

Advanced bank reconciliation

Suzhen Zheng – Principal Engineering Manager

Eric Wang – Principal Product Manager

Venkatesh Vadlamani – Program Manager 2

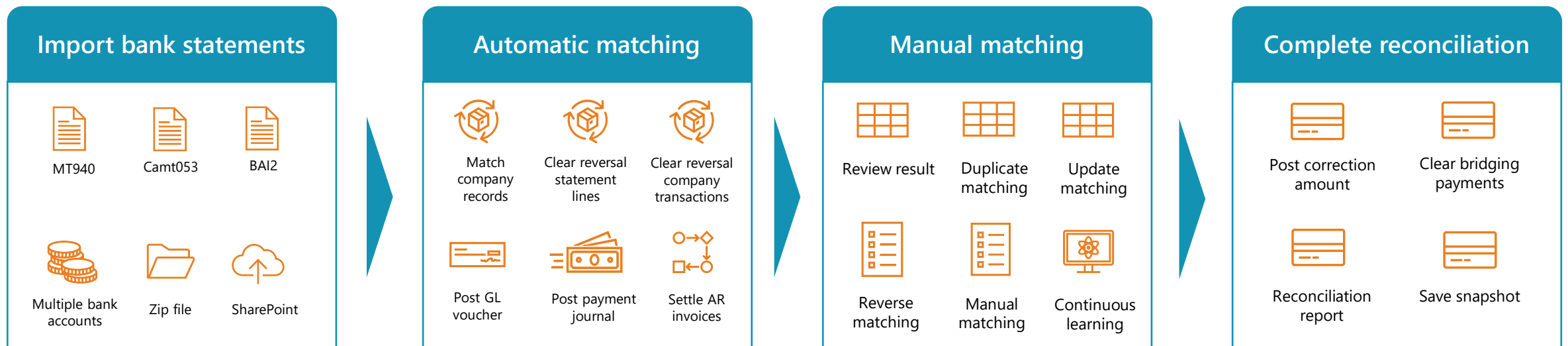


Agenda

-
- Advanced bank reconciliation overview
 - Key functions and demos
 - Roadmap
 - Q&A

Advanced bank reconciliation overview

Advanced bank reconciliation in Dynamics 365 Finance manages the end-to-end bank reconciliation process including statement importing, bank and company records matching, report generation, etc. With the increased automation and more functional capabilities, it reduces the need for manual work and saves time for cash management clerks.



Import bank statement

Supported formats

Electronic Reporting

- Camt053 - latest version
Camt053.001.08 released in 10.0.37
- MT940
- BAI2

Data entity – to be released in 10.0.40

- CSV/Excel
- Entity name
 - Bank statement header
 - Bank statement lines

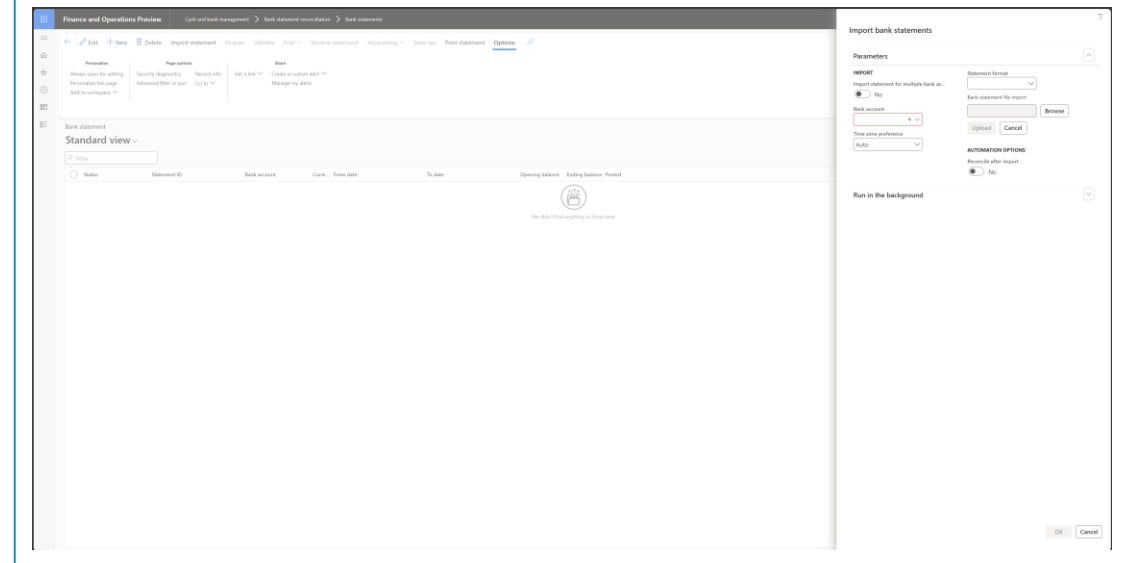
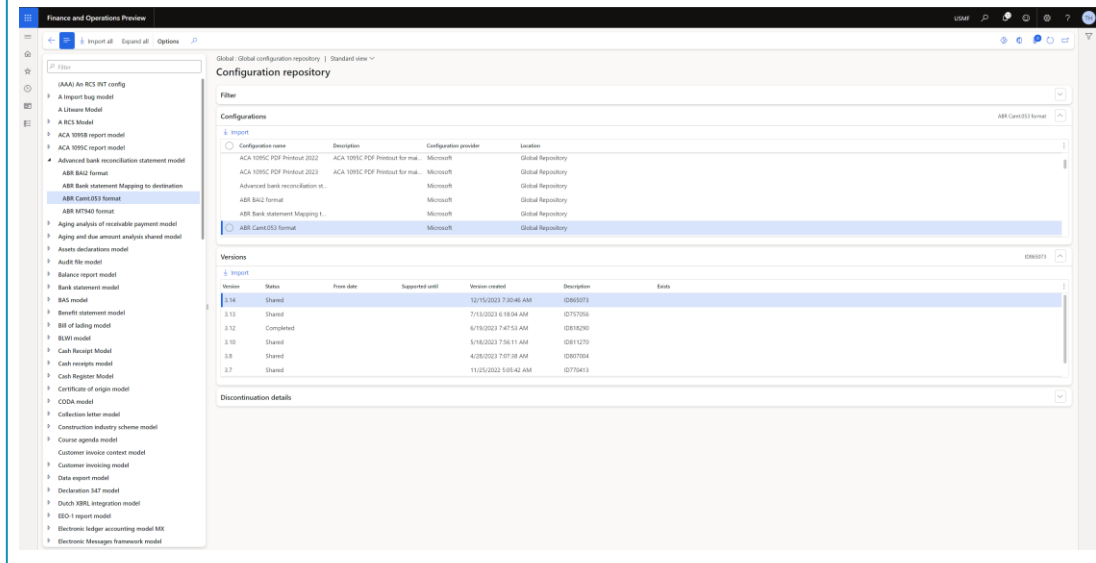
Supported options

Import methods

- Manual creation
- Manual import
- Periodically import from SharePoint folder – released in 10.0.36

Import parameters

- Multiple bank accounts in one file
- Time zone conversion - enhancement released in 10.0.36



- Expense reports : Record returned
- Catalog : catalog approval
- Expense reports : Expense report appro...
- Cash advance request : Cash advance a...
- Approve travel requisition
- Catalog : catalog approval

Budget planning

Customer payments

Ledger budgets and forecasts

Released product maintenance

Business document management

Data management

Maintenance request management

Resource lifecycle management

Business processes for human resources

Data validation checklist

Master planning

Retail and Commerce IT

Business processes for payroll

Distributed order management

My business processes

Sales order processing and inquiry

Cash overview - all companies

Electronic reporting

Optimization advisor

Sales return processing

Cash overview - current company

Employee development

Outbound work monitoring

Store financials

Catalog management

Employee self service

Outbound work planning

Store management

Category and product management

Engineering change management

Payment workspace

Subscription billing

Channel deployment

Expense management

Payroll management

Supply risk assessment

Channel merchandising configuration validator

Feature management

People

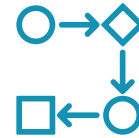
System administration

Automatic matching



Match with company transactions

- Match 1 bank statement line with 1 company transaction
- Match M bank statement lines with 1 company transaction – released in 10.0.36
- Match 1 bank statement line with N company transactions – released in 10.0.36
- Match M bank statement lines with N company transactions – released in 10.0.36



Post new entries

- Generate GL vouchers – public preview in 10.0.39
- Generate customer payment journals – public preview in 10.0.39
- Generate vendor payment journals – public preview in 10.0.39
- Settle open customer invoices – public preview in 10.0.39
- **Mark as new – disabled if “Modern bank reconciliation” feature management is turned on**



Clear errors

- Clear reversal company transactions – public preview in 10.0.39
- Clear reversal statement lines

Match bank statement with company transactions

Step 1: Define grouping conditions

- Bank statement line grouping conditions
- Company transaction line grouping conditions

Step 2: Define matching rules

Basic criteria

- Amount / Allowed difference
- Date / Allowed difference
- Unique number – Document number/Payment reference/Transaction type

Additional criteria

- Bank statement fields
- Company transaction fields

Step 3 (Optional): Statement line scope

- Bank statement fields + Operator + Values

Finance and Operations Preview

Cash and bank management > Setup > Advanced bank reconciliation setup > Reconciliation matching rules

Standard view

Reconciliation matching rules

| Matching rule | Name | Action | Choose matching type | Active |
|---------------|------|--------------------------|----------------------|--------|
| Demo | Demo | Match with bank document | Many to many | No |

Step 1: Define the grouping conditions

Step 2: Define the matching rule

Search bank documents Yes

BASIC CRITERIA

- Match amount
- Match date Allowed date difference
- Match document number
- Match transaction type
- Match payment reference

ADDITIONAL CRITERIA

+ Add Remove

| Field | Operator | Value | Statement fields |
|---------------------------------------|----------|-------|------------------|
| We didn't find anything to show here. | | | |

Step 3 (optional): Select the statement lines to run matching rules against

+ Add Remove

| Field | Operator | Value |
|-------|----------|-------|
|-------|----------|-------|

00008 : Demo | Standard view * v

Bank reconciliation worksheet

Bank account overview | 2/23/2024 | USD | 0.00

Unmatched transactions | Matched transactions

Unmatched transactions

Selected bank statement transactions: (1 line) **-3,000.00**

Selected company transactions: (0 line) **0.00**

Correction > 0.00

Match | Generate payment journal | Generate voucher

BANK STATEMENT TRANSACTIONS

Open filters v | Clear filters

| <input type="radio"/> | <input type="checkbox"/> | Booking date | Debit | Credit | Bank transaction code | Trading party |
|----------------------------------|--------------------------|--------------|----------|----------|-----------------------|--------------------------|
| <input checked="" type="radio"/> | <input type="checkbox"/> | 2/21/2024 | | 3,000.00 | 100 | Acme Office Supplies |
| <input type="radio"/> | <input type="checkbox"/> | 2/21/2024 | 10.00 | | 500 | |
| <input type="radio"/> | <input type="checkbox"/> | 2/21/2024 | 3,800.00 | | 200 | Contoso Retail San Diego |

COMPANY TRANSACTIONS

Open filters v | Clear filters

| <input type="radio"/> | <input type="checkbox"/> | Date | Debit | Credit | Related party name | Bank transaction |
|-----------------------|--------------------------|-----------|-------|----------|----------------------|------------------|
| <input type="radio"/> | <input type="checkbox"/> | 2/23/2024 | | 1,600.00 | Acme Office Supplies | 12 |
| <input type="radio"/> | <input type="checkbox"/> | 2/23/2024 | | 1,000.00 | Acme Office Supplies | 12 |
| <input type="radio"/> | <input type="checkbox"/> | 2/23/2024 | | 400.00 | Acme Office Supplies | 12 |

Generate GL vouchers

Step 1: Find statement lines to generate voucher

- Bank statement fields + Operator + Values

Step 2: Voucher posting parameters

Posting parameters - per legal entity

- Accounting date
- Offset main account
- Financial dimensions
- Voucher description
- Bank transaction type
- Sales tax group
- Item sales tax group

Finance and Operations Preview

Standard view

Reconciliation matching rules

| Matching rule | Name | Action | Active |
|---------------|------|------------------|--------|
| Demo | Demo | Generate voucher | No |

Find statement lines to generate voucher

| Bank statement field | Operator | Value |
|-----------------------|----------|-------|
| Bank statement tra... | = | 500 |

Voucher parameters

General | Financial dimensions

| TRANSACTION DETAILS | BANK | TAX |
|---------------------------------|-----------------------------|-----------------------------|
| Accounting date Booking date | Bank transaction type 11 | Sales tax group 5Pct |
| Offset account number 700100 | | Item sales tax group ALL |
| Description Demo description | | |

00008 : Demo | Standard view

Bank reconciliation worksheet

Bank account overview

2/23/2024 USD 0.00

Unmatched transactions Matched transactions

Unmatched transactions

Selected bank statement transactions
(0 line) 0.00

Selected company transactions
Correction 0.00 (0 line)

Match Generate payment journal Generate voucher

BANK STATEMENT TRANSACTIONS

Open filters Clear filters

| <input type="radio"/> | <input type="checkbox"/> | Booking date | Debit | Credit | Bank transaction code | Document number |
|-----------------------|--------------------------|--------------|----------|--------|-----------------------|-----------------|
| <input type="radio"/> | <input type="checkbox"/> | 2/21/2024 | 10.00 | 500 | | |
| <input type="radio"/> | <input type="checkbox"/> | 2/21/2024 | 3,800.00 | 200 | | |

COMPANY TRANSACTIONS

Open filters Clear filters

| <input type="radio"/> | Date | Debit | Credit | Bank transaction type | Document type |
|--|------|-------|--------|-----------------------|---------------|
|  We didn't find anything to show here. | | | | | |

Settle customer invoices

Step 1: Find statement lines

Lookup criteria

- Bank statement fields + Operator + Values

Step 2: Match open invoices

Customer invoices fields

- Invoice number
- Sales order number
- Currency
- More fields - Planned

Step 3: Customer payment journal parameters

Posting parameters - per legal entity

- Accounting date
- Method of payment
- Bank transaction type

Dynamics 365 Finance

Search for a page

← Edit + New Delete Deactivate Activate Options

Standard view

Reconciliation matching rules

Posting rule name: 01 Description: Posting rule 01 Action: Settle customer invoice Active: No

Step 1: Find statements to generate customer payment journals

+ Add Remove

| <input type="checkbox"/> | Bank statement field | Operator | Value |
|-------------------------------------|----------------------|----------|------------|
| <input checked="" type="checkbox"/> | Transaction code | = | 011 |
| <input type="checkbox"/> | Bank account | = | USMF OPER |
| <input type="checkbox"/> | Trading party | = | Contoso US |
| <input type="checkbox"/> | Amount | > | 0 |

Step 2: Match open invoices

You can select either Bank statement field or Value for one condition line.

+ Add Remove

| <input type="checkbox"/> | Customer invoice field | Operator | Bank statement field | Value |
|-------------------------------------|------------------------|----------|----------------------|-------|
| <input checked="" type="checkbox"/> | Invoice number | = | Reference No | |
| <input type="checkbox"/> | Invoice currency | = | | USD |

Step 3: Customer payment journal parameters

+ Add Remove Financial dimensions

| <input type="checkbox"/> | Legal entity | Name | Accounting date | Default method of payment | Default bank transaction type |
|-------------------------------------|--------------|----------------------------------|-----------------|---------------------------|-------------------------------|
| <input checked="" type="checkbox"/> | USMF | Contoso Entertainment system USA | Booking date | List item | List item |
| <input type="checkbox"/> | GLRT | Contoso Retail | Booking date | List item | List item |

Generate customer payments

Step 1: Find statement lines

Lookup criteria

- Bank statement fields + Operator + Values

Step 2 (Optional): Match invoices

Customer invoices fields

- Invoice number
- Sales order number
- Currency
- More fields - Planned

Step 3: Customer payment journal parameters

Posting parameters - per legal entity

- Customer account
 - Automatic - Planned
 - Specific
- Accounting date
- Method of payment
- Bank transaction type

Dynamics 365 Finance

Search for a page

Standard view

Reconciliation matching rules

| Posting rule name | Description | Action | Active |
|-------------------|-----------------|---------------------------|--------|
| 01 | Posting rule 01 | Generate customer payment | No |

Step 1: Find statements to generate customer payment journals

+ Add - Remove

| <input type="checkbox"/> | Bank statement field | Operator | Value |
|-------------------------------------|----------------------|----------|------------|
| <input checked="" type="checkbox"/> | Transaction code | = | 011 |
| <input type="checkbox"/> | Bank account | = | USMF OPER |
| <input type="checkbox"/> | Trading party | = | Contoso US |
| <input type="checkbox"/> | Amount | > | 0 |

Step 2 (Optional) : Match invoices

+ Add - Remove

| <input type="checkbox"/> | Customer invoice field | Operator | Bank statement field | Value |
|-------------------------------------|------------------------|----------|----------------------|-------|
| <input checked="" type="checkbox"/> | Invoice number | = | Reference No | |
| <input type="checkbox"/> | Invoice currency | = | | USD |

Step 3: Customer payment journal parameters

+ Add - Remove Financial dimensions

| <input type="checkbox"/> | Legal entity | Name | Customer account | Accounting date | Default method of payment |
|-------------------------------------|--------------|----------------------------------|------------------|-----------------|---------------------------|
| <input checked="" type="checkbox"/> | USMF | Contoso Entertainment system USA | Automatic | Booking date | List item |
| <input type="checkbox"/> | GLRT | Contoso Retail | US-001 | Booking date | List item |

Matching rule GLvoucher is executed. 1 statement lines have been matched according to matching rule GLvoucher.

Save Run matching rules Subtotal Mark as reconciled Mark as reconciled in batch Print reconciliation statement Options

00008 : Demo | Standard view

Bank reconciliation worksheet

Bank account overview

2/23/2024 | USD | 0.00

Unmatched transactions Matched transactions

Unmatched transactions

Selected bank statement transactions

(0 line) 0.00

Correction

Selected company transactions

0.00 (0 line)

Match Generate payment journal Generate voucher

BANK STATEMENT TRANSACTIONS

Open filters Clear filters

| <input type="radio"/> | | Trading party | Reference No. | Status | |
|-----------------------|--|--------------------------|---------------|--------|--|
| <input type="radio"/> | | Contoso Retail San Diego | CIV-00000721 | Booked | |

COMPANY TRANSACTIONS

Open filters Clear filters

| <input type="radio"/> | Date | Debit | Credit | Bank transaction type | Document type | |
|-----------------------|------|-------|--------|-----------------------|---------------|--|
|-----------------------|------|-------|--------|-----------------------|---------------|--|

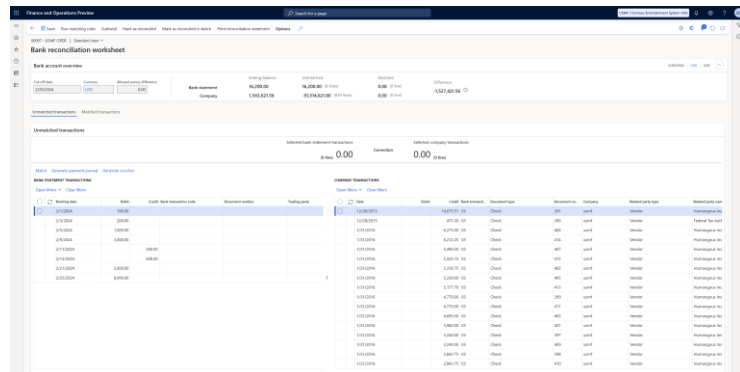


We didn't find anything to show here.

Manual matching

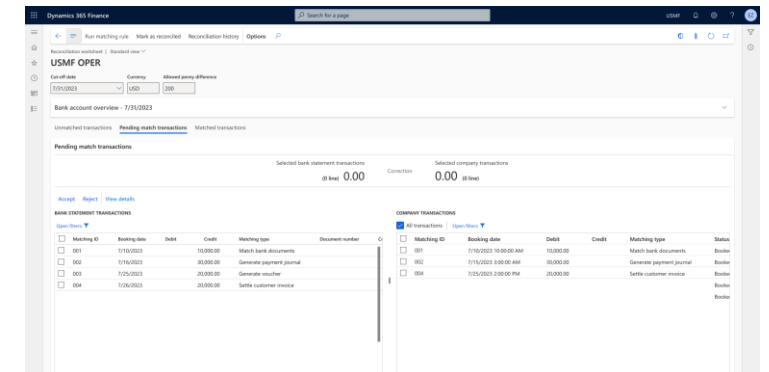
Redesigned reconciliation worksheet - public preview in 10.0.39

- More lines displayed in matched and unmatched transactions
- Intuitive statistics for bank reconciliation progress
- Bank statement line status



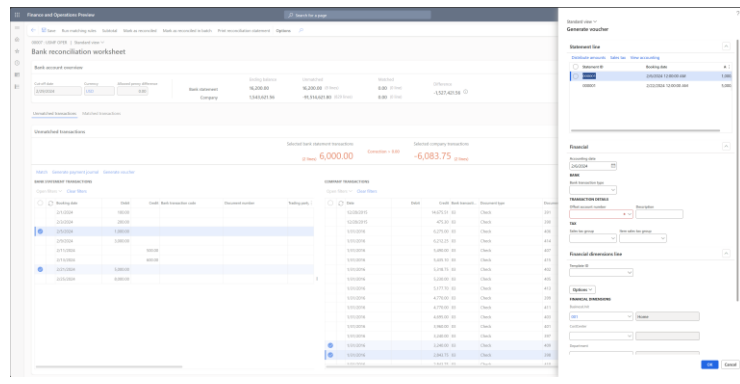
Review automatic matching results - Planned

- Set up review criteria
- Manual review before posting automatic matching results
- Update automatic matching results



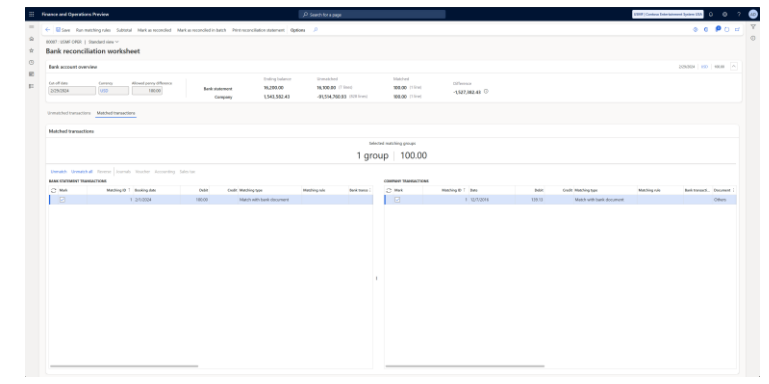
Manual matching

- Match with company transactions
- Generate payment journals
- Settle with customer and vendor invoices
- Post GL vouchers
- Clear errors



Reverse matching

- Unmatch with company transactions
- Reverse voucher
- Cancel payment journal - planned



Navigation bar with buttons: + New, Delete, Import statement, Print statement, Reopen, Reconcile in worksheet, Options

Personalize, Page options, Share settings including 'Always open for editing', 'Security diagnostics', 'Record info', 'Get a link', 'Create a custom alert', 'Manage my alerts', 'Add to workspace', 'Advanced filter or sort', 'Go to'

Filter

000001
tester
Confirmed

000002
tester
Confirmed

000004
Demo
Matched

Bank statement | Standard view

000004 Matched

Lines Header

Summary cards: Total (3 lines, 810.00 USD), Unmatched (0 line, 0.00 USD), Matched (3 lines, 810.00 USD), Reconciled (0 line, 0.00 USD)

Table with columns: M..., Booking date, Line status, Entry reference, Bank statement transaction code, Trading party, Amount. Rows include transactions for Acme Office Supplies and Contoso Retail San Diego.

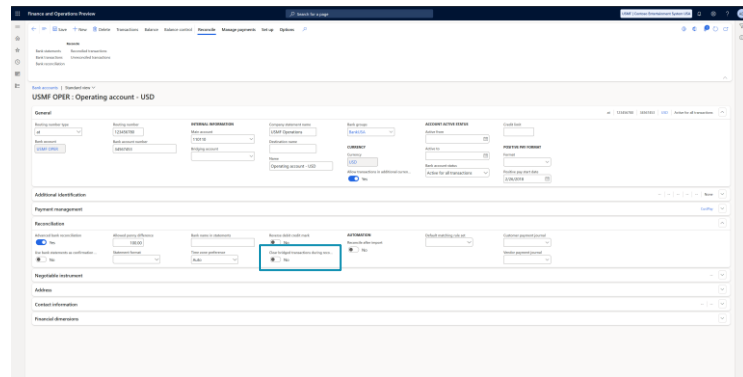
Related worksheet

Reconciliation worksheet: 00008
Included: 3 lines
Cutoff date: 2/23/2024
Open button

Complete reconciliation

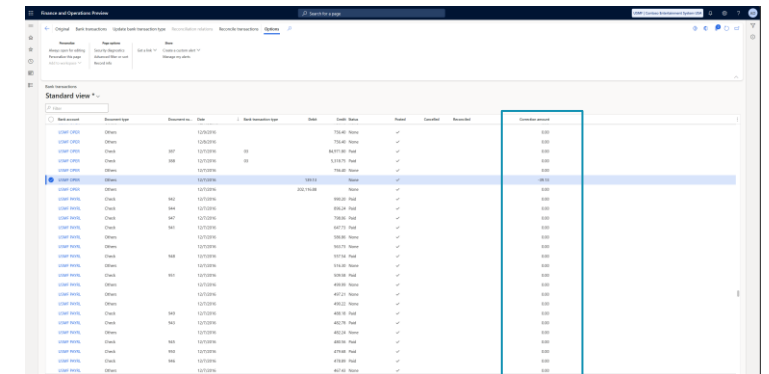
Clear bridging payments - public preview in 10.0.39

- Bridging payments will be cleared automatically in advanced bank reconciliation, instead of manual clearing in general ledger.



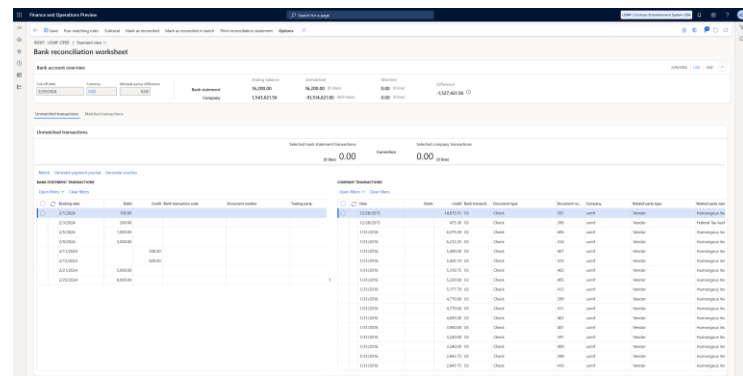
Post correction amount

- Difference between bank statement lines and company transactions will be posted as correction amount into GL.
- Main account by transaction type



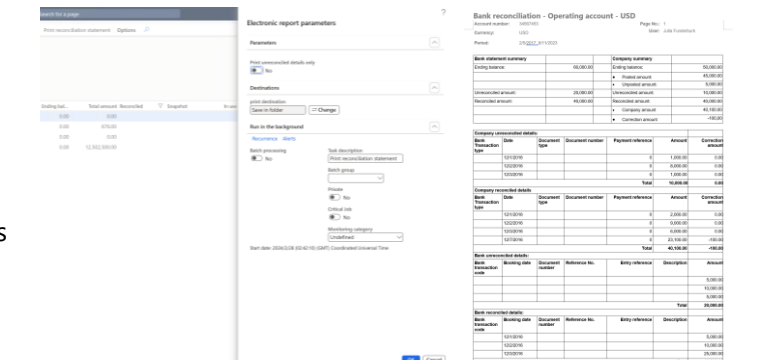
Save snapshot - public preview in 10.0.39

- After marking reconciliation worksheet as reconciled, a snapshot will be saved.
- Reopen the worksheet will delete the snapshot



Enhanced bank reconciliation report – public preview in 10.0.40

- Report snapshot by reconciliation worksheet cut-off date
- Both reconciled and unreconciled transactions



- BRIDGING Invoice
- CHECK Invoice
- ELECTRONIC Invoice
- PAYROLL_CK Invoice
- PAYROLL_EL Invoice
- PDC Invoice

Methods of payment - vendors

Standard view

Method of payment: BRIDGING | Period: Invoice | Description: Bridging payment | Grace period: 0 | Payment status: None

Payment type: Other

Allow copies of payments: No

General

| | | | |
|---|--|---|---|
| <p>FILE</p> <p>Last file No. <input type="text" value="0"/></p> <p>Today <input type="text" value="0"/></p> <p>Date <input type="text"/></p> | <p>POSTING</p> <p>Account type: Bank</p> <p>Payment account: Demo</p> <p>Bridging posting: <input checked="" type="checkbox"/> Yes</p> <p>Bridging account by bank account: <input checked="" type="checkbox"/> Yes</p> <p>Postdated check clearing posting: <input type="checkbox"/> No</p> <p>Bridging account: <input type="text"/></p> <p>Bank transaction type: 05</p> | <p>PROMISSORY NOTE</p> <p>Type of draft: No draft</p> <p>PAYMENT CODES</p> <p>Category purpose: <input type="text"/></p> <p>Charge bearer: <input type="text"/></p> | <p>Local instrument: <input type="text"/></p> <p>Service level: <input type="text"/></p> <p>ELECTRONIC PAYMENT PROCESSING</p> <p>Direct debit: <input type="checkbox"/> No</p> |
|---|--|---|---|

File formats

Setup

| | | | |
|----------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| FILE FORMATS | Export format configuration | Return format secondary configuration | INVOICE UPDATE |
| Generic electronic Export format | | | Create and post draw journal automati |

Roadmap

2023 Wave 2

- Automatic import bank statements from SharePoint periodically ✓
- Support many-to-many matching in bank reconciliation rule
 - Many to many ✓
 - Many to one ✓
 - Many to many ✓
- Support Camt053.001.08 version ✓
- Support time zone option in bank statement import ✓

2024 Wave 1

- Modern bank reconciliation – Public Preview
 - Bank statement and reconciliation worksheet usability enhancements ✓
 - Post GL voucher ✓
 - Clear reversal company transactions ✓
 - Cash application in bank reconciliation ✓
 - Matching rule enhancements ✓
 - Worksheet snapshot ✓
 - Bank reconciliation statement report enhancements
- Automatic clear bridged transactions during bank reconciliation – Public Preview ✓
- Data entity support for bank statement import
- Allow skipping reversal flag validation when clearing reversal statement lines
- Perf improvement for BAI2 format ✓

2024 Wave 2 and Beyond

- Modern bank reconciliation - General Available
 - Data upgrade wizard
- Automatic clear bridged transactions during bank reconciliation - General Available
- Cash application enhancements
 - Extend customer invoice matching model – Payment ID/Payment reference/Invoice amount/Amount to be settled, etc.
 - Automatic customer account matching – IBAN/Bank account number
 - Cancel posted payment journal in bank reconciliation
 - Support default journal description
 - Support prepayment and posting profile
- Manual review option for automatic matching exceptions
- Copilot for bank reconciliation

Useful resources

Feature management

- Modern bank reconciliation
- Automatic clear bridged transactions through advanced bank reconciliation
- Automatic importing bank statement from SharePoint folder
- Advanced bank reconciliation improvement: enable group conditions in reconciliation matching rules
- Use the time zone option on bank statement import form for BAI2 format bank statement id generation
- Time zone for importing bank statements using Electronic reporting

Microsoft Learn

- [Advanced bank reconciliation overview - Finance | Dynamics 365 | Microsoft Learn](#)
- [Cash application in advanced bank reconciliation - Finance | Dynamics 365 | Microsoft Learn](#)
- [Generate a voucher in advanced bank reconciliation - Finance | Dynamics 365 | Microsoft Learn](#)
- [Clear reversal company transactions in advanced bank reconciliation - Finance | Dynamics 365 | Microsoft Learn](#)
- [Clear bridging payments using advanced bank reconciliation - Finance | Dynamics 365 | Microsoft Learn](#)

Feedback channel

- [Viva Engage : Dynamics 365 and Power Platform Preview Programs : Cash, banking and payment : All Conversations \(yammer.com\)](#)
- <https://aka.ms/cashbank>

Q&A

