

Multi-company Consolidation Solution in Dynamics 365 for Operations

Dyna365Ops – V1.0

1/24/2017

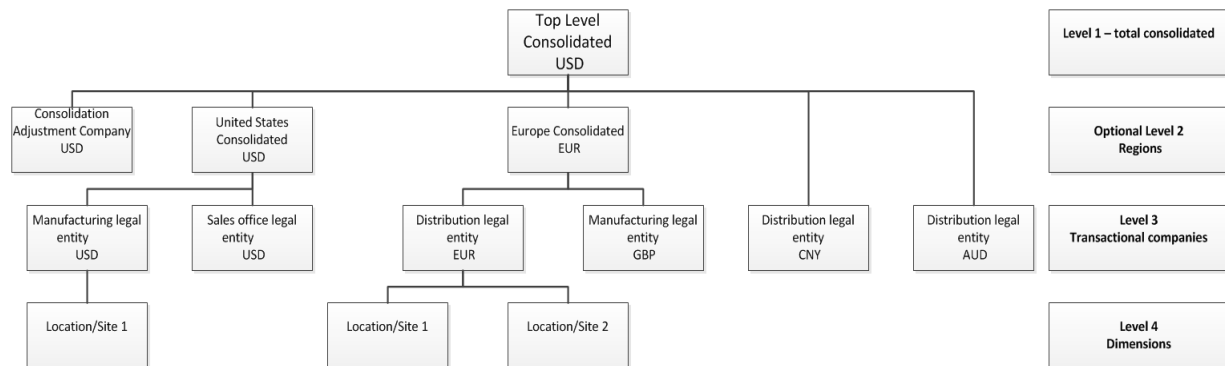


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1.0 General Information

The diagram below outlines a fictitious scenario of a corporate structure we will be using for our example.



2.0 Multicompany consolidation

2.1 Prerequisite set up:

2.1.1 Consolidation Company

Go to **Consolidation Company** → **Organization administration** → **Organizations** → **Legal entities**

The screenshot shows the 'Legal entities' setup page. On the left, there is a list of legal entities with a search filter. The entities listed are:

- Contoso Entertainment Syst... (THMF)
- Contoso Entertainment Syst... (USMF)
- Contoso Group (GLCO) - Selected

On the right, the 'General' tab is selected for the 'Contoso Group' entity. The 'Company' dropdown is set to 'GLCO'. The 'Use for financial elimination process' checkbox is checked (Yes). A red arrow points to this checkbox.

Other fields visible include:

- Memo
- Full name
- Localized functionality region
- Search name
- Detect using company address

Select the company that will be the consolidation company. You can have more than One Consolidation Company. The consolidation company is a non-transactional company. You can uncheck this parameter to bring over existing balances into the consolidation company (for example when you bring in a company that has balances from another system and is now running in Dynamics 365 for Operations).

2.1.2 Accounts for automatic transactions

Go to **Consolidation Company** → **General ledger** → **Posting setup** → **Accounts for automatic transactions** and select the posting type for consolidation differences. It's either a balance sheet account (95% of all cases) or Profit and Loss account, assign the appropriate main account.

Dynamics 365 Operations

General ledger > Posting setup > Accounts for automatic transactions


Edit + New Delete Create default types OPTIONS

Click the edit button to make changes.

Accounts for automatic transactions

Filter

Posting type ↑	Main account	Name
Penny difference in reporting currency	999999	Error Account
Error account	999999	Error Account
Penny difference in accounting currency	618160	Rounding Difference
Year-end result	300160	Retained Earnings
Balance account for consolidation differences	801200	Gain & Loss - Revaluation
Profit and loss account for consolidation differences	801200	Gain & Loss - Revaluation



2.1.3 Ledger set up (Posting realized / unrealized gain / loss)

Go to **Consolidation Company** → **General ledger** → **Ledger setup** → **Ledger**

Dynamics 365 | **Operations** | General ledger > Ledger setup > Ledger | GLCO

Edit | Ledger calendar | Recalculate ledger periods | OPTIONS

Click the edit button to make changes.

Ledger

Description: Contoso Group | Chart of accounts: Shared | Fiscal calendar: Fiscal | Balancing financial:

Account structures

+ Add | Remove | Configure account structures

Account structure	Name
Manufacturing B/S	Manufacturing Balance Sheet
Manufacturing P&L	Manufacturing Profit and Loss

Currency

Accounting currency: USD	Reporting currency:	Exchange rate type: Default
		Budget exchange rate type: Budget

Accounts for currency revaluation

Posting	Main account	Name
Realized gain	801500	Currency Adjustment Profits - Realized
Realized loss	801300	Currency Adjustment Loss - Realized
Unrealized gain	801600	Currency Adjustment Profits - Unrealized
Unrealized loss	801400	Currency Adjustment Loss - Unrealized

Set up the posting definition for unrealized gain and loss using the Main account defined in the form “Account for automatic transactions” as “Balance sheet account for consolidation differences”. (See 2.1.2)

2.1.4. Chart of account

Go to **Consolidation Company** → **General ledger** → **Chart of accounts** → **Accounts** → **Chart of accounts**

Select the Chart of account, click Edit

Main account	Name	Main account type
110110	Bank Account - USD	Asset
110115	Bank Account - CAD	Asset
110120	Bank Account - CNY	Asset
110130	Bank Account - EUR	Asset
110140	Bank Account - DKK	Asset
110150	Bank Account - GBP	Asset
110160	Bank Account - Payroll	Asset
110180	Petty Cash	Asset
112000	Safe drop	Asset
112010	Bank drop	Asset
112100	Deposits - Cash	Asset

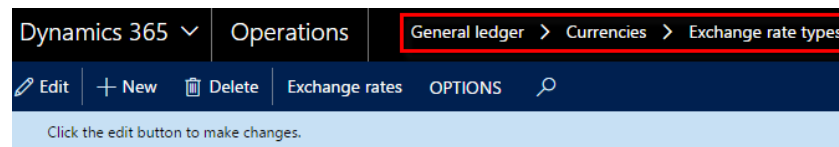
Mark the checkbox for foreign currency revaluation.

Mark Foreign currency revaluation for all accounts you want to adjust (usually all, except equity).

Section	Field	Value
IDENTIFICATION	Main account	110110
	Name	Bank Account - USD
LEDGER	Main account type	Asset
	Main account category	CASH
ADMINISTRATION	Do not allow manual entry	<input type="checkbox"/>
	Suspended	<input type="checkbox"/>
CURRENCY	Default Currency	[Dropdown]
	Foreign currency revaluation	<input checked="" type="checkbox"/>

2.1.5 Exchange rate types

Go to **Consolidation Company** → **General ledger** → **Currencies** → **Exchange rate types**



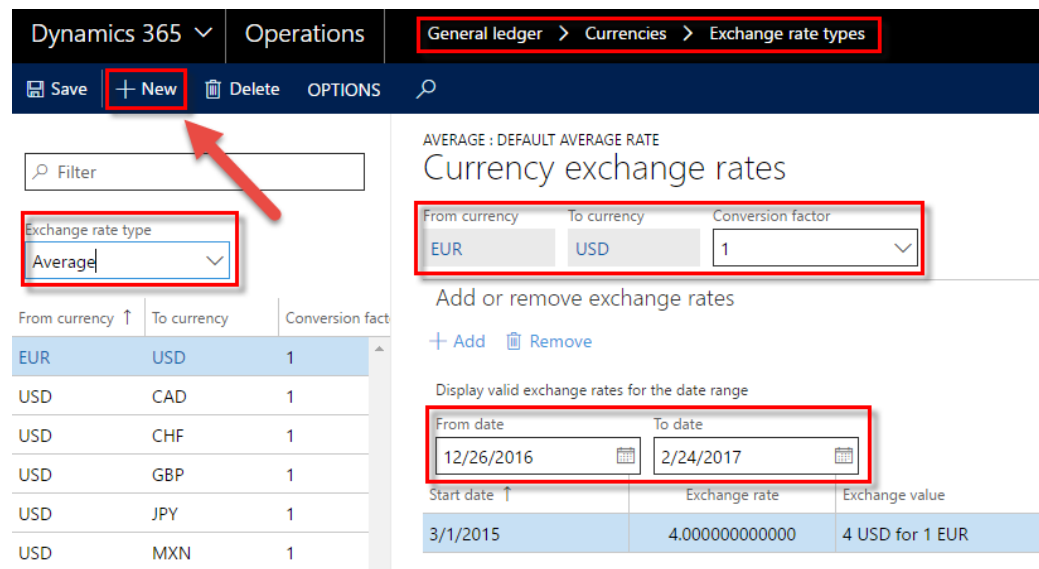
Exchange rate types

Exchange rate type ↑	Name	Calendar
Average	Default average rate	
Budget	Default budget rate	
Closing	Default closing rate	
Default	Default global rate	
Export_IN	Custom_IN	
Historical	Historical rate	
Import_IN	Custom_IN	

Set up the exchange rates that are used in the consolidation / currency adjustment run. This should be at least Average, Closing and Historical.

2.1.6 Exchange rates

Go to **Consolidation Company** → **General Ledger** → **Currencies** → **Currency exchange rates** (or you can also use the button circled in red in the picture above)



Click New, select the Exchange rate type, type in or select the values in the fields From currency and To currency and also the Quotation unit. You can set the exchange rates valid for a date range, but it needs at least a Start date. NOTE: create only one exchange rate for USD – EUR, no need for EUR – USD, as the system will convert it automatically.

2.2 Run the consolidation / exchange adjustment

2.2.1 Criteria

Go to **Consolidation Company** → **Consolidations** → **Consolidate [Multi-Company]**

Consolidate [Multi-company]

?

The screenshot shows the 'Consolidate [Multi-company]' form with the following details:

- Tabs:** CRITERIA (selected), LEGAL ENTITIES, ELIMINATION, EXCHANGE ADJUSTMENT.
- GENERAL:**
 - Description: January 2016
 - Perform consolidation: Yes
 - Exchange adjustment: Yes
- CONSOLIDATION ACCOUNT:**
 - Use consolidation account: No
 - Select consolidation account from: [Blank]
 - Consolidation account group: [Blank]
- MAIN ACCOUNT:**
 - Main account from: 110110
 - To: 999999
- CONSOLIDATION PERIOD:**
 - Period from: 1/1/2016
 - To: 1/31/2016
- BUDGET MODELS:**
 - Budget model from: [Blank]
 - To: [Blank]
 - Budget rate type: [Blank]
- EXCHANGE ADJUSTMENT:**
 - Include actual amounts: Yes
 - Include budget amounts: No
 - Period from: 1/1/2016
 - To: 1/31/2016
 - CURRENCY:
 - Currency code from: AED
 - To: ZWD
 - EXCHANGE ACCOUNTS:
 - Adjust profit and loss accounts: Yes
 - Adjust balance sheet accounts: Yes
- Buttons:** OK, Cancel, Batch

General:

Description: Type in a description to identify the consolidation

Perform consolidation: Check for consolidation run

Exchange adjustment: Check for exchange adjustment run

NOTE: You can do consolidation and exchange adjustment in one run but you can also do it separately

Consolidation:

Main account from/to: Put in the first and the last account from the COA you want to consolidate / exchange adjust
NOTE: if you run the consolidation for companies with different / multiple COA and the range is not the same (e.g. account range starts higher or lower, accounts have leading letter upfront) you can leave this blank and Dynamics 365 for Operations will catch all accounts. Missing accounts will get created / consolidated according to the set up under "use consolidation account"

Period from/to: First day of the period / last the of the period you want to consolidate

Budget model from/to: Range of budget model

Budget rate type: Select Budget rate type

Use consolidation account: You can leave it blank, use Main account or a Main account group (must be created upfront and have main accounts assigned to it)

Consolidate [Multi-company] ?

CRITERIA	LEGAL ENTITIES	ELIMINATION	EXCHANGE ADJUSTMENT
GENERAL Description <input type="text" value="January 2016"/> Perform consolidation No <input type="checkbox"/> Exchange adjustment Yes <input checked="" type="checkbox"/>	CONSOLIDATION ACCOUNT Use consolidation account: Yes <input checked="" type="checkbox"/> Select consolidation account from <input type="text" value="Main account"/> <input type="text" value="Main account"/> <input type="text" value="Consolidation account group"/>	Include actual amounts Yes <input checked="" type="checkbox"/> Include budget amounts No <input type="checkbox"/> BUDGET MODELS Budget model from: <input type="text"/> To: <input type="text"/> Budget rate type <input type="text"/>	EXCHANGE ADJUSTMENT Period from: <input type="text" value="1/1/2016"/> To: <input type="text" value="1/1/2016"/> CURRENCY Currency code from: <input type="text" value="AED"/> To: <input type="text" value="ZWD"/> EXCHANGE ACCOUNTS Adjust profit and loss accounts Yes <input checked="" type="checkbox"/> Adjust balance sheet accounts Yes <input checked="" type="checkbox"/>
MAIN ACCOUNT Main account from: <input type="text" value="110110"/> To: <input type="text" value="999999"/>	CONSOLIDATION PERIOD Period from: <input type="text" value="1/1/2016"/> To: <input type="text" value="1/31/2016"/>		

OK Cancel Batch

Exchange Adjustment:

Period from/to: Always from the first day of the fiscal year to the last day of the period you want to run the exchange adjustment (usually to the end of consolidation period)

Currency code from/to: First to last currency in the company

Adjust profit and loss accounts: Check for adjusting

Adjust balance sheet accounts: Check for adjusting

2.2.2 Legal entities

Go to **Consolidation Company** → **Consolidations** → **Consolidate [Multi-Company]**

Consolidate [Multi-company] ?

CRITERIA **LEGAL ENTITIES** ELIMINATION EXCHANGE ADJUSTMENT

+ New Delete

✓	Disable	Source company ↑	Share	Account type of conversion differences	Import file
✓	<input type="checkbox"/>	US\$1	100.00	Balance	
	<input type="checkbox"/>	GB\$1	100.00	Balance	

Financial dimension Specification Segment order

We didn't find anything to show here.

OK Cancel Batch

On this page, you can:

- Choose which companies you want to consolidate (use the new button to bring new ones in)
- Disable companies you don't want run a consolidation for (they might not have their data ready yet, or maybe not on Dynamics 365 for Operations but provide you a file later)
- Add a company to the consolidation that is from another instance or on another system by using import functionality (as long as you can provide the same type of file that Dynamics 365 for Operations would generate when you run the standard consolidation export – which is a **csv file**). You'll have to create an empty company in your environment so the company accounts are known by the system and then simply point to the file and path.
- In the grid with the Financial dimensions you can specify which Financial dimension should be used to identify the company the consolidated amount came from. This will later allow you to run a financial statement by that Financial dimension (company ID) to see which values came from where to arrive at the total consolidated amount
- You can have different sets of Financial dimensions (one for every company)
- Make sure you use the same type of account in this form as in the set up in the ledger form and in accounts for automatic transactions (in our example is always balance sheet account)

2.2.3 Elimination

2.2.4 Exchange Adjustment

The exchange adjustment merely adjusts the balance forward at the beginning of the consolidation period (stemming from prior months' consolidation) to the ending rate of the current month for all accounts specified for exchange adjustment on this tab page.

Source legal entity: Select the company
Source accounting currency: pops up automatically
From / to account: type in first and last account you want to adjust to the exchange rate type defined in the next field
Exchange rate date: select the date for the exchange rate
Override exchange rate: type in special exchange rate which are not defined as described under 2.1.4 and 2.1.5)

Consolidate [Multi-company]



CRITERIA	LEGAL ENTITIES	ELIMINATION	EXCHANGE ADJUSTMENT				
<div><div>+ New</div><div>Delete</div></div>							
<input checked="" type="checkbox"/>	Source legal entity	Source accountin...	From account	To account	Exchange rate type	Apply exchange rate from	Override exch. rate
<input checked="" type="checkbox"/>	GBSI	GBP	401100	999999		Consolidation date	15.0000
<input type="checkbox"/>	GBSI	GBP	110110	299999		Consolidation date	20.0000

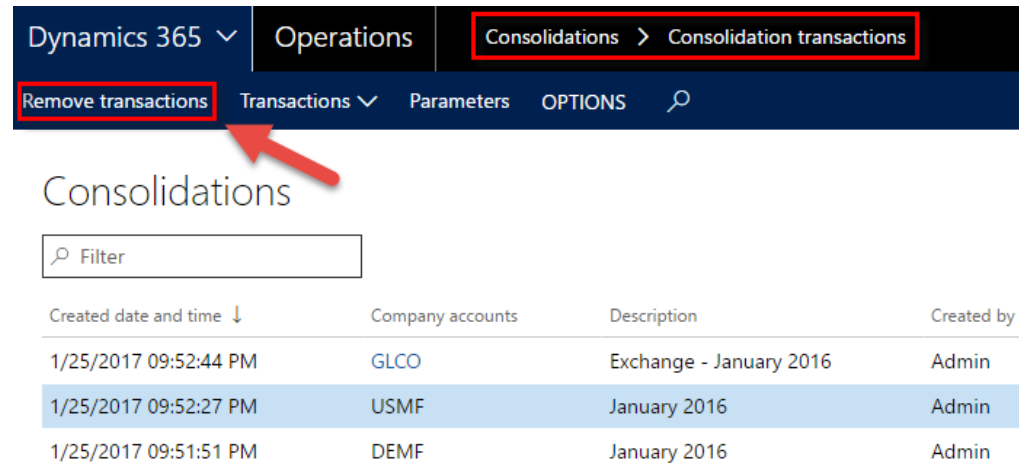
OK

Cancel

Batch

2.3 Re-running consolidations and/or re-running exchange adjustments

Go to **Consolidation Company** → **Consolidations** → **Consolidation transactions**



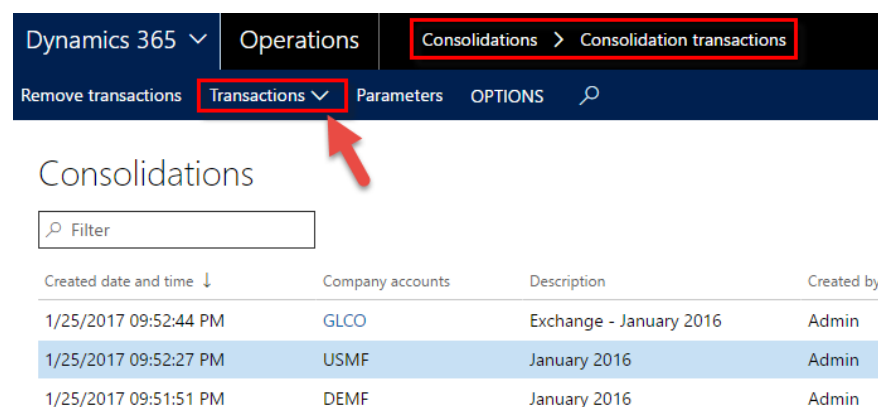
Created date and time ↓	Company accounts	Description	Created by
1/25/2017 09:52:44 PM	GLCO	Exchange - January 2016	Admin
1/25/2017 09:52:27 PM	USMF	January 2016	Admin
1/25/2017 09:51:51 PM	DEMF	January 2016	Admin

If there are previous consolidation transactions for the same legal entity, date, and account range, the transactions will be removed and consolidated again. Consolidation can be time consuming even with the Multi-Company consolidation tool. If you only want to re-run the consolidation for a specific entity you can remove the transactions and only run the consolidation for that specific company. The data (voucher) of the exchange adjustment will still be present. A second exchange adjustment will post the difference between the two exchange adjustment runs. That way you will still end up with a correct result.

2.4 Audit trail history

In order to see the audit trail of a consolidation go to **Consolidation Company** → **General Ledger** → **Inquiries** → **Consolidations**

Transactions: shows the detailed transactions



Created date and time ↓	Company accounts	Description	Created by
1/25/2017 09:52:44 PM	GLCO	Exchange - January 2016	Admin
1/25/2017 09:52:27 PM	USMF	January 2016	Admin
1/25/2017 09:51:51 PM	DEMF	January 2016	Admin

Parameters: shows set up which being used for every tab page

Dynamics 365

Operations

Consolidations > Consolidation transactions

Remove transactions

Transactions

Parameters

OPTIONS

Consolidations

Filter

Created date and time	Company accounts	Description	Created by
1/25/2017 09:52:44 PM	GLCO	Exchange - January 2016	Admin
1/25/2017 09:52:27 PM	USMF	January 2016	Admin

GLCO : EXCHANGE - JANUARY 2016

Multicompany parameter history

CRITERIA

LEGAL ENTITIES

ELIMINATION

EXCHANGE ADJUSTMENT

BUDGET CURRENCY TRANSLATION

GENERAL

CONOLIDATION ACCOUNT

Include actual amounts

EXCHANG

Description

Use consolidation account:

Yes

Period from

January 2016

No

1/1/201

Perform consolidation

Select consolidation account from

No

To:

Yes

Consolidation account group

BUDGET MODELS

1/31/20

Exchange adjustment

Budget model from:

CURRENCY

Yes

To:

Currency d

MAIN ACCOUNT

CONSOLIDATION PERIOD

110110

Period from:

AED

1/1/2016

To:

ZWD