by the parent company, as described in *GL Consolidation Configuration: To Configure a Consolidation Unit* and *GL Consolidation Configuration: To Configure the Parent Company*.

2. Data preparation for each consolidation unit, as described in *GL Consolidation: To Prepare the Consolidation Unit*.

3. Import of the consolidation data from each of the units by the parent company, which is performed periodically at the interval that best suits your company. For details, see *GL Consolidation: To Import Consolidation Data from a Subsidiary*.

Each time the consolidation data is imported, a batch of the *Consolidation* type is created on the *Journal Transactions* (GL301000) form.

Restriction on Financial Periods

During the import, consolidation data is grouped by the financial periods of the reporting unit. Thus, financial periods in the consolidation units and in the parent company should be defined similarly; otherwise, the consolidated data will be incorrect.

Configuration Requirements

Before you get started, you should review the hierarchy of the companies whose data should be consolidated, and determine which companies report to which. We consider only a two-level hierarchy: a parent company and the subsidiary or subsidiaries that report to it. (In Acumatica ERP, subsidiaries that are consolidated are referred to as *consolidation units*.) This simple hierarchy can be used as a part of a more complicated hierarchy, with the consolidation process going from the bottom to the top and with parent companies consolidating data from the units beneath them and then becoming units of the parent company above them. This topic is based on the assumption that the parent company and its subsidiaries use Acumatica ERP.

> ⚠ If a consolidation unit uses a third-party ERP system, the parent company can consolidate the data by importing the trial balance that has been prepared by the unit and exported to a CSV file by using the unit's third-party software. In this case, the mapping of accounts and subaccounts should be manually performed directly in the file, before the parent company performs import from this file.

For correct consolidated data, the following requirements should be met:

1. The parent company and its subsidiaries should have the same configuration of financial year and a similar structure of financial periods, because the consolidation data is grouped by the financial periods of subsidiaries.

   > ⓘ If the *Multiple Calendars Support* feature has been enabled on the *Enable/Disable Features* (CS100000) form, for consolidation, you can prepare a company in the parent tenant with financial periods that are exactly the same as in the subsidiary but different from the periods in the parent company.

2. The parent company and its subsidiaries should have a similar structure for their charts of accounts, with fewer accounts on the parent chart. Data from multiple accounts used in a subsidiary can be consolidated into one account of the parent company.

3. A subsidiary should have a subaccount structure similar to that of the parent company. The parent company may have one additional segment (compared to the subsidiary) with values designating subsidiaries.

Configuration of the Parent Company

Before performing the consolidation for the first time, you configure the parent company as follows:

1. You specify the access data for each consolidation unit on the *Consolidation* (GL103000) form of the parent company.

2. You synchronize the data on the same form and select source ledgers for each consolidation unit in the **Source Ledger** box.

Configuration of Consolidation Units

Before performing the consolidation for the first time, each consolidation unit whose data will be exported to the parent company has to be configured as follows:

- For a ledger that will be used as a source of balances for consolidation, you select the **Consolidation Source** check box on the *Ledgers* (GL201500) form.
- You map accounts of a consolidation unit to accounts of the parent company by specifying the parent company account in the **Consolidation Account** column of the *Chart of Accounts* (GL202500) form for each account of the consolidation unit. This activity must be performed after the data has been synchronized in the parent company on the *Consolidation* (GL103000) form.

> (i) If the chart of accounts in your consolidation unit (subsidiary) does not change, you perform this step once during configuration. However, you need to review the chart of accounts every month in the subsidiary tenant to make sure that all the accounts have been mapped.

  For details, see *GL Consolidation: Account Mapping*.

- If subaccounts are used in your system, you map the subaccount segments and their values of a consolidation unit to subaccount segments and their values of the parent company by using the *Segmented Keys* (CS202000) and *Segment Values* (CS203000) forms.

GL Consolidation: Account Mapping

Consolidation process requires mapping of the accounts and subaccounts (if the subaccounts are used in the system) of the consolidation unit to the respective accounts and subaccounts of the parent tenant. This mapping depends on your consolidation scenario: what level of details should be available in the consolidation branch for the required consolidated reports.

Account Mapping

You map accounts on the *Chart of Accounts* (GL202500) form of the consolidation unit by specifying an appropriate account of the parent tenant in the **Consolidation Account** column for each account of the consolidation unit. For instructions, see *GL Consolidation: To Prepare the Consolidation Unit*.

> ⚠ The YTD Net Income account is not involved in mapping because transactions cannot be posted directly to this account. The system will automatically update this account after a consolidation batch is posted.

The chart of accounts can be different in each consolidation unit and in the parent tenant. Multiple accounts in a consolidation unit can be mapped to a single account of the parent tenant. That is, on the *Chart of Accounts* form of the consolidation unit, you can select the same parent account in the **Consolidation Account** column for different accounts of the consolidation unit.

If the parent tenant has a more detailed chart of accounts than some of its consolidation units do, some consolidated accounts may not contain correct information. For example, consider a parent tenant with multiple accounts to record travel expenses—*Airfare*, *Taxi*, and *Rentals*—and a consolidation unit with only one account, *Travel Expenses*. In this case, the *Travel Expenses* account of the consolidation unit has to be consolidated with one of the parent's travel expense accounts. No matter which account is chosen as the consolidation target, the consolidated data will not be accurate.

> ⚠ For correct reporting, we recommend that the consolidation units keep similar or even more detailed charts of accounts than the parent company has.

GL Consolidation Configuration: To Configure a Consolidation Unit

In the following implementation activity, you will learn how to create a tenant with a consolidation unit and perform its initial configuration.

Story

Suppose that the SweetLife Fruits & Jams company has acquired company in Arizona, which has to be implemented as a subsidiary in a separate tenant of Acumatica ERP. The data of the SweetLife AZ subsidiary should be used for GL consolidation in the parent company, SweetLife. Acting as the system administrator, you need to create a new tenant for the SweetLife AZ company and perform its initial configuration.

> ⚠ For training purposes, you will create a company in a separate tenant to learn how to perform GL consolidation.

Process Overview

In this activity, on the *Tenants* (SM203520) form, you will create a new tenant with the out-of-the-box company (a company in a tenant without any dataset). On the *Enable/Disable Features* (CS100000) form, you will enable the features needed for a consolidation unit. On the *Companies* (CS101500) form, you will create a company without branches and create an actual ledger for this company.

You will then update the length of the *ACCOUNT* segmented key on the *Segmented Keys* (CS202000) form and upload a chart of accounts from an Excel file on the *Chart of Accounts* (GL202500) form. On the *General Ledger Preferences* (GL102000) form, you will specify the needed GL preferences.

On the *Financial Year* (GL101000) form, you will create the first financial year for the company and create periods for it. On the *Master Financial Calendar* (GL201000) form, you will generate the calendar for this financial year and, finally, on the *Manage Financial Periods* (GL503000) form, you will open the periods in the first financial year.

System Preparation

Before you start configuring the consolidation unit, make sure that you have downloaded the *AZ_Subsidiary_COA.xlsx* file with the chart of accounts of the SweetLife AZ company.

Step 1: Creating a Tenant with the Consolidation Unit

To create a tenant with the out-of-the-box company where you will configure the consolidation unit, do the following:

1. Launch the Acumatica ERP instance and sign in as a system administrator by using the *gibbs* username and the *123* password.

2. Open the *Tenants* (SM203520) form, and click **Add New Record** on the form toolbar.

3. In the **Tenant Name** box, type `AZ_Subsidiary`.

4. In the **Login Name** box, type `AZ_Subsidiary`.

5. On the form toolbar, click **Save**.

   The system creates the tenant.

6. Sign out of the current tenant.

   You are now on the Welcome page and you can sign in to the tenant you have just created.

7. Sign in to the newly created tenant by using the *admin* username and the *setup* password.

8. In the New Password boxes, change the *setup* password to *123*.

> ⚠️ The password you are entering is for training purposes only. In a production environment, you would create a complex password.

9. Select the unnamed check box under the password box and click **Sign In**.

> ⚠️ For training purposes, you will complete all activities in the *AZ_Subsidiary* tenant by using the *admin* username. In a live system, you would use this username for initial system configuration, and then you would create usernames for specific users and assign the needed access rights to them.

Step 2: Enabling the Needed Set of Features

To enable the set of features needed for the consolidation unit, do the following:

1. Open the *Enable/Disable Features* (CS100000) form.

2. On the form toolbar, click **Enable** to enable the following default set of features and the features needed for the consolidation unit:

   - *Finance*
   - *Standard Financials*
   - *Multibranch Support*
   - *Multicompany Support*
   - *Centralized Period Management*
   - *Advanced Financials*
   - *General Ledger Consolidation*
   - *Platform*
   - *Monitoring & Automation*
   - *Scheduled Processing*
   - *Workflow Automation*
   - *Authentication*
   - *Third Party Integrations*

3. On the form toolbar, click **Enable**.

Step 3: Creating a Company Without Branches

To configure a company without branches, do the following:

1. Open the *Companies* (CS101500) form.

2. On the form toolbar, click **Add New Record**.

3. In the Summary area, specify the following settings:

   - **Company ID**: `SWEETAZ`
   - **Company Name**: `SweetLife AZ`

   In the **Company Type** box, notice that *Without Branches* is selected; you will leave this default setting.

4. In the **Main Address** section of the **Company Details** tab, select *US - United States of America* in the **Country** box.

5. In the **State** box, select *AZ - ARIZONA*.

6. In the **Base Currency Settings (Shared)** section, select *USD - United States Dollar* in the **Base Currency ID** box.

7. On the **Visual Appearance** tab, select the **Override Colors for the Selected Company** check box.

8. In the **Primary Color** box, type #31b4a5.

9. On the form toolbar, click **Save** to save your changes.

Step 4: Creating an Actual Ledger

To create an actual ledger for the new company, which will also be the source of consolidation data, do the following:

1. Open the *Ledgers* (GL201500) form.

2. On the form toolbar, click **Add New Record**.

3. In the Summary area, specify the following settings:

   - **Ledger ID**: ACTUALAZ
   - **Description**: Actual Ledger
   - **Type**: *Actual*
   - **Consolidation Source**: Selected

4. On the **Companies** tab, click **Add Row** and in the **Company** column, select *SWEETAZ*.

5. On the form toolbar, click **Save** to save your changes.

Step 5: Creating the Chart of Accounts

Before you start creating the chart of accounts, you need to modify the *ACCOUNT* segmented key. Do the following:

1. Open the *Segmented Keys* (CS202000) form.

2. In the **Segmented Key ID** box, select *ACCOUNT*.

3. For the only row in the table, in the **Length** column, specify 5.

4. On the form toolbar, click **Save**.

5. Open the *Chart of Accounts* (GL202500) form.

6. On the form toolbar, click **Load Records from File**.

7. In the **File Upload** dialog box, which opens, select the file path to the *AZ_Subsidiary_COA.xlsx* file that you downloaded for this activity, and click **Upload**.

8. In the **Common Settings** dialog box, which opens, leave the default settings, and click **OK**.

9. In the **Columns** dialog box, leave the current mapping, and click **OK**.

10. On the form toolbar, click **Save**.

Step 6: Specifying GL Preferences

To specify the general ledger preferences for the SweetLife AZ company, do the following:

1. Open the *General Ledger Preferences* (GL102000) form.

2. In the **YTD Net Income Account** box in the **Chart of Accounts Settings** section, select *33000 - Net Income*. This is a required setting for enabling the system.

3. In the **Retained Earnings Account** box, select *32000 - Retained Earnings*. This setting is also required for enabling the system.

4. On the form toolbar, click **Save**.

5. In the **Posting Settings** section, make sure that the **Automatically Post on Release** check box is selected.

6. In the **Data Entry Settings** section, clear the **Hold Batches on Entry** check box.

7. On the form toolbar, click **Save**.

Step 7: Creating a Financial Calendar for the Consolidation Unit

To set up the first financial year for the SweetLife AZ company and open the financial periods, do the following:

1. Open the *Financial Year* (GL101000) form.

2. In the **Financial Year Starts On** box of the Summary area, select *1/1/2021*.

3. In the **Period Type** box, make sure *Month* is selected.

4. Select the **Has Adjustment Period** check box.

5. On the form toolbar, click **Create Periods**.

6. Click **Save** to save the settings of the financial year.

7. Open the *Master Financial Calendar* (GL201000) form.

8. In the **Financial Year** box of the Summary area, make sure that *2021* is selected.

9. On the form toolbar, click **Generate Calendar**.

10. In the **Generate GL Calendar** dialog box, which opens, make sure that *2021* is selected in the **From Year** and **To Year** boxes, and click **OK**.

    The system generates periods for the *2021* financial year.

11. On the More menu, click **Open Periods**.

    The *Manage Financial Periods* (GL503000) form opens with the *Open* option selected in the **Action** box of the Summary area.

12. On the form toolbar, click **Process All**.

    The system opens the **Processing** dialog box and runs the process of opening periods.

13. Close the **Processing** dialog box.

GL Consolidation Configuration: To Configure the Parent Company

In the following implementation activity, you will learn how to configure the parent company to prepare it for GL consolidation.

Story

Suppose that the SweetLife Fruits & Jams company has established a subsidiary in Arizona that has been implemented in a separate tenant of Acumatica ERP as a company without branches. The parent company, SweetLife has to consolidate data from this company with its own data for reporting purposes.

Acting as a system administrator, you need to perform the needed configuration in SweetLife to prepare it for GL consolidation.

Process Overview

In this activity, you will enable the *General Ledger Consolidation* feature on the *Enable/Disable Features* (CS100000) form.

On the *Companies* (CS101500) form, you will create a subsidiary entity that represents the subsidiary company in the parent company. On the *Company Financial Calendar* (GL201100) form, you will open financial periods up to 13-2021 for the new company.

On the *Ledgers* (GL201500) form, you will create a consolidation ledger. You will then update the chart of accounts on the *Chart of Accounts* (GL202500) form, and set up the consolidation on the *Consolidation* (GL103000) form.

System Preparation

Before you start configuring the parent company, launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded.

You should sign in as the system administrator with the *gibbs* username and the *123* password.

Step 1: Enabling the Needed Feature

To enable the *General Ledger Consolidation* feature, do the following:

1. Open the *Enable/Disable Features* (CS100000) form.
2. On the form toolbar, click **Modify** to make it possible to change the set of selected features.
3. Select the **General Ledger Consolidation** check box in the **Advanced Financials** group.
4. On the form toolbar, click **Enable** to enable the selected feature.

Step 2: Creating an Access Role for Subsidiaries

To create an access role that you will use for the subsidiary entity, do the following:

1. Open the *User Roles* (SM201005) form.
2. On the form toolbar, click **Add New Record** and specify the following settings in the Summary area:
   - **Role Name**: `Subsidiaries`
   - **Role Description**: `Subsidiaries`
3. On the **Membership** tab, click **Add Row** on the table toolbar and select *gibbs* in the **Username** column.
4. Click **Add Row** again and select *pasic* in the **Username** column. This is the username of the accountant who will import consolidation data to the parent tenant.
5. On the form toolbar, click **Save** to save your changes.

Step 3: Creating the Subsidiary Entity

To create the subsidiary entity that represents SweetLife AZ, do the following:

1. Open the *Companies* (CS101500) form.
2. On the form toolbar, click **Add New Record** and specify the following settings in the Summary area:
   - **Company ID**: `AZENTITY`
   - **Company Name**: `AZ Subsidiary`
   - **Company Type**: *Without Branches*

3. In the **Main Address** section of the **Company Details** tab, make sure that *US - United States of America* is selected in the **Country** box.

4. In the **State** box, select *AZ - ARIZONA*.

5. In the **Access Role** box (**Configuration Settings** section), select *Subsidiaries*.

6. On the form toolbar, click **Save** to save your changes.

Step 4: Creating the Consolidation Ledger

To create the consolidation ledger to which the data from SweetLife AZ should be collected, do the following:

1. Open the *Ledgers* (GL201500) form.

2. On the form toolbar, click **Add New Record** and specify the following settings in the Summary area:

   • **Ledger ID**: CONSOL
   • **Description**: Consolidation Ledger
   • **Type**: *Reporting*

3. On the **Companies** tab, click **Add Row** on the tab toolbar and in the **Company** column, select *AZENTITY* (the company you created in the previous step).

4. On the form toolbar, click **Save** to save your changes.

Step 5: Opening Financial Periods in the Subsidiary Entity

To open the periods of the 2021 financial year in the subsidiary entity that you created in Step 3, do the following:

1. Make sure that you are signed in as the *gibbs* user.

2. Open the *Company Financial Calendar* (GL201100) form.

3. In the **Company** box, select *AZENTITY*.

4. In the **Financial Year** box, select *2021*.

5. On the More menu, click **Open Periods**.

   The *Manage Financial Periods* (GL503000) form opens with the *Open* option selected in the **Action** box of the Summary area.

6. In the table, select the unlabeled check box for the row of the *13-2021* period and on the form toolbar, click **Process**.

7. Close the **Processing** dialog box.

Step 6: Updating the Chart of Accounts

To add a GL account that will consolidate the balances of all cash accounts from the subsidiary company, do the following:

1. Open the *Chart of Accounts* (GL202500) form.

2. On the form toolbar, click **Add Row** and specify the following settings for the added row:

   • **Account**: 10000
   • **Account Class**: *CASHASSET*
   • **Type**: *Asset* (inserted automatically)
   • **Description**: Cash Account
   • **Post Option**: *Summary*

3. On the form toolbar, click **Save**.

Step 7: Setting up the Consolidation

To set up GL consolidation in the parent company, do the following:

1. Open the *Consolidation* (GL103000) form.

2. In the Summary area, leave the **Consolidation Segment Number** box empty.

3. On the toolbar of the table listing the consolidation rules, click **Add Row** and specify the following settings in the row you have added:

   - **Consolidation Branch**: *AZENTITY*
   - **Consolidation Ledger**: *CONSOL*
   - **Consolidation Unit**: `AZ_Subsidiary`
   - **Username**: `admin@AZ_Subsidiary`
   - **Password**: `123`

4. In the **URL** column, enter the address of the consolidation unit website.

   ⚠️ For example, if you are performing this activity on the tenant installed on your local computer, your URL could be the following: `http://localhost/F300/`.

5. On the form toolbar, click **Save**.

6. Make sure that the check box in the **Active** column is selected.

7. Select the unlabeled check box for the row in the table, as shown in the following screenshot.

Figure: The consolidation rule that has been created

8. On the form toolbar, click **Synchronize**.

   When the synchronization is complete, the values in the boxes related to the subsidiary company become available for selection.

9. In the row with the consolidation setup for *AZ_Subsidiary*, specify the following settings:

   - **Source Ledger**: *ACTUALAZ*
   - **Source Branch**: *SWEETAZ*
   - **Start Period**: *11-2021*

10. On the form toolbar, click **Save**. The consolidation-related data in the parent and in the child tenants has been synchronized. As a result of the synchronization, the parent received information about the subsidiary consolidation ledger and the branches that use the ledger while the child tenant received the list of the consolidated accounts for mapping. The consolidation result is shown in the following screenshot.

	Active	*Consolidation Branch	*Consolidation Ledger	*Consolidation Unit	*Username	*Password	*URL	*Source Ledger	Source Branch	Start Period	End Period	Last Post Period	Last Consolidati Date	Bypass Account/Sub Validation
>	☑	AZENTITY	CONSOL	AZ_Subsidiary	admin@AZ_Subsidiary	********	http://localhost	ACTUALAZ	SWEETAZ	11-2021				☐

Figure: The consolidation rule that has been synchronized

Lesson 4.2: Performing GL Consolidation

GL Consolidation: General Information

The way the consolidation data should be prepared in a consolidation unit depends on whether the base currency of the consolidation unit is the same as the base currency of the parent tenant.

Learning Objectives

In this chapter, you will learn how to do the following:

- Prepare the consolidation data in the consolidation unit
- Perform GL consolidation

Applicable Scenarios

You perform GL consolidation if you need to regularly collect data from one or multiple subsidiaries into the parent company for reporting purposes.

Preparation of Consolidation Data in a Consolidation Unit

The way the consolidation data should be prepared in a consolidation unit depends on whether the base currency of the consolidation unit is the same as the base currency of the parent tenant. The following system configuration is possible:

- A consolidation unit uses the same base currency as the parent tenant does. In this case, no special data preparation is required.
- A consolidation unit uses a different base currency than the parent tenant does. In this case, the consolidation unit should translate the data into the base currency of the parent company before the parent company imports the data. If you want to consolidate the translated data, you specify the reporting ledger as the unit's source ledger. To consolidate the original untranslated data, specify the reporting ledger as the source ledger of the unit. If the base currency of the parent tenant is the same as the base currency of the consolidation ledger, any ledger can be used as the source ledger.

> (i) Depending on your company's policy, the balances can be translated to the base currency of the parent tenant after the consolidation. If an accountant of the parent company is more skilled with the consolidation or the *Multicurrency Accounting* feature is disabled in the consolidation unit, the translation can be prepared in the parent tenant.

In each consolidation unit, you perform the following steps to prepare data for consolidation:

1. You prepare the trial balance for the consolidation period and make sure that it is correct.

> ⚠️   This is a periodic activity that should be done every month.

2. (Optional): You close the financial period for which consolidation will be performed. For details on closing periods, see *Closing Financial Periods: To Close a Period in a Subledger* and *Closing Financial Periods: To Close a Period in Subledgers and GL*.

Import of Consolidation Data

The consolidation data is imported to the selected branch of the parent company as GL batches with system-generated descriptions. Before the system starts to import the consolidation data, the system transforms the unit's subaccounts into the parent's subaccounts by using the segment value mapping and other related settings. Consolidation data being imported to the parent company is available by using the SOAP gateway as a set of GLConsolRead instances. Every GLConsolRead instance consists of four data fields:

- `AccountCD` (GL account)
- `MappedValue` (parent company subaccount)
- `ConsolAmtCredit` (total credit value for period)
- `ConsolAmtDebit` (total debit value for period)

To import the consolidation data from the consolidation units to the parent company, you use the *Import Consolidation Data* (GL509000) form. You select the unit and the source ledger, and then click **Process**. The financial data is imported from the database of the consolidation unit to the specified branch of the parent company. To consolidate data of different types (such as actual data and budget data), use separate ledgers in the parent company.

Workflow of Performing GL Consolidation

The following diagram illustrates the process of performing GL consolidation between the parent company and a subsidiary company implemented in a separate tenant.
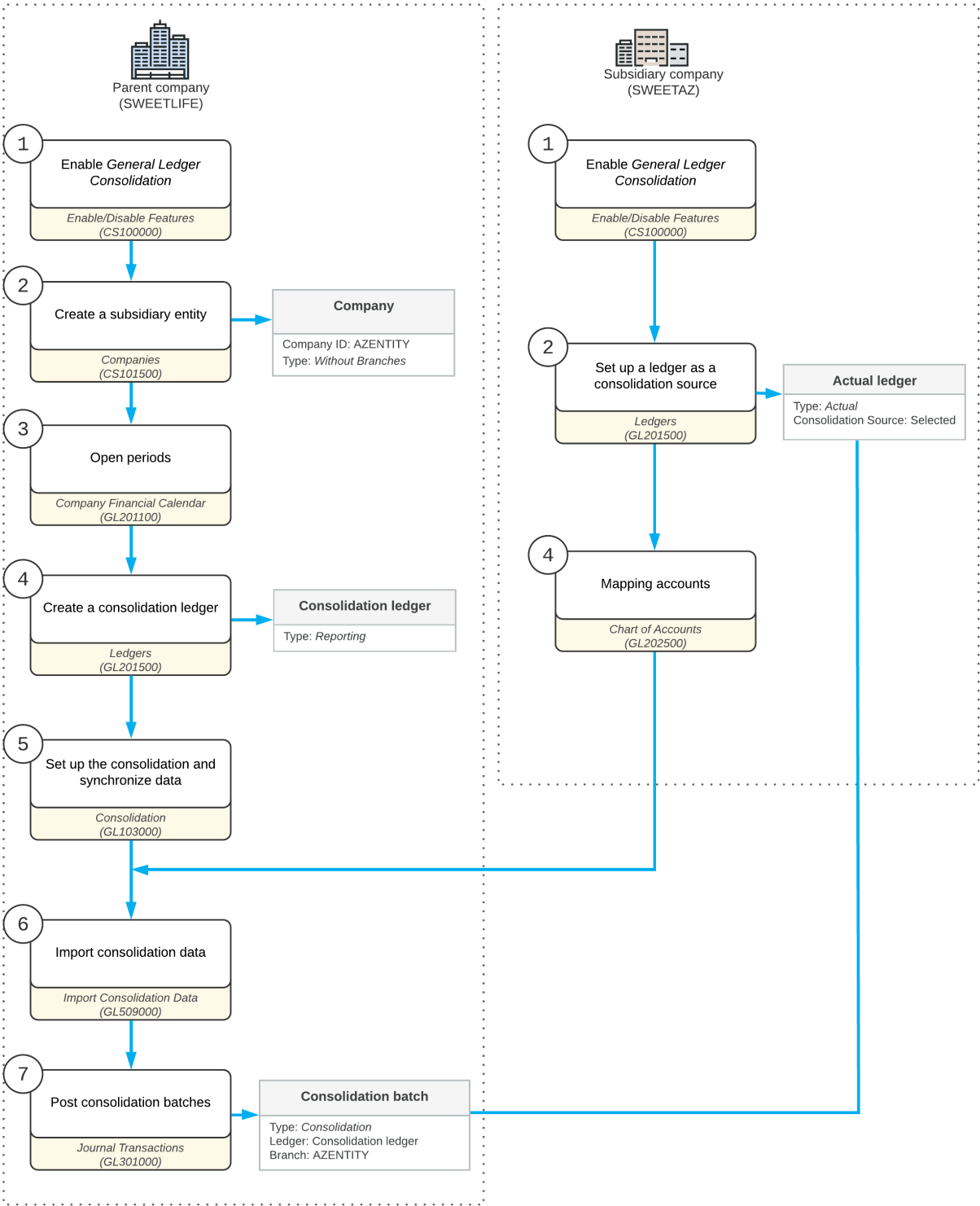
Performing GL Consolidation

Figure: The process of GL consolidation

GL Consolidation: To Prepare the Consolidation Unit

The following activity will walk you through the process of preparing the consolidation unit (a subsidiary company) for consolidation data import.

Story

Suppose that the management of the SweetLife AZ company decided to prepare the system for further GL consolidation. The trial balances for November and December 2021 have been transferred from the company's legacy system to Excel files and need to be uploaded to Acumatica ERP. Acting as the system administrator of SweetLife AZ, you need to prepare the consolidation unit for GL consolidation by mapping its GL accounts with the GL accounts of the parent company and to import the trial balance of SweetLife AZ for the 11-2021 and 12-2021 periods.

Process Overview

In this activity, on the *Chart of Accounts* (GL202500) form, you will map the accounts of the consolidation unit with the parent company accounts by uploading an Excel file.

On the *Trial Balance* (GL303000) form, you will upload the Excel files with trial balances for the 11-2021 and 12-2021 periods. On the *Journal Transactions* (GL301000) form, you will release the GL transactions generated by the system.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to the *AZ_Subsidiary* tenant. You should sign in as the system administrator by using the *admin* username and the *123* password.

2. As a prerequisite activity, in the tenant to which you are signed in, be sure you have configured the consolidation unit as described in *GL Consolidation Configuration: To Configure a Consolidation Unit*.

3. As a prerequisite activity, in the parent company (the company with the *U100* dataset preloaded), be sure that you have performed data synchronization as described in *GL Consolidation Configuration: To Configure the Parent Company*.

4. Download the *AZ_Subsidiary_COA_with_Mapped_Accounts.xlsx*, *SWEETAZ_Trial_Balance_11-2021.xlsx*, and *SWEETAZ_Trial_Balance_12-2021.xlsx* files.

Step 1: Mapping Accounts

> ⚠️ For the purposes of this step, the accounts have been mapped in an Excel file. To reduce the time for data entry, you will upload a chart of accounts with the accounts mapped, and then map four accounts manually.

To map the accounts of the consolidation unit with the parent company accounts, do the following:

1. Open the *Chart of Accounts* (GL202500) form.

2. On the form toolbar, click **Load Records from File**.

3. In the **File Upload** dialog box, which opens, select the file path to the *AZ_Subsidiary_COA_with_Mapped_Accounts.xlsx* file that you downloaded for this activity, and click **Upload**.

4. In the **Common Settings** dialog box, which opens, select *Update Existing* in the **Mode** box, and click **OK**.

5. In the **Columns** dialog box, leave the current mapping, and click **OK**.

   The system uploads a chart of accounts with accounts from the parent company specified in the **Consolidation Account** column. All the accounts have been mapped, except for four cash accounts. You need to map them manually.

6. In the row for *10200 - Company Checking Account*, specify *10000* in the **Consolidation Account** box.

7. In the row for *10300 - Company Savings Account*, specify *10000* in the **Consolidation Account** box.

8. In the row for *10500 - Cash in Transit*, specify *10000* in the **Consolidation Account** box.

9. In the row for *10600 - Credit Card Account*, specify *10000* in the **Consolidation Account** box.

   The amounts posted to these accounts will be consolidated in the *10000 - Cash Account* in the parent company.

10. On the form toolbar, click **Save**.

Step 2: Importing Trial Balance for 11-2021 to the System

To import the trial balance for 11-2021 of SweetLife AZ and post the transaction, do the following:

1. Open the Trial Balance (GL3030PL) form.

2. On the form toolbar, click **New Record**.

3. On the *Trial Balance* (GL303000) form, which opens, specify the following settings in the Summary area:

   - **Import Date**: *11/30/2021*
   - **Period**: *11-2021* (inserted automatically)
   - **Branch**: *SWEETAZ* (inserted by default)
   - **Ledger**: *ACTUALAZ*
   - **Description**: `11-2021 TB import`

4. On the table toolbar of the **Transaction Details** tab, click **Load Records from File**.

5. In the **File Upload** dialog box, select the *SWEETAZ_Trial_Balance_11-2021.xlsx* file and click **Upload**.

6. In the **Common Settings** dialog box, leave the default settings and click **OK**. In the **Columns** dialog box, click **OK**.

   The system uploads the trial balance for the 11-2021 period on the **Transaction Details** tab.

7. In the **Action** box, make sure that the *Validate* option is selected.

8. On the table toolbar of the **Transaction Details** form, click **Process All**.

9. On the form toolbar, click **Remove Hold**, and then click **Release** to release the trial balance.

   The system navigates to the *Journal Transactions* (GL301000) form and displays a transaction with the uploaded balances.

10. On the form toolbar, click **Release** to release the transaction.

Step 3: Importing Trial Balance for 12-2021 to the System

To import the trial balance for 12-2021 of SweetLife AZ and post the transaction, do the following:

1. Open the Trial Balance (GL3030PL) form.

2. On the form toolbar, click **New Record**.

3. On the *Trial Balance* (GL303000) form, which opens, specify the following settings in the Summary area:

   - **Import Date**: *12/30/2021*
   - **Period**: *12-2021* (inserted automatically)

- **Branch**: *SWEETAZ* (inserted by default)
- **Ledger**: *ACTUALAZ*
- **Description**: `12-2021 TB import`

4. On the table toolbar of the **Transaction Details** tab, click **Load Records from File**.

5. In the **File Upload** dialog box, select the *SWEETAZ_Trial_Balance_12-2021.xlsx* file and click **Upload**.

6. In the **Common Settings** dialog box, leave the default settings and click **OK**. In the **Columns** dialog box, click **OK**.

   The system uploads the trial balance for the 12-2021 period on the **Transaction Details** tab.

7. In the **Action** box, make sure that the *Validate* option is selected.

8. On the table toolbar of the **Transaction Details** form, click **Process All**.

9. On the form toolbar, click **Remove Hold**, and then click **Release** to release the trial balance.

   The system navigates to the *Journal Transactions* (GL301000) form and displays a transaction with the uploaded balances.

10. On the form toolbar, click **Release** to release the transaction.

GL Consolidation: To Import Consolidation Data from a Subsidiary

The following activity will walk you through the process of importing the balanced of GL accounts from a subsidiary to the parent company.

Story

Suppose that the management of SweetLife Fruits & Jams needs the data from its subsidiary imported in the system so that consolidation data should be available in all financial reports. Acting as a SweetLife accountant, you need to import the consolidation data from SweetLife AZ to SweetLife Fruits & Jams, post the consolidation batches, and make sure that the balances have been updated.

Process Overview

In this activity, you will import the consolidation data to the parent company on the *Import Consolidation Data* (GL509000) form. You will then review and post the generated batches on the *Journal Transactions* (GL301000) form. Finally, you will review the account balances of the *AZENTITY* company for 11-2021 and 12-2021 on the *Account Summary* (GL401000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to the parent company with the *U100* dataset preloaded. You should sign in as Nenad Pasic by using the *pasic* username and the *123* password.

2. On the Company and Branch Selection menu, also on the top pane of the Acumatica ERP screen, make sure that the *SweetLife Head Office and Wholesale Center* branch is selected. If it is not selected, click the Company and Branch Selection menu button to view the list of branches that you have access to, and then click *SweetLife Head Office and Wholesale Center*.

3. As a prerequisite activity, in the company to which you are signed in, be sure you have prepared the parent company as described in *GL Consolidation Configuration: To Configure the Parent Company*.

4. As a prerequisite activity, make sure you have prepared the consolidation unit as described in *GL Consolidation: To Prepare the Consolidation Unit*.

Step 1: Importing the Consolidation Data

To import the consolidation data from the consolidation unit to the parent company, do the following:

1. Open the *Import Consolidation Data* (GL509000) form.

   The consolidation rule that you set up earlier is displayed in the table.

2. In the table, select the unlabeled check box for the only row and click **Process** on the form toolbar, as shown in the following screenshot.

Figure: Import of consolidation data

3. Close the **Processing** dialog box.

> (i) This process can be scheduled by using the *Automation Schedules* (SM205020) form.

Step 2: Reviewing and Posting the Consolidation Batches

To review and post the consolidation batches generated by the system, do the following:

1. Open the Journal Transactions (GL3010PL) form.

2. In the table, find a batch with the following settings:

   - **Module**: *GL*
   - **Status**: *Balanced*
   - **Ledger**: *CONSOL*
   - **Transaction Date**: *11/30/2021*

   This is the consolidation batch for 11-2021 generated as a result of the import process.

3. Click the link in the **Batch Number** column to open the batch on the *Journal Transactions* (GL301000) form.

   The batch has a description indicating that this is a consolidation batch and *AZENTITY* specified in the **Branch** column for each entry.

4. Review the amount in the **Debit Amount** column for *10000 - Cash Account*. This amount consolidates the amounts of all cash accounts in the *AZ_Subsidiary* company.

5. On the form toolbar, click **Release** to release the consolidation batch.

6. On the Journal Transactions (GL3010PL) form, find a batch with the following setting:

   - **Module**: *GL*
   - **Status**: *Balanced*
   - **Ledger**: *CONSOL*
   - **Transaction Date**: *12/31/2021*

   This is the consolidation batch for 12-2021 generated as a result of the import process.

7. Click the link in the **Batch Number** column to open the batch on the *Journal Transactions* (GL301000) form.

8. Review the entries in the table and the amount in the **Debit Amount** column for *10000 - Cash Account*.

9. On the form toolbar, click **Release** to release the batch.

Step 3: Reviewing the Account Balances of the *AZENTITY* Company

To review the account balances of the *AZENTITY* company, do the following:

1. Open the *Account Summary* (GL401000) form.

2. In the Selection area, specify the following settings:
   - **Company/Branch**: *AZENTITY - AZ Subsidiary*
   - **Ledger**: *CONSOL*
   - **Period**: *11-2021*

3. Review the balances shown in the table for the *11-2021* period.

4. In the **Period** box, select *12-2021*. Review the balances shown in the table for the *12-2021* period.

> (i) This data can be used for preparing ARM reports and is available in all GL reports and inquiries.

Part 5: Configuring and Using Multiple Base Currencies

Lesson 5.1: Configuring Multiple Base Currencies

Multiple Base Currencies: General Information

To be able to set up companies with different base currencies in one tenant of Acumatica ERP, you need to configure the multiple base currency functionality. This chapter describes how to prepare for the configuration and how to configure the functionality to meet your business needs.

Learning Objectives

In this chapter, you will learn how to do the following:

- Enable the required system features
- Create a company with a base currency that is different from the base currency of the companies that exist in the tenant

Applicable Scenarios

You configure multiple base currencies if you need to have multiple related companies that have different base currencies but share preferences, list of items, and joint projects involving employees of multiple companies.

Scope of the Multiple Base Currency Functionality in Acumatica ERP

Multiple base currencies are supported for a limited set of financial areas—general ledger, accounts payable, accounts receivable, cash management, currency management, sales orders, purchase orders, inventory, expense receipts and claims, deferred revenue, fixed assets, and taxes. For the *Multiple Base Currencies* feature to be enabled, the following features need to be enabled on the *Enable/Disable Features* (CS100000) form:

- *Multicompany Support*
- *Multicurrency Accounting*
- *Customer and Vendor Visibility Restriction*

> ⚠️ The following features are not supported if the *Multiple Base Currencies* feature has been enabled:
>
> - *Contract Management*
> - *Dunning Letter Management*
> - *Purchase Requisitions*
> - *Time Management*
> - *Projects* if the *Multicurrency Projects* feature is disabled
> - *Customer Portal*
> - *Customer Management*
> - *Service Management*
> - *Payroll*
> - *Manufacturing*
> - *Commerce Integration*
> - *Procore Integration*
>
> If the *Multiple Base Currencies* feature is enabled and you select a check box corresponding to one of the listed features, the system displays an error message.
>
> If one or all of the listed features are enabled and you select the check box corresponding to the *Multiple Base Currencies* feature, the system displays an error message that the feature cannot be enabled.

Workflow of the Implementation of Multiple Base Currencies

To implement the support of multiple base currencies in Acumatica ERP, you perform the following general steps:

- On the *Enable/Disable Features* (CS100000) form, you verify that the unsupported features are not in use and enable the needed features: *Multicompany Support*, *Multicurrency Accounting*, and *Customer and Vendor Visibility Restriction*.
- On the *Companies* (CS101500) form, you create a company and select a base currency for it. This process is illustrated in *Multiple Base Currencies: Implementation Activity*.
- Optional: On the *Company Groups* (CS102500) form, you create a company group for companies with the same base currency. This process is illustrated in *Company Groups: Implementation Activity*.
- On the *Customers* (AR303000) form, you limit the visibility of the needed customers to the companies or company groups that work with the customers. This process is illustrated in *Customer Visibility: To Restrict Visibility to a Company*.
- On the *Vendors* (AP303000) form, you limit the visibility of the needed vendors to the companies or company groups that work with the vendors. This process is illustrated in *Vendor Visibility: To Restrict Visibility to a Branch*.

Multiple Base Currencies: Implementation Activity

In the following implementation activity, you will learn how to create a company with a base currency that is different from the base currency of the companies in the tenant.

Story

Suppose that the management of SweetLife Fruits & Jams has decided to establish a related company in Canada (SweetLife Canada). The company should have the *Without Branches* type and share the preferences and list of

items with SweetLife Fruits & Jams. However, the company should have a different base currency than SweetLife Fruit & Jams has—Canadian dollar (CAD).

Acting as the implementation consultant, you need to create the needed company, specifying its base currency and actual ledger. You will also create a cash account for the company and specify currency rates for *CAD* and *USD*.

Process Overview

In this activity, on the *Enable/Disable Features* (CS100000) form, you will disable the features that do not support multiple base currencies and enable the needed features.

> ⚠️ You will disable these features for training purposes. In a production environment, you should not disable any features you are using, because you will not be able to enable them after the *Multiple Base Currencies* feature has been enabled.

On the *Companies* (CS101500) form, you will create a new company, specifying *CAD* as its base currency. You will then create an actual ledger for the new company by clicking **Create Ledger** on the form toolbar. On the *Currencies* (CM202000) form, you will review the settings of the base currency. On the *Manage Financial Periods* (GL503000) form, you will open the financial periods for the new company.

On the *Chart of Accounts* (GL202500) form, you will create a GL account denominated in CAD, and on the *Cash Accounts* (CA202000) form, you will create a CAD cash account to be used in documents originating from the new SweetLife Canada company. On the *Currency Management Preferences* (CM101000) form, you will review and save the preferences that will be used in the system. Finally, on the *Currency Rates* (CM301000) form, you will create *CAD*-to-*USD* and *USD*-to-*CAD* rates that the system will use to convert amounts to and from the base currencies in the system.

System Preparation

Before you start creating a company with the *CAD* base currency, launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs with the *gibbs* username and the *123* password.

Step 1: Enabling the Needed Features and Disabling Unsupported Features

To disable the features that do not support multiple base currencies and enable the features that are needed for the support of multiple base currencies, do the following:

1. Open the *Enable/Disable Features* (CS100000) form.

2. On the form, make sure that the *Multibranch Support* and *Multicompany Support* features have been enabled.

3. On the form toolbar, click **Modify** to make it possible to change the set of selected features.

4. Clear the following check boxes:
   - **Time Management**
   - **Manufacturing**
   - **Customer Management**
   - **Purchase Requisitions** (**Inventory and Order Management** group)
   - **Commerce Integration** (**Third Party Integrations** group)

5. On the form toolbar, click **Enable**.

6. On the form toolbar, click **Modify** and select the following check boxes:
   - **Multicurrency Accounting** (**Standard Financials** group)
   - **Customer and Vendor Visibility Restriction** (**Advanced Financials** group)

- **Multiple Base Currencies** (**Advanced Financials** group)
- **Multicurrency Projects** (**Projects** group)

7. On the form toolbar, click **Enable** to enable the selected features.

Step 2: Creating a New Company

To create a new company with the *CAD* base currency, do the following:

1. Open the *Companies* (CS101500) form.

2. In the Summary area, specify the following settings:

   - **Company ID**: SLCANADA
   - **Company Name**: SweetLife Canada
   - **Company Type**: *Without Branches*

3. In the **Main Address** section of the **Company Details** tab, specify the following address settings:

   - **City**: Toronto
   - **Country**: *CA - Canada*
   - **State**: *ON - Ontario*
   - **Postal Code**: M4E 2V5

4. In the **Base Currency ID** box (**Base Currency Settings (Shared)** section), select *CAD*.

5. In the **Access Role** box, select *Branch SLCanada*. This will make it possible for the implementation consultant to access this company.

> ⚠ This access role has been preconfigured in the system and assigned to the *gibbs* user.

6. On the form toolbar, click **Save**.

Step 3: Creating a Ledger for the New Company

To create an actual ledger for the new company, do the following:

1. While you are still on the *Companies* (CS101500) form with the new company opened, click **Create Ledger** on the form toolbar.

2. In the **Create Ledger** dialog box that opens, specify the following settings:

   - **Ledger ID**: SLCANADA
   - **Description**: SLCANADA Actual Ledger

3. Click **Create** to create this ledger and close the dialog box.

4. On the **Ledgers** tab, review the ledger you have created. Notice that the currency of the created ledger (*CAD*) is the base currency you have specified for the company.

Step 4: Reviewing the Base Currency Settings

To review the company's base currency settings, do the following:

1. Open the *Currencies* (CM202000) form.

2. In the **Currency ID** box, select *CAD*.

3. In the Summary area, review the values in the **Description**, **Currency Symbol**, and **Decimal Precision** boxes for the base currency you selected for the company in Step 2 of this activity.

Notice that the **Active** and **Use for Accounting** check boxes are selected automatically and are unavailable for editing. These check boxes are always selected and unavailable when the currency is the base currency of one of the companies in the tenant, and *CAD* is the base currency for the *SLCANADA* company.

Step 5: Creating a Financial Calendar for the New Company

To create a financial calendar for the new company and open the financial periods, do the following:

1. Open the *Company Financial Calendar* (GL201100) form.

2. In the Summary area, specify the following settings:

   - **Company**: *SLCANADA* (selected by default)
   - **Financial Year**: *2022*

3. On the More menu, click **Open Periods**.

   The *Manage Financial Periods* (GL503000) form opens with *Open* selected in the **Action** box of the Summary area.

4. On the form toolbar, click **Process All**.

   The system opens the **Processing** dialog box and runs the process of opening periods.

5. Close the **Processing** dialog box.

Step 6: Creating a Cash Account

To create a cash account denominated in CAD, do the following:

1. Open the *Chart of Accounts* (GL202500) form.

2. On the form toolbar, click **Add Row**, and in the added row, specify the following settings:

   - **Account**: `10215`
   - **Account Class**: *CASHASSET*
   - **Description**: `Checking Account CAD`
   - **Post Option**: *Detail*
   - **Currency**: *CAD*
   - **Revaluation Rate Type**: *SPOT*

3. On the form toolbar, click **Save** to save your changes.

4. Open the *Cash Accounts* (CA202000) form.

5. On the form toolbar, click **Add New Record**, and in the Summary area, specify the following settings:

   - **Cash Account**: `10215SL`
   - **Account**: *10215 (Checking Account CAD)*
   - **Branch**: *SLCANADA*
   - **Currency**: *CAD* (selected automatically)
   - **Curr. Rate Type**: *SPOT*

6. On the **Payment Methods** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:

   - **Payment Method**: *WIRE*
   - **Use in AP**: Selected
   - **Use in AR**: Selected

7. On the **Entry Types** tab, click **Add Row** on the table toolbar, and in the **Entry Type ID** column of the added row, select *BANKFEE*.

8. Click **Add Row** on the table toolbar, and in the **Entry Type ID** column of the added row, select *INTEREST*.

9. On the form toolbar, click **Save** to save your changes.

Step 7: Reviewing the Currency Management Preferences

To review and save the currency management preferences that will be used in the system, do the following:

1. Open the *Currency Management Preferences* (CM101000) form.

2. In the **Default Rate Types** section, review the rate type (*SPOT*) specified by default for subledgers.

3. Make sure that the **Automatically Post to GL on Release** check box is selected.

4. On the form toolbar, click **Save** to save the preferences.

Step 8: Creating Currency Rates

To create currency rates that the system will use to convert amounts from the base currency of one company into the base currency of another company, do the following:

1. Open the *Currency Rates* (CM301000) form.

2. In the **To Currency** box, select *USD*. This is the currency to which the conversion with the specified exchange rate should be performed.

3. In the **Effective Date** box, enter *1/1/2022*.

4. On the **Currency Rate Entry** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:

   • **From Currency**: *CAD*
   • **Currency Rate Type**: *SPOT*
   • **Currency Effective Date**: *1/1/2022*
   • **Currency Rate**: `1.2974`
   • **Mult./Div.**: *Divide*

   The **From Currency** box specifies the currency from which the conversion should be performed by using the **Currency Rate** and the operation selected in the **Mult./Div.** box. In this case, the conversion rule from *CAD* to *USD* is the following: `1 CAD = 1 / 1.2974 USD`.

5. On the form toolbar, click **Save** to save your changes.

   The created rate is effective starting on January 1, 2022, and does not have an expiration date. The system will use this rate for converting the amounts in *CAD* into *USD* in any document with a date of January 1, 2022 or later.

6. In the **To Currency** box, select *CAD*.

7. In the **Effective Date** box, enter *1/1/2022*.

8. On the **Currency Rate Entry** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:

   • **From Currency**: *USD*
   • **Currency Rate Type**: *SPOT*
   • **Currency Effective Date**: *1/1/2022*
   • **Currency Rate**: `1.2974`
   • **Mult./Div.**: *Multiply*

9. On the form toolbar, click **Save** to save your changes.

Lesson 5.2: Configuring Visibility of Customers and Vendors

Company Groups: General Information

In Acumatica ERP, a *company group* is an entity that includes two or more companies that can have access to the same set of customer and vendor records and have the same base currency. For reporting purposes, a company can be included in more than one group.

Learning Objectives

In this chapter, you will learn how to do the following:

- Create a company group and include companies in it
- Restrict the visibility of a customer and vendor to this company group

Applicable Scenarios

You may want to set up a company group in the following cases:

- If multiple related companies need to have access to the same set of customer and vendor records
- If you are using the *Multiple Base Currencies* feature and you need to limit the usage of customers and vendors to an entity (a company, branch, or company group)

Creation of a Company Group

You perform the following configuration steps to create a company group:

1. On the *Enable/Disable Features* (CS100000) form, you enable the *Multicompany Support*, *Multicurrency Accounting*, and *Customer and Vendor Visibility Restriction* features.

2. On the *Company Groups* (CS102500) form, you create a company group and add companies to it.

   If the *Multiple Base Currencies* feature is enabled, when you are creating a new company group on the *Company Groups* form, the **Currency ID** setting is required. The box is empty by default, and you can select the currency from the list of active currencies. The currency can be changed for an empty company group (a company group with no companies listed) only if the company group is not associated with any customer or vendor. If the *Multiple Base Currencies* feature is disabled, the **Currency ID** box is unavailable and contains the base currency used for all companies in the tenant.

   You can add to the group only companies that have the same base currency as the currency of the group.

3. Optional: On the *Companies* (CS101500) form, you can include any company in the group or in multiple groups.

   If any company is included in multiple groups, you specify the primary company group for the company. In the **Company/Branch** box in report forms and inquiry forms, the company will be highlighted under this group in the list, although it will be listed under all the groups where it is included.

4. On the *Customers* (AR303000) and *Vendors* (AP303000) forms, you can restrict the visibility of a customer or vendor record to the company group you created by selecting this group in the **Restrict Visibility To** box on the **Financial** tab.

On the *Company Groups* form, if you delete a company group that restricts the visibility of customers or vendors, the system displays a warning message indicating that this visibility restriction will be deleted as well.

For details on managing visibility restrictions for customers, see *Visibility of Customer Records*. For details on managing visibility restrictions for vendors, see *Visibility of Vendor Records*.

Configuration Example

The following diagram illustrates an example of the configuration of a company group. This configuration is described in detail in *Company Groups: Implementation Activity*.

Restricted visibility of customers and vendors for a company group
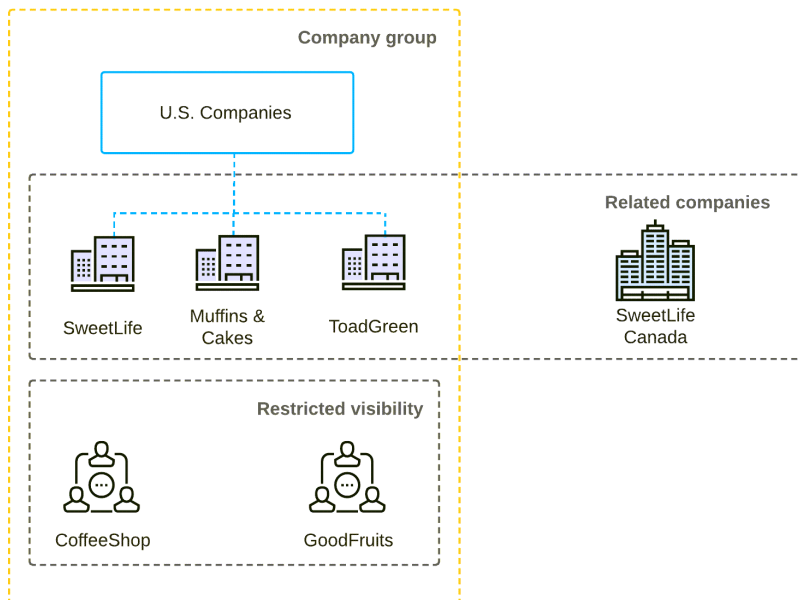
In the diagram, three of the related companies are included in the same company group and the visibility of the CoffeeShop customer and the GoodFruits vendor has been restricted to this company group. Thus, the CoffeeShop and GoodFruits vendors can be used only in the documents having the SweetLife, Muffins & Cakes, or ToadGreen branch as the original branch of the document. Only the users that are included in the access roles associated with the SweetLife, Muffins & Cakes, or ToadGreen branch can view and edit the CoffeeShop record on the *Customers* (AR303000) form and the GoodFruits record on the *Vendors* (AP303000) form. That is, only the users belonging to the access roles specified for the SweetLife, Muffins & Cakes, or ToadGreen branch can create documents for this customer and vendor and view and edit the customer or vendor's records (if the users have the appropriate rights on the needed forms).

Company Groups: Implementation Activity

In the following implementation activity, you will learn how to create a company group, add companies to it, and restrict the visibility of a customer and a vendor to this company group.

Story

Three related companies have been configured in the *U100* dataset—SweetLife Fruits & Jams, Muffins & Cakes, and ToadGreen Building Group. The first two companies are involved in food production, while the third is a construction company. All three companies are using the same base currency—the United States dollar (*USD*). The SweetLife and Muffins & Cakes companies share some customers and vendors, FourStar Coffee & Sweets Shop (*COFFEESHOP*) and Good Fruits More (*GOODFRUITS*) among them. Also, the SweetLife Canada company with the *CAD* (Canadian dollar) base currency has been implemented.

Acting as an implementation consultant, you need to do the following:

- Create a company group that includes all the companies that use the *USD* base currency: SweetLife, Muffins & Cakes, and ToadGreen Building Group
- Restrict the *COFFEESHOP* customer and *GOODFRUITS* vendor to this company group

Process Overview

In this activity, on the *Company Groups* (CS102500) form, you will create a company group and add three companies to it. On the *Customers* (AR303000) form, you will restrict the visibility of the *COFFEESHOP* customer to the new group, and on the *Vendors* (AP303000) form, you will restrict the visibility of the *GOODFRUITS* vendor to the new group.

System Preparation

Before you start creating a company group, sign in to a company with the *U100* dataset preloaded. You should sign in as a system administrator with the *gibbs* username.

As a prerequisite activity, be sure that on the *Enable/Disable Features* (CS100000) form, the *Multicompany Support*, *Multicurrency Accounting*, *Customer and Vendor Visibility Restriction*, and *Multiple Base Currencies* features have been enabled, as described in *Multiple Base Currencies: Implementation Activity*.

On the *Companies* form, be sure that the SweetLife Canada company has been configured, as described in *Multiple Base Currencies: Implementation Activity*.

Step 1: Creating a Company Group

To create a company group, do the following:

1. Open the *Company Groups* (CS102500) form.
2. On the form toolbar, click **Add New Record**.
3. In the Summary area, specify the following settings:
   - **Group ID**: USCOMP
   - **Group Name**: U.S. Companies
   - **Currency ID**: *USD*
4. On the table toolbar, click **Add Row**, and in the **Company ID** column of the added row, select *MUFFINS*.
5. Click **Add Row**, and in the **Company ID** column of the row, select *SWEETLIFE*.
6. Click **Add Row**, and in the **Company ID** column of the row, select *TOADGREEN*.
7. On the form toolbar, click **Save** to save your changes.

Step 2: Restricting the Visibility of a Customer to the Company Group

To restrict the visibility of the *COFFEESHOP* customer to the new company group, do the following:

1. Open the *Customers* (AR303000) form.
2. In the **Customer ID** box, select *COFFEESHOP*.
3. In the **Restrict Visibility To** box on the **Financial** tab, select *USCOMP*.
4. On the form toolbar, click **Save** to save your changes.

Step 3: Restricting the Visibility of a Vendor to the Company Group

To restrict the visibility of the *GOODFRUITS* vendor to the new company group, do the following:

1. Open the *Vendors* (AP303000) form.
2. In the **Vendor ID** box, select *GOODFRUITS*.
3. In the **Restrict Visibility To** box on the **Financial** tab, select *USCOMP*.
4. On the form toolbar, click **Save** to save your changes.

Customer Visibility: General Information

When multiple companies with their own accounting departments are configured within the same tenant, you may want to limit access to customer accounts so that they can be viewed by only employees of a particular company, branch, or company group and used in the documents originating from these entities.

If the *Multiple Base Currencies* feature is enabled on the *Enable/Disable Features* (CS100000) form, the **Restrict Visibility To** setting on the **Financial** tab of the *Customers* (AR303000) form is required for regular customers. You should associate each customer with an appropriate entity by selecting the entity in the **Restrict Visibility To** box. The base currency of the entity with which the customer is associated will be the currency in which the system stores the customer's balance and credit limit. As a result, customers can be used only in the transactions originating from the branches that have the same base currency as the currency of the entity that is associated with the customer.

Learning Objectives

In this chapter, you will learn how to do the following:

*   Restrict the visibility of a customer for a particular company
*   Explore how customers can be accessed by various users based on these restrictions
*   Update the **Restrict Visibility To** setting of customers by using an import scenario

Applicable Scenarios

You may want to restrict the visibility of customer records in the following cases:

*   You have customers that work with a particular entity (a company, a branch, or a company group), and you do not want employees of other companies or branches to have access to the entity.
*   You are using the *Multiple Base Currencies* feature, and you need to limit the usage of customers to an entity (a company, branch, or a company group).

Restricted Visibility of Customer Records

You use the **Restrict Visibility To** box on the **Financial** tab of the *Customers* (AR303000) form to control the visibility of the selected customer. A customer in Acumatica ERP can be associated with one of the following:

*   A branch: The customer is associated with a branch (that is, the visibility of the customer is limited to the branch) if the branch is selected in the **Restrict Visibility To** box for the customer. In this case, the customer can be accessed by users assigned to the role specified for the branch in the **Access Role** box of the **Branch Details** tab (**Configuration Settings** section) of the *Branches* (CS102000) form. The customer can be selected in documents originating from this branch.

> ⚠️ The branch where a particular document has originated is referred to as the *originating branch* of the document. By default, the originating branch is the branch to which the user is signed in during document creation; this value can be overridden. In the documents associated with a customer, the default value of the originating branch—the **Branch** box on the **Financial** tab of the *Invoices and Memos* (AR301000) form—is copied from the default branch specified for the customer in the **Default Branch** box on the **Shipping** tab of the *Customers* form. If the default branch is not specified, the current branch will be used as the originating branch of a document.

- A company: The customer is associated with a company (that is, the visibility of the customer is limited to the company) if the company is selected in the **Restrict Visibility To** box for the customer. In this case, the customer can be accessed by a user that has access to at least one of the company's branches (or to the company if it has no branches). That is, the customer can be accessed by a user with the access role specified in the **Access Role** box (**Configuration Settings** section) on the **Branch Details** tab of the *Branches* form for the branch, or the **Company Details** tab of the *Companies* (CS101500) form for the company. The customer can be selected in documents originating from any branch of the company.

- A company group: If a company group has been set up in the system, as described in *Company Groups: Implementation Activity*, the customer can be associated with this company group if the company group is selected in the **Restrict Visibility To** box for a customer. With the visibility of the customer restricted to a company group, the customer can be accessed by a user that has access to at least one of the companies included in the group. The customer can be selected in documents originating from any branch of any company included in the group.

- No entity: If the customer is not associated with a branch, company, or company group (that is, if the **Restrict Visibility To** box is left blank), it can be accessed by any user. The customer can be selected in documents originating from any branch.

If you want to control customer visibility for all customers of a particular customer class, you use the **Restrict Visibility To** box on the **General** tab of the *Customer Classes* (AR20100) form similarly to specify the visibility for the class as a whole. When a new customer of the class is created, this setting is used as the default setting for the customer, but you can override it.

These capabilities are available if the *Customer and Vendor Visibility Restriction* feature has been enabled on the *Enable/Disable Features* (CS100000) form. The feature can be disabled at any time. If the feature is disabled, the system will no longer apply any of the specified visibility restrictions to customers. For details on setting up vendor visibility, see *Visibility of Vendor Records*. For details on setting up customer and vendor visibility for a company group, see *Company Groups*.

> ⚠️ If you have the *Row-Level Security* feature enabled and any restriction groups have been configured in the system, they will be applied in addition to the customer visibility restriction functionality. For details on restriction groups, see *Customers: Security Configuration*.

Configuration Example

The following diagram illustrates an example of restricted access to customer records.

Restricted visibility of customer records
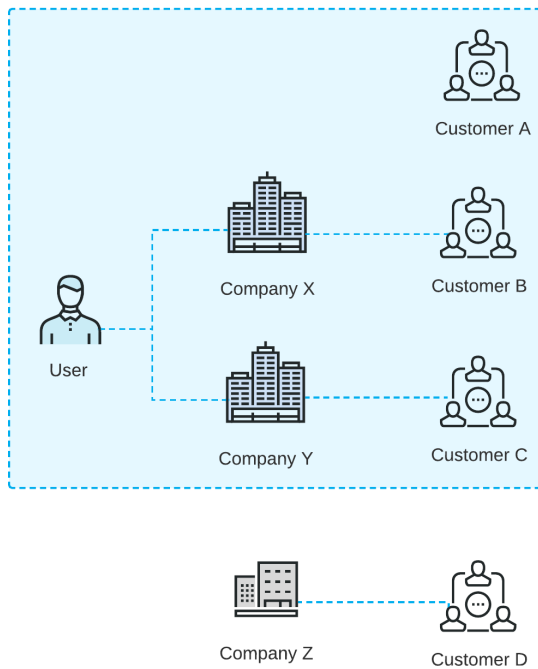
The diagram shows that the user in the *Company X* and *Company Y* access roles can work with *Customer B* (which is associated with *Company X*) and *Customer C* (which is associated with *Company Y*). Additionally, the user can work with *Customer A*; access to this customer is not limited to any company or branch because the **Restrict Visibility To** box on the *Customers* (AR303000) form is empty. However, the user cannot view the *Customer D* record, because this customer is associated with *Company Z*, to which the user does not have access based on the user's assigned roles.

In the system, users can create documents for the following customers:

- *Customer A* if *Company X*, *Company Y*, or *Company Z* is the company with the originating branch
- *Customer B* if *Company X* is the company with the originating branch
- *Customer C* if *Company Y* is the company with the originating branch
- *Customer D* if *Company Z* is the company with the originating branch

Customer Visibility: To Restrict Visibility to a New Company

The following activity will walk you through the process of restricting the visibility of a customer to a particular company with a base currency that is different from the base currency of the other companies in the tenant.

Story

Suppose that the management of SweetLife Fruits & Jams has decided to implement multiple base currencies in Acumatica ERP. The implementation consultant has already set up a company with the CAD base currency and added all the companies that use the USD base currency to one company group. The company using the CAD base currency—SweetLife Canada—should work only with the Canadian customers.

Acting as the implementation consultant, you need to limit the visibility of *EASYDINER* (a Canadian customer) to the SweetLife Canada company. You then need to verify that this customer can be selected in the documents for this company. To do this, you need to process a document and review the transaction posted to the general ledger. You will then update the settings of the rest of the customers by using an import scenario.

Process Overview

In this activity, you will restrict the visibility of a customer to the SweetLife Canada company on the *Customers* (AR303000) form. You will then sign in as a user who does not have access to the SweetLife Canada company and make sure that the customer is not visible for this user. You will sign in as a user with access to SweetLife Canada company, and on the *Invoices and Memos* (AR301000) form, you will process a document for the *EASYDINER* customer, selecting SweetLife Canada as the originating branch.

Finally, on the *Import by Scenario* (SM206036) form, you will run a preconfigured import scenario to update the **Restrict Visibility To** setting for regular customers.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs by using the *gibbs* username and the *123* password.

2. In the company to which you are signed in, be sure that you have configured the SweetLife Canada company, as described in *Multiple Base Currencies: Implementation Activity*, which is a prerequisite activity.

3. On the *Company Groups* (CS102500) form, be sure that the *USCOMP* company group has been added. For details, see *Company Groups: Implementation Activity*.

4. On the *Branches* (CS102000) form, for the *SLCANADA* branch, be sure that the *Branch SLCanada* role, which is associated with the branch, is specified in the **Access Role** box (**Configuration Settings** section) on the **Branch Details** tab.

5. On the *Branches* form, be sure that the *MHEAD* branch has been extended as a customer. For details, see *Intercompany Sales: Implementation Activity*.

Step 1: Restricting the Visibility of the Customer

To restrict the visibility of the *EASYDINER* customer to SweetLife Canada, do the following:

1. Open the *Customers* (AR303000) form.

2. In the **Customer ID** box, select *EASYDINER*.

   Notice that the customer class of this customer is *INTLCA (Canadian Customers)*.

3. On the **Financial** tab, in the **Restrict Visibility To** box, select *SLCANADA*.

4. In the **Currency ID** box, select *CAD*.

   Notice that multiple boxes in the Summary area, **Financial Settings** section, and **Credit Verification Rules** section now have the currency symbol of the Canadian dollar (C$) displayed next to them. This means that the system will store the balance of this customer in *CAD*.

5. On the form toolbar, click **Save**.

Step 2: Reviewing the Visibility of the Customer

To review how the visibility of the customer has been restricted, do the following:

1. Sign in to the tenant as a user who is not assigned the access role of the *Branch SLCanada* branch by using the following credentials:

   - **Username**: *johnson*
   - **Password**: *123*

2. Open the *Customers* (AR303000) form.

3. In the **Customer ID** box of the Summary area, open the lookup table, and attempt to find the *EASYDINER* customer.

   Notice that the *EASYDINER* customer is not listed and that you cannot find it by using the Search box. This customer is not visible for the current user, because this user is assigned to the role that has access to the SweetLife Fruits & Jams company only and is not assigned to the *Branch SLCanada* role, which is the access role of the company specified for the customer.

Step 3: Processing an Invoice for the Customer with Restricted Visibility

To process an invoice for the *EASYDINER* customer, which has restricted visibility to the branch, do the following:

1. Sign in to the tenant as a user who is assigned the access role of the *Branch SLCanada* branch by using the following credentials:

   - **Username**: *gibbs*
   - **Password**: *123*

2. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *SweetLife Canada* company.

3. Open the *Invoices and Memos* (AR301000) form.

4. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Invoice*
   - **Date**: *1/30/2022*
   - **Customer**: *EASYDINER*

     You can select this customer (whose visibility has been restricted to the *SweetLife Canada* company) because you are signed in to this company and the system has filled in the original branch of the document with *SweetLife Canada*.

5. On the **Financial** tab, notice that in the **Branch** box, *SLCANADA* is selected. This is the originating branch of the document.

6. On the same tab, specify the following settings:

   - **Payment Method**: *WIRE*
   - **Cash Account**: *10215SL*

7. On the **Details** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:

   - **Branch**: *SLCANADA* (inserted automatically)
   - **Transaction Descr.**: `Online training`
   - **Ext. Price**: `380`

8. On the form toolbar, click **Remove Hold**, and then click **Release** to release the invoice.

9. On the **Financial** tab, click the link in the **Batch Nbr.** box to review the generated GL transaction on the *Journal Transactions* (GL301000) form.

   The transaction has been posted for the *SLCANADA* branch, and the transaction currency specified in the **Currency** box is *CAD* because you selected this currency on the *Customers* (AR303000) form.

Step 4: Updating Customer Settings by Using an Import Scenario

Because the *Multiple Base Currencies* feature has been enabled after some customers were created in the system and the **Restrict Visibility To** box became required, this box has to be filled in for all the customers. You can use an import scenario to fill in the box for multiple customers quickly and easily. To update the **Restrict Visibility To** setting for regular customers, do the following:

1. Open the *Import by Scenario* (SM206036) form.

2. In the **Name** box, select *Import Customers with Restricted Visibility*.

3. On the form toolbar, click **Prepare**.

   The system has uploaded the records from the source Excel file on the **Prepared Data** tab.

   ⚠ This file is also attached to the Excel data provider on the *Data Providers* (SM206015) form and the *Import Customers with Restricted Visibility* import scenario on the *Import Scenarios* (SM206025) form.

4. On the form toolbar, click **Import** to update the customer records.

   Notice that for all records on the **Prepared Data** tab, the system has selected the **Processed** check box.

5. Open the *Customers* (AR303000) form.

6. In the **Customer ID** box, select *ABAKERY*.

7. On the **Financial** tab, notice that the *USCOMP - U.S. Companies* option is now selected in the **Restrict Visibility To** box in the **Financial Settings** section. This setting means that this customer can be used in documents originating from companies in the *USCOMP* company group.

8. In the **Customer ID** box, select *MHEAD*, which was not updated by the import scenario.

9. On the **Financial** tab, notice that the **Restrict Visibility To** box, which is optional, is empty. This is because this customer has been extended from a branch, as described in *Intercompany Sales: Implementation Activity*, and can be used by all companies with different base currencies in the tenant.

Vendor Visibility: General Information

When multiple companies with their own accounting departments are configured within the same tenant, you may want to restrict the visibility of vendor accounts to employees of a particular company, branch, or company group.

If the *Multiple Base Currencies* feature is enabled on the *Enable/Disable Features* (CS100000) form, the **Restrict Visibility To** setting on the **Financial** tab of the *Vendors* (AP303000) form becomes required for regular vendors. You should associate each vendor with an appropriate entity by selecting the entity in the **Restrict Visibility To** box. The base currency of the entity with which the vendor is associated will be the currency in which the system stores the vendor's balance. As a result, vendors can be used only in the transactions originating from the branches that have the same base currency as the base currency of the entity that is associated with the vendor.

Learning Objectives

In this chapter, you will learn how to do the following:

- Restrict the visibility of a vendor to a particular branch
- Explore how vendors can be accessed by various users based on these restrictions
- Update the **Restrict Visibility To** setting of vendors by using an import scenario

Applicable Scenarios

You may want to restrict the visibility of vendor records in the following cases:

- You have vendors that work with a particular branch, company, or a company group, and you do not want employees of other companies to have access to them.
- You are using the *Multiple Base Currencies* feature, and you need to limit the usage of vendors to an entity (a company, branch, or a company group).

Restricted Visibility of Vendor Records

You use the **Restrict Visibility To** box on the **Financial** tab of the *Vendors* (AP303000) form to control the visibility of the selected vendor. A vendor in Acumatica ERP can be associated with one of the following:

- A branch: The visibility of the vendor is restricted to a branch (that is, the vendor is associated with the branch) if the branch is selected in the **Restrict Visibility To** box for the vendor. In this case, the vendor can be accessed by users assigned to the role specified for the branch in the **Access Role** box of the **Branch Details** tab (**Configuration Settings** section) of the *Branches* (CS102000) form. The vendor can be selected in documents originating from this branch.

  > ⚠️ The branch where a particular document has originated is referred to as the *originating branch* of the document. By default, the originating branch is the branch to which the user is signed in during document creation; this value can be overridden. In the documents associated with a vendor, the default value of the originating branch—the **Branch** box on the **Financial** tab of the *Bills and Adjustments* (AP301000) form—is copied from the default branch specified for the vendor in the **Default Branch** box on the **Purchase Settings** tab of the *Vendors* (AP303000) form. If the default branch is not specified, the current branch will be used as the originating branch of a document.

- A company: The visibility of the vendor is restricted to a company (that is, the vendor is associated with the company) if the company is selected in the **Restrict Visibility To** box for the vendor. In this case, the vendor can be accessed by a user that has access to at least one of the company's branches (or to the company if it has no branches). That is, the vendor can be accessed by a user with the access role specified in the **Access Role** box (**Configuration Settings** section) on the **Branch Details** tab of the *Branches* form for the branch, or the **Company Details** tab of the *Companies* (CS101500) form for the company. The vendor can be selected in documents originating from any branch of the company.

- A company group: If a company group has been set up in the system, as described in *Company Groups: Implementation Activity*, the vendor can be associated with this company group if the company group is selected in the **Restrict Visibility To** box for the vendor. With the visibility of the vendor restricted to a company group, the vendor can be accessed by a user that has access to at least one of the companies included in the group. The vendor can be selected in documents originating from any branch of any company included in the group.

- No entity: If the visibility of the vendor is not restricted to a branch, company, or company group (that is, if the **Restrict Visibility To** box is left blank), it can be accessed by any user. The vendor can be selected in documents originating from any branch.

If you want to control vendor visibility for all vendors of a particular vendor class, you use the **Restrict Visibility To** box on the **General** tab of the *Vendor Classes* (AP20100) form similarly to specify the visibility for the class as a whole. When a new vendor of the class is created, this setting is used as the default setting for the vendor, but you can override it.

These capabilities are available if the *Customer and Vendor Visibility Restriction* feature has been enabled on the *Enable/Disable Features* (CS100000) form. The feature can be disabled at any time. If the feature is disabled, the system will no longer apply any of the specified visibility restrictions to vendors. For details on setting up customer visibility, see *Visibility of Customer Records*. For details on setting up customer and vendor visibility for a company group, see *Company Groups*.
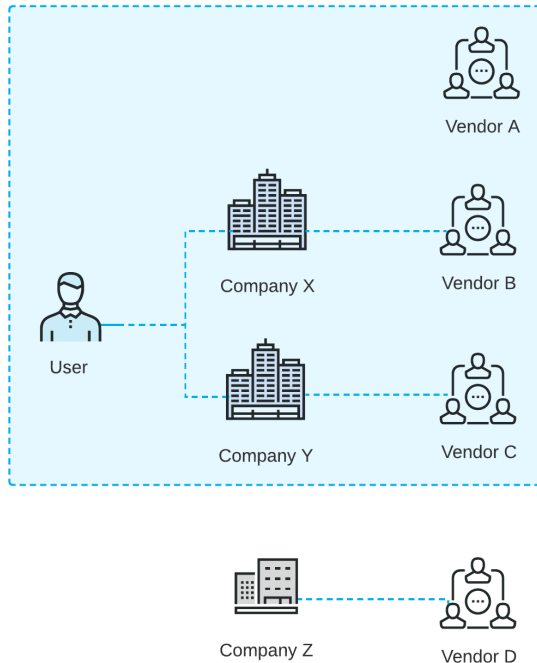
> ⚠️ If any restriction groups have been configured in the system, they will be applied in addition to the vendor visibility restriction functionality. For details on restriction groups, see *Vendor Security*.

Configuration Example

The following diagram illustrates an example of restricted access to vendor records.

Restricted visibility of vendor records

The diagram shows that the user in the *Company X* and *Company Y* access roles can work with *Vendor B* (which is associated with *Company X*) and *Vendor C* (which is associated with *Company Y*). Additionally, the user can work with *Vendor A*; access to this vendor is not limited to any company or branch because the **Restrict Visibility To** box on the *Vendors* (AP303000) form is empty. However, the user cannot view the *Vendor D* record, because this vendor is associated with *Company Z*, to which the user does not have access based on the user's assigned roles.

In the system, users can create documents for the following vendors:

- *Vendor A* if *Company X*, *Company Y*, or *Company Z* is the company with the originating branch
- *Vendor B* if *Company X* is the company with the originating branch
- *Vendor C* if *Company Y* is the company with the originating branch
- *Vendor D* if *Company Z* is the company with the originating branch

Vendor Visibility: To Restrict Visibility to a New Company

The following activity will walk you through the process of restricting the visibility of a vendor to a particular company with a base currency that is different from the base currency of the other companies in the tenant.

Story

Suppose that the management of SweetLife Fruits & Jams has decided to implement multiple base currencies in Acumatica ERP. The implementation consultant has already set up a company with the CAD base currency and added all the companies that use the USD base currency to one company group. The company using the CAD base currency—SweetLife Canada—should work only with the Canadian vendors.

Acting as the implementation consultant, you need to limit the visibility of *MAPLELEAF* (a Canadian vendor) to the SweetLife Canada company. You then need to verify that this vendor can be selected in the documents for this company. To do this, you need to process a document and review the transaction posted to the general ledger. You will then update the settings of the rest of the vendors by using an import scenario.

Process Overview

In this activity, you will restrict the visibility of a vendor to the SweetLife Canada company on the *Vendors* (AP303000) form. You will then sign in as a user who does not have access to the SweetLife Canada company and make sure that the vendor is not visible for this user. You will sign in as a user with access to SweetLife Canada company, and on the *Bills and Adjustments* (AP301000) form, you will process a document for the *MAPLELEAF* vendor, selecting SweetLife Canada as the originating branch.

Finally, on the *Import by Scenario* (SM206036) form, you will run a preconfigured import scenario to update the **Restrict Visibility To** setting for regular vendors.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs by using the *gibbs* username and the *123* password.

2. In the company to which you are signed in, be sure you have configured the SweetLife Canada company, as described in *Multiple Base Currencies: Implementation Activity*, which is a prerequisite activity.

3. On the *Company Groups* (CS102500) form, be sure that the *USCOMP* company group has been added. For details, see *Company Groups: Implementation Activity*.

4. On the *Branches* (CS102000) form, be sure that for the *SLCANADA* branch, the *Branch SLCanada* role, which is associated with the branch, is specified in the **Access Role** box (**Configuration Settings** section) on the **Branch Details** tab.

5. On the *Branches* form, be sure that the *SWEETEQUIP* branch has been extended as a vendor. For details, see *Intercompany Sales: Implementation Activity*.

Step 1: Restricting the Visibility of the Vendor

To restrict the visibility of the *MAPLELEAF* vendor to SweetLife Canada, do the following:

1. Open the *Vendors* (AP303000) form.

2. In the **Vendor ID** box, select *MAPLELEAF*.

   Notice that the vendor class of this vendor is *INTLCA (Canadian Vendors)*.

3. On the **Financial** tab, in the **Restrict Visibility To** box, select *SLCANADA*.

4. In the **Currency ID** box, select *CAD*.

   Notice that the boxes in the Summary area now have the currency symbol of the Canadian dollar (C$) displayed next to them. This means that the system will store the balance of this vendor in *CAD*.

5. On the form toolbar, click **Save**.

Step 2: Reviewing the Visibility of the Vendor

To review how the visibility of the vendor has been restricted, do the following:

1. Sign in to the tenant as a user who is not assigned the access role of the *Branch SLCanada* branch by using the following credentials:
   - **Username**: *johnson*
   - **Password**: *123*

2. Open the *Vendors* (AP303000) form.

3. In the **Vendor ID** box of the Summary area, open the lookup table, and attempt to find the *MAPLELEAF* vendor.

   Notice that the *MAPLELEAF* vendor is not listed and that you cannot find it by using the Search box. This vendor is not visible for the current user, because this user is assigned to the role that has access to the SweetLife Fruits & Jams company only and is not assigned to the *Branch SLCanada* role, which is the access role of the company specified for the vendor.

Step 3: Processing a Bill for the Vendor with Restricted Visibility

To process a bill for the *MAPLELEAF* vendor, which has restricted visibility to the branch, do the following:

1. Sign in to the tenant as a user who is assigned the access role of the *Branch SLCanada* branch by using the following credentials:

   - **Username**: *gibbs*
   - **Password**: *123*

2. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *SweetLife Canada* company.

3. Open the *Bills and Adjustments* (AP301000) form.

4. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Bill*
   - **Date**: *1/30/2022*
   - **Vendor**: *MAPLELEAF*

     You can select this vendor (whose visibility has been restricted to the *SweetLife Canada* company) because you are signed in to this company and the system has filled in the original branch of the document with *SweetLife Canada*.

5. On the **Financial** tab, notice that in the **Branch** box *SLCANADA* is selected. This is the originating branch of the document.

6. On the same tab, specify the following settings:

   - **Payment Method**: *WIRE*
   - **Cash Account**: *10215SL*

7. On the **Details** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:

   - **Branch**: *SLCANADA* (inserted automatically)
   - **Transaction Descr.**: `Advertising services`
   - **Ext. Cost**: `299`

8. On the form toolbar, click **Remove Hold**, and then click **Release** to release the bill.

9. On the **Financial** tab, click the link in the **Batch Nbr.** box to review the generated GL transaction on the *Journal Transactions* (GL301000) form.

   The transaction has been posted for the *SLCANADA* branch, and the transaction currency specified in the **Currency** box is *CAD* because you selected this currency on the *Vendors* (AP303000) form.

Step 4: Updating Vendor Settings by Using an Import Scenario

Because the *Multiple Base Currencies* feature has been enabled after some vendors were created in the system and the **Restrict Visibility To** box became required, this box has to be filled in for all the vendors. You can use an import scenario to fill in the box for multiple customers quickly and easily. To update the **Restrict Visibility To** setting for regular vendors, do the following:

1. Open the *Import by Scenario* (SM206036) form.

2. In the **Name** box, select *Import Vendors with Restricted Visibility*.

3. On the form toolbar, click **Prepare**.

   The system has uploaded the records from the source Excel file on the **Prepared Data** tab.

   > ⚠ This file is also attached to the Excel data provider on the *Data Providers* (SM206015) form and the *Import Vendors with Restricted Visibility* import scenario on the *Import Scenarios* (SM206025) form.

4. On the form toolbar, click **Import** to update the vendor records.

   Notice that for all records on the **Prepared Data** tab, the system has selected the **Processed** check box.

5. Open the *Vendors* (AP303000) form.

6. In the **Vendor ID** box, select *ACMEDO*.

7. On the **Financial** tab, notice that the *USCOMP - U.S. Companies* option is now selected in the **Restrict Visibility To** box in the **Financial Settings** section. This setting means that this vendor can be used in documents originating from companies in the *USCOMP* company group.

8. In the **Vendor ID** box, select *SWEETEQUIP*, which was not updated by the import.

9. On the **Financial** tab, notice that the **Restrict Visibility To** box, which is optional, is empty. This is because this vendor has been extended from a branch, as described in *Intercompany Sales: Implementation Activity*, and can be used by all companies with different base currencies in the tenant.

Lesson 5.3: Maintaining Prices and Costs in Different Base Currencies

Prices in Base Currencies: General Information

If multiple related companies with multiple base currencies are configured in the same tenant and the companies share the inventory item records, you can perform the following operations:

- Upload a list of non-stock items with the default prices in a specific currency; this list will be valid for the companies with this base currency
- Review and edit the default prices in the currency of the current branch
- Maintain the MSRP for the products in different currencies, so that the price in each company's base currency can be used
- Maintain the standard cost of the non-stock items that are valid for a specific base currency

If the *Multiple Base Currencies* feature is enabled on the *Enable/Disable Features* (CS100000) form, item prices and costs are shown in the base currency of the branch to which a user is signed in, with the currency symbol of the base currency shown. This applies to the following settings on the **Price/Cost** tab of the *Non-Stock Items* (IN202000) and *Stock Items* (IN202500) forms:

- **MSRP**
- **Default Price**
- **Pending Cost**
- **Current Cost**
- **Last Cost**

Learning Objectives

In this chapter, you will learn how to do the following:

- Update the default price of a non-stock item in a base currency
- Process an invoice with the non-stock item for which the default price has been defined

Applicable Scenarios

You maintain default prices in multiple base currencies if your tenant includes companies that use different base currencies but share the list of non-stock items.

Rules of Selecting the Applicable Prices

On the *Invoices and Memos* (AR301000) and *Cash Sales* (AR304000) forms, the system inserts the applicable price as follows:

- If the **Always Calculate Price from Base Currency Price** check box is selected on the *Accounts Receivable Preferences* (AR101000) form, the system looks for a sales price of the item in the base currency of the document's originating branch that is effective on the document date (that is, the document currency). The system then converts the price to the document currency.
- If the sales price is not found, the default price in the base currency of the document's originating branch is used if this price has been specified. The system then converts the price to the document currency.

The accrued cost of non-stock items is written off if the **Accrue Cost** check box is selected and *Standard Cost* is selected in the **Cost Based On** box on the **Price/Cost** tab of the *Non-Stock Items* form. In the transactions that write off the accrued cost, the standard cost specified in the base currency of the document's originating branch will be used.

On the *Bills and Adjustments* (AP301000) and *Quick Checks* (AP304000) forms, when the system searches for an applicable price that is effective on the document date, the system will use the standard cost in the base currency of the document's originating branch if this cost has been specified and there is no vendor-specific price for the item.

Prices in Base Currencies: Process Activity

The following activity will walk you through the process of maintaining default prices in base currencies.

Story

Suppose that the SweetLife Canada company, which is implemented in the same tenant as SweetLife Fruits & Jams but using the Canadian dollar as its base currency, sells the same products and services to its customers as SweetLife does. Thus, the company needs to maintain the default prices of non-stock items in *CAD*. One of the company's customers, EasyDiner Co. (*EASYDINER*), purchased five hours of consulting services from SweetLife Canada on January 30.

Acting as the implementation consultant, you need to specify the default price in *CAD* for the *CONSULT* non-stock item and make sure that this default price is used in documents originating from the SweetLife Canada company.

Process Overview

In this activity, you will specify the default price in *CAD* for the *CONSULT* item on the *Non-Stock Items* (IN202000) form. On the *Invoices and Memos* (AR301000) form, you will create and release an invoice for the *EASYDINER*

customer, selecting the *CONSULT* non-stock item. Finally, you will review the generated GL transaction on the *Journal Transactions* (GL301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs by using the *gibbs* username and the *123* password.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2022*. If a different date is displayed, click the Business Date menu button, and select *1/30/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *SweetLife Canada* branch.

4. In the company to which you are signed in, be sure that you have configured the SweetLife Canada company, as described in *Multiple Base Currencies: Implementation Activity*, which is a prerequisite activity.

5. On the *Company Groups* (CS102500) form, be sure that you have added the *USCOMP* company group, as described in *Company Groups: Implementation Activity*, which is a prerequisite activity.

6. In the company to which you are signed in, be sure that you have restricted the visibility of a customer to the SweetLife Canada company, as described in *Customer Visibility: To Restrict Visibility to a New Company*, which is a prerequisite activity.

Step 1: Specifying the Default Price for a Non-Stock Item

To specify the default price for a non-stock item, do the following:

1. Open the *Non-Stock Items* (IN202000) form.

2. In the **Inventory ID** box, select *CONSULT*.

3. On the **Price/Cost** tab, in the **Default Price** box, specify 65.

   Notice that multiple boxes in the Summary area and on the **Price/Cost** tab have the C$ symbol, indicating that the prices and costs are in *CAD*, which is the base currency of the company to which you are signed in.

4. On the form toolbar, click **Save**.

Step 2: Processing an AR Invoice

To process an AR invoice in *CAD*, do the following:

1. Open the *Invoices and Memos* (AR301000) form.

2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:
   - **Type**: *Invoice*
   - **Date**: *1/30/2022* (inserted automatically)
   - **Customer**: *EASYDINER*

3. On the **Financial** tab, notice that in the **Branch** box *SLCANADA* is selected. This is the originating branch of the document.

4. On the **Details** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:
   - **Branch**: *SLCANADA* (inserted automatically)
   - **Inventory ID**: *CONSULT*
   - **Quantity**: 5

- **Unit Price**: *65* (inserted automatically)

  This is the default price in *CAD* that you specified for the non-stock item in Step 1.

- **Ext. Price**: *325* (calculated automatically)

5. On the form toolbar, click **Remove Hold**, and then click **Release** to release the invoice.

6. On the **Financial** tab, click the link in the **Batch Nbr.** box to review the generated GL transaction on the *Journal Transactions* (GL301000) form.

   The transaction has been posted for the *SLCANADA* branch and the *SLCANADA* actual ledger. The transaction currency is *CAD*, because you specified it for the customer on the *Customers* (AR303000) form.

   If you click the **View Base** box in the Summary area, the amount of the transaction is displayed in the base currency of the originating branch, which is *CAD*.

Lesson 5.4: Processing Documents Between Companies with Different Base Currencies

Documents in Different Base Currencies: General Information

If the *Multiple Base Currencies* feature is enabled on the *Enable/Disable Features* (CS100000) form, the system converts each transaction to the base currency of the company by using the exchange rate that is effective on the transaction date.

On data entry forms, all branches involved in the transaction must have the same base currency. The system performs validation for manually created documents and for automatically generated documents.

Learning Objectives

In this chapter, you will learn how to do the following:

- Process an AR invoice involving branches of companies with different base currencies
- Process an AP bill involving different branches of companies with different base currencies

Applicable Scenarios

You process intercompany documents between branches with different base currencies if the companies have been implemented in the same tenant but have different base currencies.

Documents in Different Base Currencies: Generated Transactions

As you process AR and AP documents between companies with different base currencies, you create and release an AR invoice and an AP bill. To update the customer and vendor balances, the system generates the GL transactions described in the following sections.

Transaction Generated for an AR Invoice

When you create and release an AR invoice, the system generates the following general ledger transaction.

Account	Source of Account	Debit	Credit
19010 (Accounts Receivable - Related Company)	The customer's AR account specified on the **GL Accounts** tab of the *Customers* (AR303000) form.	Amount	00.00
43000 (Related Company Sales)	The customer's sales account specified on the **GL Accounts** tab of the *Customers* form if *Customer Location* is selected in the **Use Intercompany Sales Account From** box on the *Accounts Receivable Preferences* (AR101000) form. If *Inventory Item* is selected in this box, the system instead uses the sales account of the item specified on the **GL Accounts** tab of the *Non-Stock Items* (IN202000) or *Stock Items* (IN202500) form.	00.00	Amount

You can view the reference number of the GL batch on the **Financial** tab of the *Invoices and Memos* (AR301000) form.

Transaction Generated for an AP Bill

When you create and release an AP bill, the system generates the following general ledger transaction:

Account	Source of Account	Debit	Credit
26010 (Accounts Payable - Related Company)	The vendor's AP account specified on the **GL Accounts** tab of the *Vendors* (AP303000) form.	00.00	Amount
53100 (Intercompany Expenses)	The vendor's expense account specified on the **GL Accounts** tab of the *Vendors* form, if *Vendor Location* is selected in the **Use Intercompany Expense Account From** box on the *Accounts Payable Preferences* (AP101000) form. If *Inventory Item* is selected in this box, the system instead uses the expense account of the item specified on the **GL Accounts** tab of the *Non-Stock Items* (IN202000) or *Stock Items* (IN202500) form.	Amount	00.00

You can view the reference number of the GL batch on the **Financial** tab of the *Bills and Adjustments* (AP301000) form.

Documents in Different Base Currencies: To Process an AR Invoice

The following activity will walk you through the process of processing an invoice between the branches that use different base currencies.

Story

Suppose that in January 2022, SweetLife Canada (selling company) provided 10 hours of consulting services to the employees of the *MHEAD* branch of the Muffins & Cakes company (purchasing company).

Acting as Kimberly Gibbs, an employee who has access to the Muffins and SweetLife Canada companies, you need to process an AR invoice from SweetLife Canada to *MHEAD*.

Process Overview

In this activity, on the *Invoices and Memos* (AR301000) form, you will create an invoice originating from the *SLCANADA* branch for the *MHEAD* customer and review the invoice amounts in the base currencies of the branches. You will then release the invoice and review the generated GL transaction on the *Journal Transactions* (GL301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs by using the *gibbs* username and the *123* password.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2022*. If a different date is displayed, click the Business Date menu button, and select *1/30/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *SweetLife Canada* branch.

4. In the company to which you are signed in, be sure that you have configured the SweetLife Canada company, as described in *Multiple Base Currencies: Implementation Activity*, which is a prerequisite activity.

5. In the company to which you are signed in, be sure that you have restricted the visibility of a customer to the SweetLife Canada company, as described in *Customer Visibility: To Restrict Visibility to a New Company*, which is a prerequisite activity.

6. On the *Company Groups* (CS102500) form, be sure that you have added the *USCOMP* company group, as described in *Company Groups: Implementation Activity*, which is a prerequisite activity.

7. On the *Customers* form, be sure that the *MHEAD* customer has been extended from a branch, as described in *Intercompany Sales: Implementation Activity*, which is a prerequisite activity.

8. On the *Non-Stock Items* (IN202000) form, be sure that for the *CONSULT* item, the default price in *CAD* has been defined, as described in *Prices in Base Currencies: Process Activity*, which is a prerequisite activity.

Step: Processing an AR Invoice

To process an AR invoice between branches that use different base currencies, do the following:

1. Open the *Invoices and Memos* (AR301000) form.

2. Click **Add New Record** on the form toolbar, and specify the following settings in the Summary area:

   - **Type**: *Invoice*
   - **Date**: *1/30/2022* (inserted automatically)
   - **Customer**: *MHEAD*

     This is a customer that has been extended from a branch. It can be used by all the companies in the tenant because on the *Customers* (AR303000) form, the **Restrict Visibility To** setting (**Financial** tab) for this customer is empty.

   - **Currency**: *USD* (inserted by default)
   - **Description**: `Consulting`

3. On the **Financial** tab, make sure that *SLCANADA* is selected in the **Branch** box.

4. In the **Payment Method** box, select *WIRE*, and in the **Cash Account** box, select *10215SL*.

5. On the **Details** tab, click **Add Row** on the table toolbar, and specify the following settings for the added row:
   - **Branch**: *SLCANADA* (inserted automatically)
   - **Inventory ID**: *CONSULT*
   - **Quantity**: `10`
   - **Unit Price**: *50.10* (inserted automatically based on the default price recalculated in *USD*)
   - **Ext. Price**: *501.00* (calculated automatically)

6. In the Summary area, click the **View Base** button. Notice that the system has recalculated the price for the document line based on the currency rate effective on the document date.

7. On the form toolbar, click **Remove Hold**, and then click **Release** to release the invoice.

8. On the **Financial** tab, click the link in the **Batch Nbr.** box to review the generated GL transaction on the *Journal Transactions* (GL301000) form.

   The transaction has been posted for the *SLCANADA* branch and the *SLCANADA* actual ledger. The transaction currency specified in the **Currency** box is *USD*, because it is the currency assigned to the *MHEAD* customer on the *Customers* (AR303000) form. If you click the **View Base** button in the Summary area, the amount of the transaction is displayed in *CAD* (the base currency of the originating branch).

Documents in Different Base Currencies: To Process an AP Bill

The following activity will walk you through the process of processing a bill between the branches that use different base currencies.

Story

Suppose that in January 2022, the *MHEAD* branch of the Muffins & Cakes company purchased 10 hours of consulting services from SweetLife Canada. Acting as Kimberly Gibbs, an employee who has access to the Muffins and SweetLife Canada companies, you need to extend the *SLCANADA* branch as a vendor and create an AP bill for the *MHEAD* branch. This bill is based on the invoice from SweetLife Canada. Because SweetLife Canada has an agreement with the *MHEAD* branch that they bill them in U.S. dollars, the corresponding bill in the *MHEAD* books should be in *USD*.

Process Overview

In this activity, you will extend the *SLCANADA* branch to be a vendor on the *Vendors* (AP303000) form. You will then generate an AP bill on the *Bills and Adjustments* (AP301000) form, release the bill, and review the generated GL transaction on the *Journal Transactions* (GL301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs by using the *gibbs* username and the *123* password.

2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, make sure that the business date in your system is set to *1/30/2022*. If a different date is displayed, click the Business Date menu button, and select *1/30/2022* on the calendar. For simplicity, in this activity, you will create and process all documents in the system on this business date.

3. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *SweetLife Canada* branch.

4. Be sure that you have configured the SweetLife Canada company, as described in *Multiple Base Currencies: Implementation Activity*, which is a prerequisite activity.

5. On the *Company Groups* (CS102500) form, be sure that you have added the *USCOMP* company group, as described in *Company Groups: Implementation Activity*, which is a prerequisite activity.

6. On the *Vendors* (A3303000) form, be sure that you have configured the visibility restrictions for regular vendors, as described in *Vendor Visibility: To Restrict Visibility to a New Company*, which is a prerequisite activity.

7. On the *Vendors* form, be sure that the *SWEETEQUIP* vendor has been extended from a branch, as described in *Intercompany Sales: Implementation Activity*, which is a prerequisite activity.

8. On the *Non-Stock Items* (IN202000) form, be sure that you have defined the default price in *CAD* for the *CONSULT* item, as described in *Prices in Base Currencies: Process Activity*, which is a prerequisite activity.

9. Be sure that you have created an AR invoice for the *MHEAD* customer, as described in *Documents in Different Base Currencies: To Process an AR Invoice*, which is a prerequisite activity.

Step 1: Extending the *SLCANADA* Branch to Be a Vendor

To extend the *SLCANADA* branch to be a vendor, do the following:

1. Open the *Companies* (CS101500) form.

2. In the **Company ID** box, select *SLCANADA*.

3. On the More menu (under **Company Management**), click **Extend as Vendor**.

4. On the *Vendors* (AP303000) form, which is opened, select *INTERCO - Related Company* in the **Vendor Class** box.

5. In the warning dialog box that is displayed, click **Yes**.

6. On the **Financial** tab, specify the following settings:

   • **Enable Currency Override**: Selected
   • **Curr. Rate Type**: *SPOT*

7. On the **Payment** tab, in the **Payment Method** box, select *WIRE*.

8. On the form toolbar, click **Save** to save your changes.

Step 2: Creating an Intercompany AP Bill

To create an AP bill between branches that use different base currencies, do the following:

1. On the *Invoices and Memos* (AR301000) form, open the invoice for the *MHEAD* customer with an amount of *501.00*.

2. On the More menu (under **Intercompany**), click **Generate AP Document**.

3. On the *Bills and Adjustments* (AP301000) form, which is opened, review the bill settings that the system has inserted automatically based on the AR invoice.

4. On the form toolbar, click **Remove Hold**, and then click **Release** to release the bill.

5. On the **Financial** tab, click the link in the **Batch Nbr.** box to review the generated GL transaction on the *Journal Transactions* (GL301000) form.

   The transaction has been posted for the *MHEAD* branch and the *MACTUAL* actual ledger. The transaction currency specified in the **Currency** box is *USD*, because it is the currency of the original invoice.

Lesson 5.5: Preparing a Consolidated Financial Statement

Consolidated Financial Statement: General Information

Acumatica ERP provides the Analytical Report Manager (ARM) toolkit, which you can use to build analytical reports that retrieve amounts posted to particular general ledger accounts and subaccounts. You can configure these reports to display data for a company, a company group, or particular branches of a company.

Learning Objectives

In this chapter, you will learn how to do the following:

- Perform a translation of account balances from the company base currency (CAD) to the base currency of the parent company (USD)
- Create and configure a unit set and column set and apply them to an analytical report
- Run the analytical report to display consolidated financial data for two companies in USD

Applicable Scenarios

You create a consolidated financial statement if you need to review the consolidated data of multiple companies that are configured in the same tenant. If these companies have different base currencies, you have to translate them into the same currency first.

Structure of an ARM Report

An ARM report typically consists of the following elements:

- The row set, which defines the rows to be used in the report.
- The column set, which defines the report title, the column headers, and the columns of the report.
- Unit sets, which give you the ability to quickly filter or consolidate report data. Unit sets are optional for ARM reports in general.
- The report definition, which identifies a particular report. The report definition links the row set, the column set, and the unit set of the report and defines the report parameters. By using the report definition, you can easily add the report to the site map.

You can use each row set, column set, or unit set in one report definition or in multiple definitions.

Filtering of Data with Unit Sets

You can use a unit set to organize the report structure in the following cases:

- When the groups of rows and columns included in the report use data from different data sources
- When formulas must be applied to calculate the report values based on the data from the explicitly defined groups of columns and rows

A unit set can include one unit or multiple units that specify how the data is selected, calculated, and displayed in reports. In the report, you can view data for each individual unit, which could be a branch or a cost center, as well as data consolidated for all the units.

Workflow of Preparing a Consolidated Financial Statement

When you are preparing a consolidated financial statement of multiple companies using different base currencies, the typical process involves the actions and generated documents shown in the following diagram.

1. You perform the necessary configuration and prepare a *translation definition* that will be used to translate the account balances of the company with the *CAD* base currency in *USD*. The translation definition created on the *Translation Definition* (CM203000) form includes the source ledger and destination ledger, the accounts to be translated, and the rules to be used for translation.

2. You prepare a translation for a particular financial period on the *Prepare Translation* (CM501000) form. When the system prepares the translation by using the specified translation definition, it generates a translation worksheet and shows it on the *Translation Worksheets* (CM304000) form. You then review and release the translation worksheet.

3. To create a consolidated financial statement based on the *Profit & Loss* (GL635000) report, you create a row set and a column set for the new report by copying a row set on the *Row Sets* (CS206010) form and a column set on the *Column Sets* (CS206020) form.

4. On the *Report Definitions* (CS206000) form, you create a report definition by copying the report definition of the *Profit & Loss* report, and select the newly created row set and column set for the report definition.

5. On the *Unit Sets* (CS206030) form, you create a unit set for the new report, where you specify the nodes to be shown in the report and the formula for calculating the consolidated financial data for the entire SweetLife company.

6. On the *Report Definitions* form, you apply the new unit set to the report definition you created.

Consolidated Financial Statement: Performing a Translation

The following activity will walk you through the process of creating a translation definition and performing the translation of the balances of SweetLife Canada in U.S. dollars.

Story

Suppose that at the end of January 2022, the managers of SweetLife Fruits & Jams need to review the consolidated financial statement of SweetLife (the parent company) and SweetLife Canada (a subsidiary in Canada). Because the companies use different base currencies—U.S. dollars for SweetLife and Canadian dollars for SweetLife Canada—the account balances of SweetLife Canada need to be translated into *USD* first.

Further suppose that SweetLife's chief accountant has decided that balances have to be translated based on the following rules:

- Assets and liabilities should be translated by using the current exchange rate.
- The Capital account should be translated by using the historical exchange rate.
- The Retained Earnings account should be translated by using the current exchange rate.
- Revenues, expenses, gains, and losses should be translated by using the average exchange rate for the period that is used for translation.

Acting as Kimberly Gibbs, an employee who has access to both companies, you need to upload transactions for the 01-2022 period and translate the account balances of SweetLife Canada for January 2022 into USD (the base currency of SweetLife Fruits & Jams).

Process Overview

In this activity, you will first enable the *Translation of Financial Statements* feature on the *Enable/Disable Features* (CS100000) form. On the *Currencies* (CM202000) form, you will specify the GL accounts for the *CAD* and *USD*

currencies. On the *Currency Rate Types* (CM201000) form, you will create the *SPOT*, *AVG*, and *HIST* rate types that will be used in translation. On the *Currency Rates* (CM301000) form, you will create a currency rate for each rate type for the date when the translation has to be performed. On the *Ledgers* (GL201500) form, you will create a reporting ledger that will be used for translation. On the *Journal Transactions* (GL301000) form, you will upload the transactions of SweetLife Canada for the *01-2022* financial period.

On the *Translation Definition* (CM203000) form, you will create a translation rule based on the settings you have created in this activity. You will then prepare a translation on the *Prepare Translation* (CM501000) form and release the translation on the *Translation Worksheets* (CM304000) form. Finally, you will review the GL batch generated by the system on the *Journal Transactions* (GL301000) form.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs by using the *gibbs* username and the *123* password.
2. In the info area, in the upper-right corner of the top pane of the Acumatica ERP screen, click the Business Date menu button, and select *1/31/2022* on the calendar.
3. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *SweetLife Canada* branch.
4. In the company to which you are signed in, be sure that you have configured the SweetLife Canada company, as described in *Multiple Base Currencies: Implementation Activity*, which is a prerequisite activity.
5. On the *Invoices and Memos* (AR301000) form, be sure that you have processed an invoice in *CAD*, as described in *Documents in Different Base Currencies: To Process an AR Invoice*, which is a prerequisite activity.

Step 1: Enabling the Needed Feature

To enable the *Translation of Financial Statements* feature, do the following:

1. Open the *Enable/Disable Features* (CS100000) form.
2. On the form toolbar, click **Modify** to make it possible to change the set of selected features.
3. In the **Advanced Financials** group of features, select the **Translation of Financial Statements** check box.
4. On the form toolbar, click **Enable** to enable the selected feature.

Step 2: Specifying the Needed GL Accounts for CAD and USD

To specify the GL accounts for the *CAD* and *USD* currencies, do the following:

1. Open the *Currencies* (CM202000) form.
2. In the **Currency ID** box, select *CAD*.
3. On the **GL Accounts** tab, specify the following settings.

Element	Value
Realized Gain Account	*42010 - Realized Gain CAD*
Realized Loss Account	*82010 - Realized Loss CAD*
Unrealized Gain Account	*84000 - Unrealized Gain/Loss Currency*

Element	Value
Unrealized Loss Account	*84000 - Unrealized Gain/Loss Currency*
Revaluation Gain Account	*84010 - Cash Account Revaluation Gain/Loss CAD*
Revaluation Loss Account	*84010 - Cash Account Revaluation Gain/Loss CAD*
Translation Gain Account	*27001 - Translation Gain/Loss*
Translation Loss Account	*27001 - Translation Gain/Loss*
Rounding Gain Account	*83100 - Rounding Gain/Loss*
Rounding Loss Account	*83100 - Rounding Gain/Loss*

4. On the form toolbar, click **Save** to save your changes.
5. In the **Currency ID** box, select *USD*, and on the **GL Accounts** tab, specify the following settings for *USD*.

Element	Value
Realized Gain Account	*83000 - Realized Gain/Loss Currency*
Realized Loss Account	*83000 - Realized Gain/Loss Currency*
Unrealized Gain Account	*84000 - Unrealized Gain/Loss Currency*
Unrealized Loss Account	*84000 - Unrealized Gain/Loss Currency*
Revaluation Gain Account	*83200 - Cash Account Revaluation Gain/Loss*
Revaluation Loss Account	*83200 - Cash Account Revaluation Gain/Loss*
Translation Gain Account	*27001 - Translation Gain/Loss*
Translation Loss Account	*27001 - Translation Gain/Loss*
Rounding Gain Account	*83100 - Rounding Gain/Loss*
Rounding Loss Account	*83100 - Rounding Gain/Loss*

6. On the form toolbar, click **Save** to save your changes.

Step 3: Creating Rate Types for Translation

To create the currency rate types that the system will use for translation, do the following:

1. Open the *Currency Rate Types* (CM201000) form.
2. On the form toolbar, click **Add Row**, and in the added row, specify the following settings:
   - **Rate Type ID**: `AVG`
   - **Description**: `Monthly Average Rate`
3. On the form toolbar, click **Save** to save your changes.

4. Click **Add Row** again, and specify the following settings for the added row:

   - **Rate Type ID**: HIST
   - **Description**: Historical Rate

5. On the form toolbar, click **Save** to save your changes.

Step 4: Adding Currency Rates for the Rate Types

To add the currency rates for the rate types that will be used in translation, do the following:

1. Open the *Currency Rates* (CM301000) form.

2. In the Summary area, specify the following settings:

   - **To Currency**: *USD*
   - **Effective Date**: *1/31/2022*

3. On the **Currency Rate Entry** tab, click **Add Row** on the table toolbar, and specify or verify the following settings for the added row:

   - **From Currency**: *CAD*
   - **Currency Rate Type**: *SPOT*
   - **Currency Effective Date**: *1/31/2022* (inserted automatically)
   - **Currency Rate**: 1.2974
   - **Mult./Div.**: *Divide*

4. Click **Add Row** on the table toolbar, and specify or verify the following settings for the added row:

   - **From Currency**: *CAD*
   - **Currency Rate Type**: *AVG*
   - **Currency Effective Date**: *1/31/2022* (inserted automatically)
   - **Currency Rate**: 1.3157
   - **Mult./Div.**: *Divide*

5. Click **Add Row** on the table toolbar, and specify or verify the following settings for the added row:

   - **From Currency**: *CAD*
   - **Currency Rate Type**: *HIST*
   - **Currency Effective Date**: *1/31/2022* (inserted automatically)
   - **Currency Rate**: 1.2609
   - **Mult./Div.**: *Divide*

6. On the form toolbar, click **Save** to save your changes.

Step 5: Creating a Ledger for Translation

To create a ledger that will be used for translation, do the following:

1. Open the *Ledgers* (GL201500) form.

2. On the form toolbar, click **Add New Record**, and in the Summary area, specify the following settings:

   - **Ledger ID**: CONSSLCAN
   - **Description**: Consolidation Ledger for SLCANADA
   - **Type**: *Reporting*
   - **Currency**: *USD*

3. On the **Companies** tab, click **Add Row** on the table toolbar, and select *SLCANADA* in the **Company** column.

4. On the form toolbar, click **Save** to save your changes.

Step 6: Uploading Transactions for the 01-2022 Period

To upload the list of transactions for the 01-2022 period in the *SLCANADA* company, do the following:

1. Open the *Journal Transactions* (GL301000) form.

2. On the form toolbar, click **Add New Record**, and in the Summary area, specify or verify the following settings:

   - **Module**: *GL* (inserted by default)
   - **Transaction Date**: *01/31/2022* (inserted automatically)
   - **Post Period**: *01-2022* (inserted automatically)
   - **Branch**: *SLCANADA* (inserted automatically)
   - **Ledger**: *SLCANADA* (inserted automatically)
   - **Currency**: *CAD*
   - **Description**: `Transactions for 01-2022`

3. On the table toolbar, click **Load Records from File**.

4. In the **File Upload** dialog box, which opens, select the *SWEETLIFE_Canada_Transactions_01-2022.xlsx* file, and click **Open**. Click **Upload** in the dialog box.

5. In the **Common Settings** dialog box, which opens, leave the default settings and click **OK**.

6. In the dialog box that opens, leave the default settings, and click **OK**.

7. On the form toolbar, click **Remove Hold**, and then click **Release** to release the transaction.

Step 7: Creating a Translation Rule

To create a translation rule that will be used for translating the balances of *SLCANADA* in *USD*, do the following:

1. Open the *Translation Definition* (CM203000) form.

2. On the form toolbar, click **Add New Record**.

3. To create a new definition, specify the following settings in the Summary area:

   - **Translation ID**: *CADTOUSD*
   - **Source Ledger ID**: *SLCANADA - SLCANADA Actual Ledger*
   - **Destination Ledger ID**: *CONSSLCAN - Consolidation Ledger for SLCANADA*
   - **Branch**: *SLCANADA* (inserted by default)
   - **Description**: `SLCANADA: Translation to USD`
   - **Source Currency**: *CAD* (inserted automatically based on the selected ledger)
   - **Destination Currency**: *USD* (inserted automatically based on the selected ledger)

4. Click **Add Row** on the table toolbar, and specify the following settings for the added row:

   - **Account From**: *10000*
   - **Account To**: *28000*
   - **Translation Method**: *YTD Balance*
   - **Rate Type**: *SPOT*

5. Click **Add Row** on the table toolbar, and specify the following settings for the added row:

   - **Account From**: *30000*
   - **Account To**: *30000*
   - **Translation Method**: *YTD Balance*

- **Rate Type**: *HIST*

6. Click **Add Row** on the table toolbar, and specify the following settings for the added row:

    - **Account From**: *32000*
    - **Account To**: *32000*
    - **Translation Method**: *PTD Balance*
    - **Rate Type**: *SPOT*

7. Click **Add Row** on the table toolbar, and specify the following settings for the added row:

    - **Account From**: *40000*
    - **Account To**: *90000*
    - **Translation Method**: *PTD Balance*
    - **Rate Type**: *AVG*

8. On the form toolbar, click **Save** to save your changes.

Step 8: Performing a Translation of Balances into USD

To perform the translation of SweetLife Canada balances into USD, do the following:

1. Open the *Prepare Translation* (CM501000) form.

2. In the Selection area, specify or verify the following settings:

    - **Translation ID**: *CADTOUSD*
    - **Fin. Period**: *01-2022* (inserted automatically)
    - **Currency Effective Date**: *1/31/2022* (inserted automatically)

3. On the form toolbar, click **Create Translation**.

    The system prepares the translation worksheet and displays it on the *Translation Worksheets* (CM304000) form.

4. On the form toolbar of the *Translation Worksheets* form, click **Release**.

5. In the **Translation Batch Number** box in the Summary area, click the link with the reference number to review the generated transaction on the *Journal Transactions* (GL301000) form.

Consolidated Financial Statement: Creating a Customized Report

The following activity will walk you through the process of creating a consolidated financial statement for the SweetLife Fruits & Jams and SweetLife Canada companies.

Story

Suppose that the account balances of the SweetLife Canada company have been translated from Canadian dollars (the company's base currency) into U.S. dollars (the base currency of the parent company).

Acting as Kimberly Gibbs, an employee who has access to both companies, you need to create an analytical report based on the Profit & Loss report. The created report will include the financial data of both SweetLife companies —SweetLife U.S. and SweetLife Canada.

Process Overview

In this activity, you will first create a copy of the predefined *Profit & Loss* (GL635000) report by copying its row set, column set, and report definition. Then you will create a unit set so that you can filter the displayed data by company and to review the consolidated data for the entire SweetLife company.

> ⚠️ We recommend that you not modify predefined Acumatica ERP reports directly. You should instead create a copy of the report before making any modifications.

System Preparation

To prepare the system, do the following:

1. Launch the Acumatica ERP website, and sign in to a company with the *U100* dataset preloaded. You should sign in as Kimberly Gibbs by using the *gibbs* username and the *123* password.

2. On the Company and Branch Selection menu, on the top pane of the Acumatica ERP screen, select the *SweetLife Canada* branch.

3. In the company to which you are signed in, be sure that you have configured the SweetLife Canada company, as described in *Multiple Base Currencies: Implementation Activity*, which is a prerequisite activity.

4. Make sure that you have prepared and released a translation of SweetLife Canada balances into USD, as described in *Consolidated Financial Statement: Performing a Translation*, which is a prerequisite activity.

Step 1: Copying the Row Set of the Report

To copy the row set of the predefined *Profit & Loss* (GL635000) report, do the following:

1. On the *Row Sets* (CS206010) form, open the row set with the *DPL* code.

2. On the form toolbar, click **Copy Row Set**.

3. In the **New Row Set Code** dialog box, which is opened, type CONSDPL in the **New Code** box, and click **Copy**. The system closes the dialog box and returns you to the form.

4. In the **Description** box of the Summary area, type SweetLife Consolidated P&L.

5. On the form toolbar, click **Save**.

Step 2: Copying the Column Set of the Report

To copy the column set of the predefined *Profit & Loss* (GL635000) report, do the following:

1. On the *Column Sets* (CS206020) form, open the column set with the *DPLP* code.

2. On the form toolbar, click **Copy Column Set**.

3. In the **New Column Set Code** dialog box, which is opened, type CONSDPLP in the **New Code** box, and click **Copy**. The system closes the dialog box and returns you to the form.

4. In the **Description** box of the Summary area, type SweetLife Consolidated P&L.

5. On the form toolbar, click **Save**.

Step 3: Copying the Report Definition of the Report

To copy the report definition of the predefined *Profit & Loss* (GL635000) report, do the following:

1. On the *Report Definitions* (CS206000) form, open the report definition with the *DPLP* code.

2. On the form toolbar, click **Copy Report**.

3. In the **New Report Code** dialog box, which is opened, specify `DPLPCONS` in the **New Code** box, and click **Copy**. The system closes the dialog box and returns you to the form; you are now working with the copied version of the report with the *DPLPCONS* code.

4. In the **Report Definition** section, change the settings of the report to the following:

   - **Description**: `SweetLife Consolidated Profit & Loss`
   - **Row Set**: *CONSDPL*
   - **Column Set**: *CONSDPLP*

5. In the **Site Map** section, specify the following settings to add your report to the site map:

   - **Make Visible on the UI**: Selected
   - **Title**: `SweetLife Consolidated Profit & Loss`
   - **Workspace**: *Finance*
   - **Category**: *Financial Statements*

6. In the **Default Data Source** section, clear the **Request** check box right of the **Ledger** box.

7. On the form toolbar, click **Save**.

You have created an ARM report as a copy of the existing *Profit & Loss* report. Next, you will add a unit set to the new *SweetLife Consolidated Profit & Loss* report to be able to switch between the consolidated financial information of SweetLife company and the consolidated financial information of both SweetLife Fruits & Jams and SweetLife Canada.

Step 4: Configuring the Unit Set

To configure a unit set that will give users the ability to filter data in the report by company, do the following:

1. Open the *Unit Sets* (CS206030) form.

2. On the form toolbar, click **Add New Record**, and in the Summary area, specify the following settings:

   - **Code**: `CONSDPL`
   - **Description**: `SweetLife Companies`

3. In the left pane, select the *ROOT* node of the unit set, which is the topmost system node.

4. In the table on the right, click **Add Row** on the table toolbar, and specify the following settings in the added row:

   - **Code**: `SWEETLIFE`
   - **Description**: `SweetLife Consolidated`
   - **Value**: `=@SWEETUS + @SWEETCAN`

   When you run the report, the topmost unit of the left pane below *ROOT* is applied to the report by default.

   ⚠️ You can use the arrow buttons in the toolbar of the left pane to change the position of a unit in the hierarchy.

   You will use the *SWEETLIFE* unit to show the consolidated account balances of the SweetLife and SweetLife Canada companies. You will present the data for the SweetLife U.S. and SweetLife Canada companies as child units of *SWEETLIFE*.

5. On the form toolbar, click **Save** to save your changes to the unit set. The *SWEETLIFE* unit appears in the left pane.

6. In the left pane, select the *SWEETLIFE* unit.

7. In the table in the right pane, add two rows with the settings shown in the following table.

Code	Description	Data Source
SWEETCAN	SweetLife Canada	• **Company**: *SLCANADA* • **Ledger**: *CONSSLCAN*
SWEETUS	SweetLife U.S.	• **Company**: *SWEETLIFE* • **Ledger**: *ACTUAL*

8. On the form toolbar, click **Save** to save your changes.

You have created and configured the unit set shown in the following screenshot.

Figure: The unit set of the consolidated financial statement

Step 5: Applying the Unit Set to the Report

To apply the unit set that you have created in the previous step, do the following:

1. Open the *Report Definitions* (CS206000) form.

2. In the **Code** box of the Summary area, select *DPLPCONS*.

3. In the **Unit Set** box, select *CONSDPL* to apply the unit set.

4. In the **Start Unit** box, select *SWEETLIFE - SweetLife Consolidated*.

5. On the form toolbar, click **Save** to save your changes to the report, and then click **Preview**.

   On the **Report Parameters** tab of the pop-up window that opens, notice that you need to specify the **Financial Period** parameter to run the report.

Step 6: Running the *SweetLife Consolidated Profit & Loss* **Report**

To run the *SweetLife Consolidated Profit & Loss* report, do the following:

1. On the Main menu, click **Finance**, and open the *SweetLife Consolidated Profit & Loss* report under the **Financial Statements** category.

2. On the **Report Parameters** tab, select *01-2022* in the **Financial Period** box, and click **Run Report**.

   The *SweetLife Consolidated Profit & Loss* report opens with the financial data displayed for the entire SweetLife company.

3. On the form toolbar, click the Groups button to open the left pane with the report units. Notice that the *SweetLife Consolidated* unit is selected by default, as shown in the following screenshot.

Figure: The consolidated financial statement of SweetLife

4. In the left pane, select *SweetLife Canada*, and review the report data related to the selected company.

5. In the left pane, select *SweetLife U.S.*, and review the report data related to the selected company.

Part 6: Performing Additional Configuration

Lesson 6.1: Exploring a User Role for Accessing a Branch

Exploring a User Role for Accessing a Branch: General Information

If your organization has multiple branches defined in Acumatica ERP, you may need to control which employees get access to which branches. Because branches share some data, you may also need to control access to the shared data. Acumatica ERP provides user access roles, which you can use to control users' access to branches, and restriction groups to limit the visibility of shared data. Restriction groups are out of the scope of this course.

Learning Objectives

In this lesson, you will learn how to create a user role specific to a branch Acumatica ERP and how to assign the new branch-specific role to a user.

User Access to Branches

The most common scenarios of managing the security of company branches are the following:

- Managing user access to branches: If your organization has multiple branches (and you have created multiple branches in Acumatica ERP), you can configure access to branches for employees who work in these branches.
- Managing the visibility of data shared between branches: If you need to make data shared between branches (such as general ledger accounts and subaccounts) visible only within a particular branch, you can use restriction groups to resolve this task.
- Managing the visibility of customers and vendors: You can limit the usage of customers and vendors to specific branches, companies, or company groups.

After multiple branches have been defined in the system, you provide access to the branches for users who will work in the system as follows:

1. You create branch-specific (one role per branch) or company-specific (one role per company) user roles and assign these roles to user accounts on the *User Roles* (SM201005) form. To allow a user to access multiple branches or companies, assign to them the roles for the branches or companies to which the user should have access.

2. For each branch, in the **Access Role** box on the *Branches* (CS102000) form, you select the user role created for this branch. Once a role is assigned to one of the branches, other branches also must have roles assigned. A branch with no role assigned will be inaccessible to any user.

   You can also assign a company-specific role to a company in the **Access Role** box on the *Companies* (CS101500) form. In this case, all the branches of the company will inherit this role.

If a user, based on their role, has access to a data entry form where this user enters a document and specifies the branch of origin, only the branches to which the user has access are available on the drop-down list. The users who have access to multiple branches can select the specific branch from the Company and Branch Selection menu on the form's title toolbar, and create documents on behalf of the selected branch. Also, these users cannot view the documents related to other branches to which they do not have access.

Regardless of the branch to which users have access, the users who have access to the following forms, based on their roles, will see and work with all branches (because users configure system objects by using these forms):

- *Inter-Branch Account Mapping* (GL101010)
- *Branches* (CS102000)
- *Companies* (CS101500)
- *Company Groups* (CS102500)
- *Buildings* (CS205010)
- *Assignment and Approval Maps* (EP205000)
- *Import Company Tree* (EP204060)
- *Restriction Groups by Branch* (GL103020)
- *GL Accounts by Branch Access* (GL103040)
- *Subaccounts by Branch Access* (GL103060)

Visibility of Data Within a Branch

Branches have some data shared between branches and some data kept as branch-specific. You may need to restrict the visibility of data that is shared but may contain sensitive information, such as general ledger accounts and subaccounts. You can control which accounts and subaccounts are used with which branch by using restriction groups, which are out of scope of this course. For more information on restriction groups, see *Restriction Groups in Acumatica ERP*.

Exploring a User Role for Accessing a Branch: Activity

If your organization has multiple companies or branches defined in Acumatica ERP, you may need to control which employees get access to which branches. The system allows you to configure and assign user roles to control users' access to specific companies or branches.

> ⚠ The following activity uses the results of performing the steps described in *Company with Branches that Do Not Require Balancing: Implementation Activity* and *Company with Branches that Require Balancing: Implementation Activity*. Please complete them before proceeding with the current activity.

Story

In the previous activities, *Company with Branches that Do Not Require Balancing: Implementation Activity* and *Company with Branches that Require Balancing: Implementation Activity*, you have created a company, WineLove, with its branches Wholesale Center and Liquor Store, and CowZilla, with its branches Meat Shop and Knife Shop. Suppose that, as a system administrator, you now need to define the following user roles for the new companies and branches:

- A user role that will allow users to access all branches in the WineLove company
- A user role for access to only the Meat Shop branch
- A user role that will grant only access to the Knife Shop branch

Process Overview

In this activity, you will create a new user role on the *User Roles* (SM201005) form. You will then select this role as an access role for the particular company, WineLove, on the *Companies* (CS101500) form. (All the branches of the company will inherit this role.) You will assign the user role to a user that should see the data of the entire WineLove company.

In a similar way, you will configure branch-specific roles for the Meat Shop Knife Shop branches by first creating the dedicated roles on the *User Roles* form and then selecting them for the relevant branches on the *Branches* (CS102000) form. When the branch-specific role has been configured, you will assign it to users who should have access to the branch data and explore which data is visible to the user with the role.

System Preparation

Launch the Acumatica ERP website with the *U100* dataset and sign in as a system administrator with the following credentials:

- Username: *gibbs*
- Password: *123*

Step 1: Configuring an Access Role for a Company

To create a dedicated user role and assign it to the WineLove company, do the following:

1. Open the *User Roles* (SM201005) form.

2. In the Summary area of the form, click **Add New Record** to create a user role and enter the following details:

   - **Role Name**: `WineLove All`
   - **Role Description**: `Access to all WineLove branches`

3. On the form toolbar, click **Save**.

   You have now created a dedicated user role that can be used as an access role for a particular company.

4. Open the *Companies* (CS101500) form.

5. In the Summary area of the form, select *WINELOVE* in the **Company ID** box.

6. On the **Company Details** tab, in the **Configuration Settings** section, in the **Access Role** box, select *WineLove All*.

7. On the form toolbar, click **Save** to save your changes to the company configuration.

   Notice that the system displays a warning that the same user role will be applied to all branches within the WineLove company.

8. On the **Branches** tab, click the *WINEWHOLE* link in the **Branch ID** column.

9. In the **Branches** popup window, which opens, in the **Configuration Settings** section, notice that *WineLove All* is selected in the **Access Role** box and this value can't be changed.

Now that you have applied the WineLove role to the company, users assigned this role will have access to data within the WineLove company.

Step 2: Assigning a Company Access Role to a Particular User

To assign the company access role to the *pasic* user, do the following:

1. Open the *Users* (SM201010) form.

2. In the Summary area of the form, in the **Login** box, select *pasic*.

3. On the **Roles** tab, in the table listing the available roles, select the unlabeled check box for the *WineLove All* role.

4. On the form toolbar, click **Save**.

Step 3: Reviewing Company-Level Access

To verify that the user to whom you have assigned the company access role can view data of the WineLove company, do the following:

1. While you are still viewing the configuration settings for the *pasic* user on the *Users* (SM201010) form, on the form toolbar, click **Log In as User**.

2. In the upper-right corner of the screen, click the Company and Branch Selection menu. Notice that the following three companies along with their branches are available in the menu:

   - Muffins & Cakes:
     - Muffins Head Office & Wholesale Center
     - Muffins Retail Shop
   - SweetLife Fruits & Jams
     - Service and Equipment Sales Center
     - SweetLife Head Office and Wholesale Center
     - SweetLife Store
   - WineLove
     - WineLove Wholesale Center
     - WineLove Liquor Store

   > ⚠️ Access to the Muffins & Cakes and SweetLife Fruits & Jams companies has been preconfigured for the *pasic* user in the dataset; however, access to WineLove and its branches is the result of the configuration you have completed in this activity.

   Further in this activity, you will configure user access to specific branches.

Step 4: Configuring Access Roles for the Meat Shop and Knife Shop Branches

To configure the roles that will grant users access to specific branches, do the following:

1. Sign in to the tenant using the *gibbs* username and *123* password.

2. Open the *User Roles* (SM201005) form

3. In the Summary area of the form, click **Add New Record** to create a user role and enter the following details:

   - **Role Name**: `Branch CZMeat`
   - **Role Description**: `Access to Meat Shop branch`

4. On the form toolbar, click **Save**.

5. In the Summary area of the form, click **Add New Record** to create another user role and enter the following details:

   - **Role Name**: `Branch CZKnives`
   - **Role Description**: `Access to Knife Shop branch`

6. On the form toolbar, click **Save**.

7. On the *Branches* (CS102000) form, select *CZMEAT* in the **Branch ID** box.

8. In the **Configuration Settings** section, in the **Access Role** box, select *Branch CZMeat*.

9. On the form toolbar, click **Save**.

10. In the Summary area of the form, select *CZKNIVES* in the **Branch ID** box.

11. In the **Configuration Settings** section, in the **Access Role** box, select *Branch CZKnives*.

12. On the form toolbar, click **Save**.

Step 5: Assigning User Roles for Access to Specific Branches to Users

To assign the Meat Shop branch access role to the *pasic* user and the Knife Shop branch access role to the *johnson* user, do the following:

1. Open the *Users* (SM201010) form.

2. In the Summary area of the form, in the **Login** box, select *pasic*.

3. On the **Roles** tab, in the table listing the available roles, select the unlabeled check box for the *Branch CZMeat* role.

4. On the form toolbar, click **Save**.

5. In the Summary area of the form, in the **Login** box, select *johnson*.

6. On the **Roles** tab, in the table listing the available roles, select the unlabeled check box for the *Branch CZKnives* role.

7. On the form toolbar, click **Save**.

## Step 6: Verifying Branch-Level Access for the Meat Shop and Knife Shop Branches

To verify that the user to whom you have assigned the branch access role can view data of the relevant branch, do the following:

1. While you are still viewing the configuration settings for the *johnson* user on the *Users* (SM201010) form, on the form toolbar, click **Log In as User**.

2. In the upper-right corner of the screen, click the Company and Branch Selection menu. Notice that the following companies and branches are available on the menu:

   - SweetLife Fruits & Jams
     - Service and Equipment Sales Center
     - SweetLife Head Office and Wholesale Center
     - SweetLife Store
   - CowZilla Meat & Knives
     - CowZilla Knife Shop

   As you can see in the screenshot below, the *johnson* user can now access not only the SweetLife company and its branches but also the CowZilla company and its Knife Shop branch.

> ⚠️ Access to the SweetLife Fruits & Jams company has been preconfigured for the *johnson* user in the dataset. However, access to the Knife Shop branch is the result of the configuration you have completed in this activity.
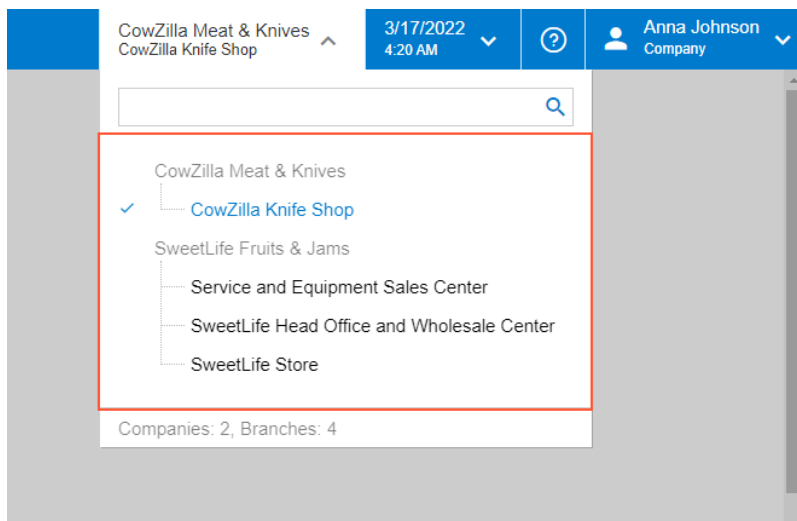
Figure: Branch-level access for the johnson user

3. Sign out of the instance and then sign in again by using the *pasic* login and the *123* password.

4. In the upper-right corner of the screen, click the Company and Branch Selection menu. Notice that the following branch has appeared on the menu: *CowZilla Meat Shop*.