Microsoft Dynamics 365

Planning and Configuring the Chart of Accounts Part 4: Calendars and the Ledger

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Objectives of this TechTalk

1. Review the setup and considerations for sharing calendars.
2. Review the configuration for the ledger.
3. Discuss scenarios for interunit accounting.
4. Review an example of interunit accounting.

What it doesn’t cover

1. Main accounts
2. Financial dimensions
3. Account structures and advanced rules

Agenda:

1. Fiscal and Ledger Calendars
2. The Ledger
3. Interunit Accounting
4. DO's and DON'Ts
5. Checklist and Resources

Fiscal versus Ledger Calendar

Fiscal Calendar

- Global
- Can be shared across legal entities
- Defines start and end of year
- Defines number of periods
- Defines the start and end date of each period
- Can also divide a period (requires recalculating the ledger periods)

Ledger Calendar

- Legal entity specific
- Controls the status of each period and each module
- Can recalculate ledger periods in the Ledger page after a fiscal calendar change

Change or reassign a ledger calendar - Finance | Dynamics 365 | Microsoft Docs

Ledger Period Types Overview

Opening

- You cannot post directly into an opening period
- Status is always Permanently closed

Operating

- Standard period type where all transactions are posted
- Can control the status by period and module

Closing

- Can only post using the closing sheet or closing process
- Can control the status by period
- Closing transactions are optional during year-end close

Ledger Period Status Overview

Open

- Any transaction can be posted into the period
- Not a permanent status

On Hold

- Cannot post transactions into the period
- Not a permanent status

Permanently Closed

- Is a permanent status
- Should only be used if there are legal requirements

Module Access for Ledger Periods

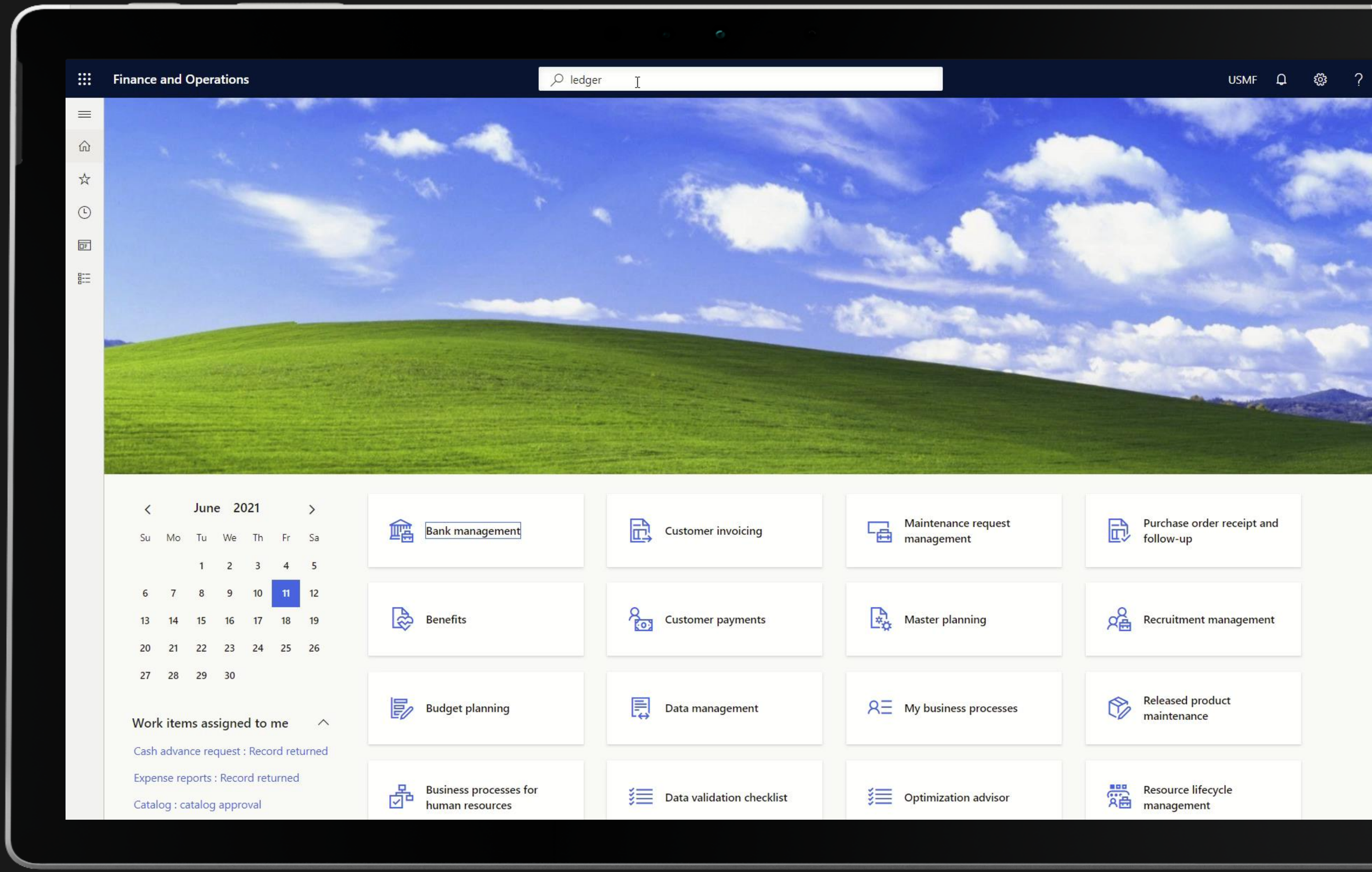
- Can only update one module at a time
- Can create User groups to limit access to a subset of users
- Module access refers to subledgers not modules

EXAMPLES

Customer	Accounts receivable
Vendor	Accounts payable
Sales	Sales and marketing
Purchase	Procurement and sourcing
Bank	Cash and bank management

Controlling the Status of your Ledger Periods

1. Open **General ledger > Ledger setup > Ledger**.
2. Click **Ledger calendar**.
3. Select the **Fiscal year**.
4. Select the **Period** in the left navigation.
    1. Manually set the **Period status** field to the desired status.
    2. To mass update periods:
        1. Highlight all desired legal entities.
        2. Click **Update period status.**
        3. Select the desired Period status and click **Update**.
    3. To mass update module access:
        1. Highlight all desired legal entities.
        2. Click **Update module access.**
        3. Select the **Module**.
        4. Select the **Access level**.
        5. Click **Update**.



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What is a Ledger?

Ledger

- One ledger per legal entity
- Can have same settings in ledger across legal entities
- Defines finance architecture

Legal Entity

- Many legal entities per instance
- Should match your legal structure
- Also referred to as a company

Sharing Versus Not Sharing

Ledger

- Always legal entity specific
- Can use same values across legal entities

Calendars

- Share when possible
- Ledger calendars are always legal entity specific

Chart of accounts

- Share when possible
- Use additional consolidation accounts for specific needs

Account structures

- Share when possible
- Some segments may be legal entity specific or have legal entity overrides


DON'T BE A TODDLER
SHARE YOUR STUFF

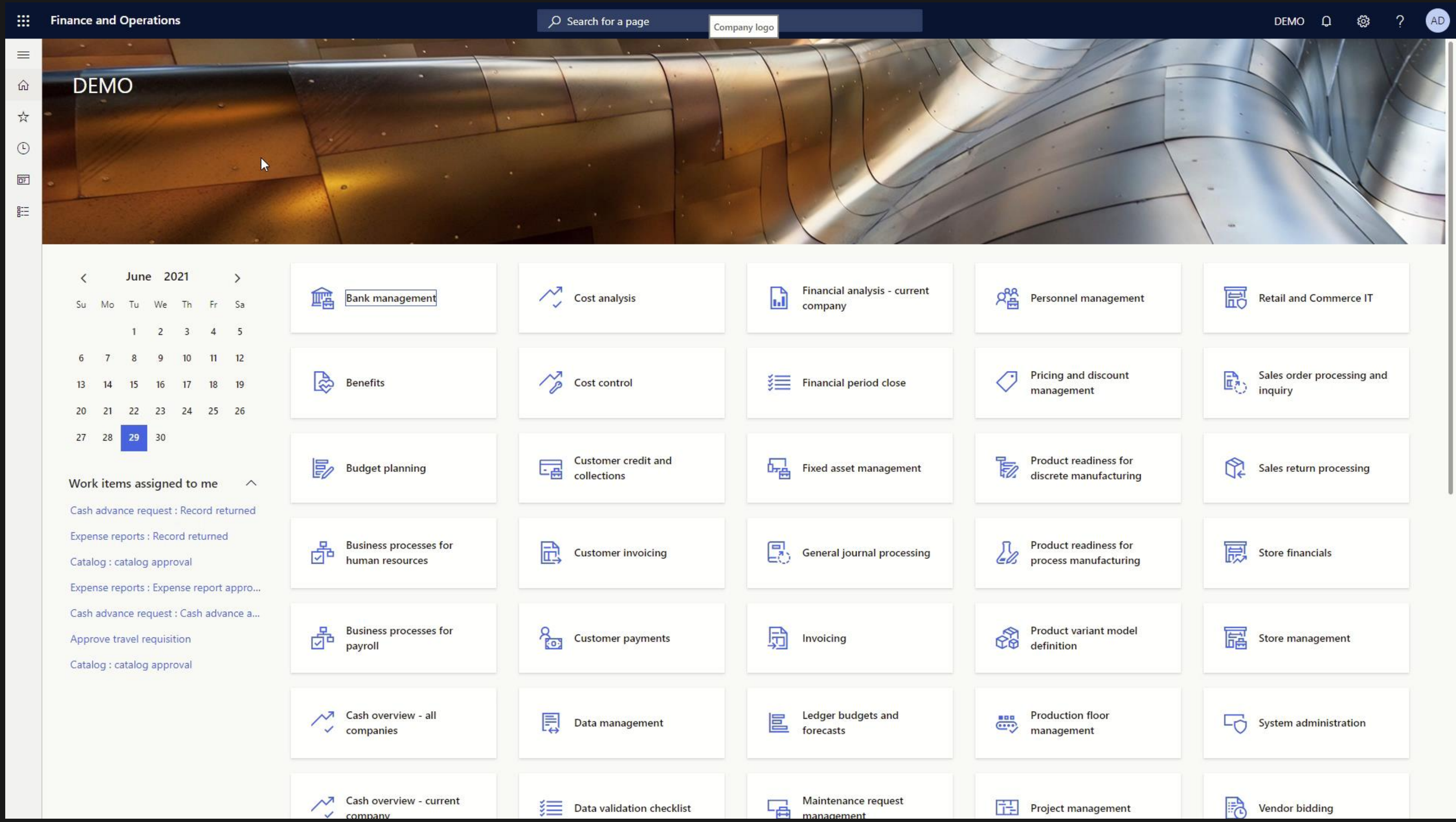
Currencies and the Ledger

- Accounting currency is the primary currency (typically the local currency of the legal entity)
- Reporting currency is an alternative currency for financial reports
- Transactions can be in any currency, but are always recorded to the ledger in the accounting and reporting currencies
- You can **NEVER** change your ledger currencies after transactions exist

[Change the accounting or reporting currency - Finance | Dynamics 365 | Microsoft Docs]

Configure the Ledger

1. Open **General ledger > Ledger setup > Ledger**.
2. Select the **Chart of accounts**.
3. Select the **Fiscal calendar**.
4. On the **Account structures** FastTab and click **Add**.
5. Select the **Account structure** and then click **Select**.
6. Repeat steps 4-5 for each account structure you want to add.
7. Optionally, select the **Balancing financial dimension**.
8. Select the **Accounting currency**.
9. Select the **Reporting currency**.
10. Select the **Accounting currency**, **Reporting currency**, and **Budget exchange rate types**.
11. Optionally, select Main accounts on the **Accounts for currency translation** FastTab.



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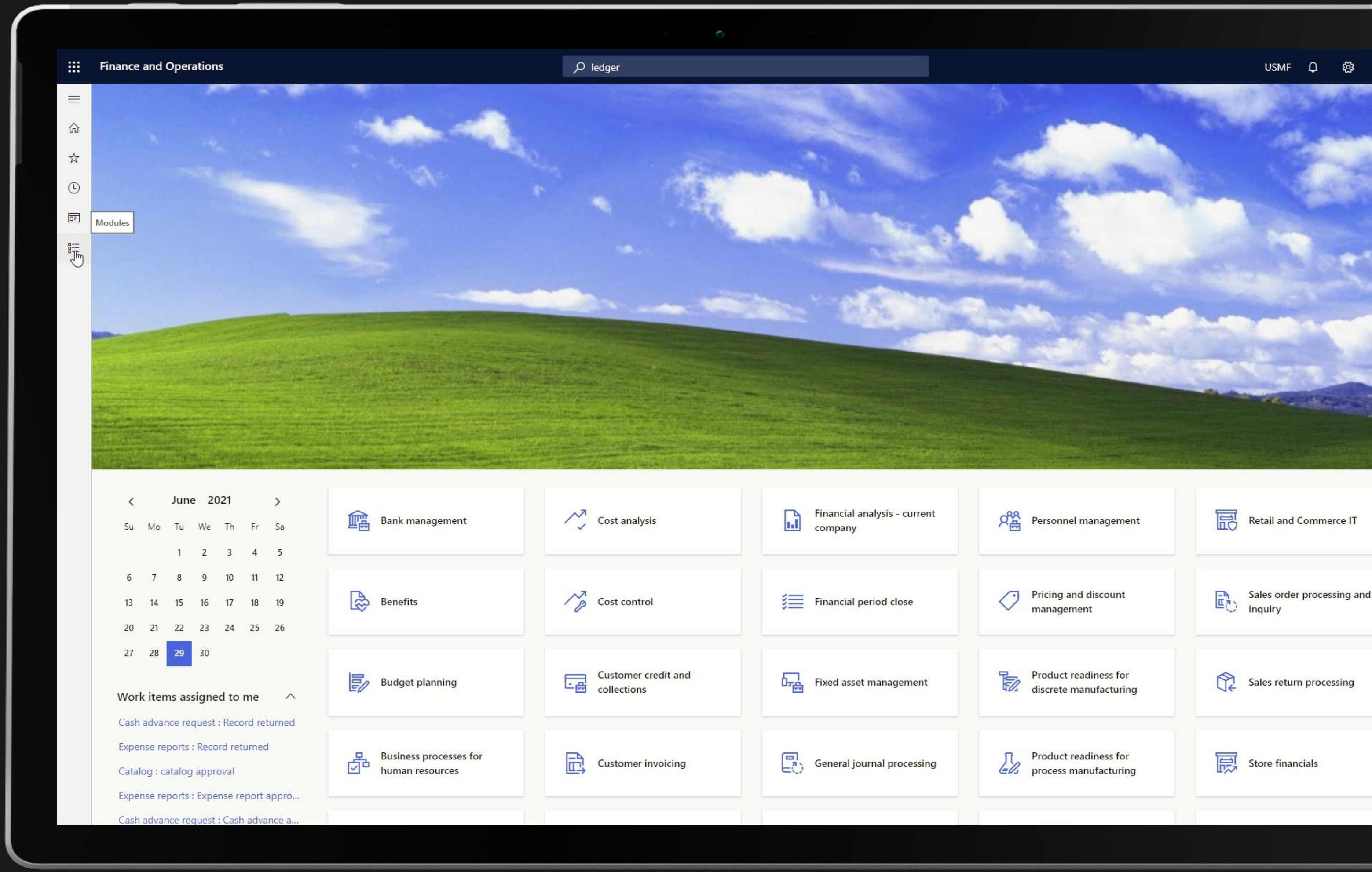
Balancing Financial Dimensions

- Also referred to as interunit accounting
- Allows a balance sheet to be balanced by a financial dimension
- Can select one financial dimension to be balanced
- The debits and credits for the balancing financial dimension must match
- Unmatched balances are automatically posted to the Interunit – debit and Interunit – credit accounts
- The dimension must be in all account structures and cannot allow blanks

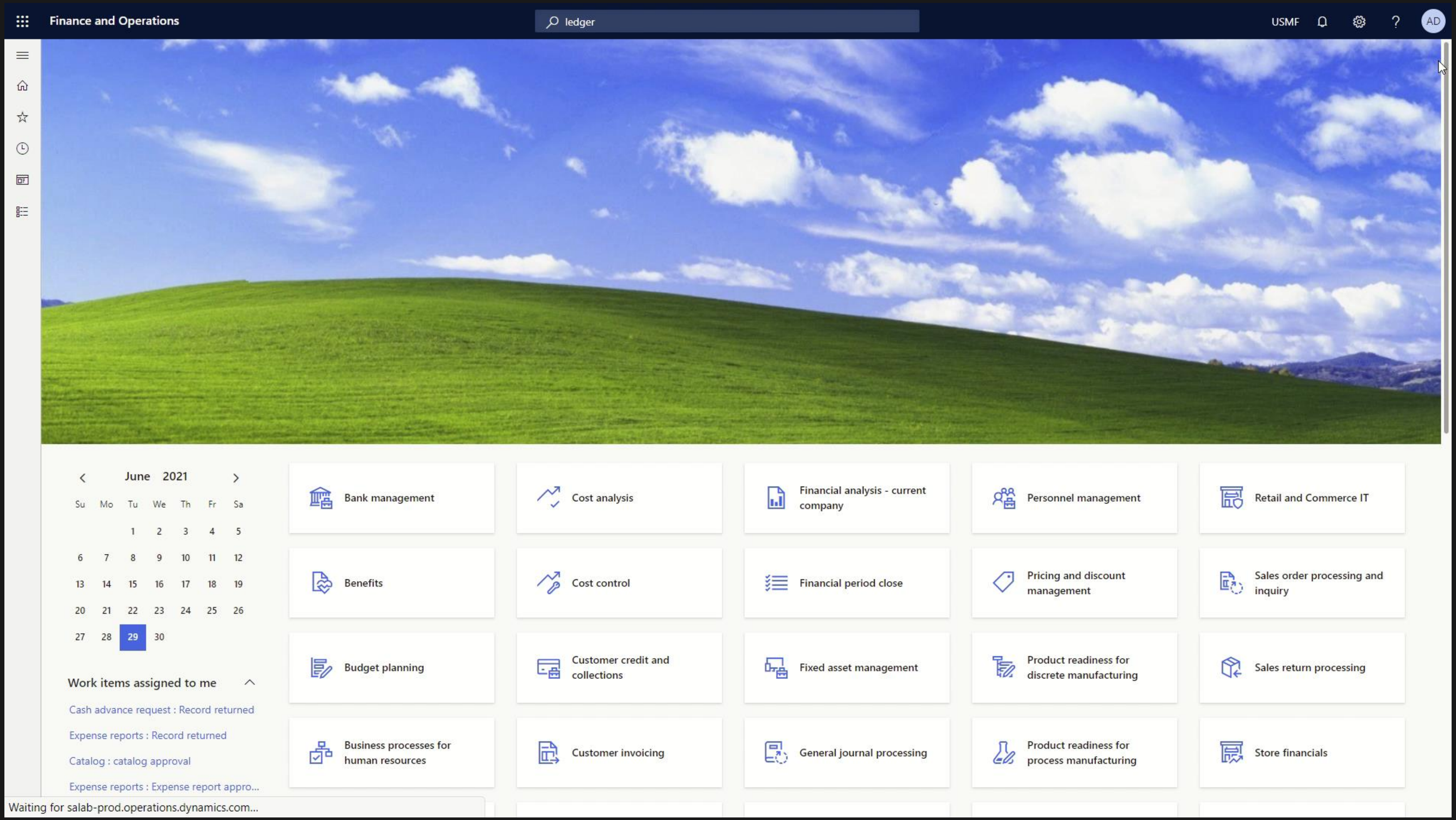
Enable interunit accounting | Microsoft Docs
Balanced journals for interunit accounting - Finance | Dynamics 365 | Microsoft Docs

Configure Interunit Accounting

1. Open **General ledger > Ledger setup > Ledger**.
2. Select the dimension to be balanced from the **Balancing financial dimension** drop-down.
3. Close the form.
4. Open **General ledger > Posting setup > Accounts for automatic transactions**.
5. Click **New** to create a record.
6. Select **Interunit – debit** in the **Posting type** field, and then select the Main account to be used.
7. Click **New** to create a record.
8. Select **Interunit – credit** in the **Posting type** field, and then select the **Main account** to be used.



Sample Journal Entry with Interunit Accounting



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DO's and DON'Ts for the Ledger

DO's

- ✓ Analyze and select the correct accounting and reporting currencies.
- ✓ Analyze and select the correct chart of accounts.
- ✓ Make your legal entity structure match your legal structure.
- ✓ Use interunit accounting (balancing dimension) for balance sheet at a lower level.

DON'Ts

- × Create support tickets to change the accounting or reporting currency.
- × Create support tickets to change your chart of accounts.
- × Make more legal entities than you have legal companies.
- × Make less legal entities and use a dimension to represent a legal entity.

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RECAP

Your checklist for the chart of accounts and ledger

Use and adjust this baseline checklist

- Create Main account templates
- Create Main account categories
- Create Exchange rate types
- Define Sales tax groups and Item sales tax groups
- Define Sales tax codes
- Define the Chart of accounts
- Create Main accounts
- Define Legal entity overrides on Main accounts
- Create Financial dimension
- Define values for financial dimensions
- Define default and fixed dimensions on main accounts
- Create Financial dimension sets
- Configure Financial dimensions sets to update periodically
- Create Financial dimension default templates
- Create Ledger account aliases

RECAP

Your checklist for the chart of accounts and ledger continued

Use and adjust this baseline checklist

- Create a Fiscal calendar
- Create an Organization hierarchy
- Create an Account structure
- Create a relationship from the Organization hierarchy to the Account structure
- Create an Advanced rule
- Activate Advanced rules
- Activate Account structures
- Configure the Ledger

Resources

[GENERAL LEDGER DOCS]

[FINANCE LEARNING CATALOG]


QUESTIONS

Dankie Faleminderit **Shukran** Chnorakaloutioun Hvala Blagodaria

Děkuji **Tak** Dank u Tänan Kiitos **Merci** Danke Ευχαριστώ A dank

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Thank you!

감사합니다 Paldies Choukrane Ačiū **Благодарам** ありがとうございました

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