

## ◆ SCM + Finance Integration Project

### Step-by-Step Practice Learning (D365 F&O)

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#### STEP 0: Basic Company Setup (Assumed)

(Usually already available in training environment)

- Legal entity created (ex: IN01)
  - Fiscal calendar assigned
  - Currency configured (INR / USD)
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#### STEP 1: Finance Setup (Foundation)

##### 1.1 Create Main Accounts

Menu path:

General ledger > Chart of accounts > Main accounts

Create:

- Inventory (Asset)
  - GRN / Received Not Invoiced
  - Accounts Payable
  - Accounts Receivable
  - Revenue
  - Cost of Goods Sold (COGS)
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##### 1.2 Vendor Posting Profile

Menu path:

Accounts payable > Setup > Posting profiles

- Vendor group → AP main account
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##### 1.3 Customer Posting Profile

Menu path:

Accounts receivable > Setup > Posting profiles

- Customer group → AR main account

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## 1.4 Inventory Posting Profile (VERY IMPORTANT)

Menu path:

Inventory management > Setup > Posting > Posting

Configure:

- Inventory → Inventory account
- Purchase expenditure → GRN account
- Cost of goods sold → COGS account
- Sales revenue → Revenue account

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## STEP 2: Product & Inventory Setup

### 2.1 Item Model Group

Menu path:

Inventory management > Setup > Inventory > Item model groups

- Inventory model: FIFO
- Physical negative inventory: Yes (It allows **issuing goods physically even if stock is not yet received.**)
- Financial negative inventory: No (It allows **posting financial inventory without actual stock.**)

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### 2.2 Create Product

Menu path:

Product information management > Products > Released products

Configure:

- Item number
- Item model group
- Cost price
- Storage dimension group
- Site & warehouse

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### 2.3 Site & Warehouse

Menu path:

Inventory management > Setup > Inventory breakdown

- Create Site
  - Create Warehouse and link to site
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### **STEP 3: Vendor Master**

#### **3.1 Create Vendor**

Menu path:

Accounts payable > Vendors > All vendors

Fill:

- Vendor group
  - Posting profile
  - Payment terms
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### **STEP 4: PROCURE-TO-PAY (SCM → Finance)**

#### **4.1 Create Purchase Order**

Menu path:

Procurement and sourcing > Purchase orders > All purchase orders

Steps:

- Create PO
  - Add item
  - Confirm PO
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#### **4.2 Product Receipt (GRN)**

Menu path:

Purchase order > Receive > Product receipt

Result:

- Inventory physically increased
  - GRN account posted
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### 4.3 Vendor Invoice

Menu path:

Purchase order > Invoice > Invoice

Result:

- Inventory financially updated
  - AP credited
  - GRN cleared
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### 4.4 Vendor Transactions Check

Menu path:

Accounts payable > Vendors > All vendors > Vendor transactions

Verify:

- Invoice posted
  - Balance updated
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## STEP 5: Inventory → GL Validation

### 5.1 Inventory Transactions

Menu path:

Inventory management > Inquiries and reports > Transactions > Inventory transactions

Check:

- Physical receipt
  - Financial update
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### 5.2 Voucher Transactions

Menu path:

General ledger > Inquiries and reports > Voucher transactions

Verify:

- Inventory account
  - GRN account
  - AP account
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## **STEP 6: Customer Master**

### **6.1 Create Customer**

Menu path:

Accounts receivable > Customers > All customers

Fill:

- Customer group
- Posting profile
- Payment terms

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## **STEP 7: ORDER-TO-CASH (SCM → Finance)**

### **7.1 Create Sales Order**

Menu path:

Sales and marketing > Sales orders > All sales orders

- Add item
- Confirm sales order

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### **7.2 Packing Slip (Delivery)**

Menu path:

Sales order > Pick and pack > Packing slip

Result:

- Inventory physically reduced

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### **7.3 Sales Invoice**

Menu path:

Sales order > Invoice > Invoice

Result:

- Revenue posted
  - AR updated
  - COGS posted
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## 7.4 Customer Transactions

Menu path:

Accounts receivable > Customers > All customers > Customer transactions

Verify:

- Invoice
- Outstanding balance

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## STEP 8: COGS & Profit Check

### GL Validation

Menu path:

General ledger > Inquiries and reports > Ledger transactions

Check:

- Revenue account
- COGS account
- Profit impact

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## STEP 9: Reports & Reconciliation

### Inventory Value Report

Menu path:

Inventory management > Inquiries and reports > Inventory value report

Trial Balance

Menu path:

General ledger > Inquiries and reports > Trial balance

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## STEP 10: Documentation (VERY IMPORTANT)

Prepare:

- FRD (business flow)
- FDD (configuration + integration)
- Test cases (P2P & O2C)
- UAT support notes