CHAPTER 1: CONSOLIDATION

Objectives

The objectives are:

- Instructions for set up demo data.
- Explain the required setup in the consolidated company and subsidiaries to perform consolidation.
- Explain and set up Business Units and the Business Unit Cards.
- Create Dimensions in Consolidations
- Explain the process of exporting data from business units located in other databases.
- Explain the processes of testing consolidation data from business units.
- Explain and run the batch jobs used to process consolidation.
- Explain and demonstrate the process of preparing and posting consolidation elimination entries.
- Explain and run consolidation reports after the consolidation is completed.

Introduction

Consolidation means combining the financial statements of two or more separate companies (subsidiaries) into a consolidated financial statement.

In Microsoft Dynamics® NAV 2009, each individual company involved in a consolidation is called a business unit. The combined company is called the consolidated company and is usually a company set up only for this purpose, holding no normal business transactions.

To use Consolidation in Microsoft Dynamics NAV 2009, you must set up the consolidated company and subsidiaries. Additionally, before performing the consolidation, you must perform other consolidation processes, such as exporting and testing data.

The eliminations process in Microsoft Dynamics NAV 2009 provides a complete consolidation report to help companies determine the total financial situation for the group.

Set up Demo Data for Consolidation

Before you can complete this course, it is required to set up three companies for demonstration and lab purposes.

The three companies are set up exactly like other companies are set up. The three companies are:

- CRONUS Consolidated Company
- CRONUS International CONSOL
- CRONUS Subsidiary

***NOTE**: To avoid expanding the database, a clean Microsoft Dynamics NAV 2009 database must be used.*

Set up the three companies

To set up the three companies open Microsoft Dynamics NAV 2009 in the classic client.

1. Click **File**, point to **Company** and then select **New**.
2. Name the New Company CRONUS Subsidiary.
3. Set up the Chart of Accounts for CRONUS Subsidiary by coping the Chart of Account from CRONUS International.
4. In the Navigation Pane, click **Administration**, click **IT Administration**, click **General Setup** and then select **Setup Checklist**.
5. Click the **Function** button and then select **Copy Data**.
6. In the **Copy from** field click the drop-down list and select CRONUS International Ltd.
7. Select all G/L lines
8. Click **OK** to ‘Copy Data cannot’ message box.
9. Click **Yes** to copy the data from CRONUS International Ltd.
10. Click **OK** to the data has been copied successfully.
11. Close the Checklist.

Repeat the steps for CRONUS Consolidated Company:

12. Click **File**, point to **Company** and then select **New**.

13. Name the New Company CRONUS Consolidated Company.

14. Set up the Chart of Accounts for CRONUS Consolidated Company by copying the Chart of Account from CRONUS International.

15. In the Navigation Pane, click **Administration**, click **IT Administration**, click **General Setup** and then select **Setup Checklist**.

16. Click the **Function** button and then select **Copy Data**.

17. In the **Copy from** field click the drop-down list and select CRONUS International Ltd.

18. Select all the **General Ledger** and **Sales & Receivables** lines

19. Click **OK** to ‘Copy Data cannot’ message box.

20. Click **Yes** to copy the data from CRONUS International Ltd.

21. Click **OK** to the data has been copied successfully.

22. Close the Checklist.

Rename CRONUS International to CRONUS International CONSOL:

23. Click **File**, point to **Company**, click **Open**, then select CRONUS International and click **OK**.

24. Click **File**, point to **Company** and the select **Rename**.

25. Rename to CRONUS International CONSOL and click **OK**.

Close Microsoft Dynamics NAV 2009 classic client and open Microsoft Dynamics NAV 2009 in the Role Tailored client.

Set Up the Consolidation

In Microsoft Dynamics NAV 2009, companies can perform consolidations:

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

Companies that can be consolidated are:

- In the same database as the consolidated company.
- In other Microsoft NAV 2009 databases.
- In other accounting and business management systems, assuming that the data from the other system can be exported to a file that has the appropriate format.
- In either a TXT file with fixed length fields or from an XML format.

Consolidation Information on G/L Accounts

Before performing a consolidation, you must set up the consolidated company.

The consolidated company is set up exactly like other companies are set up, with its own chart of accounts and dimensions (if they are used).

The chart of accounts is independent from the chart of accounts in the other business units, and the chart of accounts in the individual business units can and may differ from one another.

If using the consolidation feature in Microsoft Dynamics NAV 2009, you must set up the following:

- Consolidation information on G/L accounts
- Subsidiaries as Business Units
- Dimensions to be included in consolidations

Consolidation FastTab

The chart of accounts in a subsidiary must specify accounts for consolidation. For each G/L account, set up a posting account in a subsidiary and specify the G/L account in the consolidated company in the consolidation account field. This mapping allows companies with a different chart of accounts to be consolidated.

The consolidation information is set up on the **Consolidation** FastTab on the **G/L Account Card**.

To view **Consolidation** FastTab, follow these steps:

1. On the Navigation Pane, click **Departments**, click **Financial Management**, click **General Ledger,** and then select **Chart of Accounts**.
2. Locate and double-click on the relevant account to open the **G/L Account Card**.
3. Click the **Consolidation** FastTab.

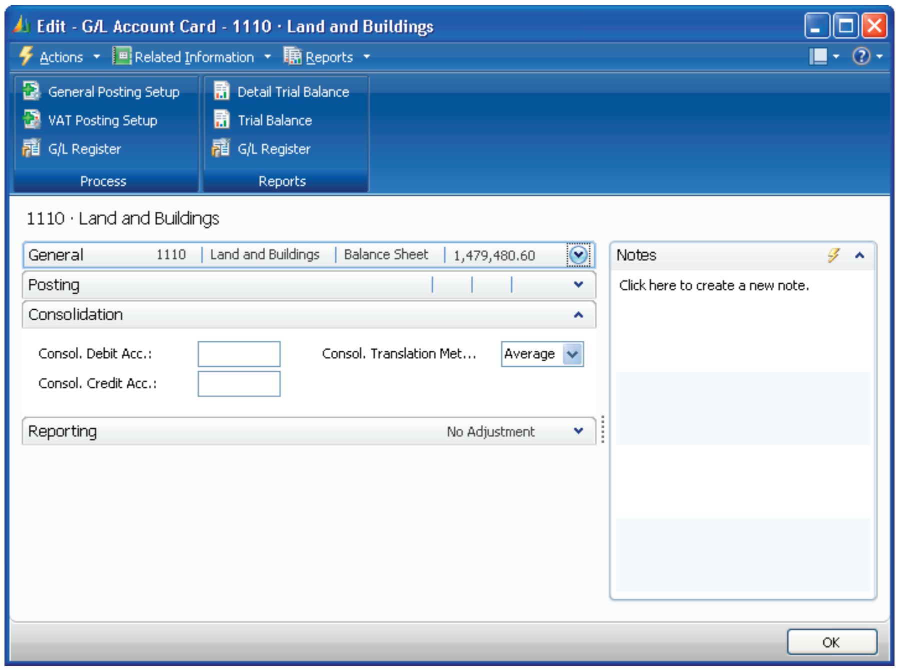

FIGURE 1.1 G/L ACCOUNT CARD - CONSOLIDATION FASTTAB

The **Consolidation** FastTab has the following fields:

- **Consol. Debit Acc.** – the account in the consolidated company to which debit balances on this account are transferred.
- **Consol. Credit Acc.** – the account in the consolidated company to which credit balances on this account are transferred.

- **Consol. Translation Method** – this field contains the consolidation translation method that will be used for the account. The translation method identifies the currency translation rate to be applied to the account.
  The following are options in the **Consol. Translation Method** field:
  - **Average Rate (Manual)** – the average rate for the period to be consolidated. Calculate the average either as an arithmetic average or as a best estimate and enter it for each business unit.
  - **Closing Rate** – the rate that prevails in the foreign exchange market at the date for which the balance sheet or income statement is being prepared. Enter the rate for each business unit.
  - **Historical Rate** – the rate of exchange for the foreign currency that prevailed when the transaction occurred.
  - **Composite Rate** – the current period amounts are translated at the average rate and added to the previously recorded balance in the consolidated company. This method is typically used for retained earnings accounts because they include amounts from different periods and are therefore a composite of amounts translated with different exchange rates.

Equity Rate – similar to Composite. The posting of the differences will be to separate G/L Accounts.

Consolidation Debit and Credit Account

If the balance must be transferred daily, it is a good idea to specify account numbers for both the **Consol. Debit Acc.** and **Consol. Credit Acc.** fields because:

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

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

Business Unit

To consolidate several companies' financial data in a consolidated company, the subsidiaries must be set up as business units in the consolidated company.

Set up the business unit information on the **Business Unit Card**; access an overview over each **Business Unit Card** from the **Business Unit** page.

Access the **Business Unit** page from the Navigation Pane by clicking **Departments**, clicking **Financial Management**, clicking **Periodic Activities**, clicking **Consolidation,** and then selecting **Business Units**.

You can run the following consolidation processes from the **Business Unit** page:

- Specifying exchange rates
- Testing business units
- Importing business units
- Running consolidation reports

Business Unit Card

The **Business Unit Card** contains all the information for a subsidiary in a company. To create a new **Business Unit Card**, click **New**.

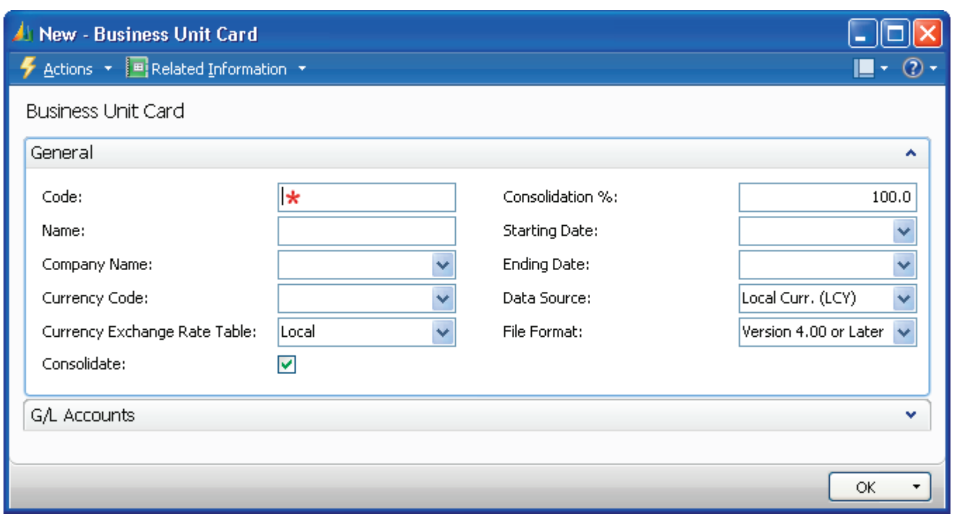

FIGURE 1.2 BUSINESS UNIT CARD - GENERAL FASTTAB

Business Unit Card – General FastTab

The **General** FastTab of the **Business Unit Card** includes the following fields:

- **Code –** a unique code to identify the business unit. When the consolidation function imports information from the business units, this code is used to locate the relevant company.

- **Name** – a short description of the business unit.
- **Company Name –** identifies the subsidiary to be linked with this business unit. This name, which is to be used in consolidations, must match a company in Microsoft Dynamics NAV 2009.
- **Currency Code –** identifies the Business Unit's local currency (LCY). This code specifies how the consolidation feature reads the consolidation file.
  If a code is not specified, the consolidated amounts are regarded as being denominated in that currency.
  If the foreign subsidiary is providing the translated financial statement, the **Currency Code** must be blank. The consolidation process regards consolidated amounts as being denominated in LCY and does not perform a translation.
- **Currency Exchange Rate** – indicates which currency exchange rate table that Microsoft Dynamics NAV 2009 uses while importing consolidation data.
- The options are as follows:
  - **Local** – the currency exchange rate table in the current company will be used.
  - **Business Unit** – the currency exchange rate table in the business unit's company will be used.

- **Consolidate** – determines whether the business unit is included in the consolidation. If selected, the company is included in the consolidation.
- **Consolidation %** – indicates the percentage of each account in this business unit to be included in the consolidation. If this field is empty, Microsoft Dynamics NAV 2009 imports 100 percent of each account from the business unit.
- **Starting Date and Ending Date** – determines the period for which data is imported.
  Enter the starting date and ending date for the business unit's fiscal year, if it differs from the consolidated company's fiscal year.
- **Date Source** – indicates whether the data is retrieved from the business unit in its local currency (LCY) or in its additional reporting currency (ACY).
- **File Format** – indicates in which file format the business unit submits data, if it is in a separate database.

Business Unit Card – G/L Accounts FastTab

The **G/L Account** FastTab contains the following fields:

- **Exch. Rate Gains Acct. and Exchange Rate Losses Acc.** – identifies the G/L accounts that Microsoft Dynamics NAV 2009 uses to post any exchange rate gains or losses.

- **Comp. Exch. Rate Gains Acct. and Comp. Exchange Rate Losses Acc.** – identifies the G/L accounts that Microsoft Dynamics NAV 2009 uses to post any exchange rate gains or losses that result from consolidation of accounts that have a setting of Composite in the **Consol. Trans. Method** field.
  If the **Comp. Exch. Rate Gains Acct. or Comp. Exchange Rate Losses Acc. are** not specified, the account specified in the **Exch. Rate Gains Acc.** and **Exch. Rate Loss Acc.** are used.

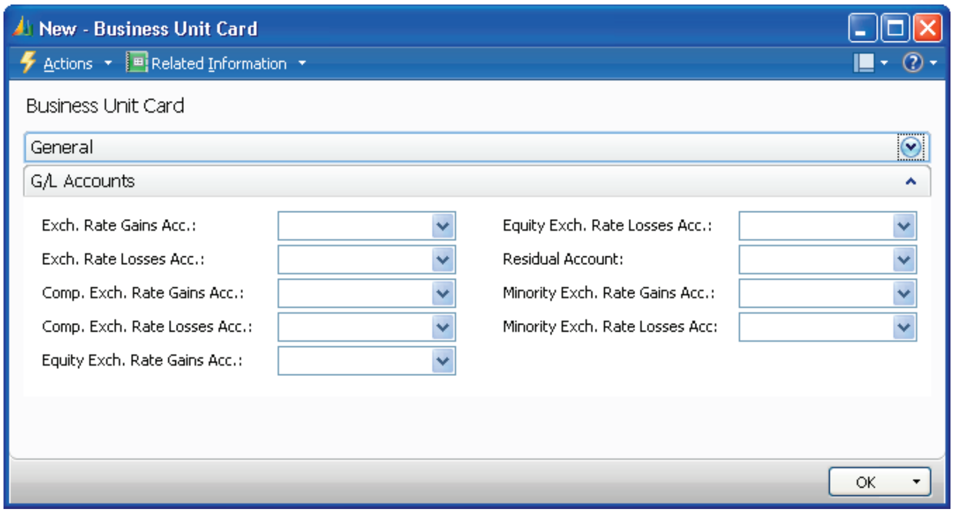

FIGURE 1.3 BUSINESS UNIT CARD - G/L ACCOUNTS FASTTAB

- **Equity. Exch. Rate Gains Acct. and Equity. Exchange Rate Losses Acc** –identifies the G/L accounts that Microsoft Dynamics NAV 2009 uses to post any exchange gains or losses that result from consolidation of accounts that have a setting of Equity in the **Consol. Transl. Method** field.
  If the **Equity. Exch. Rate Gains Acct. or Equity. Exchange Rate Losses Acc**. are not specified, the account specified in the **Exch. Rate Gains Acc.** and **Exch. Rate Loss Acc.** are used.
- **Residual Account** – identifies the G/L accounts that Microsoft Dynamics NAV 2009 uses to post residual amounts that may occur because of importing data during a consolidation. For example, posting residual amounts because of balance sheet beginning balances restatements.
- **Minority Exch. Rate Gains Acct. and Minority Exchange Rate Losses Acc.** – identifies the G/L accounts that Microsoft Dynamics NAV 2009 uses to post exchange rate gains or losses that result from consolidation of accounts from business unit with minority shares. These fields are used in the **Consolidation 100%** if the ownership of the business unit is less than 100 percent.
  If not specified, the accounts specified in the **Exch. Rate Gains Acc.** and **Exch. Rate Loss Acc.** fields are used.

***NOTE**: The G/L account fields used during consolidation depend on the Consolidation Translation Method specified on each G/L accounts card. If a Consolidation Translation Method is not specified when new G/L accounts are created, average is used.*

Exchange Rates

To specify Exchange Rates for Consolidations, you must select the relevant exchange rate by selecting the line with the relevant business unit in the Business Units window, clicking **Related Information,** and then pointing to **Exch. Rates**

The **Exch. Rates** button accesses the three exchange rates Microsoft Dynamics NAV 2009 uses when consolidating the financial statements of business units if the financial statements are in a foreign currency.

The three exchange rates are:

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

After you select the **Exch. Rates** button, the Change Exchange Rate page appears, regardless of which of the three exchange rates is selected.

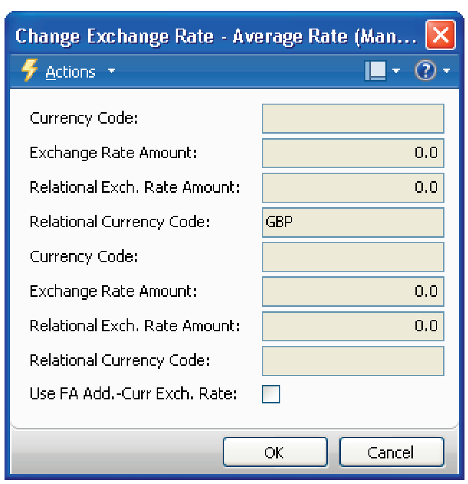

FIGURE 1.4 CHANGE EXCHANGE RATE

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

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

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

Functions

The **Function** option contains the processes for testing and importing the business units. Business units data is tested before importing the data into the consolidated company.

To access the **Function** option, click **Actions** and point to **Function**. The options are:

- **Test Database** – if the business units are existing companies in the current Microsoft Dynamics NAV 2009 database, use this option to test the data in those business units.
- **Test File** – if the business units are maintained in other databases, use this option to test the data in a file exported from those databases.
- **Import Database** – imports the consolidation data from the companies in the current Microsoft Dynamics NAV 2009.
- **Import File** – imports the consolidation data from the export file from the other database.

Reports

To access **Reports**, click **Related Information** and point to **Reports**. The following consolidation reports are available:

- **Elimination** – tentative trial balance report that you can use before posting eliminations.
- **Trial Balance** – trial balance report that includes posted consolidation entries used by companies that are consolidating more than four business units.
- **Trial Balance (4)** – trial balance report that includes posted consolidation entries used by companies that are consolidating four or less business units.

Set Up Business Units

To set up business units in the consolidated company, follow these steps:

1. In the **Navigation Pane**, click **Departments**, click **Financial Management**, click **Periodic Activities,** and the select **Consolidation**.
2. On the **Consolidation** page, select **Business Units**.
3. Click **New**.

To fill in the **General** FastTab, follow these steps

1. In the **Code** field, enter a unique identifier.
2. In the **Name** field, enter a short description of the business unit.
3. In the **Company Name** field, click the drop-down list and select the corresponding company.
4. In the **Currency Code** field, click the drop-down list and select the relevant currency for this business unit.
5. In the **Currency Exchange Rate Table** field, click the drop-down list and select the relevant currency exchange rate table.
6. Click to insert a check mark in the **Consolidate** check box to include this business unit in the consolidation process.
7. In the **Consolidation %** field, enter the percentage of this business unit to be included in the consolidation process.
8. If the fiscal year for this business unit differs from the consolidated company, enter the business unit's fiscal year in the **Starting Date** and **Ending Date** fields.
9. In the **Data Source** field, click the drop-down list and select the LCY or ACY.
10. In the **File Format** field, click the drop-down list and select the relevant file format for this business unit.

To fill in the **G/L Account** FastTab, follow these steps:

1. In the **Exch. Rate Gains Acc**. field, click the drop-down list and select the relevant account.
2. In the **Exch. Rate Losses Acc**. field, click the drop-down list and select the relevant account.
3. In the **Comp. Exch. Rate Gains Acc**. field, click the drop-down list and select the relevant account.
4. In the **Comp. Exch. Rate Losses Acc**. field, click the drop-down list and select the relevant account.
5. In the **Equity Exch. Rate Gains Acc**. field, click the drop-down list and select the relevant account.
6. In the **Equity Exch. Rate Losses Acc**. field, click the drop-down list and select the relevant account.

7. In the **Residual Account** field, click the drop-down list and select the relevant account.
8. If the business unit is less than 100 percent:
    a. In the **Minority Exch. Rate Gains Acc**. field, click the drop-down list and select the relevant account.
    b. In the **Minority Exch. Rate Losses Acc**. field, click the drop-down list and select the relevant account.

Dimensions in Consolidations

You can include dimensions that are used by subsidiaries in the consolidation. However, there are many setup conditions.

If you do not perform consolidations of subsidiaries by using dimensions:

- Dimensions set up is not required in the consolidated company
- Dimensions must not be selected in any consolidation function or report.

If you complete consolidations of subsidiaries with dimensions where the subsidiary uses:

- The same dimension as the consolidated company, then the dimension must be set up in the consolidated company.
- Different dimensions, than the consolidated company dimension(s):
    - Must be set up in the consolidated company.
    - In the subsidiary company must be mapped to the dimensions in the consolidated company.

In Microsoft Dynamics NAV 2009, users can map different dimensions in the subsidiary company by using the **Consolidation Code** in the **Dimensions** page.

For example, a Nordic business unit has separate dimension values for Denmark, Sweden, and Norway. The consolidated company only requires information for the consolidated Nordic region.

To consolidate the dimension value for Denmark, Sweden, and Norway in this business unit into the Nordic dimension value in the consolidated company, the Dimension page is completed as shown in the following tables.

In the consolidated company:

Code	Name	Consolidation Code
NORDIC	Sales Territory, Nordic	

In the Subsidiary company:

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

Enter *Nordic* in the **Consolidation Code** field for the Norway dimension value.

To set up consolidation with dimensions, follow these steps:

1. Click the **Microsoft Dynamics NAV** button.

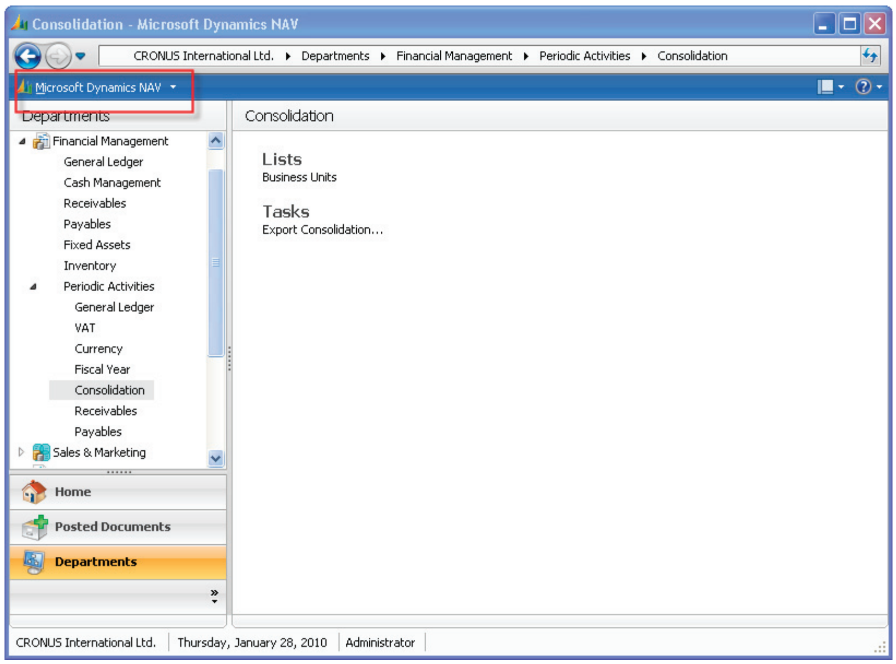

FIGURE 1.5 MICROSOFT DYNAMICS NAV BUTTON

2. Click **Select Company**.
3. Select the subsidiary company with dimensions and then click **OK**.
4. In the Navigation Pane, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management,** and then select **Dimensions**.
5. In the **Dimensions** page, right-click the Column header and select the **Choose Column** feature.
6. Select the **Consolidation Code**, click **Add,** and then click **OK**.
7. For each dimension that must map to a different dimension, in the **Consolidation Code** field, enter the corresponding **Dimension Code** used in the consolidated company.

To set up consolidation with dimensions values, follow these steps:

1. In the Navigation Pane, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management**, and then select **Dimensions**.
2. In the **Dimensions** Page, click **Related Information**, click **Dimensions,** and then point to **Dimension Values**.
3. In the Dimension Values page, right-click the column header and select **Choose Column** feature.
4. Select the **Consolidation Code**, click **Add**, and then click **OK**.
5. For each dimension that must map to a different dimension, in the **Consolidation Code** field, enter the corresponding **Dimension Value Code** used in the consolidated company.

Test Your Knowledge: G/L Account Setup for Consolidations

1. What is the purpose of setting up consolidation information on G/L Accounts in the subsidiary companies?

   ( ) Post eliminations in the consolidated company.

   ( ) Determine whether the subsidiary that has to be included will be 100 percent or less.

   ( ) Map the subsidiary's Chart of Accounts to the consolidated company's Chart of Accounts.

   ( ) Determine the period for which data is imported.

Test Your Knowledge: Dimension and Consolidation

2. When dimensions are used in consolidations, and the dimensions are different in the subsidiary and the consolidated companies, what setup must occur? (Select all that apply)

   ( ) The corresponding dimension code in the consolidated company is entered in the Consolidation Code field on the dimension in the subsidiary company.

   ( ) The corresponding dimension value code in the consolidated company is entered in the Consolidation Code field on the dimension value in the subsidiary company.

   ( ) Nothing is required.

   ( ) The dimensions in the consolidated company must be the same as in the subsidiary company.

Lab 1.1 – Set Up Business Units

Scenario

CRONUS International Corporation owns 100 percent interest in CRONUS International CONSOL and just acquired 50 percent in another company as a subsidiary, named CRONUS Subsidiary.

January 2009 will be reported with consolidated financial statements.

Phyllis, the accounting manager, set up the chart of accounts in both companies and asked you to help with the setup by entering the following business units:

- CRONUS Subsidiary
  - Code: SUB
  - 50 percent owned by CRONUS Consolidated Company
  - Same fiscal year as the parent company

- CRONUS International CONSOL
  - Code: INTC
  - 100 percent owned by CRONUS Consolidated Company
  - Same fiscal year as the parent company

- Both subsidiaries
  - Have the same fiscal year and currency as the parent company
  - Are within the same database using Microsoft Dynamics NAV 2009
  - Use account 3120 as the residual account

Challenge Yourself!

Create the business units for CRONUS Subsidiary and CRONUS International Consol as specified in the scenario.

Need a Little Help?

1. Open the consolidated company.
2. Open the Business Unit Card.
3. Create the business unit for CRONUS Subsidiary as specified in the scenario.
4. Create the business unit for CRONUS International Consol as specified in the scenario.

Step by Step

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click S**elect Company,** select CRONUS Consolidated Company, and then click **OK**.
3. In the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then select **Business Units**.
4. Click **New**.
5. In the **Code** field, enter SUB.
6. In the **Name** field, enter CRONUS Subsidiary.
7. In the **Company Name** field, click the drop-down list and select CRONUS Subsidiary.
8. In the **Consolidation %** field, enter 50.
9. On the **G/L Accounts** FastTab, in the **Residual Account** field, enter 3120.
10. Click **OK**.
11. Click **New**.
12. In the **Code** field, enter INTC.
13. In the **Name** field, enter CRONUS International CONSOL
14. In the **Company Name** field, click the drop-down list and select CRONUS International CONSOL.
15. On the **G/L Accounts** FastTab, in the **Residual Account** field, enter 3120.
16. Click **OK**.

Export Data for Consolidation

If a business unit is located in another database, users must export the consolidation data to a file before it can be consolidated. Each company must be exported separately. Microsoft Dynamics NAV 2009 uses the Export Consolidation batch job for this purpose.

Export Consolidation Batch Job

The export consolidation batch job processes all entries in every G/L Account in the following order:

1. For every combination of selected dimensions and date, the contents of the entries' **Amount** fields are totaled and exported.
2. The next combination of selected dimensions and date with the same account number is processed
3. The combinations in the next account number are processed, and so on.

The exported entries contain the following fields: **Account No**., **Posting Date**, and **Amount**.

If dimensions information was also exported, dimension codes and dimension values will also be included.

For each exported line:

- If the total of the **Amount** fields is a debit, the account number that is set up in the business unit's **Consol. Debit Acc**. field is exported to the line.
- If the total is a credit, the corresponding number in the **Consol. Credit Acc**. field is exported to the line.
- The date used is either the period's ending date or, if the transfer occurs for each day, the exact date of the calculation.
- Including dimension, the value is the specified dimension or the value in the **Consolidation Code** field if the dimension is mapped to a **Consolidated Code**.

Access the Export Consolidation batch job on the Navigation Pane by clicking Departments, clicking Financial Management, clicking Periodic Activities, clicking Consolidation, and then selecting Export Consolidation; the Export Consolidation window appears.

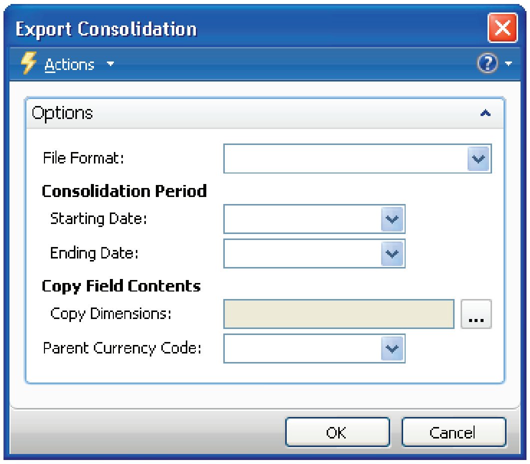

FIGURE 1.6 EXPORT CONSOLIDATION

On the **Options** FastTab, fill in the fields to specify how the batch job will create the file as follows:

- **File Format** – indicates the file format that the business unit uses to submit the data.
  If the business unit has version 3.70 or earlier of Microsoft Dynamics NAV, the system will submit a .txt file. If the business unit has version 4.00 or later, the system will submit an .xml file. The only reason to select the old format is if the parent company has not yet upgraded to the current Microsoft Dynamics NAV 4.00 or later.
- **Starting Date** and **Ending Date** – identifies the first and last dates in the period from which entries will be exported. The period defined in these fields cannot be longer than 500 days.
  If a closing date is used, the **Starting Date** and **Ending Date** must be the same.
- **Copy Dimensions** – determines how dimensions entries are to be classified when you are exporting to a consolidated company.
- **Parent Currency Code** – identifies the currency code of the company that will perform the consolidation.

To run the Export Consolidation batch job, follow these steps:

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar, click **Select Company,** and then select the subsidiary company to be exported, and then click **OK**.
2. In the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities,** and then select **Consolidation**.
3. In the **Consolidation** page, select **Export Consolidation**.
4. In the **File Format** field, click the drop-down list and select the relevant file format.
5. In the **Starting Date** field, enter the beginning date of the export.
6. In the **Ending Date** field, enter the ending date for the export.
7. If dimensions are to be exported, in the **Copy Dimension** field, click the AssistButton.
8. For each dimension to copy, click to insert a check mark in the check box.

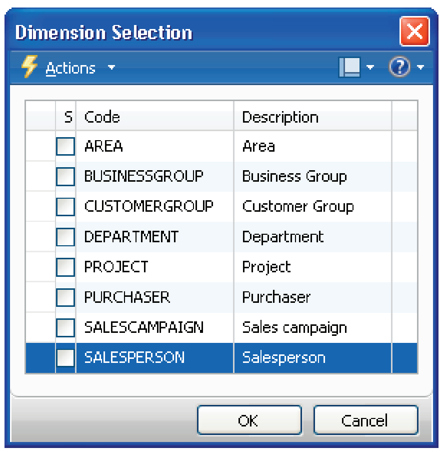

FIGURE 1.7 DIMENSION SELECTION

9. Click OK to close the **Dimension Selection** page.
10. In the **Parent Currency Code** field, click the drop-down list and select the parent company currency.
11. Click **OK** to run the batch job.

Lab 1.2 – Create a Consolidation Export File

Scenario

CRONUS Subsidiary is only 50 percent owned by CRONUS Consolidated Company, and the other 50 percent is owned by a separate company. Phyllis, the accounting manager, is working at the CRONUS Subsidiary company location with their finance team and needs an export file to send to the parent company for their January 2009 consolidation.

Create an export file that is based on the following criteria:

- Name the file CRONUS Subsidary_Jan09 and save to your desktop.
- The other parent company uses the same currency but does not use dimensions.

Challenge Yourself!

Run the Export Consolidation batch job as specified in the scenario.

Need a Little Help?

1. Open the CRONUS Subsidiary company.
2. Open the Export Consolidation batch job.
3. Set the period for January 2009.
4. Run the batch job.

Step by Step

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar. Click **Select Company.**
2. Select the CRONUS Subsidiary and then click **OK**.
3. In the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities,** and then select **Consolidation**.
4. In the **Consolidation** page, select **Export Consolidation**.
5. In the **File Format** field, click the drop-down list and select the Version 4.00 or later (.xml).
6. In the **Starting Date** field, enter 01/01/09.
7. In the **Ending Date** field, enter 01/31/09.
8. Click **OK** to run the batch job
9. Click **Save.** select **Desktop,** and then click **Save**.

Test Data for Consolidation

Before consolidating data, it is helpful to verify whether there are differences between the basic information in the business units and in the consolidated company. Data in business units can be tested:

- From exported files by using the **Consolidation - Test File report**
- Within the database by using the **Consolidation - Test Database report**

Both batch jobs perform the same function and produce the same result.

Testing Data

Both the **Consolidation – Test File and Consolidation – Test Database reports** review the business units' financial data. The reports then display the G/L accounts and the dimensions that are included in the consolidation period.

The report displays error messages when accounts and dimensions are not set up correctly, including when:

- The consolidated debit or credit account specified on the G/L account in the subsidiary company is not set up as a G/L account in the consolidated company.
- The consolidation code for a dimension set up in the subsidiary is not a dimension in the consolidated company.
- The dimension in the subsidiary is not set up as a dimension in the consolidated company.

In addition, blank values appear on the report when either the consolidated debit or credit account is not entered on the G/L account in the subsidiary company.

Correct all errors before importing the file for consolidation.

Correcting Data

To correct accounts, ensure that the consolidation accounts in the subsidiary company are mapped to accounts that exist in the consolidated company.

To correct dimensions, ensure that:

- In the subsidiary company, the correct consolidation codes are mapped to the appropriate dimensions in the consolidated company.
- The same dimensions and dimension values are set up in both the consolidated company and the subsidiaries if the same dimension is used.

Run the Consolidation – Test File Report

To run the Consolidation – Test File report, follow these steps:

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company**, select the consolidated company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then select **Business Units**.
4. Locate and select the business unit with an export file to test.
5. Click **Action**, point to **Function,** and then select **Test File**.

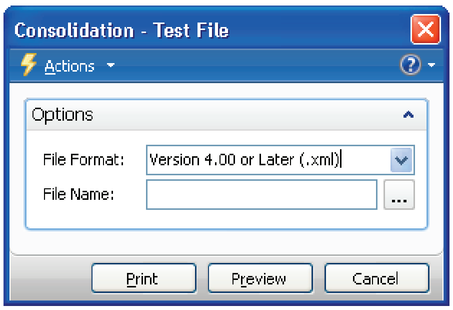

FIGURE 1.8 CONSOLIDATION - TEST FILE

6. In the **File Format** field, click the drop-down list and select the format of the field to be imported.
7. In the **File Name** field, click the AssistButton, click **Allow,** and then click **OK**.
8. In the **Import from XML File** window, locate the exported file.
9. Click **Open**.
10. Click **Preview** to review the report on the screen, or click **Print** to print the report.

Run the Consolidation – Test Database Report

To run the Consolidation - Test Database report, follow these steps:

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company**, select the consolidated company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then select **Business Units**.
4. Locate and select the business unit to test.

5. Click **Action**, point to **Function,** and then select **Test Database**.

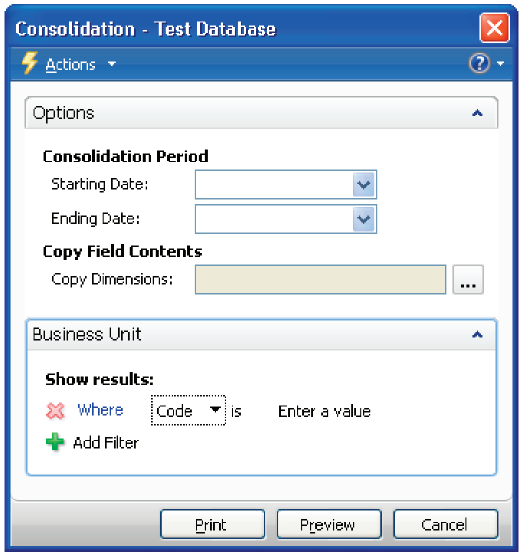

FIGURE 1.9 CONSOLIDATION - TEST DATABASE

6. In the **Business Unit** FastTab on the **Code** line, click the **Enter a value** drop-down list and select the relevant business unit to test. It is recommended that you test each business unit individually.
7. On the **Options** FastTab, in the **Starting Date** field, enter the beginning date of the test.
8. In the **Ending Date** field, enter the ending date of the test.
9. To test that dimensions are correctly mapped, in **Copy Dimension** field, click the AssistButton to select the dimensions.
10. Click **Preview** to review the report on the screen, or click **Print** to print the report.

Lab 1.3 – Test the Consolidation Data

Scenario

In Lab 1.1, you set up the business units for the subsidiary companies. Now, you will test each business unit to verify the set up.

Test each business unit separately for January 2009 and preview each report on the screen. Because dimensions and currency are the same in all companies, it is not necessary to specify either in this test.

The test report for CRONUS International CONSOL shows that an account is missing consolidation information and two accounts are not set up in the CRONUS Consolidated Company. Note this information; it is corrected in Lab 1.4.

Challenge Yourself!

1. Run the Consolidation - Test Database batch job for INTC company in the January 2009 period.
2. Preview the report and make note of any accounts missing data or with an error message.
3. Run the Consolidation - Test database batch job for the SUB company in January 2009 period.
4. Preview the report and make note of any accounts that are missing data or have an error message.

Need a Little Help?

1. Open the CRONUS Consolidated Company
2. Open the **Business Unit Card** for CRONUS International CONSOL company.
3. Open the Consolidation -Test Database batch job.
4. Filter on the INTC code on the January 2009 period.
5. Preview the report and note any accounts that are missing data or have an error message.
6. Run the Consolidation - Test Database batch job for the SUB company in the January 2009 period.
7. Preview the report and note any accounts that are missing data or have an error message.

Step by Step

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company** select the CRONUS Consolidated Company, and then click **OK**.
3. In the Navigation Pane, click **Departments**, click **Financial Management**, click **Period Activities**, click **Consolidation,** and then select **Business Units**.
4. Locate and select the CRONUS International CONSOL company.
5. Click **Actions**, point to **Functions,** and then select **Test Database**.
6. In the **Business Unit** FastTab on the **Code** line, click the **Enter a value** drop-down list and select INTC.
7. On the **Options** FastTab, in the **Starting Date** field, enter the 01/01/09.
8. In the **Ending Date** field, enter 01/31/09.
9. Click **Preview** to review the report on the screen.
10. Note the following errors:
    a. Account 1240 is missing consolidation accounts.
    b. Account 2211 and 2212 do not exist in the consolidated company.

11. Close the **Print Preview** window.
12. Locate and select the CRONUS Subsidiary company.
13. Click **Actions**, point to **Functions,** and then select **Test Database**.
14. In the **Business Unit** FastTab on the **Code** line, click the **Enter a value** drop-down list and select SUB.
15. On the **Options** FastTab, in the **Starting Date** field, enter the 01/01/09.
16. In the **Ending Date** field, enter 01/31/09.
17. Click **Preview** to review the report on the screen.
18. Note that there are no errors on the report.
19. Close the **Print Preview** window.

Lab 1.4 – Correct the Consolidation Data

Scenario

In Lab 1.3, you tested the data for both subsidiary companies and found the following errors in the CRONUS International CONSOL company:

- Account 1240 is missing consolidation account.
- WIP/Job Sales account 2211 and 2212 do not exist in the consolidated company.

You contact Phyllis about the errors and are instructed to:

- Assign consolidation debit and credit accounts 1240 to account 1240. Verify that the consolidation method is set to Closing Rate.
- Assign WIP/Job sales accounts to WIP Sales account that is used in the consolidated company. Verify that the consolidation method is set to Closing Rate.

After correcting these accounts, test the CRONUS International CONSOL business unit for January 2009 again.

Challenge Yourself!

1. Find the WIP Sales account number in the CRONUS Consolidated Company and note the number.
2. Update the accounts in the CRONUS International CONSOL company as specified in the scenario.
3. Run the Consolidation - Test Database batch job for INTC company in the January 2009 period to verify that there are no errors.

Need a Little Help?

1. Open the CRONUS Consolidated Company.
2. Open the **Chart of Accounts**.
3. Locate the WIP Sales account and note the account number.
4. Open the CRONUS International CONSOL company.
5. Open the **Chart of Accounts**.
6. Locate and open the **G/L Account Card** for account 1240.
7. Enter the consolidation information as stated in the scenario.
8. Locate and open the **G/L Account Card** for account 2211.
9. Enter the consolidation information as stated in the scenario.
10. Locate and open the **G/L Account Card** for account 2212.
11. Enter the consolidation information as stated in the scenario.
12. Open the CRONUS Consolidated Company.

13. Open the Consolidation - Test database batch job.
14. Filter on the INTC code and the January 2009 period.
15. Run the batch job and verify that there are no errors.

Step by Step

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company** select the CRONUS Consolidated Company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **General Ledger** and then select **Chart of Accounts**.
4. Locate the WIP Sales account no. 2210.
5. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
6. Click **Select Company** select the CRONUS International CONSOL, and then click **OK**.
7. Click **OK** to the demonstration data message.
8. On the Navigation Pane, click **Departments**, click **Financial Management**, click **General Ledger** and then select **Chart of Accounts**.
9. Locate and double-click account 1240.
10. Click the **Consolidation** FastTab.
11. In the **Consol. Debit Acc.** field, enter 1240.
12. In the **Consol. Credit Acc.** field, enter 1240.
13. Verify that the **Consol. Translation Method** is set to Closing Rate.
14. Close the **G/L Account Card** page.
15. Locate and select account 2211.
16. Click the Consolidation FastTab.
17. In the **Consol. Debit Acc.** field, enter 2210.
18. In the **Consol. Credit Acc.** field, enter 2210.
19. Verify that the **Consol. Translation Method** is set to Closing Rate.
20. Close the **G/L Account Card**.
21. Locate and select account 2212.
22. In the **Consol. Debit Acc.** field, enter 2210.
23. In the **Consol. Credit Acc.** field, enter 2210.
24. Verify that the **Consol. Translation Method** is set to Closing Rate.
25. Close the **G/L Account Card**.
26. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
27. Click **Select Company** select the CRONUS Consolidated Company, and then click **OK**.
28. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation** and the select **Business Units**.

29. Locate and select CRONUS International CONSOL company.
30. Click **Actions**, point to **Functions** and then select **Test Database**.
31. On the **Options** FastTab, in the **Starting Date** field, enter 01/01/09.
32. In the **Ending Date** field, enter 01/31/09.
33. On the **Business Unit** FastTab, in the Code **Filter** field, click the drop-down list and select INTC.
34. Click **Preview** to review the report on the screen.
35. Verify that there are no other errors.

Process the Consolidation

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

- Exported files by using the Import Consolidation from Files batch job.
- Within the database by using the Import Consolidation from DB batch job.

Both batch jobs perform the same function and produce the same result.

Consolidating Data

The Import Consolidation from DB and Import Consolidation from File batch jobs process all the entries in the business unit included in the consolidation. When the batch job begins, a status message indicates which business unit and which account number and date is being processed.

The Bach job process updates the G/L Entry table directly; there are no journal batches created to post in the consolidated company. View posted entries by clicking **Departments**, clicking **Financial Management**, clicking **General Ledger**, going to **History**, and then selecting **G/L Registers**.

When the consolidation process is complete:

- Transactions for each account in the subsidiary are totaled.
- The net amounts are transferred to the accounts in the consolidated company using the G/L accounts specified on the subsidiary's G/L account in the **Consol. Debit Acc.** or **Consol. Credit Acc.** field.

Residual amounts are posted due to rounding differences that occur from the calculation of 50 percent of the business unit entry.

If there are existing entries from the business unit in the consolidated company, they are overwritten and the following text is assigned: Changes by consolidation on (work date).

Run the Import Consolidation from DB Batch Job

To fill in the Import Consolidation from DB batch job, follow these steps:

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar, click **Select Company,** and then select the consolidated company and then click **OK**.
2. In the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities,** and then select **Consolidation**.
3. In the **Consolidation** page, select **Business Units**.

4. Locate and select the Business Unit to import.
5. Click **Actions**, point to **Functions,** and then select **Import Database**.

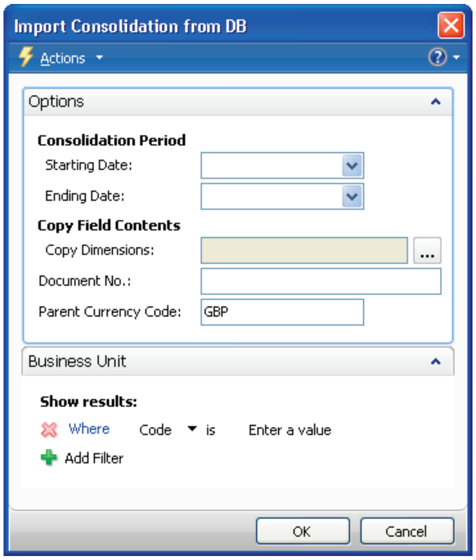

FIGURE 1.10 IMPORT CONSOLIDATION FROM DB

6. In the **Business Unit** FastTab on the **Code** line, click the **Enter a value** drop-down list and select the relevant business unit to import. It is recommended that you import each business unit individually.
7. On the **Options** FastTab, in the **Starting Date** field, enter the first date in the period from which entries are imported.
8. In the **Ending Date** field, enter the last date in the period from which entries are imported. .
9. To test that dimensions are properly mapped, in the **Copy Dimension** field, click the AssistButton to select the dimensions.
10. In the **Document No.** field, enter a number that appears on all the imported entries.
11. Change the value in the **Parent Currency Code** field, only if the currency code in the business unit differs from the parent company's.

To run the batch job, follow these steps:

1. Click **OK.**
2. Click **Yes** to consolidate in the specified period.
3. If the consolidation period is not within the latest fiscal year in the consolidated company, messages are displayed that prompt you to continue. Click **Yes** to each message.

To review posted entries, follow these steps:

1. On the **General Ledger** folder, locate **History** and then select **G/L Registers**.
2. Locate and select the consolidation register.
3. Click **General Ledger**.
4. Review the entries.

To run the Import Consolidation from File batch job, follow these steps:

1. Click the **Microsoft Dynamics NAV** Menu on the Command Bar.
2. Click **Select Company**, select the consolidated company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then select **Business Units**.
4. Locate and select the business unit to import.
5. Click **Action**, point to **Function**, and then select **Import File**.

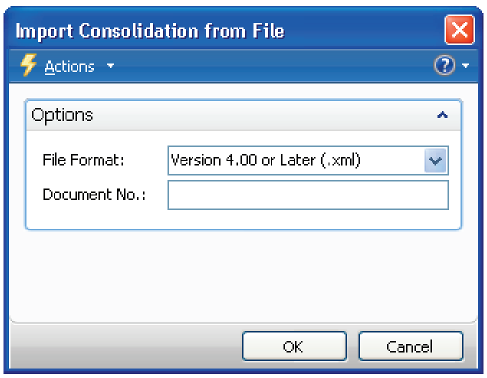

FIGURE 1.11 IMPORT CONSOLIDATION FROM FILE

6. In the **File Format** field, click the drop-down list and select the format of the field to be imported.
7. In the **Document No.**, enter a number that appears on all the imported entries.
8. Click **OK**.
9. In the **Import from XML File** window, locate the exported file.
10. Click **Open**.
11. Click **Yes** to consolidate in the specified Period.
12. If the consolidated period is not within the latest fiscal year in the consolidated company, a message is displayed that prompts you to continue. Click **Yes**.

To review posted entries, follow these steps:

1. On the **General Ledger** folder, locate **History** and then select **G/L Registers**.
2. Locate and select the consolidation register.
3. Click **General Ledger**.
4. Review the entries.

Lab 1.5 – Consolidate the Subsidiaries

Scenario

January 2009 processing is complete and consolidated financial statements are ready to be run. Phyllis, the accounting manager, has given you the responsibility of managing consolidations because of your involvement with the setup.

Consolidate the business units using the following criteria:

- Import each business unit individually.
- Use a document number that represents the business unit and the period (Jan09) for each consolidation.
- Accept any messages when running the batch jobs.

Challenge Yourself!

1. Run the Import Consolidation from DB batch job for the INTC company, as specified in the scenario.
2. Run the Import Consolidation from DB batch job for the SUB company, as specified in the scenario.

Need a Little Help?

1. Open the CRONUS Consolidated Company
2. Open the **Business Unit Card** for the CRONUS International CONSOL business unit.
3. Open the Import Consolidation from DB batch job.
4. Filter on the INTC code and the January 2009 period.
5. Enter the document number as specified in the scenario.
6. Run the batch job, accepting any messages.
7. Locate CRONUS Subsidiary business unit.
8. Filter on SUB code and January 2009 period.
9. Enter the document number as specified in the scenario.

Step by Step

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company** select the CRONUS Consolidated Company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation** and then select **Business Units**.
4. Locate and select CRONUS International CONSOL business unit.

5. Click **Actions**, point to **Functions** and then select **Import Database**.
6. On the **Options** FastTab, in the Starting Date field, enter 01/01/09.
7. In the Ending Date field, enter 01/31/09.
8. In the **Document No.** field, enter INTC_Jan09.
9. On the **Business Unit** FastTab, in the Code **Filter** field, click the drop-down list and select INTC.
10. Click **OK**.
11. Click **Yes** to consolidate in the specified periods.
12. Locate and select CRONUS Subsidiary business unit.
13. Click **Actions**, point to **Functions** and then select **Import Database**.
14. On the **Options** FastTab, in the **Starting Date** field, enter 01/01/09.
15. In the Ending Date field, enter 01/31/09.
16. In the **Document No.** field, enter SUB_Jan09.
17. On the **Business Unit** FastTab, in the Code **Filter** field, click the drop-down list and select SUB.
18. Click **OK**.

19. Click **Yes** to consolidate in the specified periods.
20. Click **OK**.

Process Consolidation Eliminations

When all the financial data from the business units is imported to the consolidated company, the entries involving intercompany transactions must be eliminated.

Processing the consolidation elimination consists of the following steps:

1. Calculate the eliminations.
2. Enter the elimination amounts in a general journal.
3. Run the G&L Consolidation Elimination report to review the pending elimination entries.
4. Post the general journal.
5. Run the G&L Consolidation Eliminations report to review the posted results.

Calculating the eliminations is a time-consuming, manual process that may be aided by setting up specific intercompany accounts, intercompany customers/vendors, and intercompany posting groups.

General Journal Setup

The consolidation elimination entries are entered in the consolidated company using a journal batch that does not contain a check mark in the **Copy VAT Setup to Jnl. Lines** check box.

Use a journal batch with this setup because if an elimination entry is posted in a journal with the **Copy VAT Setup to Jnl. Lines** check box checked, a VAT entry is automatically posted. This is incorrect because VAT is still chargeable on the transaction, even though it was an intercompany transaction.

G/L Consolidation Elimination Report

The G/L Consolidation Elimination report provides a tentative trial balance that shows the consequences of eliminating the entries by comparing the entries in the consolidated company with the eliminations in the general journal.

Access the G/L Consolidation Elimination report from the **Business Unit Card** by clicking **Related Information**, pointing to **Reports**, and then selecting **Eliminations**.

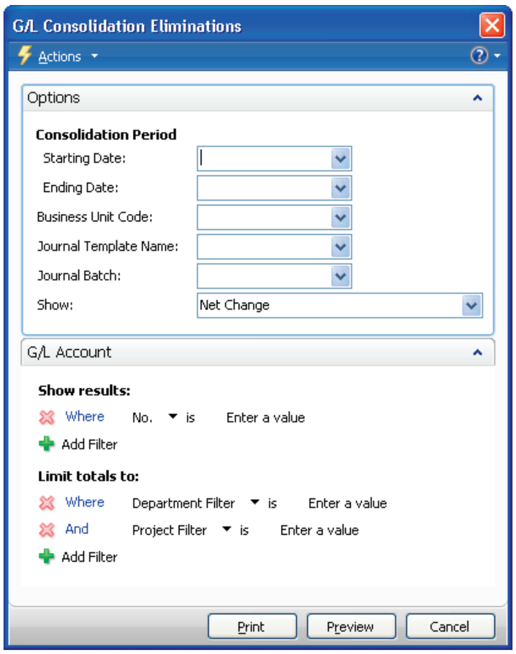

FIGURE 1.12 G/L CONSOLIDATION ELIMINATIONS

The **Options** FastTab contains the following fields:

- **Starting Date -** indicates the first date in the period from which posted entries in the consolidated company will be shown.
- **Ending Date** - indicates the last date in the period from which posted entries in the consolidated company will be shown.
- **Business Unit Code** - identifies the business units to be included in the report.
- **Journal Template Name** -identifies the journal template that will be used for the unposted eliminations.
- **Journal Batch** - identifies the journal batch that contains the unposted eliminations.
- **Show** - determines whether the amounts are displayed as a Net Change or as a Balance as of the current date.

On the **G/L Accounts** FastTab, you can set filters on specific accounts and Global Dimensions.

When the report is run, each account appears following the structure of the chart of accounts. An account is not shown if the amount is zero for the reporting period.

The following information is displayed for each account:

- Account No. and Name.
- If Business Unit Codes were entered on the **Options** FastTab:
    - The first amount column displays totals for the consolidated company, excluding the selected business unit and eliminations.
    - The second amount column displays totals of the selected business units' imported entries.
- If Business Units Codes were not entered on the **Options** FastTab:
    - The first amount column displays totals for the consolidated company, excluding eliminations.
    - The second amount column displays totals of the posted eliminations in the consolidated company.
- The third amount column displays totals for the consolidated company with all the business units and all posted eliminations.
- The **Elimination** column displays the elimination entries pending in the general journal. A running total of pending eliminations is shown at the bottom of each page of the report.
- The **Description** column displays the text entered in the **Description** field on the pending eliminations general journal.
- The **Total Incl. Eliminations** column displays the consolidated company's projected totals after the pending eliminations are posted.

Demonstration: Process and Review Elimination Entries

Scenario: After running the consolidation process, Phyllis reviewed the consolidation entries and found the following intercompany transactions that must be eliminated:

- On January 15, 2009, CRONUS International CONSOL sold items to CRONUS Subsidiary in the amount of 7,500 LCY.
- Because only 50 percent of CRONUS Subsidiary is owned by CRONUS International Company, only 50 percent of the amount must be eliminated.

Phyllis sets up a general journal batch for consolidation and then enters the eliminations entries, as shown in the following table.

Posting Date	G/L Account	Description	Amount
01/31/09	2325	Eliminate Interco Sales	-3,750.00
01/31/09	6110	Eliminate Interco Sales	3,750.00
01/31/09	5425	Eliminate Interco Sales	3,750.00
01/31/09	7110	Eliminate Interco Sales	-3,750.00

Before the elimination entries are posted, the G/L Consolidation Eliminations report is run to review the result of the posting these entries.

***NOTE**: You must complete labs 1.1, 1.4, and 1.5 to perform this demonstration, and the G/L accounts must be set to Direct Posting.*

Steps: Process and Review Elimination Entries

To set up the general journal, follow these steps:

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company**, select CRONUS Consolidated Company, and then click **OK**.
3. In the Navigation Pane, click **Departments**, click **Administration**, click **Application Setup**, click **Financial Management**, click **General,** and then select **Journal Templates**.
4. With the GENERAL line selected, click **Related Information**, point to **Template,** and then select **Batches**.
5. Click **New**.
6. In the **Name** field, enter CONSOLELIM.
7. In the **Description** field, enter Consolidation Eliminations.
8. Click to remove the check mark in the **Copy VAT Setup to Jnl. Lines** check box.
9. Click **Edit Journal**.

To enter elimination entries, follow these steps:

1. Make sure that the CONSOLELIM batch is selected.
2. In the **Posting Date** field, enter 01/31/09.
3. In the **Document No.** field, enter ELIM-JAN09.
4. In the **Account No.** field, enter 2325.
5. In the **Description** field, enter Eliminate Interco Sales.
6. In the **Amount** field, enter -3750.00
7. Click the next line.

8. In the **Account No.** field, enter 6110.
9. In the **Description** field, enter Eliminate Interco Sales.
10. In the **Amount** field, enter 3750.00
11. Click the next line.
12. In the **Document No.** field, enter ELIM-JAN09.
13. In the **Account No.** field, enter 5425.
14. In the **Description** field, enter Eliminate Interco Sales.
15. In the **Amount** field, enter 3750.00
16. Click the next line.
17. In the **Account No.** field, enter 7110.
18. In the **Description** field, enter Eliminate Interco Sales.
19. In the **Amount** field, enter -3750.00.

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

To review the G/L Consolidation Eliminations report before posting the journal, follow these steps:

1. In the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then click **Business Units**.
2. With either business unit selected, click **Related Information**, point to **Reports,** and then select **Eliminations**.
3. Ensure that no filters are set on the **G/L Account** FastTab.
4. On the **Options** FastTab, in the **Starting Date** field, enter the 01/01/09.
5. In the **Ending Date** field, enter 01/31/09.
6. Leave the **Business Unit Code** field empty so that both subsidiaries appear.
7. In the **Journal Template Name** field, click the drop-down list and select General.
8. In the **Journal Batch** field, click the drop-down list and select Consolidation Eliminations.
9. Ensure that Net Changes is selected to **Show**.
10. Click **Preview**.
11. Review the entries in the **Total, Eliminations, Description,** and **Total Incl. Eliminations** columns.

To post the eliminations, follow these steps:

1. On the General Journal Page, click Post.
2. Click Yes to post the journal lines.
3. Click OK.

To review the G/L Consolidation Eliminations report that has posted entries, follow these steps:

1. In the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then click **Business Units**.
2. With either business unit selected, click **Related Information**, point to **Reports,** and then select **Eliminations**.
3. Ensure that the same filters are set as when they were previously run.
4. Click **Preview**.
5. Review the entries in the **Posted Eliminations c**olumn.

Test Your Knowledge: Process Consolidation Eliminations

1. Put the following steps of eliminating intercompany consolidation entries in order:

   Step:

_____: Review the pending elimination entries in the G/L Consolidation Elimination report.

_____: Review the posted elimination entries in the G/L Consolidation Elimination report.

_____: Enter the amounts in a general journal.

_____: Calculate the eliminations.

_____: Post the general journal

Print Consolidation Reports

Once the eliminations are posted, the consolidated trial balance reports for the consolidated company can be printed. There are two reports:

- Consolidated Trial Balance
- Consolidated Trial Balance (4)

Consolidation Reports

The consolidation reports in Microsoft Dynamics NAV 2009 are as follows:

- **Consolidated Trial Balance -** this report is recommended for a consolidated company that has more than four business units. The report have information on Net change and balance for each account before and after eliminations and the posted eliminations for each account. The totals for each business unit for a specific account are displayed on separate lines.
- **Consolidated Trial Balance (4) report -** this report is recommended for a consolidated company that has four or less business units. Information for each account is displayed on a single line. The totals for each business unit for a specific account are displayed in separate columns.

  Because of the page width limits, you must select either balance or net change information, not both. The information that you select is then displayed for each account before and after eliminations and then eliminations are posted for each account.

NOTE*: Because of the page width limits, large numbers may not display in the reports. When you select to show the reports in whole 1000s, all large numbers are more likely to be displayed.*

Print the Consolidation Trial Balance Report

To print the Consolidation Trial Balance report, follow these steps:

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company**, select the consolidated company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then select **Business Units**.
4. Locate and select the business unit.

5. Click **Related Information**, point to **Reports,** and then select **Trial Balance**.

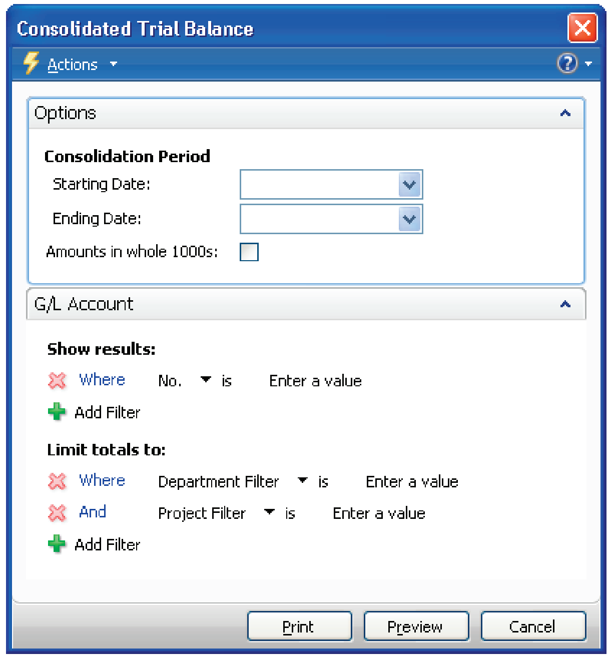

FIGURE 1.13 CONSOLIDATED TRIAL BALANCE

6. On the **Options** FastTab, in the **Starting Date** field, enter the first date in the period from which posted entries in the consolidated company are shown.
7. In the **Ending Date** field, enter the last date in the period from which posted entries in the consolidated company will be shown.
8. Click to insert a check mark in the **Amounts in Whole 1000s** check box to display amounts in whole 1000s.
9. On the **G/L Accounts** FastTab, set accounts filters and global dimension filters for the report.
10. Click **Preview** to review the report on the screen, or click **Print** to print the report.

Print the Consolidation Trial Balance (4) Report

To print the Consolidation Trial Balance (4) report, follow these steps:

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company**, select the consolidated company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation,** and then select **Business Units**.
4. Locate and select the business unit.

5. Click **Related Information**, point to **Reports,** and then select **Trial Balance (4)**.
6. On the **Options** FastTab, in the **Starting Date** field, enter the first date in the period from which posted entries in the consolidated company are shown.
7. In the **Ending Date** field, enter the last date in the period from which posted entries in the consolidated company will be shown.
8. Click to show amounts as a **Net Change** or as a **Balance** as of the current date.
9. Click to insert a check mark in the **Amounts in Whole 1000s** check box to display amounts in whole 1000s.
10. On the **G/L Accounts** FastTab, set accounts filters and global dimension filters for the report.
11. Click **Preview** to review the report on the screen, or click **Print** to print the report.

Lab 1.6 – Print the Consolidated Trial Balance

Scenario

The consolidation process is complete:

- Data from business is imported.
- Consolidation eliminations are posted.

It is now time to run January 2009 trial balance for CRONUS Consolidated Company using the following criteria.

- Select the appropriate report for this consolidation.
- Do not filter on account, global dimensions, or business units.
- Show amounts as Net Change.

Preview the report; it is not necessary to print.

Challenge Yourself!

Run the trial balance for reporting four or less business units based on the criteria that is specified in the scenario.

Need a Little Help?

1. Open the CRONUS Consolidated Company.
2. Open the Business Unit Card.
3. Access the trial balance for reporting four or less business units.
4. Enter the report criteria as specified in the scenario.
5. Run the report.

Step by Step

1. Click the **Microsoft Dynamics NAV** menu on the Command Bar.
2. Click **Select Company** select the CRONUS Consolidated Company, and then click **OK**.
3. On the Navigation Pane, click **Departments**, click **Financial Management**, click **Periodic Activities**, click **Consolidation** and then select **Business Units**
4. With either business unit selected, click **Related Information**, point to **Reports** and then select **Trial Balance (4)**.
5. Ensure there are no filters set on the G/L Account FastTab
6. On the **Options** FastTab, in the **Starting Date** field, enter 01/01/09.

7. In the **Ending Date** field, enter 01/31/09.
8. Ensure that Net Change is selected.
9. Click **Preview** to review the report.

Summary

Consolidation in Multisite Operations in Microsoft Dynamics NAV 2009 helps companies in the processes of combining the financial statements of two or more subsidiaries into a consolidated financial statement.

Once the consolidated company and subsidiary setups are finished, companies can export a file from Microsoft Dynamics NAV 2009. This is useful when subsidiaries are stores in separate Microsoft Dynamics NAV 2009 databases.

After testing the business units to ensure that there are no errors, users can complete the consolidation process, process the eliminations, and finally create the consolidation reports for review.

The consolidation features in Microsoft Dynamics NAV 2009 enables related companies to create a consolidated company for financial reporting.

Test Your Knowledge

1. Which fields must be blank when you post elimination entries in the general journal?

   ( ) Description

   ( ) Document No.

   ( ) Business Unit Code

   ( ) External Document No.

2. What setup must occur on the general journal batch that is used to post elimination entries?

   ( ) Copy VAT Setup to Jnl. Lines check box must not contain a check mark

   ( ) No. Series must be set up.

   ( ) Copy VAT Setup to Jnl. Lines check box must contain a check mark

   ( ) Allow VAT Differences check box must contain a check mark

3. In Microsoft Dynamics NAV 2009, which file types do you use when importing or exporting consolidation data? (Select all that apply)

   ( ) .docx

   ( ) .xml

   ( ) .net

   ( ) .txt

4. Which of the following fields are set up on G/L accounts that are used in consolidations? (Select all that apply)

   ( ) Consol. Translation Method

   ( ) Consol. Debit Acc.

   ( ) Consol. Unit Code

   ( ) Consol. Credit Acc.

Fill in the blanks to test your knowledge of this section.

5. The consolidated Trial Balance report is recommended for companies with more than ______business units.

6. Data is consolidated into the consolidated company using the ____ Consolidation from File or DB batch job.

Quick Interaction: Lessons Learned

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

1.

2.

3.

Solutions

Dimensions in Consolidations

Test Your Knowledge: G/L Account Setup for Consolidations

1. What is the purpose of setting up consolidation information on G/L Accounts in the subsidiary companies?

   ( ) Post eliminations in the consolidated company.

   ( ) Determine whether the subsidiary that has to be included will be 100 percent or less.

   (•) Map the subsidiary's Chart of Accounts to the consolidated company's Chart of Accounts.

   ( ) Determine the period for which data is imported.

Test Your Knowledge: Dimension and Consolidation

2. When dimensions are used in consolidations, and the dimensions are different in the subsidiary and the consolidated companies, what setup must occur? (Select all that apply)

   (√) The corresponding dimension code in the consolidated company is entered in the Consolidation Code field on the dimension in the subsidiary company.

   (√) The corresponding dimension value code in the consolidated company is entered in the Consolidation Code field on the dimension value in the subsidiary company.

   ( ) Nothing is required.

   ( ) The dimensions in the consolidated company must be the same as in the subsidiary company.

Process Consolidation Eliminations

Test Your Knowledge: Process Consolidation Eliminations

1. Put the following steps of eliminating intercompany consolidation entries in order:

   Step:

__3__: Review the pending elimination entries in the G/L Consolidation Elimination report.

__5__: Review the posted elimination entries in the G/L Consolidation Elimination report.

__2__: Enter the amounts in a general journal.

__1__: Calculate the eliminations.

__4__: Post the general journal

Test Your Knowledge

1. Which fields must be blank when you post elimination entries in the general journal?

   ( ) Description

   ( ) Document No.

   (•) Business Unit Code

   ( ) External Document No.

2. What setup must occur on the general journal batch that is used to post elimination entries?

   (•) Copy VAT Setup to Jnl. Lines check box must not contain a check mark

   ( ) No. Series must be set up.

   ( ) Copy VAT Setup to Jnl. Lines check box must contain a check mark

   ( ) Allow VAT Differences check box must contain a check mark

3. In Microsoft Dynamics NAV 2009, which file types do you use when importing or exporting consolidation data? (Select all that apply)

   ( ) .docx

   (√) .xml

   ( ) .net

   (√) .txt

4. Which of the following fields are set up on G/L accounts that are used in consolidations? (Select all that apply)

   (√) Consol. Translation Method

   (√) Consol. Debit Acc.

   ( ) Consol. Unit Code

   (√) Consol. Credit Acc.

Fill in the blanks to test your knowledge of this section.

5. The consolidated Trial Balance report is recommended for companies with more than _four_

6. Data is consolidated into the consolidated company using the _Import_ Consolidation from File or DB batch job.