

Before you begin

To get the most out of this exercise, we recommend that you have the standard sample data available in Finance and Operations that is installed via Lifecycle services.

Exercise: Set up and use intercompany accounting

You need to set up and use intercompany accounting between **USP2** and **USMF**. These companies are using the same chart of accounts.

In this exercise, you will:

1. Configure intercompany accounting.
2. Use intercompany accounting with general journals.
3. Use audit trails to verify the intercompany accounting posting.

Configure intercompany accounting

1. Select **USP2** from the company's dropdown.
2. Go to **General ledger > Chart of accounts > Accounts > Main accounts**.
3. Click **New**.
4. In the **Main account** field, type **100100**.
5. In the **Name** field, type **Due to USMF**.
6. In the **Main account type** field, select **Balance sheet**.
7. Click **New**.
8. In the **Main account** field, type **100101**.
9. In the **Name** field, type **Due from USMF**.
10. In the **Main account type** field, select **Balance sheet**.
11. Click **Save**.
12. Close all pages.
13. Change company to **USMF**.
14. Go to **General ledger > Chart of accounts > Accounts > Main accounts**.
15. Verify the two accounts that you created in the steps 4 and 8 are listed considering that the two companies are sharing the same chart of account.
16. Click **New**.
17. In the **Main account** field, type **100106**.
18. In the **Name** field, type **Due to USP2**.
19. Click **New**.
20. In the **Main account** field, type **100107**.
21. In the **Name** field, type **Due from USP2**.

22. Close the page.
23. Go to **General ledger > Posting setup > Intercompany accounting**.
24. Click **New**.
25. In the **Originating company** field, select **USMF**.
26. In the **Debit account** field, select **Due from USP2**.
27. In the **Credit account** field, select **Due to USP2**.
28. In the **Destination company** field, select **USP2**.
29. In the **Debit account** field, select **Due to USMF**.
30. In the **Credit account** field, select **Due from USMF**.
31. In the **Journal** field, enter or select a daily journal name from **USP2**.
32. Click **Create reciprocal relationship**.
33. In the **Journal** field, enter or select a daily journal name from **USMF**.
34. Click **Save**.
35. Close the page.

Use intercompany accounting with general journals

1. Go to **General ledger > Journal entries > Global general journals**.
2. Click **New journal** to open the drop dialog.
3. In the **Company** field, select **USMF**.
4. In the **Name** field, select a daily journal name.
5. Click **OK**.
6. Click **Lines**.
7. In the **Account type** field, select **Bank**.
8. In the **Account** field, specify the values **USMF OPER**.
9. In the **Description** field, type **Wire**.
10. Set **Credit** to **1000000**.
11. In the **Offset company** field, select **USP2**.
12. In the **Offset account type** field, select **Bank**.
13. In the **Offset account** field, specify the values **USP2 OPER**.
14. Click **Inquiries**.
15. Click **Balance control**.
16. View the results.
17. Click **Close**.
18. Click **Validate**.
19. Click **Validate**.
20. Click **Post**. Two vouchers have been posted, one per legal entity.
21. Close the page.
22. **Refresh** the page.
23. Close the page.

Use audit trails to verify the intercompany accounting posting

1. Go to **General ledger > Inquiries and reports > Audit trail**.
2. Click **Voucher transactions**. Review the intercompany transactions.
3. Click **Related voucher** to view the intercompany in the destination company.
4. Close the **Related voucher** page.
5. Close the **Voucher transactions** page.
6. **Refresh** the page. Switch to **USP2** company.
7. Go to **General ledger > Inquiries and reports > Audit trail**.
8. Click **Voucher transactions**. Review the intercompany transactions.
9. Close the **Voucher transaction** page.
10. Close the **Audit trail** page.
11. Go to **Cash and bank management > Bank accounts > Bank accounts**.
12. Click **Balance**.
13. Click **OK**.
14. Click **Transactions**.
15. Click **Voucher**.
16. Close all pages.