

# Multi-company Consolidation Solution in Dynamics 365 for Operations

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Dyna365Ops – V1.0

1/24/2017

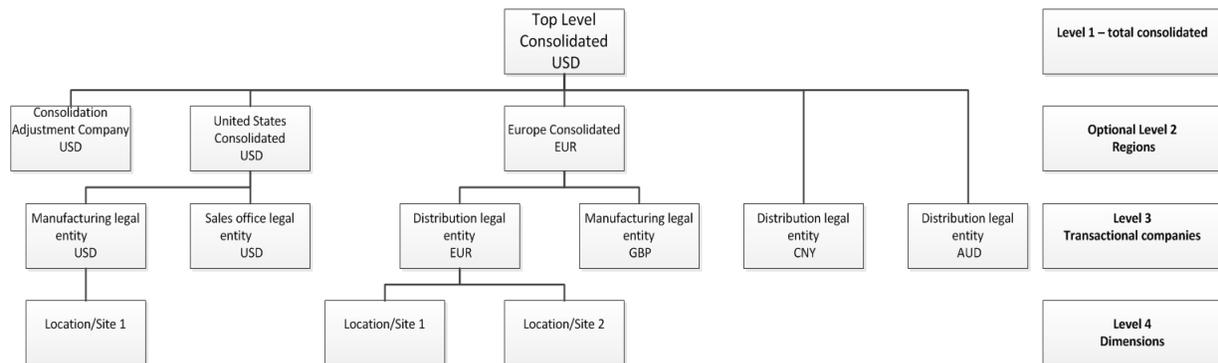


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## 1.0 General Information

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' page in Dynamics 365. On the left, a list of legal entities is displayed, with 'Contoso Group' (GLCO) selected. The right pane shows the 'General' tab for this entity. A red box highlights the 'Use for financial elimination process' checkbox, which is checked. A red arrow points to this checkbox.

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

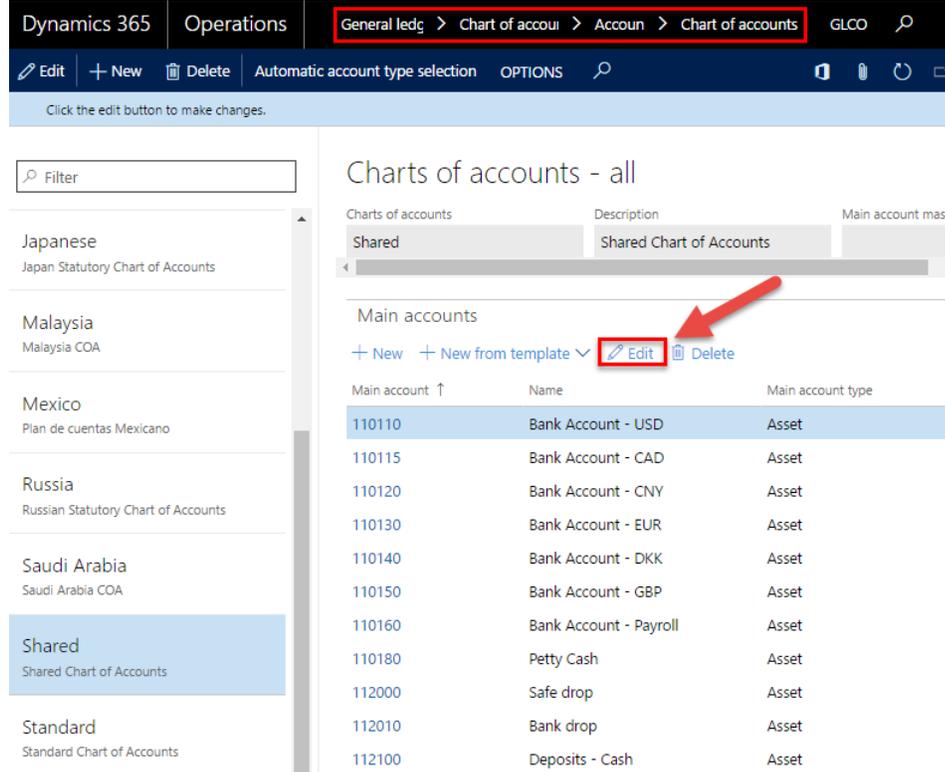
Posting	Main account	Name
Realized gain	801500	Currency Adjustment Profits - Realized
Realized loss	801300	Currency Adjustment Loss - Realized
Unrealized gain	801600	Currency Adjustment Profits - Unrealized
Unrealized loss	801400	Currency Adjustment Loss - Unrealized

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

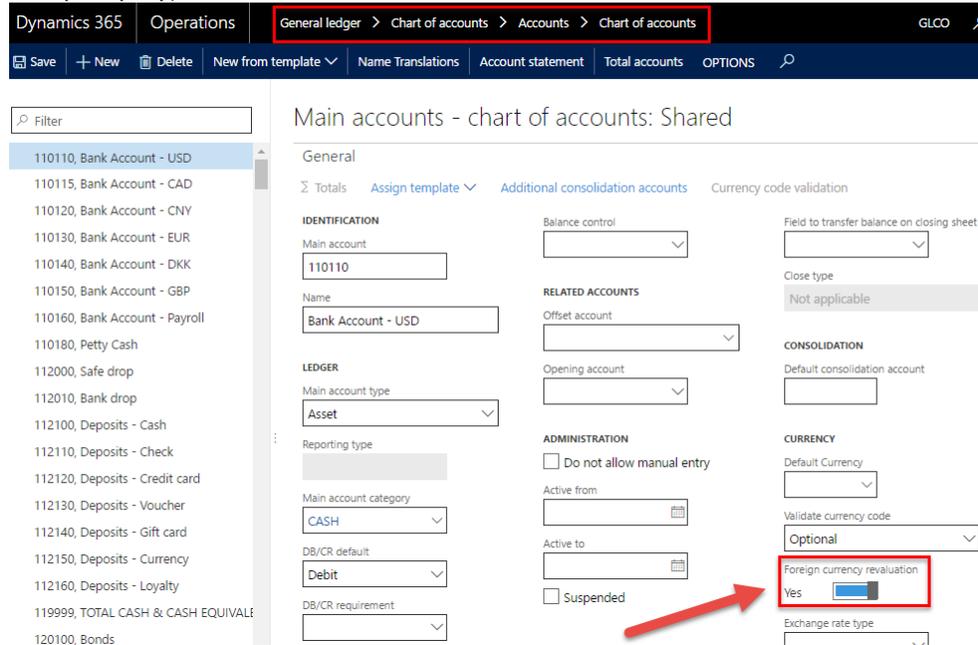
Go to **Consolidation Company** → **General ledger** → **Chart of accounts** → **Accounts** → **Chart of accounts**

Select the Chart of account, click Edit



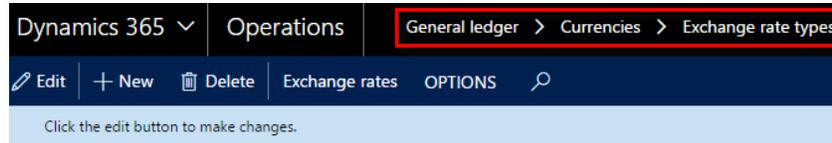
Mark the checkbox for foreign currency revaluation.

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



## 2.1.5 Exchange rate types

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



### Exchange rate types

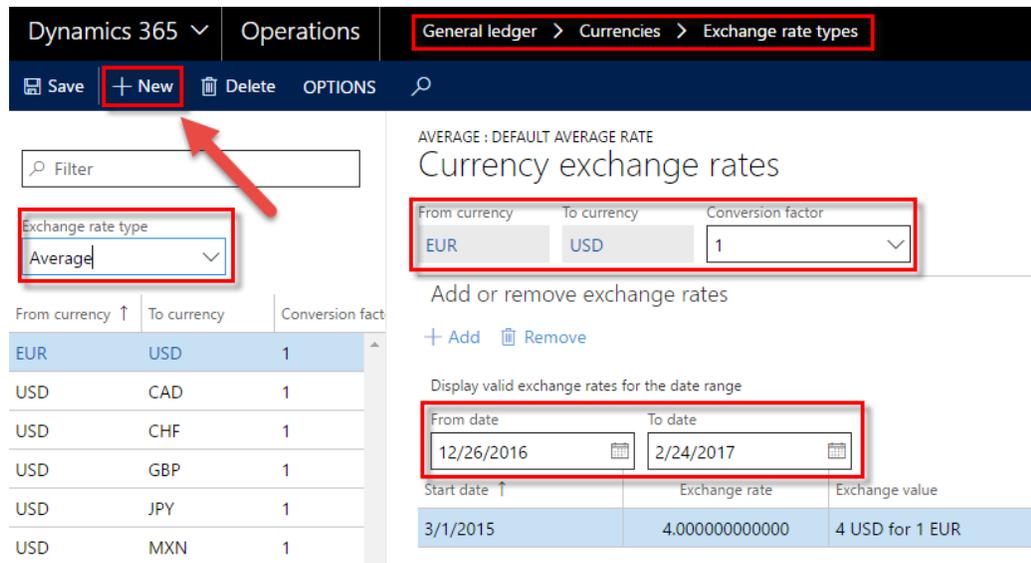
Filter

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] ?

#### 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

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

**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 checked="" type="checkbox"/>	USSI	100.00	Balance	
<input type="checkbox"/>	GBSI	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				
+ New Delete							
<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
	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**



The screenshot shows the Dynamics 365 navigation pane. The 'Operations' section is expanded, and 'Consolidations' is selected. Under 'Consolidations', 'Consolidation transactions' is highlighted with a red box. In the main pane, 'Remove transactions' is also highlighted with a red box. A red arrow points from 'Remove transactions' to the 'Consolidations' header.

### 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
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



The screenshot shows the Dynamics 365 navigation pane. The 'Operations' section is expanded, and 'Consolidations' is selected. Under 'Consolidations', 'Consolidation transactions' is highlighted with a red box. In the main pane, 'Transactions' is highlighted with a red box. A red arrow points from 'Transactions' to the 'Consolidations' header.

### 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
1/25/2017 09:51:51 PM	DEMF	January 2016	Admin

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

The screenshot shows the Dynamics 365 interface for 'Consolidations'. The breadcrumb navigation is 'Operations > Consolidations > Consolidation transactions'. The 'Parameters' tab is selected in the top navigation bar. Below the navigation, there is a table of consolidation transactions. Two red arrows point from the 'Parameters' tab to the table and from the table to the 'Multicompany parameter history' window.

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

The 'Multicompany parameter history' window is open, showing the 'Criteria' tab. The 'Description' field is set to 'January 2016'. The 'Consolidation account' is 'No'. The 'Exchange adjustment' is 'Yes'. The 'Main account from' is '110110'. The 'Consolidation period' is '1/1/2016'. The 'Budget currency translation' is 'AED'.