Accruals and Simulated General Ledger

Post simulated entries
in Microsoft Dynamics 365 Business Central

Accruals and Simulated General Ledger
App for Microsoft Dynamics 365 Business Central

Post simulated entries linked to the Chart of Accounts in Dynamics 365 Business Central.

> Do you need to post entries with or without accruals, on separate tables, that do not impact on the general journal? Do you want to make interim financial statements? Would you like to take the depreciation of fixed assets into the simulated ledger? Do you need to import the simulated entries into the General Journal at the end of the fiscal year?

How it works

In the Accruals and Simulated General Ledger app:

- It is possible to post entries WITH or WITHOUT accruals, on separate tables, that do not impact on the general Journal

- The separate accounting allows interim financial statements to be made

- It is possible to take the depreciacion of fixed assets into the simulated ledger

Moreover, it is possible to manage accruals and deferrals, spreading over the months, quarters, semesters, etc. portions of costs and revenues that have already had an economic-monetary manifestation (deferrals) or that have yet to have economic-monetary expression (accrued).

Quick Guide
Ready to go in 4 steps

1. Set the competence dates
2. Edit an accrual template
3. Post invoices with accruals
4. View simulated entries in Chart of Accounts

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The posting of infra-annual accruals and deferrals takes place using simulated registrations.

Invoice with accruals

Let's see how the accruals are posted by the system. For example, we make a sales

From the Chart of Accounts, *Navigate>Account->Sim. Ledger Entries*, we can see the simulated posting done by the system.

In Sim. G/L Entries it is possible to view the detailed simulated entries:

The system has created 12 lines, one for each instalment.

> NB
> The Chart of Accounts also gives you an overview of all ledger entries (with and without period of competence) by drilldown on the column "BALANCE".

Calculate accruals directly from General ledger entries

It is possible to create accruals directly from General ledger entries without posting an invoice:

Close G/L Accruals

Through the Close G/L Accruals report it is possible, for those who calculate the interim accruals and deferrals with the simulated, to calculate the real balance sheet entries at 31/12 and their relative cancellation.

In General Journal, *Functions->Close Accruals*:

FIELD	DESCRIPTION
Ending date	Set the date for the closure
Grouping	Choose to group: • per document • per G/L account
Gen. Journal Template / Gen. Journal Batch	Define a category and a batch for records concerning compensation

This report performs the following operations

1 . Excludes all movements with:

Registration date, Starting and Ending Competence date **less than** the date of the report launching: <u>if just one is greater, then the line must be included</u>;

Registration date, Starting and Ending Competence date **greater than** the date of the report launching: <u>even if only one is smaller, then the line must be included;</u>

2 . At this point, the lines which are included can be defined:

- **Accrual** : if the registration date is greater than the date of the report launching ->the share of the previous year must be added to the current year .So the Simulated General Ledger app considers all the simulated lines with a date less than or equal to the launch date of the report , adds the amount and creates a GL registration line with the same accounts and amounts;
- **Deferral:** if the registration date is less than or equal to the date of the report launching , -> the share for the following year must be removed from the current year .So the Simulated General Ledger app considers all the simulated lines with a date greater than the launch date of the report, adds the amount and creates a GL registration line with the same accounts, but with inverted amounts.

The report carries out the posting on the 1st of January in the G/L entries and the relative cancellation in the simulated entries automatically calculated.

In General Journals, the "Balance in Simulation" flag is visible on the lines. When set, lines are posted 1:1 with a reverse sign in simulated.

Block Accrual Posting

For the purposes of automatic calculation of accruals and deferrals, it is possible to block accrual posting.

If during the accrual calculation the accounting period (month) is closed, the share of the period is accumulated over the following period.

In this way it is possible to preserve accounting situations already closed for accounting / statistical purposes.

Account schedules

The Account Schedules show numbers aggregated according to a previous setup (you can define columns , formulas and the ranges to be aggregated in the chart of accounts).

it is possible to have an overview of the G/L entries + G/L sim. entries and to generate interim financial statements.

And then, by drilldown you can see the detailed view of the Chart of Accounts

SETUP

Template

In G/L Accrual Templates:

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Set:

FIELD	DESCRIPTION
COD	Decide a code
DESCRIPTION	Choose a code description
INCOME ACCRUAL ACCOUNT	Set an account number for income accruals Impostare il numero di conto in cui verranno scritti i risconti attivi
DEFERRED INCOME ACCOUNT	Set an account number for deferred income Impostare il numero di conto in cui verranno scritti i risconti passivi
PAYMENT ACCRUAL ACCOUNT	Set an account number for payment accrual
PREPAYMENT ACCOUNT	Set an account number for prepayment
DAYS PER MONTH	Indicate the basis on which to spread costs and revenues, in the case of a monthly calculation, 30 days / month logic or one based on the calculation of actual days. Options: • actual days • 30 days
TYPE	Decide if the template is for real or simulated ledger: • G/L • Sim. G/L
PERIOD TYPE	Period of competence equivalent to month, quarter, half year or year.
ACCRUAL DESCRIPTION SOURCE	Choose whether the description should be taken from the line, from the posting or if it should be a fixed description.
POSTING DESCRIPTION	Specify the description if you have chosen the "Fixed Description" option in the "Accrual description source" field
ALLOW G/L ENTRY GROUPING	The system tries to group the entries as much as possible, "before" competence calculation. This can be useful, for example, if you want to change the calculation of the competence of a single line of a document ex-post, or when the calculations of competence are many and you want to avoid posting lots of records.

In the Competence Dates Setup set the possible registration time intervals:

Subscription

Some features of app Accruals and Simulated General Ledger require a subscription. The subscription can be activated from Subscription control panel or directly from the notification messages that the system proposes, by clicking on the link that allows you to start the subscription wizard. In particular:

✓ **FREE Version:**
 it is possible to manage accruals and deferrals only for 30 days.

✓ **PRO Version:**
 it is possible to manage accruals and deferrals without any restriction.