Contents

1 INF99X: Sample Course

- **Download Latest Student Handbook and AllFiles Content**
- **Are you a MCT?** - Have a look at our GitHub User Guide for MCTs
- **Need to manually build the lab instructions?** - Instructions are available in the MicrosoftLearning/Docker-Build repository

1.1 What are we doing?

- To support this course, we will need to make frequent updates to the course content to keep it current with the Azure services used in the course. We are publishing the lab instructions and lab files on GitHub to allow for open contributions between the course authors and MCTs to keep the content current with changes in the Azure platform.

- We hope that this brings a sense of collaboration to the labs like we've never had before - when Azure changes and you find it first during a live delivery, go ahead and make an enhancement right in the lab source. Help your fellow MCTs.

1.2 How should I use these files relative to the released MOC files?

- The instructor handbook and PowerPoints are still going to be your primary source for teaching the course content.

- These files on GitHub are designed to be used in conjunction with the student handbook, but are in GitHub as a central repository so MCTs and course authors can have a shared source for the latest lab files.

- It will be recommended that for every delivery, trainers check GitHub for any changes that may have been made to support the latest Azure services, and get the latest files for their delivery.

1.3 What about changes to the student handbook?

- We will review the student handbook on a quarterly basis and update through the normal MOC release channels as needed.

1.4 How do I contribute?

- Any MCT can submit a pull request to the code or content in the GitHub repro, Microsoft and the course author will triage and include content and lab code changes as needed.

- You can submit bugs, changes, improvement and ideas. Find a new Azure feature before we have? Submit a new demo!

1.5 Notes

1.5.1 Classroom Materials

It is strongly recommended that MCTs and Partners access these materials and in turn, provide them separately to students. Pointing students directly to GitHub to access Lab steps as part of an ongoing class will require them to access yet another UI as part of the course, contributing to a confusing experience for the student. An explanation to the student regarding why they are receiving separate Lab instructions can highlight the nature of an always-changing cloud-based interface and platform. Microsoft Learning support for accessing files on GitHub and support for navigation of the GitHub site is limited to MCTs teaching this course only.

- Test

1.6 title: Online Hosted Instructions permalink: index.html layout: home

2 Content Directory

Hyperlinks to each of the lab exercises and demos are listed below.

2.1 Labs

{% assign labs = site.pages | where_exp:"page", "page.url contains '/Instructions/Labs'" %} | Module | Lab | | --- | --- | {% for activity in labs %}| {{ activity.lab.module }} | [{{ activity.lab.title }}{% if activity.lab.type %} - {{ activity.lab.type }}{% endif %}](/home/ll/Azure_clone/Azure_new/MB-310-Microsoft-Dynamics-365-Finance/{{ site.github.url }}{{ activity.url }}) | {% endfor %}

2.2 Demos

2.3 {% assign demos = site.pages | where_exp:"page", "page.url contains '/Instructions/Demos'" %} | Module | Demo | | --- | --- | {% for activity in demos %}| {{ activity.demo.module }} | [{{ activity.demo.title }}](/home/ll/Azure_clone/Azure_new/MB-310-Microsoft-Dynamics-365-Finance/{{ site.github.url }}{{ activity.url }}) | {% endfor %}

2.4 demo: title: 'Demo: Deploying an ARM Template' module: 'Module 1: Exploring Azure Resource Manager'

3 Demo: Deploying an ARM Template

3.1 Instructions

1. Quisque dictum convallis metus, vitae vestibulum turpis dapibus non.

    1. Suspendisse commodo tempor convallis.

    2. Nunc eget quam facilisis, imperdiet felis ut, blandit nibh.

    3. Phasellus pulvinar ornare sem, ut imperdiet justo volutpat et.

2. Class aptent taciti sociosqu ad litora torquent per conubia nostra, per inceptos himenaeos.

3. Vestibulum hendrerit orci urna, non aliquet eros eleifend vitae.

4. Curabitur nibh dui, vestibulum cursus neque commodo, aliquet accumsan risus.

   ```
   Sed at malesuada orci, eu volutpat ex
   ```

5. In ac odio vulputate, faucibus lorem at, sagittis felis.

6. Fusce tincidunt sapien nec dolor congue facilisis lacinia quis urna.

      Note: Ut feugiat est id ultrices gravida.

7. Phasellus urna lacus, luctus at suscipit vitae, maximus ac nisl.

   - Morbi in tortor finibus, tempus dolor a, cursus lorem.
   - Maecenas id risus pharetra, viverra elit quis, lacinia odio.
   - Etiam rutrum pretium enim.

8. Curabitur in pretium urna, nec ullamcorper diam.

3.2   lab: title: 'Exercise 1: Configure a new legal entity' module: 'Module 2: Set up and configure financial management'

<Note: If you cannot stop the service while provisioning, restart the machine.>

3.3   Exercise 1: Configure a new legal entity

A legal entity is an organization that is identified through registration with a legal authority. Legal entities can enter into contracts and are required to prepare statements that report on their performance. Perform the following steps to create a legal entity.

1. Navigate to **Organization administration > Organizations > Legal entities.** Note that most of the navigation in our exercises is under Modules on the left side of the screen.

2. Select **New**

3. In the **Name** field, type 'Contoso Pharmaceuticals'.

4. In the **Company** field, type 'CPHQ'.

5. In the **Country/region** field, type 'USA'.

6. Select **OK**

7. In the **Language** field, type 'en-us'.

8. Select **Save**

9. Close the page using the X on the top right beneath the user ID (typically your initials or AD).

10. Navigate to **Organization administration > Number sequences > Number sequences**.

11. Select **Generate**. It will take a moment to process which number sequences need to be set up.

12. Select **Next**

13. Select **Next**

14. Select **Finish**

15. Select the Settings gear on the top right and choose **User options**.

16. Select the **Preferences** tab.

17. In the **Company** field, type 'CPHQ'.

18. Select **Save**

19. Close all open pages by selecting the X underneath the user ID.

20. Change company to 'CPHQ' by selecting USMF in the top right and typing CPHQ in the edit box presented.

21. Navigate to **Default dashboard** which is the **Home** button on the left.

3.4 lab: title: 'Exercise 2: Create a chart of accounts and main accounts' module: 'Module 2: Set up and configure financial management'

3.5 Exercise 2: Create a chart of accounts and main accounts

Consider the following scenario:

Phyllis, the Accounting Manager, wants to include the Current Ratio on the Short-term solvency KPI report. Current Ratio is calculated by dividing a company's current assets by current liabilities. Current assets typically consist of cash, cash equivalents, accounts receivable, inventory, and marketable securities. Current Liabilities consist of any liabilities that are payable within one year.

To derive the Current Asset value, Phyllis must sum the values of the Cash, Accounts receivable, and Inventory accounts. Fixed Assets are not considered current assets. To perform this calculation, Phyllis uses the Main account category field. Main accounts later added to the chart of accounts will also use the Main account category to automatically be included in existing calculations.

3.5.1 Perform the following steps to create a General Ledger Main Account category:

1. To access the **Main account categories** form, navigate to **General Ledger > Chart of accounts > Accounts > Main account categories**.

2. Select the **New** button to create a new record.

3. Enter a unique name for the Main account category and a Description.

4. Select a **Main account type** to associate with the account category. The purpose of selecting a Main account type is to reduce the lookup of available Main account categories when you create a new Main account within the Chart of accounts form.

5. To link an account category to a main account, select the Link main accounts button. Or link a Main account category to an account from the Main account details form.

3.6 lab: title: 'Exercise 3: Create Advanced Rule Structures' module: 'Module 2: Set up and configure financial management'

3.7 Exercise 3: Create Advanced Rule Structures

Consider the following scenario:

Phyllis, the Accounting Manager, is setting up the charts of accounts for Contoso Enterprise. For some of the accounts, the organization wants to track additional information that is not captured in the account structures. She needs to ensure that for the customer group (one of the financial dimensions)"80: Other customers" that only certain departments can be used.

3.7.1 Perform the following steps to create an advanced rule:

1. Navigate to General **ledger > Chart of accounts > Structures > Configure account structures**.

2. On the **Action pane**, select **New** to open the drop dialog.

3. In the **Account structure** field, type a name "**My Acct. Structure**" to describe the purpose of the account structure.

4. In the **Description** field, type a description "**My first Acct. Structure**" to specify the purpose of the account structure.

5. Ensure that **Add main account** is set to **Yes**.

6. Select **Create**

7. In the **Segments and allowed values** section, select **Add segment**.

8. In the dimensions list, select the **Department** dimension to add to the account structure.

9. At the end of the list, Select **Add segment**.

10. Repeat step 6 to8 to add **Cost center** as segment.

11. In the **Segments and allowed values** section, select the segment to edit the allowed values in the **Allowed value details** section. For example, Select the **Main Account** field.

12. In the **Operator** field, select an option, such as **is between and includes**.

13. In the **Value** field, type a value:600000.

14. In the **through** field, type a value: 699999.

15. In the **Allowed value details** section, select **Apply**.

16. In the **Segments and allowed values** section, select the segment to edit the allowed values in the **Allowed value details** section. For example, select the **Department** field.

17. In the **Operator** field, select an option, such as **is between and includes**.

18. In the **Value** field, type a value: 033.

19. In the **through** field, type a value: 034.

20. Select **Apply**

21. In the **Segments and allowed values** grid, select the segment to edit the allowed values in the **Allowed value details** section: **Cost Center.**

22. In the **Value** field, type a value: 007..021.

23. In the **Segments and allowed values**, select **Add**.

24. In the **MainAccount** field, type a value:700000.699999

25. In the grid, select the segment to edit the allowed values: **Department**.

26. In the **Department** field, type a value, for example, 032.

27. In the **CostCenter** field, type a value, for example, 086.

28. On the **Action pane**, select **Validate**.

29. On the **Action pane**, select **Activate**.

30. Select **Activate**

3.8 lab: title: 'Exercise 4: Create a fiscal calendar, years and periods' module: 'Module 2: Set up and configure financial management'

3.9 Exercise 4: Create a fiscal calendar, years and periods

Phyllis, the Accounting Manager, wants to define calendars for different purposes and share them across different ledgers without having to create them in each legal entity. Perform the following steps to assist Phyllis:

3.9.1 Instruction

1. Navigate to **General ledger > Ledger setup > Fiscal calendars**.

2. Select the **New calendar** button.

3. Enter the name of the calendar to be created in the **Calendar** field.

4. Enter a description of the fiscal calendar in the **Description** field. This description may print on reports.

5. Enter the **Start** and **End** dates of the initial fiscal year in the appropriate fields.

6. Enter a **Fiscal year name** of the initial fiscal year to be associated with this fiscal calendar.

7. Enter the **Length of the period** and the **Unit** of the periods. These fields work together to determine how many periods will be created.

8. Select the **Create** button.

3.9.2 Create a date interval for month of August

If your fiscal year starts on August 1st and ends on July 31st of the next year, follow the steps below to create a date interval for the month of August:

9. Navigate to **General ledger > Ledger setup > Date intervals**.

10. Select **New**

11. In the **Date interval code** field, type 'August'.

12. In the **Description** field, type 'Month of August'.

13. Under the **Interval Start** on your left side, in the **From date period type** field, select 'Fiscal year.'

14. Under the **Interval Start** on your left side, in the **From date Start/End** field, select 'Start.'

15. Under the **Interval Start** on your left side, in the **From date adjustment unit** field, select 'Months.'

16. Under the Interval End, in the **To date period type** field, select 'Fiscal year.'

17. Under the Interval End, in In the **To date Start/End** field, select 'End.'

18. Under the Interval End, in the **To date +/-** field, enter '-11.'

19. Under the Interval End, in the **To date adjustment unit** field, select 'Months.'

20. Select **Save**

21. Close the page

3.10 lab: title: 'Exercise 5: Import exchange rates by using a provider' module: 'Module 2: Set up and configure financial management'

3.11 Exercise 5: Import exchange rates by using a provider

1. Navigate to **General ledger > Currencies > Exchange rate types**.

2. Select **New**

3. In the **Exchange rate type** field, type 'Adv-exch'.

4. In the **Name** field, type '**Adventure Works exchange**'.

5. Select **Exchange rates**.

6. Note there are no exchange rates available.

7. Close the Exchange rates form.

8. Close the Exchange rate types form.

9. Navigate to **General ledger > Currencies > Configure exchange rate providers**.

10. Select **New**

11. Select **Central Bank of the Russian Federation.**

12. Select **OK**

13. Close the Configure exchange rate provider's page.

14. Navigate to **General ledger > Currencies > Import currency exchange rates**.

15. In the **Exchange rate type** field, enter or select Adv-exch.

16. In the **Exchange rate provider** field, enter or select **Central Bank of the Russian Federation**

17. Select **OK**. The import will run.

18. Navigate to **General ledger > Currencies > Exchange rate types**.

19. Select **Adv-exch.**

20. Select **Exchange rates**.

21. Note the imported values

22. Close all forms

3.12   lab: title: 'Exercise 6: Create and use Voucher templates' module: 'Module 2: Set up and configure financial management'

3.13   Exercise 6: Create and use Voucher templates

The goal of the lab exercise is to apply the knowledge we've learned regarding creation of Voucher templates.

1. Navigate to the **USMF** company and **General ledger > Journal entries > General journals**.

2. Select **New**

3. In the **Name** field, select the drop-down button to open the lookup.

4. In the list, find and select a journal name.

5. Select **Lines** in the Action pane.

6. Create line 1:

   - Select an account.

   - In the **Description** field, type a value.

   - Enter an amount in the **Debit** field.

7. Create line 2:

8. Select **New** to create a new line

   - Enter a different account.

   - In the **Description** field, type a value.

   - Enter an amount in the **Debit** field.

9. Create line 3:

   - Select **New** to create a new line.

   - In the **Account** field, select the desired values.

   - In the **Description** field, type a value.

   - Enter an amount in the **Credit** field to balance the voucher (the sum of the previous two lines).

10. Select **Post**.

11. Save the template:

    - Select **Functions** from the lines section.

    - Select **Save voucher template**.

    - This procedure assumes a **Percent** Template type.

    - Select **OK**

    - Close the form

12. Use the template:

    - Navigate to **General ledger > Journal entries > General journals**.

    - Select **New**

    - In the **Name** field, Select the drop-down button to open the lookup.

- In the list, find and select a journal name.

- Select **Lines**

- Select **Functions**

- Select **Select voucher template**.

- Find the template that you created earlier.

- Select **OK**

- In the **Amount** field, enter the amount to be applied to the voucher.

- Select **OK**

3.14 lab: title: 'Exercise 7: Configure and test Accrual schemes' module: 'Module 2: Set up and configure financial management'

3.15 Exercise 7: Configure and test Accrual schemes

You need to assist Sabrina, the accountant in USMF how to configure and use accrual schemes in Finance and Operations. She wants to lease a vehicle from a vendor for the amount of $81,720 and record accruals in Finance and Operations within the terms of lease of 24 months. She likes to understand the monthly and number of day option in the accrual schemes.

3.15.1 Create accrual schemes.

1. Navigate to **General ledger > > Journal setup > > Accrual schemes**.

2. Select **New**

3. In the **Accrual identification** field, type '24M'.

4. In the **Description of accrual scheme** field, type '2 Year Lease'.

5. In the **Debit** account field, specify the values '420100.'

6. In the **Credit** account field, specify the values '420200.'

7. In the **Voucher field**, select 'New voucher for each transaction.'

8. In the **Number sequence code** field, enter or select a value.

9. In the **Period frequency** field, select 'Monthly.'

10. In the **Number of occurrences by period** field, enter '24'.

11. In the **Post transactions** field, select 'Month.'

12. In the **Post in week, month or quarter** field, select 'Middle.'

13. Close the page

3.15.2 Create general journal to test accrual schemes.

1. Navigate to **General ledger > > Workspaces > > General journal processing**.

2. Select **New journal**.

3. In the **Name** field, enter or select **GenJrn**

4. In the **Description** field, type **'General Daily Journal - Accruals Demo**.'

5. Select **Lines**

6. In the **Account type** field, select **'Vendor**.'

7. In the **Account field**, specify a vendor account of your choice, such as 1001 Acme Office Supplies

8. Set **Debit** to **'81720**.'

9. In the **Offset account** field, specify the values '**605160-001-023--**'.

10. In the **Offset transaction** text field, type **'Accruals Demo**.'

11. From the **List** tab in the line section, select **Functions**.

12. Select **Ledger accruals**

13. In the **Accrual identification** field, enter or select 24M

14. Select **Transactions**.

15. Review the values. The total amount is distributed evenly.

16. Close the page

17. Select to follow the hyperlink in the **Accrual identification** field, or right click and view details

18. In the **Spread month and quarter values** field, select 'Number of days'.

19. Close the page

20. Select **Cancel**

21. Select **Yes**

22. From the **List** tab in the line section, select **Functions**.

23. Select **Ledger accruals**

24. In the **Accrual identification** field, enter or select 24M then press tab

25. Select **Transactions**. Note that amounts have been prorated per number of days.

26. Close the page and select **Cancel** and **Yes**.

27. Select **Payment** tab

28. In the **Method of payment** field select ELECTRONIC

29.

30. Select **Validate > Validate**.

31. Select **Post**

32. Close all forms

33. Navigate to **General ledger > > Inquiries and reports > > Audit trail**.

34. Find the journal you just posted. It should be the last record, or you can filter by many options. Select the line.

35. Select **Voucher transactions**.

36. Select **Transactions**

37. Review and analyze posted transactions. As you see the original transactions have been reversed and accruals have been posted through 24 months.

38. Close all forms

3.16 lab: title: 'Exercise 8: Configure and test ledger allocation rules' module: 'Module 2: Set up and configure financial management'

3.17 Exercise 8: Configure and test ledger allocation rules

You need to configure and test ledger allocation rules in **USMF**. Per the accountant request three new ledger accounts should be created to allocate posted transaction equally to different financial dimensions based on a rule for the current period.

3.17.1 Create main accounts

1. Navigate to **General ledger > Chart of accounts > Accounts > Main accounts**.

2. Select **New**

3. In the **Main account** field, type '100001'

4. In the **Name** field, type 'Allocated Account 1'.

5. Select **New**

6. In the **Main account** field, type '100002'

7. In the **Name** field, type 'Allocated Account 2'.

8. Select **New**

9. In the **Main account** field, type '100003'

10. In the **Name** field, type 'Allocated Offset Account'.

11. Close the page

3.17.2 Create date intervals for current period

1. Navigate to **General ledger > Ledger setup > Date intervals**.

2. Select **New**

3. In the **Date interval code** field, type 'CurPeriod.'

4. In the **Description** field, type 'Current Period.'

5. In the **From date period type** field, select 'Period.'

6. In the **From date Start/End** field, select 'Start.'

7. In the **To date period type** field, select 'Period.'

8. In the **To date Start/End** field, select 'End.'

9. Close the page

3.17.3 Create allocation journal name

1. Navigate to **General ledger > Journal setup > Journal names**.

2. Select **New**

3. In the **Name** field, type 'AllocDemo'.

4. In the **Description** field, type 'Allocation Journals Demo'.

5. In the **Journal type** field, select 'Allocation'.

6. In the **Voucher series** field, enter or select a value.

7. Close the page

3.17.4 Create allocation rule

1. Navigate to **General ledger > Allocations > Ledger allocation rules**.

2. Select **New**

3. In the **Rule** field, type '**AdvRule'**

4. In the **Description** field, type **'Adventure Works Rent Allocation Demo**'.

5. Select the **General** tab.

6. Select **Yes** in the **Active** field.

7. In the **Allocation method** field, select **'Equally'**.

8. In the **Journal name** field, enter or select a value **AllocDemo**

9. In the **Date interval code** field, enter or select **CurPeriod** then press tab

10. Select **Source** in the action pane.

11. Select **New**

12. In the **Source criteria** field, enter or select 601501

13. Select **New**

14. In the **Field setting** field, select **'Financial dimension'**.

15. In the **Name** field, enter or select **BusinessUnit**

16. In the **Source criteria** field, enter or select 004

17. Select **New**

18. In the **Field setting** field, select **'Financial dimension'**.

19. In the **Name** field, enter or select **Department**

20. In the **Source criteria** field, enter or select 024

21. Close the page

22. Select **Destination**.

23. Select **New**

24. In the **To account** field, specify the values '100001'.

25. In the **Department** field, enter or select 023.

26. Select **New**

27. In the **To account** field, specify the values '100002'.

28. In the **Department** field, enter or select 026.

29. Close all forms

3.17.5   Create and post general journal for allocation testing

1. Navigate to **General ledger > Journal entries > General journals**.

2. Select **New**

3. In the **Name** field, enter or select **GenJrn**.**

4. Select **Lines**

5. In the **Account field**, specify the values '601501-004-024--'.

6. In the **Description** field, type 'Allocation Demo'.

7. Set **Debit** to '72700.'

8. In the **Offset account** field, specify the values '605160-004-024--'.

9. Select **Post**

10. Close all forms

3.17.6   Process allocation request to test the allocation rule

1. Navigate to **General ledger > Allocations > Process allocation request**.

2. In the **Rule** field, enter or select '**AdvRule**'.

3. In the **Proposal options** field, select 'Proposal only'.

4. Select **OK**

3.17.7 Verify the allocation journals created by process allocation requests

1. Navigate to **General ledger > Allocations > Allocation journals**.

2. Find and select the proposed journal with description of 'Allocation Journals Demo'

3. Select **Lines**

4. Review and analyze data to see if the original transaction has been allocated equally.

5. Select **Validate > Simulate posting**

6. Select **Post**

7. Close all forms

3.18 lab: title: 'Exercise 9: Set up and use Intercompany accounting' module: 'Module 2: Set up and configure financial management'

3.19 Exercise 9: Set up and use Intercompany accounting

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

3.19.1 Create intercompany journal name in USMF

1. Select **USMF** company.

2. Navigate to **General ledger > Journal setup > Journal names**

3. Select **New**

4. In the **Name** field type **USMFIntJ**

5. In the **Description** type 'Intercompany Journal demo'

6. In the **Voucher series** field select a value.

7. Close the form

3.19.2 Create intercompany journal name in USP2

1. Select **USP2** company

2. Navigate to **General ledger > Journal setup > Journal names**

3. Select **New**

4. In the **Name** field type **USP2IntJ**

5. In the **Description** type 'Intercompany Journal demo'

6. In the **Voucher series** field select a value such as **Bank__02**. The voucher series must be set to continuous.

7. Close the form

3.19.3 Configure Intercompany accounting

1. Select **USP2** from the company's dropdown.

2. Navigate to **General ledger > Chart of accounts > Accounts > Main accounts**.

3. Select **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. Select **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. Select **Save**

12. Close the page

13. Change company to **'USMF'**

14. Navigate 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 since the two companies are sharing the same chart of account.

16. Select **New**

17. In the **Main** account field, type **'100106'**.

18. In the **Name** field, **'Due to USP2**.

19. Select **New**

20. In the **Main account field**, type **'100107'**.

21. In the **Name** field, type **'Due from USP2'**.

22. Close the page

23. Navigate to **General ledger > Posting setup > Intercompany accounting**.

24. Select **New**

25. In the **Originating company** field, select '**USMF**'.

26. In the **Debit account** dropdown, select the **Due from USP2** value 100107.

27. In the **Credit account** dropdown, select the **Due to USP2** value 100106.

28. In the **Destination company** field, select **USP2**.

29. In the **Debit account** field, select the **Due to USMF** value 100100.

30. In the **Credit account** field, select the **Due from USMF** value 100101.

31. In the **Journal** field, enter or select **USP2IntJ** a daily journal name from **USP2**.

32. Select **Create reciprocal relationship**.

33. In the **Journal field**, enter or select **USMFIntJ** journal name from **USMF**.

34. Select **Save**

35. Close the page

3.19.4   Use Intercompany accounting by general journals

1. Navigate to **General ledger > Journal entries > Global general journals.**

2. Select **New journal** to open the **New journal** dialog box.

3. In the **Company** field, **USMF**.

4. In the **Name** field, select **IntJrn**.

5. Select **OK**

6. Select **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** field, specify the values '**100100--**' due to USMF.

13. Select **Inquiries**

14. Select **Balance control**.

15. View the results.

16. Select **Close**

17. Select **Validate > Validate.**

18. Select **Validate > Simulate Posting**.

19. Select **Post**; two vouchers have been posted one per legal entity.

20. Close all pages

3.19.5   Test the Audit trails to verify the intercompany accounting posting

1. Navigate to **General ledger > Inquiries and reports > Audit trail**.

2. Select **Voucher transactions**. Review the intercompany transactions

3. Select **Related voucher** to see the intercompany in the destination company.

4. Close all pages

5. Switch to **USP2** company

6. Navigate to **General ledger > Inquiries and reports > Audit trail**.

7. Select **Voucher transactions**.

8. Select **Related voucher** to see the intercompany in the destination company.

9. Close all pages

3.20   lab: title: 'Exercise 10: Create bank transaction types and bank transaction groups' module: 'Module 2: Set up and configure financial management'

3.21   Exercise 10: Create bank transaction types and bank transaction groups

Annie, the bookkeeper at **USMF**, must create a bank transaction type for cash withdrawals. In addition, **USMF** wants the option to analyze the total charges paid to each bank. Annie will create an additional bank transaction group for bank fees and interest charges.

Follow the steps below to help Annie:

3.21.1   Create a bank transaction type for cash withdrawals

1. Navigate to **Cash and bank management**, expand **Setup**, and then select **Bank transaction types**.

2. Select the **New** button to insert a new record.

3. In the **Bank transaction type** field, enter 20.

4. Enter the name Cash Withdrawal in the **Name** field.

5. Type in **110110** in the **Main account** field.

6. Close the **Bank transaction type** form.

3.21.2   Create a bank transaction group for bank charges.

7. Navigate to **Cash and bank management**, expand **Setup**, and then select **Bank transaction groups**.

8. Select the **New** button to insert a new record.

9. In the **Bank transaction groups** field, enter 80.

10. Enter Bank Charges in the **Description** field.

11. From the **Bank transaction groups** form select the **Type** FastTab.

12. Select the **Bank transaction type** dropdown and select the bank transaction type of 07 for Fees.

13. Verify that the **Name** field is automatically populated with the Bank transaction type name.

14. Select the **Add** button to insert a new record.

15. Select the **Bank transaction type** dropdown and select the bank transaction type of 08 for Interest charges.

16. The **Name** field is automatically populated with the Bank transaction type name.

17. Close the form

3.21.3   Define Cash and Bank Parameters

18. Navigate to **Cash and bank management**, expand **Setup**, and then select **Cash and bank management parameters**.

19. Select the **General** link if is not automatically selected.

20. Select the **Bank transaction type** that is used for **Non-Sufficient Funds** (NSF) from the **NSF** list.

21. Select the **Allow checks for bank or ledger accounts** check box to indicate whether a check can be printed for a bank or ledger account.

22. Select the **Allow check reuse** check box to indicate whether a check number can be reused if the check was printed incorrectly or the check stock was not used.

23. To require reason codes for bank transactions, select one or more of the check boxes in the **Reason code requirements** for **Require reasons for payment reversals** and **Require reasons for deposit slip payment cancellations**

3.22   lab: title: 'Exercise 11: Create a bank group and bank account' module: 'Module 2: Set up and configure financial management'

3.23   Exercise 11: Create a bank group and bank account

USMF has opened a new bank account. The bank account will operate primarily in British pound (GBP) but may operate in other currencies. Annie, the bookkeeper, must create a new bank group and new bank account in Dynamics 365 Finance for this bank. Annie does not have address information for the bank account, but she does have the following specifications:

For the bank group:

- The bank group name is RBUK for Royal Bank of UK.
- The bank group routing number is 8117.

For the bank account:

- The bank account name is Bank Account - GBP.
- The bank account is part of the Royal Bank of UK group.
- The bank account number is 57252193.
- Postings should use a new main account 110150 called Bank account - GBP

As a finance consultant follow the instructions below to help Annie.

3.23.1   Create a new account for Cash in bank - GBP to the Chart of accounts.

1. Navigate to **General ledger > Chart of accounts > Accounts > Main accounts**.

2. Verify to see if you have the account **110150 − Bank Account GBP**. If it exists skip to step 9.

3. Select the **New** button to create a new record.

4. In the **Main account** field, enter **110150**.

5. In the **Name** field, enter **Bank Account − GBP**.

6. In the **Main account type** field, select **Asset**.

7. In the **Default Currency** field, and then select **GBP**.

8. Close the form

3.23.2 Create the new bank group and assign the British pound (GBP) to it.

9. Navigate to **Cash and bank management > Setup > Bank groups**.

10. Select the **New** button to create a new record.

11. In the **Bank groups** field, enter **RBUK**.

12. In the **Routing number** field, type **200395**.

13. In the **Description** field, enter **Royal Bank of UK**.

14. Select the **General** FastTab.

15. From the **Currency** list select **GBP**.

16. Close the **Bank groups** form.

3.23.3 Create the new bank account that is part of the RBUK bank group.

17. Navigate to **Cash and bank management > Bank accounts > Bank accounts**.

18. Select the **New** button to create a new record.

19. In the **Bank account** field, enter **GBPBANK**.

20. In the **Name** field, enter **Bank Account - GBP**.

21. In the **Bank groups** dropdown, select **RBUK**.

22. The **Routing number** field automatically will display **200395**.

23. The **Currency** field automatically displays **GBP**, which defaults from the bank group.

24. In the **Bank account number** field, enter **57252193**.

25. In the **Main account** field, select **110150**.

26. In the **Allow transactions in additional currencies** field, select the **Yes** to enable posting in more than one currency for this bank account.

27. Close the form

3.23.4 Create a direct debit mandate for a customer

28. Navigate to **Accounts receivable > Customers > All customers**.

29. Select a customer, for example, select **US-001.**

30. On the Action Pane, select **Customer**.

31. Select **Bank accounts** in the Setup group**.**

32. Select **New**

33. In the **Bank account** field, type a value such as **CustBank1**.

34. In the **Name** field, type a value such as **Customer Bank 1**.

35. In the **Bank account number** field, enter **55555555.**

36. In the **Routing number** field, enter **202015.**

37. I the **IBAN** field, type **GB33BUKB20201555555555**.

38. In the **Currency** field, type **GBP**.

39. Select **Save**

40. Close all pages

41. Navigate to **Cash and bank management > Bank accounts > Bank accounts**.

42. In the list, find and select **GBPBANK**.

43. Select **Edit**

44. Expand the **Additional identification** section.

45. In the **Direct debit ID** field, type a value of **US001**.

46. In the **IBAN** field, type **GB33BARC20039557252193**.

47. Close all pages

3.23.5 Define the electronic payment method

48. Navigate to **Accounts receivable > Payments setup > Methods of payment**.

49. Select **New**

50. In the **Method of payment** field, type a value such as **AREL**.

51. In the **Description** field, type a value such as **AR Electronic payment**.

52. In the **Payment type** field, select **Electronic payment.** Note that payment type for a direct debit mandate method of payment must be **Electronic payment**.

53. In the **Require mandate** field, select **Yes**.

54. Close the page

3.23.6 Add a direct debit mandate to a customer

55. Navigate to **Accounts receivable > Customers > All customers**.

56. Select customer **US-001**

57. Select **Edit**

58. Expand the **Payment defaults** section.

59. In the **Method of payment** field, enter or select **AREL**.

60. Expand the **Direct debit mandates** section.

61. Select **Add**

62. In the **Bank account** field, note that **CustBank1** is automatically selected.

63. In the **Creditor bank account** field, select **GBPBANK**.

64. Enter the number of payments that you expect to process for this mandate, such as 10, in **Expected number of payments**.

65. Select **OK**

66. Note that the value of **Mandate status** column is set to incomplete.

67. Select **Print** in the Direct debit mandates section and select **Mandate report**.

68. Review the **SEPA Direct Debit Mandate** report.

69. Close the page

70. Select **Edit**

71. In the **Signature date** field, enter a date in future.

72. Select **Yes**

73. Enter the location where the mandate was signed. Select **London.**

74. Select **OK**

75. Note the value of Mandate status column is set to **New**.

76. Close the page

3.24 lab: title: 'Exercise 12: Make deposits and perform payment reversals' module: 'Module 2: Set up and configure financial management'

3.25 Exercise 12: Make deposits and perform payment reversals

You will deposit funds into a bank and cancel it by using deposit slips.

3.25.1 Create a deposit slip

1. Navigate to **Accounts receivable > Payments > Customer payment journal**.

2. Select the **New** button to create a new record.

3. In the **Name** field, select journal name **CustPay**.

4. Select the **Lines** button to access the Journal voucher form.

5. From the Journal voucher form, in the **Account** field, select customer **US-003**.

6. In the **Description** field type **Deposit** to attach information about the transaction.

7. In the **Credit** field, type the deposit amount of **4100**.

8. Place a check mark in the **Use a deposit slip** field.

9. In the **Offset account type** field, note that the **Bank** is selected.

10. In the **Offset account** field, note that **USMF OPER** is selected.

11. In the **Currency** field, note that **USD** is selected.

12. In the **Method of payment** field, **Check** is selected.

13. In the **Payment reference** field, enter a reference for the payment such as **DEP001**.

14. Select the **Post** button.

15. Select **Functions**, and then select **Deposit slip**.

16. In the dialog box, enter today's date in the **Date** field.

17. Select **OK** to generate the deposit slip.

18. Select **OK** to view the deposit slip.

19. Close all pages

3.25.2 Cancel a Deposit Slip Payment

20. Navigate to **Cash and bank management > Setup > Cash and bank management parameters.**

21. Expand the **General** FastTab, check that the value of the **Use review process for deposit slip payment cancellations** field is set to **Yes**.

22. Navigate to **Cash and bank management > Payment reversals > Deposit slips**.

23. Select the line with the deposit slip with the amount of **4,100.00** to cancel.

24. Select the **Cancel payment** button.

25. In the **Cancel payment** form, select a reason for cancellation from the **Reason code** list such as **ERROR**.

26. Accept the default value or modify the value in the **Reason comment** field.

27. In the **Journal name** field select **DepRev.**

28. Note that If you would have selected **OK** without specifying a journal name**,** you would have posted the cancellation immediately, but since you specified a Journal name, and then select **OK** Dynamics 365 Finance will send the cancellation for review.

29. Navigate to **Cash and bank management > Payment Reversal approvals > Deposit slip payment reversal**

30. Select the journal and select **Post > Post** to complete the deposit slip reversal.

3.26 lab: title: 'Exercise 13: Use Bank management workspaces' module: 'Module 2: Set up and configure financial management'

3.27 Exercise 13: Use Bank management workspaces

You will explore the Bank management workspace.

1. Navigate to **Cash and bank management > Workspaces > Bank management**.

2. Under the **Balance** area, In the Select field, select **'All bank accounts**'.

3. At the bottom of the chart control Select **All** time frames.

4. Select **All bank accounts** tile. This shows the bank accounts list page.

5. Select **Balance**. View the balance.

6. Select **OK**

7. Select **Transactions**. View all posted transactions.

8. Select **Voucher**. View all vouchers.

9. Select **Transaction origin** to see where this transaction was originated from.

10. Close the page

11. Select **Accounting source explorer** and review the details.

12. Select **Export**, to save it locally, to OneDrive, or SharePoint, or select **Cancel**

13. Close the **Accounting source explorer** page.

14. Back button out of the **Voucher transactions** page.

15. Close the **Bank transactions** page.

16. Select the **Manage Payments** tab on the Bank Account Table form and **select Deposit slips** to view existing deposit slips.

17. Close the **Deposit slips** page.

18. Close the **All bank accounts** page.

19. On the Bank management workspace, under the **Related information** section select **Bridged transactions** to view existing bridged transactions.

20. Close the page

21. Under the **Related information** area, Select **Bank transactions**, and note you are directly navigating to the transactions form of the bank.

22. Close the page

23. Select **Bank account transfers**.

24. In the **Show** field, select **Posted** to see posted transactions.

25. Select the row for any of the posted journals.

26. Select **Lines** to view the journal lines.

27. Close the **Journal voucher** page.

28. Close the **General journals** page.

3.28   lab: title: 'Exercise 14: Create Cost accounting by using a wizard' module: 'Module 2: Set up and configure financial management'

3.29   Exercise 14: Create Cost accounting by using a wizard

The CFO of **GBSI** needs to configure the Cost control workspace to analyze the costs by department for different periods to compare actual expenses vs. budget. You can follow the instruction below to leverage the Cost control wizard to create what the CFO need in no time:

1. Navigate to **Cost accounting > Setup > Get started**.

2. You will be using the **Cost accounting** home page.

3. Select **Next**

4. In the **Legal entity** field, select **GBSI** Legal entity.

5. Select **Next**

6. Select **Next** on the Cost element screen.

7. Select **Next** on the Cost accounting ledger screen

8. Select **Department** as the Dimension name on the Cost object screen.

9. Select **Next**

10. Select **New** on Data connector – Budget.

11. In the **Budget model** field, enter or select a value.

12. In the **Budget type** field, select an option.

13. Select **Next**

14. Select **Finish**

3.30   lab: title: 'Exercise 15: Perform year end close' module: 'Module 2: Set up and configure financial management'

3.31   Exercise 15: Perform year end close

The fiscal year 2014 is not closed in the Demo data company **USMF**.

Phyllis, the Accounting Manager at **USMF**, must create a closing sheet and make the following adjustments:

- 2,500 U.S. dollars (USD) from account number 110130 to account number 110110

- 800 USD from account number 403150 to account number 110110

- 1,250 USD from account number 140750 to account number 110110

- 500 USD from account number 220270 to account number 110110

When the adjustments are finished, she must post the closing sheet and create the opening balances for the next fiscal year.

3.31.1   Create and post a closing adjustment entry for 2014

1. Navigate to **General ledger > Period close > Closing period adjustments**.

2. In the **Closing sheet** field, enter **2014**.

3. In the **Name** field, enter **2014 Closing Sheet**.

4. In the **Posting layer** field, select **Current**.

5. In the **Type** field, select **Closing**.

6. Select the **General** tab.

7. In the **From** field, type **1/1/2014.**

8. In the **To** field, type **12/31/2014**.

9. In the **Post** field, type **12/31/2014**.

10. Select **Save.**

11. Select the **Closing accounts** button.

12. Select the **Load balances** button.

13. Set the **Delete existing accounts** to **Yes**.

14. Select **OK.**

15. Select the line with Account number **110130**.

16. Select the **Transfers** button.

17. In the **Description** field, type **2014 close**.

18. In the **Offset account** field, select Account number **110110**.

19. In the Amount field, type **2500.**

20. Close the form.

21. In the quick filter type **403150** and press enter.

22. Select the **Transfers** button.

23. In the **Description** field, type **2014 close**.

24. In the **Offset account** field, select Account number **110110**.

25. In the **Amount** field, type **800**.

26. Close the form.

27. In the quick filter type **140100** and press enter

28. Select the **Transfers** button.

29. In the **Description** field, type **2014 close**.

30. In the **Offset account** field, select Account number **110110**.

31. In the Amount field, type **1250**.

32. Close the form.

33. Select the **Post** button.

34. Close all the forms.

3.31.2 Follow these steps to perform year end close

1. Navigate to **General ledger > Period close > Year end close**

2. Select **US companies**.

3. Select **Run fiscal close** button, and then select **USMF**.

4. Select **OK**.

5. In the **Fiscal year,** select **2014**.

6. In the Voucher field type **AW-2014**

7. Select **OK**.

8. Close all the forms.

3.32 lab: title: 'Exercise 16: Configure Indirect sales tax' module: 'Module 2: Set up and configure financial management'

3.33 Exercise 16: Configure Indirect sales tax

The goal of the lab exercise is to apply the knowledge we've learned regarding the configuration of tax components. This recording uses the **USMF** demo company.

3.33.1 Set up Ledger posting groups for sales tax

1. Navigate to **Tax > Setup > Sales tax > Ledger posting groups**.

2. Select **New**

3. In the **Ledger posting group** field, type **DynLPG**.

4. In the **Description** field, type **Demo Tax ledger posting**.

5. In the **Sales tax payable** field, select the main account **202100** for outgoing sales taxes that are payable to the tax authority.

6. In the **Sales tax receivable** field, if available, select the main account **202700** for incoming taxes that are received from the tax authority.

7. In the **Use tax expense** field, if available, select the main account **222100** for posting deductible Use taxes that are not claimed or reported to the tax authority by vendors as part of EU reverse charge VAT.

8. In the **Use tax payable** field, select the main account **222100** for posting incoming Use taxes that are payable to tax authorities.

9. In the **Settlement account** field, select the main account **222100** that the net balance of the ledger accounts specified in the Use tax payable and Sales tax receivable fields will be posted.

10. In the **Vendor cash discount** field, select the main account **520200** to post cash discount for Sales tax codes associated with this Ledger posting group.

11. In the **Customer cash discount** field, select the main account **403300** to post cash discount for Sales tax codes associated with this Ledger posting group.

12. Select Save

3.33.2 Set up sales tax authorities

1. Navigate to **Tax > Indirect taxes > Sales tax > Sales tax authorities**.

2. Select **New**

3. In the **Authority** field, type **DynA**.

4. In the **Name** field, type **Demo Tax Authority**.

5. In the **Vendor account** field, select **US_TX_001** California State Tax Authority.

6. In the **Report layout** field, select **U.S. report layout**.

7. Select **Save**

3.33.3 Set up sales tax settlement periods

1. Navigate to **Tax > Indirect taxes > Sales tax > Sales tax settlement periods**.

2. Select **New**

3. In the **Settlement period** field, type **DynSP**.

4. In the **Description** field, type **Demo Settlement period**.

5. In the **Authority** field, select **DynA**.

6. In the **Period interval unit** field select **Months**.

7. In the **Period interval duration** field type **3** to represent a quarter.

8. Set the **Use batch processing for sales tax settlement** field to **Yes**. The settlement process for the settlement period can be processed as batch job in the background. This is recommended for a large number of tax transactions within a period interval.

9. Set the **Prevent generating offset tax transactions** field to **Yes**. By default, the system generates offset tax transactions during the settlement process, which can cause a performance issue if there are a large number of tax transactions within a period interval. Select this check box to prevent generating offset tax transactions.

10. Expand the **Period intervals** tab.

11. Select **Add**

12. In the **From date** field, enter **01/01/2020**.

13. In the **To date** field, **03/31/2020**.

14. Select **New period interval**. Once the first period interval has been entered, new periods can be created automatically. You can come back and add new period intervals as required.

15. Repeat step 14 until you have created period intervals that includes today's date.

16. Close the page

3.33.4 Set up sales tax codes

Sales tax codes are created for every indirect tax or duty that the legal entity is obligated to calculate, collect, and pay to sales tax authorities.

1. Navigate to **Tax > Indirect taxes > Sales tax > Sales tax codes**.

2. Select **New**

3. In the **Sales tax code** field, type **DynSTC**.

4. In the **Name** field, type **Demo Sales Tax Code**.

5. Select **DynSP** in the **Settlement period** field.

6. Select **DynLPG** as the **Ledger posting group** to specify the main accounts to post sales tax to the general ledger.

7. Expand the **Calculation** FastTab. Verify the fields that control how sales tax amounts will be calculated.

8. On the Action Pane, Select **Sales tax code**.

9. Select **Values**

10. In the **Value** field type 7.27.

11. Select **Save**

12. Close the page

13. Select **Save**

14. Close the page

3.33.5 Set up sales tax groups and item sales tax groups

1. Navigate to **Tax > Indirect taxes > Sales tax > Sales tax groups**.

2. Select **New**

3. In the **Sales tax group** field, type **DynSTG**.

4. In the **Description** field, type **Demo Sales tax group**.

5. Expand the **Setup** section.

6. Select **Add**

7. In the **Sales tax code** field, select **DynSTC**.

8. Select **Save**

9. Close the page

10. Navigate to **Tax > Indirect taxes > Sales tax > Item sales tax groups**.

11. Select **New**

12. In the **Item sales tax group** field, type **DynISTG**.

13. In the **Description** field, type **Demo Item sales tax group**.

14. Select **Add**

15. In the **Sales tax code** field, type **DynSTC**.

16. Select **Save**

17. Close the page

3.33.6 Set up sales tax reporting codes

1. Navigate to **Tax > Setup > Sales tax > Sales tax reporting codes**.

2. Select **New**

3. In the Report layout field select **U.S. report layout**.

4. In the **Reporting code** field type **102020.**

5. In the **Report text** field, enter a description to display on reports such as **Dynamics 365 Sales Tax Demo**.

6. In the **Brief description** field, enter a description for internal purposes such as **Demo Sales Tax**.

7. Select **Save**

8. Close the page

3.33.7 Set up withholding tax

1. Navigate to **Tax > Indirect taxes > Withholding tax > Withholding tax codes**.

2. Select **New**

3. In the **Withholding tax code** field, type **DynWH**.

4. In the **Withholding tax name** field, enter **Demo withholding tax code**.

5. In the **Main account** field, select the main account **200180** for posting the withholding tax liability.

6. Select **Save**

7. Select **Values**

8. In the **Value** field, enter a percentage used for the calculation of the withholding tax. For example, type **31**.

9. Select **Save**

10. Close the page

11. Select **Save**

12. Close the page

13. Navigate to **Tax > Indirect taxes > Withholding tax > Withholding tax groups**.

14. Select **New**

15. In the **Withholding tax group** field, enter **DynWHG**.

16. In the **Description** field, enter **Demo withholding tax group**.

17. In the **Withholding tax code** field, select **DynWH**.

18. Select **Save**

19. Close the page

3.33.8   View posted sales tax transactions

You can view posted sales tax transactions from various page depending on what you need to view.

1. Navigate to **Tax > Inquiries and reports > Sales tax inquiries > Posted sales tax**.

2. View the results

3. Close the page

4. Navigate to **Tax > Indirect taxes > Sales tax > Sales tax settlement periods**.

5. Expand the **Period intervals** section.

6. Select the interval you are interested in to display posted sales tax transactions for the selected settlement period interval. You can further filter the list of posted sales tax transactions.

7. Select the **Posted sales tax** button.

8. View the results

9. Close the page

10. Navigate to **Tax > Indirect taxes > Sales tax > Sales tax codes**.

11. On the Action Pane, select **Sales tax code**.

12. Select **Posted sales tax**.

13. View the results.

14. Close the page

3.34   lab: title: 'Exercise 1: Configure Terms of payment' module: 'Module 3: Implement and manage shared configuration for AP and AR'

3.35   Exercise 1: Configure Terms of payment

1. Navigate to **Accounts receivable > Payments setup > Terms of payment**.

2. Select **New**.

3. In the **Terms of payment** field, type 'Net 45'.

4. In the **Description** field, type 'Net 45 days'.

5. In the **Days** field, enter '45'.

6. In the **Payment type** field, in the **Other** section, select 'Credit card'.

7. In the **Credit check** field, select 'Bypass credit check'.

8. Select **Save**.

9. Select **New**.

10. In the **Terms of payment** field, type 'Collect on delivery'.

11. In the **Description** field, type 'Collect on delivery'.

12. In the **Payment method** field, select 'COD'.

13. Select **Yes** in the **Certified company check** field.

14. Select **Save**.

15. Navigate to **Accounts payable > Payments setup > Terms of payment**.

16. Verify the terms of payments you just created.

17. Close all forms.

3.36 lab: title: 'Exercise 2: Configure Payment Schedule' module: 'Module 3: Implement and manage shared configuration for AP and AR'

3.37 Exercise 2: Configure Payment Schedule

1. Navigate to **Accounts payable > Payment setup > Payment schedules**.

2. Select **New**.

3. In the **Payment schedule** field, type '3M'.

4. In the **Description** field, type 'Installment payment over three months'.

5. In the **Allocation** field, select 'Specified'.

6. In the **Payment per** field, select 'Months'.

7. Select **Add** in the **Payment lines** section.

8. Note the **Number of periods after due date** is defaulted to 0.

9. Set **Percent** or amount value to '15.00'.

10. Select **Add**

11. In the **Number of periods after due date** field, enter '1'.

12. Set **Percent or amount** value to '50.00'.

13. Select **Add**.

14. In the **Number of periods after due date** field, enter '2'.

15. Set **Percent** or amount value to '35.00'.

16. Select **Save**.

17. Navigate to **Accounts receivable > Payments setup > Payment schedules**.

18. Verify the payment schedule you just created.

19. Close all forms.

3.38 lab: title: 'Exercise 3: Configure cash discounts' module: 'Module 3: Implement and manage shared configuration for AP and AR'

3.39 Exercise 3: Configure cash discounts

Contoso Pharmaceuticals (CPHQ) obtains a cash discount if it pays vendor invoices or offer discount to its customers within certain dates. CPHQ has set up the following codes:

- 5D10% - cash discount of ten percent when the amount is paid within five days.

- 10D5% - cash discount of five percent when the amount is paid within ten days.

- 14D2% - cash discount of two percent when the amount is paid within fourteen days.

1. Navigate to **Accounts receivable > Payments setup > Cash discounts**.

2. Select **New**.

3. In the **Cash discount** field, type '5D10%'.

4. In the **Description** field, type '10 percent within 5 days'.

5. In the **Main account for customer discounts** field, specify the values '520201'.

6. In the **Discount offset accounts** field, select 'Use Main account for vendor discounts'.

7. In the **Main account for vendor discounts** field, specify the values '520200'.

8. Select **New**.

9. In the **Cash discount** field, type '10D5%'.

10. In the **Description** field, type '5 percent over 10 days'.

11. In the **Main account for customer discounts** field, specify the values '520201'.

12. In the **Discount offset accounts** field, select 'Use Main account for vendor discounts'.

13. In the **Main account for vendor discounts** field, specify the values '520200'.

14. Select **Save**.

15. Select **New**.

16. In the **Cash discount** field, type '14D2%'.

17. In the **Description** field, type '2 percent within 14 days'.

18. In the **Main account for customer discounts** field, specify the values '520201'.

19. In the **Discount offset accounts** field, select 'Use Main account for vendor discounts'.

20. In the **Main account for vendor discounts** field, specify the values '520200'.

21. Select the record on the left for cash discount 5D10%.

22. In the **Next discount code** field, enter or select 10D5%.

23. Select **Save**.

24. Select cash discount 10D5%.

25. In the **Next discount code** field, enter or select 14D2%.

26. Select **Save**.

27. Close the page.

28. Navigate to **Accounts payable > Payment setup > Cash discounts**.

29. Verify the cash discounts you just created.

30. Close the page.

3.40 lab: title: 'Exercise 4: Create a payment calendar' module: 'Module 3: Implement and manage shared configuration for AP and AR'

3.41 Exercise 4: Create a payment calendar

3.41.1 Set up a payment calendar

1. Select Accounts payable > Payment **setup** > Payment calendar or select Accounts receivable > Payments setup> Payment calendar.

2. Select New.

3. In the Payment calendar field, enter the name of the payment calendar.

4. To create a calendar for a specific country or region, select the Location calendar slider bar. Then, select the country or region in the Country/region field.

5. In the Standard business week field group, select the business days in a standard work week.

6. In the Filter to calendar year field, enter the fiscal year to create the payment calendar for.

7. To specify exception dates for the calendar year, select Add. In the Date field, select the date.

8. In the Type field, specify whether the exception date is a business day or a holiday

3.41.2 Configure payment calendar rules

1. Select Accounts payable > Payment **setup** > Payment calendar configuration or select Accounts receivable > Payments setup > Payment calendar configuration.

2. Select New.

3. In the Rule name field that is displayed, enter an identifier for the rule.

4. In the Rule type field, select one of the following types:

- Specific – Create a payment calendar rule for a specific combination of the method of payment and terms of payment. When you select this type of rule, the Method of payment and Terms of payment fields are displayed. You can use all combinations or a specific combination of the method of payment and terms of payment for the rule.

- Customer/vendor location – Create a payment calendar rule for a specific country or region. When you select this type of rule, the Customer - location or Vendor location field group is displayed. Location information will be retrieved from the documents in the order in which you arrange the documents in the list that is displayed. You can select Move up and Move down to arrange the documents.

- Company location – Create a payment calendar rule for the primary address that is specified for the legal entity.

5. Select Create rule.

6. In the Define rules area, select Active to use the rule for the selected payment calendars. The rule becomes active when you close the form.

7. Select a **Payment calendar**.

8. In the Prioritize rules tab, select the rule and then select Move up or Move down to move the rule up or down in the list.

9. If you are setting up a payment calendar rule for a country or region, in the Select calendars area, select the check box for each calendar that you want the rule to apply to.

3.42 lab: title: 'Exercise 5: Configure Payment fees' module: 'Module 3: Implement and manage shared configuration for AP and AR'

3.43 Exercise 5: Configure Payment fees

3.43.1 Set up vendor payment fees. This task uses the USMF demo company.

1. Navigate to **Accounts payable > Payment setup > Payment fee**.

2. Select **New**.

3. In the **Fee ID** field, type a value. This field should describe when this fee will be used, such as "EFT_Fee".

4. In the **Name** field, type a value.

5. In the Fee description field, type a value. This description to provide more detail on when the fee is assessed.

6. In the **Charge** field, select either **Vendor** or **Ledger**. **Ledger** is used when the fee will be expensed to your organization. **Vendor** is used when the fee will be assessed to the vendor.

7. Enter a main account for where the fee will be expensed. This option is only available when selecting Ledger as the Charge option.

8. Select the journal on which this fee can be used. For a vendor payment fee, you would select the journal 'Vendor disbursement.'

9. Select **Save**.

10. Select **Payment fee setup** to define when the fee should default onto the journal you selected.

11. Select either **Table**, **Group** or **All**. **Table** is used to select a single bank account, **Group** is used to select a bank group, and **All** is to use this fee setup for all bank accounts

12. Select either a bank group or a bank account. The lookup will show bank group if you selected Group, and will show bank accounts if you selected Table.

13. Select the **Method of payment** for when this fee will be assessed.

14. Select the **Payment specification** for the selected method of payment. The **Payment specification** is used with electronic fund transfer methods of payment.

15. Select whether the fee is a percentage, amount or interval.

16. Enter the percentage or amount of the fee. If the **Fee** is a percentage, enter the percentage. If the Fee is an amount, enter the amount of the fee. If the Fee is an interval, use the Interval tab to defined the tiered fees.

17. In the Fee currency field, select the currency in which the fee will be assessed. This currency is for the fee. The payment currency is used to define when the fee rule should be assessed based on the payment's currency. For example, your bank may charge a fee when a payment is made in **EUR**, but all other payments aren't assessed a fee.

18. Select **Save**.

3.43.2 Set up Customer payment fees. This task uses the USMF demo company.

1. Navigate to **Accounts receivable > Payments setup > Payment fee**.

2. Select **New**.

3. In the **Fee ID** field, type a value. This field should describe when this fee will be used, such as "Wire".

4. In the **Name** field, type a value.

5. In the **Fee description** field, type a value. This description provides more detail on when the fee is assessed.

6. In the **Charge** field, select either **Customer** or **Ledger**. **Ledger** is used when the fee will be expensed to your organization. **Customer** is used when the fee will be assessed to the Customer.

7. Enter a main account for where the fee will be expensed. This option is only available when selecting Ledger as the Charge option.

8. Select the journal on which this fee can be used. For a Customer payment fee, you would select the journal 'Customer payment.'

9. Select **Save**.

10. Select **Payment fee setup** to define when the fee should default onto the journal you selected.

11. Select either **Table**, **Group** or **All**. **Table** is used to select a single bank account, **Group** is used to select a bank group, and **All** is to use this fee setup for all bank accounts.

12. Select either a bank group or a bank account. The lookup will show bank group if you selected Group, and will show bank accounts if you selected Table.

13. Select the **method of payment** for when this fee will be assessed.

14. Select the **Payment specification** for the selected method of payment. The **Payment specification** is used with electronic fund transfer methods of payment.

15. Select whether the fee is a percentage, amount or interval.

16. Enter the percentage or amount of the fee. If the **Fee** is a percentage, enter the percentage. If the Fee is an amount, enter the amount of the fee. If the Fee is an interval, use the Interval tab to defined the tiered fees.

17. In the **Fee currency** field, select the currency in which the fee will be assessed. This currency is for the fee. The payment currency is used to define when the fee rule should be assessed based on the payment's currency. For example, your bank may charge a fee when a payment is made in **EUR**, but all other payments aren't assessed a fee.

18. Select **Save**.

3.44 lab: title: 'Exercise 1: Configure Method of Payment' module: 'Module 4: Implement and manage accounts payable'

3.45 Exercise 1: Configure Method of Payment

1. Navigate to **Accounts payable > Payment setup > Methods of payment**.
2. Select **New**.
3. In the **Method of payment** field, enter **'EP'**.
4. In the **Period** field, select **'Week'**.
5. In the **Description** field, enter **'Electronic payment weekly'**.
6. In the **Grace period** field, enter '2'.
7. In the **Payment status** field, select **'Approved'**.
8. In the **Payment type** field, select **'Electronic payment'**.
9. In the **Account type** field in the General section, select **'Bank'**.
10. In the **Payment account** field, specify the values **'USMF OPER'**.
11. In the **Bank transaction type** field select **02 Deposit-Electronic**.
12. Expand the **File formats** section.
13. Select **Setup**.
14. Select **HSBC Distribution Format (CA)**.
15. Select **à** to add **HSBC Distribution Format (CA)** to Selected area.
16. Select **Save**.
17. Close the page.
18. In the **Export format** field, enter or select **HSBC Distribution Format (CA)**.
19. Select **Save**.
20. Select **Payment specification**.
21. In the **Payment specification** field, enter **'EPS'**.
22. In the **Description** field, enter **'Electronic Payment Specification'**.
23. In the **Export format** field, enter or select **HSBC Distribution Format (CA)**.
24. Select **Save**.
25. Close all pages.

3.46 lab: title: 'Exercise 2: Create Vendor group and vendor' module: 'Module 4: Implement and manage accounts payable'

3.47 Exercise 2: Create Vendor group and vendor

Note: You need to complete Exercise 1.

1. Create a new vendor group:

   a. Navigate to **Accounts payable > Vendors > Vendor groups**.

   b. Select **New**.

   c. In the **Vendor group** field, enter **'69'**.

   d. In the **Description** field, enter **'Consulting vendors'**.

   e. In the **Terms of payment** field, enter or select **Cash.**

   f. Select **Save**.

g. Close the page.

2. Create a new vendor:

   a. Navigate to **Accounts payable > Vendors > All vendors**.

   b. Select **New**.

   c. In the **Vendor account** field, enter **'US-0069'**.

   d. In the **Name** field, enter **Adventure Works Blue Yonder**.

   e. In the **Search name** field, enter **'Adventure Works Blue'**.

   f. In the **Group** field, enter or select **69** Consulting vendors

   g. Expand the **Payment** section.

   h. In the **Method of payment** field, enter or select **EP Electronic payment weekly**.

   i. Select **Bank accounts** at the top in the Vendor > Set up group.

   j. Select **New**.

   k. In the **Bank account** field, enter **'BlueB1'**.

   l. In the **Name** field, enter **'Bank of Blue'**.

   m. In the **Routing number** field, enter **'123456'**.

   n. In the **Bank account number** field, enter **'9878986844442020'**.

   o. Select **Save**.

3. Close all pages.

3.48   lab: title: 'Exercise 3: Create and configure vendor posting profile' module: 'Module 4: Implement and manage accounts payable'

3.49   Exercise 3: Create and configure vendor posting profile

Note: You need to complete Exercise 2

1. Navigate to **Accounts payable > Setup > Vendor posting profiles**.

2. Select **New**.

3. In the **Posting profile** field, enter **'APVP'**.

4. In the **Description** field, enter **'AP Vendor Posting profile'**.

5. Add a Table setup:

   a. Select **Add**.

   b. In the **Account/Group number** field, enter or select **US-0069** Adventure Works Blue Yonder.

   c. In the **Summary account** field, specify the values **'200100'**.

   d. In the **Liquidity account for payments** field, specify the values **'110110'**.

   e. Select **Add**.

   f. In the **Account code** field, select **'Group'**.

   g. In the **Account/Group** number field, enter **'40'**.

   h. In the **Summary account** field, specify the values **'200110'**.

   i. In the **Liquidity account for payments** field, specify the values **'110110'**.

   j. In the **Arrival** field, specify the values **'200130'**.

   k. In the **Offset account** field, specify the values **'200125'**.

6. Add a Group setup:

   a. Select **Add**.

   b. In the **Account code** field, select **'Group'**.

   c. In the **Account/Group** number field, enter **'50'**.

   d. In the **Summary account** field, specify the values **'200100'**.

   e. In the **Liquidity account for payments** field, specify the values **'110110'**.

7. Add an All setup:

   a. Select **Add**.

   b. In the **Account code** field, select **'All'**.

   c. In the **Summary account** field, specify the values **'200100'**.

   d. In the **Liquidity account for payments** field, specify the values **'110110'**.

   e. In the **Arrival** field, specify the values **'200130'**.

   f. In the **Offset account** field, specify the values **'200125'**.

   g. Select **Save**.

   h. Close the page.

8. Navigate to **Accounts payable > Setup > Accounts payable parameters**.

9. Select the **Ledger and sales tax** tab.

10. In the **Posting profile** field, enter or select **APVP**.

11. Select **Save**.

12. Close all pages.

3.50 lab: title: 'Exercise 4: Record vendor invoice and match against received quantity' module: 'Module 4: Implement and manage accounts payable'

3.51 Exercise 4: Record vendor invoice and match against received quantity

The goal of the lab exercise is to apply the knowledge we've learned regarding the Use reversals in Accounts payable.

3.51.1 Scenario

When you receive an invoice from a vendor for goods or services on a purchase order, the business processes might require that the goods or services be received before the invoice can be approved for payment. Before you begin, make sure that the Invoice matching configuration key is selected.

In the Accounts payable parameters page, ensure that the Enable invoice matching validation option is selected, the Post invoice with discrepancies field is set to Require approval, and the Line matching policy field is set to Three-way matching.

This procedure uses the USMF demo company. The accounts payable manager or accounting manager role would perform these steps.

3.51.2 Create a purchase order

1. Navigate to **Accounts payable > Purchase orders > All purchase orders**.

2. Select **New**.

3. In the **Vendor account** field, select the drop-down button to open the lookup.

4. Select **US-103 Rain Projectors**.

5. Select **OK**.

6. Make a note of the **purchase order number**, you will need this for Exercise 5.

7. Navigate to the **Purchase order lines** section.

8. In the Item number field, select **A0001**.

9. Select a **Warehouse**.

10. In the **Quantity** field enter **60**.

11. In the Line details section Product tab, select a **Location** if there isn't one.

12. On the Action Pane, select **Purchase**.

13. Select **Confirm**.

3.51.3 Post a product receipt

14. On the Action Pane, select **Receive**.

15. Select **Product receipt**.

16. In the **Product receipt** field, enter **RainPR1**.

17. Select **OK**.

Record and match a vendor invoice to a product receipt

18. On the Action Pane, select **Invoice**.

19. Select **Invoice**.

20. In the Number field, enter **RainInv1**.

21. Select **Default from**: to open the drop dialog.

22. In the **Default quantity** for lines field, select **Product receipt quantity**.

23. Select **OK**.

24. If you get a message indicating that "**If you change this setting, unsaved changes that you made to the lines in this form will be discarded. If the invoice is on hold or in a pending state, the saved changes will not be affected. Are you sure that you want to change this setting?**" select **Yes**.

25. Select **Match product receipts**.

26. Verify the status of **Match product receipts to invoice**.

27. Select **OK**.

28. On the Action Pane, select **Review**, perhaps in the ellipsis.

29. Select **Matching details**.

30. Verify results.

31. Do NOT **Post** the invoice.

32. Close all pages.

3.52 lab: title: 'Exercise 5: Use the vendor invoice matching policy' module: 'Module 4: Implement and manage accounts payable'

3.53 Exercise 5: Use the vendor invoice matching policy

You must have completed exercise 4. This exercise will help you create a vendor invoice from a purchase order and view the results of matching the purchase order, receipt, and invoice (Three-way matching).

3.53.1 Create a purchase order and change the line matching policy

1. Navigate to **Accounts payable > Purchase orders > Purchase orders received but not invoiced**.

2. Select the purchase order that you created. You have made a note of the purchase order number in exercise 4.

3. On the Action Pane, select **Invoice**.

4. Select **Invoice**.

5. In the **Number** field, verify the value **RainInv1** is saved from exercise 4. This can be modified.

6. In the **Invoice description** field, enter **Invoice matching demo**.

7. In the **Invoice date** field, enter today's date, or enter 't' and tab for it to fill today.

8. In the **Unit price** field in the **Lines** section, enter 1200.

9. Select **Add line**.

10. In the **Item number** field, select the drop-down button to open the lookup.

11. In the list, find the **item number** S0001 installation service.

12. Note the **Match status** field. The matching has not been performed.

13. Select **Update match status**. Note the **Match status** field, the status is failed.

14. On the Action Pane, select **Review**.

15. Select **Matching details**. The new line with services does not need to be matched so the status stays "Not performed". Also, A0001 has a price discrepancy.

16. Close the form.

17. Select the invoice line for item A0001 that you have received. The line with the product receipt was matched but there is a mismatch of quantity or price, so it fails.

18. In the **Unit price** field, **12**.

19. Select **Update match status**.

20. Now that the unit price matches, the **Match status** field is updated to **Passed**. If your policy allows discrepancies or if matching is only a warning, you can still post the invoice.

21. Select **Post**.

22. The page automatically closes.

23. Note that the purchase order is no longer listed in **Purchase orders received but not invoiced** list page since it has been now posted.

3.54 lab: title: 'Exercise 6: Record invoice by using Invoice register, approval and Invoice journals' module: 'Module 4: Implement and manage accounts payable'

3.55 Exercise 6: Record invoice by using Invoice register, approval and Invoice journals

The following steps show you how to use the invoice register to create invoices and then use the approval journal to update the expense accounts.

3.55.1 Create and post and invoice

1. In **USMF**, navigate to **Accounts payable > Invoices > Invoice register**.

2. Select **New**.

3. Select the name of the invoice register that you want to use.

4. Select **Lines** to open the register and enter expense lines.

5. Select a vendor. For example, enter or select **US-104**.

6. In the **Invoice** field, enter a value.

7. In the **Description** field, enter a value.

8. In the **Credit** field, enter a number.

9. In the **Approved by** field in the **Invoice** section, select the drop-down button to open the lookup.

10. Highlight an approver and select **Select** to select that approver.

11. Select **Post**.

12. Close all pages.

3.55.2 Approve an invoice

1. Navigate to **Accounts payable > Invoices > Invoice approval**.

2. Select **New**.

3. Select the name of the invoice approval journal that you want to use.

4. Select lines to display a page where you will be able to select the invoices that you want to approve.

5. Select **Find Vouchers** to display all of the invoices that are ready for approval.

6. Mark the invoice that you created, ensuring that the checkmark is on the left.

7. Select **Select**. The vouchers that you selected above are moved to this list after you select them.

8. Select **OK**.

9. Select the **account number** field to add an expense account to the invoice.

10. Enter an account number and tab off of the field. For example, enter 600120.

11. Select **Post**.

12. Select **Voucher** from the middle section to view the entries that were posted. The Invoice Pending Approval account is reversed and replaced with the actual expense account.

13. Close all pages.

Record a vendor invoice in the invoice journal

Let's now see how to record vendor invoices that are not associated with purchase orders. Examples of this type of invoice include expenses for supplies or services. This recording uses the USMF demo company.

1. Navigate to **Accounts payable > Workspaces > Vendor invoice entry**.

2. Select **New invoice journal**.

3. Select **New**.

4. In the **Name** field, enter the journal name or select the drop-down button to open the lookup.

5. In the **Description** field, enter a value.

6. Select **Lines**.

7. In the **Date** field, enter the posting date that will update General Ledger.

8. In the **Account** field, specify the **Vendor account**.

9. In the **Invoice** field, enter the invoice number.

10. In the **Description** field, enter a value.

11. In the **Credit** field, enter a number.

12. In the **Offset account** field, select an expense account number.

13. The Sales tax group will default from the vendor account.

14. The Item sales tax group will default from the main account specified in the Offset account field.

15. The Due date will be calculated based on the Terms of payment.

16. The Cash discount will default from the Vendor account.

17. Select **Post**.

18. Close the page.

3.56 lab: title: 'Exercise 7: Process Vendor payment by using a Payment journal' module: 'Module 4: Implement and manage accounts payable'

3.57 Exercise 7: Process Vendor payment by using a Payment journal

Sometimes you might make a payment to a vendor that is less than the amount of an invoice. This article describes the various options for handling this situation. The options that are available to you depend on your business requirements and configuration.

This task guide will walk you through various methods used to create vendor payments, including how to use a payment proposal or manually enter a one-off payment. This procedure uses the USMF demo company.

1. Navigate to **Accounts payable > Payments > Vendor payment journal**.

2. Select **New**.

3. Select the payment journal in which to save the vendor payments.

4. Select the journal **Name** or manually enter it.

5. Select **Lines**.

6. Select **Payment proposal**.

7. Select **Create payment proposal**. The payment proposal is a query used to select invoices for payment. You can edit the list of invoices to pay before creating or generating the vendor payments.

8. **Select invoices** for payment **by** due date, cash discount, or both.

9. Enter the date for comparing to the due date or cash discount.

10. **Optional**: Enter a payment date used for all payments. The date entered here will be the payment date for all payments created, regardless of the due date or cash discount date.

11. **Optional**: Enter a **minimum payment date** which may be used as the payment date. The **minimum payment date** will be the earliest date used when creating payments. For example, if an invoice has a due date after the minimum payment date, the due date will become the payment date instead of the minimum payment date in order to pay the invoice on the latest possible date.

12. Enter additional query restrictions under **Records to include**. The filter is often used to restrict the invoices selected for payment by vendor group or method of payment. For example, you may add a filter to only pay invoices by check in this pay run.

13. Enter additional query restriction or payment defaults. The additional parameters can be used to define the payment currency or to enable centralized payments for this pay run.

14. Select **OK**. After selecting **OK**, the results of the query will appear. If you don't want to preview the list of invoices selected to pay, you can go back to the Parameters fast tab and change the setting **Create payments without invoice preview** = Yes.

15. Choose the **Show payment overview** button to view the payments that will be created for the vendor on the invoice selected.

16. Choose the **Hide payment overview** button to hide the payments.

17. Select **Create payments**. Before choosing Create payments, you can right select the grid and export the list of invoices to Excel. The Create payments button will create the vendor payments in the payment journal.

18. Scan your payments and make sure the method of payment is defined for all payments. If you generate the payments, such as printing a check or creating an electronic payment, the method of payment must be defined. The method of payment will also default from the bank account from the payment will be made.

19. Select **New** to create a one-off payment. A one-off payment can be added to a payment journal at any time prior to posting. This is done by selecting the New button and adding the payment information manually, rather than using the Payment proposal.

20. Select the vendor to whom the payment will be made.

21. If an invoice exists to pay, select **Settle transactions** to select the invoice for payment. If this is a prepayment, this step is optional. You can create the payment without selecting any invoices.

22. Mark any invoices that will be paid. If you use the Settle transactions to select the invoices for payment, the payment amount will automatically be calculated based on what invoices you mark for payment, and what amount you enter in the Amount to settle.

23. Select **OK**.

24. If you want to delete a payment, mark the row.

25. Select **Delete**. Deleting a payment will only delete the payment. Any invoices marked for payment will still be available to be paid by another payment.

26. Select **Yes**.

27. Choose **Generate payments** to print Checks or create the electronic payment file.

28. Select the method of payment that you want to generate. The payment journal can contain payments for both Checks and electronic payments, but you can only generate one payment type at a time.

29. Select the bank account from which to generate the payments.

30. Select **OK**. Payments will only be generated for payments that match the Method of payment and Bank account you selected.

31. If you are generating Checks, choose Document to ensure the correct print destination for the Checks.

32. Select **OK**.

33. Select **OK** to generate the payments.

34. Select Post if all the payments are approved and generated.

3.58 lab: title: 'Exercise 8: Configure vendor collaboration' module: 'Module 4: Implement and manage accounts payable'

3.59 Exercise 8: Configure vendor collaboration

Verify External Roles

1. In **USMF**, navigate to **System administration > Security > External roles**

2. Verify that **Vendor (external)** and **Vendor admin (external)** roles are listed.
   Navigate to **Procurement and sourcing > Vendors > All vendors**

3. Select the vendor 1001 link to open the details page.

4. In the **Collaboration activation** field in the **General** section, select **Active (PO is not auto-confirmed)**

5. Select **Add contacts** from the action pane under Vendor, Set up, Contacts

6. In the **First name** field select **Alex Darrow**

7. Select **Save**.

8. Select **Provision vendor user** under Contact, Requests

9. Setup an email alias.

10. Enter **Demo vendor collaboration** in the **Business justification** field.

11. Select **Vendor collaboration access allowed** check box in the **Legal entities the person is a contact for** section.

12. In the **Assign user roles** section, check the box for **Assign** next to Maintains vendor documents and responds to vendor inquiries in the vendor collaboration interface.

13. Select **Submit.**

Note: a workflow step Azure B2B can be used to communicate to the Azure portal to create a user account, and add this as a guest user, so that the user later can be authenticated and log into Dynamics 365 – or if the email is already recognized as an existing Azure user add this user as guest user.

3.60 lab: title: 'Exercise 9: Manage charges' module: 'Module 4: Implement and manage accounts payable'

3.61 Exercise 9: Manage charges

3.61.1 Create a Charges Code

You are the Accounts Payable Coordinator at Contoso Entertainment Systems USA, and you must create a new charges code for transport charges that will be added to various items and charged by the vendor.

Create a new charge for transportation fees with the following specifications:

- Name of the charges code: TRANSTO

- Description: Transportation Fee to our sites

- Account: 411400

This fee does not require an item sales tax group.

3.61.2 Create a charges code.

1. Navigate to **Accounts payable > Setup > Charges setup > Charges code**.

2. Select **New**.

3. Charges code: Enter **TRANSTO.**

4. Description: Enter **Transportation Fee to our sites**.

5. Change to the **Debit** section in the **Posting** FastTab.

6. **Type**: Select **Ledger account.**

7. **Posting**: Select **Payment fee.**

8. **Account**: Select **411400.**

9. Change to the **Credit** section.

10. **Type**: Select **Customer/Vendor.**

11. Select **Save**.

3.61.3 Create a Vendor Charges Group

Vendor Fabrikam has two vendor accounts that we purchase items from. They have decided to add an additional 15 percent freight charges for all our purchase orders.

As the Accounts Payable Administrator, you are asked to set up a new vendor charges group and assign the code to vendors US-101 and US-104. The name of the new charges group is "06" and the description is "Freight 15%".

3.61.4 Create a vendor charges group.

1. Navigate to **Accounts payable > Setup > Charges setup > Vendor charges group**.
2. Select **New**.
3. Charges group: Enter **06**.
4. Description: Enter **Freight 15%**.
5. Select **Save**.

3.61.5 Update vendors to use the new vendor charges group.

1. Navigate to **Accounts payable > Vendors > All vendors**.
2. Open the vendor record for vendor **US-101** (Fabrikam Electronics).
3. Select **Edit**.
4. Open the **Purchase order defaults** FastTab.
5. Charges group: Select **06** (Freight 15%).
6. Select **Save**.
7. Close the vendor record.
8. Open the vendor record for vendor **US-104** (Fabrikam Supplier).
9. Select **Edit**.
10. Open the **Purchase order defaults** FastTab.
11. Charges group: Enter or select **06** (Freight 15%).
12. Select **Save**.
13. Close the vendor record.

3.61.6 Create an Item Charges Group

Because of the large quantity and weight of items bought, Datum Receivers (US-105) applies a 15 percent freight charge for all orders.

3.61.7 Create an item charges group.

1. Navigate to **Accounts payable > Charges setup**, and then to **Item charge groups**.
2. Select **New**.
3. Charges group: enter **123**.
4. Description: enter **15% Freight Charge**.
5. Select **Save**.

3.61.8 Create an Automatic Charge

You have a certain set of charges that apply on all purchases from certain vendors.

Set up an automatic charge that will apply automatically to all purchases, where it will charge 15% delivery charge to all orders at the line level and applies for only a certain vendor charges group (06) and a certain item charges group (123).

1. Navigate to **Accounts payable > Charges setup**, and then to **Automatic charges**.
2. **Level**: Select **Line**.
3. Select **New**.
4. **Account code**: select **Group**.
5. **Vendor relation**: select **06** (Freight 15%)
6. **Item code**: select **Group**.

7. **Item Relation**: select **123** (15% Freight Charge).

8. Select **Save**.

9. In the **Lines** FastTab Charges code: select **TRANSTO** (Transportation Fee).

10. Category: select **Percent**.

11. Charges value: enter **15.00**.

12. Select **Save**.

3.61.9 How to: Create charges groups for vendors.

1. Select **Accounts payable > Charges setup > Vendor charges group**.

2. In the **Charges group** field, enter a code for the charges group. The code can contain both letters and numbers.

3. In the **Description** field, enter a description of the charges group.

4. Close the form to save your changes.

3.61.10 How to: Create item charges groups

1. Select **Accounts payable > Charges setup > Item charge groups**.

2. Select **New** to create an item charges group.

3. In the **Charges group** field, enter a code for the group. The code can be alphanumeric.

4. In the **Description** field, enter a description for the group.

5. Close the form to save your changes.

3.61.11 How to: Define auto charges

1. Select **Accounts payable > Charges setup > Auto charges**.

2. Select **New** to define a new auto charge.

3. In the **Level** field, select the level to apply the auto charge to from the following values: **Main** which applies charges to the order header, and **Line** that apply charges to the order lines.

4. Select an account in the **Account code** field to be **Table**, to assign charges to a specific vendor, **Group** to assign charges to a miscellaneous charges group, or **All** which assigns charges to all vendors.

5. In the **Vendor relation** field, select a specific vendor if you selected **Table**, or select a vendor charges group if you selected **Group**.

6. In the **Item code** field, select an item code. You can select an item code only when you define auto charges at the lines level. If you choose **Table** system assigns charges to a specific item, or **Group** to assign charges to an item charges group, or **All** to assign charges to all items.

7. In the **Item relation** field, select a specific item if you selected **Table**, or select an item charges group if you selected **Group**.

8. Expand the **Lines** FastTab to define the charges and the charges rates to use when the current auto charge is applied.

9. In the **Currency** field, select the currency to use to calculate the charge.

10. In the **Charges code** field, select the code for the charge.

11. Specify how to calculate the charge in the **Category** field and enter a value in the **Charges value** field.

3.62 lab: title: 'Exercise 1: Create an Expense Category' module: 'Module 5: Implement and manage expense management'

3.63 Exercise 1: Create an Expense Category

Contoso Consulting USA (USSI) has decided to track Expenses for internet and phone use. To do this they have decided to create a category called internet and phone and will be tracked as a miscellaneous expense type with a default method of payment of Company Credit Card. These expenses should be posted to the account 601500, travel expenses. This expense is a shared category and can be used in project and expense.

3.63.1 Create a shared expense category called internet and phone and assign miscellaneous as the expense type.

1. Navigate to **Expense management > Setup > General > Shared categories**.

2. Select **New** to create a new expense category and then type "**Internet and Phone**" as the **Category ID** and **Category name**.

3. Set the **Can be used in Project** and **Can be used in Expense** to **Yes**.

4. Select **Miscellaneous** as the **Expense type** and select **Save**.

5. Close the form.

6. Navigate to **Expense management > Setup > General > Expense categories**.

7. Select **New** and then select Internet and Phone as the **Category ID**.

8. On the **Project** FastTab, select **ProjExp** as the **Category group** for this expense category.

9. On the **Expense** FastTab, select **COMPANYCC** as the **Default payment method** if available, otherwise CreditCard.

10. Select **601500** in the **Main account** field for this category.

3.64 lab: title: 'Exercise 2: Create an Expense Policy' module: 'Module 5: Implement and manage expense management'

3.65 Exercise 2: Create an Expense Policy

You are an employee with Contoso Consulting USA (USSI) and are in charge of the travel and expense process. The company has decided to create a new policy for the Contoso USSI organization called, **Meals Policy West**.

The policy specifies that for all meal values greater than or equal to $50.00 USD, the employee must enter a justification before they submit the expense. Add the following message to the policy:

"Overwrite any other message that may be there: Meal expenses over $50.00 USD are against company policy. Enter a justification before submitting."

3.65.1 Create a new policy named, Meals Policy West

1. Navigate to **Expense management > Setup > Policies > Expense report**.

2. Select **New** to create a new policy.

3. In the **Name** field, type "Meals Policy West".

4. In the Description field, type "Meals over $50.00 USD".

3.65.2 Assign the policy to Contoso Entertainment Systems (West)

5. Expand the Policy organizations FastTab.

6. Select the Contoso Consulting USA (USSI).

7. Select Add → to move Contoso Consulting USA (USSI) to the list of Selected organization nodes.

8. Select the Policy organizations FastTab to collapse the FastTab.

3.65.3 Create the policy rules

9. Expand the Policy rules FastTab.

10. Select Meals (0) for the Policy rule type.

11. Select **Create policy rule**.

12. Use the default value in the **Effective date**, **Expiration date**, and **Is inherited?** fields.

13. In the **Where** field for the dropdowns from left to right; select **Amount**, **greater than**, **value**, **50** and **USD**.

14. In the **Do the following** builder, select the drop-down and select the **Do not allow users to submit until they enter a justification** option.

15. In the **Text** field, type "Overwrite any other message that may be there: Meal expenses over $50.00 USD are against company policy. Enter a justification before submitting."

16. Select **OK**.

17. Close the form.

3.66

3.67 lab: title: 'Exercise 3: Create an Audit Policy' module: 'Module 5: Implement and manage expense management'

3.68 Exercise 3: Create an Audit Policy

Cassie, the internal auditor at Contoso determines that a new audit policy must be created for duplicate expense report lines in the USSI company. Duplicate expenses are defined as expenses within a 90-day window where the amount, the category, and the employee are identical.

You will create a policy rule type that will allow you to select the document that you want to audit and the query type you want to apply to that document. After you create the policy rule type, you will create an audit policy in which you will define the criteria for your query and the legal entities that the policy applies. You will then assign the policy to a batch and run it.

As the policy runs, if any violations are found, audit cases will automatically be created and the document(s) that contain the violation will be attached to the audit cases.

3.68.1 Create a new audit policy rule type called, Duplicate expenses.

1. Navigate to **Audit workbench > Setup > Policy rule type**.

2. Select **New**.

3. In the **Rule name** field, type "**My Duplicate expenses policy**".

4. In the **Description** field, type "Audit of duplicate expense lines".

5. Select **Expense report line** in the **Query name** field.

6. Select **Duplicate** in the **Query type** field.

7. Select **Legal entity** in the **Legal entity** field.

8. Select **Modified date and time** in the **Document date reference** field.

9. Close the Policy rule type form.

3.68.2 Create an audit policy

1. Navigate to **Audit workbench > Setup > Audit policies**.

2. Select **New**.

3. Enter "Expense reports USSI" in the **Name** field.

4. Type "Audit expense reports in USSI" in the **Description** field.

5. Expand the **Policy organizations** fast tab.

6. Select Contoso Consulting USA (USSI) in the **Available organization nodes** list.

7. Select **Add** → to place Contoso Consulting USA (USSI) in the Selected organization nodes list.

8. Expand the **Policy rules** fast tab.

9. Select the **Duplicate expenses(0)** rule and select **Create policy rule**.

10. In the Audit policy rule form select the **Filter** button.

11. In the Expense report line form select the **Group by** tab.

12. Select **Add** and in the **Field** drop-down select the **Transaction amount**.

13. Select **Add** and in the **Field** drop-down select **Date approved**.

14. Select **Add** and in the **Field** drop-down select **Expense category**.

15. Select **Add** and in the **Field** drop-down select **Employee**.

16. Select **OK**.

17. On the Audit policy rule form enter **90** in the **Additional days to evaluate for duplicates** field.

18. Select **OK**.

19. Close the form.

3.69 lab: title: 'Exercise 4: Create and Submit an Expense Report' module: 'Module 5: Implement and manage expense management'

3.70 Exercise 4: Create and Submit an Expense Report

You are an employee with Contoso USSI, and have returned from a business trip to Los Angeles, CA, yesterday. You must create an expense report for the amounts incurred.

Use the information provided in the following table to create the expense report for the trip to Los Angeles.

Line	Category	Amount	Currency
1	Flight	424.87	USD
2	Hotel	467.34	USD
3	Meals	189.78	USD

3.70.1 Set up the Los Angeles, CA travel location.

1. Navigate to **Expense management > Setup > General > Optional setup > Travel locations**.

2. Select **New** to create a new location.

3. Type "Los Angeles, CA" in the **Location** field.

4. Type "Los Angeles customer office" in the **Description** field.

5. Close the form.

3.70.2 Create a new expense report based on the scenario.

1. Navigate to **Expense management > My expenses > Expense reports**.

2. Select the **New expense report** button.

3. In the **Purpose** field, select "Conference".

4. In the **Location** field, select "Los Angeles, CA".

5. Select **OK**.

3.70.3 Add the Flight, Hotel, and Meals information to the new expense report.

1. Enter yesterday's date in the **Transaction date**.

2. Select **Flights** in the **Expense category** field.

3. In the **Transaction amount** field, type "424.87".

4. Select **New expense** to create a new line.

5. Enter yesterday's date in the **Transaction date**.

6. Select **Hotel** in the **Expense category** field.

7. In the **Transaction amount** field, type 467.34.

8. Select **New expense** button to create a new line.

9. Enter yesterday's date in the **Transaction date**.

10. Select **Meal** in the **Expense category** field.

11. In the **Transaction amount** field, type "189.78."

12. Select **Save**.

13. Select **Workflow > Submit**.

14. In the Comment box, type "Los Angeles trip expenses," and then select **Submit**.

3.71   lab: title: 'Exercise 1: Configure Method of Payment' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.72   Exercise 1: Configure Method of Payment

1. Navigate to **Accounts receivable > Payments setup > Methods of payment**.

2. Select **New**.

3. In the **Method of payment** field, type **'EPAR'**.

4. In the **Description** field, type 'Electronic payments'.

5. In the **Payment status** field, select 'Approved'.

6. In the **Payment type** field, select 'Electronic payment'.

7. Expand the **General** section, if needed.

8. In the **Account type** field, select 'Bank'.

9. In the **Payment account** field, specify the values 'USMF OPER'.

10. Configure file formats:

    - Expand the **File formats** section.

    - Select **Setup**.

    - Under the **Export** tab In the Export file format Select **NACHA (US)**.

    - Select -> to add.

    - Select the **Import** tab.

    - Select **JBA(JP) - Format A**.

    - Select -> to add.

    - Close the page.

11. In the **Export format** field, enter or select **NACHA (US)**.

12. Configure payment specification:

    - Select **Payment specification** in the action pane at the top.

    - In the **Payment specification** field, type **'EPAR'**.

    - In the **Description** field, type 'Electronic payments'.

- In the **Export format** field, enter or select **Standard NACHA - CCD**.

- Select **Save**.

- Close the page.

13. In the **Import format** field, enter or select **JBA(JP) - Format A**.

14. Select Save.

15. Close the page.

3.73 lab: title: 'Exercise 2: Create a new customer group and customer' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.74 Exercise 2: Create a new customer group and customer

Note: You need to complete Exercise 1

1. Create a customer group:

   - Navigate to **Accounts receivable > Setup > Customer groups**.

   - Select **New**.

   - In the **Customer group** field, type '17'.

   - In the **Description** field, type **'Dynamics 365 Customers'**.

   - In the **Terms of payment** field, enter or select **Cash**.

   - In the **Default write-off reason** field, select **GOODWILL**.

   - Select **Save**.

   - Close the page.

2. Create a customer:

   - Navigate to **Accounts receivable > Customers > All customers**.

   - Select **New**.

   - In the **Customer account** field, type 'US-0017'.

   - In the **Name** field, type 'Dynamics 365 Customer1'.

   - In the **Customer group** field, enter or select **17**.

   - Select **Save**.

3. Enter customer details:

   - In the **Method of payment** field, in the Payment defaults FastTab, enter or select **EPAR**.

   - Select **Save**.

   - On the Action Pane, select **Customer**.

   - Select **Bank accounts**.

   - Select **New**.

   - In the **Bank account** field, type 'CustomerB1'.

   - In the **Name** field, type 'Customer's bank'.

   - In the **Bank account number** field, type '123456'.

   - Select **Save**.

   - Close all pages.

3.75 lab: title: 'Exercise 3: Configure and maintain customers' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.76 Exercise 3: Configure and maintain customers

The goal of the lab exercise is to apply the knowledge we've learned regarding the Configure and manage customers.

3.76.1 Customer posting profiles

Phyllis, the Accounting Manager at Contoso, has asked Arnie, the Accounts Receivable Clerk, to set up a new posting profile for a group of retail customers.

Select the appropriate options to ensure the following:

- Entries will be created using this profile for automatic settlement.
- The application will calculate interest on outstanding balances for customers who have this profile.
- A collection letter may be issued for customers who have this profile.
- When transactions are settled in full, the transactions should not change to another posting profile.
- Transactions for the retail customers group will post to the summary account 130100 and settle account 110110.

1. In **USMF**, Navigate to **Accounts receivable > Setup > Customer posting profiles**.
2. Select **New**.
3. In the **Posting Profile** field, type **Prom**.
4. In the **Description** field, type **Promotion**.
5. On the **Table restrictions** tab, make sure that **Allow automatic settlement** to **Yes**.
6. Set the **Interest** and **Collection letter** options to **Yes**.
7. Verify that the **Close** field is blank.
8. In the Setup FastTab:
    - Select **Add**.
    - In the **Account code** field, select **group**.
    - In the **Account\Group Number** field, select **30 Retail Customers**.
    - In the **Summary account** field, select **130100**.
    - In the **Liquidity account for payments** field, select **110110**.
    - In the **Collection letter sequence** field, select **High**.
9. Close the form.

3.76.2 Establish customer payment terms

1. Set up payment days:
    - In **USMF**, navigate to **Accounts receivable > Payments setup > Payment days**.
    - Select **New**.
    - In the **Payment day** field, enter **17** for the Payment day in the payment day field.
    - In the **Description** field, enter **17th of the month**.
    - In the **Week/Month** field, select **Month**.
    - In the **Day of month** field, enter **17**.
    - Select **Save**.
    - Close the page.
2. Set up Payment Terms:

- Navigate to **Accounts receivable > Payments setup > Terms of payment**.

- Select **New**.

- Terms of payment is used to define how the due dates will be calculated. The cash discount date setup is defined in a separate page.

- In the **Terms of payment** field, enter **AWC-45**.

- In the **Description** field, enter **Net 45 days**.

- In the **Setup** section, select a payment method **Current month**. The payment method is used to define the start of how the due will be calculated. For example, **Net** is used if the due date is always a set number of months or days after the invoice date. **COD** can be used too when payment is required upon invoice, so a due date wouldn't be calculated.

- Select **Save**.

- Close the page.

3. Set up cash discount:

- Navigate to **Accounts receivable > Payments setup > Cash discounts**.

- Select **New**.

- In the **Cash discount** field, enter **AWC-15D5%**.

- In the **Description** field, enter **Offer 5% if paid within 15 days**.

- In the **Setup** section, enter the number of days used to calculate the cash discount date in **Days**. Enter **15**. If Net principle is selected, the number of days will be added to the invoice date to calculate the cash discount date.

- Enter the **percentage** of the cash discount in **Discount percentage**. Enter **5**.

- In **Main account for customer discounts**, enter the main account to which the cash discount will post for customer invoices. Select **403300**.

- In the **Discount offset accounts** field, select an option. If you select 'Accounts on the invoice lines,' the cash discount will post to the same asset/expense main account on the lines of the Customer invoice. If you select **'Use main account for Customer invoices'**, the cash discount will post to the main account you define in the **Main account for vendor discounts**. For this example, select **'Use main account for vendor discounts'**.

- Enter the **Main account for vendor discounts**, to which the cash discount will post. Select **520200**.

- Select **Save**.

3.76.3 Create a method of payment for customer payments

1. In **USMF**, Navigate to **Accounts receivable > Payments setup > Methods of payment**.

2. Select **New**.

3. In the **Method of payment** field, enter **AWC-EP**. The Method of payment ID is shown on invoices and payments, so make it descriptive enough to understand what type of payment is being recorded, and for what bank account.

4. In the **Description** field, enter **Electronic payments**.

5. Select how customers payments should be created for invoices. In the **Period** field select **Total**. This option is only used when running a payment proposal. A payment proposal could be used for customer payments when doing direct debits and pulling the funds from the customers' bank accounts.

6. Select what **Payment status** is required in order for payments to be posted. Select **Approved**.

7. When creating a customer payment, it can only be posted when the payment status matches the payment status you define here.

8. Select the **Payment type** as **Electronic payment**. The payment type will help determine whether some validation will occur or not on the payment.

9. Navigate to the **General** FastTab.

10. Select what **Account type** payments will post to. Select **Bank**.

11. Select the bank account into which this payment will be recorded under **Payment account**. Choose **USMF OPER**.

12. Enter the **Bank transaction type** to identify the type of payment used by your bank. Select **Deposit**. The bank transaction type is used during the bank reconciliation process and can make reconciliation easier.

13. This payment method will temporarily post to a bridging account. Set the **Bridging posting** to **Yes**. The payment will temporarily post to a Ledger account until it clears the bank at which time the payment will move to the bank account you defined here.

14. Enter the main account used for the **Bridging account** posting. Select **130730**. This is the main account to which the payment will temporarily post if using bridging.

15. Use the **File formats** tab to define setting for electronic payments.

16. Use the **Payment control** tab to define fields that are mandatory. For example, if you require all payments with this method of payment to be deposited, you can choose that option on this tab.

17. Use the **Payment attributes** tab to define which payment attributes you want to use for this method of payment.

18. Select **Save**.

3.76.4 Create payment fees for customer payments

1. Create the payment fee:

   - In **USMF**, Navigate to **Accounts receivable > Payments setup > Payment fee**.

   - Select **New**.

   - In the **Fee ID** field, enter **W01**. The **Fee ID** displays on payment journals, so make it descriptive to understand what fee is being assessed.

   - In the **Name** field, enter **Wire**.

   - In the **Fee description** field, enter **Bank fee for wire transfer**.

   - Select whether the fee will be charged to the **Customer** or a **Ledger account**.

   - If the customer is assessed the fee, select **Customer**. If the fee will be charged to your organization as an expense, select **Ledger**. For this task, select **Customer**.

   - Select the type of journal that can use this payment fee. If these fees are used for customer payments, the journal type will likely be **Customer payment**.

   - Select **Save**.

2. Set up the payment fee:

   - Select **Payment fee setup**. The Payment fee setup is used to define the criteria for when the payment fee will be assessed. For example, you can define that the fee will be calculated if the bank account is **USMF OPER**, and the method of payment is **check**.

   - Select either **Table**, **Group** or **All** to define which bank accounts will be assessed this fee. If you select **All**, all bank accounts could be assessed this fee. If you select **Table**, only the bank account you select could be assessed this fee. If you select **Group**, only the bank accounts in the selected bank group could be assessed this fee.

   - Select either a **bank group** or a **bank account** for the **Bank relation**. If you selected **Table**, the lookup will display bank accounts. If you selected **Group**, the lookup will display **bank groups**.

   - Select the **Method of payment** for which this fee will be assessed. For example, you may assess a fee to your customers if they send payments as a check, rather than as an electronic payment.

   - Enter a **payment currency**. The payment currency is used as an additional criterion for whether the fee will be assessed. For example, your bank may charge an extra fee for payments received in **USD** currency, since they normally only transact in **EUR** currency.

- Select whether the fee will be a **percent**, **amount** or **interval**. Enter either **percentage** or **amount** of the fee. If the **Percentage/Amount** field is **Percent**, then the value enter here will be a percentage. If the **Percentage/Amount** field is **Amount**, then the value you enter here will be an amount. If the **Percentage/Amount** field is **Interval**, use the **Interval** tab to define the tiers.

- In the **Fee currency** field, select the currency of the fee. This is the currency in which the fee will be created.

- Select **Save**.

3.76.5 Create a Customer

USMF has begun working with a new customer, Woodgrove Bank. Arnie, the Accounts Receivable Clerk, must set up this new customer.

1. Navigate to **Accounts receivable > Customers > All customers**.

2. Select **New**.

3. In the **Customer account** field, enter **US-069**.

4. In the **Type** field, select **Organization**.

5. In the **Name** field, type **Woodgrove Bank**.

6. In the **Customer group** field, select customer group **20**.

7. Select **Save**.

8. Select the **Credit and collections** FastTab.

9. In the **Credit limit** field, enter **10000**.

10. Select the **Invoice and delivery** FastTab.

11. In the **Mode of delivery** field, select **20**, Air.

12. In the **Sales tax group** field, select **CA**.

13. Select the **Payment defaults** FastTab.

14. In the **Terms of payment** field, select **Net10**.

15. In the Method of payment field, select **CHECK**.

16. Close the form.

3.77 lab: title: 'Exercise 4: Create and configure customer posting profile' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.78 Exercise 4: Create and configure customer posting profile

Note: You need to complete Exercise 2

1. Navigate to **Accounts receivable > Setup > Customer posting profiles**.

2. Select **New**.

3. In the **Posting profile** field, type **'ARPP'**.

4. In the **Description** field, type 'Customer posting profile'.

5. Add a Table profile:

    - Select **Add**.

    - In the **Account/Group number** field, type **US-0017**.

    - In the **Summary account** field, specify the values **'130100'**.

    - In the **Collection letter sequence** field, enter or select **Low**.

    - In the **Interest code** field, enter or select **2M-5%**.

6. Add a Group profile for 30:

   - Select **Add**.

   - In the **Account code** field, select **'Group'**.

   - In the **Account/Group number** field, type **'30'**.

   - In the **Collection letter sequence** field, enter or select **High**.

   - In the **Interest code** field, enter or select **1M-3%**.

7. Add a Group profile for 90:

   - Select **Add**.

   - In the **Account code** field, select **'Group'**.

   - In the **Account/Group number** field, type **'90'**.

   - In the **Summary account** field, specify the values **'130300'**.

8. Add an All profile:

   - Select **Add**.

   - In the **Account code** field, select **'All'**.

   - In the **Summary account** field, specify the values **'130100'**.

   - In the **Liquidity account** for payments field, specify the values **'110110'**.

   - In the **Collection letter sequence** field, enter or select **High**.

   - In the **Interest code** field, enter or select **1M-2%**.

   - Select **Save**.

   - Close the page.

9. Navigate to **Accounts receivable > Setup > Accounts receivable parameters**.

10. Select the **Ledger and sales tax** tab.

11. In the **Posting profile** field, enter or select **ARPP**.

12. Close the page.

3.79 lab: title: 'Exercise 5: Create and process free text invoices' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.80 Exercise 5: Create and process free text invoices

The goal of the lab exercise is to apply the knowledge we've learned regarding the Invoice to cash processes.

3.80.1 Instructions

1. In **USMF**, Navigate to **Accounts receivable > Invoices > All free text invoices**.

2. Select **New**.

3. In the **Customer account** field, select **US-003**. The invoice account will default to the same account used for the customer account.

4. Note the value of **Accounting status** field. The accounting status starts with **In process** if the invoice is not posted, and the invoice number will be assigned when the invoice is posted.

5. In the **Description** field in the **Invoice lines** section, type **Selling old computers**.

6. In the **Main account** field, specify account number **130700**.

7. The sales tax group is populated from the customer. If the customer does not have a sales tax group, the sales tax group from the main account is used.

8. The **Item sales tax group** is populated from the main account. If the main account does not have an item sales tax group, then the item sales tax group in the General ledger sales tax parameters is used.

9. In the **Quantity** field, enter **15**. The value of quantity field is optional.

10. In the **Unit price** field, enter **128**. The value of unit price is optional.

11. The amount is calculated as the quantity times the unit price. However, you can override that calculation and enter an amount.

12. Select **Sales tax** in the action pane to view the sales tax calculated for your invoice.

13. View the sales tax amounts in this page or you can override the amounts on the **Adjustment** tab.

14. Select **OK**.

15. Select **Charges** in the action pane to add a charge to your invoice.

16. In the **Charges code** field, select **FREIGHT**.

17. In the **Charges value** field, enter **150**.

18. Close the page.

19. Select **Totals** to view the summary invoice details and totals.

20. Select **Close**.

21. Expand the **Line details** FastTab so you can add dimensions to your main account.

22. Select the **Financial dimensions line** tab.

23. In the **Cost center** field select 007. The dimension values are for the selected line only.

24. Select **Post** to post the invoice. You will be able to cancel before you post.

25. To change the timing of your invoice printing: in the **Print** field select **Current** to print each invoice as it is updated or select **After** to print after all invoices have been updated.

26. If you want to change how the customer's credit limit is checked before posting, change the **Credit limit type** field.

27. If you want to print the invoice, select **Yes**.

28. If the **Posting** field is enabled, the free text invoices that are selected will be posted when you select **OK**. To print a pro forma invoice, clear this option and select the Print invoice option.

29. Select **OK**.

30. Select **Payment journal**.

31. Select **New**.

32. In the **Name** field, enter or select **CustPay**.

33. Select **Enter customer payments**.

34. In the **Customer** field, specify the values **'US-003'**.

35. In the list, find and select the row with the value of 2,209.20 in the **amount available to pay** field.

36. Select **Mark selected**.

37. Set **Amount** field to **'2198.85'**.

38. Select **Save in journal**. Close the page.

39. Select Lines.

40. Select the **Bank** tab.

41. Select **Yes** in the **Use a deposit slip** field.

42. In the **Payment reference** field, type **'FreeText Payment'**.

43. Select **Post**.

44. Close all pages.

3.80.2 Generate and post recurring free text invoices

Recurring invoices are used to invoice customers regularly for the same amount. This recording uses the USMF demo company. The recording is intended for the person responsible for managing and processing A/R invoices.

1. Navigate to **Accounts receivable > Invoices > Recurring invoices > Generate recurring invoices**. Use this page to generate recurring invoices.

2. In the **Invoice date** field select today's date.

3. In the **Template** field select **Dues** and select the **Select** button.

4. Select **OK**.

5. Navigate to **Accounts receivable > Invoices > Recurring invoices > Post recurring invoices**. Use this page to view and print recurring invoices that have already been generated.

6. Note that you have an invoice generated resulting from previous steps.

7. Select the generated invoice.

8. Select **Validate**. Verify that the selected invoices do not have errors, but do not post the invoices.

9. Select **Totals**. Verify totals for the recurring invoice.

10. Select **Close**.

11. Select **Post**. Post the selected invoices.

1. Navigate to **Accounts receivable > Invoices > All free text invoices**.

2. Select **New**.

3. In the **Customer account** field, enter or select **US-013**.

4. In the **Date** field, enter today's date.

5. In the **Description** field in the **Invoice lines** section, type **'Selling Old Computers'**.

6. In the **Main account** field, specify the value **110180**.

7. Set **Quantity** to '5'.

8. Set **Unit price** to '375'.

9. Select **Totals**. Close.

10. Select **Post**.

11. Select **OK**.

12. Navigate to **Accounts receivable > Payments > Customer payment journal**.

13. Select **New**.

14. In the **Name** field, enter or select **CustPay** then press tab.

15. Select **Enter customer payments**.

16. In the **Customer** field, select **US-013**.

17. Set **Amount** to '**1,912.50'**.

18. Select **Save in journal** in the action pane.

19. Close the page.

20. Select **Lines**.

21. Select **Validate**.

22. Select **Validate**.

23. Select **Post**.

24. Close all pages.

1. Select **Accounts receivable > Charges setup > Charges code**.

2. Select **New**. In the **Charges code** field, type a code for the charge.

3. In the **Description** field, type a description of the charge.

4. Optional: In the **Item sales tax group** field, select a sales tax group.

5. If you set the **Prorate** field to **Yes**, the calculated charges are prorated down to the sales line level. Because these charges are at the line level and not kept at the header level, a more specific link is made between the item and the charge value that calculated for it. This behavior can be useful in partial return scenarios, where an organization wants to refund only part of the charge instead of the whole charge when only some items are returned.

6. On the **Posting** FastTab, specify how the charge is automatically debited and credited.

7. If you selected **Ledger account** as the debit type or credit type, specify a posting type in the **Debit posting** and **Credit posting** fields, and specify the main account in the **Debit account** and **Credit account** fields.

3.80.3 Create charges groups for customers

1. Select **Accounts receivable > Charges setup > Customer charge groups**.

2. Select **New**.

3. In the **Charges group** field, enter a code for the charges group. The code can contain both letters and numbers.

4. In the **Description** field, enter a description of the charges group.

5. Close the form to save your changes.

3.80.4 Create item charges groups

1. Select **Accounts receivable > Charges setup > Item charge groups**.

2. Select **New** to create an item charge group.

3. In the **Charges group** field, enter a code for the group. The code can be alphanumeric.

4. In the **Description** field, enter a description for the group.

5. Close the form to save your changes.

3.80.5 Set up collections parameters

1. Navigate to **Credit and collections > Setup > Credit and collections parameters**.

2. Select the **Collections** tab.

3. Expand the **Collections** defaults section.

4. Select an **Aging period definition** for the default aging snapshot that will be used in the Collections form.

5. Select a **Team** that collections agents are assigned to in the Collections agent form. Only teams that have a team type of Collections are displayed in the list.

6. Expand the **Write-off** section.

7. In the field **Write-off journal**, select the journal name which is set up for daily ledger journals, to use when a transaction is written off by using the Collections form or related list pages.

8. Select the **Separate sales tax** option to create a separate journal line for sales tax amounts when write-off transactions are created by using the Collections page or related list pages. If you select this option, you can easily track the sales tax amounts that are involved in write-off transactions. You can track the sales tax amounts separately to help you more easily adjust your sales tax liability for the affected period.

9. Select the **Default write-off reason** code to use when write-off transactions are created by using the Collections form or related list pages.

10. Expand the **Email template** section.

11. In **Transactions to contact**, select the email template to use when you send an email message by using the **E-mail > Transactions** to contact action in the **Collections** form.

12. In **Statement to contact**, select the email template to use when you send a customer statement as an attachment to an email message by using **the E-mail > Statement** to contact action in the collections form.

13. In **Transactions to sales person**, select the email template to use when you send an email message by using the **E-mail > Transactions** to salesperson action in the collections form.

3.80.6 Set up a collection letter sequence on the posting profile

1. Navigate to **Credit and collections > Setup > Customer posting profiles**.

2. Select **Edit**.

3. Select a **Collection letter sequence** from the drop-down list. If you do not want to generate collection letters for transactions using this posting profile, leave the field blank.

4. Expand the table restriction tab to change the way that collection letters are processed. If this field is set to **Yes**, then collection letters will be created for this posting profile.

3.80.7 Set up the customer to control collection letters at the customer level

1. Navigate to **Credit and collections > Setup > Credit and collections parameters**. (Depending on your version, you might navigate to **Credit and collections > Setup > Accounts receivable parameters** and select the **Collections** tab instead.)

2. Change the value of **Create collection letter per** to **Customer**.

3. Navigate to **Credit and collections > Collection letter > Review and process collection letters**. Only one collection letter will be generated for a customer containing all the overdue transactions.

3.80.8 Create customer pools

1. Navigate to **Credit and collections > Setup > Customer pools**. Use this page to set up customer pools, which are queries that define a group of customer accounts that can be displayed and managed for collections or aging processes. Use customer pools to filter information on the Collections list page and on related list pages. You can also use customer pools to filter the customer accounts that are included when aging snapshots are created. You can use customer pools to filter the customer accounts that are included when aging snapshots are created.

2. Select **New**.

3. In the **Pool ID** field, type a value.

4. In the **Pool description** field, type a value.

5. Select **Select pool criteria**.

6. In any **Criteria** field, select a value.

7. Select **OK**.

8. Select **Preview customer pool**.

3.80.9 Create collections agents

1. Navigate to **Credit and collections > Setup > Collections agents**. Use this page to set up workers as collections agents and optionally assign customer pools to them. A collections agent is a person who works with customers to make sure that payments are collected in a timely manner. Collections agents that are set up in this page are automatically added to a collections team. If a team is selected in the Team field in the Accounts receivable parameters page, collections agents are added to that team. If a team is not selected, a new team named Collections is created automatically and the collections agents are added to that team.

2. Select **New**.

3. Select **Add**.

4. Select the users of your choice.

5. Select **Add**.

6. Under Collection agent pools select **Add**.

7. In the **Pool ID** field, select the drop-down button to open the lookup.

8. In the list, find and select the desired record.

9. Select or clear the **Default pool** check box. Select this option to include all customer pools in filter lists for the selected collections agent. If this option is not selected, only the customer pools that are assigned to the collections agent are available in filter lists.

3.80.10 Create aging period definition

1. Navigate to **Credit and collections > Setup > Aging period definitions**. You can use aging period definitions to analyze the maturity of customer accounts and vendor accounts, based on a date that you enter. Each aging period that you set up for the aging period definition corresponds to a column on the list page or in the form or report when the analysis is performed.

2. Select **New**.

3. In the **Aging period definition** field, type a value.

4. In the **Description** field, type a value.

5. Specify the period name, unit, interval and aging indicator for each aging period to include in the aging period definition. The line that has 0 (zero) in the Unit field represents the date that the analysis is run. Lines before zero will have -1, and lines after zero will have 1 as a default entry in the Unit field but can be changed. Select the Up and Down buttons to rearrange the lines. The 0 (zero) line cannot be moved.

6. Place the pointer where you want to insert a new line and then select Add above or Add below.

7. Select an indicator to represent the aging period in the Collections form and list page. For example, you might select a green indicator for a current period, a yellow indicator for a 30-days-past period, and a red indicator for a 90-days-past period.

8. Select the printing direction for the aging period definition. This selection determines the order in which the columns appear on the Customer aging report or the Vendor aging report. **Forward** – Print columns in the same order in which the headings appear in the table, starting with the top row. **Backward** – Print columns in the reverse order in which the headings appear in the table, starting with the bottom row.

3.80.11 Create an interest code with a range

1. Navigate to **Credit and collections > Interest > Set up interest codes**.

2. Select **New**.

3. In the **Interest code** field, enter **3M-9%**.

4. In the **Description** field, enter **9% after 3 months**.

5. Expand the **Earnings** section.

6. In the **Ledger posting account** field, specify **130500**.

7. In the **Interest by range** field, select **'Months'**.

8. Expand the **Earnings by currency** section.

9. Select **Add**.

10. In the **Description** field, enter a **US dollar**.

11. Select **Save**.

12. Select **Ranges**.

13. Select **New**.

14. Enter the **From** value as **0** and then enter the interest percent per month that will be used to calculate the interest. For our example, it is **1.5**.

15. Select **New**.

16. Enter the next **From** value as **3**, which is the first month that you will be calculating a new interest amount.

17. Enter the interest percent per month that will be used to calculate the interest starting in month **3**. For this example, it is **2.5**.

18. Select **New**.

19. Enter the next **From** value as **6**, which is the next month that you will be calculating a new interest amount.

20. Enter the interest percent per month that will be used to calculate the interest starting in month 7. For this example, it is **5**.

21. Select **Close**.

3.80.12   Create a collection letter sequence

1. Navigate to **Credit and collections > Setup > Set up collection letter sequence**.

2. Select **New**.

3. In the **Collection letter sequence** field, enter a sequence ID that will represent the sequence. It will be used when you set up a posting profile.

4. In the **Description** field, type a value.

5. The **Terms of payment** is optional. If you enter a value here, the collection letter fee invoice will use these terms of payment instead of the terms of payment stored with the customer.

6. In the **Collection letter code** field, select the code for the first collection letter that you want to send.

7. The first collection letter is created according to the due date on the invoice, the value that you enter for the grace period in the Days field on this line, and other information that you enter on this line.

8. In the **Description** field, type a value.

9. The currency for the fee defaults to the customer currency. This currency code can be different than the invoice currency.

10. Select **Add** to add the next collection letter that will be sent in the sequence.

11. In many cases, the first collection letter is just a warning. You can add fees if needed.

12. In the **collection letter code** field, select the next collection letter that will be sent in the sequence.

13. In the **Description** field, type a value.

14. In the **Main account** field, select the revenue account that will be used for fees.

15. Enter the fee that will be charged when this collection letter is posted.

16. In the **Item sales tax group** field, select the drop-down button to open the lookup.

17. Select an item sales tax group if sales taxes must be calculated on the fee.

18. Enter the **Minimum overdue balance** required before a collection letter is sent.

19. Enter the number of grace **Days** that you will allow. This is the number of days after the due date that a collection letter can be generated.

20. Select **Add** to add the last collection letter in the sequence. You can add up to five collection letter codes for a collection letter sequence. In the collection letter code field, select the next collection letter that will be sent in the sequence.

21. In the **Description** field, type a value.

22. In the **Main account** field, specify the desired values.

23. In the **Fee in currency** field, enter a number.

24. In the **Item sales tax group** field, select the drop-down button to open the lookup.

25. In the list, select the link in the selected row.

26. In the **Minimum overdue balance** field, enter a number.

27. In the **Days** field, enter a number.

28. Select the **Block** check box to stop the customer from additional deliveries and invoicing.

29. To unblock the account, select No in the **Invoicing and delivery on hold** field in the Customers page.

30. Expand the **Note** FastTab.

31. Enter the text to appear on the collection letter for the selected collection letter code.

32. You can translate this text into multiple languages using the Translations menu above the note box.

3.80.13 Set up the write off parameters

1. Navigate to **Credit and collections > Setup > Credit and collections parameters**.

2. Select the **Collections** tab.

3. Expand the **Write-off** section.

4. The **Write-off journal** is the general journal that will hold the write-off transactions that you create. You can attach a reason code to every write-off. The write-off account will be used as the expense account or reverse adjustment in the general journal.

5. You can override this default at the time of the write-off. Set **Separate sales tax** field to Yes if you want to separate the sales tax from the original transaction in the write-off.

6. Close the page.

3.80.14 Write off a customer balance from the aged balances page

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Mark the row for the customer that you want to write off. For example, mark the line with **Contoso Europe** on it.

3. On the Action Pane, select **Collect**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

7. Navigate to **General ledger > Journal entries > General journals**.

8. Select the journal batch number for the journal that contains your write-off. Note that one line is created to reverse the customer balance. One or more lines are created to post the write-off to the write-off account.

9. Close all pages.

3.80.15 Write off a customer balance from the aged balances page

As a collection agent in **USMF**, you need to create a write off journal, since the Birch company is not going to pay the balance due to defective products that were shipped to them.

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Mark the row for the customer that you want to write off. For example, mark the line with **Birch Company** on it.

3. On the Action Pane, select **Collect**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

7. Navigate to **General ledger > Journal entries > General journals**.

8. Select the journal batch number for the journal that contains your write-off. One line is created to reverse the customer balance. One or more lines are created to post the write-off to the write-off account.

9. Close all forms.

3.80.16 Write off transactions from the collections form.

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Select the name of the customer that has the transactions that you want to write off. For example, select the link for Cave Wholesales (**US-004**).

3. Mark the row for the first transaction.

4. Select **Write off**.

5. Select **OK**.

6. Close all pages.

7. Navigate to **General ledger > Journal entries > General journals**.

8. Select the journal batch number for the journal that contains your write-off and view the **Lines**. One line is created to reverse the customer balance. One or more lines are created to post the write-off to the write-off account.

9. Close all pages.

3.80.17 Write off an invoice from the Open customers invoices page

1. Navigate to **Accounts receivable > Invoices > Open customer invoices**.

2. Mark the line for an invoice. For example, mark the line for **CIV-000715**.

3. On the Action Pane, select **Invoice**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

3.80.18 Write off a customer balance from the customer page

1. Navigate to **Accounts receivable > Customers > All customers**.

2. Select a customer account. For example, select **US-001** (Contoso Retail San Diego).

3. On the Action Pane, select **Collect**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

3.80.19 Age customer balance

As a collection agent in **USMF**, you need to identify delinquent customers' balances, and send collection letters to them.

1. Navigate to **Credit and collections > Periodic tasks > Age customer balances**.

2. In the **Aging period definition** field select **30_60_90_180**.

3. Leave the **Pool Id** field blank to create an aging snapshot for all customers. If a customer pool is selected, the aging snapshot process is applied only to the customer accounts that are part of the customer pool. The selected customer pool must be of the Aging snapshot type.

4. In the **Criteria** field select **Due date**. Other choices are: **Transaction date** – Age each transaction based on its transaction date, and **Document date** – Age each transaction based on its document date.

5. In the **Aging as of** field select **Today's date**. You can choose **Selected date** to enter an aging date.

6. Select **OK**.

3.80.20 View aged customer balances

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Select the customer **US-003 Forest Wholesales**

3. Expand the **Contact** FactBox in the **Related information** bar.

4. View the collection contact for the customer, and default salesperson for the customer.

5. Expand the **Credit limit** FactBox.

6. Use the **Credit limit** FactBox to view the credit limit and current balance information for the customer.

3.80.21 View customer collections details

1. In the aged balances list, select the link for **Forest Wholesales** in the selected row to open the detail page.

2. Expand the **Related information** on the right side.

3. Expand the **Address** FactBox. View the customer's address.

4. Expand the **Contact** FactBox. View the customer's contact.

5. Expand the **Aging** FactBox. View the customer's aged balances.

6. Expand the **Credit limit** FactBox. View the credit limit and current balance information for the customer.

7. On the Action Pane, select **Collect**.

8. Select **Update aging** button to update the snapshot for the customer.

9. Under the **View** group, select **Statement** to open a dialog box. This allows you to view the customer's statement in Microsoft Excel format.

10. Select **OK**.

11. Open Excel to view customer's statement.

12. Close Excel and return to **Dynamics 365 Finance**.

13. On the Action Pane, select **Communicate**.

14. Select the **Statements** button.

15. In the **Show credit limit** field select **Yes**.

16. Select **OK**.

17. View the report; Optionally you can export the report into different formats such as pdf, Excel, and Word.

18. Close all pages.

3.80.22 Create collection letters

1. Navigate to **Credit and collections > Collection letter > Create collection letters**.

2. In the **Collection letter date** field enter today's date.

3. Expand the **Records to include** section.

4. Select **Filter**.

5. In the **Criteria** field, enter a Customer ID. For example, enter 'US-003'.

6. Select **OK**.

7. Select **OK**.

3.80.23 Print collection letters

1. Navigate to **Credit and collections > Collection letter > Review and process collection letters**.

2. In the **Status** field, select **Created**.

3. In the **Printed** field, select **Not printed**.

4. Select **Print**.

5. Select **Collection letter note**.

6. In the **Postings were considered until** field, enter today's date.

7. Select **OK** to print the collection letter.

8. View the collection letter, then close the form.

3.80.24 Post the collection letter

9. Select **Post**.

10. Select **OK**.

11. In the **Status** field, select **Posted**.

12. In the **Printed** field, select **Printed**.

13. View the results.

14. Close all pages.

3.80.25 Calculate interest

1. Navigate to **Credit and collections > Interest > Create interest notes**.

2. Select **Interest** field to be **Yes**.

3. Expand or collapse the Records to include section.

4. Select Filter.

5. In the Criteria field, enter a Customer ID. For example, enter 'US-003'.

6. Select **OK**.

7. Select **OK**.

3.80.26 Print interest notes

1. Navigate to **Credit and collections > Interest > Review and process interest notes**.

2. In the **Status** field, select **'Created'**.

3. In the **Printed** field, select **'Not printed'**.

4. If you find any: select **Print**.

5. **Select OK**.

6. View the report. Optionally you can export the report into different formats such as pdf, excel, and word.

7. Close the page.

3.80.27 Post the interest note

8. In the **Status** field, select **'Created'**.

9. In the **Printed** field, select **'Printed'**.

10. If you find any: select **Post**.

11. In the **Posting date** field enter today's date.

12. Select **OK**.

13. In the **Status** field, select **'Posted'**.

14. View the results.

15. Close all pages.

3.80.28 Process Collection Letters

Connie, the Credit and Collections Manager at Contoso, must process and post the first collection letter for customer Shrike Retail (US-023).

- Run a collection letter job for the first collection letter.

- Use 8/28/2017 as the date.

- Print the letter

- Post the collection letter.

3.80.29 Create a collection letter

1. Select **Credit and collections**, select **Collection letter**, select **Create Collection letters**.

2. Set the **Invoice** field to **Yes**.

3. In the **Collection letter date** field, enter **8/28/2017**.

4. Select the **Use posting profile from** dropdown, and then select **Select**.

5. Select the **Posting profile** dropdown, and then select GEN.

6. Open the **Records to include** form.

7. Select the **Filter** icon.

8. Enter **US-023** into the Criteria column on the **Customer account** row, and then select **OK**.

9. Select **OK** to process the **Creation of collection letter** job.

10. Follow these steps to review, print, and post the collection letter.

11. Select **Credit and collections**, select **Collection letter**, and then select **Review and process collection letters**.

12. Select the collection letter previously created for customer US-023, select the **Print** button, and then select **Collection letter note**.

13. Select **OK**

14. Review the collection letter.

15. **Close** the collection letter.

16. Note that the **Printed** field is **Yes**.

17. Select the collection letter previously created for customer **US-018**, and then select the **Post** button.

18. Enter **9/29/2017** in the **Posting date** field.

19. Select **OK**

20. Close the **Review and Process Collection Letters** form.

3.81 lab: title: 'Exercise 6: Process invoice and settle it against a payment' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.82 Exercise 6: Process invoice and settle it against a payment

1. Navigate to **Accounts receivable > Invoices > All free text invoices**.

2. Select **New**.

3. In the **Customer account** field, enter or select **US-013**.

4. In the **Date** field, enter today's date.

5. In the **Description** field in the **Invoice lines** section, type **'Selling Old Computers'**.

6. In the **Main account** field, specify the value **110180**.

7. Set **Quantity** to '5'.

8. Set **Unit price** to '375'.

9. Select **Totals**. Close.

10. Select **Post**.

11. Select **OK**.

12. Navigate to **Accounts receivable > Payments > Customer payment journal**.

13. Select **New**.

14. In the **Name** field, enter or select **CustPay** then press tab.

15. Select **Enter customer payments**.

16. In the **Customer** field, select **US-013**.

17. Set **Amount** to '**1,912.50**'.

18. Select **Save in journal** in the action pane.

19. Close the page.

20. Select **Lines**.

21. Select **Validate**.

22. Select **Validate**.

23. Select **Post**.

24. Close all pages.

3.83 lab: title: 'Exercise 7: Set up charge codes for Accounts receivable' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.84 Exercise 7: Set up charge codes for Accounts receivable

3.84.1 Create charge codes

1. Select **Accounts receivable > Charges setup > Charges code**.

2. Select **New**. In the **Charges code** field, type a code for the charge.

3. In the **Description** field, type a description of the charge.

4. Optional: In the **Item sales tax group** field, select a sales tax group.

5. If you set the **Prorate** field to **Yes**, the calculated charges are prorated down to the sales line level. Because these charges are at the line level and not kept at the header level, a more specific link is made between the item and the charge value that calculated for it. This behavior can be useful in partial return scenarios, where an organization wants to refund only part of the charge instead of the whole charge when only some items are returned.

6. On the **Posting** FastTab, specify how the charge is automatically debited and credited.

7. If you selected **Ledger account** as the debit type or credit type, specify a posting type in the **Debit posting** and **Credit posting** fields, and specify the main account in the **Debit account** and **Credit account** fields.

3.84.2 Create charges groups for customers

1. Select **Accounts receivable > Charges setup > Customer charge groups**.

2. Select **New**.

3. In the **Charges group** field, enter a code for the charges group. The code can contain both letters and numbers.

4. In the **Description** field, enter a description of the charges group.

5. Close the form to save your changes.

3.84.3 Create item charges groups

1. Select **Accounts receivable > Charges setup > Item charge groups**.

2. Select **New** to create an item charge group.

3. In the **Charges group** field, enter a code for the group. The code can be alphanumeric.

4. In the **Description** field, enter a description for the group.

5. Close the form to save your changes.

3.85 lab: title: 'Exercise 8: Configure Credit and collections' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.86 Exercise 8: Configure Credit and collections

3.86.1 Set up collections parameters

1. Navigate to **Credit and collections > Setup > Credit and collections parameters**.

2. Select the **Collections** tab.

3. Expand the **Collections** defaults section.

4. Select an **Aging period definition** for the default aging snapshot that will be used in the Collections form.

5. Select a **Team** that collections agents are assigned to in the Collections agent form. Only teams that have a team type of Collections are displayed in the list.

6. Expand the **Write-off** section.

7. In the field **Write-off journal**, select the journal name which is set up for daily ledger journals, to use when a transaction is written off by using the Collections form or related list pages.

8. Select the **Separate sales tax** option to create a separate journal line for sales tax amounts when write-off transactions are created by using the Collections page or related list pages. If you select this option, you can easily track the sales tax amounts that are involved in write-off transactions. You can track the sales tax amounts separately to help you more easily adjust your sales tax liability for the affected period.

9. Select the **Default write-off reason** code to use when write-off transactions are created by using the Collections form or related list pages.

10. Expand the **Email template** section.

11. In **Transactions to contact**, select the email template to use when you send an email message by using the **E-mail > Transactions** to contact action in the **Collections** form.

12. In **Statement to contact**, select the email template to use when you send a customer statement as an attachment to an email message by using **the E-mail > Statement** to contact action in the collections form.

13. In **Transactions to sales person**, select the email template to use when you send an email message by using the **E-mail > Transactions** to salesperson action in the collections form.

3.86.2 Set up a collection letter sequence on the posting profile

1. Navigate to **Credit and collections > Setup > Customer posting profiles**.

2. Select **Edit**.

3. Select a **Collection letter sequence** from the drop-down list. If you do not want to generate collection letters for transactions using this posting profile, leave the field blank.

4. Expand the table restriction tab to change the way that collection letters are processed. If this field is set to **Yes**, then collection letters will be created for this posting profile.

3.86.3 Set up the customer to control collection letters at the customer level

1. Navigate to **Credit and collections > Setup > Credit and collections parameters**. (Depending on your version, you might navigate to **Credit and collections > Setup > Accounts receivable parameters** and select the **Collections** tab instead.)

2. Change the value of **Create collection letter per** to **Customer**.

3. Navigate to **Credit and collections > Collection letter > Review and process collection letters**. Only one collection letter will be generated for a customer containing all the overdue transactions.

3.86.4 Create customer pools

1. Navigate to **Credit and collections > Setup > Customer pools**. Use this page to set up customer pools, which are queries that define a group of customer accounts that can be displayed and managed for collections or aging processes. Use customer pools to filter information on the Collections list page and on related list pages. You can also use customer pools to filter the customer accounts that are included when aging snapshots are created. You can use customer pools to filter the customer accounts that are included when aging snapshots are created.

2. Select **New**.

3. In the **Pool ID** field, type a value.

4. In the **Pool description** field, type a value.

5. Select **Select pool criteria**.

6. In any **Criteria** field, select a value.

7. Select **OK**.

8. Select **Preview customer pool**.

3.86.5 Create collections agents

1. Navigate to **Credit and collections > Setup > Collections agents**. Use this page to set up workers as collections agents and optionally assign customer pools to them. A collections agent is a person who works with customers to make sure that payments are collected in a timely manner. Collections agents that are set up in this page are automatically added to a collections team. If a team is selected in the Team field in the Accounts receivable parameters page, collections agents are added to that team. If a team is not selected, a new team named Collections is created automatically and the collections agents are added to that team.

2. Select **New**.

3. Select **Add**.

4. Select the users of your choice.

5. Select **Add**.

6. Under Collection agent pools select **Add**.

7. In the **Pool ID** field, select the drop-down button to open the lookup.

8. In the list, find and select the desired record.

9. Select or clear the **Default pool** check box. Select this option to include all customer pools in filter lists for the selected collections agent. If this option is not selected, only the customer pools that are assigned to the collections agent are available in filter lists.

3.86.6 Create aging period definition

1. Navigate to **Credit and collections > Setup > Aging period definitions**. You can use aging period definitions to analyze the maturity of customer accounts and vendor accounts, based on a date that you enter. Each aging period that you set up for the aging period definition corresponds to a column on the list page or in the form or report when the analysis is performed.

2. Select **New**

3. In the **Aging period definition** field, type a value.

4. In the **Description** field, type a value.

5. Specify the period name, unit, interval and aging indicator for each aging period to include in the aging period definition. The line that has 0 (zero) in the Unit field represents the date that the analysis is run. Lines before zero will have -1, and lines after zero will have 1 as a default entry in the Unit field but can be changed. Select the Up and Down buttons to rearrange the lines. The 0 (zero) line cannot be moved.

6. Place the pointer where you want to insert a new line and then select Add above or Add below.

7. Select an indicator to represent the aging period in the Collections form and list page. For example, you might select a green indicator for a current period, a yellow indicator for a 30-days-past period, and a red indicator for a 90-days-past period.

8. Select the printing direction for the aging period definition. This selection determines the order in which the columns appear on the Customer aging report or the Vendor aging report. **Forward** – Print columns in the same order in which the headings appear in the table, starting with the top row. **Backward** – Print columns in the reverse order in which the headings appear in the table, starting with the bottom row.

3.86.7 Create an interest code with a range

1. Navigate to **Credit and collections > Interest > Set up interest codes**.

2. Select **New**.

3. In the **Interest code** field, enter **3M-9%**.

4. In the **Description** field, enter **9% after 3 months**.

5. Expand the **Earnings** section.

6. In the **Ledger posting account** field, specify **130500**.

7. In the **Interest by range** field, select **'Months'**.

8. Expand the **Earnings by currency** section.

9. Select **Add**.

10. In the **Description** field, enter a **US dollar**.

11. Select **Save**.

12. Select **Ranges**.

13. Select **New**.

14. Enter the **From** value as **0** and then enter the interest percent per month that will be used to calculate the interest. For our example, it is **1.5**.

15. Select **New**.

16. Enter the next **From** value as **3**, which is the first month that you will be calculating a new interest amount.

17. Enter the interest percent per month that will be used to calculate the interest starting in month **3**. For this example, it is **2.5**.

18. Select **New**.

19. Enter the next **From** value as **6**, which is the next month that you will be calculating a new interest amount.

20. Enter the interest percent per month that will be used to calculate the interest starting in month 7. For this example, it is **5**.

21. Select **Close**.

3.86.8   Create a collection letter sequence

1. Navigate to **Credit and collections > Setup > Set up collection letter sequence**.

2. Select **New**.

3. In the **Collection letter sequence** field, enter a sequence ID that will represent the sequence. It will be used when you set up a posting profile.

4. In the **Description** field, type a value.

5. The **Terms of payment** is optional. If you enter a value here, the collection letter fee invoice will use these terms of payment instead of the terms of payment stored with the customer.

6. In the **Collection letter code** field, select the code for the first collection letter that you want to send.

7. The first collection letter is created according to the due date on the invoice, the value that you enter for the grace period in the Days field on this line, and other information that you enter on this line.

8. In the **Description** field, type a value.

9. The currency for the fee defaults to the customer currency. This currency code can be different than the invoice currency.

10. Select **Add** to add the next collection letter that will be sent in the sequence.

11. In many cases, the first collection letter is just a warning. You can add fees if needed.

12. In the **collection letter code** field, select the next collection letter that will be sent in the sequence.

13. In the **Description** field, type a value.

14. In the **Main account** field, select the revenue account that will be used for fees.

15. Enter the fee that will be charged when this collection letter is posted.

16. In the **Item sales tax group** field, select the drop-down button to open the lookup.

17. Select an item sales tax group if sales taxes must be calculated on the fee.

18. Enter the **Minimum overdue balance** required before a collection letter is sent.

19. Enter the number of grace **Days** that you will allow. This is the number of days after the due date that a collection letter can be generated.

20. Select **Add** to add the last collection letter in the sequence. You can add up to five collection letter codes for a collection letter sequence. In the collection letter code field, select the next collection letter that will be sent in the sequence.

21. In the **Description** field, type a value.

22. In the **Main account** field, specify the desired values.

23. In the **Fee in currency** field, enter a number.

24. In the **Item sales tax group** field, select the drop-down button to open the lookup.

25. In the list, select the link in the selected row.

26. In the **Minimum overdue balance** field, enter a number.

27. In the **Days** field, enter a number.

28. Select the **Block** check box to stop the customer from additional deliveries and invoicing.

29. To unblock the account, select No in the **Invoicing and delivery on hold** field in the Customers page.

30. Expand the **Note** FastTab.

31. Enter the text to appear on the collection letter for the selected collection letter code.

32. You can translate this text into multiple languages using the Translations menu above the note box.

3.86.9 Set up the write off parameters

1. Navigate to **Credit and collections > Setup > Credit and collections parameters**.

2. Select the **Collections** tab.

3. Expand the **Write-off** section.

4. The **Write-off journal** is the general journal that will hold the write-off transactions that you create. You can attach a reason code to every write-off. The write-off account will be used as the expense account or reverse adjustment in the general journal.

5. You can override this default at the time of the write-off. Set **Separate sales tax** field to Yes if you want to separate the sales tax from the original transaction in the write-off.

6. Close the page.

3.86.10 Write off a customer balance from the aged balances page

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Mark the row for the customer that you want to write off. For example, mark the line with **Contoso Europe** on it.

3. On the Action Pane, select **Collect**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

7. Navigate to **General ledger > Journal entries > General journals**.

8. Select the journal batch number for the journal that contains your write-off. Note that one line is created to reverse the customer balance. One or more lines are created to post the write-off to the write-off account.

9. Close all pages.

3.87 lab: title: 'Exercise 9: Perform Write-Offs' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.88 Exercise 9: Perform Write-Offs

3.88.1 Write off a customer balance from the aged balances page

As a collection agent in **USMF**, you need to create a write off journal, since the Birch company is not going to pay the balance due to defective products that were shipped to them.

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Mark the row for the customer that you want to write off. For example, mark the line with **Birch Company** on it.

3. On the Action Pane, select **Collect**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

7. Navigate to **General ledger > Journal entries > General journals**.

8. Select the journal batch number for the journal that contains your write-off. One line is created to reverse the customer balance. One or more lines are created to post the write-off to the write-off account.

9. Close all forms.

3.88.2 Write off transactions from the collections form.

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Select the name of the customer that has the transactions that you want to write off. For example, select the link for Cave Wholesales (**US-004**).

3. Mark the row for the first transaction.

4. Select **Write off**.

5. Select **OK**.

6. Close all pages.

7. Navigate to **General ledger > Journal entries > General journals**.

8. Select the journal batch number for the journal that contains your write-off and view the **Lines**. One line is created to reverse the customer balance. One or more lines are created to post the write-off to the write-off account.

9. Close all pages.

3.88.3 Write off an invoice from the Open customers invoices page

1. Navigate to **Accounts receivable > Invoices > Open customer invoices**.

2. Mark the line for an invoice. For example, mark the line for **CIV-000715**.

3. On the Action Pane, select **Invoice**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

3.88.4 Write off a customer balance from the customer page

1. Navigate to **Accounts receivable > Customers > All customers**.

2. Select a customer account. For example, select **US-001** (Contoso Retail San Diego).

3. On the Action Pane, select **Collect**.

4. Select **Write off**.

5. Select **OK**.

6. Close the page.

3.89 lab: title: 'Exercise 10: Process credit and collections' module: 'Module 6: Implement and manage accounts receivable and credit and collections'

3.90 Exercise 10: Process credit and collections

3.90.1 Age customer balance

As a collection agent in **USMF**, you need to identify delinquent customers' balances, and send collection letters to them.

1. Navigate to **Credit and collections > Periodic tasks > Age customer balances**.

2. In the **Aging period definition** field select **30_60_90_180**.

3. Leave the **Pool Id** field blank to create an aging snapshot for all customers. If a customer pool is selected, the aging snapshot process is applied only to the customer accounts that are part of the customer pool. The selected customer pool must be of the Aging snapshot type.

4. In the **Criteria** field select **Due date**. Other choices are: **Transaction date** – Age each transaction based on its transaction date, and **Document date** – Age each transaction based on its document date.

5. In the **Aging as of** field select **Today's date.** You can choose **Selected date** to enter an aging date.

6. Select **OK**.

3.90.2   View aged customer balances

1. Navigate to **Credit and collections > Collections > Aged balances**.

2. Select the customer **US-003 Forest Wholesales**.

3. Expand the **Contact** FactBox in the **Related information** bar.

4. View the collection contact for the customer, and default salesperson for the customer.

5. Expand the **Credit limit** FactBox.

6. Use the **Credit limit** FactBox to view the credit limit and current balance information for the customer.

3.90.3   View customer collections details

1. In the aged balances list, select the link for **Forest Wholesales** in the selected row to open the detail page.

2. Expand the **Related information** on the right side.

3. Expand the **Address** FactBox. View the customer's address.

4. Expand the **Contact** FactBox. View the customer's contact.

5. Expand the **Aging** FactBox. View the customer's aged balances.

6. Expand the **Credit limit** FactBox. View the credit limit and current balance information for the customer.

7. On the Action Pane, select **Collect**.

8. Select **Update aging** button to update the snapshot for the customer.

9. Under the **View** group, select **Statement** to open a dialog box. This allows you to view the customer's statement in Microsoft Excel format.

10. Select **OK**.

11. Open Excel to view customer's statement.

12. Close Excel and return to **Dynamics 365 Finance**.

13. On the Action Pane, select **Communicate**.

14. Select the **Statements** button.

15. In the **Show credit limit** field select **Yes**.

16. Select **OK**.

17. View the report; Optionally you can export the report into different formats such as pdf, Excel, and Word.

18. Close all pages.

3.90.4   Create collection letters

1. Navigate to **Credit and collections > Collection letter > Create collection letters**.

2. In the **Collection letter date** field enter today's date.

3. Expand the **Records to include** section.

4. Select **Filter**.

5. In the **Criteria** field, enter a Customer ID. For example, enter 'US-003'.

6. Select **OK**.

7. Select **OK**.

3.90.5   Print collection letters

1. Navigate to **Credit and collections > Collection letter > Review and process collection letters**.

2. In the **Status** field, select **Created**.

3. In the **Printed** field, select **Not printed**.

4. Select **Print**

5. Select **Collection letter note**.

6. In the **Postings were considered until** field, enter today's date.

7. Select **OK** to print the collection letter.

8. View the collection letter, then close the form.

3.90.6   Post the collection letter.

9. Select **Post**.

10. Select **OK**.

11. In the **Status** field, select **Posted**.

12. In the **Printed** field, select **Printed**.

13. View the results.

14. Close all pages.

3.90.7   Calculate interest

1. Navigate to **Credit and collections > Interest > Create interest notes**.

2. Select **Interest** field to be **Yes**.

3. Expand or collapse the Records to include section.

4. Select Filter.

5. In the Criteria field, enter a Customer ID. For example, enter 'US-003'.

6. Select **OK**.

7. Select **OK**.

3.90.8   Print interest notes

1. Navigate to **Credit and collections > Interest > Review and process interest notes**.

2. In the **Status** field, select **'Created'**.

3. In the **Printed** field, select **'Not printed'**.

4. If you find any: select **Print**.

5. Select **OK**.

6. View the report. Optionally you can export the report into different formats such as pdf, excel, and word.

7. Close the page.

3.90.9 Post the interest note

8. In the **Status** field, select **'Created'**.

9. In the **Printed** field, select **'Printed'**.

10. If you find any: select **Post**.

11. In the **Posting date** field enter today's date.

12. Select **OK**.

13. In the **Status** field, select **'Posted'**.

14. View the results.

15. Close all pages.

3.90.10 Process Collection Letters

Connie, the Credit and Collections Manager at Contoso, must process and post the first collection letter for customer Shrike Retail (US-023).

- Run a collection letter job for the first collection letter.

- Use 8/28/2017 as the date.

- Print the letter.

- Post the collection letter.

3.90.11 Create a collection letter

1. Select **Credit and collections**, select **Collection letter**, select **Create Collection letters**.

2. Set the **Invoice** field to **Yes**.

3. In the **Collection letter date** field, enter **8/28/2017**.

4. Select the **Use posting profile from** dropdown, and then select **Select**.

5. Select the **Posting profile** dropdown, and then select GEN.

6. Open the **Records to include** form.

7. Select the **Filter** icon.

8. Enter **US-023** into the Criteria column on the **Customer account** row, and then select **OK**.

9. Select **OK** to process the **Creation of collection letter** job.

10. Follow these steps to review, print, and post the collection letter.

11. Select **Credit and collections**, select **Collection letter**, and then select **Review and process collection letters**.

12. Select the collection letter previously created for customer US-023, select the **Print** button, and then select **Collection letter note**.

13. Select **OK**.

14. Review the collection letter.

15. **Close** the collection letter.

16. Note that the **Printed** field is **Yes**.

17. Select the collection letter previously created for customer **US-018**, and then select the **Post** button.

18. Enter **9/29/2017** in the **Posting date** field.

19. Select **OK**.

20. Close the **Review and Process Collection Letters** form.

3.91 lab: title: 'Exercise 1: Configure Basic budgeting components' module: 'Module 7: Configure and manage budgeting'

3.92 Exercise 1: Configure Basic budgeting components

You need to configure the basic budgeting for your company. Select USMF to practice and learn how.

3.92.1 Instructions

1. Navigate to **General ledger > Journal setup > Journal names**.

2. Select **New**.

3. In the **Name** field, enter **'CPBud'**.

4. In the **Description** field, enter **'Contoso Pharmaceuticals Budget Journal'**.

5. In the **Journal type** field, select **'Budget'**.

6. In the **Voucher series** field, enter or select a value.

7. Close the page.

8. Navigate to **Organization administration > Setup > Financial reasons**.

9. Select **New**.

10. In the **Reason code** field, enter **'Bud'**.

11. In the **Default comment** field, enter **'Budget Demos'**.

12. Select the **Ledger** check box.

13. Close the page.

14. Navigate to **Budgeting > Setup > Basic budgeting > Budget models**.

15. Select **New**.

16. In the **Budget model** field, enter **'Sales'**.

17. In the **Name** field, enter **'Sales Department'**.

18. Select **New**.

19. In the **Budget model** field, enter **'Marketing'**.

20. In the **Name** field, enter **'Marketing Department'**.

21. Select **New**.

22. In the **Budget model** field, enter **'HQ'**.

23. In the **Name** field, enter **'Main Office'**.

24. Close the page.

25. Navigate to **Budgeting > Setup > Basic budgeting > Budget codes**.

26. Select **New**.

27. In the **Budget code** field, enter **'OB'**.

28. In the **Description** field, enter **'Original Budget'**.

29. In the **Budget type** field, select **'Original budget'**.

30. Select the **Set as default code** check box.

31. In the **Reason code** field, enter or select **'Bud'**.

32. In the **Workflow** field, select **Budget register entry workflow**.

33. Select **New**.

34. In the **Budget code** field, enter **'Rev'**.

35. In the **Description** field, enter **'Budget Revision'**.

36. In the **Budget type** field, select **'Revision'**.

37. Select the **Set as default code** check box.

38. In the **Reason code** field, select a value.

39. Select **New**.

40. In the **Budget code** field, enter **'Trn'**.

41. In the **Description** field, enter **'Budget Transfer'**.

42. In the **Budget type** field, select **'Transfer'**.

43. Select the **Set as default code** check box.

44. In the **Reason code** field, enter or select **'Bud'**.

45. Close the page.

46. Navigate to **Budgeting > Setup > Basic budgeting > Dimensions for budgeting**.

47. If you already have demo data, you may skip steps 48-51 and select **Cancel**.

48. In the list, select **MainAccount**.

49. In the list, select **Department**.

50. Select → to add to budget dimension.

51. Select **OK**.

52. Navigate to **Budgeting > Setup > Basic budgeting > Budget allocation terms**.

53. Select **New**.

54. In the **Budget allocation term** field, enter **'6040'**.

55. In the **Description** field, enter **'60% 40%**.'

56. Select **Add**.

57. Set **Percent** to '60'.

58. In the **Department** field, enter or select a value.

59. Select **Add**.

60. Set **Percent** to '40'.

61. In the **Department** field, enter or select a different value.

62. Close the page.

63. Navigate to **Budgeting > Setup > Basic budgeting > Budgeting parameters**.

64. In the **Budget journal** field, enter or select **CPBud**.

65. Close the page.

3.93 lab: title: 'Exercise 2: Configure Budget control components' module: 'Module 7: Configure and manage budgeting'

3.94 Exercise 2: Configure Budget control components

You need to configure the budget control for your company. Select **USMF** to practice and learn how.

Note: You need to complete Exercise 1

3.94.1 Instructions

1. Open **Budgeting > Setup > Budget control > Budget cycles**.

2. Select **New** and enter a name for the budget cycle time span.

3. Select a fiscal calendar to associate with the budget cycle time span.

4. In the **Length of budget cycle** field, select **Specify number of periods** or **Map to fiscal year**.

5. If you select **Specify number of periods**, enter the number of accounting periods for the budget cycle.

6. If you select **Map to fiscal year**, the budget cycle time span uses the fiscal year that is defined by the starting and ending periods for the budget cycle.

7. Select **Add**. Enter the name of the first period in the budget cycle time span and enter the date when that period starts. The ending date for the budget cycle is determined automatically based on the number of fiscal periods in the budget cycle time span.

8. Open **Budgeting > Setup > Budget control > Budget control configuration**.

9. Select an **Account structure.** If you have multiple active account structures in the chart of accounts, select the account structure that will be used for profit and loss or expense accounts. This account structure includes the main account range for expense accounts.
   Note: You may need to **Create draft** of the budget control if you are working with one of the companies provided as part of the demo data to make changes in this form.

10. After you select an account structure, all the financial dimensions in that account structure and advanced rules that are defined for budgeting are displayed in the Budget dimensions list.

11. Select a financial dimension and move it to the **Budget control dimensions** list.

12. Select a **Budget control interval**, such as **Fiscal year** or **Fiscal year to date**. The budget control interval works with the budget cycle to determine how amounts are aggregated for budget checking.

13. For example, if you select Fiscal year, all the funds for the fiscal year are aggregated for budget checking. If you select Fiscal year to date or Budget to date, the ending date is determined from the fiscal period and the accounting date of the source document or accounting journal that is being checked.

14. Select the **Budget cycle time span**, which defines the length of the budget cycle.

15. Select a **Budget manager**, which is a user who can approve budget workflows. Another budget manager can be defined by using a budget control rule.

16. In the **Budget threshold** field, enter the percentage of the budget that can be spent. The threshold can be used to provide warning messages or to define budget permissions to prevent specific user groups from exceeding the budget threshold. This threshold can exceed 100 percent.

17. Select the **Display a message when exceeding budget threshold** check box to display messages when the budget threshold is exceeded.

18. Select the **Over budget permissions** tab.

19. Select **Add** to create a new rule.

20. Select the desired **User group**.

21. Select the **Over budget** option.

22. Select **Budget funds available** tab and select desired check boxes to formulate how the available funds gets calculated.

23. Select **Documents and journals**.

24. Select the **Purchase requisitions** check box. The **Purchase orders** and **Vendor invoices** check boxes are automatically selected.

25. If you do not select the **Purchase requisitions** check box and you instead select the **Purchase orders** check box, the **Vendor invoices** check box is automatically selected.

26. You can select **Vendor invoices**, **Travel requisitions**, and **Expense reports** independently of the other source documents.

27. For each source document, you can select the **Enable budget control** for line item on entry check box to enable budget checking for each line as the line is entered and saved.

28. Select the **Assign budget models** tab.

29. Select **Add** and then select a **budget cycle time span**.

30. Select a **Budget cycle**.

31. Select a **Budget model**. Only budget models that do not contain submodels are available for budget control.

32. Select **Define budget control rules**. Define rules as desired.

33. Select **Select main accounts**.

34. Select the check boxes to select the main accounts or select **Select all** to select all the main accounts.

35. Select **Activate budget control**.

36. Select **Activate** to make the draft version of the budget control configuration active. The Date when last activated field displays the current date, and the Activated by field displays your user ID. Select **OK** and **Activate**.

37. You have started budget control by using the active configuration. The budget control status changes to Turned on, and the Turn on button is replaced with Turn off.

3.95 lab: title: 'Exercise 3: Use Budget register entries' module: 'Module 7: Configure and manage budgeting'

3.96 Exercise 3: Use Budget register entries

You need to configure the budget control for your company. Select USMF to practice and learn how.

Note: You need to complete Exercise 2

3.96.1 Instructions

1. Navigate to **Budgeting > Budget register entries**.

2. Select **New**.

3. In the **Budget model** field, enter or select a value.

4. In the **Budget code** field, enter or select **OB** original budget.

5. Select **Add line**.

6. Specify the desired value in the **Account structure** field.

7. In the **Dimension values** field, specify the desired values with a Main account and department. Save this value for later in this exercise.

8. Set **Amount** to '3000'.

9. Select **Add line**.

10. In the **Dimension values** field, specify the desired values with the same Main account and a different department value. Save this value.

11. Set **Amount** to '1000'.

12. Select **Add line**.

13. In the **Dimension values** field, specify the desired values with the same Main account and a different department value. Save this value.

14. Set **Amount** to '2000'.

15. Select **Save**.

16. Select **Workflow** to open the drop dialog.

17. Select **Submit**.

18. In the **Comment** field, enter 'Budget Workflow Demo'.

19. Select **Submit**.

20. Select **Workflow** to open the drop dialog.

21. Select **Workflow history**.

22. Expand the **Tracking details** section.

23. Expand the **Work items** section.

24. Select **Reassign**.

25. In the **User** field, enter or select your alias, for example, Admin.

26. Select **Reassign**.

27. Refresh the page.

28. Close all pages.

29. Navigate to **Common > Common > Work items > Work items assigned to me**.

30. In the list, select the workflow item for your budget.

31. Select **Workflow**.

32. Select **Approve > Approve**.

33. Close the page.

34. Navigate to **Budgeting > Budget register entries**.

35. Select **Workflow** to open the drop dialog.

36. Select **Workflow history**.

37. Refresh the page.

38. Close the page.

39. Navigate to **General ledger > Workspaces > General journal processing**.

40. Select **New journal**. Save the journal number.

41. In the **Name** field, enter or select a value.

42. In the **Description** field, enter **'General Daily Journal - Budget Demo'**.

43. Select **Lines**.

44. In the **Account type** field, select **'Vendor'**.

45. In the **Description** field, enter **'invoice'**.

46. Set **Credit** to '1007.25'.

47. In the **Offset account** field, specify the value that you set in step 7.

48. In the **Currency** field, enter 'USD'.

49. Select **Save**.

50. Refresh the page.

51. Close all pages.

52. Navigate to **Budgeting > Budget register entries**.

53. Select **New**.

54. In the **Budget model** field, enter or select a value.

55. In the **Budget code** field, enter or select revision.

56. Select **Add line**.

57. In the **Dimension** values field, specify the value that you set in step 7.

58. Set **Amount** to **'500'**.

59. Select **Save**.

60. Select **Update budget balances**.

61. Select **Update**.

62. Close all pages.

63. Navigate to **Budgeting > Inquiries and reports > Budget control > Budget control statistics**.

64. Select **Apply parameters**.

65. Select **Budget control statistics by period**.

66. Review and close all pages.

67. Navigate to **General ledger > Journal entries > General journals**.

68. In the list, select your journal created in step 40.

69. Select **Lines**.

70. Select **Validate > Validate**.

71. Select **Post**.

72. Close all pages.

73. Navigate to **Budgeting > Budget register entries**.

74. Select **New**.

75. In the **Budget model** field, enter or select a value.

76. In the **Budget code** field, enter or select **Trn** for transfer.

77. Select **Add line**.

78. In the **Dimension values** field, specify the value that you set in step 7.

79. Set **Amount** to '1750'.

80. Select **Save**.

81. Select **Add line**.

82. In the **Dimension values** field, specify the value that you set in step 10.

83. Set **Amount** to '-1050'.

84. Select **Add line**.

85. In the **Dimension values** field, specify the value that you set in step 13.

86. Set **Amount** to '-700'.

87. Select **Update budget balances**.

88. Select **Update**.

89. Close all pages.

3.97 lab: title: 'Exercise 4: Configure Budget planning, create and use a planning process' module: 'Module 7: Configure and manage budgeting'

3.98 Exercise 4: Configure Budget planning, create and use a planning process

The goal of the lab exercise is to apply the knowledge we've learned regarding the configure and test budget planning components.

3.98.1 Instructions

The objective of this lab is to provide a guided view of Microsoft Dynamics 365 Finance functionality updates in Budget planning area. The intent of this lab is to illustrate a quick configuration example of budget planning module and showcase how budget planning can be accomplished using this configuration.

This lab will focus specifically on the following business processes or tasks:

- Creating organizational hierarchy for budget planning and configuring user security
- Defining budget plan scenarios, budget plan columns, layouts and Excel templates
- Creating and activating budget planning process
- Creating budget plan document by pulling in actuals from General ledger
- Using allocations to adjust budget plan document data
- Editing budget plan document data in Excel

3.98.2 Prerequisites

You'll need to access the Dynamics 365 Finance environment with demo data and be provisioned as an administrator on the instance. If you sign into the Dynamics 365 Finance using a browser other than IE, then you'll be prompted to sign in within the Excel App. When you select "Sign in" in the Excel App, an IE popup window will open and when signing in you **MUST** check the "Keep me signed in" checkbox. If selecting "Sign in" in the Excel App doesn't appear to do anything, then you should clear the IE cookie cache.

3.98.3 Scenario overview

Julia works as a finance manager in Contoso Entertainment Systems USA (**USMF**). As FY2020 approaches, she needs to work on setting up the company's budget for the upcoming year based on fiscal year 2016. Budget preparation looks as follows:

- Julia uses previous year actuals amounts as a starting point to create the budget.
- Based on the previous year actuals, she creates estimates for 12 months in the upcoming year.
- Julia reviews the budget with CFO. Once done she makes necessary adjustments for the budget plan and finalizes budget preparation. Julia uses an Excel template to prepare the budget.

3.98.4 Configuration

3.98.4.1 Create organizational hierarchy

As all the budgeting process happens in' the Finance department, therefore Julia needs to create a very simple organizational hierarchy, consisting of Finance department only.

1. Navigate to **Organization administration > Organizations > Organization hierarchies**.
2. Select the **New** button.
3. In the **Name** field, enter **MyBudgetPlanningH**.
4. Select the **Assign purpose** button.
5. Select the **Budget planning** purpose so that it is highlighted.
6. Select the **Add** button and select the newly created organizational hierarchy **MyBudgetPlanningH**.
7. Select **OK**.
8. Highlight the **MyBudgetPlanningH** and select **Set as default** button.
9. Close the form.
10. Select **Refresh** button. Note that **Budget planning** purpose is assigned as purpose for **MyBudgetPlanningH**.
11. In the Organizational Hierarchies form select the **View** button.
12. Select **Edit** in the Hierarchy designer and create a hierarchy by selecting button **Insert > Department**.
13. Select the **Finance** department for the budgeting hierarchy.

14. Select **OK** if necessary.

15. Select **Publish** and enter 1/1/2020 in the **Effective date** field for hierarchy publishing.

16. Select **Publish**.

17. Select **Close**.

18. Close all pages.

3.98.4.2   Configure user security

Budget planning uses special security policies to configure access to budget plans data. Julia needs to give access to Finance budget plans for herself.

1. In **USMF**, navigate to **Budgeting > Setup > Budget planning > Budget planning configuration**.

2. In **Parameters** tab, set the **Security model** value to **Based on security organizations**.

3. Select **Save**.

4. Close the page.

5. Navigate to **System administration > Users > Users**.

6. Select the link for **UserID** field with value of **Admin**.

7. Select **Edit** button.

8. Select **USMF** for the **Company** field.

9. Give user **Admin** the **Budget manager** role by selecting **Assign role** and select **OK**.

10. Highlight the **Budget manager** role and select **Assign organizations** button.

11. Select "**Grant access to specific organizations individually**".

12. In the **Select organization hierarchy** field select **Budgeting - Departments**.

13. Select the **Finance** node and select the **Grant with children** button.

14. Close all pages.

3.98.5   Use existing scenarios

1. In **USMF**, navigate to **Budgeting > Setup > Budget planning > Budget planning configuration**.

2. Select the **Scenarios** tab and note that you will use **Previous year actuals** and **Budgeted**.

3.98.5.1   Create budget plan columns

Budget plan columns are either Monetary or quantity-based columns that can be used in budget plan document layout. In our example, we need to create a column for Previous year actuals and 12 columns to represent each month in a budgeted year.

Columns can be created either by simply selecting Add button and filling in the values, or with a help of Data entity. In this lab, we will use Data entity to fill in the values.

3. Select the **Columns** tab.

4. Select the **Office** button on the top right corner of the form and choose **Budget plan columns (unfiltered)**.

5. Select **Download**.

6. Select **Open**. The system will open an Excel workbook to be used for filling in the values.

7. If prompted, select **Allow**.

8. If prompted with Microsoft Office Activation Wizard dialog box, select **Close**.

9. If prompted, select **Enable Editing** and **Trust this add-in**.

10. You need to sign in using the same alias as you log in to the Dynamics 365 Finance.

11. Select **Design** on the right-side pane to add the columns to the grid.

12. Select the little pencil button next to **Budget plan columns** to see the available columns to add to the grid from the **Data connector**.

13. Select all available fields and select **Update**.

14. Select **Done**.

15. Select **Refresh** button.

16. Select **Yes**.

17. Select **Publish**. Close Excel without saving.

18. Switch to Dynamics 365 Finance and refresh the page.

19. The published values will appear in Dynamics 365 Finance after a page refresh.

3.98.5.2 Create budget plan document layouts and templates

Layout defines how budget plan document lines grid is going to look like when user opens budget plan document. It is also possible to switch the layout for budget plan document to see the same data in different angles.

Now, as you've got columns defined to be used with our budget plan document, Julia needs to create a budget plan document layout, that would look similar to the Excel table she uses to create budget data.

20. Select the **Layouts** tab.

21. Select **Add** on the **Budget plan layouts** area to create a new layout for monthly budget entry; enter **MyLayout** in the **Name** field; choose the **MA+BU** value in the **Ledger dimension set** field to include Main accounts and Business units to the layout.

22. Under the **Layout element** section, select **Add** and select **Actuals to date** in the **Elements** section.

23. Select **Editable**.

24. Select **Descriptions** button in the **Budget plan layouts** area to select which financial dimensions should display Descriptions in the grid. Based on the budget plan layout definition, we can create an excel template to be used as an alternative way to edit budget data. As an excel template must match the budget plan layout definition. You won't be able to edit the budget plan layout after generating an excel template; therefore, this task should be done after all layout components are defined. Don't make the elements editable.

25. Select **Main Account** and **BusinessUnit** and select à to add them to the **Selected Fields** section.

26. Select **OK**.

27. For the layout created, select **Template > Generate** in the **Budget plan layouts** area.

28. Read the message and select **Yes**.

29. To view the template, select **Template > View** in the **Budget plan layouts** area.

30. Make sure to select "**Save as**" and select the place where template should be stored in order to edit it. If user selects "Open" in the dialog without saving, the changes done to the file will not be retained when the file is closed. **Open** the file.

31. If prompted, select **Enable Editing**.

32. Select **Refresh**.

33. Review the results.

34. Close Excel workbook.

35. Close all pages in Dynamics 365 Finance.

3.98.6 Create a budget planning process

Julia needs to create and activate a new budget planning process combining all the setup above to start entering budget plans. Budget planning process defines what budgeting organizations, workflow, layouts, and templates will be used for creating budget plans. By using the following information to create a budget planning process:

- Budget planning process – USMF budgeting FY2020

- Budget cycle – FY2020

- Ledger – USMF

- Default account structure – Manufacturing P&L

- Organization hierarchy – pick the hierarchy created in the beginning of the lab

- Budget planning workflow – assign Auto – Approve workflow for finance department

- In budget planning stage rules and templates, for each workflow budget planning stage, pick if adding lines and modifying lines is allowed and what layout should be used by default.

1. Navigate to **Budgeting > Setup > Budget planning > Budget planning process**.

2. Select **Next year OPEX budget**.

3. Review values of all fast tabs.

4. Close all pages.

3.98.7   Generate initial data for budget plan from General ledger

1. Navigate to **Budgeting > Periodic > Generate budget plan from General ledger**.

2. In the **Fiscal year** field, select **2016**.

3. In the **From period** field, select **January**.

4. In the **To period** field, select **December**.

5. In the **ACCOUNT TYPE** list area, select check box next to **Account type** to select all account types.

6. In the **Historical** field, select **Yes**.

7. In the **Budget planning process** field, select **Next year OPEX budget**.

8. In the **Budget plan name** field, enter **MyBudgetPlan1**.

9. In the **Budget plan scenario** field select **Department approved**.

10. In the **Factor** field enter **1.2**.

11. Select button **Generate**.

12. Navigate to **Budgeting > Budget plans** to find a budget plan created by Generate process.

13. You need to refresh the page until you see Budget plan name **MyBudgetPlan1**. The first time this runs, it will take a few moments.

14. Open document details by selecting Document number hyperlink. Budget plan is displayed as defined in the layout created during this lab. Scroll right to see more columns of data.

15. Select **Budget plan hierarchy** button.

16. Review results.

17. Close all the pages.

3.98.8   Create budget register entry from budget plan

1. Navigate to **Budgeting > Periodic > Generate budget register entry**.

2. In the Budget planning process field, select **Next year OPEX budget**.

3. In the document number use the dropdown to select **MyBudgetPlan1** as the budget plan name.

4. In the **Budget plan scenario** field, select **Department approved**.

5. In the **Budget model** field select, **FY2021**.

6. In the **Budget code** field, select **Original budget**.

7. Select **Generate**.

8. Navigate to **Budgeting > Budget register entries**.

9. You need to refresh the page until you see the budget register entries for **FY2021**. The first time this runs, it will take a few moments.

10. Select the hyperlink for the **FY2021** budget register entry and view results.

3.99 lab: title: 'Exercise 1: Configure fixed assets components' module: 'Module 8: Configure and manage fixed assets'

3.100 Exercise 1: Configure fixed assets components

The goal of the lab exercise is to apply the knowledge we've learned regarding the configure and test Fixed assets components.

3.100.1 Instructions

3.100.1.1 Set up fixed asset posting profiles

This task guide will set up Fixed asset posting profiles. It uses the Accountant role and demo data for the USMF legal entity. Examples given in the task guide are for a basic posting profile, though posting profiles must be created for your specific chart of accounts and financial reporting requirements.

1. Navigate to **Fixed assets > Setup > Fixed asset posting profiles**.

2. Select **New**.

3. In the **Posting profile** field, enter a value.

4. In the **Description** field, enter a value. You will need to create a posting profile for each fixed asset transaction type you will be using when working with fixed assets. Let's start with the **Acquisition** transaction type.

5. Select **Add**.

6. In the **Book** field, select a value.

7. The Groupings field allows you to define the posting profile down to the Table (one account set up for each fixed asset) or Group (one account set up for each fixed asset group). For this task guide, we will leave the value set to "All" to apply to all fixed assets with the specified Book.

8. In the **Main account** field, specify the desired value.

9. For Acquisitions, you can enter an offset account or leave it blank to be filled in for the specific transaction.

10. In the **Transaction type** dropdown where it says **Acquisition**, select **'Acquisition adjustment'**.

11. For Acquisition adjustment transactions, we will use the same accounts as used for Acquisition transactions.

12. Select **Add**.

13. In the **Book** field, select a value.

14. In the **Main account** field, specify the desired value.

15. For Acquisition adjustments, you can enter an offset account or leave it blank to be filled in for the specific transaction.

16. In the **Transaction type** dropdown which says **Acquisition adjustment**, select 'Depreciation'.

17. Select **Add**.

18. In the **Book** field, select a value.

19. In the **Main account** field, specify the desired value.

20. In the **Offset account** field, specify the desired value.

21. In the **Transaction type** dropdown, select 'Depreciation adjustment'.

22. For Depreciation adjustment transactions, we will use the same accounts as used for Depreciation transactions.

23. Select **Add**.

24. In the **Book** field, enter or select a value.

25. In the **Main account** field, specify the desired values.

26. In the **Offset account** field, specify the desired values.

27. In the **Transaction type** field, select 'Disposal - sale'.

28. Select **Add**.

29. In the **Book** field, enter or select a value.

30. In the **Main account** field, specify the desired values.

31. For Disposals, you can enter an offset account or leave it blank to be filled in for the specific transaction.

32. In the **Transaction type** field, select 'Disposal - scrap'; you will use the same accounts as for Disposal sale.

33. Select **Add**.

34. In the **Book** field, select a value.

35. In the **Main account** field, specify the desired value.

36. For Disposals, you can enter an offset account or leave it blank to be filled in for the specific transaction.

37. Expand the **Disposal** section. You must set up disposal posting profiles for both sale and scrap.

38. We will start with disposal sale transactions. Select **Add**.

39. In the **Book** field, enter or select a value.

40. In the **Post value** field, select 'Acquisition value'.

41. Acquisition value will address Acquisition and Acquisition adjustment values for all years. You can also define accounts for these transaction types separately.

42. You can set the disposal process to use different accounts depending upon if the disposal results in a gain or loss. We will set the Sales value type to "All" to use the same accounts for all types of disposals.

43. In the **Main account** field, specify the desired value.

44. In the **Offset account** field, specify the desired value.

45. Select **Add**.

46. In the **Book** field, enter or select a value.

47. In the **Post value** field, select 'Depreciation (prior years)'.

48. In the **Main account** field, specify the desired value.

49. In the **Offset account** field, specify the desired value.

50. Select **Add**.

51. In the **Book** field, enter or select a value.

52. In the **Post value** field, select 'Depreciation (this year)'.

53. In the **Main account** field, specify the desired value.

54. In the **Offset account** field, specify the desired value.

55. Select **Add**.

56. In the **Book field**, enter or select a value.

57. In the **Post value** field, select 'Depreciation adjustments (prior years)'.

58. In the **Main account** field, specify the desired value.

59. In the **Offset account** field, specify the desired value.

60. Select **Add**.

61. In the **Book** field, enter or select a value.

62. In the **Post value** field, select 'Depreciation adjustments (this year)'.

63. In the **Main account** field, specify the desired values.

64. In the **Offset account** field, specify the desired values.

65. Select **Add**.

66. In the **Book** field, enter or select a value.

67. In the **Post value** field, select 'Net book value'.

68. In the **Main account** field, specify the desired values.

69. In the **Offset account** field, specify the desired values.

70. In the **Sale** or **scrap** field, select 'Scrap'.

71. Select **Add**.

72. In the **Book** field, enter or select a value.

73. In the **Post** value field, select 'Acquisition value'.

74. In the **Main account** field, specify the desired values.

75. In the **Offset account** field, specify the desired values.

76. Select **Add**.

77. In the **Book** field, enter or select a value. In Post value field, select 'Depreciation (prior years)'.

78. In the **Main account** field, specify the desired values.

79. In the **Offset account** field, specify the desired values.

80. Select **Add**.

81. In the **Book** field, enter or select a value.

82. In the **Post** value field, select 'Depreciation (this year)'.

83. In the **Main account** field, specify the desired values.

84. In the **Offset account** field, specify the desired values.

85. Select **Add**.

86. In the **Book** field, enter or select a value.

87. In the **Post** value field, select 'Depreciation adjustments (prior years)'.

88. In the **Main account** field, specify the desired values.

89. In the **Offset account** field, specify the desired values.

90. Select **Add**.

91. In the **Book** field, enter or select a value.

92. In the **Post** value field, select 'Depreciation adjustments (this year)'.

93. In the **Main account** field, specify the desired values.

94. In the **Offset account** field, specify the desired values.

95. Select **Add**.

96. In the **Book** field, enter or select a value.

97. In the **Post** value field, select 'Net book value'.

98. In the **Main account** field, specify the desired values.

99. In the **Offset account** field, specify the desired values.

3.100.1.2 Create and acquire assets from Accounts payable

3.100.1.2.1   Set Fixed assets parameters

1. Navigate to **Fixed assets > Setup > Fixed assets parameters**.

2. Expand the **Purchase orders** section in the **Fixed assets** tab.

3. Enable the **Allow asset acquisition from Purchasing** option.

4. Enable the **Create asset during product receipt or invoice posting** option.

3.100.1.2.2   Create a new vendor invoice

1. Navigate to **Accounts payable > Workspaces > Vendor invoice entry**.

2. Select **New vendor invoice**.

3. In the **Invoice account** field, select the drop-down to open the lookup.

4. In the list, select the selected row.

5. In the **Number** field, enter a value.

6. In the **Posting date** field, enter a date.

7. Select **Add line**.

8. In the **Item number** field, select the drop-down button to open the lookup. Either non-stocked items or procurement categories can be used for fixed asset acquisition.

9. In the list, select the selected row.

10. In the **Quantity** field, enter a number.

11. One invoice line will only create one fixed asset, regardless of quantity. The invoice quantity field value will be transferred to the fixed asset quantity.

12. In the **Unit price** field, enter a number.

13. Expand the **Line details** section.

14. Select the **Fixed assets** tab.

15. Enable the **Create a new fixed asset** option.

16. In the **Fixed asset group** field, select the drop-down button to open the lookup.

17. In the list, select the fixed asset group to be used when creating the new fixed asset.

18. Select **Post**. The fixed asset will be created and acquired when the invoice is posted.

3.101   lab: title: 'Exercise 2: Set up and create depreciation profiles' module: 'Module 8: Configure and manage fixed assets'

3.102   Exercise 2: Set up and create depreciation profiles

Depreciation profiles determine the type and the frequency of depreciation for an asset. As accountant role, perform the following:

3.102.1   Create a depreciation profile

1. Navigate to **Fixed assets > Setup > Depreciation profiles**.

2. Select **New**.

3. In the **Depreciation** profile field, enter a value.

4. In the **Name** field, enter a value.

5. In the **Method** field, select an option. If selecting reducing balance, you will need to enter a percentage in the Percentage field.

6. In the **Depreciation year** field, select an option.

7. In the **Period frequency** field, select an option.

8. Close the form.

3.102.2 Create a book

1. Navigate to **Fixed assets > Setup > Books**.

2. Select **New**.

3. In the **Book** field, enter a value.

4. In the **Description** field, enter a value.

5. If Calculate depreciation is selected, the associated asset book will be included in depreciation proposals. If it is not selected, the asset book will not be automatically depreciated.

6. Select **Yes** in the **Calculate depreciation** field.

7. In the **Depreciation profile** field, enter or select a value.

8. Select **Yes** in the **Create depreciation adjustments with basis adjustments** field.

9. By default, fixed asset book transactions will post to the general ledger. You can disable posting to the general ledger for the book by setting the **Post to general ledger** field to **No**.

10. Books that do not post to the general ledger are typically used for tax reporting purposes. This gives you additional flexibility to delete historical transactions for the asset book because they have not been committed to the general ledger.

11. The **Posting layer** defaults to the Current layer if the book posts to general ledger, and None if it does not post to general ledger. Update the **Posting layer** field if you need transactions for this book to be posted to a different layer.

12. In the **Calendar** field, enter or select a value.

13. Derived books will post transactions to different books at the same time. You create the transactions with the primary book, and during posting, an exact copy of the transaction is posted to the derived book. There is no recalculation with derived book transactions, so it should not be used for depreciation transactions.

3.102.3 Associate the book with a fixed asset group

1. Select **Fixed asset groups**.

2. In the **Fixed asset group** field, enter or select a value.

3. In the **Service life** field, enter a number.

4. Note that **Depreciation** periods is calculated after setting the Service life.

5. You can set the depreciation convention as required for tax purposes.

3.103 lab: title: 'Exercise 3: Acquiring an Asset Using the Fixed Assets Journal' module: 'Module 8: Configure and manage fixed assets'

3.104 Exercise 3: Acquiring an Asset Using the Fixed Assets Journal

April is the Accounts Payable Coordinator at the USMF Company. The company has just purchased a new gas boiler for 10,000 United States dollar (USD). April's task is to register the acquisition by using the Fixed assets journal.

3.104.1 To create the new fixed asset, follow these steps

1. Navigate to **Fixed assets > Fixed assets > Fixed assets**.

2. Select the **New** button to create a new asset.

3. In the **Fixed asset group** field, select **MACH**.

4. In the **Fixed asset number** field, the system defaults this number.

5. Note this number for the journal entry.

6. In the **Name** field, enter **Gas boiler #2**.

7. In the **Search name** field, enter **Boiler 2**.

8. Select the **Books** button. Note all the Books associated with the asset and also that the **Status** is **Not yet acquired**.

9. Close all forms.

3.104.2 To record the acquisition, follow these steps

1. Navigate to **Fixed assets > Journal entries > Fixed assets journal**.

2. Select the **New** button to create a journal.

3. In the **Name** field, select **FACur** (Fixed Asset Entries - Current).

4. Select the **Lines** button.

5. In the **Transaction type** field, select **Acquisition**.

6. In the **Account** field, select the asset previously created which is **Gas boiler #2**.

7. The **Book** will default based on the set up of the asset selected in the **Account** field. In this case it would be **CONSUM**.

8. In the **Description** field, select **Acquisition**.

9. In the **Debit** field, enter 10,000.00. The **Offset account type** and **Offset account** will default based on the Posting profile for the Book.

10. Select the **Post** button.

11. Close all the forms.

12. Navigate to **Fixed assets > Fixed assets > Fixed assets**.

13. Select **Gas boiler #2**.

14. Select the **Books** button. Note that the **Status** is now set to **Open**.

15. Select **Transactions** and verify the amount of the voucher.

16. Close all forms.

3.105

3.106 lab: title: 'Exercise 4: Depreciating and disposing an asset' module: 'Module 8: Configure and manage fixed assets'

3.107 Exercise 4: Depreciating and disposing an asset

Cassie is the Accountant at the Contoso Company. It is the end of the month, and Cassie must create a proposal to depreciate all the assets in the Fixed asset group MACH. After she creates the proposal, Cassie's manager reviews it, and then Cassie posts the proposal.

3.107.1 To record the depreciation, follow these steps

1. Navigate to **Fixed assets > Journal entries > Fixed assets journal**.

2. Select the **New** button to create a journal.

3. In the **Name** field, select **FACur** (Fixed Asset Entries - Current).

4. Select the **Lines** button.

5. In the **Transaction type** field, select **Depreciation**.

6. In the **Account** field, select the asset **Gas boiler #2**.

7. The **Book** will default based on the set up of the asset selected in the **Account** field. In this case it would be **CONSUM**.

8. In the **Description** field, select **Depreciation**.

9. In the **Credit** field, enter 600.00. The **Offset account type** and **Offset account** will default based on the Posting profile for the Book.

10. Select the **General** tab.

11. In the **Consumption units** field enter 2.

12. Select the **Post** button.

13. Close all the forms.

14. Navigate to **Fixed assets > Fixed assets > Fixed assets**.

15. Select **Gas boiler #2**.

16. Select **Books > Transactions** and verify the amount of the voucher for the depreciation.

17. Close all forms.

3.107.2   To dispose of an asset, follow these steps

1. Navigate to **Fixed assets > Journal entries > Fixed assets journal**.

2. Select the **New** button to create a journal.

3. In the **Name** field, select **FACur** (Fixed Asset Entries - Current).

4. Select the **Lines** button.

5. In the Date field, enter a date 1 day after the date of your last acquisition date.

6. In the **Transaction type** field, select **Disposal - sale**.

7. In the **Account** field, select the asset **Gas boiler #2**.

8. The **Book** will default based on the set up of the asset selected in the **Account** field. In this case it would be **CONSUM**.

9. In the **Description** field, enter **Disposal**.

10. In the **Debit** field, enter 9000.00. The **Offset account type** and **Offset account** will default based on the Posting profile for the Book.

11. Select the **Post** button.

12. Close all the forms.

13. Navigate to **Fixed assets > Fixed assets > Fixed assets**.

14. Select **Gas boiler #2**.

15. Select the **Books** button. Note that the **Status** is now set to **Sold**.

16. Select **Transactions** and review the amounts of each voucher.

17. Close all forms.