Microsoft Dynamics 365 Business Central Deferral Cockpit

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Contents

1. Introduction

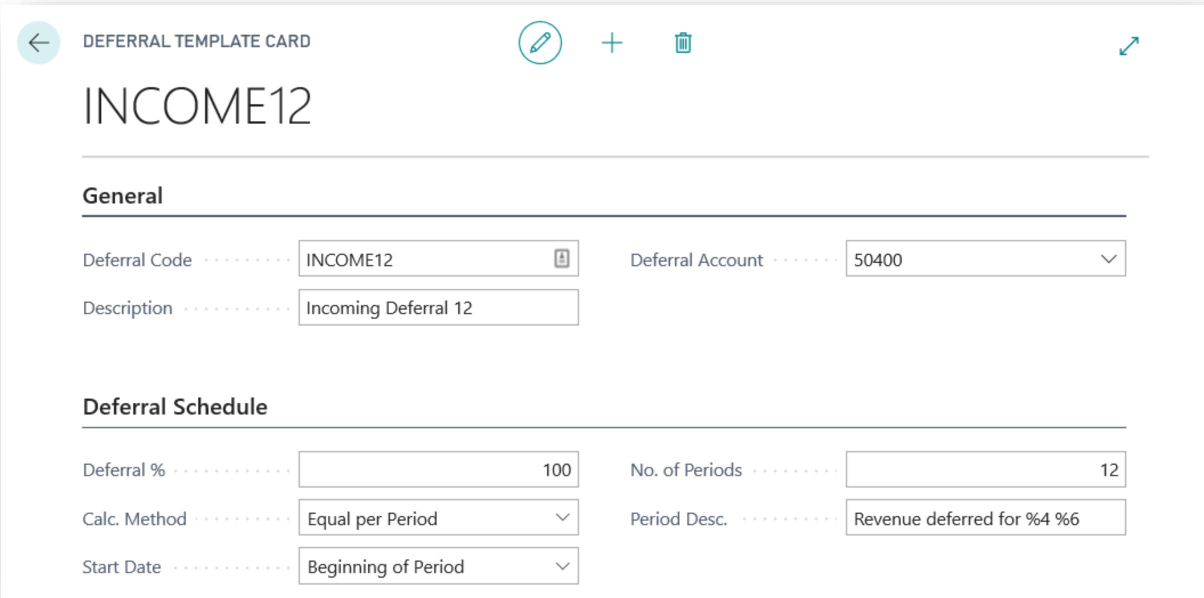
To recognise a revenue or an expense in a period other than the period in which the transaction was posted, standard Microsoft Dynamics 365 Business Central functionality can be used to automatically defer revenues and expenses over a specified schedule.

The Deferral Cockpit provides finance management, directors and financial controllers with additional functionality, offering fast and easy-to access visibility of deferrals and accruals posted in Microsoft Dynamics 365 Business Central. Upon accessing the Cockpit, the user is presented with a visual representation of the deferrals and accruals created from the standard deferral posting routine, split either by sales, purchases or general ledger entries. Each of the Cockpit views include a graphical depiction and line detail, which is fully drillable to the source document or journal G/L entries as well as including a quick navigation to the relevant account record.

2. Prerequisites

Firstly, ensure that deferrals have been set up correctly in Microsoft Dynamics 365 Business Central, including:

1. At least one Deferral Template created with the % amount to be deferred, the required calculation method, (apportion the deferred amounts equally, per the days in each period or force manual entry of amounts, for example) Period Description, Start Date method and Balance Sheet G/L account indicated:

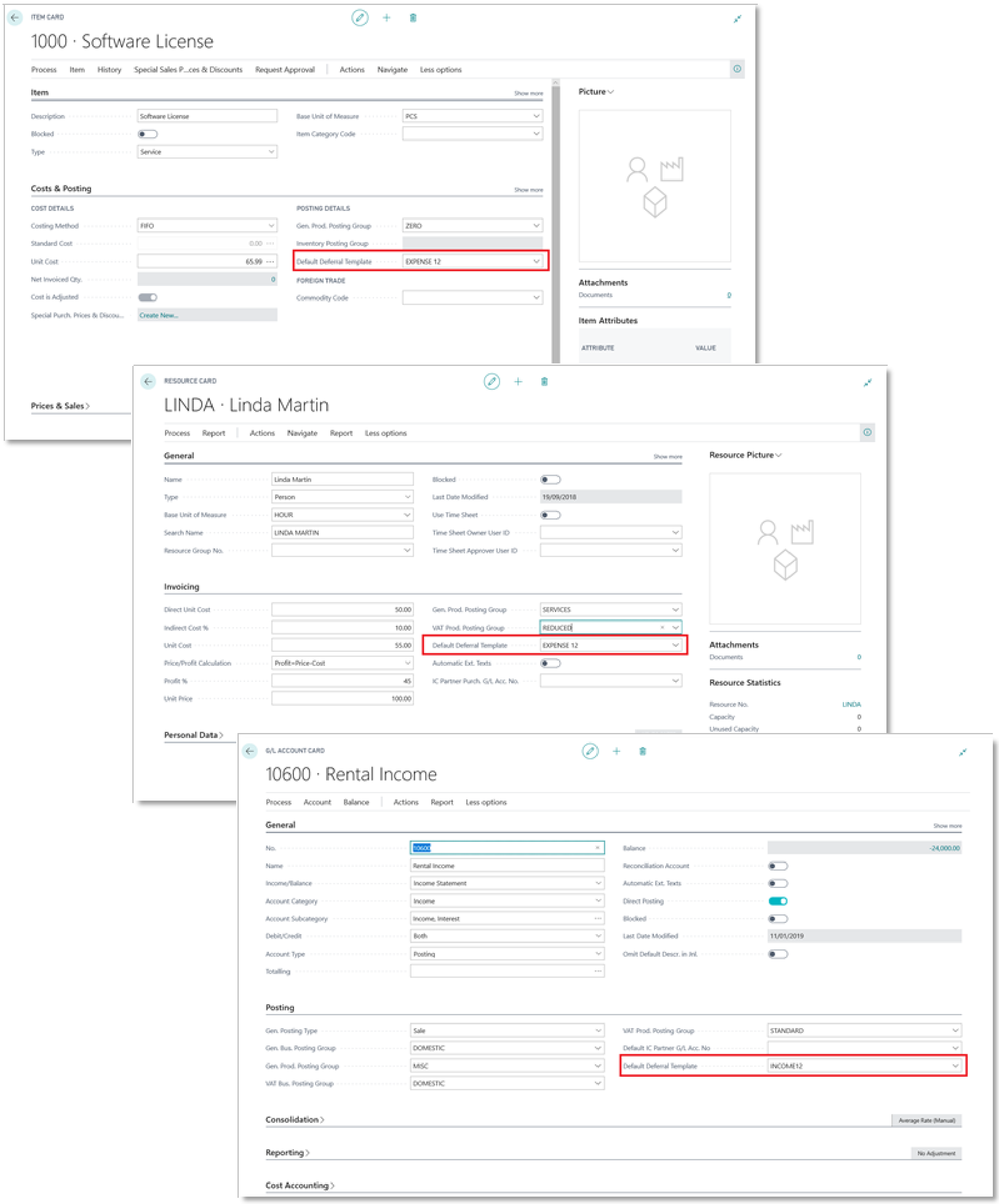


To create a new Deferral Template:

i) Search for and open Deferral Templates
ii) In the Deferral Templates list page, select New from the toolbar
iii) In the new Deferral Template, enter a Code and Description. Add the percentage to be deferred, e.g. 100% and the Calculation Method for how the amount for each period will be calculated, i.e. Straight-line, Equal per Period, Days per Period or User-Defined. Enter the number of periods for the amount to be deferred across and add a Period Description. Note that placeholder codes can be included in this description to auto-insert detail:

%1 = The day number of the period posting date
%2 = The week number of the period posting date
%3 = The month number of the period posting date
%4 = The month name of the period posting date
%5 = The accounting period name of the period posting date
%6 = The fiscal year of the period posting date

2. The relevant items, Resources or G/L Accounts have a Deferral Template selected in their Default Deferral Template field:



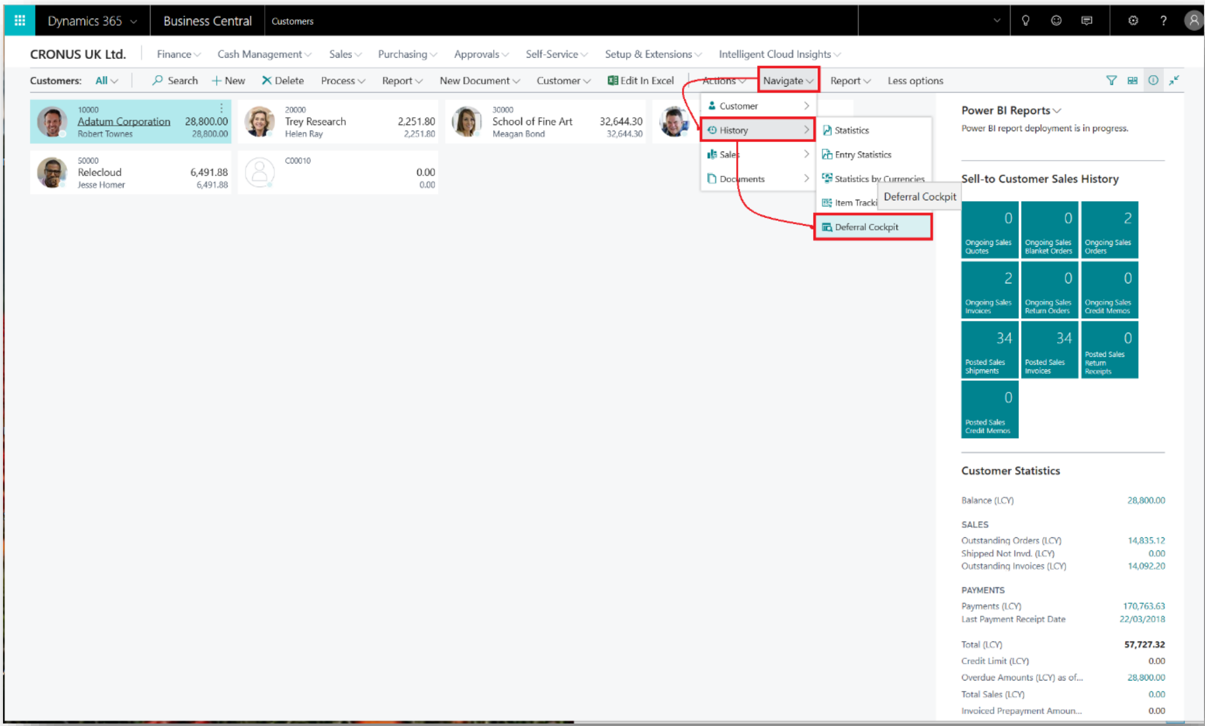
For example, to assign a deferral template to an item:

i) Search for and open the Items List page
ii) Select the relevant item for which revenues or expenses must be deferred to the accounting periods when the item is sold or purchased and open the item card
iii) In the item card, go to the Cost & Pricing fasttab and in the Default Deferral Template field, select and add the Deferral Template to the item.

3. How to use the Deferral Cockpit

To view posted deferrals and accruals in the Deferral Cockpit, navigate to the page by following one of the three paths below:

1. From the Customer List, select the relevant Customer record, (either in the List or Tiles view) and then go to Navigate > History > Deferral Cockpit:



For example, to create and post deferrals for a Customer, create an order for the item set up above:

i) Search for and open the Sales Order List page

ii) Select new from the toolbar and in the Customer Name field, select the required Customer

iii) Still in the new sales order, on the order lines, select Type Item and in the No. field select the item that has been set up with the deferral template above.

iv) Enter a quantity and a Unit Price, as required

v) On the toolbar above the order lines, select More Options and the Line > Related information > Deferral Schedule to view the deferred period amounts to be posted. Close the Deferral Schedule page.

vi) Back in the Sales Order, from the top toolbar, select Posting > Post and in the options that appear, select Ship and Invoice

vii) Once posted, select the option to open and view the Posted Sales invoice. Note the Posted Sales Invoice No. Close the posted invoice and sales order pages.

viii) Search for and open customers.

ix) In the Customer List page, go to the customer involved in the sales order but do not open the Customer Card. While still in the Customer List page and focused on the relevant customer, from the toolbar, go to Navigate > History > Deferral Cockpit.

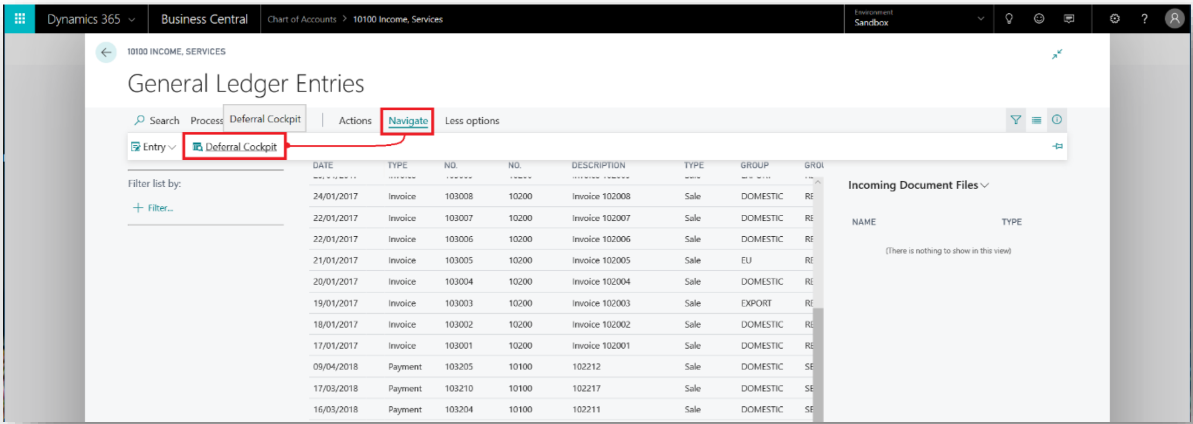
x) In the deferral Cockpit you will find the Customer and in the Document No. Column will be the Posted Sales Invoice generated from invoicing the order.

2. Similarly, follow the same path from the Vendor List Page, ensuring that you are focused on the required Vendor first.

For example, to create and post deferrals for a Customer, create an order for the item set up above:

i) Search for and open the Purchase Order List page
ii) Select new from the toolbar and in the Vendor Name field, select the required Vendor
iii) Enter a Vendor Invoice No. on the order header
iv) Still in the new purchase order, on the order lines, select Type Item and in the No. field select the item that has been set up with the deferral template, as above.
v) Enter a quantity and a Unit Cost, as required
vi) On the toolbar above the order lines, select More Options and the Line > Deferral Schedule to view the deferred period amounts to be posted. Close the Deferral Schedule page.
vii) Back in the Purchase Order, from the top toolbar, select Posting > Post and in the options that appear, select Receive and Invoice
viii) Once posted, select the option to open and view the Posted Purchase Invoice. Note the Posted Purchase Invoice No. Close the posted invoice and purchase order pages.
ix) Search for and open Vendors.
x) In the Vendor List page, go to the vendor involved in the purchase order but do not open the purchase Card. While still in the Vendor List page and focused on the relevant vendor, from the toolbar, go to Navigate > History > Deferral Cockpit.
xi) In the deferral Cockpit you will find the Vendor and in the Document No. Column will be the Posted Purchase Invoice generated from invoicing the order.
Note, amend the Date Range filter so that the relevant periods are displayed for the deferrals created.

3. From the General Ledger Entries page, go to Navigate > Deferral Cockpit:



For example, to create and post General Ledger deferrals:

i) Search for and open Chart of Accounts
ii) Find and open the relevant G/L Account card and in the Default Deferral Template field on the Posting fasttab, select the deferral template created above.

iii) Close the G/L Account Card and the Chart of Accounts and search for General Journals

iv) In the General Journals, select the Default journal from the Batch Name at the top of the journal page.

v) In the default journal batch, on the first journal line, select and enter the G/L Account code with the deferral template assigned, (as above) in the Account No. column 10500. Enter a sum of £1000 in the Credit Amount field. On the second line in the Account No. field, select a balancing G/L Account and the amount of £1000 in the Debit Amount field.

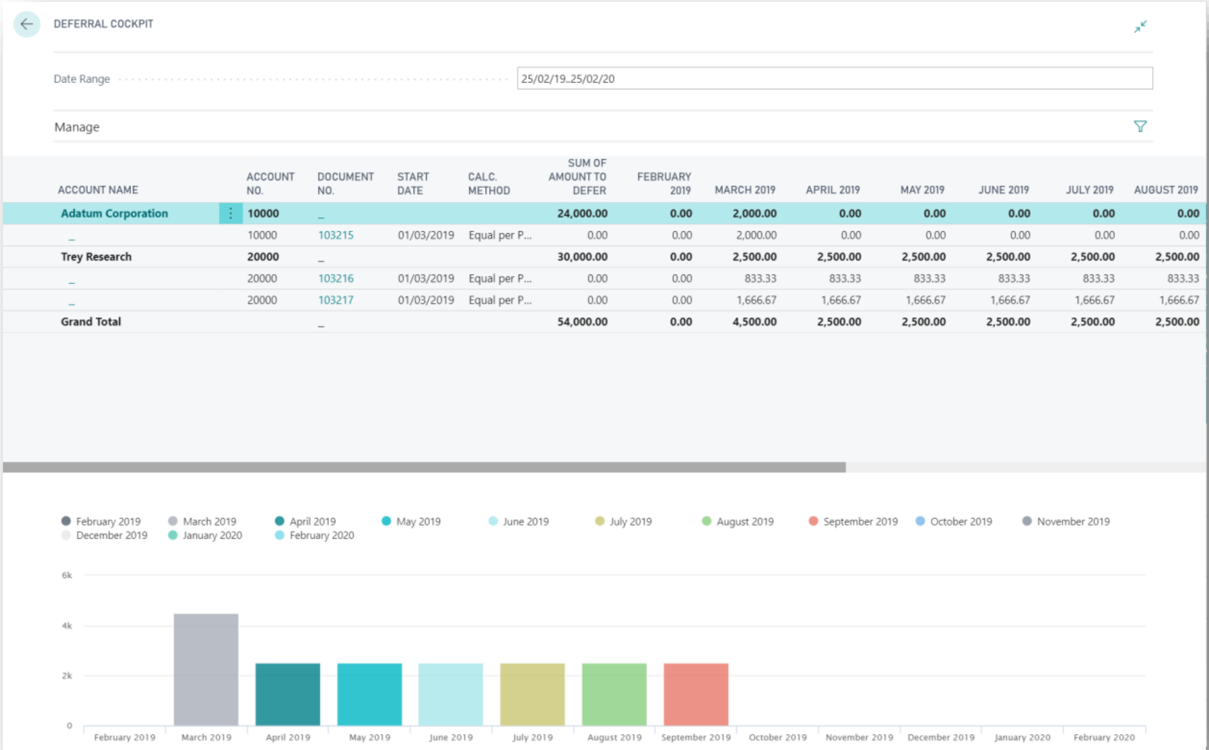
vi) Ensure that both lines have the same Document No., (you may have to go to Page > Show more Columns to view the Document No.).

vii) Go to Actions > Functions > Deferral Schedule to view the deferral schedule that will be generated on posting the journal.

viii) Close the Deferral Schedule page and back in the journal batch, select Process > Post and post the journal.

ix) Search for and open the General Ledger Entries Page and select the filter icon. The filter options will appear to the left of the screen and here select Filter List By G/L Account No. Enter the G/L account included in the journal posted to view only entries posted to this G/L account. Find the entry created from posting the journal and then go to Navigate > Deferral Cockpit:

Once opened, the Deferral Cockpit page will appear as below:

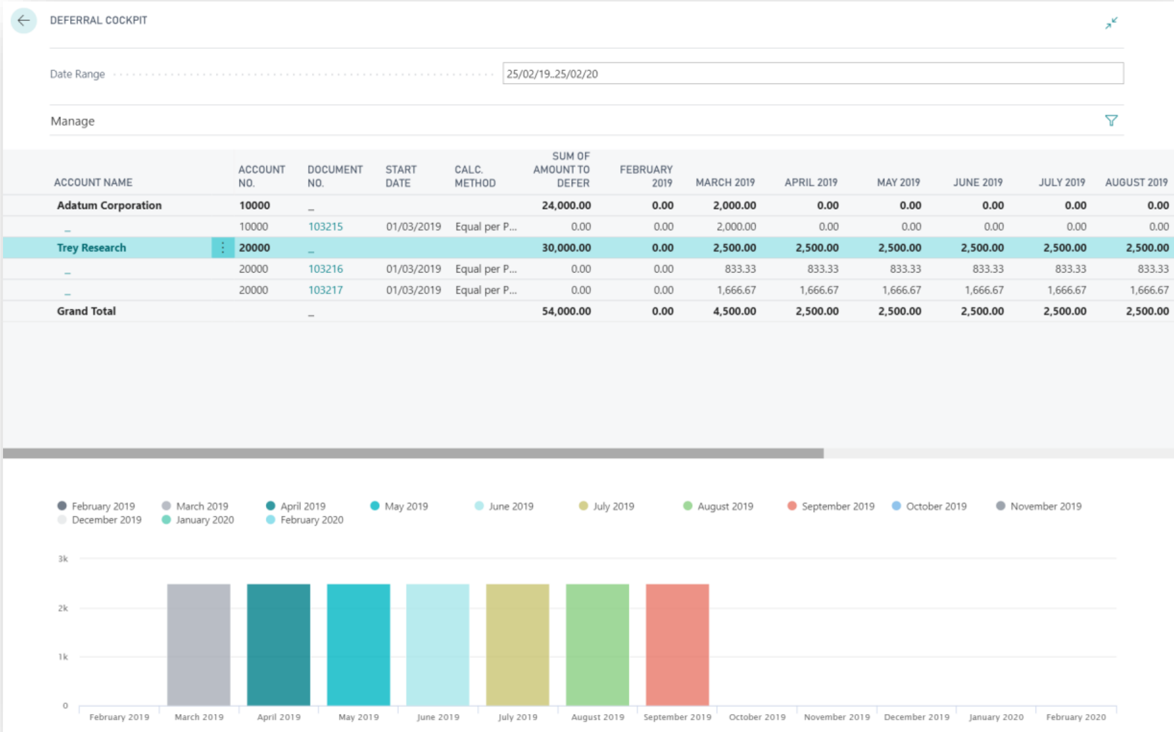


You will see that the Deferral Cockpit is divided into two sections:

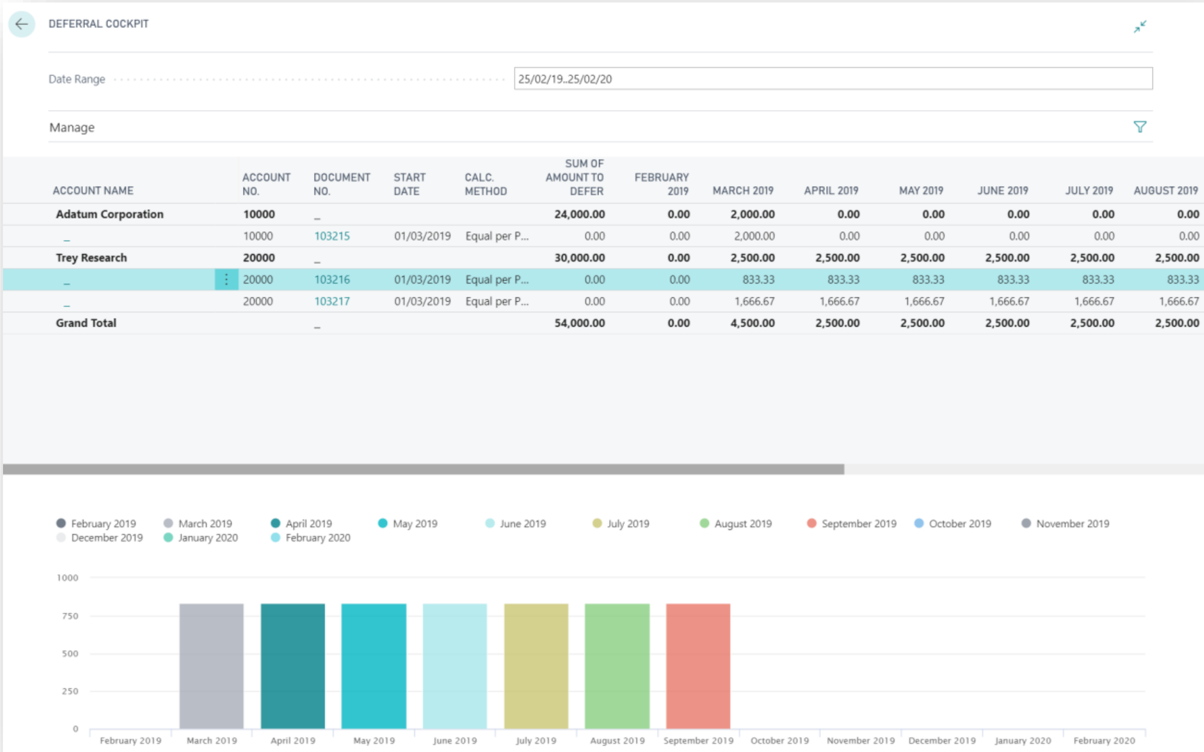
1. A list of all posted transactions that included the posting of deferrals, grouped by account, (Customer, Vendor or G/L Account, depending from where the Deferral Cockpit is accessed).

2. A graphical bar chart indicating the total value of deferrals per monthly period.

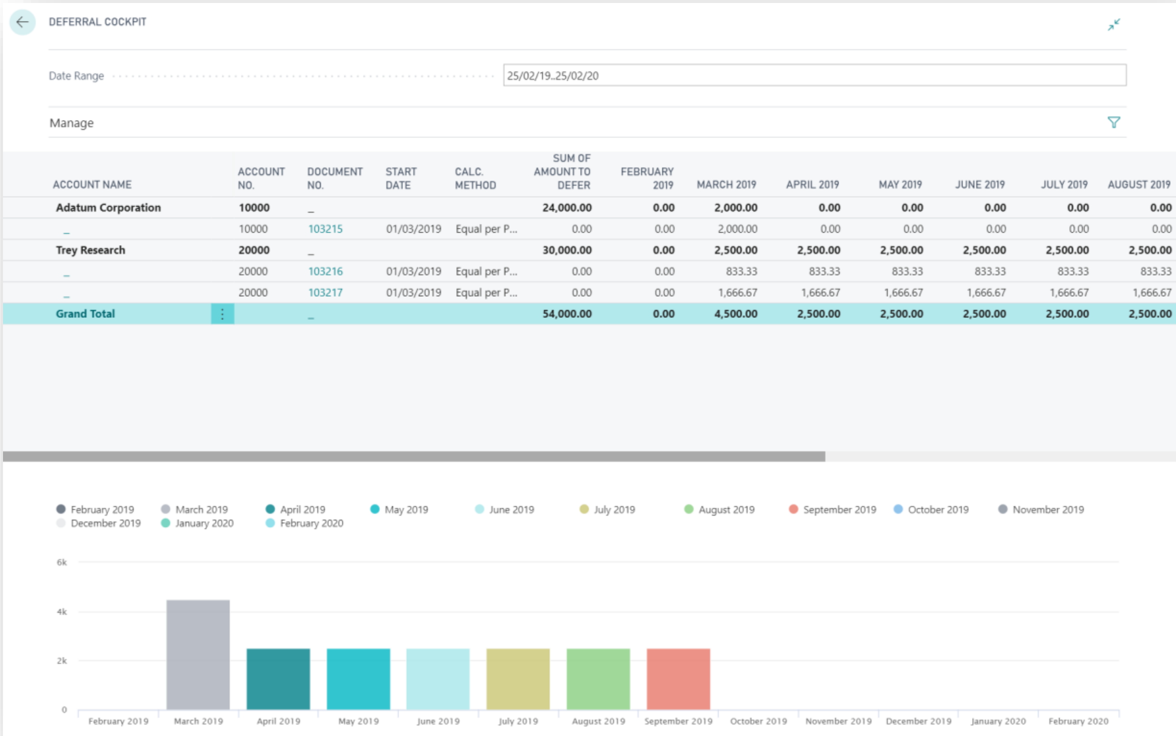
By highlighting an Account line, e.g. a customer, the chart will display the total deferrals for that account per period:



Highlight a specific document line to display the deferral values per month only for that document:



Or, highlight the Grand Total line to view the total value of all deferrals posted per period:

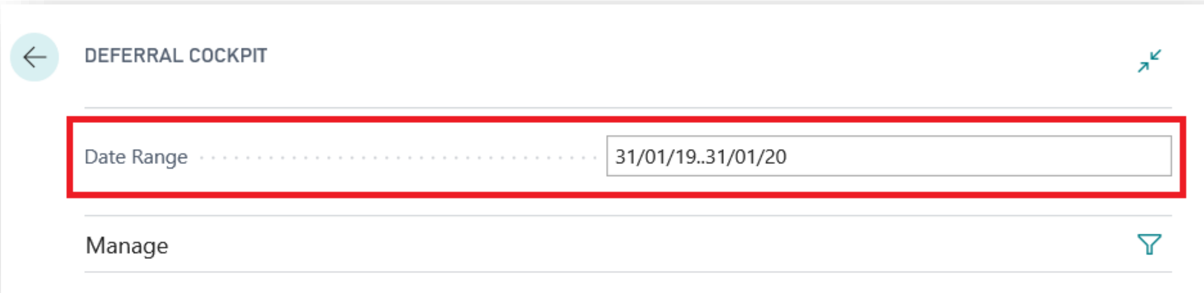


ACCOUNT NAME	ACCOUNT NO.	DOCUMENT NO.	START DATE	CALC. METHOD	SUM OF AMOUNT TO DEFER	FEBRUARY 2019	MARCH 2019	APRIL 2019	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019
Adatum Corporation	**10000**	_			**24,000.00**	**0.00**	**2,000.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
_	10000	103215	01/03/2019	Equal per P...	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00
Trey Research	**20000**	_			**30,000.00**	**0.00**	**2,500.00**	**2,500.00**	**2,500.00**	**2,500.00**	**2,500.00**	**2,500.00**
_	20000	103216	01/03/2019	Equal per P...	0.00	0.00	833.33	833.33	833.33	833.33	833.33	833.33
_	20000	103217	01/03/2019	Equal per P...	0.00	0.00	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67
Grand Total		_			**54,000.00**	**0.00**	**4,500.00**	**2,500.00**	**2,500.00**	**2,500.00**	**2,500.00**	**2,500.00**

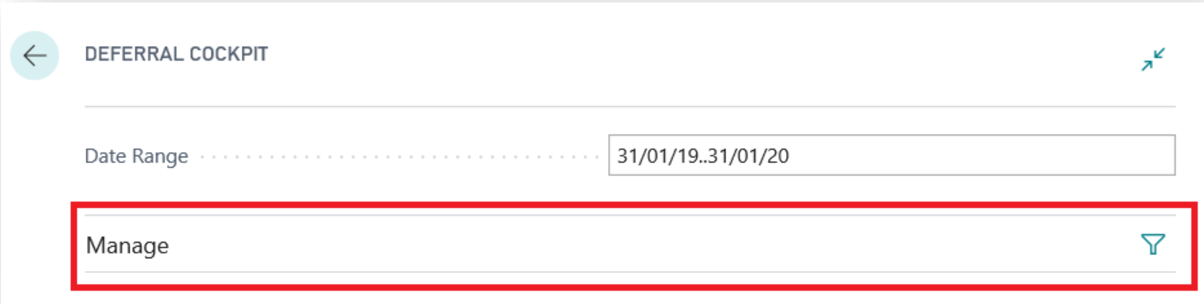
4. Deferral Cockpit Tools

Other tools included with the Deferral Cockpit include:

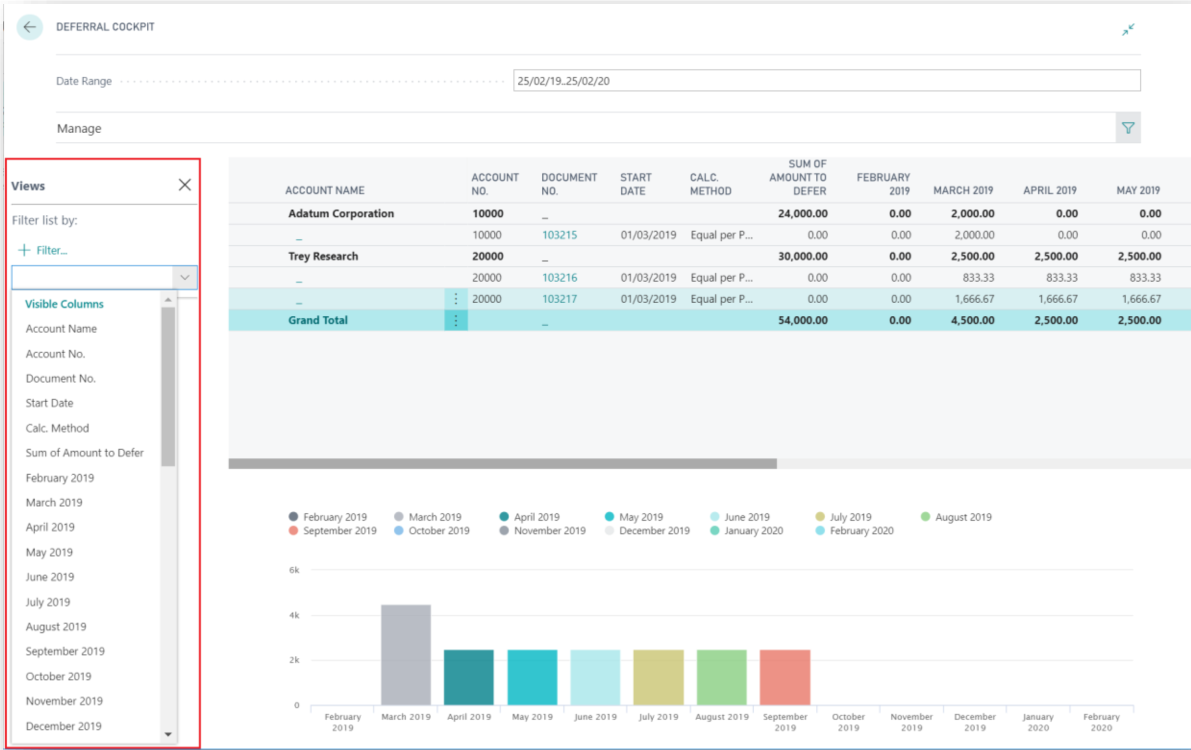
1. A Date Range Filter. Here, the user can add a date range using the standard Microsoft Dynamics 365 Business Central filtering, e.g. 01/01/19..31/12/19:



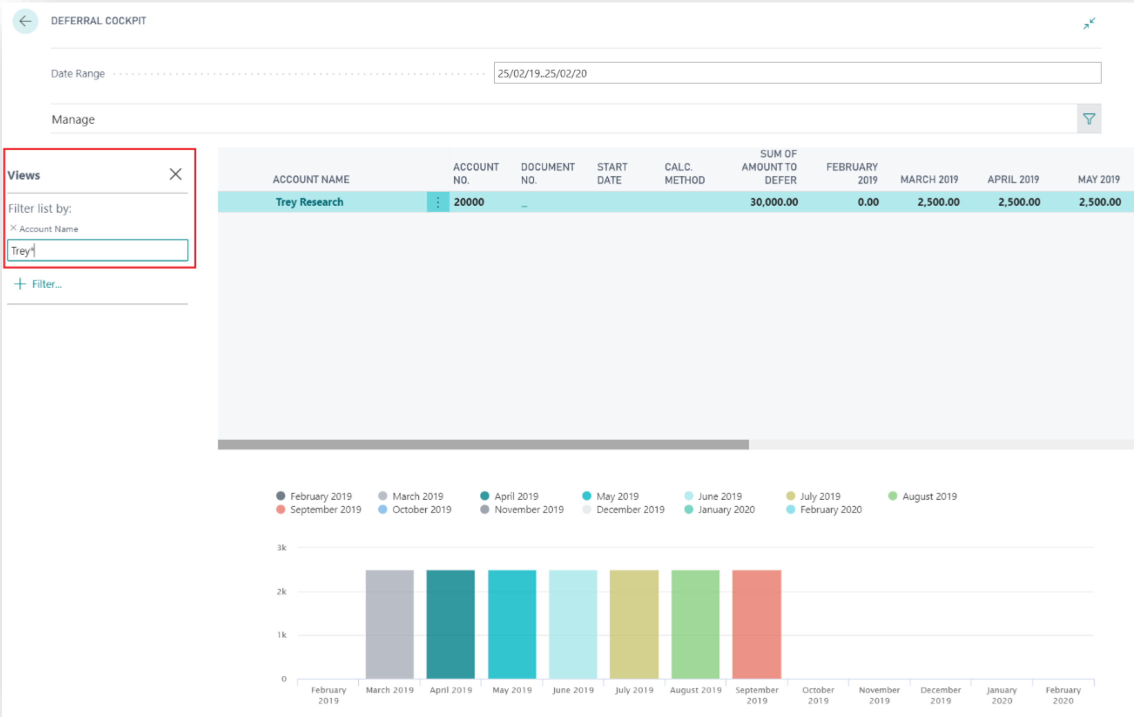
2. Further filtering can be applied by selecting the Filter option in the Manage section:



Click Add Filter (+) and select from the drop-down of available fields that can be filtered:

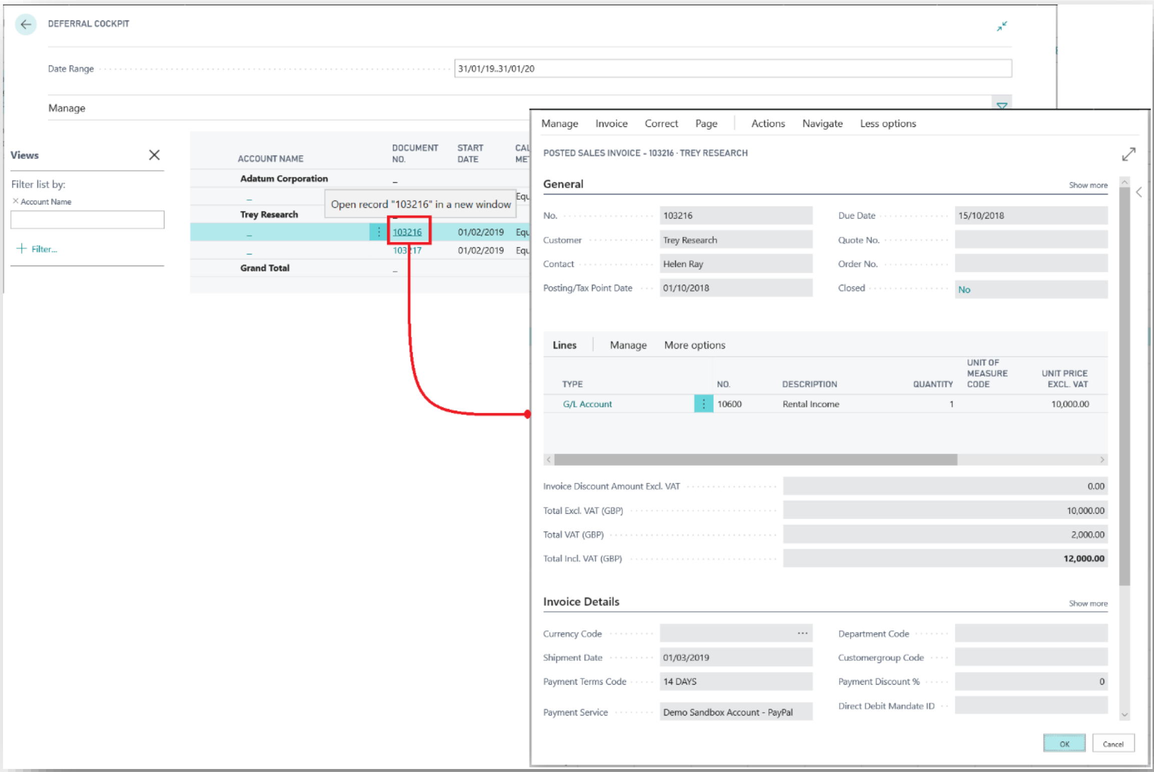


Once the field has been selected, e.g. Account Name, add the filter required and Enter to apply the filter:

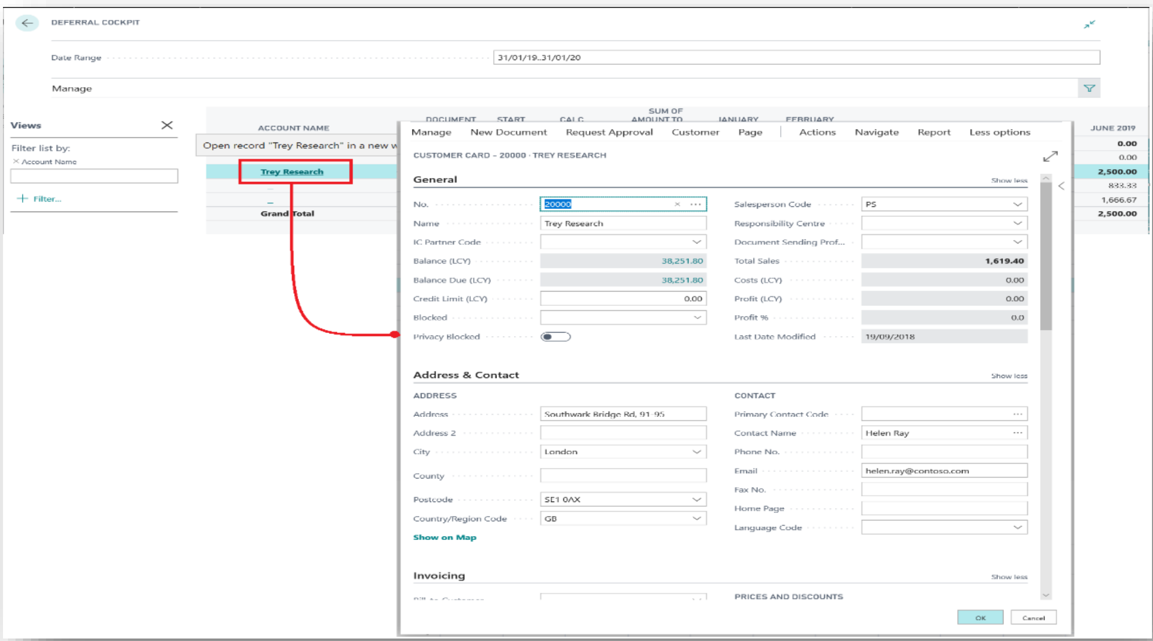


To clear the filter, remove the filter value and Enter.

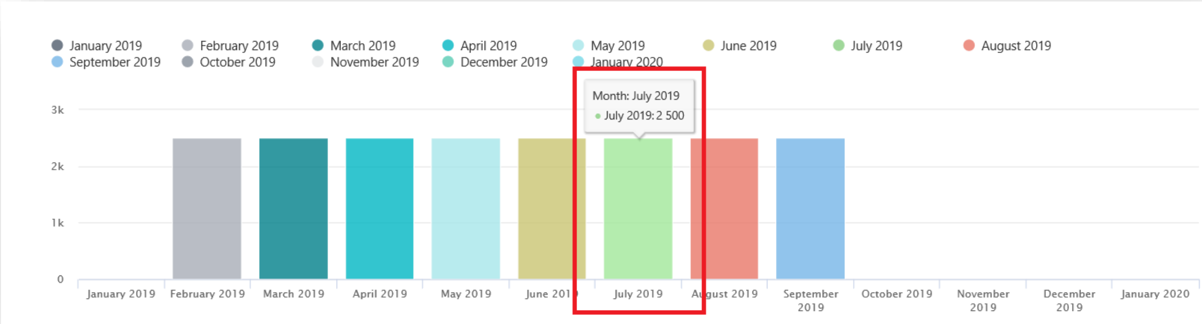
3. Drill into the Document:



4. The Account record can also be opened by clicking on the Account Name:

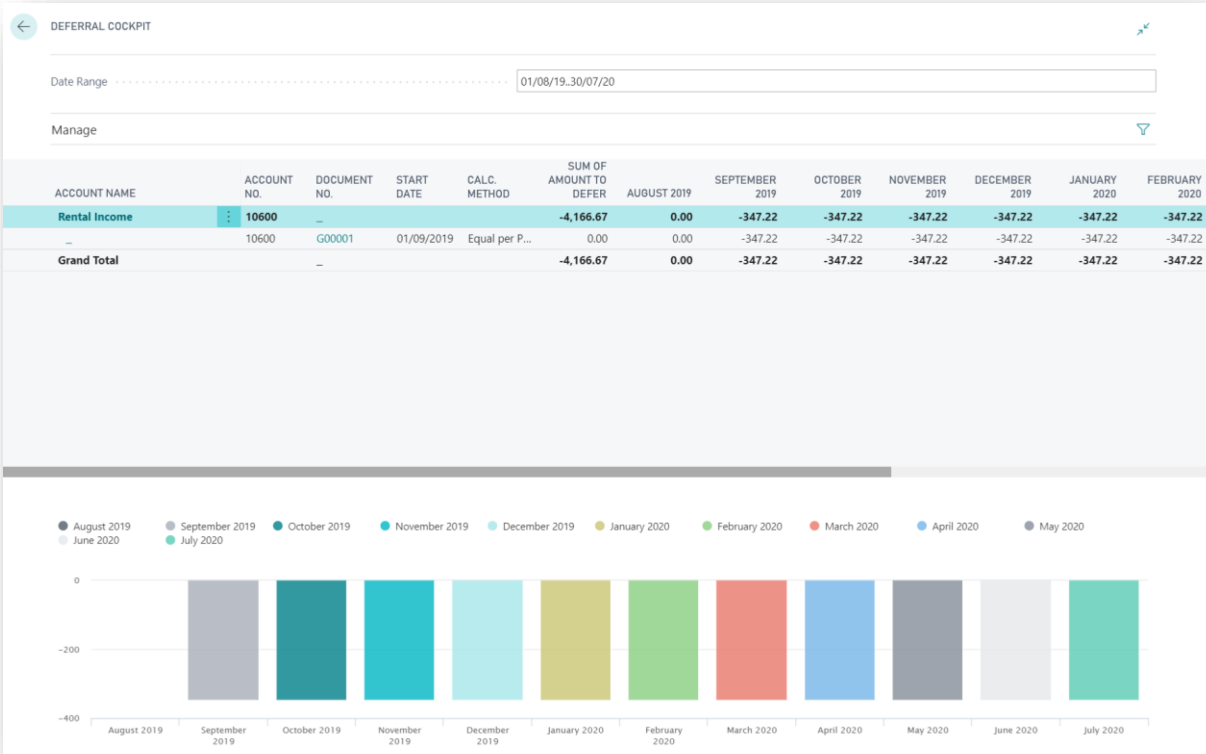


5. Hover over any of the bars in the chart to obtain a tooltip providing detail of the deferral value:



In the examples above, sales invoices were posted but deferral template codes can be entered on purchase invoices and general journals to achieve the same analysis in the Deferral Cockpit, for example:

G/L Deferral Cockpit, (G/L Entries > Navigate):



The Deferral Cockpit provides additional functionality and the standard Microsoft Dynamics 365 Business Central Deferral options are also available, including the Sales, Purchasing and G/L Deferral Summary reports.

5. Frequently Asked Questions

Q1. Why is my deferral not appearing in the Deferral Cockpit?

A1. Please check the following

a) Has your deferral been posted?
b) Check that the Date Range has the correct date range entered that will include the deferral that's been posted.
c) Ensure that no other filters have been entered which may be excluding the detail that you are expecting to be included in the Cockpit
d) Check that you are in the relevant Deferral Cockpit, i.e. Sales, Purchasing or G/L Entries.

Q2. Why can't I find the Deferral Cockpit?

A2. Please check the following

a) Ensure that you are accessing the Deferral Cockpit from the correct page(s), i.e.

   i. From the Customer List page, go to Navigate > History > Deferral Cockpit;
   ii. From the Vendor List Page, go to Navigate > History > Deferral Cockpit;
   iii. From the General Ledger Entries page, go to Navigate > Deferral Cockpit.

Q3. Why is my Deferral Cockpit not displaying any entries?

A3. Please check the following

a) Have your deferrals been posted?
b) Check that the Date Range has the correct date range entered that will include deferrals posted in that period
c) Ensure the Date Range Filter include a range, i.e. a from and to date
d) Ensure that no other filters have been entered which may be excluding the detail that you were expecting to be included in the Cockpit