NetSuite OneWorld Guide

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Introduction to NetSuite OneWorld

NetSuite OneWorld lets you manage multiple areas of your multinational, multicompany business. You can manage financials, customers, ecommerce, Services Resource Planning (SRP), business intelligence, and tax and compliance management.

Global Enterprise Resource Planning (ERP)

To manage financials, OneWorld lets you adjust for currency, taxation, and legal compliance differences. You can make adjustments at the local level, with regional and global business consolidation and roll-up. This roll-up provides worldwide business visibility in real time.

Global Customer Relationship Management (CRM)

To manage customers, OneWorld lets you manage a complex multinational sales organization that requires multiple languages and currencies. It provides global visibility to every aspect of CRM including quotas, forecasts, sales, customers, partners, support cases, issues, leads, and campaigns.

Global Ecommerce

To manage ecommerce, OneWorld lets you conduct web business around the globe. You can have multi-language, multi-currency, multi-country, and multi-brand web stores that can be run and managed from your NetSuite implementation.

Global Services Resource Planning (SRP)

With SRP, OneWorld streamlines the complete services lifecycle. Workflows from marketing to project management, service delivery, billing, and revenue management. SRP helps you drive repeat business from existing clients.

Global Business Intelligence

To manage business intelligence, OneWorld provides real-time visibility across your entire enterprise. This visibility provides unprecedented access to financial, customer, and business data worldwide. It provides multiple levels of consolidated reporting, and enterprise-wide key performance indicators (KPIs) display in real time on dashboards.

Global Tax and Compliance Management

Growing regulatory challenges, compliance risk, financial penalties, and more frequent system-based tax audits burden businesses with ever more complex tax compliance requirements. OneWorld tax and compliance management capabilities provide a robust foundation for transparency, automation, simplicity, and controls in managing your global tax and compliance responsibilities.

For details about working with NetSuite OneWorld, see the following help topics:

- OneWorld Overview
- Subsidiaries in OneWorld
- Subsidiary Setup
- Set up NetSuite OneWorld
- Intercompany Preferences
- Intercompany Framework
- Automated Intercompany Management
- Viewing Open Intercompany Balances
- Subsidiary Settings Manager
- Associate Subsidiaries with Entities and Items
- Consolidated Reporting in OneWorld

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- Subsidiary Navigator
- OneWorld ERP Accounting
- OneWorld CRM
- OneWorld and SuiteCommerce

OneWorld Overview

NetSuite OneWorld supports global, multi-subsidiary organizations. OneWorld lets you use a single NetSuite account to manage records and transactions for multiple subsidiaries conducting business across multiple tax jurisdictions involving multiple currencies.

OneWorld organizes both domestic and international subsidiaries into a single hierarchical structure. Each subsidiary is treated as a unique legal entity for taxation and regulation purposes. Each subsidiary has a specific nexus (tax jurisdiction) and a specific base currency. This base currency is the currency in which the subsidiary manages its financials. Subsidiary-specific data is available for reporting. Data for multiple subsidiaries can be rolled up into consolidated reports in the currency of a parent subsidiary.

OneWorld supports local and foreign currencies for transactions with foreign companies and between subsidiaries. Consolidated reports including aggregated financial statements provide foreign currency translation and consolidation for all child subsidiaries of a selected parent subsidiary.

OneWorld Capabilities

With NetSuite OneWorld, you can manage inter-related business processes across multiple subsidiaries. Some of the capabilities that NetSuite OneWorld provides include:

- **Accounting and Financial Consolidation**

   Each subsidiary completes transactions in its own base currency. Subsidiaries share inventory items and have unique items. Using a single chart of accounts as well as subsidiary-specific accounts you prepare consolidated and subsidiary financial statements in the appropriate currencies. You can also enter advanced intercompany journal entries and eliminate profits for transactions among subsidiaries.

- **Tax and Regulatory Compliance**

   Each subsidiary has one or more locations unique to that subsidiary, which enables you to administer location-based tax and regulatory requirements.

- **Customer Relationship Management**

   With OneWorld, you can manage your sales organization and customer relationships. Sales quotas and forecasts span subsidiaries and sales organizations. Sales people can sell and be commissioned across subsidiaries. Marketing campaigns and the leads obtained could be shared by one or more subsidiaries.

- **Shared or Unique Web Stores**

   Subsidiaries can have dedicated or shared Web stores with unique items.

- **SuiteCloud**

   SuiteCloud supports OneWorld with Web Services, SuiteScript, SuiteBuilder (customization), and SuiteAnalytics Connect.

- **Reporting and Search**

   OneWorld supports reporting in the base currency of each subsidiary, its parent subsidiary, and the top-level, root-parent subsidiary. Financial statements, dashboards, and Key Performance Indicators can display consolidated roll-ups and side-by-side comparisons of subsidiaries.

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Customers Who Use OneWorld

Most companies can adapt the capabilities of NetSuite OneWorld to meet the requirements of their particular business operations and structure. However, OneWorld provides the most value to organizations with the following characteristics:

- Subsidiaries exist as separate legal entities, particularly foreign subsidiaries.

- The top-level, or root-parent subsidiary, owns 100% of all subsidiaries. Affiliates, franchisees, joint ventures, and similar shared-ownership entities require more specialized accounting treatment. For more information, see Set up NetSuite OneWorld and NetSuite Company Settings.

- All subsidiaries have similar business processes. For example, a wholesale distribution company with similar operations in multiple countries can take advantage of company-level preferences. For more information, see the help topic Set Company Preferences.

- All subsidiaries generally use the same chart of accounts and fiscal periods. However, a company could set up country-specific accounts to meet statutory or internal reporting requirements. For more information, see the help topics Chart of Accounts Management and Accounting Period Management.

OneWorld Implementation

A new NetSuite implementation can be set up to use NetSuite OneWorld, and an existing account can be upgraded to use NetSuite OneWorld. Any edition of NetSuite can be upgraded. This is a one-time upgrade to your NetSuite implementation that cannot be reversed.

If you are interested in NetSuite OneWorld, contact your account representative.

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Subsidiaries in OneWorld

NetSuite OneWorld enables you to manage data for a hierarchical structure of separate legal entities (subsidiaries). This structure is organized as a tree that rolls up to a root, or top-level parent subsidiary. The root subsidiary is the highest-level subsidiary in your account, and all other subsidiaries are below it in the hierarchy. If your account was upgraded to OneWorld, the preexisting data is used for the root subsidiary.

> **ⓘ Note:** Subsidiary licenses are sold on a per-country and currency combination. You can have 250 subsidiaries in your OneWorld account, including the root subsidiary. If you require more than 250 subsidiaries, contact your NetSuite account representative for pricing information.
>
> License fees for subsidiaries do not include charges for elimination subsidiaries, and elimination subsidiaries do **not** count toward the maximum of 250 subsidiaries. Inactive subsidiaries also do not count toward the maximum.
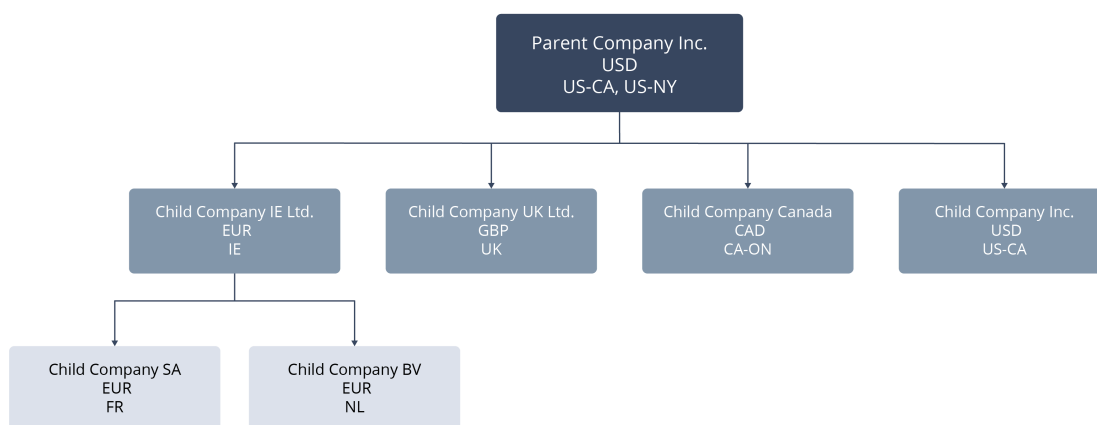
Each subsidiary represents a separate company within your global organization. Subsidiaries can be international or domestic. When you create a subsidiary record in OneWorld, the country you define for its address determines the NetSuite edition. It also determines the tax nexus associated with that subsidiary.

In addition to the subsidiaries representing your organization's separate legal entities, you must create elimination subsidiaries for use in balancing consolidated financials. Each OneWorld transaction generally posts to a single subsidiary, with the exception of transactions between two or more subsidiaries. Intercompany transactions include intercompany sales and purchases, intercompany inventory transfers, cross subsidiary fulfillment and return, and advanced intercompany journal entries. Because intercompany transactions post to two or more subsidiaries, the revenue and expenses must be eliminated at the consolidated level to maintain balanced financials. OneWorld uses elimination journal entries, associated with elimination subsidiaries, to maintain this balance. For more information, see Elimination Subsidiaries.

Elimination Subsidiaries

When subsidiaries transact, you may have to eliminate the revenue and expenses at the consolidated level to remove the effect of transactions between subsidiaries.

For example, intercompany transaction balances may require elimination for the following reasons:

- Sales and services between subsidiaries

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- Inventory transfers between subsidiaries
- Loans between subsidiaries

You use elimination subsidiaries to post journal entries that balance consolidated books. These journal entries, called elimination journal entries, reverse the impact of the intercompany transactions. Each elimination journal entry posts to an elimination subsidiary.

> ⓘ **Note:** Only journal entries post to elimination subsidiaries. No other transactions post to elimination subsidiaries. See the help topic Elimination Journal Entries.

You create an elimination subsidiary (as a child of the parent subsidiary) for any subsidiary that has child subsidiaries. Set the currency to the same currency as the base currency of the parent subsidiary.

The following illustration shows a sample subsidiary hierarchy that includes an elimination subsidiary.
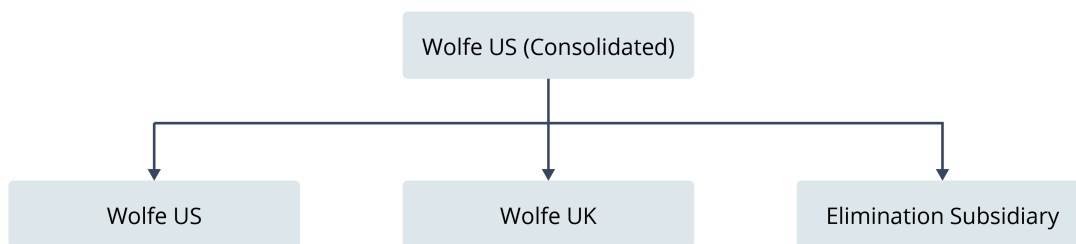
You create elimination subsidiaries the way you create other subsidiaries except that you check the Elimination box on the subsidiary record. For more information, see Creating Subsidiary Records.

License fees for subsidiaries do not include charges for elimination subsidiaries, and elimination subsidiaries do not count toward the maximum of 250 subsidiaries.

Note the following about elimination subsidiaries and transactions:

- An elimination subsidiary must use the same base currency and country combination as their direct parent subsidiary.
- With consolidated exchange rates, an elimination subsidiary must use a consolidated exchange rate of 1 to its direct parent subsidiary.
- You can select an elimination subsidiary **only** for journal entries, not for other transactions.
- A journal entry that is associated with an elimination subsidiary is a normal journal entry, not an advanced intercompany journal entry. It posts to a single elimination subsidiary. For more information about journal entries in OneWorld, see the help topic Making Advanced Intercompany Journal Entries.
- Elimination transactions post only to the elimination subsidiary and do not affect the general ledger.
- The system can automatically generate elimination journal entries if you enable the Automated Intercompany Management feature. See Automated Intercompany Management Overview.
- You cannot select an elimination subsidiary on a bank account record or a credit card account record.
- You cannot select an elimination subsidiary on item records.

Subsidiary Hierarchy Planning

Before you create subsidiary records you should plan the structure of your organization's subsidiaries. For each subsidiary record you create, you must define its parent, and as you create subsidiaries, NetSuite automatically defines a hierarchical structure.

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> ⚠️ **Important:** NetSuite enables you to modify your subsidiary hierarchy structure if your company requires modification. Be aware that a modification may corrupt your data and reporting. For information about modifying your subsidiary hierarchy and possible consequences, see the help topic Subsidiary Hierarchy Structure Modification.

You should diagram the parent-child relationships in your subsidiary hierarchy, starting at the top with the root subsidiary. This visual representation can help you consider how you want to organize and consolidate data, for both accounting and reporting purposes.

As you diagram your subsidiary hierarchy, it is a good idea to record the country, base currency, and tax nexuses for each subsidiary.

- The country you enter on a subsidiary record automatically determines the first tax nexus and NetSuite edition associated with that subsidiary.

- A base currency is the currency in which a subsidiary manages its financials. After you define and save a base currency on a subsidiary record, you cannot change it.

- A nexus is a tax jurisdiction. You can add and change nexuses on subsidiary records.

After you diagram a hierarchy of subsidiaries, you should include one elimination subsidiary as a child of each parent subsidiary. The elimination subsidiary should use the same base currency as the parent subsidiary.

Use the subsidiary hierarchy diagram as a roadmap for setting up subsidiaries. You can refer to the base currency listed for each subsidiary to ensure that all necessary currencies are set up in NetSuite. See Multiple Currencies in OneWorld. You can refer to the country listed for each subsidiary to ensure that all tax nexuses are set up and linked to the appropriate country. See Nexuses and Taxes in OneWorld.

Use your diagram to reference the order in which to create subsidiary records, in top-down order, beginning with the root. Be aware that you cannot change several fields on the subsidiary record after you create and save the record for the first time. See Creating Subsidiary Records and Editing Subsidiary Records.

If you enable the GL Audit Numbering feature, you can apply gapless numbering sequences to all general ledger posting transactions. These numbering sequences enable companies to meet international auditing requirements. The feature also enables you to specify that a subsidiary's transactions are locked to the general ledger. This option permits NetSuite to automatically generate journal entries when changes are made to a transaction that posted to the general ledger. See the help topics GL Audit Numbering and GL Impact Locking.

Subsidiary Hierarchy Structure Modification

Please read the following license agreement to understand the consequences associated with a subsidiary hierarchy modification.

> Modifying entries in the Subsidiary Hierarchy can have significant legal and financial consequences. Please be certain you are authorized to make such changes and consult with the appropriate stakeholders in your business before proceeding.
>
> At a minimum, you should read the official documentation and review and download all documents that may be relevant to these modifications, including but not limited to Financial Statements such as the Balance Sheet, Income Statement, Trial Balance, and audited reports from prior periods on both Consolidated and Subsidiary Levels, as well as Consolidated Exchange Rates.
>
> To ensure modifications are implemented correctly, make the modifications first in a Sandbox Environment and then thoroughly review all Financial Statements and Consolidated Exchange Rates

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to ensure the modifications had the anticipated consequences before deploying the modifications in a Production Environment.

The consequences of implemented modifications are outside the scope of any support made available to your organization by Oracle, and your organization is solely responsible for the effect of such modifications on your organization's use of the product and for any costs or expenses arising from or related to such modifications, including but not limited to the cost of any required data fixes.

Areas of the product that may be affected by such modifications include but are not limited to the following:

- **Existing financial statements may be lost with no possibility of recovery**
- Subsidiaries may get inactivated
- Consolidated/Budget Exchange Rates may be irreversibly recalculated
- Elimination Subsidiaries may get different parent Subsidiary
- Auto-Elimination Journals may post to the incorrect Elimination Subsidiary
- The Include Children (Subsidiaries) option may include a different set of Subsidiaries than before
- Granted restrictions on roles may change
- Reporting may not provide correct results if crossing Subsidiary Hierarchy Modification change date
- Customization and scripts utilizing Subsidiary may begin to fail

If you have questions before making such modifications, you may open a support ticket to request assistance from Oracle.

I have read, understood, and agree to the above on behalf of my organization.

The **Allow Subsidiary Hierarchy to be Modified** general preference enables you to modify your subsidiary hierarchy structure, as required by your company.

The following are common reasons to modify your subsidiary hierarchy:

- You acquired a company and you must establish a new head quarter subsidiary.
- You must change the headquarter subsidiary to another subsidiary in your hierarchy.

  For example, subsidiary number two becomes the parent subsidiary.
- You want to elevate a subsidiary in the hierarchy.

  For example, subsidiary number three becomes a regional subsidiary rather than a local subsidiary.

> ⚠️ **Important:** In addition to the known product areas listed in the license agreement, check the product areas you use that a modification may impact. The license agreement appears earlier in this topic.

Required Permissions for Subsidiary Hierarchy Modification

If you are an administrator, you can set the following requirements on the Role page. Go to Setup > Users/Roles > Manage Roles > New.

On the Permissions subtab, click the Lists subtab.	- You must have edit or full level Subsidiaries permission to modify the subsidiary hierarchy structure. - You must have access to all subsidiaries.

On the Permissions subtab, click the Setup subtab.	■ You must have full level Set Up Company permission to set the **Allow Subsidiary Hierarchy to be Modified** preference. This preference is on the General Preferences page. See the help topic Set Company Preferences.
	■ You must have full level Subsidiary Hierarchy Modification permission to modify the subsidiary hierarchy structure.
	■ You must have access to all subsidiaries.

Setting the Allow Subsidiary Hierarchy to be Modified Preference

The **Allow Subsidiary Hierarchy to be Modified** general preference is a date field. Use this field to specify the last day of the subsidiary hierarchy modification period. The modification period can be a maximum of 30 days long. After the specified day, you can no longer modify your subsidiary hierarchy. However, you can set the preference again.

To set the Allow Subsidiary Hierarchy to be Modified preference:

1. Go to Setup > Company > Preferences > General Preferences.

2. Next to the **Allow Subsidiary Hierarchy to be Modified** field, click the calendar icon to set the last day of the modification period.

3. Read the license agreement that includes the consequences associated with subsidiary hierarchy modification.

   Only if you agree with the license content and are eligible to modify your subsidiary hierarchy, click **Accept**.

4. Click **Save**.

Modifying Your Subsidiary Hierarchy

You modify a subsidiary's place in the hierarchy through that subsidiary's record. When you use the **Allow Subsidiary Hierarchy to be Modified** preference, the read-only **Subsubsidiary Of** field on the subsidiary record becomes a list.

To modify your subsidiary hierarchy:

1. Go to Setup > Company > Subsidiaries.

2. Click **Edit** next to the subsidiary you want to move in the hierarchy.

   > 🛈 **Note:** You cannot set a new parent directly on a new record. If you want to create a new record as a new parent, you must first save the record. Then, in edit mode, position the new parent within the hierarchy.
   >
   > You cannot make an elimination subsidiary the parent subsidiary.

3. In the **Subsubsidiary Of** list, move the subsidiary to the new place in the hierarchy.

4. Read the license agreement that includes the consequences associated with subsidiary hierarchy modification.

   Only if you agree with the license content and are eligible to modify your subsidiary hierarchy, click **Accept**.

5. Click **Save**.

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> ⚠️ **Important:** Depending on the amount of data NetSuite has to process, saving the hierarchy change may take up to 30 minutes.

6. Click **List** in the top right corner of the page.
7. View the updated subsidiary hierarchy on the Subsidiaries list page.

Multiple Currencies in OneWorld

The Multiple Currencies feature provides support for transactions with entities that use currencies other than the currency in which your company manages its financials. The currency used to manage your company's financials is called the base currency. Other currencies used by customers and vendors are referred to as foreign currencies.

The Multiple Currencies feature is required for NetSuite OneWorld. With OneWorld, each subsidiary can have a separate base currency, which is used to manage the subsidiary's financials. You cannot change a subsidiary's base currency after the subsidiary record has been saved for the first time.

Currency Records

As you plan your subsidiary hierarchy, you must determine the base currency of your root subsidiary. Then, the base currencies of all of your other subsidiaries. All subsidiary base currencies as well as any other currencies used in transactions should be set up in NetSuite. See the help topic Creating Currency Records.

When you enter a transaction for a subsidiary, the currency defined on the customer's or vendor's record determines the currency used in the transaction amounts. If a customer or vendor has a currency different from the subsidiary, the transaction must use two currencies. The foreign currency used by the customer or vendor, and the base currency used by the subsidiary.

Currency Exchange Rates

NetSuite uses currency exchange rates to convert foreign currencies to base currencies. Exchange rates provide default rates for transactions in currencies other than the base currency. Exchange rates are expressed in terms of base currency units per foreign currency units. You must set up a currency exchange rates list in NetSuite. See the help topic Currency Exchange Rates. You can enable the Currency Exchange Rate Integration feature to automatically update currency exchange rates on a nightly basis. See the help topic Currency Exchange Rate Integration.

Consolidated Exchange Rates

Consolidated reports use a separate consolidated exchange rates table to translate child subsidiaries' amounts to roll up into consolidated parent subsidiary amounts. See Consolidated Reporting in OneWorld and Consolidated Exchange Rates.

Budget Exchange Rates

Reports that include budget and actual amounts, such as some financial statements, use a separate budget exchange rates table for translation of budget amounts. See the help topics OneWorld Financial Statements and Subsidiary-Specific Budget Reports.

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Exchange Rate Variance Amounts

Over time, variances in exchange rates can affect the value of foreign currency transactions. NetSuite automatically calculates and posts exchange rate variance amounts for transactions that close during each accounting period. See the help topic Accounting for Fluctuation in Exchange Rates for Closed Transactions. In addition, before you close each period, you are required to revalue open balances to account for variances. See the help topic Revaluation of Open Currency Balances.

Nexuses and Taxes in OneWorld

A nexus is a tax jurisdiction. Nexuses are part of the NetSuite Advanced Taxes feature, required for NetSuite OneWorld. Each subsidiary must be associated with at least one nexus. The first nexus is automatically assigned to a subsidiary based on the country entered for the subsidiary's address. A subsidiary can have more than one nexus. A nexus and its related tax items can be shared by multiple subsidiaries.

When you edit a subsidiary record, a Nexuses subtab is available where you can add or remove nexuses. See Editing Subsidiary Records.

> ⚠️ **Important:** For U.S. subsidiaries, a state nexus is required. For Canada subsidiaries, a province nexus is required.

It is best to create and set up taxes for nexuses before you create subsidiary records. You can create a nexus at Setup > Accounting > Nexuses > New. See the help topic Creating Tax Nexuses.

You set up taxes for nexuses at Setup > Accounting > Taxes > Set Up Taxes. When you create a subsidiary, if a nexus does not exist for the subsidiary's country, it is automatically created when you save the subsidiary record. However, all that is created for the nexus is a name and description. You must still set it up at Setup > Accounting > Taxes > Set Up Taxes.

Tax Features for Nexuses

You should understand and set up the following tax features and items to set up tax nexuses:

- **Advanced Taxes Feature** - This feature provides management of taxes for multiple tax jurisdictions and must be enabled in NetSuite OneWorld. See the help topic Enabling Advanced Taxes.

- **Tax Agency Vendors** - These vendors represent taxing authorities to whom you pay collected taxes. The system automatically creates a tax agency vendor when you create a tax nexus. See the help topic Setting Up Tax Agencies as Vendors.

  Multiple subsidiaries can pay taxes to the same tax agency. When a new subsidiary shares a tax nexus with an existing subsidiary, the system creates a copy of the preferred tax vendor for that nexus. The copy of the preferred tax vendor gets associated with the new subsidiary. The copy is necessary because you cannot share a vendor tax agency with multiple subsidiaries. You can, however, share non-tax agency vendors with multiple subsidiaries. For more information, see Assigning Subsidiaries to a Vendor.

- **Tax Control Accounts** - These are Other Current Liability Accounts that you can set up in your general ledger. These accounts post and track tax collection and payments. See the help topic Tax Control Accounts Overview.

- **Tax Types** - These types provide categories used to link each tax code or tax group to a tax control account. Available tax types depend upon the country selected for the tax code. See the help topic Tax Types Overview.

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- **Tax Codes and Tax Groups** - A tax code represents a tax collected from customers in a specific geographic area. It is paid on their behalf to a taxing authority. The amount collected is based on a specific percentage rate. You can create tax groups that combine taxes for all tax jurisdictions relevant to a transaction. See the help topics Tax Codes Overview and Tax Groups Overview.

- **Tax Schedules** - Tax schedules permit different calculations of taxes on items, for different nexuses. When you enable the Advanced Taxes feature, the system creates tax schedules for each tax code. See the help topic Creating Tax Schedules.

- **Tax Reporting Periods** - (Editions other than US and Canada) You can set up these periods to track tax reporting separately from accounting periods. In NetSuite OneWorld, the same tax reporting periods apply across all subsidiaries that use the feature. See the help topic Setting Up Tax Periods.

> (i) **Note:** Available tax items and features vary for different NetSuite editions. See NetSuite Editions Overview.

NetSuite Editions Overview

The following localized editions of NetSuite are available. Each edition has differences in the user interface and feature capabilities.

Subsidiaries within a single OneWorld implementation may use different NetSuite editions. When you create a subsidiary record in NetSuite, the country you define for its address determines the NetSuite edition.

- NetSuite (US)
- NetSuite Australia (AU)
- NetSuite Canada (CA)
- NetSuite Japan (JP)
- NetSuite UK (UK)
- NetSuite International (XX) (This edition is not country-specific and is used for countries that do not have a localized edition. You can customize tax functions for specific countries using the Advanced Taxes feature.

An important difference among editions is their different handling of taxes, as shown in the following table:

	US Edition	Australia Edition	Canada Edition	Japan Edition	UK Edition	Internat'l Edition	NetSuite OneWorld
Precoded Tax?	Requires state tax import	Yes	Yes	Yes	Yes	No	Based on Subsidiary Edition
Type of Tax	Sales Tax	GST	GST, PST	Consumption Tax	VAT	N/A	Based on Subsidiary Edition
Tax Reporting Periods?	No	Yes	No	Yes	Yes	Yes	Yes, One Set Across All Subs, unless you enable Multiple Calendars. See the help topic

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	US Edition	Australia Edition	Canada Edition	Japan Edition	UK Edition	Internat'l Edition	NetSuite OneWorld
							Enabling Multiple Calendars.
Foreign Trade Settling?	No	Yes	No	Yes	Yes	Yes	Based on Subsidiary Edition

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Subsidiary Setup

Before you begin to set up subsidiaries for NetSuite OneWorld, ensure you review the following help topics:

- Subsidiaries in OneWorld
- Elimination Subsidiaries
- Subsidiary Hierarchy Planning
- Multiple Currencies in OneWorld
- Nexuses and Taxes in OneWorld

You must create a record for each subsidiary, including elimination subsidiaries. See Creating Subsidiary Records.

After you create and save a subsidiary record, you can edit tax nexuses and define preferences on that record. You can then associate subsidiaries with customers, employees, vendors, partners, items, and shipping items. For information and guidelines, see the following help topics:

- Assigning Subsidiaries to a Customer
- Assigning a Subsidiary to an Employee
- Assigning Subsidiaries to a Vendor
- Assigning a Subsidiary to a Partner
- Associate Subsidiaries With Items
- Associate Subsidiaries With Shipping Items

Creating Subsidiary Records

> ⓘ **Note:** For information about defining general company settings other than subsidiaries, see the help topic Configuring Company Information.

You should create subsidiary records in a top-down fashion. Begin with the root subsidiary, then all of its child subsidiaries, then the next level of subsidiaries, and so on. This order is best practice because you must define the parent for each child subsidiary when you create the subsidiary record.

You should create a subsidiary record for each legal entity in your organization. In addition, you should create a separate elimination subsidiary record as a child of each parent subsidiary.

When you create a subsidiary, the system creates a Subsidiary Settings page for that subsidiary. The subsidiary record has a one-to-one relationship with its Subsidiary Settings page. You can access the Subsidiary Settings page from the Subsidiary Settings Manager page. For information about Subsidiary Settings Manager, see Subsidiary Settings Manager. When you delete a subsidiary record, the system deletes its corresponding Subsidiary Settings page.

> ⚠ **Important:** If you upgrade your account to NetSuite OneWorld, the preexisting data is used for the root subsidiary.

To create a subsidiary record:

1. Go to Setup > Company > Subsidiaries > New.

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> ⚠️ **Important:** You cannot change the values or states of some fields after you save the subsidiary record the first time. For a list of fields that you cannot change on the parent or child subsidiaries, see Editing Subsidiary Records.

2. Complete the following header information:

   a. Check the **Subsidiary is Inactive** box if this subsidiary is no longer active or used in your account.

      Inactivated subsidiaries no longer show in the **Subsidiary** field on records and transactions unless they are currently attached to a record. Websites of inactive subsidiaries are no longer available online.

   b. Enter up to 83 alphanumeric characters for the name of the subsidiary.

   c. Select the parent subsidiary in the **Subsubsidiary of** field.

   d. Check the **Always Display Subsidiary Name** box to display only the subsidiary name with your role in the upper right corner of a page. When you log in to an external account, the dashboard displays only the logo of the subsidiary, not the parent company logo. External accounts include the employee center, vendor center, or customer center.

      Clear this box to display both the parent and the subsidiary name in your account.

   e. In the **Subsidiary Logo (Forms)** field, select the logo image to use on all forms by this subsidiary.

      Click **New** to upload a logo. Logos must be in JPG or GIF format.

      > ℹ️ **Note:** The logo you select does not affect the pages in your account. The logo that displays on pages is selected in the **Subsidiary Logo (Pages)** field.

   f. In the **Subsidiary Logo (Pages)** field, select the logo image to display on all pages for this subsidiary.

      Click **New** to upload a logo. Logos must be in JPG or GIF format.

      > ℹ️ **Note:** The logo you select does not affect printed forms. The logo on printed forms is selected in the **Subsidiary Logo (Forms)** field.

   g. Enter the URL of this subsidiary's website.

   h. If you use autogenerated numbering and you also want to use subsidiary-specific numbering for documents, enter a prefix to identify this subsidiary in document numbers.

      You can enter up to 8 alphanumeric characters.

      > ℹ️ **Note:** You must also enable subsidiary-specific transaction numbering at Setup > Company > Auto-Generated Numbers. For more information, see Using Subsidiary-Specific Transaction Auto-Numbering.

   i. Select the state or province, and country.

   j. Enter the legal name of this subsidiary, as it appears on tax documents.

   k. Enter a return email address.

      You can specify that email forms generated in NetSuite are sent using this email address. This is useful when you have many subsidiaries and you want customers or vendors to reply using an email address from the appropriate subsidiary. For information about setting email preferences, see the help topic Setting Email Preferences.

   l. Enter a fax number.

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m. Check the **Elimination** box if this subsidiary record is used for only intercompany journal entries that reverse transactions between subsidiaries.

For information about elimination subsidiaries, see Elimination Subsidiaries.

For information about intercompany journal entries, see the help topic Making Intercompany Journal Entries.

n. If this subsidiary uses multiple languages, select the default language for NetSuite users in this subsidiary.

> **(i) Note:** You can enable multiple languages in the International section on the **Company** subtab at Setup > Company > Enable Features.
>
> Individual users can choose their language at Home > Set Preferences.

o. If this subsidiary uses multiple calendars, select the calendars to roll up accounting and tax periods.

The fiscal calendar determines the start date for the accounting year.

The tax fiscal calendar determines the start date for the tax year.

> **(i) Note:** You can enable multiple calendars in the Advanced Features section on the **Accounting** subtab at Setup > Company > Enable Features.

p. Select the base currency used by this subsidiary.

This value can be the same as or different from the base currency of the parent.

Elimination subsidiaries default to the base currency of the parent subsidiary.

> **(i) Note:** The NetSuite Edition used by the subsidiary is automatically provided based on the country entered for the subsidiary address.
>
> The following subsidiaries are available:
>
> AU - NetSuite Australia
>
> CA - NetSuite Canada
>
> XX - NetSuite International (This edition is not country-specific. It is used for countries that do not have their own edition. The underlying tax engine must be customized for each country.)
>
> JP - NetSuite Japan
>
> UK - NetSuite UK
>
> US - NetSuite US

q. Enter the appropriate tax identification numbers for this subsidiary.

The fields that display depend on the country entered for the address.

r. If use the EU One Stop Shop feature:

i. Check the **OSS Applies** box if the One Stop Shop (OSS) VAT scheme applies to this subsidiary.

ii. In the **OSS Nexus** field, select the EU member state (tax nexus) where you are registered for OSS VAT returns.

s. Check the **GL Impact Locking** box to automatically generate journal entries when changes are made to a transaction that posted to the general ledger.

When you check this box, transactions that post to the general ledger display the GL Impact subtab. This subtab records the general ledger impact of this transaction and any modifications.

You can check and clear this box, as required.

> ⓘ **Note:** This option is visible only when the GL Audit Numbering feature is enabled. For more information, see the help topics GL Audit Numbering and GL Impact Locking.

t. The read-only **Enable Period End Journal Entries** box reflects the state of the feature relative to this subsidiary. The Period End Journal Entries feature can be enabled for the primary accounting book only through the Subsidiary Settings Manager page. For information about the Subsidiary Settings Manager page, see Subsidiary Settings Manager.

u. Click **Edit** next to the **Address** field. Complete the fields, as required, and then click **OK**.

> ⓘ **Note:** The address form displayed in the popup may vary according to the country where the subsidiary is located. It also depends on the custom address forms defined in your account. For more information, see the help topic Customizing Address Forms.

3. Click **Save**.

> ⊗ **Warning:** Saving a new subsidiary requires system processing that can be time consuming. Do not refresh the page during save. Doing so may stop the save process and display multiple error messages.

> ⚠ **Important:** If the new subsidiary exceeds the number of purchased country licenses, an error message appears. This message prompts you to inactivate an existing subsidiary, or contact your account manager to purchase additional licenses.

Licenses, Transaction Locking, Tax Code, Time and Expense, Customized Subsidiary Records

Read the following sections to learn more about subsidiary licenses, locking transactions, tax code provisions, intercompany time and expense, and customized subsidiary records.

Subsidiary Licenses

Subsidiary licenses are sold on a per-country basis. You can create up to 249 subsidiary records, in addition to the root subsidiary, for a total of 250. License fees for subsidiaries do not include charges for elimination subsidiaries, and elimination subsidiaries do not count toward the maximum 250 subsidiaries. Inactive subsidiaries also do not count toward the maximum 250 subsidiaries.

Lock Transactions by Subsidiary

In certain countries, accounting regulations require you to lock transactions to prevent anyone from making changes to them. NetSuite provides the following two methods for locking transactions:

- **GL Impact Locking** - This setting locks transactions where the general ledger impact of a transaction must be locked to the general ledger. For more information, see the help topic GL Impact Locking.
- **Transaction Locking SuiteApp** (Bundle ID 8791) - This SuiteApp is available at no cost. Contact NetSuite Customer Support to request access to the Transaction Locking SuiteApp. For more information, see the help topic Transaction Locking SuiteApp.

Automatic Tax Code Provisioning

To benefit from the automatic tax code provisioning feature, you must first install the International Tax Reports in your account **before** you create subsidiaries. When you create a new subsidiary country, the system creates the nexus for it, as well as the VAT/GST tax codes for that nexus. If you create a subsidiary country before you install the SuiteApp, the system adds its nexus, but provides only a few default tax codes. For more information, see the help topic Automatic Tax Code Provisioning.

Intercompany Time and Expense

If you use Intercompany Time and Expense, an Intercompany Account is automatically associated with a subsidiary after qualifying transactions are created in the system. Qualifying transaction include a journal entry to eliminate Time and Expense.

The subsidiary's base currency decides this account. It is used to offset the transfer of charges from intercompany time and expenses from this subsidiary to another. For more information, see the help topics Enabling Intercompany Time and Expenses and Intercompany Clearing Account.

Custom Fields and User Event Scripts

You can add custom fields and user event scripts to subsidiary records. You can add fields and business logic that are specific to the countries or regions in which your business operates. Go to Customization > Lists, Records, & Fields > Other Custom Fields. Select Subsidiary as the Record Type. Complete the fields as required and then save the custom field. For more information, see the help topic Creating a Custom Field.

Editing Subsidiary Records

After you save a subsidiary record for the first time, you can edit some of the values you entered for it. In edit mode, additional subtabs are available for you to do the following:

- Define the shipping label and return addresses
- Add or remove tax nexuses associated with the subsidiary
- Set the subsidiary preferences
- Define alternate subsidiary names to display in other languages
- View the date and time fields were modified and by whom

To edit a subsidiary record:

1. Go to Setup > Company > Subsidiaries.

2. Click the **Edit** link next to a subsidiary.

> ⊗ **Warning:** If you use the Subsidiary Hierarchy Modification general preference, the Subsidiary Of field becomes a list, rather than a read-only field. If you must modify the subsidiary hierarchy structure, you may corrupt your data and instigate significant legal or financial consequences. For information about using this preference and its related consequences, see Subsidiary Hierarchy Structure Modification.

3. Edit the main fields as required.

> ⓘ **Note:** The subtabs that appear reflect the features enabled in your system. For example, if you use autogenerated numbering by subsidiary for specific transactions, the **Numbers** subtab is available. Please see the appropriate help topics for these feature-specifc subtabs, or use the field level help on each subtab.

4. To define the subsidiary's shipping label and return addresses, click the **Addresses** subtab. Then, click the **Edit** links next to the **Shipping Address** and **Return Address** fields.

   When you complete these address fields, the system uses these addresses rather than the shipping and return addresses defined in company information. Go to Setup > Company > Setup Tasks > Company Information.

   > ⓘ **Note:** You can also edit the company address on this subtab.

5. To add or remove tax nexuses associated with the subsidiary, click the **Nexuses** subtab.

   See Adding or Removing Nexuses from a Subsidiary.

6. To set preferences for the subsidiary, click the **Preferences** subtab and select or check the options for this subsidiary.

   For information about setting preferences, see Set Subsidiary Preferences.

7. To define alternate subsidiary names to display in other languages, click the **Languages** subtab.

8. To view changes made to this record, click the **System Notes** subtab.

9. Click **Save**.

Fields Unavailable for Edits

You cannot edit the following fields or change their selection state in the parent subsidiary. If you must change the values and states of these fields, you must delete the record and create a new record with the updated values.

- Always Display Subsidiary Name state
- Subsidiary Logo (Forms)
- Subsidiary Logo (Pages)
- Web Site (URL)
- Country
- Legal Name
- Return Email Address
- Fax (number)
- Elimination state

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- Currency

> ℹ️ **Note:** If you have not entered transactions for a subsidiary, you can change the base currency. To change the base currency, perform the following tasks:
>
> \# Delete the nexus.
>
> \# Delete the subsidiaries related to that nexus.
>
> \# Recreate the nexus.
>
> \# Recreate the subsidiaries using the correct currency and then reassociate them with the nexus.
>
> For subsidiary planning information, see Subsidiary Hierarchy Planning.

- Edition
- Identification and tax numbers
- Enable Period End Journal Entries state

You cannot edit the following fields in a child subsidiary:

- Country
- Elimination state
- Currency
- Edition
- Enable Period End Journal Entries state

Set Subsidiary Preferences

With NetSuite OneWorld, most company preferences are shared by all subsidiaries in the global organization. This includes all of the preferences set on the Setup tab that are not set specifically on subsidiary records. Classes, departments, and locations are shared globally and can be linked to specific subsidiaries and their children. For more information, see the help topic Set Company Preferences.

The subsidiary-specific preferences set on this subtab take precedence over company preferences in the event that they conflict.

Any user preferences set at Home > Set Preferences take precedence over subsidiary-specific and company preferences. For more information, see the help topic Setting Personal Preferences.

The Preferences subtab is divided into additional subtabs. Select or check the options for this subsidiary.

General

- **Default Check Type** - Select the type of check you print by default for this subsidiary.
- Select the email templates you want used to send email to employees, customers, and partners when you grant them access to your NetSuite account. You grant them access from the **User Access Email Template**, **Customer Center Email Template**, and **Partner Center Email Template** fields.

  For more information, see the help topic Working with Email Templates.

- Select the date, time, and number formats used by this subsidiary from the various format fields.

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- **Phone Number Format** - Choose the format used for phone numbers in this subsidiary.
- **Time Zone** - Select the time zone for this subsidiary.
- **First Day of Week** - Select the first day of the week for this subsidiary.
- **Search Sorting** - Select the alphabetical order to use for search results.
- **Round Time Entry Duration** - Select how you want time transactions rounded for this subsidiary.
- **Default Payable Account for Expense Reports** - Select a default payable account for expense reports for this subsidiary.
- **Default Account for Corporate Card Expenses** - Select a default payable account for corporate card expenses for this subsidiary.
- **Default Advance to Apply Account for Expense Reports** - Select a default account for advances to apply on expense reports for this subsidiary.
- **Vendor Prepayment Account** – Select a default account for vendor prepayments. You can also configure a default vendor prepayment account at company level. For more information, see the help topic Configuring a Default Vendor Prepayment Account.
- **Check Default Chart Type** - Select the check layout used when printing checks for this subsidiary.

Support

- **Default Case Profile** – Select which case profile is used by default when a new support case is created.

Issues

- **Send Customer Notifications When** – Select default criteria for when customers that have cases associated with an issue should be notified by email.
- **Allow Customer Override** – Check this box if you want customers to be able to change their issue notification email settings in the Customer Center.
- **Customer Template** – Select the template you want to use for the issue notification email sent to customers of this subsidiary.
- **Employee Template** – Select the template you want to use for the issue notification email sent to employees of this subsidiary.

CSV

- **CSV Column Delimiter** – Select the symbol to be used as a column separator in the CSV data you import. This option overrides the settings specified at the company level.
- **CSV Decimal Delimiter** – Select the symbol to be used as a decimal mark in the CSV data you import. This option overrides the settings specified at the company level.

Period End Journal Entries

- This read-only subtab appears only when the Period End Journal Entries feature is enabled for your account. This feature's settings are configured and edited through the Subsidiary Settings Manager page. For information about the Subsidiary Settings Manager page, see Subsidiary Settings Manager. For more information about this feature, see the help topic Period End Journal Entries.
  - **Create Balance Sheet Closing and Opening Journals** – If checked, note the following. The system adds a step to the Create Period End Journals task on the Period Close Checklist. The Balance Sheet Closing step follows the Income Closing step at the fiscal year end of the subsidiary.
  - If you use the GL Audit Numbering feature, note the following. If **Exclude Balance Sheet Closing Journals from GL Numbering** is checked, the system skips numbering for the balance sheet closing journals.

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▫ **Create Income Summary Journals** – If checked, note the following. The system creates two period end journals in the Income Statement Closing step. This step is in the Create Period End Journals task on the Period Close Checklist. The first journal reduces the income and expense accounts to zero. It posts the net income to the account defined for income summary profit or loss. The second journal moves the balance from the income summary account used in the first journal to the retained earnings account.

▫ **Require Memo on Period End Journals** – If checked, period end journals cannot be submitted without a value in the **Memo** field. The value in the **Memo** field during the journal creation process populates the **Memo** fields in the header and lines of the period end journal.

▫ **Group by These Segments** – This multi-select list displays all the segment types that impact the general ledger. Possible segment types are class, department, location, and all custom segments with general ledger impact. The system generates separate period end journals for each selected segment type combination included in the source transactions for this subsidiary. For more information about custom segments, see the help topic Custom Fields and Segments on Period End Journals.

Deleting Subsidiary Records

You can delete a subsidiary that does not have transactions or records. For information about deleting transactions, see the help topic Voiding, Deleting, or Closing Transactions.

You can also delete a subsidiary if the only action you performed was to add tax agency addresses.

You cannot delete the subsidiary where the ID is equal to 1.

To delete an existing subsidiary record:

1. Go to Setup > Company > Subsidiaries.
2. Click the **Edit** link next to a subsidiary record that you want to delete.
3. From the Subsidiary page, under **Actions**, click **Delete**.
4. At the prompt to confirm the action, click **OK**.

Adding or Removing Nexuses from a Subsidiary

Add a nexus to a subsidiary if the subsidiary has a valid registration to collect tax in that nexus (tax jurisdiction).

Remove a nexus from a subsidiary only if the subsidiary does not have any transactions associated with the nexus. If the subsidiary has transactions associated with the nexus, NetSuite displays an error message containing a list of those transactions. To remove the nexus from the subsidiary, you must delete or modify those transactions. Click each transaction in the error message to view the transaction record.

For information about nexuses, see Nexuses and Taxes in OneWorld.

To add or remove nexuses from a subsidiary:

1. Go to Setup > Company > Subsidiaries.
2. Click the **Edit** link next to a subsidiary.

3. Click the **Nexuses** subtab.

4. To add a nexus:

   a. Select a nexus from the list on an empty row.

   b. Click **Add**.

   Only nexuses that have been created in NetSuite are listed.

5. To remove a nexus:

   a. Click the row for the nexus.

   b. Click **Remove**.

6. Click **Save**.

Locking Transactions by Subsidiary

In certain countries, accounting regulations require you to lock transactions to prevent anyone from making changes to them. NetSuite provides the following two methods for locking transactions:

- **GL Impact Locking** - This option locks subsidiary transactions where the general ledger impact of a transaction must be locked to the general ledger. For more information, see the help topic GL Impact Locking.
- **Transaction Locking SuiteApp** (Bundle ID 8791) - This SuiteApp is available at no cost. Contact NetSuite Customer Support to request access to the Transaction Locking SuiteApp. For more information, see the help topic Transaction Locking SuiteApp.

For more information, see the help topic Installing a Bundle.

Using Subsidiary-Specific Transaction Auto-Numbering

With NetSuite OneWorld, each subsidiary can use individual numbering sequences for transactions. For example, transactions associated with Subsidiary A can use the numbering prefix SubA.

Numbering transactions by subsidiary is useful for users with access to only one subsidiary because they do not encounter numbering gaps for another subsidiary's transactions.

Be aware that some countries require unique numbering without gaps for each legal entity.

> **Note:** A transaction inherits its subsidiary from its entity (customer or vendor). See Associate Subsidiaries with Entities and Items.

To set up or update auto numbering for a subsidiary:

1. Go to Setup > Company > Subsidiaries.

2. Click **Edit** next to the subsidiary record.

3. In the **Transaction Number Prefix** field, enter the prefix.

   For example, for Subsidiary A, enter **SubA**.

4. If you use auto-generated numbering by subsidiary for specific transactions, click the **Transaction Numbers** subtab to specify the initial number for each transaction type.

> **ⓘ Note:** To enable auto-generated numbering by subsidiary for specific transactions, go to Setup > Company > Auto-Generated Numbers. Click the **Transactions** subtab and then check the **Use Subsidiary** box for any transaction that should use the subsidiary's numbering.

> **⚠ Important:** If you choose to auto-number by subsidiary, you cannot auto-number by location.

5. Click **Save**.

Control Employee Access to Subsidiaries

By default, an employee has access to data for the subsidiary assigned on the employee record. For more information, see Assigning a Subsidiary to an Employee. However, you can grant an employee access to data for additional subsidiaries. Go to Setup > Users/Roles > User Management > Manage Roles. For the employee's assigned role, use the multi-select Subsidiaries list to customize the role. Press and hold the Ctrl key to select multiple subsidiaries.

The Role page also includes the Allow Cross-Subsidiary Record Viewing option. Check this box to permit users logged in with that role to see data from subsidiaries other than those selected in the Subsidiaries list.

> **ⓘ Note:** Users with the Book Record Restriction option enabled override permissions granted by the Allow Cross-Subsidiary Record Viewing option.

> **⚠ Important:** The records and transactions that employees can view and edit for subsidiaries are limited by the complete set of permissions defined for their assigned roles. For example, by default, employees of a specific subsidiary are able to view and edit data only for the that subsidiary. If you customize a role to include multiple subsidiaries (Subsidiaries list), employees assigned this role can view and edit data for these subsidiaries. If you also checked the Allow Cross-Subsidiary Record Viewing box for the customized role, employees assigned this role can view data for all subsidiaries.

> **ⓘ Note:** Employees with access to all active subsidiaries but not to one or more inactive subsidiaries are considered to have access to all subsidiaries.

The following choices are dependent on the subsidiaries selected for the user's assigned role, or on the subsidiary assigned to the employee record:

- Available subsidiaries in the Subsidiary field when the user creates new entity and item records

  See Associate Subsidiaries with Entities and Items and Associate Subsidiaries With Items.

- Available entities when the user creates new transactions

  Generally, users can create transactions only for entities associated with subsidiaries to which they have access. Time and expense entry forms are exceptions to this general rule. These forms they permit creation of transactions for customers or projects associated with other subsidiaries, if they are not billable.

- Available subsidiaries in Subsidiary Context list when the user runs reports

- Available classes, departments, and locations in footer filters on reports

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A user can restrict the records displayed in NetSuite to those for a single subsidiary. Go to the Restrict View subtab at Home > Set Preferences. See Restrict Your Subsidiary View.

> ⚠ **Important:** To generate automated intercompany adjustments for expenses, supported by the Intercompany Time and Expense feature, a user must have access to all subsidiaries. For information about this capability, see the help topic Enabling Intercompany Time and Expenses.

Restrict Your Subsidiary View

> ⚠ **Important:** If you are using the Advanced Employee Permissions feature, restrictions set on the Role page are applicable only to the Employees and Employee Administration permissions. The Employee Public and Employee Confidential permissions ignore the restrictions set on this page. For more information, see the help topic Advanced Employee Permissions.

If you are assigned a role with access to multiple subsidiaries, you may want to limit the data with which you are working. For example, you may want to restrict data to one subsidiary. For many reports, you can select a subsidiary after you run the report from the Subsidiary Context list in the footer of the results page. These reports support consolidation, or rollup of subsidiary results. For more information, see Subsidiary Context for Reports. However, for reports that do not support consolidation, you must set your user preferences to view a single subsidiary before you run the report.

You can restrict the data shown in the current login session including the user interface, searches, and reports. Go to the Restrict View subtab at Home > Set Preferences.

To restrict the view to a parent subsidiary and its children, select the parent subsidiary from the Subsidiary list and check the Include Sub-Subsidiaries box.

To restrict the view to a single subsidiary, select it from the Subsidiary list and **do not** check the Include Sub-Subsidiaries box.

When you restrict your subsidiary view, the departments, locations, and classes available to you are limited to those associated with the selected subsidiary.

The view restrictions you set apply only to the current login session for current role. The next time you log in with this role, your normal settings are applied.

> ⓘ **Note:** It you select your root subsidiary in the Subsidiary list, all subsidiaries are included. Therefore, you need not check the Include Sub-Subsidiaries box.

For more information about restricting subsidiary viewing, see the following help topics:

- Assigning Roles to an Employee
- Customizing or Creating NetSuite Roles
- Personal Preferences for Restricting Views
- Consolidated Reporting in OneWorld

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Set up NetSuite OneWorld

You must complete the following steps to set up NetSuite OneWorld.

1. Ensure that you have a thorough understanding of how subsidiaries, including elimination subsidiaries are organized in OneWorld. See Subsidiaries in OneWorld and Elimination Subsidiaries.

2. Plan your subsidiary hierarchy and create a visual representation of this structure. See Subsidiary Hierarchy Planning.

3. Ensure that currencies to be used by subsidiaries are set up in your account.

   For an overview of how OneWorld uses multiple currencies, see Multiple Currencies in OneWorld.

   For details about setting up currencies and exchange rates, see the help topics Creating Currency Records and Currency Exchange Rates.

4. Ensure that tax jurisdictions (nexuses) to be used by subsidiaries and related tax items are set up in your account.

   - For an overview of how OneWorld uses nexuses, see Nexuses and Taxes in OneWorld.

   - For details about setting up taxes, see the help topic Enabling and Setting Up Taxation Features.

5. Create subsidiary records. Start from the top-level or root subsidiary, and work your way down through child and grandchild subsidiaries.

   - You can create subsidiaries representing both legal entities and elimination subsidiaries. For instructions, see Creating Subsidiary Records.

   - After you save each subsidiary record, you can edit its nexuses and set preferences, as needed. See Editing Subsidiary Records.

   - You can delete a subsidiary if there are no associated transactions or records. See Deleting Subsidiary Records.

6. Complete the following, as needed:

   - Account Setup in OneWorld

   - Setting Up Automated Intercompany Management

   - Payroll Setup in OneWorld

   - Inventory Setup in OneWorld

   - Multiple Vendors Setup in OneWorld

   - Associate Subsidiaries with Entities and Items

   - Associate Subsidiaries With Items

   - Associate Subsidiaries With Shipping Items

   - Control Employee Access to Subsidiaries

   - Locking Transactions by Subsidiary

Account Setup in OneWorld

If you use NetSuite OneWorld, you can associate an account with one or more specific subsidiaries. This association limits availability of the account to the selected subsidiaries only.

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> ⓘ **Note:** Bank accounts and credit card accounts are restricted to one subsidiary. When you create a bank account or credit card account, you can select only one subsidiary for the account.

Each account is assigned the following exchange rate types:

- **General Rate Type** - This rate type is used for the income statement, balance sheet, and other general purposes.
- **Cash Flow Rate Type** - This rate type is used for the cash flow statement.

Go to Setup > Accounting > Manage G/L > Chart of Accounts. Click an **Edit** link next to account. Set up the account record as follows:

1. In the **General Rate Type** field, select **Current**, **Average**, or **Historical** to determine which consolidated rate to use in all cases except cash flow.

   > ✔ **Tip:** **Current** – Also referred to as "ending rate," the system uses this rate for all balance sheet accounts that do not use historical rates.
   >
   > **Average** – The system uses this rate for all income statement accounts.
   >
   > **Historical** – The system uses this rate for equity accounts and fixed asset accounts on the balance sheet.

2. In the **Cash Flow Rate Type** field, select **Current**, **Average**, or **Historical** to determine which consolidated rate to use.

   For example, long-term assets use the **Historical** rate type on the cash flow statement. Balance sheet uses the **Current** rate type on the cash flow statement.

3. If necessary, select one or more subsidiaries in the **Subsidiaries** field.
   - If the root subsidiary is selected and the **Include Children** box is checked, then all subsidiaries can access the account.
   - If one or more subsidiaries are selected, then the account can be selected for records and transactions associated with those subsidiaries.

For more details about rate types, see the help topic Consolidated Exchange Rate Types.

For more information about setting up accounts, see the help topic Creating Accounts.

> ⓘ **Note:** If the **Intercompany Time and Expense** feature is enabled in your account, an intercompany clearing account is automatically created when there is an associated transaction. For more information, see the help topic Intercompany Clearing Account.

Payroll Setup in OneWorld

With NetSuite OneWorld, you can run payroll only for U.S. subsidiaries. You must designate a subsidiary each time you set up payroll preferences, update payroll information, or create a payroll. The Subsidiary list on these pages includes only subsidiaries with valid U.S. addresses, based on zip code. Each subsidiary must have the following:

- Unique Employer Identification Number (EIN) from the U.S. Internal Revenue Service (IRS)
- Unique NetSuite vendor record per tax agency

For example, if your organization includes two subsidiaries located in California, you must set up the following vendor records:

☐ two differently named NetSuite vendor records for the IRS

☐ two differently named vendor records for the California Franchise Tax Board

Only employees assigned to a U.S. subsidiary designated to process payroll can be included in payroll processing. Employees assigned to subsidiaries other than the one designated for payroll cannot be processed for payroll. See the following help topics for more information:

- Payroll Preferences
- Updating Payroll Information
- Processing Payroll Batches
- Advanced Taxes

Inventory Setup in OneWorld

In NetSuite OneWorld, the Inventory feature functions the same way as the Multi-Location Inventory feature. If you enable Inventory, Multi-Location Inventory enables automatically. For information about this feature, see the help topic Multi-Location Inventory.

After you enable the Inventory feature, you must associate each location with only one subsidiary. If you do not use the Inventory feature, you have the option to associate each location with no subsidiary, one subsidiary, or multiple subsidiaries.

In OneWorld, you cannot enter initial quantities on hand when you create an item record. You must first create the item record, and then afterward, you must enter an inventory adjustment to specify the initial quantities in each location. See the help topics Creating Item Records and Inventory Adjustments for more details.

Import Inventory Data into OneWorld

NetSuite does not support importing historical data that is dated prior to the date of the OneWorld upgrade. Importing historical data may cause inaccuracies in your inventory data. Best practice is to import data that is dated after the date of OneWorld upgrade. In addition, you should set the initial Multi-Location Inventory distribution to maintain accurate inventory information.

Multiple Vendors Setup in OneWorld

If you use the Drop Shipments & Special Orders feature in OneWorld, you are required to use the Multiple Vendors feature.

When you use Multiple Vendors, on each item record you must specify a preferred vendor for each subsidiary. The preferred vendor enables you to drop ship or special order items for that subsidiary.

When you use the Order Items form, the preferred vendor associated with the subsidiary defaults on the form for each line.

When you view the item list, the preferred vendor associated with the root subsidiary (highest-level parent) shows by default.

If an item has a preferred vendor, the purchase price shows on the item record in the root subsidiary's preferred vendor currency.

For more information about vendor records, see the help topic Vendor Records Overview.

Logos in OneWorld

When you set up subsidiaries in OneWorld, you can choose the logo that displays for each subsidiary when viewing pages or printing transactions. Each subsidiary can use an individual logo to distinguish itself from the others.

To use the subsidiary logo and address from the transaction record when you print, use advanced templates. For more information, see the help topic Advanced PDF/HTML Templates. If you print transactions using basic layouts, the logo and address are sourced from the vendor's primary subsidiary.

On each subsidiary record, use the following fields to determine which logos display on pages and which are printed on transactions.

To set up subsidiary logos:

1. Go to Setup > Company > Subsidiaries, click **List**, and then click the **Edit** link for a subsidiary.
   - In the **Subsidiary Logo (Forms)** field, select the logo image for all forms for this subsidiary.
     Click **New** to upload a logo. Logos must be in JPG or GIF format.
   - In the **Subsidiary Logo (Pages)** field, select the logo image for all pages for this subsidiary.
     Click **New** to upload a logo. Logos must be in JPG or GIF format.
2. Go to Setup > Company > Setup Tasks > Company Information.
3. Check the **Display Logo Internally** box to display the logo selected in the **Subsidiary Logo (Pages)** field when someone logs in to an internal center. The logo shows on all pages of your NetSuite account next to the Oracle | NetSuite logo.

   External centers in your NetSuite account are the Partner Center, Vendor Center, and Customer Center. These external centers display the logo selected in the **Company Logo (Pages)** field. All other internal centers display the logo selected at **Subsidiary Logo (Pages)** when you enable the preference to display the logo (Company Information page).
4. Go to Home > Set Preferences.
5. Click the **Analytics** subtab to set preferences that display the subsidiary logo on reports you view or print.

   Check **Print Company Logo** and **Display Report Title on Screen**. The logo selected in the **Subsidiary Logo (Forms)** field displays on reports you view or print.

If a subsidiary does not have configured logo options, NetSuite checks parent subsidiaries. This check is performed in hierarchical order to find a subsidiary with logo options configured. If no subsidiary has logo settings configured, NetSuite pages display logos based on the company settings. Go to Setup > Company > Setup Tasks > Company Information.

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Intercompany Preferences

When an administrator enables the Intercompany Framework feature or the Automated Intercompany Management feature, NetSuite provides access to the Intercompany Preferences page. If you have the Setup Accounting permission, you can define intercompany preferences at Setup > Accounting > Preferences > Intercompany Preferences.

> **Note:** The Intercompany Framework feature requires the Automated Intercompany Management feature. If you use only the Automated Intercompany Management feature, the Intercompany Preferences page includes fewer preferences.

If you use the Intercompany Framework feature, the Intercompany Preferences page includes the following four subtabs.

- **Accounting** - This subtab enables you to define the default accounts for the Intercompany Framework and Automated Intercompany Management features. The Intercompany Framework feature uses the default accounts to generate cross charges. The Automated Intercompany Management feature uses the default accounts to record and post intercompany purchase and sale transactions across subsidiaries.

  > **Important:** You must first set up intercompany elimination accounts before you can define default intercompany accounts. For more information, see Creating Intercompany Elimination Accounts.

  You can specify the currency and default exchange rate that your subsidiaries use when they do business with each other. You can also choose how to group the cross charges. You can define default cross charge classification preferences by subsidiary. Finally, if you check the **Allow Per-Line Classification for Netting Settlement** box, NetSuite classifies all netting settlements based on the netted transactions. These settings are not available if you use only the Automated Intercompany Management feature.

- **Transfer Price Methods** - This subtab does not appear if you use only the Automated Intercompany Management feature. This subtab enables you to define the markup percentage when one subsidiary fulfills an order or accepts a returned order for another subsidiary.

- **Intercompany Entities** - This subtab is for users who want NetSuite to create and maintain representing entities for the Automated Intercompany Management feature. There are prerequisites to use the Intercompany Entities subtab. Users of the Automated Intercompany Management feature must also enable the Multi Subsidiary Customer feature. In addition, if you use the Multiple Currencies feature, you must also enable the Multi-Currency Vendor and Multi-Currency Customer features. If you meet these prerequisites, NetSuite can generate and maintain representing entities for all of your non-elimination subsidiaries.

- **System Notes** - This subtab displays the definition of intercompany preferences, as well as any changes. It displays the date and time of the definition or any change, and the name of the user who saved the record.

Defining Intercompany Preferences

When an administrator enables the Intercompany Framework feature or the Automated Intercompany Management feature, NetSuite provides access to the Intercompany Preferences page.

If you use both features, you can define default intercompany accounting preferences and markup rates for cross-subsidiary transactions. If you use only the Automated Intercompany Management feature, you define fewer accounting preferences.

> ⚠️ **Important:** You must create intercompany elimination accounts before you can set preferences for the Intercompany Framework and Automated Intercompany Management features. See Creating Intercompany Elimination Accounts.

> ℹ️ **Note:** You must have the Setup Accounting permission to define intercompany preferences.

To define intercompany preferences:

1. Go to Setup > Accounting > Preferences > Intercompany Preferences.

2. On the **Accounting** subtab in the Default Intercompany Accounts section, define the following default intercompany general ledger elimination accounts:

   a. **Receivables Account** – This account can be any account of the receivable type.

   b. **Payables Account** – (Intercompany Framework only) This account can be any account of the payable type.

   c. **Income Account** – This account can be any account of the income type.

   d. **Expense Account** – This account can be any account of the expense type.

   e. **COGS Account** – (Automated Intercompany Management only) This account can be any account of the Cost Of Goods Sold (COGS) type.

   f. **Deferred Revenue Account** – (Automated Intercompany Management only) This account can be any deferred revenue account. NetSuite sets this account as the default on item records.

   g. **Netting Clearing Account** – (Intercompany Framework only) NetSuite automatically creates this account when an administrator enables the Intercompany Framework feature.

3. (Intercompany Framework only) In the Trade Currency section, select the transaction currency for use in the cross charge transactions. For more information, see Intercompany Cross Charges.

   > ⚠️ **Important:** If you edit an account or currency selected for cross charge generation, it remains selected even if it is no longer valid for selection. If you inactivate an account or currency selected for cross charge generation, it remains selected even when inactivated. If you delete an account or currency selected for cross charge generation, NetSuite removes it from selection.

   Select the default intercompany currency exchange rate type for intercompany transactions. Intercompany Netting and Cross Charge Automation support the Currency Exchange Rate Types feature. The Currency Exchange Rate Types feature lets you store multiple currency exchange rates for a currency pair and date. For more information, see the help topic Currency Exchange Rate Types.

4. In the Transaction section, the default selection for **Cross Charge Output Type** is journal.

5. Choose how to group cross charges. Summarized grouping is the default.

6. In the Classification section, check the **Allow Per-Line Classification for Netting Settlement** box to have NetSuite classify all netting settlements based on the netted transactions.

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> **ⓘ Note:** NetSuite supports all classifications as well as custom segments. If the netted transactions specify a department, class, location, or custom segment, NetSuite groups the lines in the Netting Settlement based on these classifications. NetSuite also considers the general ledger account associated with the netted transactions in the grouping. If there are multiple transactions with the same classifications, including custom segments and general ledger accounts, NetSuite groups them into one line. If any classification in the netted transaction is different, NetSuite displays a separate line for that classification.

Click the **Default Cross Charge Classification Preference per Subsidiary** link to open the Subsidiary Settings Manager page. Specify default cross charge classification preferences by subsidiary on the **Intercompany Framework** subtab. For more information, see Subsidiary Settings Manager.

7. Click the **Transfer Price Methods** subtab.

   The default transfer price method to support intercompany cross-subsidiary fulfillment and return is cost plus, an expense (price amount). NetSuite bases the transfer price on a markup rate (expense plus a percentage of the expense).

8. Enter a percentage value in **Markup Rate %** for both cross-subsidiary fulfillment and cross-subsidiary fulfillment return.

   > **ⓘ Note:** The percentage value must be 0% or higher with 2 decimal precision. The percentage determines the system-calculated markup over the original transaction expense. A 0% would not generate a markup over the original expense. The rate cannot be a negative percentage.

9. Click the **Intercompany Entities** subtab.

   This subtab is for users who want NetSuite to create and maintain representing entities for the Automated Intercompany Management feature. There are prerequisites to set the **Automatically Create Representing Entities** preference. NetSuite requires the Multi Subsidiary Customer feature to generate representing entities. In addition, if you use the Multiple Currencies feature, you must also enable the Multi-Currency Vendor and Multi-Currency Customer features.

   If you provide a prefix, you can quickly identify the representing entities generated and maintained by NetSuite.

   For more information about representing entities, see Representing Entities.

   > **ⓘ Note:** You can stop NetSuite from generating and maintaining representing entities by clearing the **Automatically Generate Representing Entities** box. The **Is Autogenerated Representing Entity** is automatically cleared on all autogenerated customers and vendors. You can then manually edit, update, and delete them.

10. Click **Save**.

    After you save your preferences, the **Intercompany Entities** subtab provides a link to the Processed Records page. This page provides the status of the representing entity creation process. See Processed Records. From the Processed Records page you can open the Process Status page. See Process Status.

11. Click the **System Notes** subtab to view the saved or changed values.

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> ⚠️ **Important:** When there is at least one cross charge journal in any open accounting period, NetSuite disables the preferences related to cross charges. NetSuite also disables related options in the Subsidiary Settings Manager. To modify the related preferences, you must first delete all cross charges in all open periods. You can delete the cross charges on the Cross Charge Workbench page. For more information, see Intercompany Cross Charges.

Creating Intercompany Elimination Accounts

You must create intercompany elimination accounts before you can set preferences for the Intercompany Framework and Automated Intercompany Management features.

To create new intercompany elimination accounts:

1. Go to Lists > Accounting > Accounts > New.

   > ℹ️ **Note:** Your user role must have both Administrator Accounting and List Account permissions to create new accounts.

2. Go to Lists > Accounting > Accounts > New.

3. Complete the fields as required.

4. Check the **Eliminate Intercompany Transactions** box.

5. Select the subsidiaries to use the Intercompany Framework and Automated Intercompany Management features.

6. Check the **Include Children** box.

   For information about the **Include Children** box, see Best Practices for Using the Intercompany Framework Feature.

7. Click **Save**.

   For information about creating new accounts, see the help topic Creating Accounts.

Representing Entities

The Intercompany Framework feature requires the Automated Intercompany Management feature. When you enable the Automated Intercompany Management feature, you can let NetSuite create and update representing entities for all active and inactive non-elimination subsidiaries.

Representing entities are vendors and customers that act as agents for a selected subsidiary. The default entity name is the same as the subsidiary name, reduced in length to the field length. If the entity name is not unique in the system, the subsidiary ID is appended to the entity name.

The primary currency is the base currency of the subsidiary. NetSuite adds all of the subsidiary's currencies, and all of the subsidiary's secondary subsidiaries to the representing entities' records.

The default primary subsidiary for the representing entities is the parent (root) subsidiary, but you can select another subsidiary as the primary subsidiary. However, if the primary subsidiary for a representing entity is the first child subsidiary, you cannot change it.

NetSuite requires the Multi Subsidiary Customer feature to generate representing entities.

> ⓘ **Note:** You can stop NetSuite from generating and maintaining representing entities by clearing the **Automatically Generate Representing Entities** box. The **Is Autogenerated Representing Entity** is automatically cleared on all autogenerated customers and vendors. You can then manually edit, update, and delete them.

Prerequisites to Automatically Create Representing Entities

There are prerequisites to set the Automatically Create Representing Entities preference. Users of the Automated Intercompany Management feature must also enable the Multi Subsidiary Customer feature. In addition, if you use the Multiple Currencies feature, you must also enable the Multi-Currency Vendor and Multi-Currency Customer features. If you meet these prerequisites, NetSuite can generate and maintain representing entities for all of your non-elimination subsidiaries.

After you enable the required features, the Setup Manager page displays an Information bar at the top. The message states that your account meets the prerequisites to use the **Automatically Generate Representing Entities** intercompany preference. The message provides a link to the Intercompany Preferences page, where you can set the preference. When you save the preference, another Information message appears at the top of the page. This message states that NetSuite is creating and updating representing entities, and provides a link to the Processed Records page. See Processed Records.

> ⓘ **Note:** You can stop NetSuite from generating and maintaining representing entities by clearing the **Automatically Generate Representing Entities** box. The **Is Autogenerated Representing Entity** is automatically cleared on all autogenerated customers and vendors. You can then manually edit, update, and delete them.

Access Representing Entity Records From the Subsidiaries List Page

The Subsidiaries list page also includes a Vendor and a Customer column. These columns provide links to the system-generated representing entity record. In edit mode, these records default to the Standard Intercompany Vendor Form and the Standard Intercompany Customer Form, respectively. The **Represents Entity** field appears in the record header as a link to the related subsidiary record. The subsidiary record includes the **Customer** and **Vendor** fields in the header. These fields provide links to the respective representing entity record.

> ⓘ **Note:** If you use SuiteTax, the subsidiary record includes the representing entities' tax information about the **Tax Registrations** subtab.

In the header of the representing entity record is the **Is Autogenerated Representing Entity** box. It is checked by default, and dimmed. You can customize the forms, as needed.

> ⓘ **Note:** You can stop NetSuite from generating and maintaining representing entities by clearing the **Automatically Generate Representing Entities** preference. This preference is located on the **Intercompany Entities** subtab on the Intercompany Preferences page. For more information, see Defining Intercompany Preferences.
>
> When you clear this preference, the **Is Autogenerated Representing Entity** box is automatically cleared on all autogenerated customers and vendors. You can then manually edit, update, and delete them.

The following are the subsidiary record fields that NetSuite syncs with the read-only representing entities fields:

- Company Name
- Inactivity
- Subsidiary list
- Currency list
- Address - Main and Shipping

Generate Representing Entities From the Subsidiaries List Page

If you set the **Automatically Generate Representing Entities** preference and then save, you can view the system-generated entities on the Subsidiaries list page. The **Representing Entities** subtab on the Intercompany Preferences page provides a link to the Subsidiaries list page. If you want to regenerate representing entities, the Subsidiaries list page includes a **Generate Representing Entities** button.

Defining a Subsidiary Entities Saved Search

NetSuite enables you to create a Subsidiary Entity saved search from the standard Subsidiary saved search. For general information about saved searches, see the help topic Defining a Saved Search.

To create a Subsidiary Entities saved search:

1. Go to Reports > Saved Searches > All Saved Searches > New.
2. Click **Subsidiary**.
3. On the **Criteria** subtab, on the **Standard** subtab, select **User Fields** from the **Filter** list.
4. In the popup window, select **Represents Subsidiary** from the **User Filter** list.
5. Select the subsidiaries to include in the saved search, and then click **Set**.
6. Click **OK**.
7. Add other filters, as needed.
8. Click **Save** or **Preview**.

Processed Records

The Processed Records page displays the generation status of the representing entities as NetSuite generates them. This page provides a link to the subsidiary records and their respective intercompany customer and intercompany vendor records. The generate representing entities process also updates records that are missing subsidiaries and currencies to ensure that subsidiary, customer, and vendor records are synced. If you click **Return to Status Page** in the top right corner of the Processed Records page, you can open the Process Status page. See Process Status.

The Process Records page is available after you generate representing entities.

Process Status

The Process Status page provides the status of the intercompany entity generation process, and its percentage complete. It provides a link to any system-generated message about the submission, such

as error messages. It also provides the date and time of the submission, and the name of the user who created the submission.

You access this page when you click **Return to Status Page** in the top right corner of the Processed Records page. The Process Records page is available after you generate representing entities.

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Intercompany Framework

The Intercompany Framework feature includes a variety of components to help you manage your intercompany workflows. For example, this feature includes the cross charge generation functionality. Cross charge generation is a process that you can perform throughout the accounting period or at period end close. This process generates charges for subsidiaries that performed services for each other during the accounting period. For example, when you source and fulfill inventory items from different subsidiaries. When subsidiaries fulfill orders or accept returns on behalf of other subsidiaries, NetSuite creates open intercompany payable and receivable balances. NetSuite reconciles these balances when you generate cross charges.

The Intercompany Framework feature also includes the intercompany netting functionality. This functionality enables you to settle mutual intercompany open balances across subsidiaries, and then automatically generate intercompany settlements statements. When you use this functionality throughout the accounting period, you reduce the number of open intercompany transactions. Fewer open intercompany transactions means less manual effort spent reconciling, revaluing, and eliminating these balances. It also simplifies the period close process, and decreases the time spent on payment processing and bank reconciliation.

Intercompany Framework Permissions

If you are an administrator, you must set the following required permissions on the Role page. Go to Setup > Users/Roles > Manage Roles > New. For information about customizing a role, see the help topic Customizing and Creating Roles.

> ✔ **Tip:** You should create a custom role with all of the following permissions to ensure proper use of the Intercompany Framework feature.

On the Permissions subtab, click the Transactions subtab.	- You must have access to all subsidiaries. - You must have access to all classes, departments, and locations. - You must have view level Cross Charge Journal permission to generate cross charges during period close.
On the Permissions subtab, click the Reports subtab.	You must have view level Income Statement permission to run the Intercompany Elimination Report.
On the Permissions subtab, click the Setup subtab.	- You must have full level Accounting Preferences permission to define intercompany preferences. - You must have full level Subsidiary Settings Manager permission to configure class, department, and location defaults for cross charge transactions. - You must have full level Manage Cross Charge Automation permission to use the Cross Charge Workbench. - You must have full level of the following permissions to access the Cross Charge Workbench: - Manage Accounting Periods - Period Closing Management - Override Period Restrictions

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Best Practices for Using the Intercompany Framework Feature

In NetSuite OneWorld, controllers with permission to perform period close tasks at the parent subsidiary level can select subsidiaries to lock or unlock. You should lock accounting periods for all of your subsidiaries before you generate cross charges, however it is not required.

You should configure your intercompany elimination accounts to include the children of the subsidiaries you select in the account. Check the Include Children box to ensure that all subsidiaries of the selected subsidiaries can use the intercompany elimination accounts. For more information, see Creating Intercompany Elimination Accounts.

Requirements for the Intercompany Framework Feature

Before you can use the Intercompany Framework feature, you must create at least two subsidiaries. In addition, if you do not have an elimination subsidiary, you must create one as a child subsidiary of the parent (root) subsidiary. For more information, see Creating Subsidiary Records.

An administrator must enable the following features at Setup > Company > Enable Features (Administrator):

- **Accounting, A/R, A/P, and Accounting Periods** - These features are located on the **Accounting** subtab under the Basic Features section.

  For information about general accounting and links to specific help topics, see the help topic NetSuite Accounting Overview.

- **Intercompany Framework and Automated Intercompany Management** - These features are located on the **Accounting** subtab under the Advanced Features section. You cannot disable these features after you enable them

  For information about the Automated Intercompany Management feature, see Automated Intercompany Management.

- **Intercompany Cross-Subsidiary Fulfillment** - This feature is located on the **Items & Inventory** subtab under the Inventory section.

  For information about the Intercompany Cross-Subsidiary Fulfillment feature, see the help topic Intercompany Cross-Subsidiary Fulfillment.

  > ⚠ **Important:** You can generate cross charges for fulfilment and receipt lines only if they have a general ledger impact.

In addition to the preceding requirements, you should enable the following features for optimal use of the Intercompany Framework feature:

- **Multiple Currencies** - See the help topic Multiple Currencies
- **Multiple Calendars** - See the help topic Enabling Multiple Calendars
- **Multi Subsidiary Customer** - See Assigning Subsidiaries to a Customer

  > ⚠ **Important:** NetSuite requires the Multi Subsidiary Customer feature to generate and maintain representing entities. See Representing Entities.

- **Multi-Book Accounting** - See the help topic Multi-Book Accounting Overview
- **Classes** - See the help topic Creating Classes

- **Departments** - See the help topic Creating Departments
- **Locations** - See the help topic Creating Locations
- **Currency Exchange Rate Types** - See the help topic Currency Exchange Rate Types

Intercompany Cross Charges

When you enable the Intercompany Framework feature, NetSuite lets you generate intercompany cross charges throughout the accounting period and at period end close. The cross charge functionality generates cross charges between subsidiaries that provided business services to each other. For example, when one subsidiary creates a sales order and another subsidiary fulfills the order. The cross charge pair are automatically approved as read-only intercompany transactions. NetSuite generates one transaction for the selling subsidiary, and one for the buying subsidiary. These cross charges create open intercompany payable and receivable balances, and appear in the trading currency specified on the Intercompany Preferences page. You can settle mutual open intercompany balances with intercompany netting. For information about intercompany netting, see Intercompany Netting.

To generate cross charges throughout the accounting period, go to Transactions > Financial > Manage Intercompany Cross Charges (Administrator).

> ⚠ **Important:** Newly enabled feature menu items are not automatically added to custom centers. You must manually add menu items to custom centers after a feature is enabled.

To generate cross charges at period end close, use the Generate Intercompany Cross Charges task on the Period Close Checklist.

> ℹ **Note:** You must set intercompany preferences before you can generate cross charges. For more information, see Intercompany Preferences.

Generating Cross Charges From the Transactions Subtab

NetSuite lets you generate cross charges throughout the accounting period to reduce time spent generating cross charges at period end close.

To generate cross charges from the Transactions subtab:

1. Go to Transactions > Financial > Manage Intercompany Cross Charges (Administrator).

   > ⚠ **Important:** Newly enabled feature menu items are not automatically added to custom centers. You must manually add menu items to custom centers after a feature is enabled.

2. On the Cross Charge Workbench page, click **Generate Transactions**.

   > ℹ **Note:** When you click **Generate Transactions**, NetSuite does not delete or modify existing cross charge transactions. It generates cross charges only for the unprocessed business services between subsidiaries.

3. Click **Refresh** to view the updated status of the cross charge generation process.

   If the cross charge generation process successfully completes, NetSuite lists the generated cross charges on the **Source Data** subtab. Some columns provide links so that you can drill down to supporting records. For example, if you click a link in the **Subsidiary** column, that subsidiary's record opens.

   If you click a link in the **Source Record** column, the read-only intercompany transaction page opens. This page provides links to the trade currency record, posting period, subsidiary record,

default cross charge elimination accounts, and the intercompany entity record. The page also provides system notes, general ledger impact, links to a list of intercompany transactions, and to the Transaction Search page.

If the generate transactions process discovered errors, messages about these errors display on the **Message Log** subtab. You should address any error, and then click **Generate Transactions**. If the error is **Internal Error**, click **Actions**, and then **Reset Automation**. If you receive another internal error, contact Technical Support.

> ⚠️ **Important:** When there is at least one cross charge journal in any open accounting period, NetSuite disables the intercompany preferences related to cross charges. To modify the related preferences, you must first delete all cross charges in all open periods. You can delete the cross charges when you click **Delete Transactions**. For more information about intercompany preferences, see Intercompany Preferences.

The **Audit Log** subtab provides a history of tasks run, run number, and status. It also provides the user who ran the task, and the date and time of the run.

> ℹ️ **Note:** The cross charge journal posts on the same day as the source transaction.

Generating Cross Charges From the Period Close Checklist

NetSuite lets you generate cross charges throughout the accounting period and from the Period Close Checklist. For details about closing accounting periods and using the period close checklist, see the help topics Accounting Period Close and Using the Period Close Checklist.

To generate cross charges from the Generate Intercompany Cross Charges task:

1. On the period close checklist, run the tasks that precede the Generate Intercompany Cross Charges task.
2. Click the **Go To Task** 🔄 icon next to **Generate Intercompany Cross Charges**.
3. On the Task: Generate Intercompany Cross Charges page, click **Generate Intercompany Cross Charges**.
4. On the Cross Charge Workbench page, click **Generate Transactions**.

> ℹ️ **Note:** When you click **Generate Transactions**, NetSuite does not delete or modify existing cross charge transactions. It generates cross charges only for the unprocessed business services between subsidiaries.

5. Click **Refresh** to view the updated status of the cross charge generation process.

If the cross charge generation process successfully completes, NetSuite lists the generated cross charges on the **Source Data** subtab. Some columns provide links so that you can drill down to supporting records. For example, if you click a link in the **Subsidiary** column, that subsidiary's record opens.

If you click a link in the **Source Record** column, the read-only intercompany transaction page opens. This page provides links to the trade currency record, posting period, subsidiary record, default cross charge elimination accounts, and the intercompany entity record. The page also provides system notes, general ledger impact, links to a list of intercompany transactions, and to the Transaction Search page.

If the cross charge generation process discovered errors, messages about these errors display on the **Message Log** subtab. You should address any error and re-run the Generate Intercompany Cross Charges task. If the error is **Internal Error**, click **Actions**, and then **Reset Automation**. If you receive another internal error, contact Technical Support.

> ⚠ **Important:** When there is at least one cross charge journal in any open accounting period, NetSuite disables the intercompany preferences related to cross charges. To modify the related preferences, you must first delete all cross charges in all open periods. You can delete the cross charges when you click **Delete Transactions**. For more information about intercompany preferences, see Intercompany Preferences.

The **Audit Log** subtab provides a history of tasks run, run number, and status. It also provides the user who ran the task, and the date and time of the run.

6. When you are satisfied with the generated cross charges, click **Back to Period Close**.
7. On the Task: Generate Intercompany Cross Charges page, click **Mark Task Complete**.
8. Proceed with period end close.

Financial Reports That Display Cross Charges

The following reports enable you to review intercompany balance and intercompany cross charges:

- Balance Sheet Report
- Income Statement Report
- Cash Flow Statement Report
- A/R Aging Detail Report
- A/R Aging Summary Report
- A/P Aging Detail Report
- A/P Aging Summary Report
- Intercompany Elimination Report

Intercompany Netting

The Intercompany Framework feature includes the intercompany netting functionality. Intercompany netting enables you to settle mutual intercompany open balances across subsidiaries set up as represented customers and vendors. Intercompany netting automatically generates settlements, which reduces inaccuracies made through manually generated settlements.

When you use intercompany netting throughout an accounting period, you reduce the number of open intercompany transactions and receive the following benefits:

- Less manual effort spent in reconciling, revaluing, and eliminating open intercompany balances
- Reduced exposure to foreign exchange rates
- Decreased time spent on payment processing and bank reconciliation
- Reduced international payment fees because of fewer payments
- Simplified period close process

The Balance Overview report shows the open balances between subsidiaries in a specific transaction currency. You can use this report to view the open balances before or after netting.

> ⓘ **Note:** You must have access to the subsidiaries for which you want to settle intercompany open balances.

The following graphic illustrates open balances between two subsidiaries. Subsidiary A owes Subsidiary B $1000 and Subsidiary B owes Subsidiary A $5000. Before intercompany netting, the open balances generate four transactions. A vendor bill and customer invoice for $1000, and a vendor bill and customer invoice for $5000.

Before Netting

Balance: $1000 Mutual

Subsidiary-A

Sub-A owes $1000

Sub-B owes $5000

Subsidiary-B

Transaction

Invoices $1000
(Sub-B)

Invoices $5000
(Sub-A)

Vendor Bills $1000
(Sub-A)

Vendor Bills $5000
(Sub-B)
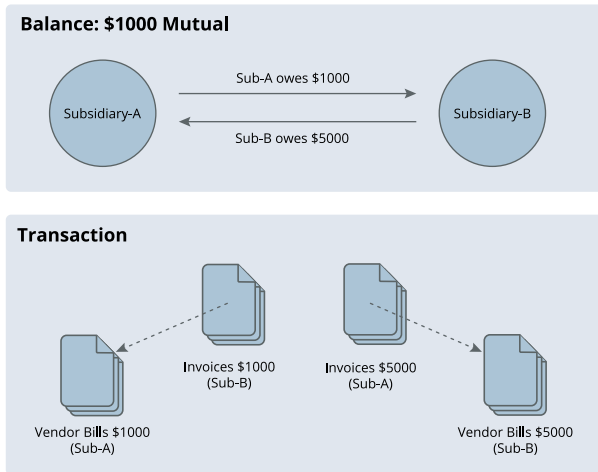
The following graphic illustrates how intercompany netting eliminates open mutual balances, and reduces the number of open intercompany transactions. Notice in the transaction workflow, the $1000 that Subsidiary A owes Subsidiary B is deducted from the $5000 that Subsidiary B owes Subsidiary A. After deducting the mutual open balances, Subsidiary B owes Subsidiary A $4000, and there are only two open balance transactions.

After Netting

Balance: $4000 one directional

Subsidiary-A

Sub-B owes $4000

Subsidiary-B

Transaction

Invoices $1000 $0
(Sub-B)

Invoices $5000 $4000
(Sub-A)

$1000*

$1000*

Vendor Bills $1000 $0
(Sub-A)

$1000*

Netting
Statement
$1000

$1000*

Vendor Bills $5000 $4000
(Sub-B)

*Netting settlement
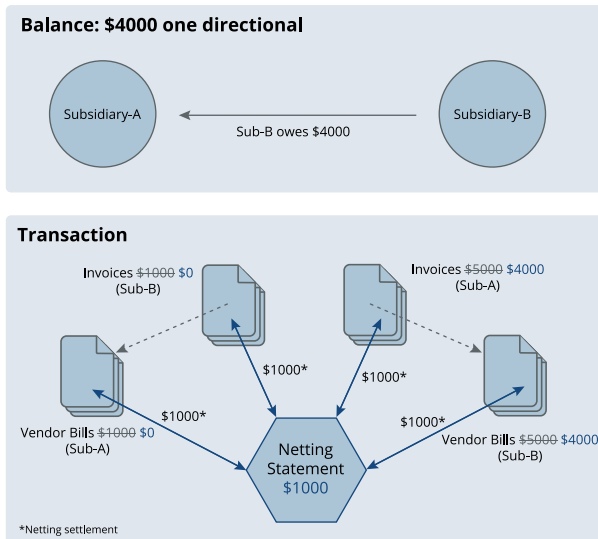
The following graphic illustrates the basic intercompany netting workflow. You review the open balances on Balance Overview page. NetSuite identifies the balances that are available for netting. You choose

from the available balances for netting, which opens the Netting Workbench page where you select the transactions for netting. Alternatively, you can let NetSuite select the transactions for you.
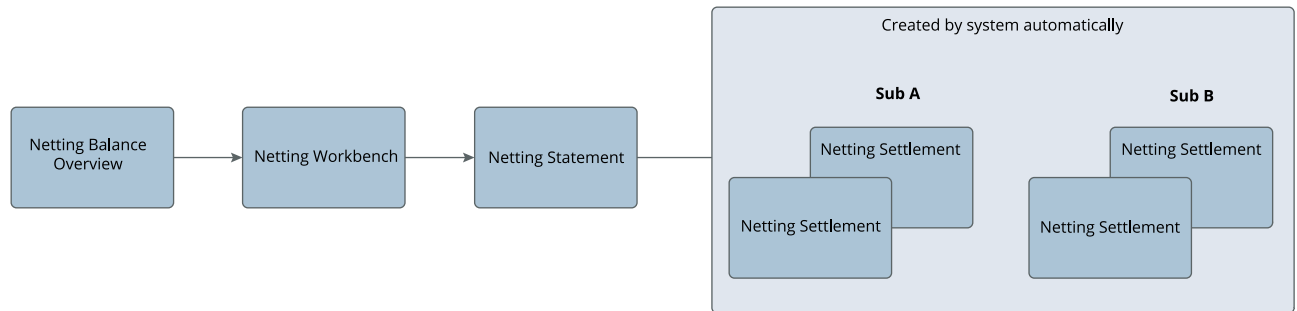
Intercompany Netting Permissions

If you are an administrator, you can set the following required permissions on the Role page. Go to Setup > Users/Roles > Manage Roles > New. For information about customizing a role, see the help topic Customizing and Creating Roles.

On the Permissions subtab, click the Transactions subtab.	- You must have the Netting Settlement permission to view and create intercompany netting. This permission defaults to Full level. - You must have the Netting Settlement Approval permission to approve a netting statement. This permission defaults to Edit level.

Best Practices for Using Intercompany Netting

The following are best practices for using intercompany netting:

- Use the Automated Intercompany Management feature to generate intercompany transactions. The intercompany netting functionality fully supports that transaction workflow. For information about this feature, see Automated Intercompany Management.

- Use the filters to reduce the displayed list of open intercompany balance transactions. The intercompany netting user interface provides dynamically loaded filters with all existing values. It also provides sorting on every column. One click sorts a column in ascending order ▤. A second click sorts the column in descending order ▤. A third click resets the column to the default sort order.

- On the Netting Workbench page, use Suggest Netting. This option lets NetSuite apply and select nettable transactions from the top down, respecting the current display order.

> ⓘ **Note:** You can use Suggest Netting even if you sort and filter the display order.

Intercompany Netting Limitations

The following are limitations of the intercompany netting functionality:

- The Netting Settlement permission defaults to Full permission level. The Netting Settlement Approval permission defaults to Edit permission level.

- Intercompany zero payment is not supported. You cannot clear accounts payable or accounts receivable if there is no mutual balance between two entities. For example, if you have a vendor bill and a vendor credit but no accounts receivable transaction, you cannot net it using intercompany netting.

- Intercompany netting supports only matched and linked intercompany transactions with the same amounts on the payable and receivable sides of the general ledger. The following examples describe supported intercompany transactions:

  - Intercompany Journal Entries – There must be only one AP and AR line for each subsidiary-subsidiary-currency to ensure that the lines are nettable.

  - Intercompany Invoice and Intercompany Bill – These transactions are linked through their related purchase order and sales order (arm's length process inventory transfers). However, these transactions must be matched by having only one invoice and one bill for the same amount, and both must have intercompany entities.

    > **Note:** If you do not use the intercompany purchase order and sales order workflow, you can pair (link) stand-alone intercompany invoices and bills. For information about pairing invoices and bills, see Pairing Intercompany Transactions.

  - Intercompany Vendor Credit and Intercompany Credit Memo – This limitation is similar to the Intercompany Invoice and Intercompany Bill limitation. These transactions are linked through their related purchase order and sales order. They must be matched through only one vendor credit and one credit memo with intercompany entities and of the same amount.

Initiating a Netting Transaction

The Balance Overview page provides a grid view of the open payable balances for subsidiaries. This page groups transactions by subsidiary-subsidiary-currency. Each subsidiary-subsidiary-currency group displays the following open balances:

- **Balance due** – Includes accounts payable and accounts receivable balances
- **Balance to be paid** – Includes all open posted transactions, regardless of the date

  It also deducts all posted and non-posted transactions applied to open transactions, regardless of the date.

- **Netting amounts** – The amount available for netting and amount pending approval

  The amount available for netting is the amount that you can reduce from the balance due between the two subsidiaries. Only those groupings that have a positive nettable amount include a **New** link in the **Netting** column.

> **Tip:** Use the filters above the grid to reduce the balance overview list. The Subsidiary list lets you select multiple subsidiaries, and displays all of the values in the Subsidiary or Due to/From columns. Use column sorting to view data in an order different from the default order. For information about filters and sorting, see Best Practices for Using Intercompany Netting.

To initiate a netting transaction:

1. Go to Transactions > Financial > IC Netting > Balance Overview.

   > **Important:** Newly enabled feature menu items are not automatically added to custom centers. You must manually add menu items to custom centers after a feature is enabled.

2. In the **Netting** column, click a **New** link to open the Netting Workbench page. This page enables you to create a netting transaction against the open payable and open receivable amounts in that row.

> **Note:** When there are nettable amounts for a subsidiary-subsidiary-currency group, each row displays a **New** link. The row in which you click the link displays that subsidiary's open financials on the **Main** subtab on the Netting Workbench page. For information about using the Netting Workbench page, see Creating Netting Transaction Details.

If the **Action** column displays a zero value on a row, there is no mutual balance to settle.

Creating Netting Transaction Details

You access the Netting Workbench page from the Balance Overview page when you click a New link on a specific row. The open financials associated with the subsidiary in that row appear on the Main subtab on the Netting Workbench page. The page opens in create mode.

Netting Workbench Header

The Netting Workbench page header provides the following information:

- Suggest Netting lets NetSuite apply and select nettable transactions from the top down, respecting the current display order.
- The document number. NetSuite generates this number when you save the data on the Netting Workbook page. It is the document number of the netting statement.
- The date of the netting transaction. The default date is the system date, but you can change it, as required. This date determines the accounting period in which the netting statement appears.
- The Subsidiary field displays the subsidiary initiating the netting process. All of the transactions on the Main subtab belong to this subsidiary.
- The currency used in the accounts payable and accounts receivable transactions. It is also the currency used when you create the netting settlements.
- The status of the netting statement, which is Pending Approval or Approved.
- The Due To/From field displays the subsidiary involved in the intercompany transactions for the initiating subsidiary. You can find the transactions that belong to this subsidiary in the Pair column on the Main subtab.
- The Summary grid provides a synopsis of the settings on the Main subtab. The amounts applied to accounts payable must match the amounts applied to accounts receivable.
- You can access the Netting Statement list page and Balance Overview page through the links at the top right corner of the header.

Main Subtab

The accounts payable and accounts receivable sides of the Main subtab provide the same options. You can filter the transactions on the Main subtab by the **as of date** of the transaction and the transaction type. Use column sorting to view data in an order other than the default order. For information about filters and sorting, see Best Practices for Using Intercompany Netting.

If you check the Applied Only box, only transactions that have a value in the Applied column appear. If you check the Nettable box, only those transactions with a nettable amount appear.

> **Note:** Multiple invoices linked to one bill, and multiple bills linked to one invoice appear on the Main subtab but are not nettable. These transactions appear only when the **Nettable** box is clear. These transactions do not have a related transaction in the **Pair** column.

To create netting transactions:

1. Click **Suggest Netting** to let NetSuite apply and select nettable transactions. You can also manually select nettable transactions on both sides of the **Main** subtab.

   The **Date** field displays the date the transaction was created.

   The **Type** field displays the transaction type. Types can be invoice, bill, credit memo, vendor credit, and journal entry.

   The **Document No.** field provides a link to the original transaction.

   The **Due Date** field displays the date the transaction is due. This date appears for the transaction in the aging reports.

   The **Amount Due** field displays the amount not yet paid.

   The **Applied** field displays the amount to settle by netting. You can modify this value, but the total accounts payable value must match the total accounts receivable value.

   The **Pair** field provides a document icon that links to the related transaction from the **Due to/From** subsidiary. If you point to the icon, NetSuite displays the document number.

2. (Optional) Click the **Exchange Rate** subtab, and then modify the exchange rate for either subsidiary's base currency, if required.

   > ⓘ **Note:** If you specified a corporate exchange rate as an intercompany preference, additional information appears on the **Exchange Rate** subtab. This preference requires the Currency Exchange Rate Types feature. For more information, see Defining Intercompany Preferences and Currency Exchange Rate Types.
   >
   > Nettable transactions appear in the exchange rate for the subsidiary's base currency. Any transaction where the base currency was changed from the default displays the updated exchange rate. The **Netting Settlements** subtab provides links to the Netting Settlements. View the **GL Impact** subtab on the a Netting Settlement to see the settlement amount, based on the modified exchange rate.

3. (Optional) Click the links in the **Pair** columns to open the paired intercompany transactions.

   Review the transactions to ensure the netting transaction you are creating is correct.

4. Click **Save** to create a netting statement.

   For information about the Netting Statement page, see Netting Statement.

Netting Statement

After you save the netting workbench, the Netting Statement page appears. It contains the same information from the netting workbench, and two additional subtabs. The netting statement displays the **Netting Settlements** and **System Notes** subtabs next to the **Main** and **Exchange Rate** subtabs.

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> **ⓘ Note:** If you specified a corporate exchange rate as an intercompany preference, additional information appears on the **Exchange Rate** subtab. This preference requires the Currency Exchange Rate Types feature. For more information, see Defining Intercompany Preferences and Currency Exchange Rate Types.
>
> Nettable transactions appear in the exchange rate for the subsidiary's base currency. Any transaction where the base currency was changed from the default displays the updated exchange rate. The **Netting Settlements** subtab provides links to the Netting Settlements. View the **GL Impact** subtab on the a Netting Settlement to see the settlement amount, based on the modified exchange rate.

The **Netting Settlements** subtab provides the names of the subsidiaries associated with the netting statement. It also provides the account type, document number, and whether the transaction is a posting transaction. The document number links open the respective Netting Settlement page. See Netting Settlement.

You can delete the netting statement, if required. The accounting period must be open to delete the netting statement.

You can approve the netting statement if you have appropriate permissions.

Netting Settlement

The netting statement automatically generates four netting settlements (two for each subsidiary). One netting settlement closes the accounts payable side of the general ledger. The other netting settlement closes the accounts receivable side of the general ledger. These netting settlements represent the general ledger impact of netting on each subsidiary.

If the netting exchange rate is different from the selected transactions exchange rate, NetSuite calculates realized gain and loss and rounding gain and loss. For more information, see the help topic Foreign Currency Revaluation.

> **ⓘ Note:** NetSuite uses the system-generated IC Netting Clearing Account to book intercompany netting transactions. It is an other current asset type account, and is associated with all subsidiaries. NetSuite balances this account to zero after each netting. NetSuite also balances this account to zero at the consolidated subsidiary level.
>
> For example, the Subsidiary A netting settlement for accounts payable books a $100 debit to the IC Accounts Payable account. It books a $100 credit to the IC Netting Clearing Account.
>
> The Subsidiary A netting settlement for accounts receivable books a $100 credit to the IC Accounts Receivable account. It books a $100 debit to the IC Netting Clearing Account.
>
> NetSuite uses those exact bookings for the two netting settlements for Subsidiary B.

The netting settlement provides the creation date, currency, posting period, and the due to or from subsidiary. It also provides the approval status, the netting statement from which it was created, and any memo.

The following subtabs provide additional information:

- The Lines subtab provides the accounts to which the credits and debits were booked for the subsidiary and the associated entity. Intercompany Netting supports all classifications as well as custom segments. If the netted transactions specify a department, class, location, or custom segment, NetSuite groups the lines in the Netting Settlement based on these classifications. NetSuite also

considers the general ledger account associated with the netted transactions in the grouping. If there are multiple transactions with the same classifications, including custom segments and general ledger accounts, NetSuite groups them into one line. If any classification in the netted transaction is different, NetSuite displays a separate line for that classification.

> **ⓘ Note:** Intercompany Netting supports Multi-Book Accounting. If the netted transaction is in the subsidiary's secondary accounting book, the Lines subtab displays two additional lines. Two lines for the primary accounting book, and two lines for the secondary accounting book. The secondary accounting book inherits the exchange rate type of the primary accounting book.
>
> To see the exchange rate used for transactions impacting the secondary accounting book, use a Transaction search. For more information, see the help topic Accounting Transaction Search.

- The Applied To subtab provides a link to the related transaction and the amount applied to that transaction.
- The System Notes subtab lists the details associate with the netting settlement created from the netting statement.
- The GL Impact subtab provides details specific to the debit and credit applied to the subsidiary's intercompany accounts. Click the account link to see the transaction register for that account.

> **ⓘ Note:** If you use the **Allow Per-Line Classification for Netting Settlement** intercompany preference, NetSuite classifies all netting settlements based on the netted transactions. For information about intercompany preferences, see Defining Intercompany Preferences.
>
> The Lines and GL Impact subtabs provide additional information if you use this intercompany preference. On these two subtabs, there are columns for Location, Department, Class and any custom segment such as Business Unit. If there are multiple transactions with the same classifications including custom segments and general ledger accounts, NetSuite groups them into one line. If any classification in the netted transaction is different, NetSuite displays a separate line.
>
> After you approve the Netting Statement, you can view the classifications on customized Transaction Detail and General Ledger reports. Customized these two reports to include Location, Department, Class, and any custom segment. For information about these reports, see the help topics Transaction Detail Report and General Ledger Report.

> **✔ Tip:** You cannot edit netting settlements. However, you can delete them by deleting the associated netting statement.

Netting Statement List

There are several ways that you can access the Netting Statement list page. You can click List in the top right corner of the Balance Overview and Netting Statement pages. You can also go to Transactions > Financial > IC Netting > List.

> **⚠ Important:** Newly enabled feature menu items are not automatically added to custom centers. You must manually add menu items to custom centers after a feature is enabled.

The Netting Statement list page provides the netting statement date and number, status, the subsidiary-subsidiary-currency group, netted amount, and currency.

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Use the filters to reduce the nettings transactions list. Use column sorting to view data in an order other than the default order. For information about filters and sorting, see Best Practices for Using Intercompany Netting.

The links in the Netting Statement column open the respective netting statement where you can view the details associated with the netting statement.

> **ⓘ Note:** The field values on the Netting Statement list page are available to SuiteAnalytics Workbook and the Transaction saved search. For information about SuiteAnalytics Workbook, see the help topic SuiteAnalytics Workbook Overview. For information about saved searches, see the help topic Defining a Saved Search.

Automated Intercompany Management

Following are the sections included in the Automated Intercompany Management chapter:

- Automated Intercompany Management Overview
- Setting Up Automated Intercompany Management
- Intercompany Sales and Billing Transactions Overview
- Managing Intercompany Inventory Transfers - Arm's Length
- Intercompany Elimination Overview
- Elimination Through the Automated Intercompany Management Feature
- Working with Elimination Reports

Automated Intercompany Management Overview

The Automated Intercompany Management feature in NetSuite OneWorld enables you to manage intercompany transactions and automatically generate elimination journal entries. Previously known as Intercompany Auto Elimination, the feature was enhanced to include intercompany sales and purchases and intercompany inventory transfers.

With this feature enabled, NetSuite automatically generates elimination journal entries based on the intercompany transaction lines and intercompany journal lines marked to be eliminated. As part of the period close process, NetSuite evaluates the activity in your intercompany accounts. It then creates the journal entries to eliminate artificial profit and loss amounts. Without this feature enabled, you must manually create and track all intercompany transactions, and then manually create and post elimination journal entries.

The Automated Intercompany Management process involves the following activities:

- Create intercompany purchase orders per subsidiary, as needed. See the help topic Entering a Purchase Order.
- Generate intercompany sales orders from intercompany purchase orders. See Manage Intercompany Orders.
- Manage intercompany inventory transfers. See Managing Intercompany Inventory Transfers - Arm's Length.
- Enter advanced intercompany journal entries for other intercompany transactions. See the help topic Making Advanced Intercompany Journal Entries
- Reconcile intercompany transactions. See Intercompany Reconciliation Report.
- Run Intercompany Elimination from the Period Close Checklist. See Intercompany Elimination Overview.
- View the Intercompany Elimination report. See Intercompany Elimination Report.

Setting Up Automated Intercompany Management

Complete the following steps to begin using the Automated Intercompany Management feature.

For information about how to run intercompany elimination, see Elimination Through the Automated Intercompany Management Feature.

Prerequisite: You must have NetSuite OneWorld.

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1. Create elimination subsidiaries, if needed.

   Your NetSuite OneWorld hierarchy can include an elimination subsidiary for each level in the hierarchy. Your subsidiary hierarchy must include one or more elimination subsidiaries under the root subsidiary level before you enable this feature. See Elimination Subsidiaries.

2. Enable the **Automated Intercompany Management** feature. An administrator must go to Setup > Company > Enable Features. Click the **Accounting** subtab. Under the Advanced Features section, check the **Automated Intercompany Management** box, and then save.

   > ⊗ **Warning:** The Automated Intercompany Management feature cannot be disabled after it is enabled. This is true even if you have not created any intercompany entities or transactions.

   When you enable this feature, NetSuite adds the following fields, accounts, and more:

   - NetSuite adds the system-generated Cumulative Translation Adjustment-Elimination (CTA-E) account to your chart of accounts after a user enters a qualifying transaction. For example, a user must first run the elimination process so that NetSuite creates an elimination journal entry that uses this account. See Cumulative Translation Adjustment-Elimination (CTA-E).

   - NetSuite adds the **Eliminate Intercompany Transactions** task as the last task in the Period Close Checklist.

   - An **Eliminate** box displays for journal lines on standard and advanced intercompany journal entries.

     > ⓘ **Note:** You can use journal entries rather than advanced intercompany journal entries to record intercompany transactions. However, you must customize the standard journal entry form to display the **Eliminate** box. See Customizing Standard Journal Entries for Intercompany Elimination.

   - NetSuite creates the Standard Intercompany Vendor Form and the Standard Intercompany Customer Form records. These records include the **Represents Subsidiary** field, which does not display on the standard vendor and customer records.

   - NetSuite adds the **Intercompany Status** and **Paired Intercompany Transactions** fields to the Sales Order, Purchase Order, Return Authorization, and Vendor Return Authorization pages.

   - NetSuite adds the **Eliminate Intercompany Transactions** box to the Account record.

3. Create intercompany accounts. See Intercompany Accounts.

4. If your account meets the prerequisites, NetSuite can automatically generate and maintain intercompany entities to represent all non-elimination subsidiaries. See Representing Entities.

   If your account does not meet the prerequisites, you can continue to create intercompany customers and vendors that represent your non-elimination subsidiaries. See Creating Intercompany Customers and Vendors.

5. Review the guidelines for inventory items for intercompany transfers. See Intercompany Inventory Items Guidelines.

6. For arm's length intercompany inventory transfers, verify that the **Use Item Cost as Transfer Cost** preference is not enabled. Go to Setup > Accounting > Preferences >Accounting Preferences . Click the **Order Management** subtab. Under the Transfer Orders section, ensure the preference is not enabled.

7. Optionally, enable the Automated Intercompany Drop Ship feature to manage intercompany drop ship orders. An administrator must go to Setup > Company > Enable Features. Click the **Accounting** subtab. Under the Advanced Features section, check the **Automated Intercompany Drop Ship** box, and then save. See Intercompany Inventory Drop Ship.

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Intercompany Accounts

Intercompany accounts are general ledger accounts used to record transactions, such as intercompany payments, loans, and funds transfers between subsidiaries. These accounts track the intercompany amounts to be eliminated. When you run the intercompany elimination period end close task, amounts posted to intercompany accounts eligible for elimination are eliminated for consolidated financial statements. Posting occurs during the period close process.

An intercompany account is an account that has the **Eliminate Intercompany Transactions** box checked. For accounts that cannot be used for intercompany transactions, the field is dimmed. You can post both intercompany transactions and non-intercompany transactions to most intercompany accounts. Intercompany Accounts Receivable and intercompany Accounts Payable accounts, however, can be used only for recording amounts that are candidates for eliminations. **NetSuite requires an intercompany customer or intercompany vendor for intercompany A/R and A/P accounts.**

Double-Entry Bookkeeping

NetSuite enforces double-entry bookkeeping, therefore, journal entries post changes to accounts using offsetting debits and credits. Each posting transaction in NetSuite posts to at least two accounts. Each journal entry includes at least one debit amount and at least one credit amount. For information about journal entries, see the help topic Journal Entries.

> ⚠️ **Important:** When NetSuite released the Intercompany Time and Expenses feature, the first set of accounts created were named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In 2013.1, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This account replaced the Intercompany Payable/Receivable XXX account for new implementations. In 2014.1, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. NetSuite uses these clearing accounts for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the clearing account. For more information, see the help topics Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

Account Groups

You can create an intercompany account for the following groups of accounts:

- Accounts Receivable and Accounts Payable
- Equity, Income Statement, and Inventory Accounts
- Balance Sheet Accounts

You cannot create intercompany accounts for the following system-generated accounts:

- Unrealized Matching Gain/Loss
- Unrealized Gain/Loss
- Realized Gain/Loss
- Rounding Gain/Loss
- Exchange Rate Variance
- Cumulative Translation Adjustment-Elimination
- Cumulative Translation Adjustment

- Undeposited Funds
- Intercompany Clearing XXX (deferred Cost of Goods Sold (COGS))

For more information about features and system-generated accounts, see the help topic Feature-Specific, System-Generated Accounts.

Account Types

You can create more than one intercompany account for each account type. For a list of account types and accounts that you cannot use for elimination, see Other Account Types and Exceptions.

Best practice is to create new intercompany A/R and intercompany A/P accounts for intercompany transactions. Existing A/R and A/P accounts have accumulated balances from non-intercompany transactions that cannot be combined with future intercompany transactions to be eliminated.

To use existing item income and expense accounts for new intercompany transactions, check the **Eliminate Intercompany Transactions** box. You must check this box for all income and expense accounts associated with items used in intercompany transactions.

> **ⓘ Note:** If you modify an existing account to be an intercompany account, existing transactions posted to the account are not automatically marked for elimination. You must edit any historical transaction to be included for elimination. When you save the transaction with an intercompany entity, NetSuite marks transaction lines associated with the intercompany account for elimination.

Account Types and Intercompany Transactions

Most types of accounts can be used for intercompany transactions, but may have different rules depending on the account type. Information about the differences related to intercompany transactions for different account types follows.

- Accounts Receivable and Accounts Payable
- Equity, Income Statement, and Inventory Accounts
- Balance Sheet Accounts
- Other Account Types and Exceptions
- Intercompany Accounts for Cross-Subsidiary Purchases and Sales

> **ⓘ Note:** For arm's length intercompany inventory transfers, the Eliminate Intercompany Transactions task on the Period Close Checklist does not return intercompany clearing accounts to zero. Reporting at the subsidiary level displays the intercompany clearing account with an accumulated balance.

Accounts Receivable and Accounts Payable

Transactions posted to the following accounts are eliminated during the period close process. Eliminations are automatically reversed in the following period. When you check the **Eliminate Intercompany Transactions** box for an Accounts Receivable or Accounts Payable account, the account can be used only for intercompany transactions. After transactions post to an intercompany A/R or A/P account, you cannot clear the Eliminate Intercompany Transactions box. **NetSuite requires an intercompany customer or intercompany vendor for intercompany A/R and A/P accounts.**

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> **(i) Note:** If an existing A/R or A/P account has balances from non-intercompany transactions, you cannot make it eligible for intercompany transactions.

Account Type	Eliminate Intercompany Transactions	Restricted to Intercompany Transactions	Reverse Elimination Automatically	Revalue Foreign Currency Open Balances
Accounts Payable	Yes	Yes	Yes	Yes
Accounts Receivable	Yes	Yes	Yes	Yes

Equity, Income Statement, and Inventory Accounts

You can set up intercompany accounts for this group of account types. Transactions posted to these accounts can be candidates for intercompany elimination. When set up as intercompany accounts, these accounts do not have to be used exclusively for intercompany transactions. Check the **Eliminate Intercompany Transactions** box for all income and expense accounts associated with items used in intercompany transactions. If you do not check this box, transactions with those items are not candidates for elimination.

Open balances for foreign currency transactions posted to these accounts are never revalued.

Inventory accounts, created by checking the **Inventory** box for an Other Current Asset account belong to this group. However, you should use advanced intercompany journal entries to record intercompany inventory transfers. For information about advanced intercompany journal entries, see the help topic Making Advanced Intercompany Journal Entries.

Account Type	Eliminate Intercompany Transactions	Restricted to Intercompany Transactions	Reverse Elimination Automatically	Revalue Foreign Currency Open Balances
Equity	Yes	No	No	Never
Income	Yes	No	No	Never
Other Income	Yes	No	No	Never
Expense	Yes	No	No	Never
Other Expense	Yes	No	No	Never
Cost of Goods Sold (COGS)	Yes ⚠️ **Important:** For arm's length intercompany inventory transfer, do NOT mark the COGS account as Elimination.	No	No	Never
Other Current Asset - Inventory	Yes	No	No	Never

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Balance Sheet Accounts

Transactions posted to this group of account types are eligible for both intercompany elimination and foreign currency revaluation. NetSuite reverses intercompany eliminations for these accounts in the next period. When set up as intercompany accounts, you do not have to use these accounts exclusively for intercompany transactions.

Account Type	Eliminate Intercompany Transactions	Restricted to Intercompany Transactions	Reverse Elimination Automatically	Revalue Foreign Currency Open Balances
Other Current Asset – Non-Inventory	Yes	No	Yes	Yes
Other Current Liability	Yes	No	Yes	Yes
Long Term Liability	Yes	No	Yes	Yes
Other Asset	Yes	No	Yes	Yes
Deferred Revenue	Yes	No	Yes	Yes
Deferred Expense	Yes	No	Yes	Yes
Unbilled Receivable	Yes	No	Yes	Yes

When the Advanced Revenue Management (Essentials) and Automated Intercompany Management features are enabled, note the following. The **Eliminate Intercompany Transactions** box is automatically checked on the system deferred revenue and unbilled receivable accounts. You must check this box on these accounts if you are using the Revenue Recognition and Revenue Commitment features. You can clear the this box if no intercompany transactions use these accounts.

Other Account Types and Exceptions

The following account types are not eligible for intercompany elimination. For these account types, you cannot check the **Eliminate Intercompany Transactions** box.

- Bank
- Credit Card
- Nonposting
- Fixed Asset

In addition, the balances for the following system-generated accounts can never be eliminated. The **Eliminate Intercompany Transactions** box is disabled for these accounts. NetSuite creates these accounts for a specific feature or type of user account after. For more information about features and system-generated accounts, see the help topic Feature-Specific, System-Generated Accounts.

- Realized Gain/Loss
- Unrealized Gain/Loss
- Rounding Gain/Loss
- Unrealized Matching Gain/Loss
- Undeposited Funds
- Intercompany Clearing XXX (for Intercompany Time and Expense feature)
- Cumulative Translation Adjustment (for NetSuite OneWorld using the Multiple Currencies feature)

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- Cumulative Translation Adjustment - Elimination (for Automated Intercompany Management feature)
- Exchange Rate Variance

Intercompany Accounts for Cross-Subsidiary Purchases and Sales

In NetSuite OneWorld, you may find that non-inventory items and finished products must be routinely shipped between various countries and subsidiaries. You can use intercompany accounts to record and post intercompany purchase and sale transactions across subsidiaries. Intercompany accounts lets you distinctly track from other existing profit and loss accounts. Financial consolidations can automatically eliminate these intercompany accounts, which allows the values to cancel each other at related nodes.

Non-inventory items must be a **Resale** item type, and also have the **Can Be Fulfilled/Received** setting enabled for intercompany transactions.

Users with the Setup Accounting permission can set intercompany preferences at Setup > Accounting > Preferences > Intercompany Preferences. These preferences should be defined after an administrator enables the Automated Intercompany Management feature. For information about these preferences, see Intercompany Preferences.

- Expense Account
- Income Account
- Receivables Account
- COGS Account
- Deferred Revenue Account

An intercompany account is an account with the **Eliminate Intercompany Transactions** box checked. For more information, see Intercompany Accounts.

If any of these intercompany account values are blank, NetSuite uses the **Use Default Account** option for items.

⚠️ **Important:** NetSuite uses these accounts for all intercompany transactions. You can make new account selections at any time, but NetSuite does not change the accounts of historical transactions.

Creating Intercompany Accounts

You can create intercompany accounts by adding a new account or by modifying an existing account, when permitted. Before you create intercompany accounts, ensure that you understand the different types of accounts that can be used to record intercompany transactions. For more information, see Account Types and Intercompany Transactions.

You cannot create intercompany accounts for the following system-generated accounts:

- Unrealized Matching Gain/Loss
- Unrealized Gain/Loss
- Realized Gain/Loss
- Rounding Gain/Loss
- Exchange Rate Variance
- Cumulative Translation Adjustment-Elimination
- Cumulative Translation Adjustment

- Undeposited Funds
- Intercompany Clearing XXX (deferred Cost of Goods Sold (COGS))

For more information about features and system-generated accounts, see the help topic Feature-Specific, System-Generated Accounts.

At a minimum, to properly account for and eliminate intercompany transactions, you need the following accounts:

- Expense Account
- Income Account
- Receivables Account
- Payables Account
- Deferred Revenue Account

To add a new intercompany account:

1. Go to Setup > Accounting > Manage G/L > Chart of Accounts > New.
2. Select the type of account to create based on the account purpose.

   > ⓘ **Note:** **NetSuite requires an intercompany customer or intercompany vendor for intercompany A/R and A/P accounts.**

   The values for **General Rate Type** and **Cash Flow Rate Type** default based on the type of account selected.
3. Enter a name for the account.
4. Check the **Eliminate Intercompany Transaction** box.
5. Complete other fields, as needed.
6. For **Subsidiaries**, select the parent or top level subsidiary and then check **Include All Children**.
7. Click **Save**.

Making an Existing Intercompany Account an Elimination Account

Use the following procedure to change an intercompany account into an elimination account.

To make an existing intercompany account an intercompany elimination account:

1. Go to Setup > Accounting > Manage G/L > Chart of Accounts.
2. Click **Edit** next to the account you want to modify.
3. Check the **Eliminate Intercompany Transactions** box, and then click **Save**.

Creating Intercompany Customers and Vendors

Intercompany customers and vendors are entity records with one or more assigned subsidiaries that NetSuite uses for intercompany transactions. They represent the buyer and seller in transactions between subsidiaries. The default receivable account for an intercompany customer must be an intercompany receivable account. For intercompany vendors, the default payable account must be an intercompany payable account.

> ⚠ **Important:** Prior to NetSuite 2020.2, the Automated Intercompany Management feature required users to customize the vendor and customer records to include the **Represents Subsidiary** field. This field indicates that the entity acts as an agent for a selected subsidiary. After you customized the entity forms, you then manually created intercompany vendors and intercompany customers to represent your non-elimination subsidiaries. When you changed a subsidiary record, you were required to manually update the representing entity records.
>
> In 2020.2, NetSuite provides functionality that creates and maintains system-generated representing entities. However, there are prerequisites to take advantage of this functionality. You must enable the Multi Subsidiary Customer feature. In addition, if you use the Multiple Currencies feature, you must also enable the Multi-Currency Vendor and Multi-Currency Customer features. If you meet these prerequisites, NetSuite can generate and maintain representing entities for all of your non-elimination subsidiaries. For more information, see Intercompany Preferences and Representing Entities.

You enter intercompany entities on sales orders and purchases orders to create intercompany transactions. You can also identify an intercompany customer or vendor on journal lines when you create an advanced intercompany journal entry. You must enter an intercompany entity for lines that include an intercompany receivable or intercompany payable account. For information about setting up intercompany accounts, see Intercompany Accounts.

Example 1. Intercompany Customer and Corresponding Intercompany Vendor Example

You can manually create an intercompany customer and corresponding intercompany vendor for each subsidiary-to-subsidiary relationship that has intercompany transactions. For example, if Subsidiary U.K. purchases a product from Subsidiary U.S., create the following entities to represent the subsidiaries:

- Create a customer record in Subsidiary U.S. to represent Subsidiary U.K. (the buyer).
  - ▫ Subsidiary = U.S. Subsidiary
  - ▫ Represents Subsidiary = Subsidiary U.K.
- Create a vendor record in Subsidiary U.K. to represent Subsidiary U.S. (the seller).
  - ▫ Subsidiary = Subsidiary U.K.
  - ▫ Represents Subsidiary = Subsidiary U.S.

An entity record can act as an agent for only one subsidiary. If Subsidiary U.K. also purchases from Subsidiary EU, you must:

- Create a customer record in Subsidiary EU to represent Subsidiary U.K. (the buyer).
  - ▫ Subsidiary = EU Subsidiary
  - ▫ Represents Subsidiary = Subsidiary U.K.
- Create a vendor record in Subsidiary U.K. to represent Subsidiary EU (the seller).
  - ▫ Subsidiary = Subsidiary U.K.
  - ▫ Represents Subsidiary = Subsidiary EU

Before you can manually create intercompany customers and vendors, you must customize the customer and vendor forms to include the **Represents Subsidiary** field. To customize forms, go to Customization > Forms > Entry Forms (Administrator). Add the **Represents Subsidiary** field to the standard customer and standard vendor forms. For information about customizing forms, see the help topics Creating Custom Entry and Transaction Forms and Configuring Fields or Screens.

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To manually create intercompany customers:

1. Go to Lists > Relationships > Customers > New.

2. In **Custom Form**, select your custom intercompany customer form.

3. Enter the information for the intercompany customer including:

   ▪ **Company Name:** Use a naming convention to identify this as an intercompany entity such as U.S. Customer in Canada Sub.

   ▪ **Subsidiary:** Select the subsidiary to which this entity belongs.

   ▪ **Represents Subsidiary:** Select the subsidiary that the entity represents.

4. On the **Financial** subtab, for **Default Receivables Account**, select an intercompany receivable account from the list.

   This is the default intercompany receivables account for the customer.

5. Complete other information as needed for the customer.

6. Click **Save**.

For information about multiple subsidiaries assigned to a customer record, see Assigning Subsidiaries to a Customer.

To manually create intercompany vendors:

1. Go to Lists > Relationships > Vendors > New.

2. In **Custom Form**, select your custom intercompany vendor form.

3. Enter the information for the intercompany vendor including:

   ▪ **Company Name:** Use a naming convention to identify this as an intercompany entity such as U.S. Vendor in Canada Sub.

   ▪ **Subsidiary:** Select the subsidiary to which this entity belongs.

   ▪ **Represents Subsidiary:** Select the subsidiary that the entity is representing.

4. On the **Financials** subtab, or **Default Payables Account**, select an intercompany payable account from the list.

   This is the default intercompany payable account for the vendor.

5. Complete other information as needed for the vendor.

6. Click **Save**.

For information about multiple subsidiaries assigned to a vendor record, see Assigning Subsidiaries to a Vendor.

Intercompany Inventory Items Guidelines

You can transfer inventory items between subsidiaries. Inventory items do not have to be marked exclusively for intercompany transfers. You must, however, identify an inventory location on intercompany purchase orders and sales orders.

▪ **Arm's length Inventory Transfers** – Use the purchase order/sales order workflow for arm's length transfers. Both the source and destination subsidiaries must have access to the inventory item.

▪ **Non-Arm's Length Inventory Transfers** – (Transactions > Inventory > Enter Intercompany Transfer Orders). On the **Accounting** subtab of the item record, check the **Eliminate Intercompany Transactions** box for the account selected as the Gain/Loss Account. When the item cost is not used as the transfer cost, any difference between the cost and the transfer price posts to this account. NetSuite eliminates the gain/loss amount when you run intercompany elimination at period close.

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- **Intercompany Drop Ship** – If you use the Automated Intercompany Drop Ship feature, the Dropship Expense Account on item record defaults to a value. The value is the account specified in the **Default Expense Account** field on the Accounting Preference page, **Items/Transactions** subtab. You can override this account on an item record, if needed. The account used for the DropShip Expense Account must have the **Eliminate Intercompany Transactions** box checked.

Customizing Standard Journal Entries for Intercompany Elimination

You should use advanced intercompany journal entries (AICJE) to record intercompany transactions.

If you want use journal entries, you must customize the standard journal entry form to display the To Subsidiary and Eliminate fields. When you add a journal line posting to an intercompany account, the system flags the line to be eliminated during the period close process. See Enter Intercompany Transactions for Elimination.

To customize the journal entry form for intercompany elimination:

1. Go to Customization > Forms > Transaction Forms.
2. Click **Customize** next to **Standard Journal Entry**.
3. Enter a name for the custom journal entry form.
4. On the **Screen Fields** subtab, on the **Main** subtab, check the **Show** box next to the **To Subsidiary** field.
5. In the **Field Group** list, select **Classification**.
6. On the **Lines** subtab, check the **Show** box for the **Eliminate** label.
7. Click **Save**.

Intercompany Sales and Billing Transactions Overview

The Automated Intercompany Management feature lets you manage intercompany sales and billing transactions. You can create, manage, and eliminate intercompany transactions between the subsidiaries in your organization. This feature reduces the manual work associated with tracking intercompany transactions and calculating elimination amounts.

You can generate an intercompany sales order from an existing intercompany purchase order, which pairs the transactions and sets the Intercompany Status to Linked. The Paired Transaction field provides a link to the paired transaction. When the orders are billed or invoiced, the intercompany amounts are eliminated during the period close process.

With the intercompany transaction workflow you can:

- Create intercompany purchase orders
- Detect the need for corresponding intercompany sales orders by subsidiary
- Generate intercompany sales orders from intercompany purchase orders
- Manually create matching intercompany sales orders, when needed
- Reject intercompany purchase orders for a subsidiary, if needed

You can perform these tasks, except creating purchase orders, from the Manage Intercompany Sales Order page. See Manage Intercompany Orders.

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For information about creating intercompany purchase orders per subsidiary, see the help topic Entering a Purchase Order.

Manage Intercompany Orders

The Manage Intercompany Sales Order page shows intercompany purchase orders that have an intercompany transaction status of Pending or Rejected.

Intercompany orders can have the following statuses:

- **Pending** indicates that the intercompany order has not been paired with a corresponding order in another subsidiary. Order pairs are Sales Order/Purchase Order and Vendor Return Authorization/ Return Authorization.

  > 🛈 **Note:** Intercompany orders that are pending approval do not appear on this page.

- **Rejected** indicates that the intercompany purchase order or vendor return authorization cannot be paired with a sales order or return authorization. Usually this is because it contains incorrect information such as subsidiary, currency, amount, or other detail.

- **Linked** indicates that the intercompany order has been paired with an intercompany order in another subsidiary. Order pairs are Sales Order/Purchase Order and Vendor Return Authorization/Return Authorization. The Manage Intercompany Sales Order page does not display linked orders.

Intercompany Order Status appears only on intercompany sales orders, intercompany purchase orders, intercompany return authorizations, and intercompany vendor return authorizations.

Select a customer and a currency on the Manage Sales Order page to filter the list of displayed purchase orders. This is the list of intercompany purchase orders not paired with intercompany sales orders. Setting the filter also determines the customer, subsidiary, and currency for the sales order to be created.

Access to subsidiary data is controlled by your user role. If you are not an administrator, you can use the Manage Intercompany Sales Order page if you have been granted the required permission. To view a Purchase Order in another subsidiary, your user role must have the **Allow Cross-Subsidiary Record Viewing** option set. Your user role also must have view access to Purchase Order. To automatically generate and create a Sales Order, you must have create or full permissions to Sales Order. For more information, see Control Employee Access to Subsidiaries.

From the Manage Intercompany Sales Orders page, you can:

- Generate sales orders for select purchase orders
- Manually create a sales order for a purchase order
- Reject intercompany purchase orders
- View rejected intercompany purchase orders

Generating an Intercompany Sales Order

Before you can generate an intercompany sales order, you must create an intercompany purchase order. For more information, see the help topic Entering a Purchase Order.

To generate an intercompany sales order:

1. Go to Transactions > Sales > Manage Intercompany Sales Orders.
2. Select a customer and a currency to display the unlinked intercompany purchase orders that can be paired with sales orders for this customer.

The **Subsidiary** field for the vendor on these purchase orders matches the **Represents Subsidiary** field for the customer selected. This field also determines the customer and currency for the sales order to be generated.

3. From the list of intercompany purchase orders displayed, select the purchase order for which you want to create a sales order.

4. Click **Generate Sales Order**.

5. The Processed Intercompany Transactions Results page displays the links to the purchase order and paired sales order.

If Classes, Departments, or Locations values are required, you cannot auto generate sales orders or return authorizations. Set these values at Setup > Accounting > Accounting Preferences on the General subtab, under Classifications.

Manually Creating a Paired Intercompany Sales Order

You can manually create a paired intercompany sales order **only** if the order does not contain an inventory item.

To manually create a paired intercompany sales order:

1. Go to Transactions > Sales > Manage Intercompany Sales Orders.

2. Select a customer and a currency.

   This determines the customer and currency for the sales order you want to create.

   If you do not provide data in the required fields, the manually created sales order does not include all of the expected data.

3. Click **Generate Sales Order**.

4. On the Sales Order page, review the sales order and complete any required fields.

5. Click **Save** to create the intercompany sales order.

   The Intercompany Management section of the sales order displays the intercompany status and the purchase order with which it is paired. This is the corresponding intercompany transaction.

> ✔ **Tip:** You can delete the paired transactions after generating the intercompany sales order **if** the order does not contain an inventory item. First, edit the sales order by clearing the **Paired Transaction** box. Save the sales order. Then, delete the purchase order and sales order as you would delete any transaction record. On the transaction record, from the **Actions** menu, click **Delete**. Note that this option appears only if the **Void Transactions Using Reversing Journals** preference is not set. For more information, see the help topic Voiding, Deleting, or Closing Transactions.

Rejecting an Intercompany Purchase Order

You can reject an intercompany purchase order if has incorrect information or any reason it should not be paired with an intercompany sales order. Rejecting the intercompany purchase order removes it from the list of pending intercompany purchase orders.

To reject an intercompany purchase order:

1. Go to Transactions > Sales > Manage Intercompany Sales Orders.

2. Select a customer and currency.

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3. From the list of intercompany purchase orders displayed, select one or more purchase orders.

4. Click **Reject Purchase Order**.

5. The Processed Intercompany Transactions Results page shows the results with links to the rejected purchase orders.

You can review rejected intercompany transactions by choosing **Rejected** for the **Intercompany Status** filter on the Manage Intercompany Sales Order page. After you review rejected purchase orders and make changes as necessary, you can generate or manually create intercompany sales orders.

Pairing Intercompany Transactions

An intercompany document in one subsidiary should have a respective document in a counterpart subsidiary. For example, if subsidiary A issues a customer invoice document to subsidiary B, then subsidiary B has a respective vendor bill document.

If you use stand-alone intercompany invoices and bills, you can create a link between the two documents through the Paired Intercompany Transaction field. After you pair the documents, you can use SuiteAnalytics to create datasets that display the intercompany documents. If any intercompany documents were incorrectly paired, you can correct the pairings.

You can run reports on paired documents throughout the accounting period or at period end close. If you make corrections throughout the accounting period, you decrease the manual effort associated with intercompany transaction reconciliation at period end close.

NetSuite lets you pair invoices with bills of a different amount and in a different accounting period. If you use the Intercompany Framework feature, the netting functionality lets you net paired intercompany invoices and bills of the same amount. For information about the intercompany netting functionality, see Intercompany Netting.

> ⚠️ **Important:** The Paired Intercompany Transaction field is not intended to be used in the purchase order to sales order workflow. To reconcile intercompany invoices and bills generated through intercompany purchase orders and sales orders, see the help topic Intercompany Reconciliation Report.

To customize the invoice and bill forms for pairing:

1. Go to Billing > Sales > Create Invoices.

   > ⚠️ **Important:** You must have permission to access an invoice or a bill to customize the forms.

2. Click **Customize**, and then click **Customize Form**

3. Click the **Screen Fields** subtab.

4. Check the **Paired Intercompany Transaction** box, and then specify where the list field should appear on the form.

   > ✔️ **Tip:** You can place the field anywhere on the form, but you may find it useful to place it in the InterCompany Management section. You can also mark the field as required.

5. Click **Save**.

   A link to the customized invoice form appears on the Custom Transaction Forms page.

6. Go to Transactions > Payables > Enter Bills.

7. Follow steps 2 through 5.

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A link to the customized bill form appears on the Custom Transaction Forms page.

8. Return to the customized invoice or bill form.

> **ⓘ Note:** NetSuite lets you pair invoices with bills or bills with invoices. When you save the pairing, NetSuite updates the respective paired record.
>
> For information about creating invoices, see the help topic Creating an Invoice.
>
> For information about entering vendor bills, see the help topic Vendor Bills.

9. Complete the fields as required, and then select the relevant transaction to pair from the **Paired Intercompany Transaction** list.

The list displays document numbers for relevant transactions. NetSuite lists the numbers in ascending order by character, number, and then letter. Transactions that are pending approval or voided do not appear in this list.

> **✔ Tip:** If you set your general preferences to reduce the number of items in a list, NetSuite changes the standard list to an advanced search list. Limiting the items in the list is useful if the list contains hundreds of items. Advanced search lists enable you to type in the field to filter the lists to display matching items. You can click the double list icon and type in the **Search** field to filter the list. For more information about general preferences, see the help topic General Personal Preferences.
>
> In the **Search** field, type the **%** sign before and after your search string to display only those items that include your string. For example, the bill transaction you want to pair includes a **#** sign followed by a **1**. Type **%#1%** to retrieve only those bills where the document number includes **#1**.

> **⚠ Important:** NetSuite lists only those transactions with the proper combination of subsidiary, entity, currency, and document status. The list is empty if you have not set one of those criteria, or if the criteria is not available.
>
> You must first select the subsidiary, followed by the entity, and then the currency. NetSuite displays relevant transactions based on your selections, in that order. If you make your selections in an incorrect order, NetSuite may display transactions for an incorrect combination.

10. Click **Save**.

In view mode on the invoice form, the selected intercompany transaction is a link to the vendor bill document.

In view mode on the bill form, the selected intercompany transaction is a link to the customer invoice document.

> **⚠ Important:** You cannot delete a paired transaction. If you must delete a previously paired transaction, set the **Paired Intercompany Transaction** list to blank, and then save. Then, in edit mode on the transaction, select **Actions**, and then **Delete**.
>
> You cannot set an approved transaction to pending approval.

Creating SuiteAnalytic Datasets to View Paired Intercompany Transactions

During the accounting period, you can use SuiteAnalytics to create datasets to view paired intercompany transactions.

To create an analytic dataset to view paired intercompany transactions:

1. Go to **Analytics**.
2. Click the **Datasets** subtab, and then click **New Dataset**.
3. In the search field, type **trans**.
4. Click **Transaction**.
5. Click the **Paired Intercompany Transaction** field in the records pane.
6. In the fields pane, locate the **Paired Intercompany Transaction** field, and then drag it to the criteria pane.

   View the list of paired documents in the criteria pane. You can open the transaction and entity records, and other records, depending on the fields you drag into the criteria pane. For information about creating datasets, see the help topic Custom Workbooks and Datasets.

Managing Intercompany Inventory Transfers - Arm's Length

The Automated Intercompany Management feature lets you manage and coordinate arm's length intercompany inventory transfers including intercompany drop ship orders. With this feature you can:

- Automate the end-to-end intercompany inventory workflow. Use intercompany inventory purchase and sales orders, intercompany item fulfillments and receipts, and inventory sales invoices and vendor bills.

- Use intercompany auto-elimination to automatically revalue the period-end inventory and Cost of Goods Sold (COGS) balances.

  > ⚠ **Important:** For arm's length intercompany inventory transfer, do **not** mark the COGS account as Elimination.

- Automatically process intercompany elimination entries for intercompany inventory.

- Use intercompany inventory transfer and sales activity reports for a detailed audit trail.

Automated Intercompany Management supports month end elimination for arm's length and non-arm's length intercompany inventory transfers.

- Create intercompany purchase orders and sales orders to manage intercompany arm's length inventory transfers, returns, and intercompany inventory drop shipments. See:
  - Intercompany Inventory Transfers - Arm's Length
  - Intercompany Inventory Returns - Arm's Length
  - Intercompany Inventory Drop Ship

- For non-arm's length intercompany inventory transfers, create an intercompany transfer order. See the help topic Intercompany Inventory Transfers - Non-Arm's Length.

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- Enter advanced intercompany journal entries for other adjustments to inventory accounts. See the help topics Making Intercompany Journal Entries and Enter Intercompany Transactions for Elimination.

Key Points for Intercompany Inventory Transfers

- For arm's length intercompany inventory transfers, returns, and drop shipments, the item rate or transfer price must be the same on all transactions.

- You cannot modify the originating transaction (purchase order or vendor return authorization) when you generate the intercompany sales order or return authorization.

- For arm's length intercompany inventory transfers, the Use Item Cost as Transfer Cost preference must be disabled.

- The currency for all transactions created for intercompany inventory transfers and drop shipments is always the base currency of the purchase order. The base currency of the purchase order eliminates the need for foreign currency revaluation for the transactions at period end close.

- Ownership of the item transfers from the source subsidiary to the destination subsidiary when the order is fulfilled.

- The quantity received cannot be greater than the quantity shipped.

- There is a one-to-one relationship between the intercompany purchase order and the intercompany sales order. There is a one-to-one relationship between the intercompany vendor return authorization and intercompany return authorization.

- You cannot generate multiple sales orders for one intercompany purchase order. You cannot generate one sales order for multiple intercompany purchase orders.

- You must generate an intercompany sales order using the Manage Intercompany Sales Orders page for an order with an intercompany vendor and an inventory item. You cannot manually create an intercompany sales order.

- You must generate an intercompany return authorization for a return authorization with an intercompany vendor and an inventory item. Use the Manage Intercompany Return Authorization page to do this. You cannot manually create an intercompany return authorization.

  The return process for an intercompany inventory transfer reverses the original transfer transaction. It originates when the subsidiary that purchased the item (the original destination subsidiary) creates a vendor return authorization for the original purchase order. The original source subsidiary (the subsidiary that sold the item) cannot create a credit memo to initiate the return of an intercompany inventory transfer. Instead, **the source subsidiary automatically generates a return authorization for the vendor return authorization**. Then, each subsidiary completes their part of the return process. **NetSuite does not process changes made to any line.**

> ⓘ **Note:** For arm's length intercompany inventory transfers, intercompany clearing accounts are not returned to zero when you eliminate intercompany transactions at period end close. Reporting at the subsidiary level displays the intercompany clearing account with an accumulated balance.

Intercompany Inventory Transfers - Arm's Length

Intercompany inventory transfers begin with the creation of an intercompany purchase order. Subsidiaries are the trading entities for the inventory transfer. You must create intercompany customers and vendors to represent the subsidiaries involved in the transaction. See Creating Intercompany Customers and Vendors.

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The purchasing subsidiary is the destination for the transfer. The selling subsidiary is the source for the transfer. All intercompany transactions related to the inventory transfer must be in the base currency of the purchasing subsidiary (destination). Inventory items must be accessible by both subsidiaries involved with the transfer.

The workflow for intercompany inventory transfers involves the following steps.
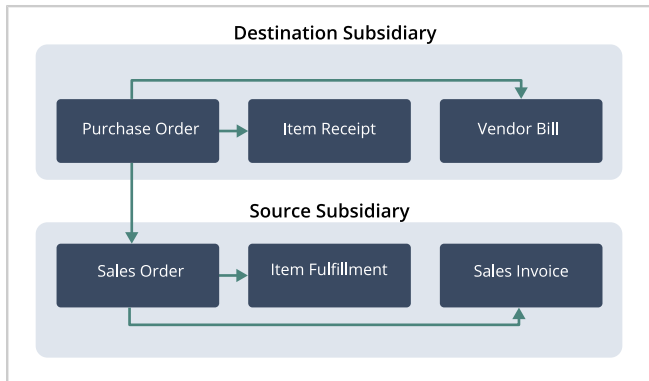
1. Destination subsidiary creates an intercompany purchase order.

2. Source subsidiary generates an intercompany sales order through the Manage Intercompany Sales Orders page. Go to Transactions > Sales > Manage Intercompany Sales Orders.

3. Source subsidiary fulfills the order and creates an item fulfillment.

4. Destination subsidiary receives the order and creates an item receipt. The quantity received cannot be greater than the quantity shipped.

5. After the order is fulfilled and received, subsidiaries can generate the vendor bills and invoices.

6. At period end, run the intercompany elimination process to automatically revalue inventory and inventory costing balances.

> ⚠️ **Important:** For arm's length intercompany inventory transfer, do **not** mark the COGS account as Elimination.

For information about the general ledger impact for the posting transactions involved in arm's length intercompany inventory transfers, see Arm's Length Intercompany Inventory Transfer Example.

Intercompany Inventory Returns - Arm's Length

The return process for an intercompany inventory transfer reverses the original transfer transaction. It originates when the subsidiary that purchased the item (the original destination subsidiary) creates a vendor return authorization for the original purchase order. The original source subsidiary (the subsidiary that sold the item) cannot create a credit memo to initiate the return of an intercompany inventory transfer. Instead, the source subsidiary automatically generates a return authorization for the vendor return authorization. Then, each subsidiary completes their part of the return process. **NetSuite does not process changes made to any line item.**

The transaction currency for the return is the base currency of the vendor return authorization. The currency for the return authorization matches the currency for the vendor return authorization. It is the same currency used for the paired intercompany sales order and purchase order for the original inventory transfer.

You cannot manually create a vendor return for an intercompany inventory transfer order.

The workflow for arm's length inventory returns involves the following steps. In this diagram, the Destination Subsidiary is the subsidiary that originally ordered the item. The Source Subsidiary is the subsidiary that originally shipped the item.
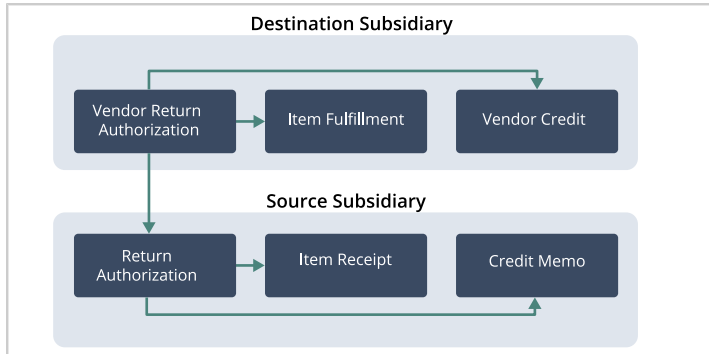
1. Destination subsidiary, the subsidiary that initially purchased the item, creates an intercompany vendor return authorization to return an item.

2. Source subsidiary generates an intercompany return authorization through the Manage Intercompany Return Authorizations page. Go to Transactions > Customers > Manage Intercompany Return Authorizations.

3. Destination subsidiary fulfills the vendor return and creates an item fulfillment.

4. Source subsidiary receives the order and creates an item receipt. The quantity received cannot be greater than the quantity shipped.

5. After the return is fulfilled and received, the subsidiaries can generate the credit memo and vendor credit.

6. At period end, run the intercompany elimination process to automatically revalue inventory and inventory costing balances.

For information about the general ledger impact for the posting transactions involved in an intercompany inventory return, see Arm's Length Intercompany Inventory Return Example.

> ⓘ **Note:** NetSuite does not support returns for intercompany drop-ship orders. You must complete the following:
>
> * Create a standalone return authorization between the external customer and the purchasing subsidiary.
>
> * Create an intercompany transfer order between the purchasing subsidiary and the selling subsidiary. See Intercompany Inventory Transfers - Arm's Length.

Intercompany Inventory Drop Ship

You can use Automated Intercompany Management to manage intercompany inventory drop ship orders. With the intercompany inventory drop ship order, one subsidiary sells an inventory item to an external customer and a different subsidiary fulfills the order. See the help topic Drop Ship Items.

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> ⚠️ **Important:** If you use the Intercompany Cross-Subsidiary Fulfillment feature, the system uses the Intercompany Cost of Goods Sold account when you fulfill an external item. You must manually set the account to the regular COGS account. For information about the Intercompany Cross-Subsidiary Fulfillment feature, see the help topic Intercompany Cross-Subsidiary Fulfillment.

To manage intercompany drop ship orders, you must enable Automated Intercompany Drop Ship. Go to Setup > Company > Enable Features. Click the Accounting subtab. The following features are also required to use the Intercompany Drop Ship feature:

- Automated Intercompany Management
- Drop Shipments & Special Orders
- Advanced Shipping
- Advanced Receiving

When you enable the Automated Intercompany Drop Ship feature, NetSuite automatically sets the following accounting preferences. Go to Setup > Accounting > Preferences > Accounting Preferences. These preferences are on the Order Management subtab, under Drop Shipments. The intercompany drop ship workflow must have these preferences to properly function. You cannot change these preferences.

- **Update Drop Ship Order Quantities Automatically Prior to Shipment** - The quantities, prices, and amounts on linked transactions for intercompany drop ship orders must match.
- **Drop Ship Fulfillment Quantity Validation** - set to **Do not allow unequal quantities**. This preference enforces matching quantities for intercompany drop ship transactions.
- **Allow Both Mark Shipped Fulfillments and Receipts on a Drop Shipment Line** - set to **Do not allow**. For intercompany drop ship orders, you must mark the order the sales subsidiary as shipped (dummy fulfillment).

The workflow for intercompany drop ship orders follows these steps:
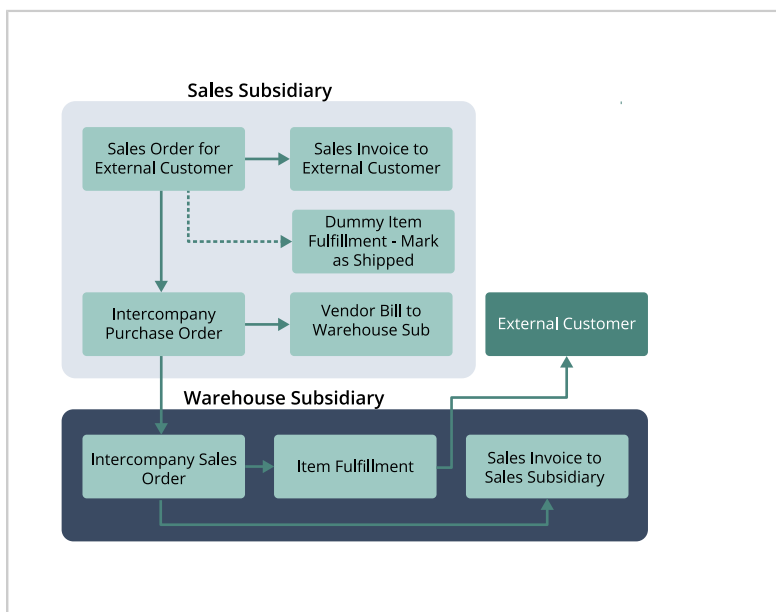
1. Sales subsidiary creates a sales order for an external customer, and specifies an intercompany vendor that represents the warehouse subsidiary.

2. Sales subsidiary creates an intercompany purchase order for the sale with an intercompany vendor that represents the warehouse subsidiary.

3. Warehouse subsidiary generates an intercompany sales order through the Manage Intercompany Sales Orders page. Go to Transactions > Sales > Manage Intercompany Sales Orders.

4. Warehouse subsidiary fulfills the order and sends the item to the external customer.

5. Warehouse subsidiary creates an intercompany sales invoice, and bills the Sales subsidiary. This intercompany sales invoice debits Intercompany A/R and credits Intercompany Revenue.

6. Sales subsidiary marks the external sales order as shipped, and creates a dummy item fulfillment, completing the order.

7. Sales subsidiary bills the intercompany purchase order. This intercompany vendor bill debits Intercompany Dropship Expense and credits Intercompany A/P.

8. Sales subsidiary invoices the external customer for the item shipped.

For information about the general ledger impact for the posting transactions involved in intercompany drop ship orders, see Intercompany Drop Ship Example.

> ⓘ **Note:** NetSuite does not support returns for intercompany drop-ship orders. You must complete the following:
>
> * Create a standalone return authorization between the external customer and the purchasing subsidiary.
>
> * Create an intercompany transfer order between the purchasing subsidiary and the selling subsidiary. See Intercompany Inventory Transfers - Arm's Length.

Intercompany Inventory Transfer Examples

- Arm's Length Intercompany Inventory Transfer Example
- Arm's Length Intercompany Inventory Return Example
- Intercompany Drop Ship Example

Arm's Length Intercompany Inventory Transfer Example

This scenario illustrates an intercompany inventory transfer between two subsidiaries, U.K. and EU.

- The EU subsidiary is the destination subsidiary and submits a purchase order for inventory item with transfer price of EUR 200. The base currency of the EU subsidiary is EUR.

- The U.K. subsidiary is the source subsidiary and creates a corresponding sales order throught the Manage Intercompany Sales Orders page. The inventory item is accessible by both subsidiaries. In the U.K. subsidiary, the Cost of Goods Sold (COGS) amount for the item is GBP 100.

- The U.K. subsidiary (source) fulfills the order and ships the item.

- The EU subsidiary (destination) receives the item into inventory. On the Item Receipt, the receiving standard cost is EUR 160.

- The EU subsidiary records a vendor bill.

- The U.K. subsidiary creates a sales invoice.

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The following table presents the general ledger impact for each of the posting transactions involved in the inventory transfer.

> ℹ **Note:** In this example, the general ledger impact for COGS and Inventory lines post in the currency of the source subsidiary (GRP). All of the transactions for the transfer are in the currency of the destination subsidiary (EUR).
>
> **However, the currency that impacts the GL is the currency used in the transaction. This currency is from source subsidiary.**

Subsidiary	Account	Debit	Credit
	Item Fulfillment		
U.K.	Cost of Goods Sold (COGS)	GBP 100	
U.K.	Inventory		GBP 100
EU	Inventory In Transit	EUR 200	
EU	Intercompany Clearing		EUR 200
	Item Receipt		
EU	Purchase Price Variance	EUR 40	
EU	Inventory	EUR 160	
EU	Inventory In Transit		EUR 200
EU	Intercompany Clearing	EUR 200	
EU	Accrued Purchases		EUR 200
	Sales Invoice		
U.K.	Intercompany A/R	EUR 200	
U.K.	Intercompany Revenue		EUR 200
	Vendor Bill		
EU	Accrued Purchases	EUR 200	
EU	Intercompany A/P		EUR 200

For more information about arm's length inventory transfers, see Intercompany Inventory Transfers - Arm's Length.

Arm's Length Intercompany Inventory Return Example

In this scenario, the EU subsidiary returns the item from the previous example back to the U.K. subsidiary. The return is a complete reversal of the accounting impact of the original transfer.

- The EU subsidiary creates a vendor return authorization to initiate the return. The vendor return authorization must be created from the original purchase order and be linked to it. It must be in the same currency as the original intercompany purchase order and sales order pair.
- The U.K. subsidiary creates the return authorization through the Manage Intercompany Return Authorizations page.

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- The EU subsidiary returns the item and records an item fulfillment.
- The U.K. subsidiary receives the item and records an item receipt. The U.K. subsidiary restock the item or discard it as an expense.
- The EU subsidiary records a vendor credit.
- The U.K. subsidiary issues a credit memo.

The following table presents the general ledger impact for each of the posting transactions involved in the inventory return.

> **Note:** The general ledger impact for Cost of Goods Sold (COGS) and inventory lines post in the currency of the source subsidiary (GRP). All of the transactions for the transfer are in the currency of the destination subsidiary (EUR).

Subsidiary	Account	Debit	Credit
	Item Fulfillment		
EU	Inventory		EUR 200
EU	Inventory In Transit	EUR 200	
EU	Intercompany Clearing		EUR 200
EU	Purchases Returned Not Credited	EUR 200	
	Item Receipt		
U.K.	Cost of Goods Sold (COGS)		GBP 100
U.K.	Inventory (Expense if received as scrap)	GBP 100	
EU	Inventory In Transit		EUR 200
EU	Intercompany Clearing	EUR 200	
	Vendor Credit		
EU	Purchases Returned Not Credited		EUR 200
EU	Intercompany A/P	EUR 200	
	Credit Memo		
U.K.	Intercompany A/R		EUR 200
U.K.	Intercompany Revenue	EUR 200	

For more information about intercompany inventory returns, see Intercompany Inventory Returns - Arm's Length.

Intercompany Drop Ship Example

This scenario illustrates an intercompany drop ship order involving two subsidiaries, U.K. and EU.

- The EU subsidiary is the sales subsidiary selling an item to Customer that is to be shipped from a warehouse in the U.K. subsidiary. The base currency of the EU subsidiary is EUR. The EU subsidiary creates a sales order in the amount of EUR 200 and identifies the U.K. subsidiary as the vendor for the transaction.

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- The EU subsidiary submits a purchase order for inventory item with transfer price of EUR 200.

- The U.K. subsidiary is the warehouse subsidiary and creates a corresponding intercompany sales order through the Manage Intercompany Sales Orders page. The inventory item is accessible by both subsidiaries. In the U.K. subsidiary the Cost of Goods Sold (COGS) amount for the item is GBP 100.

- The U.K. subsidiary fulfills the order and ships the order directly to Customer.

- The U.K. subsidiary creates a sales invoice to bill the EU subsidiary.

- The EU subsidiary marks the dummy fulfillment for the intercompany purchase order as Marked Shipped.

- The EU subsidiary creates a vendor bill from the intercompany purchase order to bill the U.K. subsidiary.

The following table presents the general ledger impact for each of the transactions involved in the intercompany drop shipment.

> **(i) Note:** The general ledger impact for COGS and Inventory lines post in the currency of the sales subsidiary (GRP). All of the transactions for the transfer are in the currency of the destination subsidiary (EUR).

Subsidiary	Account	Debit	Credit
	External Item Fulfillment		
U.K.	Cost of Goods Sold (COGS)	GBP 100	
U.K.	Inventory		GBP 100
	Dummy Item Fulfillment		
	Non-posting		
	Sales Invoice		
U.K.	Intercompany A/R	EUR 200	
U.K.	Intercompany Revenue		EUR 200
	Vendor Bill		
EU	Inventory Dropship Expense	EUR 200	
EU	Intercompany A/P		EUR 200
	External Sales Invoice		
EU	Accounts Receivable	EUR 200	
EU	Revenue		EUR 200

For more information about an intercompany drop ship order, see Intercompany Inventory Drop Ship.

Intercompany Inventory Reports

These reports let you manage intercompany inventory transfer activity:

- **Intercompany Reconciliation Report** - Use this report to identify and reconcile any mismatched intercompany transactions. This report displays unlinked orders, mismatched orders, mismatched

fulfillments and receipts, mismatched billing, and standalone transactions. Run this report before completing month-end elimination at period end close. For information about using this report, see Intercompany Reconciliation Report.

- **Inventory Activity Detail Report** - This report displays the activity associated with your inventory items and the quantity per transaction of inventory items. Use this report to facilitate manual adjustment of the inventory balance at the end of a period. For intercompany inventory transfers, ownership of the item is considered transferred when the order is fulfilled. If the transferred item is not fully consumed (being sold to an external customer or used in an assembly), you must manually adjust inventory balances. Run this report as part of the period close process to review inventory balances and identify items that must be adjusted. See the help topic Inventory Revenue Detail Report.

Intercompany Elimination Overview

When you enter intercompany transactions and advanced intercompany journal entries to record business activity between subsidiaries, the system identifies transaction lines that require elimination.

- Intercompany sales and billing transaction lines are identified by default, based on the intercompany account with which the line is associated. An intercompany sales order is a nonposting transaction, a transaction that has no general ledger impact. However, when the sales order is invoiced, the system identifies the transaction lines that require elimination for posting to intercompany accounts. The same is true for intercompany purchase orders. An intercompany purchase order is a nonposting transaction. However, when the purchase order is billed, the system identifies transaction lines that require elimination for posting to intercompany accounts.

- Intercompany inventory transfers and intercompany drop shipments are identified by default. They are based on the intercompany account associated with the line on related purchase orders and sales orders.

- Journal lines that require elimination at period end are identified either by default. They are based on the intercompany account entered for the line, or by manually checking the line for elimination.

> **ⓘ Note:** Lines with historical rates on accounts are eliminated only one time because historical rates do not change.

At the end of the accounting period, complete the tasks in your Period Close Checklist. The last task on the checklist is Eliminate Intercompany Transactions. You can complete this task only after completing the Revalue Open Foreign Currency Balances and Calculate Consolidated Balances tasks. You must complete these two tasks first to ensure that foreign currency adjustment amounts have been calculated for transactions in the period. See the help topic Using the Period Close Checklist.

When you run intercompany elimination, NetSuite creates elimination journal entries for all intercompany transaction journal lines that have the Elimination box checked. Adjustments that result from the difference in the foreign currency exchange rates post to the Cumulative Translation Adjustment-Elimination (CTA-E) account. These differences occur from the originating intercompany journal entry and the elimination journal entry. NetSuite also creates a reversing journal entry for all intercompany journal lines that post to Intercompany Receivables and Intercompany Payables. See Cumulative Translation Adjustment-Elimination (CTA-E).

If you use Multi-Book Accounting, you can run intercompany elimination on any accounting book.

Key Points for Running Intercompany Elimination

- You can run intercompany elimination only from the Period Close Checklist.

- You can run intercompany elimination for all accounting books, the primary accounting book, and any secondary accounting book.

- You can run intercompany elimination multiple times for a period.

- You can drill down from elimination results to view the elimination journal entries' details.

> ⓘ **Note:** If you use the Use Journal Entry Summarization on Intercompany Elimination accounting preference, similar elimination journal entries are grouped into a single, summarized journal entry. See Summarized Intercompany Elimination Journal Entries.

- You must have the administrator role or a financial user role with period closing privilege at the parent-level to run intercompany elimination.

- When you run intercompany elimination, the system runs the process for all subsidiaries in your organization. You cannot eliminate intercompany transactions by subsidiary.

- In multiple level hierarchies and elimination subsidiaries, NetSuite posts elimination journal entries to the elimination subsidiary for the least common parent node of both subsidiaries.

  - If one subsidiary is a parent subsidiary of another, NetSuite uses the elimination subsidiary under the parent subsidiary.

  - If two subsidiaries do not have a parent-child relationship, NetSuite uses the elimination subsidiary for the first level parent they have in common.

- NetSuite eliminates reversal advanced intercompany journal entries (AICJE) in the same period in which they post. If you post an AICJE and its reversal AICJE in the same period, the **net** amount from the pair of elimination journal entries is 0.

Cumulative Translation Adjustment-Elimination (CTA-E)

The Cumulative Translation Adjustment-Elimination (CTA-E) account is a general ledger equity account required for processing intercompany eliminations in organizations that operate in multiple currencies. NetSuite adds CTA-E to your chart of accounts when you enable the Automated Intercompany Management feature. CTA-E has two purposes:

- Acts as the clearing account for intercompany elimination journal entries

- Tracks the foreign currency translation adjustment amounts that result from elimination journal entries

During intercompany eliminations, gains and losses from currency exchange rate fluctuation between the originating advanced intercompany journal and elimination journal entries automatically post to CTA-E.

You cannot delete the CTA-E account. The account has the following attributes:

- Type - Equity
- General Rate Type - Historical
- Cash Flow Rate Type - Historical
- Subsidiaries - Parent, including children

Summarized Intercompany Elimination Journal Entries

If you use the Journal Entry Summarization on Intercompany Elimination accounting preference, NetSuite groups similar elimination journal entries into a single, summarized journal entry line. If you do not use the accounting preference, each elimination journal entry appears on a single journal entry line. You can change the state of the preference, as required.

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If the accounting preference is enabled, elimination journal entries are grouped into a single journal entry if they meet the following conditions:

- Same elimination subsidiary
- Same elimination period
- Same accounting book
- Same Class, Department, Location, Custom Segment combinations
- Same general ledger account

> **Note:** The CTA-E line consists of a single detail line with a link to the History associated with the account.

The state of the accounting preference determines the information accessible on the Lines subtab of the journal entry record. When you use the accounting preference, the Source Transactions column provides the number of rows that contributed to the single journal entry line. Click the Rows link to open a details page that displays all of the journal entries that were grouped into the single journal entry. On the details page, click a journal entry link in the Created From column to open the related source transaction. The details page also provides the Consolidated Exchange Rate column. If you do not use the accounting preference, this information is not available because the journal entries are not grouped.

Intercompany Elimination Example

This example involves intercompany transactions for a global organization with multiple subsidiaries and currencies. The organization has four subsidiaries in a three-level hierarchy that roll up to the consolidated parent subsidiary.
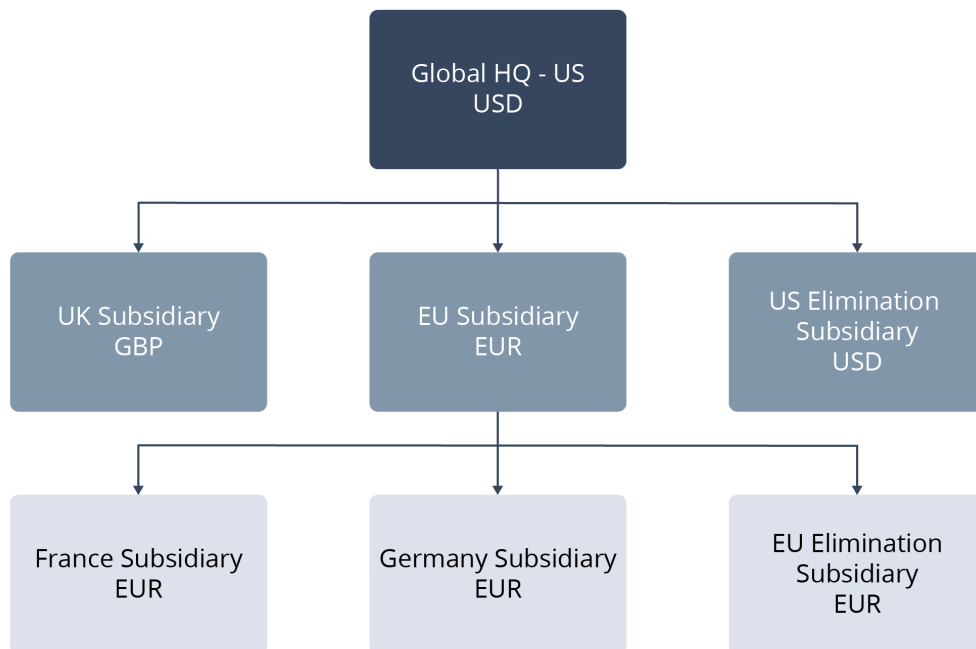
The hierarchy is based on geography and represents the following organizational relationships:

- U.S. Subsidiary (HQ), currency USD

  - U.K. Subsidiary, currency GBP

  - EU Subsidiary, currency EUR

    - France Subsidiary, currency EUR

    - Germany Subsidiary, currency EUR

    - EU Elimination Subsidiary, currency EUR (the same currency as its parent, EU Subsidiary)

  - U.S. Elimination Subsidiary, currency USD (the same currency as its parent, Global HQ-US)

In this example, the U.K. subsidiary transfers funds to the EU subsidiary using the following parameters:

- U.K. subsidiary transacting with EU subsidiary.

- Elimination subsidiary is the U.S. Elimination Subsidiary.

- Parent subsidiary is Global HQ-US.

- Original and elimination journal entries roll up to the Global HQ-US subsidiary using the consolidated exchange rate.

- Revenue and expense balances roll up using the average rate.

The journal entry for the intercompany transfer of funds is as follows:

Subsidiary	Account	Transaction Currency GL Impact		Subsidiary Base Currency GL Impact	
		Debit	Credit	Debit	Credit
U.K.	Intercompany Expense	100 GBP		100 GBP	
U.K.	Cash U.K.		100 GBP		100 GBP
EU	Cash EU	100 GBP		150 EUR	
EU	Intercompany Revenue		100 GBP		150 EUR

When the funds transfer occurred, the currency exchange rate was 1.5 EUR to 1.0 GBP. The base currency of the U.S. Elimination subsidiary is USD. At the end of the month, the currency rate is 2 USD to 1 GBP.

Because the foreign currency exchange rate fluctuated during the period, the resulting gain or loss posts to the cumulative translation adjustment - elimination (CTA-E) account. When you run the intercompany elimination process at period close, NetSuite eliminates the revenue and expense directly to the CTA-E account. The consolidated exchange rates used by the income statement accounts are different from the consolidated exchange rates used by the balance sheet accounts:

- Income statement accounts -average rates

  - 2 USD to 1 EUR

  - 2.5 USD to 1 GBP

  - 1.25 EUR to 1.0 GBP

- Balance sheet accounts - current rates

  - 1.2 USD to 1.0 EUR

  - 2.0 USD to 1.0 GBP

  - 1.67 EUR to 1.0 GBP

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> **(i) Note:** Not all balance sheet accounts use current rates. Most asset and liability accounts use current rates.
>
> Equity accounts use historical rates.

Running intercompany elimination produces two results.

1. The elimination journal entries post to the U.S. Elimination subsidiary to eliminate revenue and expense from the consolidated financials.

2. The original and elimination journal entries roll up to the Global HQ-US subsidiary. Any unbalanced currency adjustment gain and loss amounts accumulate in the CTA-E account.

Subsidiary	Account	Elimination JE in Original Offsetting Currency	HQ Consolidation Currency GL Impact
U.S. Elimination	Intercompany Revenue	Dr 150 EUR	Dr 300 USD (Eliminate revenue at HQ)
U.S. Elimination	CTA-E	Cr 150 EUR	Cr 300 USD
U.S. Elimination	CTA-E	Dr 100 GBP	Dr 250 USD
U.S. Elimination	Intercompany Expense	Cr 100 GBP	Cr 250 USD (Eliminate expense at HQ)

After running intercompany elimination, the CTA-E account has a translation adjustment balance of 50 USD.

> **(×) Warning:** Setting different exchange rate types for different accounts can result in balance sheet discrepancies, particularly discrepancies in consolidated reports.

Elimination Through the Automated Intercompany Management Feature

There are two steps to eliminate intercompany transactions with Automated Intercompany Management:

1. Enter intercompany transactions as intercompany sales invoices and vendor bills. These transactions automatically post to intercompany accounts, and have transaction lines marked as candidates for intercompany elimination.

   You can also enter advanced intercompany journal entries (AICJE) for transactions during a period, and identify the journal lines that require elimination.

2. Run intercompany elimination to during period close to automatically generate elimination journal entries. NetSuite creates elimination journal entries for all flagged transaction and journal entry lines. NetSuite also creates auto-reversing journal entries in the next period for all flagged journal lines posted to the Intercompany Receivables and Intercompany Payables accounts.

> **(i) Note:** NetSuite does not generate elimination journal entries for any AICJEs posted to future periods (periods after the period being closed).

See the following help topics for information about eliminating intercompany transactions using Automated Intercompany Management:

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- Enter Intercompany Transactions for Elimination
- Running Intercompany Elimination
- Viewing Intercompany Elimination Results
- Processed Intercompany Elimination Records

Enter Intercompany Transactions for Elimination

During an accounting period, you can enter the intercompany transactions for elimination by:

- posting vendor bills and sales invoices
- entering advanced intercompany journal entries (AICJE)

Create intercompany vendor bills and sales invoices from paired intercompany purchase orders and sales orders. Intercompany vendor bills and sales invoices are transactions for intercompany entities. Intercompany entities use intercompany A/R and intercompany A/P accounts as their default A/R and A/P accounts. The income, expense, A/R, and A/P lines on the intercompany vendor bills and sales invoices are automatically marked for elimination. There is no Elimination flag on the these transactions lines.

The following account types should be used only for elimination purposes:

- Other Current Asset (Non-Inventory)
- Other Asset
- Defer Expense
- Defer Revenue
- Other Current Liability
- Long Term Liability

> **⊗ Warning:** Note the following if you use this preference: Do not update COGS and Asset accounts on existing transactions when accounts are changed. To avoid mismatch in the consolidated financials, ensure you change the COGS accounts on item records when all the transactions with those items are eliminated.

Journal Entries for Intercompany Transaction Activity

Use advanced intercompany journal entries (AICJE) to enter intercompany transactions and flag journal lines to be eliminated. In an AICJE, adding an intercompany account to a journal line automatically sets the Eliminate flag for the line to Yes. This setting defaults from the value set for the Eliminate Intercompany Transactions box on the intercompany account record. Advanced intercompany journal entries force you to have balanced elimination lines.

> **⊗ Warning:** Regular journal entries used for intercompany transaction activity do not automatically balance lines to be eliminated. If you do not balance the lines, NetSuite posts the journal lines without validating the accounts used and the elimination flags.

Advanced intercompany journal entries require balanced debits and credits across subsidiaries for journal line pairs that use balance sheet accounts (A/R, A/P). These journal entries also require balanced debits and credits for lines using income statement accounts (Income, Expense, Cost of Goods Sold (COGS)). NetSuite validates the journal lines when you save an AICJE. It also displays an error if the debit and credits do not balance for the line pairs.

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> ❌ **Warning:** In book specific journal entries with accounts receivable, accounts payable or both, NetSuite does not validate the journal lines. The reason for not validating is that you cannot add accounts receivable or accounts payable lines with named entities because the name field is disabled. Therefore, these journal lines cannot be eliminated.

Customers With Multiple Currencies

If you have customers who use multiple currencies, create the AICJE in the base currency of the sales subsidiary (the vendor for the transaction). For more information about account types and intercompany transactions, see Intercompany Accounts and Account Types and Intercompany Transactions.

You cannot check the Eliminate Intercompany Transactions box on AICJE lines posting to non intercompany accounts or to equity type accounts.

Classify Intercompany Transactions

Some elimination type accounts such as Other Current Asset and Other Current Liability are eliminated based on cumulative amounts. Therefore, these accounts cannot be isolated into distinct class, department, and location based on source transactions.

You can specify a class, department, and location on the Intercompany Eliminations page when you run intercompany eliminations. The class, department, and location you select populates the corresponding fields on the elimination journal entries.

> ⚠️ **Important:** If you use the **Make Locations Mandatory** accounting preference, Location is a required field on the Intercompany Eliminations page. The Location list defaults to the Default Elimination Subsidiary Location option, but you can select any location that has been associated with elimination subsidiaries.
>
> If you use the **Multi-Location Inventory** feature, Location is a required field on the Intercompany Eliminations page.
>
> The location you select on this page overrides the location entered on the source transaction, and becomes the location specified on the elimination journal entry.
>
> If you do not use the **Make Locations Mandatory** accounting preference or the **Multi-Location Inventory** feature, the Location list defaults to the blank option. You can, however, select the Default Elimination Subsidiary Location option, or any location that has been associated with elimination subsidiaries.

Running Intercompany Elimination

You can run the intercompany elimination process only from the Period Close Checklist. Ensure that you have completed all other period closing tasks before you run elimination. The Revalue Open Foreign Currency Balances and Calculate Consolidated Exchange Rates determine the gains and losses that post. These gains and losses post to the Cumulative Translation Adjustment – Elimination (CTA-E) account.

When you run elimination, NetSuite posts elimination journal entries. You can run intercompany elimination for a period multiple times, as needed. NetSuite does not support running multiple intercompany elimination process at the same time.

To run intercompany elimination:

1. From the Period Close Checklist, click the **Eliminate Intercompany Transactions** icon.

2. Verify the **Period** is correct.

3. Click **Run Intercompany Elimination**.

   Select a class, department, and location, if used. Optionally, add a memo.

   If you use Automated Intercompany Management and Multi-Location Inventory features, and the Make Location Mandatory accounting preference, note the following. You must assign a default elimination location to each elimination subsidiary. Then, on the Task: Eliminate Intercompany Transactions page, select the elimination subsidiary from the Location list. The default value is the Default Elimination Subsidiary Location. NetSuite assigns the elimination subsidiary to each intercompany elimination journal entry generated through completing this task.

   If you use Multi-Book Accounting, the read-only Accounting Book field displays the accounting book for which you are running intercompany transaction elimination.

4. Click **Save** to run intercompany elimination and post the elimination journal entries for the period.

> (i) **Note:** If there is an amount not eliminated due to a currency delta, make a manual journal entry to eliminate the amount.

When the process completes, the Task: Eliminate Intercompany Transactions page appears. To return to the task page during the time in which the process is running, click **Back to Period Close**.

The Task: Eliminate Intercompany Transactions page has the following subtabs:

- **Notes** – displays system and user notes for all eliminations run for the period

- **Results** – displays a line for each intercompany elimination process run (number of runs)

  Information displayed includes the elimination subsidiary, currency, amount, and a link to elimination journal. You can drill down to view the elimination journal entry created. See Viewing Intercompany Elimination Results.

- **Status** – displays the date submitted, submitted by, submission status, any message, and percent complete of each intercompany elimination request

  When the submission status is in the initializing state, the **Message** column shows the number of lines processing. This number increases as the initialization detects more lines that require processing.

  In the **Submission Status** column, click the **Complete** link to open the Processed Records page. This page provides the results of that elimination request. For information about this page, see Processed Intercompany Elimination Records.

> ⚠ **Important:** If you use the **Use Journal Entry Summarization for Intercompany Elimination** accounting preference, note the following. The **Records** column does not display values for summarized Other Current Asset and Other Current Liabilities accounts.

> (i) **Note:** The percent complete is an estimate of overall elimination progress. It does not represent progress in terms of time.

Viewing Intercompany Elimination Results

Run the Intercompany Elimination Report to view an audit trail of the source transactions and the elimination results for a period. For more information, see Intercompany Elimination Report.

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You can also drill down to view the journal entry created when you run intercompany elimination for a period.

To view intercompany elimination results for an open period:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for the period you want to view.
3. Click the **Eliminate Intercompany Transactions** icon.
4. On the Task: Eliminate Intercompany Transactions page, click the **Results** subtab.
5. Click the link in the **Elimination Journal** column to view the generated journal entry.
6. On the **Lines** subtab, drill down to view account and source transaction details.

To view intercompany elimination results for a closed period:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for the period you want to view.
3. In the page header of the checklist page, click **Notes**.
4. On the Accounting Period page, click the **Results** subtab.
5. Click the link in the **Elimination Journal** column to view the generated journal entry.
6. On the **Lines** subtab, drill down to view the account and source transaction details for the journal entry.

Processed Intercompany Elimination Records

You access the Processed Records page from the Status subtab on the Task: Eliminate Intercompany Transactions page. For more information, see Running Intercompany Elimination.

On the Status subtab in the Submission Status column, click the Complete link for a specific intercompany elimination request.

The Processed Records page provides a source link for each processed record. Click a source line link to open its source transaction.

> ⓘ **Note:** Balance Sheet accounts that are not AR and AP are summarized. Therefore, there is no link to the source transaction.

The Processed Records page also lists the elimination journal entry for each line. If you re-run intercompany elimination for the period, the process deletes all of the existing elimination journal entries and creates new journal entries.

Working with Elimination Reports

The following reports for intercompany elimination are available:

- Intercompany Reconciliation Report
- Intercompany Elimination Report

Intercompany Reconciliation Report

Use the Intercompany Reconciliation report to identify unmatched or incorrectly matched intercompany transactions. This includes intercompany transactions that have not been paired with a corresponding transaction in another subsidiary, and paired transactions that have different amounts or currencies. To produce this report, NetSuite scans all transactions submitted for intercompany customers and vendors including:

- purchase orders and sales orders
- item fulfillments and item receipts
- vendor bills and invoices
- vendor return authorizations and return authorizations
- vendor credits and credit memos
- customer payments and vendor payments

If you use the Multi-Book Accounting feature, you can run the Intercompany Reconciliation report for any accounting book enabled for consolidation.

The Automated Intercompany Management feature automatically generates intercompany elimination journal entries during the period close process. If you use this feature, the intercompany journal form includes an Eliminate box to identify lines to be eliminated. For more information, see Automated Intercompany Management Overview.

Before you run elimination for the period, run this report as part of your period end process to identify any problems associated with intercompany transactions. You can then correct the discrepancies to synchronize sales and billing information across subsidiaries before you run intercompany elimination. You can also drill down from the report to edit the source sales and billing transactions, as needed.

Best practices is to run the report periodically to catch problems with transactions before the month end process.

> ⚠️ **Important:** Run the Intercompany Reconciliation report before you run intercompany elimination. Set the filter for the report for the dates or period you are about to close. Review the transactions listed in each section of the report and determine if you need to make any corrections before running elimination. You can drill down to view the transaction records from the report.

The Intercompany Reconciliation report has five sections and lists the mismatched intercompany transactions for:

1. **Unlinked Orders and Returns** - intercompany transactions not paired with a corresponding intercompany transaction in another subsidiary

   This section includes purchase orders, sales orders, return authorizations and vendor return authorizations.

2. **Mismatched Amount** - paired intercompany transactions with amounts that do not match

   This section includes purchase orders, sales orders, return authorizations, and vendor return authorizations.

3. **Mismatched Inventory Item Quantities** - paired intercompany transactions with item quantities that do not match

   This section includes only item quantities that do not match. Item rates on paired intercompany inventory orders are always the same.

   The **Inventory Item Quantity** columns identify the differences in quantities per item for the following:

- **Item Fulfillment and Sales Invoice** - the item quantity fulfilled on a sales order is different from the quantity billed on the sales invoice

    NetSuite creates the sales invoice from the sales order.

- **Item Receipt and Vendor Bill** - the item quantity received on a purchase order is different from the quantity on the vendor bill

    NetSuite creates the vendor bill from the purchase order.

- **Item Receipt and Item Fulfillment** - the item quantity fulfilled on a sales order is different from the quantity received for the paired purchase order

> **ⓘ Note:** The **Inventory Item: Display Name** column displays the **Item's Display Name** for any item that appears in the **Mismatched Inventory Item Quantities** section. If the **Item's Display Name** is blank, the column does not display anything.

4. **Mismatched Billing** - paired intercompany transactions with billed amounts that do not match

    The amount billed (vendor bill) for the purchase order does not match the amount billed (invoice) for a sales order.

5. **Standalone Transactions** - billing and payment transactions that are not associated with a sales order or purchase order

    This section includes vendor bills, invoices, credit memos, vendor credits, customer payments, and vendor payments.

To view the Intercompany Reconciliation Report:

Go to Reports > Financial > Intercompany Reconciliation.

The following filters are available in the report footer:

- **Date Range** - view results for transactions in a date range

    For paired transactions, the results are based on the posting period or date of the purchase order. For unmatched orders, (sales orders not linked to a purchase order), results are based on the sales order date. For stand-alone bills, (bills without referenced purchase order or sales order), the results are based on the date of the invoice, bill, or payment.

> **ⓘ Note:** The Period filter is not available for this report because it can include nonposting transactions. To run this report, set your Report by Period preference to Financials Only or Never. See, Analytics Personal Preferences.

- **Subsidiary Context** - view results for all subsidiaries or one subsidiary

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

The Intercompany Reconciliation report displays the following columns:

- Purchasing Subsidiary
- Vendor
- Purchasing Trans - transaction number with drill down to source record
- Purchasing Trans Type - purchase order, return authorization, vendor bill, vendor credit
- Purchasing Trans Date
- Purchasing Trans Currency

- Purchasing Amount - amount is negative for reversed transactions such as return authorizations, credit memos, and refunds
- Purchasing Billed Amount
- Sales Subsidiary
- Customer
- Sales Trans - transaction number with drill down to transaction record
- Sales Trans Type - sales order, invoice, vendor return authorization, credit memo
- Sales Trans Date
- Sales Trans Currency
- Sales Amount - amount is negative for reversed transactions such as vendor return authorizations, bill credit
- Sales Amount Billed

Intercompany Elimination Report

The Intercompany Elimination report provides an audit trail of intercompany eliminations for a period. Run this report after posting intercompany elimination for a period. This report provides the source transactions marked for elimination, and the generated elimination journal entries.

If you use the Multi-Book Accounting feature, you can run the Intercompany Elimination report for any accounting book enabled for consolidation.

To view the Intercompany Elimination Report:

Go to Reports > Financial > Intercompany Elimination.

The following filters are available in the report footer:

- **Date Range** - view results for transactions in a date range or period range
- **Subsidiary Context** - view results for all subsidiaries or one subsidiary

  To filter the report by subsidiary, select an elimination subsidiary with posted elimination journal entries.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

The Intercompany Elimination report displays source transactions and elimination lines. It groups the data by elimination subsidiary, then by sales order and purchase order pair. Source transactions include sales invoice, vendor bill, credit memo, vendor credit, journal entry, advanced intercompany journal entry. Transactions from the same paired transaction are grouped. For example, all invoices and vendor bills that originate from the same sales order, purchase order pair are grouped together.

The Intercompany Elimination report displays the following columns:

- Source Trans Type
- Subsidiary - the subsidiary where the transaction is created:
  - the selling subsidiary for a sales invoice
  - the purchasing subsidiary for a vendor bill
  - the From subsidiary for an advance intercompany journal entry (AICJE)

- Paired Subsidiary - the subsidiary the transaction targets

  the Other subsidiary for AICJE

- Source Trans Date

- Source Trans Account - the account on the source transaction marked for intercompany elimination

- Source Trans Amount (Trans Currency) - source transaction line amount in transaction currency. Shows as positive for a debit, negative for a credit. For A/R and A/P accounts, this is the open balance after month-end revaluation.

- Source Trans Currency

- Source Trans Amount (Base Currency) - source transaction line amount in base currency. Shows as positive for a debit, negative for a credit. For A/R and A/P accounts, this is the open balance after month-end revaluation.

- Subsidiary Base Currency

- Consolidated Exchange Rate - the consolidated exchange rate used to translate the source subsidiary base currency to elimination subsidiary base currency

- Elimination JE - links to the elimination journal entry

- Elimination JE Date

- Elimination JE Amount

- Elimination Subsidiary Currency

Viewing Open Intercompany Balances

The Intercompany Balance Overview page provides a grid view of open intercompany payable and receivables balances, grouped by the subsidiary pair and currency. You can compare the open accounts payable balance in one subsidiary to the open accounts receivable balance in the paired subsidiary. Open balances are an aggregation of all intercompany transactions that were posted to the general ledger.

To view open intercompany balances:

1. Go to Lists > Intercompany Automation > Balance Overview.

2. Expand a subsidiary pair to validate the accounts payable and accounts receivable balances.

   You can also use the filters above the grid to reduce the balance overview list. The filters automatically expand the subsidiary pairs.

   > ✔ **Tip:** The **Subsidiary** list is a multi-select list that displays all of the values in the **Subsidiary** and **Due to/From** columns.

Subsidiary Settings Manager

The Subsidiary Settings Manager page enables you to manage subsidiary-specific features for one or multiple subsidiaries. After you enable a subsidiary-specific feature on the Enable Features page, that feature is available on the Subsidiary Settings Manager page.

Depending on the feature, you may have to enable the feature at the subsidiary level before you define additional settings for specific subsidiaries. For example, the Period End Journal Entries feature must be enabled at the subsidiary level after you enable it at the company level. After you enable it at the subsidiary level, you can define additional settings for that subsidiary.

Another example is the Intercompany Framework feature. When you enable this feature on the Enable Features page, NetSuite automatically enables it for all subsidiaries. From the Subsidiary Settings Manager page, you define default cross charge classification preferences for this feature.

On the Subsidiary Settings Manager page, you can also view the state of subsidiary-specific features relative to the list of subsidiaries.

To access the Subsidiary Settings Manager page, go to Setup > Company > Setup Tasks > Subsidiary Settings Manager.

> ✔ **Tip:** If you have permission to enable features, you can also access the Subsidiary Settings Manager page from the Enable Features page. Go to Setup > Company > Enable Features. At the top of the page is a message about ⤜ subsidiary–specific features. This message includes a link to the Subsidiary Settings Manager page.

- Filters
- Column Sorting
- Settings Icons
- Subsidiary Settings Manager Permissions

Filters

The Subsidiary Settings Manager page lists the active and inactive subsidiaries to which you have access, and their respective country and currency. You can filter the subsidiaries that display in the list by searching for a subsidiary name in the Subsidiary field. The Subsidiary field supports a partial name search. You can also filter the subsidiaries list by selecting a country, currency, and whether the subsidiary is inactive.

Column Sorting

You can sort the subsidiaries list by clicking the Subsidiary, Country, Currency, Inactive, and feature column headers. One click sorts a column in ascending order ☰. A second click sorts the column in descending order ☰. A third click resets the column to the default sort order. The Inactive column appears when the Inactive filter does not contain a value.

Settings Icons

The Settings column displays a settings icon ⚙ for each subsidiary. When you click a settings icon, the Subsidiary Settings page for that subsidiary opens. Each subsidiary-specific feature appears on its own

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subtab, where you can enable the feature and define its additional settings. For example, the Period End Journal Entries subtab enables you to define the additional settings for that feature.

NetSuite lists subsidiary-specific features in individual columns. The feature columns display a settings icon ⚙ in the column header. When you click a feature's settings icon, the Subsidiary Settings page for that feature opens. You can enable that feature for one or more subsidiaries, and then define unique settings for each selected subsidiary. Each subsidiary-specific feature opens its own page. For example, the Subsidiary Settings for Period End Journal Entries page.

> **ⓘ Note:** Feature columns do not appear on the Subsidiary Settings Manager page until you enable a subsidiary-specific feature at the company level. If you have permission to enable features, go to Setup > Company > Enable Features. Enable a subsidiary-specific feature, and then save. For information about enabling features, see the help topic Enabling Features.
>
> After you enable a subsidiary-specific feature at the company level, you might have to enable the feature at the subsidiary level. If you enable a subsidiary-specific feature for at least one subsidiary, you cannot disable that feature on the Enable Features page.
>
> Some subsidiary-specific features cannot be disabled after they have been enabled. For example, you cannot disable the Intercompany Framework feature. However, when the Intercompany Framework feature is enabled, it is enabled for all subsidiaries.
>
> You cannot define a subsidiary-specific feature's additional settings for elimination subsidiaries.

Subsidiary Settings Manager Permissions

Your user role must have the Subsidiary Settings Manager permission to use the Subsidiary Settings Manager page. This permission enables you to view or edit subsidiary-specific features and their additional settings for subsidiaries to which you have access.

- The Subsidiary Settings Manager Edit level permission is assigned to the standard CFO role.
- The Subsidiary Settings Manager View level permission is assigned to the standard Accountant role.

You can add the Subsidiary Settings Manager permission to any role when you customize a role on the Manage Roles page.

To add the Subsidiary Settings Manager permission to a custom role:

1. Go to Setup > Users & Roles > Manage Roles.
2. On the Role page, click the **Permissions** > **Setup** subtab.
3. Set the permission level (edit or view) for **Subsidiary Settings Manager**.
4. Click **Save**.

> **ⓘ Note:** The Subsidiary Settings Manager permission is independent from the Subsidiary permission located on the Permissions > Lists subtab. These two permissions support the separate responsibilities for maintaining subsidiary information and configuring features on the subsidiary level.

NetSuite displays a page that prompts you to select a different role if you attempt to use the Subsidiary Settings Manager page without adequate permission.

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NetSuite displays a permission violation if you attempt to access a subsidiary record to which you are not granted access.

Subsidiary Settings for a Single Subsidiary

Depending on the feature, the Subsidiary Settings page for a subsidiary gives you the ability to enable or disable subsidiary-specific features. Some features are enabled for all subsidiaries. For these features you can set specific preferences.

Each subsidiary-specific feature appears on its own subtab. On each subtab you define that feature's additional settings. For example, the Period End Journal Entries subtab enables you to define the additional settings for that feature.

⚠️ **Important:** The Subsidiary Settings page has a one-to-one relationship with its subsidiary record. When you create a subsidiary, NetSuite creates a Subsidiary Settings page for that subsidiary. When you delete a subsidiary, NetSuite deletes its corresponding Subsidiary Settings page.

The Subsidiary Settings page displays the subsidiary name, country, currency, and whether the subsidiary is active. The subsidiary name is a link to the subsidiary record. The subsidiary record provides a link back to the Subsidiary Settings page. At any time you can return to the Subsidiary Settings Manager page by clicking the List link in the top right corner of the page.

The System Notes subtab tracks any change made to the Subsidiary Settings page. It also tracks changes made to this subsidiary from the Subsidiary Settings for feature pages. For example, NetSuite tracks changes made to a subsidiary on the Subsidiary Settings for Period End Journal Entries page.

To ensure you have permission to access the Subsidiary Settings Manager page, see Subsidiary Settings Manager Permissions.

You can configure additional settings for a single subsidiary for the following features:

- Defining Period End Journal Entries Settings
- Defining Default Cross Charge Classification Preferences for a Specific Subsidiary

Defining Period End Journal Entries Settings

The Period End Journal Entries feature requires additional setup before you can use it. You can define the additional settings on the Subsidiary Settings page for a specific subsidiary.

⚠️ **Important:** If you enable the Period End Journal Entries feature for at least one subsidiary, you cannot disable that feature on the Enable Features page.

To enable Period End Journal Entries for one subsidiary and define additional settings:

1. Go to Setup > Company > Setup Tasks > Subsidiary Settings Manager.
2. In the **Settings** column for a specific subsidiary, click the settings icon ⚙.

   If you have permission to edit this Subsidiary Settings page, you can define the feature's additional settings.

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3. Click **Edit**.

> ℹ **Note:** If you use Workflows, the Workflow subtab is the default subtab.

4. Click the **Period End Journal Entries** subtab.

   For details about the Period End Journal Entries feature, see the help topic Period End Journal Entries.

5. Check the **Enable Period End Journal Entries** box.

> ⚠ **Important:** If you use Multi-Book Accounting, you can enable Period End Journal Entries for each accounting book and subsidiary combination to which you have access. When you enable the Period End Journal Entries feature for a subsidiary, you can edit the accounting books assigned to that subsidiary. However, you may not be able to disable Period End Journal Entries for the subsidiary. If you cannot, it is because another user selected an accounting book that you cannot access. Accounting books that you cannot access do not appear for selection or exclusion.
>
> When you save changes to one of your subsidiary's settings, NetSuite applies the changes across all accounting books, including those you cannot access.

> ℹ **Note:** You can enable the use of primary and secondary accounting books with this feature through the Subsidiary Settings page for a specific subsidiary. You can also enable secondary accounting books on the accounting book's record, and on the subsidiary record on the **Accounting Books** subtab. NetSuite updates the Subsidiary Settings Manager pages, subsidiary record, and accounting book record with any change. NetSuite tracks any changes in system notes on the Subsidiary Settings for subsidiary page, and both records. The Subsidiaries list page and the subsidiary record in edit mode provide a link to the Subsidiary Settings Manager page.

6. Check the **Create Balance Sheet Closing and Opening Journals** box.

   When you check this box, NetSuite adds a step to the Create Period End Journals task on the Period Close Checklist. The Balance Sheet Closing step follows the Income Closing step at the fiscal year end of the subsidiary. This step creates a balance sheet closing journal. This journal reduces the balance of balance sheets accounts to zero and posts any necessary balance amount to the account you specify. This balance sheet closing journal is the last period end journal in the fiscal year. Unless you have selected segments in the **Group by These Segments** list, the amount posted to the balance sheet closing account should be zero. To reopen the balance sheet, NetSuite reverses the balance sheet closing journal on the first day of the next fiscal year. For information about the Period Close Checklist, see the help topic Using the Period Close Checklist.

   When you check this box, you must select values for **Balance Sheet Closing Account** and **Balance Sheet Opening Account**.

> ℹ **Note:** The accounts that you can select must be of Equity account type.

   a. In the **Balance Sheet Closing Account** list, select the appropriate account.

   b. In the **Balance Sheet Opening Account** list, select the appropriate account.

7. Check the **Create Income Summary Journals** box.

   When you check this box, NetSuite creates two period end journals in the Income Statement Closing step. This step is part of the Create Period End Journals task on the Period Close Checklist. (NetSuite creates more journals when you create period end journals by segment.) The first journal (or journals) reduces the income and expense accounts to zero. It posts the net income to the

account defined for income summary profit or loss. If the net income is a gain, the offset posts to the income summary profit account. If the net income is a loss, the offset posts to the income summary loss account. The second journal (or journals) moves the balance from the income summary account used in the first journal, to the retained earnings account.

When you check this box, you must select values for **Income Summary Profit Account** and **Income Summary Loss Account**.

> ⓘ **Note:** The accounts that you can select must be of Equity account type.

    a. In the **Income Summary Profit Account** list, select the appropriate account.

    b. In the **Income Summary Loss Account** list, select the appropriate account.

8. Check the **Require Memo On Period End Journals** box.

When you check this box, period end journals cannot be created or saved without a value in the **Memo** fields (header and lines). The value entered in the **Memo** field during the journal creation process automatically populates the **Memo** fields in the header and lines.

9. In the **Group By These Segments** list, select the appropriate segment.

This multi-select list displays all the segment types that impact the general ledger. Possible segment types are class, department, location, and all custom segments with general ledger impact. Select the segment types for which you want to generate separate period end journals, if any. NetSuite generates separate period end journals for each selected segment type combination included in the source transactions for this subsidiary. For more information about custom segments, see the help topic Custom Fields and Segments on Period End Journals.

10. When the GL Audit Numbering feature is enabled, the **Exclude Balance Sheet Closing Journals from GL Numbering** box appears. Check this box to skip numbering for the balance sheet closing journals.

11. Click **Save**.

> ⓘ **Note:** On the subsidiary record, the **Preferences** subtab includes the read-only **Period End Journal Entries** subtab. NetSuite automatically updates this subtab with the values you define on the Subsidiary Settings page.
>
> The values you define on the Subsidiary Settings for a subsidiary page are available to SuiteAnalytics Workbook. Search for the Subsidiary Settings record type. For information about SuiteAnalytics Workbook, see the help topic SuiteAnalytics Workbook Overview.

Defining Default Cross Charge Classification Preferences for a Specific Subsidiary

You can define default cross charge classification preferences for the Intercompany Framework feature for a specific subsidiary on the Subsidiary Settings page.

To define default cross charge classification preferences for a single subsidiary:

1. Go to Setup > Company > Setup Tasks > Subsidiary Settings Manager.

2. In the **Settings** column for a specific subsidiary, click the settings icon ⚙.

If you have permission to edit this Subsidiary Settings page, you can define default cross charge classification preferences.

3. Click **Edit**.

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> ⓘ **Note:** If you use Workflows, the Workflow subtab is the default subtab.

4. Click the **Intercompany Framework** subtab.

   For details about the Intercompany Framework feature, see Intercompany Framework.

5. From the **Class**, **Department**, and **Location** lists, select the default cross charge classification preferences.

   You can create new classifications if you click the **New** 🡕 icon next to the lists.

6. Click **Save**.

Subsidiary Settings for Features

NetSuite lists subsidiary-specific features in individual columns on the Subsidiary Settings Manager page. The feature columns display a settings icon in the column header. When you click a feature's settings icon, the Subsidiary Settings page for that feature opens. Depending on the feature, you can enable that feature for one or more subsidiaries, and then define unique settings for each selected subsidiary. For some features, such as the Intercompany Framework feature, the feature is already enabled for all subsidiaries. You define default cross charge classification preferences for this feature.

> ⓘ **Note:** Feature columns do not appear on the Subsidiary Settings Manager page until you enable a subsidiary-specific feature at the company level. If you have permission to enable features, go to Setup > Company > Enable Features. Enable a subsidiary-specific feature, and then save. For information about enabling features, see the help topic Enabling Features.
>
> After you enable a subsidiary-specific feature at the company level, you might have to enable the feature at the subsidiary level. If you enable a subsidiary-specific feature for at least one subsidiary, you cannot disable that feature on the Enable Features page.
>
> Some subsidiary-specific features cannot be disabled after they have been enabled. For example, you cannot disable the Intercompany Framework feature. However, when the Intercompany Framework feature is enabled, it is enabled for all subsidiaries.
>
> You cannot define a subsidiary-specific feature's additional settings for elimination subsidiaries.

To ensure you have permission to access the Subsidiary Settings Manager page, see Subsidiary Settings Manager Permissions.

You can configure additional settings for multiple subsidiaries for the following features:

- Defining Subsidiary Settings for the Period End Journal Entries Feature
- Defining Default Cross Charge Classification Preferences for Multiple Subsidiaries

Defining Subsidiary Settings for the Period End Journal Entries Feature

The Period End Journal Entries feature requires additional setup before you can use it. You can define the additional settings on the Subsidiary Settings for Period End Journal Entries page.

To ensure you have permission to access the Subsidiary Settings Manager page, see Subsidiary Settings Manager Permissions.

To enable Period End Journal Entries for subsidiaries and define additional settings:

1. Go to Setup > Company > Setup Tasks > Subsidiary Settings Manager.

2. Click the settings icon ⚙ in the **Period End Journal Entries** column header.

   If you have permission to edit the Subsidiary Settings for Period End Journal Entries page, you can enable the feature for multiple subsidiaries. You can then define unique settings for each selected subsidiary.

3. Click **Edit**.

4. The state of the accounting preference **Use Consolidation With Period End Journal Entries** is set on the Accounting Preferences page. If you have the **Set Up Accounting** permission, you can alter the state of this preference.

   a. Go to Setup > Accounting > Accounting Preferences.

   b. Click the **General** subtab.

   c. Check the **Use Consolidation With Period End Journal Entries** box.

   d. Click **Save**.

   e. Return to the Subsidiary Settings for Period End Journal page.

   When you check the **Use Consolidation With Period End Journal Entries** box, note the following. NetSuite creates consolidation journals each period for each parent subsidiary that uses the **Period End Journal Entries** feature. NetSuite consolidates each subsidiary in the enabled parent subsidiary's hierarchy to the parent. For example, in a grandparent-parent-child hierarchy, NetSuite creates consolidation journals for grandparent-parent and for grandparent-child.

5. (Optional.) You can filter the subsidiaries that display in the list by those that have Period End Journal Entries enabled. You can also filter by a specific subsidiary, country, currency, and whether the subsidiary is inactive. For information about filtering, see Filters.

6. (Optional.) You can sort columns to find specific data. For information about column sorting, see Column Sorting.

7. Complete or view the following information, as needed.

   a. In the **Enable Period End Journal Entries** column, check the boxes next to the subsidiaries for which you want to enable the feature.

   When you check a box, the row becomes editable.

   For details about the Period End Journal Entries feature, see the help topic Period End Journal Entries.

   b. If you use Multi-Book Accounting, select one or more accounting books from the **Accounting Books** column.

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> **⚠ Important:** If you use Multi-Book Accounting, you can enable Period End Journal Entries for each accounting book and subsidiary combination to which you have access. When you enable the Period End Journal Entries feature for a subsidiary, you can edit the accounting books assigned to that subsidiary. However, you may not be able to disable Period End Journal Entries for the subsidiary. If not, it is because another user selected an accounting book that you cannot access. Accounting books that you cannot access do not appear for selection or exclusion.
>
> When you save changes to one of your subsidiary's settings, NetSuite applies changes across all accounting books, including those you cannot access.

> **ⓘ Note:** You can enable the use of primary and secondary accounting books with this feature through the Subsidiary Settings for Period End Journal page. You can also enable secondary accounting books on the accounting book's record, and on the subsidiary record on the **Accounting Books** subtab. NetSuite automatically updates the Subsidiary Settings page for a subsidiary, subsidiary record, and accounting book record with any change. NetSuite tracks changes in system notes for the Subsidiary Settings page for a subsidiary, and both records. The Subsidiaries list page and the subsidiary record in edit mode provide a link to the Subsidiary Settings Manager page. The Accounting Books list page and the accounting book record provide a link to Subsidiary Settings for Period End Journal page.

  c. The **Subsidiary** column provides a link to the subsidiary record. The subsidiary record provides a link to the Subsidiary Settings page for that subsidiary. Values you define for a subsidiary automatically update the read-only **Period End Journal Entries** subtab. This subtab appears on the **Preferences** subtab on the subsidiary record.

  d. The **Country** and **Currency** columns display values specific to the subsidiary row.

  e. The last column displays the status of the row.

   ■ A check mark ✓ displays when there are no errors in the fields on the row.

   ■ A circling arrow ↻ displays when the row is loading.

   ■ An alert ⚠ displays when there is an error in the one of the fields on the row. Point to the icon to read the tooltip, which provides information about how to correct the error.

8. Check the **Create Balance Sheet Closing and Opening Journals** box.

When you check this box, NetSuite adds a step to the Create Period End Journals task on the Period Close Checklist. The Balance Sheet Closing step follows the Income Closing step at the fiscal year end of the subsidiary. This step creates a balance sheet closing journal. This journal reduces the balance of balance sheet accounts to zero and posts any necessary balance amount to the account you specify. This balance sheet closing journal is the last period end journal in the fiscal year. Unless you have selected segments in the **Group by These Segments** list, the amount posted to the balance sheet closing account should be zero. In the same step, to reopen the balance sheet, NetSuite reverses the balance sheet closing journal on the first day of the next fiscal year. For information about the Period Close Checklist, see the help topic Using the Period Close Checklist.

When you check this box, you must select values for **Balance Sheet Closing Account** and **Balance Sheet Opening Account**.

> **ⓘ Note:** The accounts that you can select must be of Equity account type.

  a. In the **Balance Sheet Closing Account** list, select the appropriate account.

  b. In the **Balance Sheet Opening Account** list, select the appropriate account.

When the GL Audit Numbering feature is enabled, an additional column lets you skip GL numbering for balance sheet closing journals. Check the **Exclude Balance Sheet Closing Journals from GL Numbering** box to skip numbering for the balance sheet closing journals.

9. Check the **Create Income Summary Journals** box.

   When you check this box, NetSuite creates two period end journals in the Income Statement Closing step. This step is part of the Create Period End Journals task on the Period Close Checklist. (NetSuite creates more journals when you create period end journals by segment.) The first journal (or journals) reduces the income and expense accounts to zero. It posts the net income to the account defined for income summary profit or loss. If the net income is a gain, the offset posts to the income summary profit account. If the net income is a loss, the offset posts to the income summary loss account. The second journal (or journals) moves the balance from the income summary account used in the first journal to the retained earnings account.

   When you check this box, you must select values for **Income Summary Profit Account** and **Income Summary Loss Account**.

   > (i) **Note:** The accounts that you can select must be of Equity account type.

   a. In the **Income Summary Profit Account** list, select the appropriate account.

   b. In the **Income Summary Loss Account** list, select the appropriate account.

10. In the **Group By These Segments** list, select the appropriate segment.

    This multi-select list displays all the segment types that impact the general ledger. Possible segment types are class, department, location, and all custom segments with general ledger impact. Select the segment types for which you want to generate separate period end journals, if any. NetSuite generates separate period end journals for each selected segment type combination included in the source transactions for this subsidiary. For more information about custom segments, see the help topic Custom Fields and Segments on Period End Journals.

11. In the **Require Memo On Period End Journals** column, check the box to require a memo on period end journals.

    When you check this box, you cannot create or save period end journals without a value in the **Memo** fields in the header and lines. The value entered in the Memo field during the journal creation process automatically populates the **Memo** fields in the header and lines.

12. Click **Save**.

    > (i) **Note:** NetSuite tracks changes made to a subsidiary's defined values on the **System Notes** subtab of the Subsidiary Settings page for that specific subsidiary. For information about the Subsidiary Settings page for a subsidiary, see Subsidiary Settings for a Single Subsidiary.

Defining Default Cross Charge Classification Preferences for Multiple Subsidiaries

On the Subsidiary Settings for Intercompany Framework page, you can define default cross charge classification preferences for multiple subsidiaries.

To define default cross charge classification preferences for multiple subsidiaries:

1. Go to Setup > Company > Setup Tasks > Subsidiary Settings Manager.

2. Click the settings icon ⚙ in the **Intercompany Framework** column header.

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If you have permission to edit the Subsidiary Settings for Intercompany Framework page, you can define default cross charge classification preferences for each selected subsidiary.

For details about the Intercompany Framework feature, see Intercompany Framework.

3. (Optional.) You can filter the subsidiaries that display in the list. You can also filter by whether the subsidiary is inactive. For information about filtering, see Filters.

4. Click **Edit**.

5. In the **Class**, **Department**, and **Location** column lists, select the default cross charge classification preferences.

6. Click **Save**.

> ⓘ **Note:** NetSuite tracks changes made to a subsidiary's defined values on the **System Notes** subtab of the Subsidiary Settings page for that specific subsidiary. For information about the Subsidiary Settings page for a subsidiary, see Subsidiary Settings for a Single Subsidiary.

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Associate Subsidiaries with Entities and Items

In NetSuite OneWorld, you must assign a subsidiary to each entity record before you can enter transactions for the entity. A transaction inherits its subsidiary from its entity. Other records referenced on the transaction, such as items or departments, are limited by values associated with that subsidiary.

This requirement applies to the following records:

- Employee - See Assigning a Subsidiary to an Employee
- Vendor - See Assigning Subsidiaries to a Vendor
- Partner - See Assigning a Subsidiary to a Partner
- Customer - See Assigning Subsidiaries to a Customer

To assign an entity to a subsidiary, open the record, and select a subsidiary in the Subsidiary field. The selected subsidiary determines the fields visible on the form, the address format, tax fields, and other information.

You can assign a single subsidiary to employee and partner entities. If these entities have relationships with multiple subsidiaries, you must create a record for each subsidiary relationship. You can assign a primary and multiple secondary subsidiaries to vendor and customer entities.

You can associate entities from one subsidiary to an entity associated with a different subsidiary in these cases:

- Contacts on Customer, Partner, Vendor, Group, Competitor, and Project records
- Employees and Contacts on Group records
- Employees on Project records

> **ⓘ Note:** After a transaction is posted for the entity, you cannot change the primary subsidiary selected on the entity record.

For more information associating subsidiaries with entities, see the following help topics:

- Customers
- Creating a Vendor Record
- Entering an Address for an Employee
- Creating a Partner Record
- Enabling Intercompany Time and Expenses

In OneWorld, you can add fields to item records so that items can be shared by several subsidiaries. You can also assign a shipping item to a subsidiary so that it can be used for transactions. See Associate Subsidiaries With Items and Associate Subsidiaries With Shipping Items.

Assigning a Subsidiary to an Employee

After you specify a subsidiary on an employee record, by default that employee can access only those records associated with that subsidiary.

To grant an employee access to data for additional subsidiaries, go to Setup > Users/Roles > User Management > Manage Roles. For the employee's assigned role, use the multi-select Subsidiaries list to customize the role. Press and hold the Ctrl key to select multiple subsidiaries. For more information, see Control Employee Access to Subsidiaries.

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> ⚠ **Important:** If an employee is assigned to the parent subsidiary, you cannot change the assignment. If the employee is assigned to a child subsidiary, you can change the assignment.

To reassign a subsidiary to an employee:

1. Go to Lists > Employees > Employees, and then click the **Edit** link next to an employee.
2. In the Classification section, select from the **Subsidiary** list, and then click **Save**.

Assigning Subsidiaries to a Vendor

You can assign a primary subsidiary and an unlimited number of secondary subsidiaries to a vendor record. The primary subsidiary assigned to a vendor is generally associated with any transactions involving that vendor. However, you can also associate transactions with any secondary subsidiary assigned to the vendor in the procure-to-pay workflow. For detailed instructions about assigning subsidiaries to a vendor record, Creating a Vendor Record.

When you view a multi-subsidiary vendor record, you can see the vendor's total outstanding balance. You can also see the total unbilled balance (sum of all of the assigned subsidiaries' balances) in the primary subsidiary's currency.

You can designate a credit limit for the primary subsidiary and each of the secondary subsidiaries on the vendor record. You can also associate vendors and multiple subsidiaries with items, assigning a specific item price for each subsidiary purchasing from the vendor.

For tax agency vendor records, it is important to set the subsidiary to match the subsidiary linked to the nexus using that tax agency.

You specify the tax code at the line-level on the Subsidiaries subtab. Tax code is not available in the US edition for accounts that are not OneWorld.

> ⚠ **Important:** You can define multiple secondary subsidiaries through the user interface and SuiteScript. To use SuiteScript to define secondary subsidiaries on a vendor record, use the Vendor-Subsidiary Relationship record type. To mass create and update vendor records through CSV files, see the help topic Vendor-Subsidiary Relationship Import.
>
> If you have enabled the Multi Subsidiary Customer feature, you can share a vendor record that is also paired with a customer record. Such pairings display on the Relationships subtab on the vendor record.

To use the subsidiary logo and address from the transaction record when printing, use advanced templates. For more information, see the help topic Advanced PDF/HTML Templates. If you print transactions using basic layouts, the logo and address are sourced from the vendor's primary subsidiary.

Vendor Searches for Multi-Subsidiary Vendors

When you create vendor searches and vendor saved searches, you can obtain results for all of the secondary subsidiaries assigned to the multi-subsidiary vendor. On the Available Filters subtab, select Subsidiary Fields, and then choose the fields to include as filters. On the Results > Columns subtab, select Subsidiary Fields, and then choose the fields to display as columns in the results.

You can also create simple and saved searches for vendor-subsidiary information. The new search type, Vendor-Subsidiary Relationship, is based on a record type of the same name. The vendor-subsidiary relationship record is not visible in the user interface, however, the fields on this record are available to search.

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To create a simple search, go to Reports > New Search. For information about simple searches, see the help topic Defining a Simple Search.

To create a new saved search, go to Reports > Saved Searches > All Saved Searches > New. You can also go to Lists > Search > Saved Searches > New. For information about saved searches, see the help topic Saved Searches.

Mass Create and Update Multi-Subsidiary Vendors

NetSuite enables users with the Import CSV File permission to import the Vendor-Subsidiary Relationship record type. The vendor-subsidiary relationship record is not visible in the user interface, however, the fields are available when you map your CSV file. The Vendor-Subsidiary Relationship import enables you to add multiple subsidiaries to vendor records, and update those records, as needed.

To use the Import Assistant to create or update multi-subsidiary vendors, go to Setup > Import/Export > Import Tasks > Import CSV Records. Choose the Relationships import type, and then the Vendor-Subsidiary Relationship record type. After you upload your file and choose import options, you can begin file and then field mapping, and finally import your file.

> ✔ **Tip:** Upload a simple CSV file, and then refine that file when you map fields.

For information about using the Import Assistant, see the help topic Importing CSV Files with the Import Assistant. For information about the Vendor-Subsidiary Relationship import record type, see the help topic Vendor-Subsidiary Relationship.

Customization of the Subsidiaries Subtab on the Vendor Record

If you have permission to customize record types, use the Vendor-Subsidiary Relationship record type to customize the Subsidiaries subtab on the vendor record. This record type is not visible in the user interface. However, the fields on this record are available through the Other Record Fields page. Go to Customization > Lists, Records, & Fields > Other Record Fields > New.

On the Other Record Fields page, select the Vendor-Subsidiary Relationship record type. Define the fields to be added to the Subsidiaries subtab. When the vendor record is in Edit mode, you can modify the values in those fields.

The Custom Records and Custom Segments features must be enabled to customize the Subsidiaries subtab. If you use the Multiple Currencies feature, you can add currency-specific fields to the Subsidiaries subtab.

For information about custom record fields, see the help topics Creating Other Record Fields and Creating a Custom Field.

> ⓘ **Note:** Users must have permission to edit vendor records to customize the Subsidiaries subtab.

Multi-Subsidiary Vendor Support for Automated Intercompany Management

The Automated Intercompany Management feature lets you manage intercompany transactions and automatically generate elimination journal entries. With this feature enabled, NetSuite automatically generates elimination journal entries based on the intercompany transaction lines and intercompany journal lines marked to be eliminated. As part of the period close process, NetSuite evaluates the activity in your intercompany accounts. Then, it creates the journal entries to eliminate artificial profit and loss amounts.

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When you create intercompany transactions, the Subsidiaries list on the transaction provides all of the subsidiaries assigned to the vendor.

For information about the Automated Intercompany Management feature, see Automated Intercompany Management.

Multi-Subsidiary Vendor Customer Entities

If you use the Multi Subsidiary Customer feature, you can create a multi-subsidiary customer record from a multi-subsidiary vendor record. This vendor customer relationship produces a single entity. This entity is useful when you want to use one entity to represent both a customer and a vendor.

> **Note:** The vendor and customer records must share the same primary subsidiary to create a multi-subsidiary vendor customer relationship.

For information about creating relationships between record types, see the help topic Records as Multiple Types.

Transactions Available for Multi-Subsidiary Vendors

Refer to the following table to learn how you can use multi-subsidiary vendors with core transactions.

Task	What You Can Do	Help Topic Links
Allocation Schedules	Specify that the source account and destination account belong to any of the vendors to which the selected subsidiaries are assigned	Creating Expense Allocation Schedules Creating Intercompany Allocation Schedules
Automated Intercompany Management	Manage intercompany transactions and automatically generate elimination journal entries	Automated Intercompany Management
Bill Purchase Orders	View all unbilled purchase orders associated with the subsidiaries assigned to the selected vendor Bill any or all purchase orders that share the same subsidiary and currency	Billing a Purchase Order With Advanced Receiving
Checks	Change the subsidiary from the primary subsidiary to a secondary subsidiary Confirm the prompt to change the bank account, if required	Writing Checks
Company Credit Card	Select any subsidiary assigned to the selected entity in the Vendor field Confirm the prompt to change Nexus, if required	Entering Company Credit Card Charges
Deposits	For Other Deposits, choose from all of the vendors assigned to the subsidiary associated with the selected bank account	Making Deposits
Drop Shipment	Create a sales order for an assigned secondary subsidiary The sales order includes an item marked for drop ship	Drop Shipment and Special Order Purchases Marking an Item for Drop Shipment

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	NetSuite automatically creates a purchase order based on the preferred vendor for that drop shipped item	
Item Pricing	Specify a different item price per subsidiary for the same item record	Associating a Vendor With an Item Associating an Item With Multiple Vendors Entering Purchasing and Inventory Information on Items and then see the help topic Vendors
Journal Entries	Make general, statistical, intercompany, book specific general, and book specific intercompany journal entries for any of the vendors to which a selected subsidiary is assigned	Making Journal Entries Making Statistical Journal Entries Making Intercompany Journal Entries Making Advanced Intercompany Journal Entries Journal Entries in Multi-Book Accounting
Nexuses	Change the default subsidiary to a secondary subsidiary and NetSuite automatically changes the tax nexus to the nexus associated with the selected secondary subsidiary	Nexuses and Subsidiaries Nexuses and Taxes in OneWorld Creating a Tax Agency Vendor Record
Order Requisitions	Create purchase orders for requisitions, selecting a subsidiary and any shared vendor to which that subsidiary is assigned	Ordering Requisitions in Bulk
Purchase Orders and Intercompany Purchase Orders	Select any subsidiary assigned to the selected entity in the Vendor field At the Items line level, select any vendor assigned to the subsidiary associated with the selected entity	Entering a Purchase Order
Reconciliation	New Charges on bank statements: ■ Selecting a shared vendor payee lets you enter line items for the vendor's open transactions and the open transactions belonging to the selected subsidiary New Deposits on bank statements: ■ Selecting a shared vendor payor enables you to enter deposits for the vendor and the selected subsidiary New Charges on credit card statements: ■ Selecting a shared vendor payor enables you to enter charges for the vendor and the selected subsidiary New Credits on credit card statements:	Reconciling Bank Statements Reconciling Credit Card Statements

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	■ Selecting a shared vendor payee enables you to enter credits for the vendor and the selected subsidiary	
Requisitions (Administrator)	Select the subsidiary associated with the requisition At the Items line level, select any vendor assigned to the selected subsidiary	Entering a Requisition
Tegatas	Change the default primary subsidiary to any of the secondary subsidiaries assigned to a shared vendor	Using Tegatas
Vendor Bill Variances	Post item records that belong to the combination of the selected vendor and assigned subsidiary	Posting Vendor Bill Variances
Vendor Bills	Select any subsidiary associated with a vendor bill	Vendor Bills
Vendor Blanket Purchase Order	Select any assigned subsidiary to associate with a vendor blanket purchase order	Blanket Purchase Orders Creating a Blanket Purchase Order
Vendor Credit	Associate a vendor credit with any of the subsidiaries assigned to a shared vendor	To enter a vendor credit manually: Creating a Vendor Credit Directly From a Vendor Bill Creating a Vendor Credit Directly From a Vendor Return Crediting an Authorized Vendor Return
Vendor Payments	Associate a vendor payment with a vendor bill from an assigned subsidiary	Vendor Payments Overview Paying Bills to a Single Vendor
Vendor Purchase Contract	Select any assigned subsidiary to associate with a vendor purchase contract	Creating Purchase Contracts Using Purchase Contracts on Purchase Orders
Vendor Return Authorization	Select the vendor who should receive the return authorization Change the subsidiary where the vendor return is authorized	Creating a Vendor Return Authorization

Assigning a Subsidiary to a Partner

The subsidiary you assign to a partner limits the records that the partner can access to those associated with that subsidiary.

To assign a subsidiary to a partner:

1. Go to Lists > Relationships > Partners, and then click the **Edit** link next to a partner.
2. Select from the **Subsidiary** list and click **Save**.

Assigning Subsidiaries to a Customer

The Multi Subsidiary Customer feature lets you share customer and sub-customer records with multiple subsidiaries, and then select those subsidiaries on core transactions. The primary subsidiary assigned to a customer is generally associated with any transactions involving that customer. However, you can also associate transactions with any secondary subsidiary assigned to the customer. The subsidiary you select on transactions persists throughout the transaction workflow. For example, when you select a subsidiary on a sales order, that subsidiary appears on the invoice. For detailed instructions about assigning subsidiaries to a customer record, Customers.

The Multi Subsidiary Customer feature enables you to save a multi-subsidiary customer as a multi-subsidiary vendor to create a single entity. It is useful when you want to have one entity represent both a customer and a vendor. You can also view a multi-subsidiary customer's hierarchy (primary subsidiary, any assigned secondary subsidiary, and any subcustomer).

> **ⓘ Note:** In the customer hierarchy, users can view only those subsidiaries to which they are granted access.

The Multi Subsidiary Customer feature also enables you to view the following:

- Customer balance information on the customer record
- Secondary subsidiary information on core reports
- Customer Statement by currency and by subsidiary

When a lead or contact is generated from an online form, the country associated with the form is matched to the country of the subsidiary. Then, that subsidiary is associated with the new record. If multiple subsidiaries are related to a country or no country is entered, the root subsidiary is the primary subsidiary with the new entity.

> **ⓘ Note:** If you use the Accept Payment Through Top Level Customer preference, note the following. Parent customers and their sub-customers must be associated with the same subsidiaries, and both must use the same currencies.

> **⚠ Important:** You can define multiple secondary subsidiaries though the user interface and SuiteScript. To define secondary subsidiaries in SuiteScript, use the Customer-Subsidiary Relationship record type. To mass create and update customer records through CSV files, see the help topic Customer-Subsidiary Relationship Import.
>
> If you shared multiple subsidiaries with a vendor record, you can share a customer record that is also paired with a vendor record. Such pairings display on the Relationships subtab on the customer record.

To use the subsidiary logo and address from the transaction record when printing, use advanced templates. For more information, see the help topic Advanced PDF/HTML Templates. If you print transactions using basic layouts, the logo and address are sourced from the customer's primary subsidiary.

Multi Subsidiary Customer Feature Limitations

Following are limitations in the Multi Subsidiary Customer feature:

- Incompatible Feature:

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- EU One Stop Shop (OSS)

> ⚠️ **Important:** Incompatible features cannot be enabled when the Multi Subsidiary Customer feature is enabled. The Multi Subsidiary Customer feature cannot be enabled when incompatible features are enabled.

- Unsupported Functionality:
  - Bank Account (supports data related to the primary subsidiary only)
  - Credit Limit per Subsidiary
  - Customer Center (supports data related to the primary subsidiary only)
  - My Account connected to SuiteCommerce
- Limited Functionality:
  - Communication subtab on the customer record

    Messages, Activities, Files, and User Notes added to the customer record are available only for the primary subsidiary.
- Tax Limitations:
  - All tax information from the customer record defaults only to the primary subsidiary, and is ignored when a secondary subsidiary is selected.
  - On the Financial subtab on the customer record, the Tax Rounding fields apply to all of the subsidiaries to which the customer is assigned.
  - On the Financial subtab on the customer record, the value in the Tax Item field is the default for the primary subsidiary only. For a customer with a default tax item, the tax engine attempts to return that tax item and does not perform an additional tax lookup. However, when you select a secondary subsidiary, the tax engine ignores the default tax item and performs a tax lookup.
  - The PST Exempt and Taxable fields on the customer record are inverse to each other. Even though both fields are never visible on the record at the same time, when one field is True, the other field is False.

    > ℹ️ **Note:** The PST Exempt (Taxable) field is visible on the customer record only when the customer falls under a Canadian nexus.
- Unsupported Transactions:
  - Issue Tegata
  - Pay Tegata
- Technical Limitations:

  To ensure that dynamic mode scripts and workflows perform as expected, the selected entity or customer (depending on the transaction) determines the default subsidiary.

Best Practices for Using the Multi Subsidiary Customer Feature

Following are best practices for using the Multi Subsidiary Customer feature:

- If you use anonymous customers with Web Store workflows, assign only one subsidiary to the anonymous customer record.
- Set up tax rounding at the Nexus level rather than for individual customers with multiple different subsidiaries. For more information, see the help topic Setting Tax Preferences.

Enable the Multi Subsidiary Customer Feature

Administrators can enable the Multi Subsidiary Customer feature on the Enable Features page. If you choose to stop using the Multi Subsidiary Customer features, you must perform specific tasks before you can disable the feature.

> ⓘ **Note:** For SuiteBilling customers, if you want to use the Multi Subsidiary Customer feature and SuiteBilling together, you need to enable SuiteTax. For more information, see the help topic Enabling the Multi-Subsidiary Customer Feature for SuiteBilling.

To enable the Multi Subsidiary Customer feature:

1. Go to Setup > Company > Enable Features (Administrator).
2. On the **Company** subtab, in the ERP General section, check the **Multi Subsidiary Customer** box.
3. Click **Save**.

> ⚠ **Important:** You cannot enable the **Multi Subsidiary Customer** feature if any incompatible feature or functionality is enabled. See the Incompatible Features list in Multi Subsidiary Customer Feature Limitations.

To disable the Multi Subsidiary Customer feature:

1. Reverse or delete all transactions related to customers and their secondary subsidiaries.
2. Remove all secondary subsidiaries from customer records.
3. Go to Setup > Company > Enable Features (Administrator).
4. On the **Company** subtab, in the ERP General section, clear the **Multi Subsidiary Customer** box.
5. Click **Save**.

Customer Balances for Assigned Subsidiaries

You can view the basic customer balances for each subsidiary assigned to that customer. Balance and Unbilled Orders fields are located on the Subsidiaries subtab on the customer record. Subsidiary transactions are recalculated from the subsidiary's transaction currency into the customer's primary currency. Recalculation is performed using the Direct method, which retrieves daily foreign exchange rates directly from the rate provider. The currency label of the customer's primary currency appears near the Balance and Unbilled Orders fields.

For example, you have a customer where the primary subsidiary is in Canada. Two secondary subsidiaries, one in the U.S. and one in Germany are assigned to this customer. The respective subsidiary currencies are CAN as the primary currency, and USD and euro as secondary subsidiary currencies. There is an invoice for the U.S. subsidiary for 1000 euro. Based on the daily foreign exchange rate, it posts as 1200 USD in the U.S. subsidiary. The value in the Balance field on the customer record is 1500 CAN (1000 euro translated into CAN through a 1.5 Direct rate).

- **Balance** – The value in the Balance field represents the total customer balance for the subsidiary. An approved customer invoice in an open status increases the value in the Balance field. A customer payment decreases the value in the Balance field. A customer credit also decreases the value in the Balance field. A cash sale does not alter the value in the Balance field.

- **Unbilled Orders** – The value in the Unbilled Orders field represents the sum of the orders not yet billed for the subsidiary. The tax on a sales order increases the value in the Unbilled Orders field because the tax does not have to be approved. When the sales order becomes a customer invoice, the tax value in the Unbilled Orders field is moved into the Balance field.

- **Deposit Balance** – The value in the Deposit Balance field represents the unapplied deposit amount from a customer deposit transaction.

The customer balance information on the Financials subtab appears in the customer's primary currency. For information about the Financials subtab, see the help topic Entering Financial Information on the Customer Record.

Customer Searches for Multi-Subsidiary Customers

When you create customer searches and customer saved searches, you can obtain results for all of the secondary subsidiaries assigned to the multi-subsidiary customer. On the Available Filters subtab, select Subsidiary Fields, and then choose the fields to include as filters. On the Results > Columns subtab, select Subsidiary Fields, and then choose the fields to display as columns in the results.

You can also create simple and saved searches for customer-subsidiary information. The new search type, Customer-Subsidiary Relationship, is based on a record type of the same name. The customer-subsidiary relationship record is not visible in the user interface, however, the fields on this record are available to search.

To create a simple search, go to Reports > New Search. For information about simple searches, see the help topic Defining a Simple Search.

To create a new saved search, go to Reports > Saved Searches > All Saved Searches > New. You can also go to Lists > Search > Saved Searches > New. For information about saved searches, see the help topic Saved Searches.

> **ⓘ Note:** Before you publish a saved search to Webshop, you should validate the results by clicking any linked data content. The default Webshop user is not restricted from viewing subsidiary data, and may have access to unintended or irrelevant data. You must adjust user restrictions to limit data viewing.

Mass Create and Update Multi-Subsidiary Customers

NetSuite enables users with the Import CSV File permission to import the Customer-Subsidiary Relationship record type. The customer-subsidiary relationship record is not visible in the user interface, however, the fields are available when you map your CSV file. The Customer-Subsidiary Relationship import enables you to add multiple subsidiaries to customer records, and update those records, as needed.

To use the Import Assistant to create and update multi-subsidiary customers, go to Setup > Import/Export > Import Tasks > Import CSV Records. Choose the Relationships import type, and then the Customer-Subsidiary Relationship record type. After you upload your file and choose import options, you can begin file and then field mapping, and finally import your file.

> **✔ Tip:** Upload a simple CSV file, and then refine that file when you map fields.

For information about using the Import Assistant, see the help topic Importing CSV Files with the Import Assistant. For information about the Customer-Subsidiary Relationship import record type, see the help topic Customer-Subsidiary Relationship.

Customization of the Subsidiaries Subtab on the Customer Record

If you have permission to customize record types, use the Customer-Subsidiary Relationship record type to customize the Subsidiaries subtab on the customer record. This record type is not visible in the user

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interface. However, the fields on this record are available through the Other Record Fields page. Go to Customization > Lists, Records, & Fields > Other Record Fields > New.

On the Other Record Fields page, select the Customer-Subsidiary Relationship record type. Define the fields to be added to the Subsidiaries subtab. When the customer record is in Edit mode, you can modify the values in those fields.

The Custom Records and Custom Segments features must be enabled to customize the Subsidiaries subtab. If you use the Multiple Currencies feature, you can add currency-specific fields to the Subsidiaries subtab.

For information about custom record fields, see the help topics Creating Other Record Fields and Creating a Custom Field.

> **ⓘ Note:** Users must have permission to edit customer and vendor records to customize the Subsidiaries subtab.

Multi Subsidiary Customer Support for Automated Intercompany Management

The Automated Intercompany Management feature enables you to manage intercompany transactions and automatically generate elimination journal entries. With this feature enabled, NetSuite automatically generates elimination journal entries based on the intercompany transaction lines and intercompany journal lines marked to be eliminated. As part of the period close process, NetSuite evaluates the activity in your intercompany accounts. Then, NetSuite creates the journal entries to eliminate artificial profit and loss amounts.

When you create intercompany transactions, the Subsidiaries list on the transaction provides all of the subsidiaries assigned to the customer.

For information about the Automated Intercompany Management feature, see Automated Intercompany Management.

Multi Subsidiary Customer Vendor Entities

The Multi Subsidiary Customer feature lets you create a multi-subsidiary vendor record from a multi-subsidiary customer record. This customer vendor relationship produces a single entity. This entity is useful when you want to use one entity to represent both a customer and a vendor on core transactions.

> **ⓘ Note:** The customer and vendor records must share the same primary subsidiary to create a multi-subsidiary customer vendor relationship.

For information about creating relationships between record types, see the help topic Records as Multiple Types.

Multi Subsidiary Customer Hierarchy

The Multi Subsidiary Customer feature enables you to view a multi-subsidiary customer's hierarchy (primary subsidiary, any assigned secondary subsidiary, and any subcustomer). The customer hierarchy is located on the Customers list page at Lists > Relationships > Customers.

> **Note:** In the customer hierarchy, users can view only those subsidiaries to which they are granted access.

Transactions Available for Multi-Subsidiary Customers

Refer to the following table to learn how you can use the Multi Subsidiary Customer feature with core transactions.

Task	What You Can Do	Help Topic Links
Amortization	Supports Multi Subsidiary Customer	Expense Amortization
Automated Intercompany Management	Manage intercompany transactions and automatically generate elimination journal entries	Automated Intercompany Management
Cash Refund	Select any subsidiary assigned to the customer record The account is selectable and dependent on the currency The subsidiary cannot be changed after the transaction is saved If the refund is created from the Cash Sale, the subsidiary selection remains the same through the transaction workflow	Refunding a Cash Sale
Cash Sale	Select any subsidiary assigned to the customer record Confirm the prompt to change Nexus, if required The subsidiary cannot be changed after the transaction is saved	Entering a Cash Sale
Checks	Change the subsidiary from the primary subsidiary to a secondary subsidiary Confirm the prompt to change the bank account, if required	Writing Checks
Commission (Employee)	To associate a sales transaction with a multi-subsidiary customer, create a commission schedule for each subsidiary at Lists > Commissions > Employee Schedules > New Include the commission schedule in the commission plan assigned to the employee	Creating an Employee Commission Schedule Creating an Employee Commission Plan
Commission (Partner)	Partner has been configured in NetSuite to receive commission Commission plan with a commission schedule is assigned to the partner Sales transactions relevant to the commission plan and commission	Creating a Partner Commission Plan Assigning Partners to a Commission Plan Partner Commission Schedules

	schedule connect to the partner through the Entity field (header of the sales transaction record)	
Company Credit Card	Select any subsidiary assigned to the selected entity in the Vendor field Confirm the prompt to change Nexus, if required	Entering Company Credit Card Charges
Credit Card Refund	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transaction is saved	Refunding an Open Balance
Custom Transaction	Custom Transactions is enabled at Setup > Company > Enable Features > SuiteCloud in the SuiteGL section Custom transactions have been configured at Customization > Lists, Records & Field > Transaction Types > New Configure transaction type to include subsidiary and entity On the custom transaction, associate the entity with the selected subsidiary	Custom Transactions
Customer Charge (Statement Charge)	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transaction is saved	Statement Charges
Customer Credit Memo	Select any subsidiary assigned to the customer record Confirm the prompt to change Nexus, if required The subsidiary cannot be changed after the transaction is saved	Issuing a Customer Credit Memo
Customer Deposit	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transaction is saved	Recording a Customer Deposit
Customer Payment	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transaction is saved	Applying a Payment on the Customer Payment Page
Customer Refund	Select any subsidiary assigned to the customer record The account is selectable and dependent on the currency The A/R account is associated with the selected subsidiary	Refunding an Open Balance

	The subsidiary cannot be changed after the transaction is saved	
Deposits	For Other Deposits, choose from all of the customers assigned to the subsidiary associated with the selected bank account	Making Deposits
Estimate	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transaction is saved	Preparing an Estimate
Expense Report	At the Expenses line level, select any customer assigned to the subsidiary associated with the selected employee	Enter an Expense Report
Fulfillment Request	The subsidiary is derived from the Sales Order	Creating Fulfillment Requests
Gift Certificate	Click the New Gift Certificates button at Lists > Accounting > Gift Certificates	Gift Certificates
Invoice	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transaction is saved If the Invoice was generated from a Sales Order, the subsidiary cannot be changed	Creating an Invoice
Item Fulfillment	The subsidiary is specified on the Sales Order and cannot be changed	Fulfilling Orders
Journal Entries	Make general, statistical, intercompany, book-specific general, and book-specific intercompany journal entries for any of the customers to which a selected subsidiary is assigned	Making Journal Entries Making Statistical Journal Entries Making Intercompany Journal Entries Making Advanced Intercompany Journal Entries Journal Entries in Multi-Book Accounting
Opportunity	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transaction is saved	Creating an Opportunity Record
Purchase Orders and Intercompany Purchase Orders	Select any subsidiary assigned to the selected entity in the Vendor field At the Items line level, select any customer assigned to the subsidiary associated with the selected entity	Entering a Purchase Order
Reconciliation	New Charges on bank statements: ▪ Selecting a shared customer payee lets you enter line items for the customer's open transactions and the open transactions belonging to the selected subsidiary	Reconciling Bank Statements Reconciling Credit Card Statements

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	New Deposits on bank statements: - Selecting a shared customer payor enables you to enter deposits for the customer and the selected subsidiary New Charges on credit card statements: - Selecting a shared customer payor enables you to enter charges for the customer and the selected subsidiary New Credits on credit card statements: - Selecting a shared customer payee enables you to enter credits for the customer and the selected subsidiary	
Requisitions	Select the subsidiary associated with the requisition At the Items line level, select any customer assigned to the selected subsidiary	Entering a Requisition
Return Authorization	Select any subsidiary assigned to the customer record The subsidiary cannot be changed after the transactions is saved ⓘ **Note:** Return Authorizations can also be created from the Sales Order or Invoice. In these two cases, the subsidiary value is copied from the transaction that created the Return Authorization.	Entering a Standalone Return Authorization Entering a Linked Return Authorization
Revenue Arrangement	The revenue arrangement is listed on the transaction's Related Records subtab Revenue arrangements are created for the following types of transactions after the transaction is approved: - Sales Orders - Invoices - Cash Sales - Cash Refunds - Return Authorizations - Credit Memos	Revenue Arrangement Management Creating Sales Orders Creating an Invoice Entering a Cash Sale Refunding a Cash Sale Entering a Standalone Return Authorization Entering a Linked Return Authorization Issuing a Customer Credit Memo
Revenue Commitment and Revenue	Supports Multi Subsidiary Customer	Using the Generate Revenue Commitment Page Using the Generate Revenue Commitment Reversals Page

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Commitment Reversal		
Revenue Recognition	Supports Multi Subsidiary Customer	Using Revenue Recognition
Sales Order	Select any subsidiary assigned to the customer record Confirm the prompt to change Nexus, if required The subsidiary cannot be changed after the transaction is saved	Creating Sales Orders ■ Drop Shipment from Sales Order - An approved sales order that contains a drop shipment item automatically generates a purchase order for the item. Vendor ships item to the selected customer. Selling a Drop Ship Item ■ Drop Shipment Intercompany Sales Order - Warehouse subsidiary generates an intercompany sales order at Transactions > Sales > Manage Intercompany Sales Orders (Administrator). Warehouse subsidiary fulfills the order and sends the item to the customer. Intercompany Inventory Drop Ship ■ Intercompany Sales Order (Transactions > Sales > Manage Intercompany Sales Orders) - Create an intercompany purchase order. Select a customer and a currency to display the unlinked intercompany purchase order that can be paired with the sales order for this customer. Select any subsidiary assigned to the customer record. Manage Intercompany Orders ■ Special Order Purchase - An approved sales order that contains a special order item automatically generates a purchase order for the item. The sales order is fulfilled only when the special order item is received by the vendor. The vendor then ships the item to the customer. Drop Shipment and Special Order Purchases ■ Store Pickup – Store Pickup enables you to create Store Pickup Fulfillment transactions from an existing sales order. Store Pickup Fulfillment transactions permit customers to pick up their orders from a retail location later, or on a different date. When Store Pickup Fulfillment transactions exist, the navigation path is Transaction > Sales > Manage Store Pickup. On the Store Pickup Fulfillment transaction, the subsidiary defaults to the subsidiary selected on the sales order. ⚠ **Important:** The Store Pickup feature requires Advanced Order Management. Store Pickup
Sales Order Revenue Forecasting	Supports Multi Subsidiary Customer	Using Sales Order Revenue Forecasting
Vendor Bills	Select any subsidiary associated with a Vendor Bill At the Items line level, select any customer assigned to the selected subsidiary	Vendor Bills

Vendor Credit	Select the vendor who should receive the credit	Entering a Vendor Credit Manually
	Change the subsidiary associated with the credit	
	At the Items line level, select any customer assigned to the selected subsidiary	
Vendor Return Authorization	Select the vendor who should receive the return authorization	Creating a Vendor Return Authorization
	Change the subsidiary where the vendor return is authorized	
	At the Items line level, select any customer assigned to the selected subsidiary	
VSOE	Supports Multi Subsidiary Customer	Using the VSOE Feature
Work Order	Select the customer and any assigned subsidiary associated with the work order	Entering an Individual Work Order

Associate Subsidiaries With Items

In NetSuite OneWorld, the item record has additional fields that permit you to share items with several subsidiaries. For example, the Subsidiary field enables you to select one or multiple subsidiaries. To select multiple subsidiaries, press and hold the Ctrl key and select each subsidiary. You can also check the Include Children box. This options shares the item with all of the sub-subsidiaries associated with the subsidiaries selected in the Subsidiary field.

> **Note:** When you share items with multiple subsidiaries, the options selected on the item record must be compatible with the subsidiaries sharing the items. For example, you enter an inventory item to share with multiple subsidiaries. You must then select income and asset accounts that are assigned to those same subsidiaries.

You must associate a subsidiary with an item to add that item to a transaction related to that subsidiary. For example, you enter a sales order and select a customer associated with the Wolfe US subsidiary on the transaction. When you select an item to add to the sales order, you can add only those items associated with Wolfe US.

> **Important:** When you create a Gift Certificate item record, note the following. The Income Account and the Liability Account fields display a list of accounts assigned to the selected subsidiary. If you select multiple subsidiaries, only those accounts common to all of the selected subsidiaries appear in the list.

In NetSuite that is not OneWorld, when you create an item record, you can enter initial quantities on hand in each location. However, in NetSuite OneWorld, when you create an item record, you cannot enter initial quantities on hand in each location. You must first create the item record and save. Then you must enter an inventory adjustment to specify the initial quantities in each location.

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Associate Subsidiaries With Shipping Items

In NetSuite OneWorld, you assign a shipping item to a subsidiary so that it can be used for transactions. You can associate only one subsidiary with a shipping item, but you can create multiple shipping items for the same shipping service. You can then use the shipping services across multiple subsidiaries. The shipping services respect currencies and post to the appropriate subsidiary accounts.

Shipping items for the same service have a unique Ship Name but share the same Display/Code name. Shipping items use real-time rates and shipping label integration features associated with the carrier.

For example, you have two subsidiaries, one for your operations in the United States and one for operations in Canada. You use UPS Ground service for shipping needs in both subsidiaries. Create a shipping item for each subsidiary with a Ship Name that identifies the subsidiary where it is to be used:

	US Subsidiary	Canada Subsidiary
Ship Name	UPS Ground - US	UPS Ground - CA
Display Name /Code	UPS Ground	UPS Ground
Subsidiaries	US	Canada

When you select a customer on a transaction, only shipping items for the subsidiary attached to that customer display in the list for Shipping Method.

In the Web store, an unregistered shopper without a customer record can choose shipping items associated with the subsidiary website being viewed. When a registered customer logs in to your Web store, the shopper can see only those shipping items associated with the customer's record. For example, a shopper in Canada sees only those shipping items associated with the Canadian subsidiary.

Associate a Subsidiary With a Shipping Item

Follow the instructions for creating a shipping item at Creating Shipping Items. This procedure includes a step to select the subsidiary for the shipping item. You can select only one subsidiary for a shipping item.

Creating Multiple Shipping Items for the Same Shipping Service

Use the following procedure to create shipping items for the same shipping service.

To create multiple shipping items for the same shipping service:

1. Edit an existing shipping item at Lists > Accounting > Shipping Items. Click **Edit** next to the shipping item you want to modify.

   Create a new shipping item at Lists > Accounting > Shipping Items > New.

2. In the **Ship Name** field, enter an internal name for the shipping item. To identify the shipping item by subsidiary, include the subsidiary in the name, for example, **UPS Ground - U.S.**

3. The **Display Name/Code** defaults from the shipping service you select as the real-time rate on the **Shipping Rate** subtab. This is the shipping method name as it appears to customers visiting your Web store. It also appears on printed invoices and in centers such as the Customer Center. You cannot modify the **Display Name/Code**.

4. In the **Subsidiaries** field, select the subsidiary you want to offer this shipping item in.

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5. Click **Save**.

For information about shipping items, see the help topic Shipping Items.

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Consolidated Reporting in OneWorld

With NetSuite OneWorld, you can view data consolidated from multiple subsidiaries on many reports.

> ⚠ **Important:** Some reports do not support consolidation. These reports return results for only one subsidiary at a time. Before you can run one of the consolidated reports, you must set your user preferences to restrict your view to a single subsidiary. Go to Home > Set Preferences and then set the preference on the Restrict View subtab.

If a report can show consolidated information, the Subsidiary Context field in the footer of the report includes options appended with (Consolidated). For example, the report titled HEADQUARTERS(Consolidated). When you select a consolidated subsidiary on a report, the data displayed is for the selected subsidiary and its child subsidiaries including elimination subsidiaries. For example, if you choose Subsidiary Context HEADQUARTERS (Consolidated), the report displays consolidated data for the UK and its child subsidiaries, Germany and Italy.

When you select a subsidiary that is not consolidated, the data displayed is for that selected subsidiary. For example, selecting Subsidiary Context UK displays only the UK subsidiary data. For more description and examples of the Subsidiary Context filter, see Subsidiary Context for Reports.

> ⓘ **Note:** If you use Multi-Book Accounting, you can run consolidated reporting on any accounting book enabled for consolidation.

When the data displayed is for a single subsidiary, NetSuite uses the base currency of that subsidiary for amounts. When the data displayed is consolidated for multiple related subsidiaries, NetSuite uses the base currency of the parent subsidiary for amounts. Consolidated reports use the Consolidated Exchange Rates table to translate child subsidiaries' amounts to roll up into consolidated parent subsidiary amounts. See the help topic Consolidated Exchange Rates.

Reports that include budget and actual amounts, such as some financial statements, use a separate Budget Exchange Rates table for translation of budget amounts. See the help topic Subsidiary-Specific Budget Reports.

Financial statements have other specialized capabilities in OneWorld, including subsidiary-specific layouts. See the help topic OneWorld Financial Statements.

Consolidated balance sheet and cash flow statement reports use a special account called Cumulative Translation Adjustment (CTA). The CTA account achieves balance when there is more than one currency. This account is necessary because the rate types of accounts may differ, which results in different rates being used that can cause an imbalance. The CTA account is also used wherever consolidation across accounts with different rate types occurs, such as the consolidated trial balance. See the help topic Cumulative Translation Adjustment (CTA) Overview.

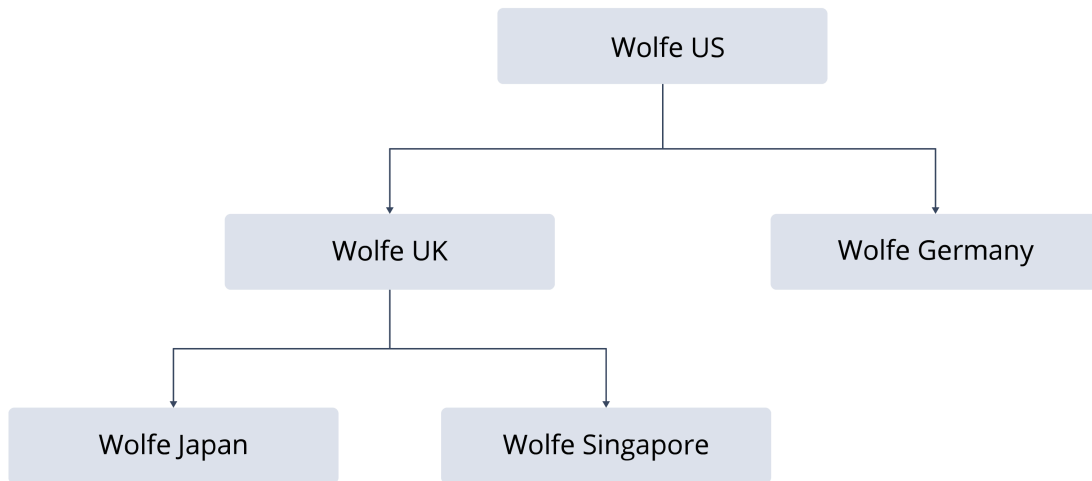## Subsidiary Context for Reports

If you have access to multiple subsidiaries, you can view the data for all subsidiaries at one time. You can also view data for individual subsidiaries. In the report footer, select the subsidiary in the Subsidiary Context filter.

> ⓘ **Note:** If you use Multi-Book Accounting, you can run consolidated reports for any accounting book enabled for consolidation. Use the Accounting Book list to choose the primary or secondary accounting book that correlates with the selected subsidiary context.

When you select a subsidiary, including elimination subsidiaries, NetSuite filters the report data to display data only from the selected subsidiary. In the case of consolidated subsidiaries, the data that displays is for all child subsidiaries of the consolidated parent subsidiary, including elimination subsidiaries.

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For example, if a company has the following subsidiary hierarchy:

The Subsidiary Context filter on reports would be organized as follows:

Wolfe US (Consolidated)

    Wolfe US

    Wolfe Germany

    Wolfe UK (Consolidated)

        Wolfe UK

        Wolfe Japan

        Wolfe Singapore

NetSuite inserts a virtual consolidated node for each parent. When you select a consolidated node, the data returned is a summary of all transactions associated with the node's child subsidiaries, including elimination subsidiaries.

If you use a role that is restricted to specific subsidiaries, the data returned is based on your level of access.

Using the preceding example hierarchy, if you have access to only the Japan subsidiary, the Subsidiary Context filter would be organized as follows:

Wolfe US (Context)

    Wolfe UK (Context)

        Wolfe Japan

You would see the following for each selection:

| Selection	Transactions Included	Currency Shown	Financial Statement Layout
Wolfe US (Context)	Wolfe Japan	US dollar	Wolfe US
Wolfe UK (Context)	Wolfe Japan	British pound (GBP)	Wolfe UK
Wolfe Japan	Wolfe Japan	Japanese yen	Wolfe Japan

Because this role is restricted to a single subsidiary, the results do not include consolidated data. However, you can still see the data in Wolfe Japan as it would appear in the currencies and layouts of parent subsidiaries.

> ⚠ **Important:** Some reports do not support consolidation and return results for only one subsidiary at a time. These reports do not include the Subsidiary Context filter in the report footer. Before you can run one of these reports, you must set your user preferences to restrict your view to a single subsidiary. Go to Home > Set Preferences and then click the Restrict View subtab. See Restrict Your Subsidiary View.

Currency for Multiple Subsidiary Search Results

When you view search results for multiple subsidiaries, results are converted (consolidated exchange rates) into the currency of the lowest common parent (LCP).

For example, a business hierarchy looks like this:
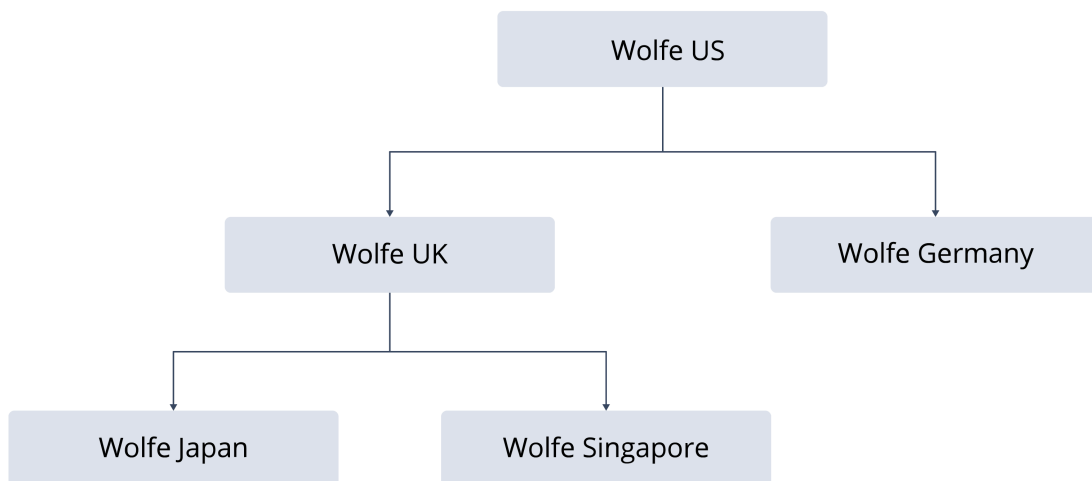
For example, a user with access to the Singapore and Japan subsidiaries runs a search. The search results display all currency amounts in UK pounds because Wolfe UK is the LCP for these subsidiaries. If the user had access to Japan and Germany, currency amounts would display in US dollars.

You can limit the data returned to a single subsidiary. Go to Home > Set Preferences > Restrict View subtab. See Restrict Your Subsidiary View.

> ✔ **Tip:** You can select the type of exchange rate applied to and advanced search or saved search of transactions. Choose the Consolidated Exchange Rate option for search results. See the help topic Consolidated Exchange Rate Types for Transaction Searches.

Subsidiary Navigator

Subsidiary Navigator enables you to limit the information displayed on your dashboard, searches, and reports to a specific subsidiary or group of subsidiaries. The portlet contains a chart from which you can select the subsidiary whose records you want to display. Choosing a subsidiary is equivalent to setting the Restrict View to a subsidiary option in Home > Set Preferences.

> ⓘ **Note:** Subsidiary Navigator works only for NetSuite OneWorld.

Install Subsidiary Navigator

Before you install Subsidiary Navigator, make sure that the following NetSuite features are enabled:

- Client SuiteScript
- Server SuiteScript
- Subsidiary

Subsidiary Navigator is available for installation as a SuiteApp:

- Name – Subsidiary Navigator
- Bundle ID – 44281
- Location – Production (Account ID 3802169)

Subsidiary Navigator is a managed SuiteApp and is automatically updated whenever there are changes. These issue fixes and enhancements are available after the SuiteApp is updated in your account.

For information about installing SuiteApps, see the help topic Installing a Bundle.

Set Up Subsidiary Navigator and Change Display Settings

Follow the steps below to set up Subsidiary Navigator.

To set up Subsidiary Navigator:

1. From your dashboard, click **Personalize**.
2. You can set up Subsidiary Navigator as a Dashboard SuiteApp or as a custom portlet.
   - To set up Subsidiary Navigator as a dashboard SuiteApp, go to the Dashboard SuiteApps section, and then click the Subsidiary Navigator icon.

     The Subsidiary Navigator portlet will be added to the dashboard.

     > ⓘ **Note:** Dashboard SuiteApps are available only from the home page dashboard.

   - To set up Subsidiary Navigator as a custom portlet:
     1. Go to the Standard Content section, and then click the Custom Portlet icon.
     2. On the **Custom Portlet**, click the **Set Up** link.

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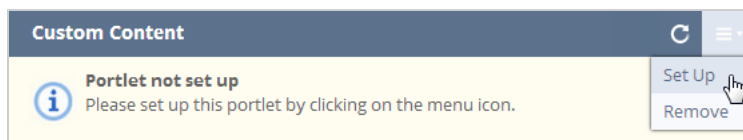
3. On the **Source** field, select **Subsidiary Navigator** from the list.

4. Click **Save**.

To change display settings for Subsidiary Navigator:

1. On the Subsidiary Navigator portlet, click **Settings** on the upper left corner.

2. Set values for the following:

   - **Enable Tooltip** – Click the slider to enable or disable the company information tooltip for each subsidiary. When you point your mouse on a subsidiary, the tooltip displays the address, country, currency, phone and website of the subsidiary.

   - **Show Logo** – You can choose to display or hide the company logos on the Subsidiary Navigator portlet. Check the box to display subsidiary logos on the current user's account. Click the slider to show or hide company logos for all users on this account.

   Note: The **Enable Tooltip** setting and the **Show Logo** slider option is available only on the Administrator's account.

Changes to these settings are applied immediately. Click **Settings** again to hide the settings.

Note: Settings menu does not display for accounts that have zero or only one subsidiary.

Restrict Subsidiary Access Using the Subsidiary Navigator

You can restrict your view to a particular subsidiary or group of subsidiaries. You can do this in one of two ways:

- Click a subsidiary from the portlet.

- Click the **Change Subsidiary** link below the centers tabs.

The system highlights the selected subsidiary and all of the sub-subsidiaries by default. To restrict or select all the subsidiaries having access to your account, click the Parent subsidiary from the Subsidiary Navigator portlet. Portlets on the dashboard update automatically to show records for the selected subsidiaries.

> **ⓘ Note:** The settings apply for the duration of your current session. Normal settings are restored on the next login.

When logged in using a custom role, the Subsidiary Navigator Portlet displays the subsidiaries assigned for that particular role.

Below is an example of the subsidiaries selected for a custom role:

For this example, the Subsidiary Navigator displays the selected sub-subsidiaries and the parent subsidiary only.
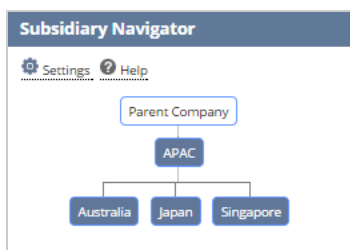
> ℹ **Note:** Users must have access to more than one subsidiary for Subsidiary Navigator to work.
>
> If a custom role has no subsidiary selected for it, the restriction defaults to the subsidiary of the user.
>
> If a custom role has only sub-subsidiaries selected for it, the Subsidiary Navigator displays the sub-subsidiaries. It also displays its parent subsidiary and any other subsidiaries that connect it to the root subsidiary. Users can click the parent subsidiary but doing so does not affect the behavior of the portlets on the dashboard. The portlets display only records for the sub-subsidiaries selected for the role.

> ⚠ **Important:** If a custom role has the **Allow Cross-Subsidiary Record Viewing** option enabled, clicking a subsidiary node in the Subsidiary Navigator portlet displays all relevant records. Included in these records are those to which the role is not granted access. Users with the role can open all displayed records, but can edit only those to which the user has edit rights.

Set Up Subsidiary Navigator Multi-Language Feature and Preferences

The Subsidiary Navigator SuiteApp is available in multiple languages supported by NetSuite. You can use the SuiteApp in the required language by enabling the Multi-Language feature.

To enable the Multi-Language feature:

1. Go to Setup > Company > Enable Features.
2. Select the **Company** subtab.
3. Check the **Multi-Language** box.
4. Click **Save**.

You can set up the language preferences for using the Subsidiary Navigator SuiteApp depending on your country or area of operation.

To setup the language preferences:

1. Go to Home > Set Preferences.
2. Select a language from the **Language** field.
3. Click **Save**.

OneWorld ERP Accounting

See the following help topics for details about how NetSuite OneWorld affects accounting, and other ERP functions:

- Defining Subsidiaries for OneWorld Transactions
- Journal Entries in OneWorld
- Locking Accounting Periods in NetSuite OneWorld
- Enabling Intercompany Time and Expenses
- Creating Intercompany Allocation Schedules
- Subsidiary Budgets in OneWorld
- Working with Project Management in OneWorld
- Intercompany Inventory Transfers - Non-Arm's Length
- Cost Estimate Types in NetSuite OneWorld

OneWorld CRM

NetSuite OneWorld lets you run your global sales force within a single NetSuite implementation.

Each customer, or other entity, is associated with a single subsidiary, letting you track forecasts and quotas on a subsidiary basis.

For more information on specific tasks, see the following:

- Consolidated Quotas and Forecasts in OneWorld
- Employee and Partner Commission in OneWorld
- Set Subsidiaries on Online Forms in OneWorld

Consolidated Quotas and Forecasts in OneWorld

With NetSuite OneWorld, you can track sales totals across subsidiaries, set quotas, and analyze the sales forecasts for your global organization.

Consolidated Quotas

When establishing a sales quota, you must select a subsidiary or a consolidated subsidiary. This subsidiary or consolidated subsidiary determines which sales count towards the quota.

To create a quota, go to Transactions > Quota/Forecast > Establish Quotas, and then select a sales rep. In the Subsidiary field, select the subsidiary or consolidated subsidiary on which you want to base the quota.

If you select a consolidated subsidiary, sales made for the parent subsidiary and all of its child subsidiaries count toward the quota. If you select a single subsidiary, only the sales made for that subsidiary count toward the quota.

Consolidated Sales Forecasting

When sales reps save their forecasts, they can choose the subsidiaries for which they are saving their forecasts.

When you select a subsidiary, the sales forecast represents the rep's forecast for the parent subsidiary and all of its child subsidiaries. The sales rep's quota for that subsidiary is shown in the Quota field.

Employee and Partner Commission in OneWorld

With NetSuite OneWorld, employees and partners can earn commission for sales made for any subsidiary.

Commission schedules have a subsidiary field. Commission plans can include any commission schedules, regardless of the subsidiary chosen on those schedules.

If you base a commission schedule on a quota, you must have a quota entered for the selected subsidiary.

Transactions made for the selected subsidiary, or for any child subsidiaries, are used to calculate commissions for sales reps assigned to the commission schedule. Commission schedule amounts are entered in the base currency of the selected subsidiary. NetSuite uses the consolidated exchange rates table to calculate values for transactions for other subsidiaries with different base currencies.

When employees or partners make sales for an unassigned subsidiary, NetSuite generates commission based on the following:

- You have a commission schedule in the currency of one subsidiary. A sales rep makes a sale for one of the child subsidiaries. NetSuite converts the commission calculation to the sales rep's currency through the consolidated exchange rate table.

- NetSuite performs the commission calculation based on the currency of the subsidiary assigned to the commission schedule. All values on reports and KPIs display the commission in that currency, regardless of the currency assigned to the partner or employee's subsidiary.

- The generated commission transaction is always in the base currency of the subsidiary assigned to the employee or partner (partner's vendor record). If necessary, NetSuite converts a commission for a schedule assigned to another subsidiary. NetSuite uses the exchange rates on the transaction to the currency of the employee or partner.

- After a commission is approved, the commission expense and payable impact the accounting books of the subsidiary assigned to the employee or partner. This impact is true even if the transaction that generated the commission is related to a subsidiary different from the employee or partner. It is also true if the commission schedule is assigned to another subsidiary.

Sales reps from different subsidiaries can be assigned to sales managers from the same or other subsidiaries. The sales for subordinate sales reps roll up to the sales manager. NetSuite uses the consolidated exchange rates between the subsidiaries for the period in which the sales transaction is booked.

For more information about employee and partner commissions in NetSuite OneWorld, see the following help topics:

- Commissions
- Partner Commissions & Royalties
- Consolidated Exchange Rates

Consolidated Exchange Rates With Commissions

When NetSuite converts commission amounts to the base currency of the employee or partner's subsidiary, it uses consolidated exchange rates. You can view consolidated exchange rates at Lists > Accounting > Consolidated Exchange Rates.

For example, if a company has the following subsidiary hierarchy:
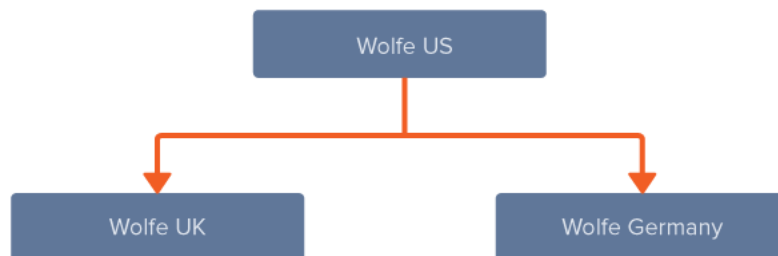
Three invoices qualify for commission:

Transaction	Subsidiary	Currency	Commission Amount
Invoice 1	U.S.	USD	$100

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Transaction	Subsidiary	Currency	Commission Amount
Invoice 2	U.K.	GBP	£100
Invoice 3	Germany	euro	€100

The estimated commission reports, commission plan, and commission transaction display the commission amounts converted to USD. This conversion is based on the consolidated exchange rates table for the period in which each transaction was booked:

| Amount	Exchange Rate	USD Amount
$100	U.S. to U.S.: 1	$100
£100	U.K. to U.S.: 2	$200
€100	EURO to U.S.:.5	$50

> **ⓘ Note:** NetSuite stores the exchange rates used for commission calculations. If the rate on the consolidated exchange rates table changes, the schedule must be recalculated to reflect the change.

A quota for a sales rep associated with the U.S. subsidiary would include sales made for the U.S. subsidiary and its child subsidiaries.

Quota-Based Commission Schedules in OneWorld

A quota-based schedule for a subsidiary that has child subsidiaries includes the transactions from those child subsidiaries in the quota amount used for commission.

For example, if your company has the following subsidiary hierarchy:
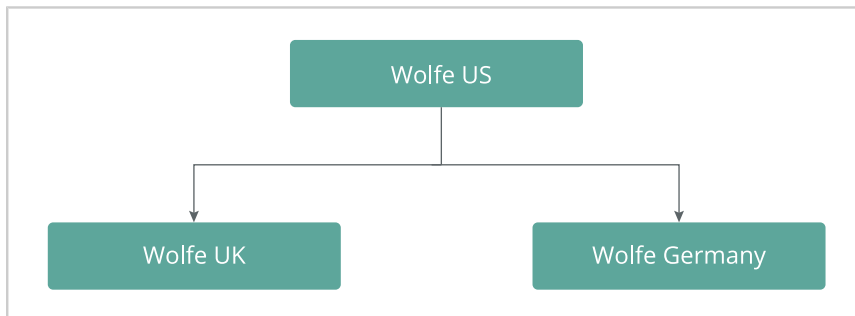
If you establish a quota for the U.S. parent subsidiary and for Wolfe U.K.:

- Sales made for the U.S., U.K., or Germany subsidiaries are included toward the U.S. quota.
- The U.K. quota would include only sales made on behalf of the U.K. subsidiary.

Following this example, a rep is assigned a commission plan with a schedule that is associated with the U.S. subsidiary. This schedule pays 10% of all sales exceeding quota.

The rep has a quota of $3000 for this period, and makes the following sales:

Transaction	Subsidiary	Currency	Amount	Rate	Amount in USD
Invoice 1	U.S.	USD	$1000	U.S. to U.S.: 1	$1000

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Transaction	Subsidiary	Currency	Amount	Rate	Amount in USD
Invoice 2	U.K.	GBP	£1000	U.K. to U.S.: 2	$2000
Invoice 3	CAN	CAD	$1000	CAN to U.S.: .5	$500

The rep exceeded quota by $500 and receives a commission payout equal to 10% of $500, or $50 USD.

> ⓘ **Note:** If changes are made to the consolidated exchange rates, the commission schedule must be recalculated.

Authorize Commissions in OneWorld

The Authorize Commission page has a subsidiary list that filters the display based on the subsidiary of the employee or partner.

The accounts you select on this page must be accessible to the selected subsidiary.

When you authorize commission in bulk, the currency rate used is the most recent transaction currency in the currency exchange rate table. For example, if a Canadian rep earns commission on a U.S. commission schedule, the schedule generates the commission transaction in U.S. dollars. This commission must be posted to the Canadian subsidiary's books in Canadian dollars. The rate used for this conversion is based on the rate stored in the consolidated exchange rate table.

The currency rates used during authorization are the most recent exchange rates in the currency exchange rate table. To view currency exchange rates, so to Lists > Accounting > Currency Exchange Rates.

The **By Transaction** and **By Period** subtabs on the individual commission pages include the following columns:

- **Currency** – This is the currency of the commission transaction. It is the same as the currency of the subsidiary assigned to the employee or partner.
- **Subsidiary** – This is the subsidiary to which NetSuite posts the commission transaction.
- **Exchange Rate** – This column appears only for partner commission. It determines the rate from the base currency of the subsidiary assigned to the partner to the partner's transaction currency.

  For example, you have a partner that is paid in Canadian dollars. The partner is assigned to a U.K. subsidiary that sells for a U.S. subsidiary. The commission schedule would be in U.S. dollars. The exchange rate on each line of the commission transaction would use a rate to convert the amount from USD to GBP. The exchange rate in the header would convert the amount from GBP to the partner's currency, CAD.

Set Subsidiaries on Online Forms in OneWorld

With NetSuite OneWorld, online forms include the Subsidiary field.

NetSuite always considers the Subsidiary field when determining if the records created by a form is a duplicate. You cannot clear the box in the Search column for this field. This field is also hidden by default.

If a customer fills out an online form and the information matches a customer record for another subsidiary, NetSuite creates a new record. A customer is considered a duplicate if there is a customer record with the same subsidiary as the one selected on the online form.

You can set the subsidiary on an online form in the following ways. If you use more than one method, subsidiary selection follows the order of precedence below:

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- Add the Subsidiary field to the form, and then allow those that fill out the form to select a subsidiary.

- Pass the subsidiary through the URL with the **&subsidiary** parameter. This parameter lets you hide the field on the form.

- Select the subsidiary included in the visitor ID of the person submitting the form. NetSuite tracks the visitor ID in the cookie issued when someone visits your website.

- Set the default subsidiary in the Default Subsidiary field on the Set Up Workflow subtab of the online form record.

If you use online customer forms to create contact records, NetSuite assigns the contact the subsidiary associated with the customer record.

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OneWorld and SuiteCommerce

When you use SuiteCommerce and NetSuite OneWorld, you can associate multiple subsidiaries to a Site Builder or to a SuiteCommerce Advanced website. In Site Builder each subsidiary has its own version or view of the website. Website visitors can choose the subsidiary site they want to view from a list displayed on the site. In SuiteCommerce Advanced, the subsidiary selected as the default is the one that shows on website. For more information, see the help topics SuiteCommerce and OneWorld and Site Builder and OneWorld.

Credit Card Gateways and Multiple Subsidiaries

You can associate a credit card processor with a subsidiary. When a shopper visits your web store, selects a subsidiary, and places an order, only that credit card processor is used. For example, the parent company Wolf Electronics US operates a website associated with subsidiaries in the UK and Japan. Each subsidiary uses a different payment gateway. On the Web Site Setup page, the Administrator or store manager can select a credit card processor for each subsidiary.

For more information about linking credit card gateways with subsidiaries for web orders, see the help topic Selecting a Credit Card Gateway for a Subsidiary Website.

For more information about setting up credit card processing gateways in NetSuite, see the help topic Setting Up Customer Credit Card Processing.

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