General Accounting

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NetSuite Accounting Overview

You can use NetSuite for accounting management. For information about how to use general accounting related features, see the following help topics:

- Using Accounting Features and Preferences
- Working with Currencies
- Working with the Chart of Accounts
- Working with Accounting Periods
- General Ledger Impact of Transactions
- Working with Journal Entries
- Working with Account Registers
- Working with Accounting Reports

> **Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

Using Accounting Features and Preferences

If you plan to use NetSuite for accounting management, your required setup tasks include the enabling of accounting features, setting of accounting preferences, and setup of accounting lists. You can make changes later to some of these features, preferences, and lists as your accounting management needs change. For more information, see the following help topics:

- Accounting-Related Features
- Setting Accounting Preferences
- Setting Up Accounting Lists
- Setting Up Employee Related Lists

> **ⓘ Note:** The Japan Edition of NetSuite includes additional accounting features to meet specialized Japanese business needs. For information, see the help topic Understanding Japan-Specific Features.

For information on using the SuiteGL features, see the help topic SuiteGL Features Overview.

Accounting-Related Features

The records and transactions available for use in your NetSuite account depend on the features that have been enabled. Features can be enabled and disabled at Setup > Company > Enable Features by the account administrator or by another user who has the Enable Features permission. After you have enabled features, you can set up related records that are prerequisites for managing accounting in NetSuite. For information about all of the features on the Enable Features page, see the help topic Enabling Features.

SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

The following sections describe accounting-related features that are not listed on the Accounting subtab on the Enable Features page. These sections are named for their respective subtab on the Enable Features page where they are displayed. For information about accounting features, see the help topic Accounting Features.

- Company
- Transactions
- Employees

Company

The following accounting-related features are available on the Company subtab of the Enable Features page.

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Field	Description
Multiple Currencies	Enables use of foreign currencies for sales and purchase transactions, and accounts for exchange rate fluctuations. This feature also authorizes you to do business with both customers and vendors who use multiple currencies in their business dealings with you. See Working with Currencies. After qualifying revaluation transactions, the system generates the Realized Gain/Loss, Unrealized Gain/Loss, Unrealized Matching Gain/Loss, Rounding Gain/Loss accounts. Depending on the year in which your NetSuite account was established, you may also have the Exchange Rate Variance account.
Currency Exchange Rate Integration	Automatically updates currency exchange rates by the specified provider one time each day. Agree to the Notice, as required. NetSuite stores the user id and time and date stamp of account changes in system notes. Click the Xignite or Thomson Reuters Forex Data link to go to their respective websites. To choose an exchange rate provider, method for obtaining exchange rates, and anchor currencies, go to Setup > Accounting > Preferences > Accounting Preferences > General subtab > Exchange Rate Integration. For more information, see Exchange Rate Integration. For more information about the Currency Exchange Rate Integration feature, see Using the Currency Exchange Rate Integration Feature.

Transactions

The following accounting-related features are available on the Transactions subtab of the Enable Features page.

Many of these features create system-generated accounts when enabled. These accounts are included in the descriptions. For a complete listing of system-generated accounts, see Feature-Specific, System-Generated Accounts.

Field	Description
Sales Orders	Enables tracking of customer orders and conversion into invoices and cash sales. See the help topic Sales Orders. Enabling this feature creates the system-generated Sales Orders account.
Return Authorizations	Enables tracking of customer returns. See the help topic Customer Return Management. Enabling this feature creates the system-generated Return Authorizations account.
Purchase Orders	Enables tracking of orders to vendors. See the help topic Purchase Orders. Enabling this feature creates the system-generated Purchase Orders account.
Vendor Return Authorizations	Enables tracking of returns to vendors. See the help topic Vendor Returns. Enabling this feature creates the system-generated Vendor Return Authorizations and Purchases Returned Not Credited accounts.
Advanced Billing	Enables invoicing of sales over time or to a contract term, based on defined schedules. See the help topic Project Billing.
Credit Card Payments	Enables receipt of customer credit card payments. See the help topic Customer Credit Card Processing Enabling both this feature and Customer Access creates the system-generated Unapproved Customer Payments account.
PayPal Integration	Enables receipt of PayPal payments from Web store customers. See the help topic PayPal Integration and Express Checkout.
Electronic Funds Transfer	Enables customer authorization of electronic funds transfers from their accounts to yours. See the help topic Electronic Funds Transfer (EFT). Enabling this feature creates the system-generated Failed ACH Transactions account.

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| ACH Vendor Payments | Enables authorization of electronic funds transfers from your accounts to vendors' accounts. See the help topic ACH Vendor Payments. |

Employees

The following accounting-related features are available on the Employees subtab of the Enable Features page.

Several of these features create system-generated accounts when enabled. These accounts are included in the descriptions. For a complete listing of system-generated accounts, see Feature-Specific, System-Generated Accounts.

Field	Description
Payroll	Enables processing of payroll and printing of paychecks. See the help topic Getting Started with NetSuite Payroll. Enabling this feature creates the system-generated Payroll Adjustments account.
Paycheck Journal	Enables integration with external payroll systems, the creation of custom payroll solutions with SuiteScript and web services, and tracking employees' payroll data through NetSuite. See the help topic Using the Paycheck Journal Feature.
Direct Deposit	Enables authorization of electronic funds transfers from your accounts to employees' accounts. See the help topic Direct Deposit. Enabling this feature creates the system-generated Failed ACH Transactions account.
Expense Reports	Enables tracking and billing of employee expenses. See the help topic Expense Reporting. Enabling this feature creates the system-generated Unapproved Expense Reports, Advances Paid, and Accounts Payable accounts.
Purchase Requests	Enables use of purchase requests to provide approval process for purchase orders. See the help topic Purchase Requests.
Employee Commissions	Enables the automation of employee compensation processes. See the help topic Commissions. Enabling this feature creates the system-generated Commissions Payable account.

Setting Accounting Preferences

NetSuite provides many accounting preferences that determine the flow of the accounting management user interface in your account. Preferences can be set at Setup > Accounting > Accounting Preferences, by a user who has the Set Up Accounting permission. These preferences should be defined when your account is first set up. You can change most of them at any time.

The accounting preferences that can be set depend upon the NetSuite product purchased and the features enabled for your account.

The following sections describe accounting preferences, grouped by the subtabs of the Accounting Preferences page where they are displayed:

- General Accounting Preferences
- Items/Transactions Accounting Preferences
- Order Management Accounting Preferences
- Projects Accounting Preferences
- Time & Expenses Accounting Preferences
- Approval Routing Accounting Preferences

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> ⚠️ **Important:** Click the Audit Trail link in this page header to review a list of changes to accounting preferences including the users who made the changes, dates of the changes, and preference values before and after changes. This list includes preferences that have been reset through scripting. See the help topic Auditing Account Preferences. Changes made to accounting preferences are captured in system notes. See the help topic Searching System Notes.

Invoicing, Inventory, and Finance Charge preferences also are available from additional menu options at Setup > Accounting. See the help topics Global Invoicing Preferences and Inventory Management Preferences.

General Accounting Preferences

The following types of preferences are available on the General subtab of the Accounting Preferences page:

- General Ledger
- Accounts Receivable
- Accounts Payable
- Classifications
- Revenue Recognition
- Classic Revenue Recognition Only
- Advanced Revenue Management Only
- Amortization
- OneWorld
- Budget
- Exchange Rate Integration

General Ledger

Field	Description
Use Account Numbers	Choose to see both account numbers and names for general ledger accounts in lists, your chart of accounts, and most financial reports. Clearing this box gives you shorter fields on reports and forms.
Use Legal Name in Account	Check this box to add the Legal Name field to the general ledger account record. This field is useful in countries where the legal name of an entity is required by law. When this preference is enabled, the Legal Name field can be added to financial reports where account is an available component. It is also available in advanced searches, SuiteScript, web services, CSV import, and ODBC. If you clear the Use Legal Name in Account box after using the Legal Name field, the field is no longer available through the user interface, SuiteScript, web services, CSV import, or ODBC. However, system notes maintains an audit trail specific to the activity on the Legal Name field. This box is clear by default.
Show All Transaction Types In Reconciliation	Check this box to display all transactions in the reconciliation pages, including positive or negative amounts of certain transaction types. When this preference is enabled, the Reconcile Bank Statement and Reconcile Credit Card Statement pages display: - Negative amount transactions that are a Check, Credit Card Refund, Bank Transfer, Cash Sale, or Bill Credit

Field	Description
	▪ Positive amount transactions that are a Deposit, Credit Card Charge, Bank Transfer, Liability Payment, Bill Payment, Sales Tax Payment, or Expense Report ⚠️ **Important:** To reconcile Custom transactions, check the Show All Transaction Types In Reconciliation box.
Expand Account Lists	Choose your setting for account lists. ▪ Clear this box to restrict lists to frequently use accounts. For example, income and expense accounts can be chosen on items to be resold, or expense accounts can be chosen on purchases. ⚠️ **Important:** To ensure that non-inventory data appears correctly in reports and registers, best practice is to associate non-inventory items with Income/Other Income accounts. ▪ Check this box to enable additional choices in account lists. For example, select Cost of Goods Sold and balance sheet accounts for items, or asset accounts for vendors.
Cash Basis Reporting	Check this box to set standard reports to be on a cash basis rather than accrual basis, for all reports that support this choice. This setting also determines the default for custom reports created from standard reports that support cash basis. You can modify this setting for an individual custom report by setting the Cash Basis option on the More Options page of the Report Builder or Financial Report Builder. For more information, including a list of reports where Cash Basis Reporting is available, see the help topic Setting Up Cash Basis Reporting.
Aging Reports Use	Click Due Date to age by the due date assigned for bills and invoices. Click Transaction Date to age by the date of the bill or invoice.
Void Transactions Using Reversing Journals	Enable this preference to create a reversing journal entry that voids checks and transactions on days or periods different from the original transaction date. When enabled, clicking the Void button on transactions creates a reversing journal entry.
Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period	When the Void Transactions Using Reversing Journals accounting preference is enabled, this accounting preference is available. Check this box to require NetSuite to use the date specified in a reversing foreign currency gain and loss variances on voided transactions. If this box is not checked, NetSuite uses the current date for variance and reversal lines, rather than the date of the reversing journal entry.
Use Journal Entry Summarization on Intercompany Elimination	This box is checked by default. When checked, similar elimination journal entries are grouped into a single, summarized journal entry. For information, see Summarized Intercompany Elimination Journal Entries. You can clear the box at any time to prevent NetSuite from grouping similar elimination journal entries.
Require Approvals on Journal Entries	Choose to require approval of journal entries entered by employees before they post to your general ledger. Employees with approval permission can mark their journal entries approved when entering them. ⓘ **Note:** If you edit a sales order when using a role with permission to approve sales orders, a sales order status is not set to the Pending Approval status. If you have enabled the **Journal Entries** approval routing preference and are using SuiteFlow for journal approval, this field does not display.
Allow User Events on Bulk Journal Approval	Choose to execute user events such as SuiteScript and SuiteFlow (Workflow) after bulk journal approval.

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Field	Description
Allow GL Custom Segment Deletion	Allow users with the Setup Accounting permission to delete custom segments. By default, this preference is not enabled. If this preference is not enabled, custom segments cannot be deleted, but they can be inactivated.
Enable Accounting Period Window	Automatically maintain a minimum number of unlocked current and future accounting periods. By default, this preference is not enabled. Use the Minimum Period Window Size preference to set the number of unlocked periods for the window. Enabling this feature also sets the Allow Transaction Date Outside of Posting Period preference to Disallow. You can reset the preference manually to Warn or Allow.
Minimum Period Window Size	Set the number of unlocked current and future accounting periods for the accounting period window. The window size must be at least 1, and the maximum is 1,000. NetSuite checks daily to verify that at least this number of current and future accounting periods are unlocked and automatically unlocks the next future period as needed. The query runs daily at 11 PM Auckland, New Zealand time zone (GMT +12).
Allow Transaction Date Outside of Posting Period	Set a preference for handling mismatched transaction entry. Select one of the following: ■ **Disallow** – When you choose this setting, users are not permitted to save a transaction unless the transaction date is within the date range for the posting period selected. ■ **Warn** – When you choose this setting, users are warned when a transaction date is not within the date range for the posting period selected. Users can click Ok on the warning and save the transaction. ■ **Allow** – When you choose this setting, users can enter a transaction even if the date is not within the date range for the posting period selected. No warning is given to the user before the transaction is saved.
GL Audit Numbering Method	Choose when the GL Audit Numbering task is available to be processed as part of closing a period. The GL Audit Numbering task can be performed only in the last month of the fiscal year, period, or quarter. When you run a GL audit numbering sequence by quarter or year, transactions in closed periods are also numbered. ⓘ **Note:** The GL Audit Numbering Method field is visible only when the GL Audit Numbering feature is enabled. You can enable GL Audit Numbering at Setup > Company > Enable Features > Accounting under Basic Features. The Accounting Periods feature is a requirement for using the GL Audit Numbering feature. ✖ **Warning:** Changing the GL Audit Numbering Method preference may cause previously numbered transactions to be assigned new numbers.
Default Posting Period When Transaction Date in Closed Period	Choose the period in which the system should post a backdated transaction from a closed period. ■ **Current Period** – When you choose this setting, backdated transactions from a closed accounting period are posted to the current period. This setting is the default. ■ **First Open Period** – When you choose this setting, backdated transactions from a closed accounting period are posted to the first open accounting period.
Create and Edit Inventory Transactions Dated in Closed Periods	Clear this box to prevent changes to transactions that would result in inventory costing calculations in closed periods. Changes are not allowed in closed periods for new transactions or changes in fields that trigger inventory costing calculations for an item, even without posting to the general ledger. Check this box to allow changes in closed periods for new transactions or changes in fields that trigger inventory costing calculations for an item.

Field	Description
	ⓘ **Note:** When this preference is enabled in NetSuite OneWorld, this global preference affects all subsidiaries.
	ⓘ **Note:** Even if you enable the preference and allow editing and creation transactions dated in a closed period, you may still see the following error that requires you to enter posting changes to an open period: "The transaction date is not within an open accounting period. One or more fields on this transaction can trigger inventory costing calculations in a closed period. Click OK, and then do one of the following: Change the transaction date to a date within an open accounting period if this is a new transaction. Cancel the edits that affect the general ledger if you are editing a previously entered transaction."
Allow Quick Close of Accounting Periods	Check this box to use the Quick Close feature. With one click, this feature enables you to mark complete, each task in the period close checklist for one or more open accounting periods. ⚠ **Important:** You must have both the Set Up Accounting and Period Closing Management permissions to check this box. You must have the Period Closing Management permissions to see this box.

Accounts Receivable

Field	Description
Accept Payments Through Top-Level Customer Only	Check this box if you want to apply payments, deposits, and credit only the through the top level customer in a customer-subcustomer hierarchy. Leave this box clear if you want to be able to apply payments, deposits, and credits to any open invoice entered for any customer or subcustomer in a customer hierarchy. This preference is available only if you have enabled the Consolidated Payments feature.
Show Only Open Transactions on Statements	Choose to view only open transactions when you view or print statements.
Customer Credit Limit Handling	Select your preferred handling method for when a customer exceeds their allowed credit limit: ▪ **Ignore** – Select this method to enter sales orders and invoices without a warning for a customer at or above their credit limit. ▪ **Warn Only** – Select this method to generate a warning when a sales order or invoice is entered that puts the customer at or above their credit limit. You can choose to enter or cancel the transaction after the warning has appeared. ▪ **Enforce Holds** – Select this method to block the entry of a sales order or invoice that puts the customer at or above their credit limit. This method also blocks the addition of items to existing orders for customers at or above their credit limit.

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Field	Description
	Note: This preference does not affect the entry of opportunities, estimates, or cash sales. The setting you choose applies to all employees unless you enable an override that permits individuals to set their own preference. To do so, an administrator must allow an override of the company setting at Setup > Company > General Preferences.
Open Transactions on Statements	Select your preferred handling method when you generate statements: ■ **Open Transactions by Today** – If you generate statements and check the Show Only Open Transactions box, only invoices with payment dates after the current date are included. ■ **Open Transactions by Statement Date** – If you generate statements and check the Show Only Open Transactions box, only transactions open by the statement date are included. The balance shown is as of the statement date.
Customer Credit Limit Includes Orders	Clear this box to include only billed orders when you make credit limit calculations. Check this box to include orders that are entered but not yet billed when you make credit limit calculations. This ensures that customers do not place orders over their credit limit. **Note:** Unbilled orders are included whether or not they are approved. Closed and canceled orders are not included in these calculations.
Days Overdue for Warning/Hold	Set this preference to manage customers that are delinquent in making payments. Define a grace period after the due date of invoices, after which, customers are unable to place new orders on terms until they have paid their overdue invoices. In this field, enter the number of days overdue at which you want to generate a warning.
Include Tax for Term Discounts	Check this box to include taxes for term discount calculations. (See example below.) For example, an invoice has terms of 1% Discount Net 30. If a customer pays within 30 days, they receive a 1% discount. ■ Total amount for items sold = $1,000 ■ Tax = 10% ($100) ■ Shipping= $100 ■ If the Include Tax for Term Discounts preference is on, the discount is 1% * $1,100. ■ If the Include Shipping for Term Discounts preference is on, the discount is 1% * $1,100. ■ If both preferences are **on** (Include Tax for Term Discounts and Include Shipping for Term Discounts), the discount is 1% * $1,200. ■ If both preferences are **off** (Include Tax for Term Discounts and Include Shipping for Term Discounts), the discount is 1% * $1,000.
Include Shipping for Term Discounts	Check this box to include shipping charges for term discount calculations.

Accounts Payable

Field	Description
Default Vendor Payments To Be Printed	Enable this preference to be able to check the Be Printed box by default when processing bill payments.
Vendor Credit Limit Warnings	Check this box to receive a warning when you exceed the credit limit for a vendor.

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Field	Description
	The setting you choose applies to all employees unless you enable an override that permits individuals to set their own preference. To do so, an administrator must allow an override of the company setting at Setup > Company > General Preferences.
Vendor Credit Limit Includes Orders	Clear this box to include only billed orders when you make vendor credit limit calculations. Check this box to include purchase orders that are entered but not yet billed when you make vendor credit limit calculations. This ensures that vendors do not have new orders entered over their credit limit. Unbilled orders are included whether or not they are approved. Closed and canceled orders are not included in these calculations.

Classifications

Field	Description
Make Departments (Divisions) Mandatory	Check this box to make the Department field required on records and transactions. If you enable the preference to make departments mandatory and use a form customized to display a department at both the header and line level, the selection is mandatory at both the header and line level.
Make Classes (Sales Channels) Mandatory	Check this box to make the Class field required on records and transactions. If you enable the preference to make classes mandatory and use a form customized to display a class at both the header and line level, the selection is mandatory at both the header and line level.
Make Locations (Warehouses) Mandatory	Check this box to make the Location field required on records and transactions. If you enable the preference to make locations mandatory and use a form customized to display a location at both the header and line level, the selection is mandatory at both the header and line level.
Allow Per-Line Departments (Divisions)	Clear this box to select a department in the header of a transaction. When this preference is disabled, the department chosen in the header applies to all line items on the transaction. Check this box to associate a department with individual line items on a transaction. When this preference is enabled, you can choose a different department for each line item on transactions. If you enable this preference, you can customize forms to select a department at both the header and line level at the same time. For more information, see the help topic Customizing Forms for Per-Line and Header Classifications.
Allow Per-Line Classes (Sales Channels)	Clear this box to select a class in the header of a transaction. When this preference is disabled, the class chosen in the header applies to all line items on the transaction. Check this box to associate a class with individual line items on a transaction. When this preference is enabled, you can choose a different class for each line item on transactions. If you enable this preference, you can customize forms to select a class at both the header and line level at the same time. For more information, see the help topic Customizing Forms for Per-Line and Header Classifications.
Allow Per-Line Locations (Warehouses)	Clear this box to select a location in the header of a transaction. When this preference is disabled, the location chosen in the header applies to all line items on the transaction. Check this box to associate a location with individual line items on a transaction. When this preference is enabled, you can choose a different location for each line item on transactions. If you enable this preference, you can customize forms to select a location at both the header and line level at the same time. For more information, see the help topic Customizing Forms for Per-Line and Header Classifications.

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Field	Description
	Note: If you use the Multi-Location Inventory feature, this preference is automatically enabled and does not display as an option on the Accounting Preferences page.
Always Allow Per-line Classifications on Journals	Check this box to enter line-item classes, departments, and locations on journal entries. For only journal entries, this preference overrides any other **Allow Per Line Class/Dept/Location** preferences you have set. If you enable this preference, you can customize journals to select a classification at both the header and line level at the same time. For more information, see the help topic Customizing Forms for Per-Line and Header Classifications.
Allow Non-balancing Classifications on Journal Entries	Check this box to prevent NetSuite from requiring journal entries to balance by department, class, or location. Clear this box to require that journal entries must always balance.
Allow Empty Classifications on Journals	Check this box if you want journal entries to override any other preferences set for mandatory classes, departments, and locations. You can then create a journal entry that has line-items without classes, departments, and locations, even if you require them on other forms. **Important:** If you have enabled the **Intercompany Time and Expense** feature to allow intercompany time and expense transactions, and you have made classes, departments, or locations mandatory, best practice is to enable the **Allow Empty Classifications on Journal** preference. For more information, see Enabling Intercompany Time and Expenses.

Revenue Recognition

Field	Description
Create Revenue Recognition Journals in GL	Provides a choice for posting revenue recognition journal entries: - **Detail** – A separate journal entry is created for each revenue recognition schedule. - **Summary** – Revenue recognition schedules are summarized for posting. The summaries are based on matching attributes. For details, see the help topic Using Summarized Revenue Recognition Journal Entries. When you use advanced revenue management, reclassification journal entries can also be summarized. For details, see the help topic Summarized Reclassification Journal Entries.
Default Revenue Recognition Journal Date to	Choose to set the default transaction date of revenue recognition journal entries when you open the Create Revenue Recognition Journal Entries page. Select one of the following: - **Last Day of Period** – The date defaults to the last day of the period you select in the Posting period field. - **Current Date** – The date defaults to the current date.
Default Deferred Revenue Reclassification Account	Select the deferred revenue account to use by default for revenue reclassification between deferred revenue and unbilled receivable accounts. NetSuite requires a default account to avoid errors in the month-end reclassification process. When the Advanced Revenue Management feature is enabled, this preference is not required if the Unbilled Receivable Adjustment Journal Grouping preference is set to Element. You can also set a reclassification account in the Financial subtab of the customer record. The account set on the customer record overrides the system default.

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Field	Description
	When you use the Revenue Commitment feature, you can also set the reclassification account on sales orders.
Use System Percentage of Completion For Schedules	This preference is available with the Advanced Revenue Management feature only when the Revenue Recognition or Amortization feature is also enabled. Check this box to permit NetSuite to determine the percentage of a project that has been completed automatically, based on time logged against the project. This requires that there is no entry in the Percent Complete field of the project record. Clear this box to disable this preference. When the box is clear, the percentage of project completion must be entered manually on project records in the Percent Complete field. Manual entry is required even if the system has calculated amount in the Percent Time Complete field.

Classic Revenue Recognition Only

Field	Description
Default Foreign Currency Adjustment Revenue Account	The default revenue account to post foreign currency adjustments that result when exchange rates are different for billing and revenue postings. You must select an income account. This account appears on customer records and on sales orders for the customer. You can override this default on the customer record or on a sales order.
Allow Users to Modify Revenue Recognition Schedule	Enable this preference to allow changes to be made to existing revenue recognition schedules. You can change the revenue recognition amount on a schedule only by changing the schedule to generate the new amount. The schedule amount must always equal the line amount. Only amounts that have not yet been recognized can be changed. To prevent revenue recognition schedules from being changed after they are created, disable this preference.
Allow Users to Modify VSOE Values on Transactions	Check this box to permit changes to VSOE prices on sales transactions. Only amounts that have not yet been recognized can be changed. Also, the delivery status of an item can be changed until the item's revenue is recognized, regardless of this preference.
Prorate Revenue Recognition Dates For Partially Billed Sales Orders	This preference applies only to revenue recognition schedules that have Rev Rec Date Specified on Sales Order as the Term Source. The preference affects only the revenue recognition start and end dates for the invoices. Amounts and periods on the revenue recognition schedules are not affected. When the box is checked, the revenue recognition start and end dates for invoices divide the period established by the sales order revenue recognition start and end dates proportionally for each partial invoice. This is the default. When the box is cleared, the revenue recognition start and end dates for each invoice are the same as the start and end dates on the sales order.
Adv. Billing: Use Sales Order Amount	Set this preference to determine the source of the revenue amount when billing schedules and variable revenue recognition schedules are used. ■ Check this box to recognize revenue based on the percent complete in relation to the sales order. For example, if the sales order amount is $1,000, the invoice amount is $500 and the project is 50% complete, then 50% of the sales order amount is recognized ($500). ■ Clear this box to recognize revenue based on the invoice amount. For example, if the sales order amount is $1,000, the invoice amount is $500 and the project is 50% complete, then 50% of the invoice amount is recognized ($250).
Allow Revenue Commitments in Advance of Fulfillment	Check this box to permit the full recognition of revenue with revenue commitments before the completed delivery of products or services on the sales order. This preference provides similar capability to the Invoice in Advance of Fulfillment preference, see Invoicing on the Order Management tab.

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Field	Description
	Clearing the check box for this preference restricts revenue recognition with a revenue commitment to the fulfilled items on a sales order.
Allow Revenue Commitment Reversals In Advance of Item Receipt	Check this box to permit the full reversal of revenue previously recognized on a revenue commitment, before the receipt of products on the return authorization and their return to inventory. This preference provides similar capability to the Refund in Advance of Return preference, see Returns on the Order Management tab. Clearing the box for this preference restricts the reversal of revenue previously recognized on a revenue commitment, to the items received against a return authorization and returned to inventory.

Advanced Revenue Management Only

Field	Description
Revenue Arrangement Update Frequency	Select how revenue arrangements are synchronized with sales transactions. ■ When the **Manual** option is selected, go to Financial > Other Transactions > Update Revenue Arrangements and Revenue Recognition Plans, and click **Update Revenue Arrangements** to update revenue arrangements. For additional information, see the help topic Updating Revenue Arrangements. ■ When you select **Automatic**, the system updates revenue arrangements every 3 hours.
Revenue Plan Update Frequency	Select how revenue recognition plans are synchronized with revenue arrangements. ■ When the **Manual** option is selected, you must click **Update Revenue Plans** on the revenue arrangement record or go to Financial > Other Transactions > Update Revenue Arrangements and Revenue Recognition Plans, and click **Update Revenue Plans** to update multiple revenue recognition plans. For additional information, see the help topic Updating Revenue Recognition Plans. In NetSuite OneWorld, the subsidiary access of the logged in user determines which revenue elements have their plans updated. ■ When you select **Automatic**, the system updates revenue plans every 3 hours. When revenue recognition plans are updated automatically, administrator permissions are used and all plans are updated regardless of subsidiary restrictions in NetSuite OneWorld.
Allow Gaps in Revenue Recognition Record Numbers	Check the box to permit gaps in record numbering for revenue elements and revenue recognition plans. Allowing gaps streamlines the process when executing large numbers of records. The box is automatically checked for new NetSuite implementations. If you clear the box, gaps in the record numbers occur only when revenue elements or revenue recognition plans are deleted.
Default Revenue Arrangement Form	Select the system form to use for revenue arrangements. The options are Standard Revenue Arrangement plus any custom forms created during implementation.
Default Revenue Recognition Journal Entry Form	Select the journal entry form to use for revenue recognition journal entries. The options are Standard Journal Entry plus any custom journal entry forms created during implementation.
Default Reclassification Journal Entry Form	Select the journal entry form to use for deferred revenue reclassification journal entries. The options are Standard Journal Entry plus any custom journal entry forms created during implementation.
Default Deferred Cost Journal Entry Form	Select the journal entry form to use for the deferred cost journal entry. The options are the Standard Journal Entry plus any custom journal entry forms created during implementation.

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Field	Description
Default Standard Revenue Recognition Rule	Select the revenue recognition rule to use by default for items.
Default Catch Up Period	Select the catch up period to use by default when an actual revenue plan that has been on hold resumes. The options are as follows: ■ **Blank** – You must set the **Catch Up Period** on the revenue plan. ■ **Current Period** – This is the default. ■ **First Open Period** – The accounts receivable lock determines whether a period is closed.
Default Reforecast Method	Select the Reforecast Method to use by default for revenue forecast rules. If you select Manual, the Recalculation Adjustment Period Offset field is required on revenue forecast rules unless you select a different option when you create the rule. For information about the Recalculation Adjustment Period Offset field, see the help topic Reforecast Method.
Enable Fair Value Range Checking	Check this box to add the Fair Value Range Checking Policy dropdown list and its dependent fields to the fair value price record. The Fair Value Range Checking Policy is also added to the item revenue category record. This preference is checked by default. For more information, see the help topic Creating the Fair Value Price List.
Use Sales Price as Fair Value	When this box is checked, if a matching record is not found in the fair value price list, the allocation uses the sales price as the fair value. When the sales price is used as the fair value, the value of Is VSOE defaults to Yes in the revenue element. If the box is not checked, you receive an error message and must either define the fair value for the item or check the box for this preference.
Use Transaction Date as Revenue Arrangement Date	Check this box to use the source transaction date as the date for the revenue arrangement. When a project is attached to a source line item, the source transaction date is used, not the project date. If the source date is updated after the revenue arrangement is created, the revenue arrangement date **does not** change. The following source transactions are supported for this preference: ■ Sales order ■ Return authorization ■ Sales invoice ■ Credit memo ■ Cash sale ■ Cash refund ■ Journal entry ■ Intercompany journal entry Clear this box to use the system date when the revenue arrangement is created as the revenue arrangement date. This box is clear by default.
Use Subscription Billing Date as Revenue Arrangement Date	Check this box to use the Start Date in the subscription record header as the date for the revenue arrangement. If the subscription date is updated after the revenue arrangement is created, the revenue arrangement date **does not** change. Clear this box to use the system date when the revenue arrangement is created as the revenue arrangement date. This box is clear by default. This preference is available only when the SuiteBilling feature is also enabled.
Use Project Date as Revenue Arrangement Date	Check this box to use the source project date as the date for the revenue arrangement. This date is the Start Date in the Project Dates section of the project record. If the project date is updated after the revenue arrangement is created, the revenue arrangement date **does not** change. This preference applies to project revenue recognition configured

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Field	Description
	for charge-based project billing, not to projects attached to transaction line items. For more information, see the help topic Project Revenue Recognition. Clear this box to use the system date when the revenue arrangement is created as the revenue arrangement date. This box is clear by default. This preference is available only when the Project Management feature is also enabled.
Require Invoice Approval When Revenue Plans Are Created on Billing	This preference applies only to revenue recognition plans that are created when the Create Revenue Plans On field is set to Billing. Check this box if you use invoice approval routing and do not want revenue recognition plans to be created unless the invoice is approved. Clear the box is you want plans to be created when the invoice is created, regardless of the invoice approval status. When you save your accounting preferences after turning this preference on or off, the evaluation and any revenue plan updates occur in the background. If you have a high number of unapproved invoices when you change the preference, the processing could be slow.
Unbilled Receivable Adjustment Journal Grouping	Select the grouping for reclassification of unbilled receivables. The options are as follows: ■ **Element** – The unbilled receivable adjustment is calculated for each revenue element. This is the default. ■ **Arrangement** – The unbilled receivable adjustment is calculated for the revenue arrangement as a whole. Arrangement level adjustments to deferred revenue are posted to the deferred revenue account specified by the accounting preference Default Deferred Revenue Reclassification Account. ■ **Sub-Arrangement Group** – The unbilled receivable adjustment is calculated for a group of revenue elements in an arrangement. The group is identified by the value of the Unbilled Receivable Group field on the revenue element. Revenue elements within the arrangement that have the same unbilled receivable group value are calculated together. For details, see the help topic Groupings for Unbilled Receivable Adjustment Journal Entries. This preference is book specific. When multi-book accounting is enabled, the preference appears on the accounting book record.
Unbilled Contract Asset Account	Select the account to use for the unbilled receivable adjustment during reclassification. The default is the system unbilled receivable account. You may select any account with an account type of other asset or other current asset.
Enable Contingent Revenue Handling	Check this box to enable contingent revenue handling. When enabled, fields are added to item records and revenue elements for contingent revenue. For more information, see the help topic Contingent Revenue Handling. This is a book-level preference. When multi-book accounting is enabled, this preference appears on the accounting book record, not on the Accounting Preferences page.
Create and Maintain Revenue Element upon Closed Order	This preference is checked by default. When you close a sales order or a line on an order after the revenue element has been created, NetSuite does not update the revenue element. You must create a journal entry to correct the deferred revenue. Clear this box to enable revenue element updates for closed sales orders. In multi-element arrangements, the revenue is reallocated as necessary with the update.
Number of Short-Term Revenue Periods	Enter the number of short-term revenue periods to include in the Deferred Revenue Waterfall report. Integers from 0 through 52 inclusive are valid values. The default is 12. Adjustment periods are included in the period count.
Enable Advanced Cost Amortization	Check this box to enable the accrual and amortization of eligible sales costs associated with the contract. When the box is checked, you record eligible sales costs on the revenue arrangement and revenue elements. Amortization of these costs is tracked on the revenue recognition plan. For more information, see the help topic Advanced Cost Amortization.

Field	Description
Contract Acquisition Expense Account	This list is available only when the Enable Advanced Cost Amortization box is checked. Select the account to use for the default contract acquisition expense in revenue arrangements.
Contract Acquisition Deferred Expense Account	This list is available only when the Enable Advanced Cost Amortization box is checked. Select the account to use for the default contract acquisition deferred expense in revenue arrangements.
Contract Acquisition Expense Source Account	This list is available only when the Enable Advanced Cost Amortization box is checked. Select the account to use for the default contract acquisition expense source in revenue arrangements. When a value for this account appears in a revenue arrangement, the deferred cost journal entry credits this account instead of the Contract Acquisition Expense Account.

Amortization

Field	Description
Allow Users to Modify Amortization Schedule	Check this box to be able to change the amortization schedule after it is initially created. The schedule amount must always equal the line amount. **Note:** The schedule amount must always equal the line amount.
Allow Foreign Currency Amortization Schedules	(Available only in NetSuite U.K. editions) Check this box to be able to create amortization schedules using the foreign currency amounts instead of base currency amounts. For information about foreign currency amortization, see the help topic Foreign Currency Amortization Overview.
Default Amortization Journal Date to	Select the default transaction date of amortization journal entries when you open the Create Amortization Journal Entries page. The options are as follows: ■ **Last Day of Period** – The date defaults to the last day of the period you select in the Posting period field. ■ **Current Date** – The date defaults to the current date.
Default Amortization Journal Entry Form	Select the journal entry form to use for amortization journal entries. The options are Standard Journal Entry plus any custom journal entry forms created during implementation.
Number of Short-Term Expense Periods	Enter the number of short-term expense periods to include in the Deferred Expense Waterfall report. Integers from 0 through 52 inclusive are valid values. The default is 12.

OneWorld

The following preferences are available when the Intercompany Time and Expense feature is enabled:

Field	Description
Intercompany Time	Can be set to **Allow** (default) to permit time transactions where the employee and customer have different subsidiaries. Can be set to **Disallow** to prohibit these transactions.
Intercompany Expenses	Can be set to **Allow** (default) to permit expenses transactions where the employee and customer have different subsidiaries. Can be set to

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Field	Description
	Disallow to prohibit these transactions. Can be set to **Allow and Adjust** to enable automated intercompany adjustments.

Budget

Field	Description
Enable Budget with Elimination Subsidiaries	Check this box to be able to create budgets for elimination subsidiaries.

Exchange Rate Integration

Field	Description
Rate Provider	Choose the integrated foreign exchange rate provider for this NetSuite account. The default provider is Xignite. If you choose Thomson Reuters, the Thomson Reuters trademark notice appears. ⚠️ **Important:** If you are currently using Xignite as your exchange rate provider and you change your provider to Thomson Reuters, you must re-agree to the Notice at Setup > Company > Enable Features > Company subtab. For more information about the Currency Exchange Rate Integration feature, see Using the Currency Exchange Rate Integration Feature.
Use Triangulation Calculation by NetSuite	Check this box to permit NetSuite to use cross currency triangulation to calculate the exchange rate for a transaction where the two home currencies are not available from the selected rate provider. When you check this box, three anchor currency fields appear in which you can specify intermediate currencies to be used in the triangulated calculation. See the following field description for additional details. For details about cross currency triangulation and how it works, see Triangulation Calculation. ⚠️ **Important:** Agree to the Notice, as required. NetSuite stores the user id and time and date stamp of account changes in system notes. If you **do not** want to agree to the Notice, click I Disagree. The Currency Exchange Rate Integration feature provides only those rates received directly from the specified rate provider. For more information on methods for obtaining exchange rates, see Methods for Obtaining Exchange Rates.
Primary Anchor Currency Secondary Anchor Currency Tertiary Anchor Currency	When you check the Use Triangulation Calculation by NetSuite box and agree to the Notice, three anchor currency fields appear. Use these fields to specify one, two, or three intermediate currencies for use in the triangulation calculation. When the two home currencies in a transaction are not available from the selected rate provider, anchor currencies, or intermediate currencies, are used to convert the source currency into the target currency. For example, CountryA wants to purchase items from CountryZ. CurrencyA and CurrencyZ are not available as standard currency pairs from the selected rate provider. However, both CurrencyA and CurrencyZ are available as standard pairs with CurrencyW. If you designate CurrencyW as your primary anchor currency, NetSuite sends a rate request to your provider for the pairs: CurrencyA/CurrencyW and CurrencyW/CurrencyZ. After NetSuite receives the exchange rates, cross currency triangulation produces the exchange rate to be used on the transaction between CountryA and CountryZ. When you designate three anchor currencies, you are instructing NetSuite to make three separate attempts to find exchange rates for currency pairs. For example, if the primary anchor currency is not available as a standard pair from the selected rate provider, NetSuite makes a second attempt to obtain exchange rates between the two home currencies and the

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Field	Description
	secondary anchor currency. If there are no standard pairs using the second anchor currency, NetSuite makes a third attempt to obtain exchange rates using the tertiary anchor currency. You can specify any ISO standard currency as an anchor currency. When you choose a currency in one list, that currency is unavailable in the other two lists. If you do not choose an anchor currency, NetSuite provides only direct and inverse exchange rates. For information about direct and inverse exchange rates, see Methods for Obtaining Exchange Rates. For more information about anchor currencies, see Anchor Currencies.

Items/Transactions Accounting Preferences

The following types of preferences are available on the Items/Transactions subtab of the Accounting Preferences page:

- Accounts
- Sales and Pricing
- Charge-Based Billing
- Inventory
- Payment Processing
- Other Transaction Preferences
- Other Item Preferences

Accounts

Field	Description
Purchase Discount Account	Choose a default expense account for purchase discounts.
Sales Discount Account	Choose a default expense account for sales discounts.
Default Expense Account	Choose your default expense account for non-inventory, service, and other charge items. Employees with permission can change the account on individual item records.
Default Intercompany Expense Account	Select the intercompany expense account you prefer to use by default. You can use NetSuite OneWorld intercompany accounts to record and post intercompany purchase and sale transactions across subsidiaries, making it less cumbersome to distinctly track from other existing profit and loss accounts. Financial consolidations can automatically eliminate these intercompany accounts, enabling the values to negate each other at related nodes.
Default Income Account	Choose your default income account for inventory, non-inventory, service, and other charge items. Employees with permission can change the account on individual item records. For more information, see the help topic Permissions Documentation.
Default Intercompany Income Account	Select the intercompany income account you prefer to use by default. You can use NetSuite OneWorld intercompany accounts to record and post intercompany purchase and sale transactions across subsidiaries, making it less cumbersome to distinctly track from other existing profit and loss accounts. Financial consolidations can automatically eliminate these intercompany accounts, enabling the values to "wash each other out" at related nodes.
Default Receivables Account	Choose the A/R account you want selected by default on receivables transactions. You can set a default A/R account on customer records by editing the record, clicking the Financial subtab, and selecting an A/R account in the Default Receivables Account field.
Default Intercompany	Select the intercompany receivables account you prefer to use by default. You can use NetSuite OneWorld intercompany accounts to record and post intercompany purchase and sale transactions across subsidiaries, making it less cumbersome to distinctly track

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Field	Description
Receivables Account	from other existing profit and loss accounts. Financial consolidations can automatically eliminate these intercompany accounts, enabling the values to "wash each other out" at related nodes.
Default COGS Account	Choose your default Cost Of Goods Sold (COGS) account for inventory, non-inventory, service, and other charge items. Employees with permission can change the account on individual item records.
Default Intercompany COGS Account	Select the intercompany Cost Of Goods Sold (COGS) account you prefer to use by default. You can use NetSuite OneWorld intercompany accounts to record and post intercompany purchase and sale transactions across subsidiaries, making it less cumbersome to distinctly track from other existing profit and loss accounts. Financial consolidations can automatically eliminate these intercompany accounts, enabling the values to "wash each other out" at related nodes.
Default Asset Account	Choose your default asset account for inventory items. Employees with permission can change the account on individual item records.
Default Payment Account	Choose a default bank account to appear in the Deposit To field on cash sales and customer payments.
Default Gain/Loss Account	When the Use Item Cost as Transfer Cost preference is disabled, the transfer price on a transfer order is used as the item cost on the item receipt. Any difference between the actual cost and the transfer price posts to a Gain/Loss account when the item is shipped. In this field, select the default Gain/Loss account to use for posting transfer cost discrepancies. This account autofills the Gain/Loss Account field on item records you create. The account you select must be different from the Asset or Cost of Goods Sold (COGS) account for the item. You can choose an Income account, Other Income account, Expense account, or Other Expense account. **Note:** If you have enabled the Expand Account Lists preference, you can choose any account in this field. If you leave this field blank or select Use Income Account, the income account for the item is used.
Default Bill Quantity Variance Account	Select the default account for posting variances in billing quantities associated with this item. These variances occur when there is a difference in the quantity of an item showing on the receipt and the quantity of an item showing on the bill. The account you select defaults to show in the Bill Quantity Variance Account field on item records you create. **Note:** After you select a variance account in this field, you can select another account at a later date if a change is necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.
Default Bill Price Variance Account	Select the default account for posting variances in billing prices associated with this item. These variances occur when there is a difference in the price of an item showing on the purchase order and the price of an item showing on the bill. The account you select defaults to show in the Bill Price Variance Account field on item records you create. **Note:** After you select a variance account in this field, you can select another account at a later date if a change is necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.
Default Bill Exchange Rate Variance Account	Select the default account for posting variances in exchange rates associated with this item. These variances occur when there are exchange rate differences between the receipt and the bill for an item. The account you select defaults to show in the Bill Price Variance Account field on item records you create.

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Field	Description
	Note: After you select a variance account in this field, you can select another account at a later date if a change is necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.
Default Unbuild Variance	Select a default account for posting variances that result from unbuilding an assembly item. The account you select shows by default in the Unbuild Variance Account field on item records. If the Unbuild Variance Account field is left blank on item record, variance amounts for the item post to the Cost of Goods Sold (COGS) account. **Note:** In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.
Default Production Quantity Variance Account	Select a default account for posting production quantity variances for items using standard costing. The account you select here shows by default in the Production Quantity Variance Account field on item records. **Note:** In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.
Default Production Price Variance Account	Select a default account for posting production price variances for items using standard costing. The account you select here shows by default in the Production Price Variance Account field on item records. **Note:** In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.
Default Purchase Price Variance Account	Select a default account for posting purchase price variances for items using standard costing. The account you select here shows by default in the Purchase Price Variance Account field on item records. **Note:** In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.
Default Inventory Cost Revaluation Account	Select a default account for posting variances that result from standard costing inventory revaluation transactions. The account you select here shows by default in the Adjustment Account field on inventory revaluations. **Note:** In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.
Default Inventory Count Account	Choose the default account to display in the Inventory Count Account field on item records. This account is used to post inventory count variances. This is typically an expense account.
Default WIP Cost Variance Account	Choose a default expense account for cost or average cost assemblies when the reconciliation amount cannot be returned to the asset account because the amount has been shipped. The account you select displays by default in the WIP Cost Variance Account field on assembly item records.
Default Scrap Account	Choose a default expense account for scrapping that occurs during the work order completion. The account you select displays by default in the Scrap Account field on assembly item records.
Default WIP Account	Choose a default asset account used when a work order component issue is entered. The account you select displays by default in the WIP Account field on assembly item records.

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Field	Description
Anyone Can Set Item Accounts	Choose to permit any employee with access to item records to choose accounts on item records. For example, when you check this box, any employee with access can set expense, asset, income, and Cost Of Goods Sold (COGS) accounts on item records.
Default Project Cost Variance Account	Choose a default account used when posting project time for job costing.
Default Deferred Revenue Account	Select the deferred revenue account to use by default for sales transactions. This account appears by default on item records. The default option is the system-generated Deferred Revenue account. This preference is available only when advanced revenue management is enabled.
Default Intercompany Deferred Revenue Account	Select the account to use as the default value for the Intercompany Deferred Revenue Account on item records. The intercompany account is used to record transactions between subsidiaries in NetSuite OneWorld. To eliminate intercompany transactions correctly, you must select an account that has the box checked for Eliminate Intercompany Transactions. This preference is available only when automated intercompany management is also enabled. For more information, see Intercompany Accounts.
Default ICJE Auto Balance Receivables Account	Select the account for the Auto Balance button to use as the default value for the Receivables Account on Intercompany Journal Entries. Accounts available for selection are of account type Accounts Receivable or Other Current Asset with the Eliminate Intercompany Transactions box checked. For more information, see Advanced Intercompany Journal Entries.
Default ICJE Auto Balance Payables Account	Select the account for the Auto Balance button to use as the default value for the Payables Account on Intercompany Journal Entries. Accounts available for selection are of account type Accounts Payable or Other Current Liability with the Eliminate Intercompany Transactions box checked. For more information, see Advanced Intercompany Journal Entries.

Sales and Pricing

Field	Description
Consolidate Projects on Sales Transactions	Check this box to consolidate projects on customer invoices. You can create invoices for one customer including multiple projects. You are no longer able to issue invoices to a specific project. Instead, you issue the invoices to the customer.
Default Estimate Expiration (in days)	Enter the default number of days before you want quotes to expire.
Maximum # of Quantity-based Price Levels	Enter a number to set a limit for the most price levels allowed to be assigned to an item when using Quantity Pricing.
Allow Quantity Discounts per Price Level on Schedules	Check this box to enter different quantity discounts for each price level on quantity pricing schedules.
Include Reimbursements in Sales and Forecast Reports	Choose to include billable expenses in sales and forecast reports. If this preference is enabled, transactions that affect expense accounts are included in sales and forecast reports.
Include Shipping in Sales and Forecast Reports	Choose to include shipping charge amounts in sales and forecast reports. If this preference is enabled, report calculations include shipping charges.
Transaction Types to Exclude From Sales and Forecast Reports	Select the transactions you do not want to include in forecast report calculations. Select multiple transaction types by pressing and holding CTRL as you make your selections.

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Field	Description
Transaction Types to Exclude From Sales Reports	Select the transactions you do not want to include on sales report calculations. Select multiple transaction types by pressing and holding CTRL as you make your selections.

Charge-Based Billing

Field	Description
Default Fixed Date Charge Rule Stage	Select the default stage for fixed date charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.
Default Milestone Charge Rule Stage	Select the default stage for milestone charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.
Default Project Progress Charge Rule Stage	Select the default stage for project progress charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.
Default Time-Based Charge Rule Stage	Select the default stage for time-based charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.
Consider Charges in "Hold" State as Revenue	If you use Project Revenue Recognition, check this box to allow generated charges in the Hold state to be recognized according to established project revenue recognition rules.

Inventory

Field	Description
Scan Individual Items	Set your bar code scanning preference. ■ Check this box to individually scan the bar code for each item when fulfilling or receiving orders. For example, when you fulfill an order for 3 each of item XY123, scanning one bar code of item XY123 sets the fulfillment quantity to ONE. Then, you must scan the bar code of each of the remaining items to fulfill all three. ■ Clear this box to scan an item bar code one time and set the fulfillment/receipt quantity to the total amount of the item on the order. For example, when you fulfill an order for 3 each of item XY123, scanning one bar code of item XY123 sets the fulfillment quantity to THREE.
Centralize Purchasing in a Single Location	Check this box to consolidate inventory purchasing into one location, if you handle inventory in several locations. When this preference is enabled, you can order and receive all inventory in only one location and then transfer it to your other locations. For information about creating purchase orders, see the help topic Purchase Orders. For information about moving inventory to different locations after receipt, see the help topic Distributing Inventory.
Days Before Lot Expiration Warning	Enter the number of days in advance of a lot item's expiration that you would like to receive a warning. Then, you receive a warning when you sell a lot item that is close to its expiration date.

Field	Description
Require Bins on All Transactions Except Item Receipts	When enabled, any created transaction that changes inventory levels and includes an item that uses bins requires you to select a bin for the item to save the transaction. If there is no bin field on a transaction such as sales orders and purchase orders, bins are not required. Note that Item Receipts do not require a bin selection, even with this preference enabled. Disable this preference to permit transactions to be created that include items with no bin selected. Note that even with this preference disabled, NetSuite always requires bins on transactions where an item quantity is reduced such as on cash sales, item fulfillments, or negative inventory adjustments. Bins are not required on transactions where an item quantity is increased such as purchases and positive inventory adjustments.
Use Preferred Bin on Item Receipts	When you enable this preference, the Bin field on item receipts defaults to the preferred bin instead of leaving the field blank. Disable this preference if you prefer the Bin field to remain blank by default.
Include Landed Cost in Last Purchase Price	Enable this preference to always include the landed cost amount for the last purchase price. ▪ Item costs displayed on item records include landed cost. ▪ Gross Profit transactions apply the last purchase price including landed cost. ▪ Purchase orders and other transactions default to use the last purchase price including landed cost when no default purchase price is found. Disable this preference to always exclude the landed cost from the last purchase price amount. ▪ Item costs displayed on item records do not include landed cost. ▪ Gross Profit transactions apply the last purchase price excluding landed cost. ▪ Purchase orders and other transactions default to use the last purchase price excluding landed cost when no default purchase price is found.

Cost Accounting

Field	Description
Inventory Costing Method	Choose your inventory costing from Average, Group Average, First In First Out (FIFO), or Last In First Out (LIFO). The costing method you choose determines how you manage the costs associated with buying the same items at different purchase prices over a specified time period. For details about costing methods, read the help topic Costing Methods.
Default Cost Category	Select a default cost category to associate with new item records you create. The account you select displays by default in the Cost Category field on item records. View existing cost categories at Setup > Accounting > Accounting Lists > Cost Category.
Average Cost Completion Unit Cost	Select one of the following: ▪ **Average Cost** – Select this cost calculation method to see deviations between the cost of component consumption and the average cost of assemblies. If these variances are valid, they are incorporated into the assembly cost using the Inventory Adjustment Worksheet. ▪ **Open WIP Amount** – Select this cost calculation method for calculating the completion cost based on the Open WIP amount.
Include In-Transit Value in Group Average Cost Calculations	When you use the Multi-Location Inventory feature with the Group Average Costing feature, you can choose to include the account values for group average cost items that are in transit between locations. This allows in-transit inventory accounts to be balanced during the bulk process. Enabling this preference helps produce more accurate costing calculations and financial statement reporting by ensuring the group average cost reflects the assets of both on-hand and in-transit inventory accounts.

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Field	Description
	■ Clear this box to exclude the asset values of in-transit inventory accounts during the Balance Location Costing ■ Check this box to include the asset values of in-transit inventory accounts during the Balance Location Costing Group Accounts bulk process. Note the following when this preference is enabled: ■ When this preference is enabled, the Create and Edit Inventory Transactions Dated in Closed Periods preference must be disabled. ■ Transfer Orders and Intercompany Transfer Orders are required to enable the Use Item Cost as Transfer Cost preference. For details about this preference, read the help topic Transfer Order Preferences. ■ Items set to use the Group Average costing method are not allowed to be added to intercompany purchases or sales. To transfer items between subsidiaries, they must be moved using an intercompany transfer order. ■ Transfer Orders and Intercompany Transfer Orders cannot include both items that use Standard costing and items that use Group Average costing. ⓘ **Note:** NetSuite recommends that if you plan to enable the Include In-Transit in Group Average Cost Calculations preference, you should do so immediately after enabling the Group Average Costing feature. The setting for this preference cannot be changed after any item with a Group Average costing method has had costing calculations run.

Payment Processing

Field	Description
Customers Can Pay Online	Check this box to permit your customers to pay their invoices online. Online payments require you to have a merchant account with the ability to accept credit card payments. NetSuite offers merchant account services, or you can use your own. To use NetSuite's merchant account services, go to Setup > Accounting > Payment Processing Profiles.
Get Authorization on Customer Center Sales Orders	Check this box to require authorization for customers' credit cards on sales orders placed by Customer Center users logged in to NetSuite. To use this feature, you must have an Internet Merchant Solutions (IMS) account and you must set up a credit card processing profile at Setup > Accounting > Payment Processing Profiles. When customers order from your Customer Center, IMS automatically processes their credit cards and Verisign validates the payments. Authorization numbers automatically appear on the appropriate sales orders. For information about setting up customer credit card processing, see the help topic Setting Up Customer Credit Card Processing. The option here is different from the **Require Authorization on Credit Card Transactions** option at Setup > Web Site > Set Up Web Site. ■ The Get Authorization on Customer Center Sales Order option applies to sales orders placed by Customer Center users logged in to the NetSuite application. ■ The Require Authorization on Credit Card Transactions option Web site preference applies to sales orders placed by customers logged in to your Web site. You can enable one of these options at a time or both of them together.
Use Card Security Code for Credit Card Transactions	Choose to add a field for your customers' Card Security Code (CSC) numbers on sales transactions. It also requires your customers to enter CSC numbers during the checkout process in your Customer Center or Web site. This feature can help prevent fraudulent orders.

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Field	Description
	Note: To verify CSC numbers on your Web site, you must enable Require Authorization on Credit Card Transactions at Setup > Web Site > Set Up Web Site. To verify CSV numbers for orders placed by Customer Center users logged in to NetSuite, you must enable the Get Authorization on Customer Center Sales Orders option. These options are available only after you add a credit card processing profile at Setup > Accounting > Payment Processing Profiles.
Allow Adjusted Expiration Date to Improve Recurring Payments	Clear this box if you do not want payments to be marked as recurring on the following transactions: ▪ sales orders that use the Sales Order - Cash Sale form and have billing schedules ▪ memorized cash sale sales orders **Note:** Some credit card processing profiles do not support recurring payment authorization requests. If this box is checked, whenever a credit card authorization request is declined due to expired credit card, a second request is sent with the expiration date updated to ensure that recurring payments are not interrupted. For more information, see the help topic Maintaining Recurring Credit Card Payments.
Enable "Sale" Payment Operations on a Sales Order by Automatically Creating a Customer Deposit	Check this box to enable using payment processing profiles that do not support authorization and instead support the sales request. When you check this box and use this type of profiles on sales orders, funds are immediately captured from the shopper's account and associated with the sales order as a customer deposit. For more information, see the help topic Alternative Non-Credit Card Payment Methods for Web Store Orders. To use this feature, you must have a merchant account provided by the gateway or the payment service provider.
Use Strict Rules for the Selection of Payment Processing Profiles	Check this box to display only payment processing profiles that support all of the following requirements: ▪ The selected payment method ▪ The customer's currency ▪ The customer's subsidiary (NetSuite OneWorld only) If this preference is enabled, and there is no payment method supported by the shopper's currency, no credit card payment method shows on the Payment Information page of your website. This preference takes precedence over the Restrict Payment Methods by Customer Currency preference on the Shopping subtab at Setup > Site Builder > Set Up Web Site. For more information, see the help topic Restricting Payment Processing Profiles by Customer Data.
Preserve Transactions When Payment is on Hold	If you check this box, cash sale and customer payment transactions are preserved if the payment fails due to a payment hold. Preserved transactions have the Unapproved Payment status and are non-posting.

Other Transaction Preferences

Field	Description
Duplicate Number Warnings	Choose to receive duplicate number warnings when transactions are submitted with the same numbers.
Sort Reconcile By	Choose to sort reconciliations by Date or Check Number. You can change this setting on individual reconciliations.

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Field	Description
Recalculate Estimated Cost on Creation of Linked Transactions	Choose a setting to recalculate estimated costs and the resulting gross profit as a transaction moves through the sales cycle. For example, to recalculate when a sales order is converted to an invoice.

Other Item Preferences

Field	Description
Matrix Item Name/Number Separator	Choose the character you want to use in your matrix subitem names. This character appears between the item name and options for each subitem.
Gift Certificate Auth Code Generation	Choose between the following: ■ **System Generated** – NetSuite generates an authorization code when a gift certificate is sold, requiring no manual tracking of codes. These codes can be long, but this is the preferred method unless you have pre-printed certificates or cards. ■ **Enter on Order** – You can manually enter an authorization code on an order when a gift certificate is sold. This can be helpful if there are numbers printed on cards or certificates, or if you want to use your own numbering system. It can be difficult, however, to remember which number comes next. ■ **Add on Item** – You can enter authorization codes on the gift certificate item record. This is helpful if you are tracking physical cards or certificates before they are sold. If you are using your own numbering system, it is helpful because you do not duplicate or skip over authorization codes. After the certificate is sold, you can then select the appropriate code.

Order Management Accounting Preferences

The following types of preferences are available on the Order Management subtab of the Accounting Preferences page:

■ Sales Orders
■ Picking/Packing
■ Fulfillment
■ Invoicing
■ Drop Shipment
■ Purchasing
■ Receiving
■ Returns
■ Transfer Orders
■ Work Orders

Sales Orders

Field	Description
Default Sales Order Status	Choose your default status for sales orders: ■ Choose **Pending Approval** if your company uses the approval process for sales orders. ■ Choose **Pending Fulfillment** if your company does not use the approval process for sales orders. You can still choose a sales order status at the time you enter a transaction.

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Field	Description
Require Re-approval on Edit of Sales Order	Choose to require re-approval when someone edits a sales order that was previously approved. Partially fulfilled sales orders are not affected by this preference. When a sales order is partially fulfilled, the status cannot be changed back to pending approval. ⓘ **Note:** If you edit a sales order when using a role with permission to approve sales orders, a sales order status is not set to the Pending Approval status.
Send Email Confirmation when Sales Order Canceled	Check this box if you want an email sent to the customer when a sales order is canceled.
Default Location for Sales Orders	Select a default location to associate with sales orders. You can change the location on sales orders you enter as needed.
Item Commitment Transaction Ordering	Select one of the following to determine which order has items committed to it when there is an open quantity. ▪ **Order by Expected Ship Date** – Commits only based on the latest expected ship date. ▪ **Order by Order Priority** – Commits based on set customer priority regardless of transaction date or expected ship date. When the Item Commitment Transaction Ordering preference is set to Order by Order Priority, then an Order Priority column is displayed on forms for work orders, sales orders, and transfer orders. NetSuite uses this field to calculate the order priority for allocation. ▪ **Order by Transaction Date** – Commits only based on the latest transaction date.

Picking/Packing

Field	Description
Always Print Kit Items on Picking Tickets	Choose to print individual kit items on picking tickets. When you print kit items, each picking ticket shows individual items that make up a kit item. Showing each item in the kit item gives your employees more specific information to fulfill an order.
Show Uncommitted Items on Picking Tickets	Check this box if you prefer for picking tickets to include items that are not yet committed to the order. This means that the picking ticket can include items that are not yet available to be picked. Clear this box if you prefer that picking tickets include only committed items that are available to be picked.
Show Non-Inventory Items on Printed Forms	Check this box to show non-inventory items such as services or discounts on picking tickets and packing slips.
Name for Picked Status	Enter a name to rename the status for orders that have been picked. Picked orders are orders with some or all of the items pulled from inventory, but are not yet packed or shipped.
Name for Packed Status	Enter a name to rename the status for orders that have been packed. Packed orders have items that have been picked from inventory and packaged to be shipped to the customer.
Name for Shipped Status	Enter a name to rename the status for orders that have been shipped. Shipped orders have items that have been picked from inventory, packed, and sent to the customer.
Show Additional Items on Packing Slips	Make a selection for this preference to determine how items show on packing slips. Options available for this preference are as follows:

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Field	Description
	■ **None** – Show only items being fulfilled in the shipment. ■ **Unfulfilled Items on Order** – Show only unfulfilled and partially fulfilled items on the packing slip. Line items that are completely fulfilled do not show on the packing slip. ■ **All Items on Order** – Show all ordered items. Any quantity yet to be fulfilled shows in the Remaining/Back Ordered column. Line items that are completely fulfilled show on the packing slip. ⓘ **Note:** Choosing this option causes non-inventory items to show on packing slips even if the Show Non-Inventory Items on Printed Forms preference is **not** enabled.
Show Drop Ship Items on Packing Slips	Check this box to have packing slips include drop-ship items. Clear this box to leave drop-ship items off packing slips.

Fulfillment

Field	Description
Limit Status on Packing Slip Queue	Select Picked or Packed to filter the packing slip list by order status.
Fulfill Based on Commitment	Select from the following to set item fulfillment restrictions: ■ **Limit to Committed** – This setting restricts fulfillment to a quantity not greater than the quantity committed. Orders default to fulfill only the committed items and quantities and the fulfillment quantity and **cannot** be increased beyond the committed quantity. Other items that are not committed do not show on the fulfillment and **cannot** be added. ■ **Allow Uncommitted** – This setting enables you to fulfill a quantity greater than the quantity committed on an order. This setting may cause your quantity on hand count of the item to be negative and make tracking item commitment and stock status more difficult. Orders default to fulfill only the committed items and quantities. The fulfillment quantity, however, can be increased beyond the committed quantity and other items that are not committed can be added. ■ **Ignore Commitment** – This setting places no restrictions on fulfillment that are based on commitment. Orders default to fulfill all unfulfilled items and quantities without regard to commitment. ⓘ **Note:** If you also enable the Allow Overage on Item Fulfillments preference, Fulfill Based on Commitment should be set to Ignore Commitment or Allow Uncommitted.
Default Items to Zero Received/Fulfilled	Enable this preference to default items to zero quantity when you open a fulfillment or receipt transaction. Then, you mark the items you want to fulfill or receive on the form. Disable this preference to default items to the full quantity when you open a fulfillment or receipt transaction. Then, you clear the items you do not want to fulfill or receive on the form.
Allow Overage on Item Fulfillments	Enable this preference to be able to enter a quantity larger than the quantity remaining for an item on a fulfillment. Disable this preference to limit the quantity fulfilled to the quantity remaining on the fulfillment.

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Field	Description
	If you enable Allow Overage on Item Fulfillments, the Fulfill Based on Commitment preference should be set to Ignore Commitment or Allow Uncommitted, if enabled.
Filter Bulk Fulfillment Page by Location	Check this box to filter your fulfillment list by the location identified on the order. For example, if you select Atlanta in the location filter of the fulfillment page and click Mark All, NetSuite fulfills only items with the Atlanta location chosen. ⓘ **Note:** If you disable this preference, all items on orders you mark for fulfillment are fulfilled from the location in the header of the bulk fulfillment, regardless of the location identified on the order.
Send Order Fulfilled Confirmation Emails	Enable this preference to send a confirmation email showing the total quantity shipped upon fulfillment. The email is sent to the customer email address identified on the sales order. ▪ If you use the Advanced Shipping feature, the email is sent when the order is fulfilled. ▪ If you do not use the Advanced Shipping feature, the email is sent when the order is billed. ▪ If you use the Pick, Pack, and Ship feature, the email is sent when the order is shipped.
Use Web Site Template for Fulfillment Emails	You can enable a preference to use the same template to generate confirmation email for both web store and non-web store orders. Enabling this preference gives your confirmation email a consistent appearance. ⓘ **Note:** You must enable the Web Store and Advanced Site Customization features to use this preference. To enable these features, go to Setup > Company > Enable Features. On the Web Site subtab, check the Web Store box and the Advanced Site Customization box, then click Save. **When you enable this preference, you can customize the email template.**
Manufacturing Issue Based on Commitment	Select from the following to set assembly item build restrictions: ▪ **Limit to Committed** – This setting restricts the build to a quantity not greater than the quantity committed on the work order. ▪ **Allow Uncommitted** – This setting enables you to build a quantity greater than the quantity committed on the work order. In this case, when the build is saved, the items on the work order are still uncommitted. ▪ **Ignore Commitment** – This setting places no restrictions on the build that are based on commitment.
Allow Overage on Assembly Builds	Check this box to be able to enter a quantity larger than the quantity remaining for an item on a work order. Clear this box to restrict the amount to a maximum of the amount on the work order.
Update Transaction Date Upon Fulfillment Status Change	Enable this preference to pick items in one accounting period and ship in another accounting period. For more details, read the help topic Fulfilling Orders Across Multiple Accounting Periods.

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Field	Description
	ⓘ **Note:** You must enable the Pick, Pack and Ship feature to use this preference.

Invoicing

Field	Description
Show Unfulfilled Items on Invoices	Check this box to have your invoices show items that have yet to be fulfilled.
Invoice in Advance of Fulfillment	Check this box to invoice your customers for the full amount prior to the complete fulfillment of an order. With this preference, you can invoice your customers in advance for an entire order that is shipped in parts. Clear this box to limit the quantity fulfilled to the quantity remaining on the fulfillment.
Convert Absolute Discounts to Percentage	Set this preference to convert currency-amount discounts into percentage discounts spread across several invoices. Using this preference, when a sales order that includes a currency-amount discount is billed on multiple invoices, the discount is applied evenly to all bills for that order instead of the entire discount being applied to the first bill. For example, you use Advanced Billing to enter a sales order for $1,000 that includes a line-item discount of $100. The sales order is billed in 10 monthly installments of $100. When you bill the order, the first invoice shows a 10% discount in the amount of $10.00 and each of the next nine bills show a 10% discount in the amount of $10.00. Enabling this feature may cause very small discrepancies due to percentage rounding.
Base Invoice Date on Billing Schedule Date	This preference determines how the date and posting period are set on invoices and cash sales produced from billing schedules. ■ Check this box to generate the date and posting period of an invoice or cash sale from the date and posting period of the next billing schedule instance. For example: □ Today is 3/1/05. □ The next billing date for order #123456 is 6/1/05. □ Today, you click Next Bill on order #123456. □ The date of the bill is 6/1/05. ■ Clear this box to define the date and posting period of invoices and cash sales when you bill them. You choose the date and posting period in the fields on the Bill Sales Order page.

Drop Shipment

Field	Description
Drop Ship P.O. Form	Select the form you would like to use by default for drop-ship purchase orders.
Automatically Email Drop Ship P.O.s	Check this box to have purchase orders for drop-ship items automatically emailed to the preferred vendor. To use this preference, you must enter the preferred vendor's email address on that vendor's record.
Queue Drop Ship P.O.s for Printing	Check this box to have your drop-ship purchase orders queued for printing.

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Field	Description
Automatically Fax Drop Ship P.O.s	Check this box to have your purchase orders for drop-ship items automatically faxed to the preferred vendor. To use this preference, you must enter the preferred vendor's fax number on that vendor's record.
Limit Vendor List on Items	Set this preference to filter the vendors available on sales orders and the Order Items page. If you enable this preference, only vendors associated with an item show in the Vendor list. If this preference is disabled, the Vendor field shows all vendors.
Include Committed Quantities	When you need to drop ship or special order an inventory item and part of the ordered quantity is unavailable, the quantity ordered from the vendor depends on your setting for this preference. ■ When you disable this preference, clicking the Drop Ship/Special Order link creates a purchase order for only the backordered quantity. ■ When you enable this preference, clicking the Drop Ship/Special Order link creates a purchase order for the entire quantity ordered.
Update Drop Ship Order Quantities Automatically Prior to Shipment	Enable this preference to automatically update the quantity of a drop-ship item on linked transactions when a sales order or purchase order quantity is changed. When a drop-ship item quantity is changed on an existing sales order or purchase order before it is shipped, NetSuite examines the quantity on the linked transaction. If the quantity on the linked transaction does not match, NetSuite adjusts the corresponding quantity to match. For example, a sales order you entered shows a quantity of 10 units of drop-ship item #AB1001. The purchase order generated from that sales order also shows 10 units of item #AB1001. The next day, the order is changed and you reduce the sales order quantity to 8 units of item #AB1001. With this preference enabled, after you save the new quantity on the sales order, NetSuite examines the linked purchase order to sync the quantity of items being ordered. The purchase order is automatically updated to show 8 units of drop-ship item #AB1001. This preference applies only to assembly items and inventory items. ⚠️ **Important:** This preference applies only if the following conditions are met: The sales order line has not been fulfilled. The purchase order line has not been received or marked shipped. Neither the sales order or purchase order line have been manually closed. Disable this preference if you do not want to update the quantity of a drop-ship item on linked transactions when a sales order or purchase order quantity is changed. Then, when the quantity on linked forms does not match, the quantity remains unchanged and is not updated to match. ⓘ **Note:** When the sales order and purchase order quantities do not match, the item is no longer treated as a drop shipment and your inventory may be affected. ⓘ **Note:** If you use the Multiple Units of Measure feature and enable the Update Special Order Quantities Automatically Prior to Shipment preference, note that you should use the same unit of measure on both the purchase order and sales order for an item. If you use different units of measure, it can cause errors due to rounding for differences greater than five decimal places. This preference defaults to be disabled.
Drop Ship Fulfillment Quantity Validation	If you use the Advanced Shipping and Drop Shipments & Special Orders features, when you fulfill or receive orders you can receive a warning or prevent users from processing orders with unequal amounts. Choose a setting for handling unequal quantities on linked sales orders and purchase orders that include drop-ship items:

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Field	Description
	■ **Allow unequal quantities** – This setting lets you fulfill without a warning even if linked transaction quantities are not equal.
	■ **Warn only for unequal quantities** – This setting causes a warning to be displayed when you fulfill orders for linked transactions that have unequal quantities. This setting does not prevent processing after the warning is shown.
	■ **Do not allow unequal quantities** – This setting prevents you from fulfilling and when linked transaction quantities are not equal.
	If this preference is set either to warn or allow, then transactions with unequal quantities remaining are fulfilled from inventory.
	This preference defaults to use the **Warn only for unequal quantities** setting. This preference applies only to inventory and assembly items.
Allow Both Mark Shipped Fulfillments and Receipts on a Drop Shipment Line	If you use the Advanced Receiving, Advanced Shipping, and Drop Shipments & Special Orders features, choose a setting for handling receipts and mark-shipped fulfillments with drop-ship orders:
	■ **Allow** – This setting lets you do the following:
	□ Create a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line **without any warning**.
	□ Create a mark-shipped fulfillment against an order line that already has a receipt entered against it **without any warning**.
	⊗ **Warning:** Drop shipment items that are received into inventory do have accounting impact and are committed to orders when they are received. Creating these transactions may cause imbalances in quantities and accounts.
	■ **Warn only** – This setting does the following:
	□ Warns you when you try to create a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line. The warning notes that creating these transactions does have an inventory impact.
	□ Warns you when you try to create a fulfillment against an order line that already has an item receipt with inventory and accounting impact entered. The warning notes that creating a mark shipped fulfillment against this order line may cause imbalances in quantities and accounts.
	■ **Do not allow** – This setting does the following:
	□ Prevents you from creating a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line.
	□ Prevents you from entering a fulfillment against an order line that already has an item receipt with inventory and accounting impact.
	□ If an order is received as the first step after the purchase order for the drop ship sales order is created, you can no longer click Mark Shipped.
	□ After drop-ship items on an order have been received, you can change the quantity but you can no longer mark items shipped on that order.
	□ This preference defaults to use the **Warn only** setting. This preference applies only to inventory and assembly items.
Update Special Order Quantities Automatically Prior to Shipment	Enable this preference to automatically update the quantity of a special order item on linked transactions when a sales order or purchase order quantity is changed. When a special order item quantity is changed on an existing sales order or purchase order before it is shipped, NetSuite examines the quantity on the linked transaction. If the quantity on the linked transaction does not match, NetSuite adjusts the corresponding quantity to match. For example, a sales order you entered shows a quantity of 10 units of special order item #AB1001. The purchase order generated from that sales order also shows 10 units of item #AB1001. The next day, the order is changed and you reduce the sales order quantity to 8 units of item #AB1001. With this preference enabled, after you save the new quantity on the

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Field	Description
	sales order, NetSuite examines the linked purchase order to sync the quantity of items being ordered. The purchase order is automatically updated to show 8 units of special order item #AB1001. This preference applies only to assembly items and inventory items. ⚠️ **Important:** This preference applies only if the following conditions are met: The sales order line has not been fulfilled. The purchase order line has not been received or marked shipped. Neither the sales order or purchase order line have been manually closed. Disable this preference if you do not want to update the quantity of a special order item on linked transactions when a sales order or purchase order quantity is changed. Then, when the quantity on linked forms does not match, the quantity remains unchanged and is not updated to match. ℹ️ **Note:** When the sales order and purchase order quantities do not match, the item is no longer treated as a special order and your inventory may be affected. This preference defaults to be disabled.

Purchasing

Field	Description
Allow Expenses on Purchases	Check this box to add expenses to purchases. This adds an Expenses subtab to your order pages. With this preference, you can add expenses for things like rental fees and delivery of drop-ship items to your purchase orders. You can then bill these expenses to a specific customer.
Default Location for Purchase Orders	Select a default location to associate with purchase orders. You can change the location on purchase orders you enter as needed.
Maximum Purchase Lines to Consolidate	Enter a value in this field to define the maximum number of lines to consolidate on purchase orders. This definition applies in the following cases: ▪ when you submit multiple orders on the Order Requisitions page and items from one or more requisitions are combined on a single purchase order. ▪ when you submit multiple orders on the Order Items page and items from one or more planned orders are combined on a single purchase order. This value defaults to 10 but you can enter a number up to 250. If you leave this field blank, the following is true: ▪ On the Order Requisitions page, all requisition lines for a vendor are consolidated into a single purchase order. ▪ On the Order Items page, all planned order lines for a vendor are consolidated into a single purchase order.
Allow Default Email on Purchase Orders using SuiteFlow Approval Routing	Choose a setting to determine how NetSuite handles email generated when the To Be Emailed box is checked on a purchase order. ▪ **Do Not Allow** – Approval Routing is enabled for this transaction. Please contact your workflow administrator about enabling email processing within an approval routing workflow. ▪ **Warn Only** – NetSuite warns you before sending an email to the designated recipient in addition to email produced by the approval routing workflow. Email is generated Upon saving the transaction.

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Field	Description
	▪ **Allow** – Upon saving the transaction, no warning is given before NetSuite sends an email to the designated recipient in addition to email produced by the approval routing workflow.

Receiving

Field	Description
Bill in Advance of Receipt	Choose to bill purchase orders before you receive them.
Allow Overage on Item Receipts	Check this box to enter a quantity larger than the quantity remaining for an item on an item receipt. Clear this box to limit the quantity received to the quantity remaining on the item receipt.
Default Receiving Exchange Rate	Select one of the following in this field: ▪ **Use Purchase Order Exchange Rate** – The default value of the exchange rate on the order line is the purchase order exchange rate. ▪ **Use Exchange Rate at the Time of the Receipt** – The default value of the exchange rate on the order line is the exchange rate based on the receipt date. Then, based on your setting, the correct rate defaults to show in the Exchange Rate field on receipts.
Use Purchase Order Rate on Bills	If a vendor bill is linked to a purchase order, NetSuite sets the vendor bill rate for items based on the item receipt rate. Clear this box to use this method. Check this box to use the purchase order rate on vendor bills, rather than the receipt rate. ⓘ **Note:** This preference applies to the Item Rate field, not the Exchange Rate field.
Landed Cost Allocation per Line	When enabled, you can specify landed cost allocation amounts on a per-line basis on transactions and receipts, rather than distributing the cost based on an allocation method at a transaction level basis. For every item received, a landed cost sub-record can store custom values, which are reflected in inventory valuation reports. When this preference is enabled, all new item receipts, credit card charges, vendor bills, and checks default to use landed cost per line. You can change this default option by clearing the box to disable Landed Cost Allocation per Line when entering new transactions.

Returns

Field	Description
Default Return Auth. Status	Choose your default return authorization status. You can choose any return authorization status at the time you enter a transaction. ▪ Select **Pending Approval** if your company uses the approval process for return authorizations. ▪ Select **Pending Fulfillment** if your company does not use the approval process for return authorizations.
Refund in Advance of Return	Enable this preference to permit a purchase to be refunded before the item is returned.
Restock Returned Items	Enable this preference to check the Restock box on receipts by default. Clear this box to require the Restock box to be checked on each receipt.

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Field	Description
Write-Off Account for Returns	Select the account to post to when you write off returned items.
Default Vendor Return Auth. Status	Choose the default status for vendor return transactions: ■ Select **Pending Approval** if your company uses the approval process for vendor return authorizations. ■ Select **Pending Fulfillment** if your company does not use the approval process for vendor return authorizations. The status you select in this field shows by default in the status field of new vendor return authorizations you enter. You can choose another return authorization status at the time you enter a transaction.
Credit in Advance of Vendor Return	Check this box to enter vendor credit for the full amount of the return prior to the complete return of an order. With this preference, you can enter vendor credit in advance for an entire order that is returned in parts.

Transfer Orders

Field	Description
Default Transfer Order Status	Select one of the following to default on manual orders: ■ **Pending Approval Firm** – By default, require that someone with permission approves the order before it is processed. Firmed transfer orders are not available to be rescheduled or cancelled. ■ **Pending Approval Open** – By default, require that someone with permission approves the order before it is processed. Transfer orders that are Open, not Firmed, are available to be rescheduled or cancelled. Recommendations for Open transfer orders are removed for each demand planning run. ■ **Pending Fulfillment** – By default, send transfer orders directly to the fulfillment queue without requiring further approval.
Generate Transfer Orders in Supply Planning	Select one of the following to default on auto-generated transfer orders: ■ **Generate in Pending Approval Firm Status** – By default, require that someone with permission approves the order before it is processed. Firmed transfer orders are not available to be rescheduled or cancelled. ■ **Generate in Pending Approval Open Status** – By default, require that someone with permission approves the order before it is processed. Transfer orders that are Open, not Firmed, are available to be rescheduled or cancelled. Recommendations for Open transfer orders are removed for each demand planning run. ■ **Generate in Pending Fulfillment Status** – By default, send transfer orders directly to the fulfillment queue without requiring further approval.

Use Item Cost as Transfer Cost	Choose one of the following to set how the transfer price functions on item receipts:
	
	■ Check this box to use the transfer price as a declared shipping value for reference only, such as for insurance or international shipping.
	
	  □ The transfer price is **not** a charge for the destination location.
	
	  □ The transfer price does not affect the Cost of Goods Sold (COGS) on transactions.
	
	  □ The transfer price defaults to show the value in the Transfer Price field of item records. This value can be changed on individual transfer orders.
	
	  □ Partial fulfillment and receipt of transfer orders is allowed, but you cannot receive more than you have fulfilled as of any date. For example, if you have fulfilled 10 widgets out of 20 on a transfer order, you cannot receive 12 widgets on that order.

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Field	Description
	▫ For NetSuite OneWorld, you are able to create intercompany transfer orders, but the preference does not apply to those transactions. ■ Clear this box to use the transfer price shown on the transfer order as the item cost on the item receipt. ▫ Any difference between the actual cost and the transfer price posts to a Gain/Loss account when the item is shipped. ▫ The transfer price and the Gain/Loss account are defined on each item record. ▫ The transfer price defaults to show the value in the Transfer Price field of item records. This value can be changed on individual transfer orders. For a detailed example, read the help topic Transfer Order Preferences. ⓘ **Note:** This preference can also be set on individual transfer orders when they are created. Individual orders default to show the setting chosen in this field. The setting cannot be changed and is permanent after the order is saved (or after approval if you use approval routing.)

Work Orders

Field	Description
Allow Purchase of Assembly Items	Enable this preference to add assembly items to purchase orders, vendor bills, checks, credit card transactions and vendor credits. You can also define purchase pricing on assembly item records.
Allow Overage on Work Order Transactions	Check this box to be able to enter a quantity larger than the quantity remaining for an item on a work order. Clear this box to restrict the amount to a maximum of the amount on the work order.
Default Work Order Status	Choose one of the following to define the default status of new work orders you manually create: ■ **Firm Planned** – Firmed planned work orders are **not** deleted before supply planning runs. No components are committed regardless of commit option settings. ■ **Open Planned** – Open planned work orders are deleted before supply planning runs. No components are committed regardless of commit option settings. ■ **Released** – No transaction has posted and no activities have been recorded. Components can be committed based on commit option settings. (Previously this status was called Pending Build.) For details about work order statuses, read the help topic Assembly Work Orders.
Create Work Orders in Supply Planning	Select one of the following to define the default for supply planning work orders: ■ Do Not Generate ■ Generate in Planned Firm Status ■ Generate in Planned Open Status ■ Generate in Released Status For details about work order statuses, see the help topic Assembly Work Orders.
Check Completed Quantity in Prior Operations During Operation Completion	Set this preference to validate that routing operation sequences are always followed in accordance with the work order. When the preference is enabled, NetSuite ensures that the correct quantity is completed for each operational step before permitting the work order to continue being processed. For example, if Step #2 of your routing requires 5 widgets that are created during Step #1, you can enable this preference and NetSuite verifies that 5 widgets are completed during

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Field	Description
	step #1 before Step #2 can begin. Such verification helps prevent problems due to out-of-sequence processing. For orders completed across multiple days or shifts, partial quantities can be logged over time. Choose from the following settings: - **No Verification** – Choose this setting if you do not want to receive verification warnings. - **Require Confirmation before Saving** – Choose this setting to receive verification warnings. NetSuite permits the completed quantity to be greater than the predecessor completed quantity after the warning is acknowledged. - **Do Not Allow Saving** – Choose this setting to require that the completed quantity is not greater than the predecessor completed quantity. This field defaults to the No Verification selection. **Note:** Completion validation does not function when the completion transaction is edited or deleted.
Show Planned Capacity on Work Orders	Use this preference to automatically create planned time entries when processing manufacturing work orders. This preference determines the default setting for the Show Planned Capacity field on new work orders being created. When this preference is enabled, work orders display a Planned Time subtab. NetSuite generates planned time entries showing the amount of time being allocated to each work center per day. **Note:** These generated planned times cannot be edited.
Update Intercompany Order Quantities Automatically Prior to Shipment	Enable this preference to automatically update the quantity of an intercompany purchase order item when the quantity is changed on the linked intercompany sales order. This preference applies only to assembly items and inventory items. When the quantity is changed on an intercompany sales order item before it is shipped, NetSuite examines the quantity on the linked intercompany purchase order. If the quantity on quantity on the linked intercompany purchase order does not match, NetSuite adjusts the corresponding quantity to match the sales order. For example, an intercompany sales order you entered shows a quantity of 10 units of item #AB1001. The intercompany purchase order generated from that sales order also shows 10 units of item #AB1001. The next day, the order is changed and you reduce the sales order quantity to 8 units of item #AB1001. With this preference enabled, after you save the new quantity on the sales order, NetSuite examines the linked purchase order to sync the quantity of items being ordered. The purchase order is automatically updated to show 8 units of item #AB1001. **Important:** This preference applies only if the following conditions are met: The sales order line has not been fulfilled. The purchase order line has not been received or marked shipped. Neither the sales order or purchase order line have been manually closed. Disable this preference if you do not want to update the quantity of an intercompany purchase order item when the quantity is changed on the linked intercompany sales order. Then, when the quantity on linked forms does not match, the quantity remains unchanged and is not updated to match.

The embedded table within the first Description cell:

Operation	Qty Day 1	Qty Day 2	Qty Day 3	Qty Day 4
Operation 10	50	30	15	5
Operation 20	40	40	5	15
Operation 30	35	45	0	20

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Field	Description
Default Scheduling Method	Choose either **Forward** or **Backward** scheduling. Your selection here shows by default in the Scheduling Method field on new work orders you enter. For more details, read the help topic Production Scheduling Methods Overview.

Projects Accounting Preferences

The following preferences are available on the Projects subtab of the Accounting Preferences page:

Field	Description
Budget Categories	These preferences affect the level of granularity available to set project budgets for Labor, Expenses and Suppliers. All 'Other' budget is grouped in one category which are all costs/billing categories that are not included in Labor, Expenses or Supplier.
Post Time	Check the box next to set a company-wide preference for grouping journal entries by project, employee, class, department, or location when posting time for Job Costing.

To set project budgeting preferences:

1. Under Labor, select how you want labor categories to appear on project budgets:

   - **Group all service items into one 'Labor' category** – Select this option to group all costs and charges for work performed on projects in a single category.

   - **Show all service items as individual categories** – Select this option to show each service item individually on project budgets. Each service item is shown on all project budgets regardless of value.

   - **Show only selected service items as individual categories** – Select this option to choose which service items you want shown as labor categories for project budgets. Press and hold the Ctrl key when selecting items to select multiple service items. Any costs or charges for services items not selected are recorded in the Labor: Other category.

2. Under Expenses, select how you want expense categories to appear on project budgets:

   - **Group all expense categories into one 'Expenses' category** – Select this option to group all costs and charges for expense on projects in a single category.

   - **Show all expense categories as individual categories** – Select this option to show each expense category individually on project budgets. Each expense category is shown on all project budgets regardless of value.

   - **Show only selected expense categories as individual categories** – Select this option to choose which expense categories you want shown as expenses for project budgets. Press and hold the Ctrl key when selecting items to select multiple expense categories. Any costs or charges for expense categories not selected are recorded in the Expenses: Other category.

3. Under Supplier, select how you want supplier categories to appear on project budgets:

   - **Group all supplier items into one 'Supplier' category** – Select this option to group all costs and charges for vendor supplied expenses on projects in a single category.

   - **Show all supplier items as individual categories** – Select this option to show each vendor supplied item individually on project budgets. Each supplier item is shown on all project budgets regardless of value.

   - **Show only selected supplier items as individual categories** – Select this option to choose which vendor supplied items you want shown as supplier categories for project budgets. Press and hold the Ctrl key when selecting items to select multiple supplier items. Any costs or chargers for supplier items not selected are recorded in the Supplier: Other category.

4. Click **Save**.

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Time & Expenses Accounting Preferences

The following types of preferences are available on the Time & Expenses subtab of the Accounting Preferences page:

- General
- Time Tracking
- Expenses

General

Field	Description
Show Projects Only For Time and Expense Entry	Check this box to permit **only projects** to be selected in the Customer/Project field on time transactions and expense entry forms. ⓘ **Note:** Checking this box removes the ability to track time for customers on tasks, events, and cases not associated with a project. Clear this box to permit **projects and customers** to be selected in the Customer/Project field on time transactions and expense entry forms.
Automatically Notify Supervisor	Check this box to send supervisors email messages when they need to approve expense reports and purchase requests. If you check this, you must also enable Expense Reports, Purchase Requests, or Time Tracking at Setup > Company > Enable Features.
Service Item for Forecast Reports	Select a service item to use when creating project forecasts. The labor cost for the selected service item is used when forecasting project costs based on employee time.

Time Tracking

⚠ **Important:** The following preferences apply to Time Tracking. For information on Timesheets preferences, see the help topic Timesheets.

Field	Description
Override Rates on Time Records	Check this box if you want the option to change the billable rate for service items on time records. You can also choose to lock the rate so the billable rate is not affected by any rate changes that may happen before this customer is actually invoiced. If you also use Multiple Prices, you can select a new price level for service items on time entries. Clear this box if you want service items on time entries to be billed at the current item rate for each customer. ⓘ **Note:** If you use Charge-Based Billing, any time-based charge rules created override changes made directly on time transactions.
Require Approvals on Time Records	Check this box to require supervisors to approve their employees' time transactions. If you do not check this box, time transactions can be billed to customers or included in the payroll run without the approval of a supervisor. When the Time-Off Management feature is enabled and this box is checked, time-off entries generated from approved time-off requests cannot be edited. To allow employees to make updates, leave this box unchecked.
Advanced Approvals on Time Records	Check this box to enable advanced approval options for Time Tracking. After you have enabled the preference, the Supervisor Approval field on time entries and the weekly timesheet is replaced by an Approval Status field. This field is editable by administrators

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Field	Description
	and any role without time and expense restrictions. This field enables you to set the status of time entries to Open, Pending Approval, Approved, or Rejected. Advanced approvals enables you to use SuiteFlow and Approval Routing to create custom approval workflows for your time entries. For more information, see the help topic Approving or Rejecting a Time Transaction.
Copy Service Item Description to Time Memo	Enable this preference to automatically copy item descriptions to the memo field on time transactions when a service item is selected When this preference is enabled, item descriptions will replace any memo already entered on the time transaction.
Time Billable by Default	Enable this preference to check the Billable box by default on new time records after a customer is chosen. When this preference is enabled, the Billable box is checked on time transactions. The Billable box is also checked on the Time subtab on events, tasks, and cases. Disable this preference to clear the Billable box on new time records by default, even after a customer is chosen. If Project Management is enabled, the Billable box for time and materials and charge-based projects are always checked by default. The Billable box for fixed bid projects (of either type) are always cleared by default.
Copy Time Memos to Invoices	Check this box to have invoices include memos entered on billable time. Clear this box to leave the memo field empty. ⚠️ **Important:** When you enable this preference, the memos you have already entered on existing time records show on invoices you create.
Show Planned Time in Time Entry	Enable this preference to have planned time entries automatically display on time entry records.
Round Time Entry Duration	Select how you want time entries rounded when employees track time.
Copy From Week Options	Select how you want hours and memos copied when copying an entire week of time transactions. You can choose to always copy hours and memos, never copy hours and memos, or allow the user to select if hours and memos should be copied. If employees are allowed to choose, the Copy Hours box can be checked when copying time transactions.
Minimum Number of Hours Per Week	ℹ️ **Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing. Select Enabled or Enabled (Work calendar) to impose a minimum number of hours an employee can track in a week. If you selected Enabled, in the Value field, enter the minimum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes minimums based on the number of weekly working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that are under the minimum value. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction with less than the required minimum.

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Field	Description
	⚠️ **Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits. ⚠️ **Important:** Be aware when setting thresholds not based on the work calendar, NetSuite does not take into account non-working days when applying time thresholds. You must determine how your company handles these days. For example, if you set a minimum daily threshold of 8 hours, employees are not able to submit time for a holiday if the working time is less than 8 hours.
Maximum Number of Hours Per Week	ℹ️ **Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing. Select Enabled or Enabled (Work calendar) to impose a limit on the number of hours an employee can track in a single week. If you selected Enabled, in the Value field, enter the maximum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes limits based on the number of weekly working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that go over the weekly limit. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction outside the limit. ⚠️ **Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.
Minimum Number of Hours Per Working Day	ℹ️ **Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing. Select Enabled or Enabled (Work calendar) to impose a minimum number of hours an employee can track in a single working day. If you selected Enabled, in the Value field, enter the minimum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes minimums based on the number of daily working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that are under the minimum value. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction with less than the required minimum.

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Field	Description
	⚠️ **Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.
	⚠️ **Important:** Be aware when setting thresholds not based on the work calendar, NetSuite does not take into account non-working days when applying time thresholds. You must determine how your company handles these days. For example, if you set a minimum daily threshold of 8 hours, employees are not able to submit time for a holiday if the working time is less than 8 hours.
Maximum Number of Hours Allowed Per Working Day	ℹ️ **Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing. Select Enabled or Enabled (Work calendar) to impose a limit on the number of hours an employee can track in a single day. If you selected Enabled, in the Value field, enter the maximum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes limits based on the number of daily working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that go over the daily limit. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction outside the limit. ⚠️ **Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.
Minimum Number of Hours Per Time Entry	ℹ️ **Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing. Select Enabled or Enabled (Work calendar) to impose a minimum number of hours an employee can track in a single time entry. If you selected Enabled, in the Value field, enter the minimum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes minimums based on the number of daily working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that are under the minimum value. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction with less than the required minimum.

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Field	Description
	⚠️ **Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits. ⚠️ **Important:** Be aware when setting thresholds not based on the work calendar, NetSuite does not take into account non-working days when applying time thresholds. You must determine how your company handles these days. For example, if you set a minimum daily threshold of 8 hours, employees are not able to submit time for a holiday if the working time is less than 8 hours.
Require Time for Working Days	ℹ️ **Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing. If you have enabled the Advanced Approvals on Time Records preference, you can choose to require time be entered for each working day. Working days are determined by an employee's selected work calendar.
Perform Limit Check on Approval Action	ℹ️ **Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing. Check this box to check threshold limits when time entries are approved. Time approvers receive a pop up warning when approving time outside established limits.

Expenses

Field	Description
Expenses Billable by Default	Enable this preference to check the Billable box by default when you enter expenses on a purchase transaction. After you select a customer on an expenses line of a purchase transaction, the Billable box is automatically checked. Disable this preference to clear the Billable box by default when you enter expenses on a purchase transaction.
Items Billable by Default	Enable this preference to check the Billable box by default when you are purchasing items. After you select a customer on an item line of a purchase transaction, the Billable box is automatically checked. Disable this preference to clear the Billable box by default when you are purchasing items.
Combine Detail Items on Expense Reports	Check this box if you want to combine line items from the same category on a single expense report submitted by an employee. For example, if an employee enters a single expense report that contains two entries for entertainment costs, the total shows as one line item for entertainment costs on the invoice. ℹ️ **Note:** When this preference is enabled, line items on expense reports are not always listed in the order they are entered. They are regrouped by category. If you also use the Ref No. field on expense reports, enabling this preference may list your line items out of order depending on the assigned category. Clear this box to detail each expense report line item individually.
Copy Expense Memos to Invoices	Set this preference to have invoices include memos entered on expenses. Clear this box to leave the memo field empty.

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Field	Description
Default Payable Account for Expense Reports	If you have multiple payable accounts, select the default account to be used on expense reports. ⓘ **Note:** If you have a single payable account, this preference does not appear.
Default Advance to Apply Account for Expense Reports	Select a default general ledger account for applying advances on expense reports. ⚠ **Important:** When setting a preferred account, any previously paid advances that have not yet been applied remain debited from the Advances Paid account. After the preference is set, any future expense reports credit the selected account. This can create a general ledger that is out of balance. Create manual journal entries to balance the accounts. Prior to setting this preference, consult your accounting department for the best practice.
Foreign Amount Change	Select the default recalculation method for expenses. You can recalculate the exchange rate between the base currency and foreign currencies, or recalculate the base currency.

Approval Routing Accounting Preferences

The following preferences are available on the Approval Routing subtab of the Accounting Preferences page:

Field	Description
Expense Reports	Enable the Expense Reports preference for approval routing and set up an approval workflow to process expenses. If you enable this preference and use SuiteFlow, you can create your own custom workflow to process expense approvals. For more information, see the help topic Custom Workflow-based Approvals for Expense Reports.
Purchase Orders	Enable the Purchase Orders preference on the Approval Routing subtab of Accounting Preferences and set up an approval workflow to process purchases. If you enable this preference and use SuiteFlow, you can create your own custom workflow to process purchase approvals. For more information, see the help topic Custom Workflow-based Approvals for Purchases.
Vendor Bills	You can use SuiteFlow to create a custom workflow for handling your vendor bill approval routing. For more information, see the help topic Using SuiteFlow for Vendor Bill Approvals.
Resource Allocations	You can use SuiteFlow to create a custom workflow for handling your resource allocation approval routing. For more information, see the help topic SuiteFlow Overview.
Revenue Arrangements	You can use SuiteFlow to create a custom workflow for approving revenue arrangements. If you use the Advanced Revenue Recognition SuiteApp, you must enable this preference. For more information, see the help topic Revenue Recognition Approval Workflow.
Time Bills	You can use SuiteFlow to create a custom workflow for handling your time entry approval routing. For more information, see the help topic SuiteFlow Overview.
Journal Entries	Enable the Journal Entries preference and use SuiteFlow to create a custom workflow for approving journal entries. For information, see Using SuiteFlow for Journal Entry Approvals.

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Setting Up Accounting Lists

NetSuite provides a number of predefined categories used to group records. These categories are called lists because each category can includes a list of values that can be set on records. Some lists have system-defined values, but you can add values to most lists as required by your business. System-defined values and the values you add to these lists, display as options in lists for related fields. The system displays a maximum of 10,000 records in these lists.

Accounting lists provide values for accounting-related groupings on a variety of records, including transactions, items, budgets, customers, projects, and vendors.

- To review existing values available for the various accounting lists, go to Setup >Accounting > Accounting Lists. Values are grouped alphabetically by list name, and within that, alphabetically by value description.

- To add a value to an accounting list, go to Setup > Accounting > Accounting Lists > New, and click on a list. Complete field(s) and click Save. You can click the New button to add another value.

> **Note:** Changes made to accounting lists are captured in system notes. For more information, see the help topic Searching System Notes.

The following lists may be available in your account:

List	Description
Billing Class	Billing class values are used on employee records to set billable time rates for service items. For more information, see the help topic Using Billing Classes.
Budget Category	This list is available if the Multiple Budgets feature is enabled. Budget category values are used on budget records to categorize types of budgets. In NetSuite OneWorld, budget category values are used indicate whether budgeting is done at the local subsidiary level in local currency or globally using the root subsidiary's currency. Each budget category is associated with a budget category type of Local or Global. See Using Multiple Budgets and Budget Categories.
Charge Type	List for the type of service of the subscription plan items that use a specific charge plan. **Note:** If this object was installed as part of a bundle, the Bundle ID column displays the bundle that includes the Charge Type object. The Bundle ID column applies to only the Charge Type accounting list.
Cost Category	This list is available if the Landed Cost or Standard Costing feature is enabled. Cost categories have two purposes: - Material or Service Cost categories track standard costs for items. For more information, see the help topic Creating Cost Categories. - Landed Cost Category values are used for items on bills and item receipts to categorize the different kinds of expenses incurred when making purchases. For more information, see the help topic Landed Cost Categories.
Customer Category	Customer categories are used on customer records to categorize them. A common use is to define the source of each customer.
Customer Message	Customer message values can be selected on transaction records to include standardized messages to customers. For example, a message of "Thank you for your order!" can be selected on an invoice record to be displayed on the invoice sent to the customer. To create a customer message, click the Customer Message link, complete the fields and save.

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List	Description
Distribution Category	This list is available if the Distribution Resource Planning feature is enabled. Distribution categories are used to set up a distribution network for supply planning. For more information, read the help topic Creating a Distribution Category.
Incoterm	This list is available if the Purchase Contracts feature or Blanket Purchase Orders feature is enabled. This is a standardized three-letter trade term used on transactions related to international commercial procurement practices that communicate the tasks, costs, and risks associated with the transportation and delivery of goods. Incoterms define where the customer takes ownership of the product and are typically used for international orders, such as when an item goes through customs or crosses a border. This is an expansion of a concept similar to FOB terms used in the United States. For more details, read the help topic Creating Purchase Contracts or Creating a Blanket Purchase Order.
Other Name Category	Other name category values are used on Other Name records to categorize them. The list of other name records is a collection of records for people or companies who are not vendors, customers or employees. You can use Other Name records to track other people or companies to whom you write checks or from whom you receive deposits. For example, your company might donate money to a favorite charity, so you can create an other name record for the charity. You might also list your owners and partners here if they contribute or withdraw equity.
Payment Method	Payment method values are used on transactions such as cash sales and customer payments, to specify how payment was received. Possible payment methods include cash, check, credit card, money order, or PayPal™. For more information, see the help topic Creating a Payment Method. For more information about setting up PayPal processing, see the help topic PayPal Integration and Express Checkout.
Price Level	This list is available when the Multiple Prices features is enabled. Price level values are used on item records to enable you to set up multiple prices for each item. When you create price level values, they automatically appear on item records with space for you to assign a price to each level. If the Quantity Pricing feature is enabled, you can assign quantity-based prices for each level. For more information, see the help topic Creating Price Levels.
Pricing Group	This list is available when the Multiple Prices feature is enabled. Pricing group values are used on customer and item records to enable the creation of customer-specific pricing for items. For more information, see the help topic Pricing Groups.
Project Status	This list is available when the Projects feature is enabled. Project status values are used on project records to indicate the progress of projects. For more information, see the help topic Creating a Basic Project Record.
Project Type	This list is available when the Projects feature is enabled. Project type values are used on project records to categorize them in whatever manner is needed. You can create a hierarchy of project types by identifying a subtype for each type value.
Revenue Allocation Group	This list is available when the Advanced Revenue Management feature is enabled. The revenue allocation group value is used in the GroupSum function in fair value formulas. For more information, see the help topics Fair Value Setup and GroupSum Formulas.
Term	Term values are used on invoice and customer records to specify when payment is due. You can select terms on a customer record to default on all invoices for that customer. You also can select terms on an invoice to apply to that transaction only. For more information, see the help topic Creating Terms of Payment.
Transaction Deletion Reason	This list is available when the Use Deletion Reason feature is enabled. You can create unique reasons why a transaction was deleted and choose the languages in which the reason should display. You can also inactivate specific deletion reasons if they no longer suit your needs. For more information, see the help topic Recording a Reason for Deleting a Transaction.

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List	Description
Vendor Category	Vendor categories are used on vendor records to categorize them.
1099-MISC Category	This list's values are used for 1099 forms that you issue to vendors. You cannot add values to this list.

Other lists in addition to Accounting Lists are available for use in categorizing other types of records:

- Employee related lists provide values to group employee records. See Setting Up Employee Related Lists.
- CRM lists provide customer relationship management values to group records such as contacts, sales representatives, partners, and campaigns. CRM Lists.
- Users with the Custom Lists permission can create additional, custom lists to categorize records, by going to .

Setting Up Employee Related Lists

NetSuite provides a number of predefined categories used to group records. These categories are called lists because each category can includes a list of values that can be set on records. Some lists have system-defined values, but you can add values to most lists as required by your business. System-defined values and the values you add to these lists, display as options in dropdowns for related fields.

Employee related lists provide values used on employee records to categorize them.

- To review existing values available for the various accounting lists, go to Setup >Accounting > Employee Related Lists. Values are grouped alphabetically by list name, and within that, alphabetically by value description.
- To add a value to an accounting list, go to Setup > Accounting > Employee Related Lists >New, and click on a list. Complete field(s) and click Save. You can click the New button to add another value.

Use the links on the Setup > Accounting > Employee Related Lists page to create categories used to provide information about your employees on employee records. The values you add appear as options in lists for employees.

The following lists may be available in your account:

List	Description
Education	Education values are used to define employees' level of education. These values display on the Human Resources, Education subtab of employee records.
Employee Status	Employee status values can be used to categorize employees' work status. Example values include part-time, full-time, temporary, regular. These values display on the Human Resources subtab of employee records.
Employee Type	Employee type values are used to categorize employees for descriptive or reporting purposes. These values display on the Human Resources subtab of employee records. System-defined values include the following: Contractor, Exempt (in the U.S., an employee not entitled to overtime pay), Officer, Owner, Regular Employee, and Statutory Employee. ⓘ **Note:** You can include one or more types of employees in employee-related key performance indicators, and search results by checking the Include in KPI box.
Ethnicity	Ethnicity values are used to categorize employees' ethnicity. These values display on the Human Resources, Personal subtab of employee records.

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List	Description
Marital Status	Marital status values are used to categorize employees' marital status such as Single, Married, or Divorced. These values display on the Human Resources, Personal subtab of employee records.
Project Resource Role	This list is available when the Project Management feature is enabled. Project resource role values are used to identify the roles of employees or vendors on project records. For more information, read the help topic Creating a Project Resource Role.
Resident Status	Resident status values are used to identify employee status, based on Section 1 of their completed I-9 forms. These values display on the Human Resources, Work Status subtab of employee records.
Visa Type	Visa type values are used to identify visa information on employee records. These values display on the Human Resources, Work Status subtab of employee records.

Other lists in addition to Employee Related Lists are available for use in categorizing other types of records:

- Accounting lists provide values for accounting-related groupings on a variety of records including transactions, items, budgets, customers, projects, and vendors. See Setting Up Accounting Lists.

- CRM lists provide customer relationship management values to group records such as contacts, sales representatives, partners, and campaigns. See the help topic CRM Lists.

- Users with the Custom Lists permission can create additional, custom lists to categorize records, by going to Customization > Lists, Records, & Fields > Lists > New.

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Working with Currencies

If the same currency is used for all of your business, you define the currency for your NetSuite data at Setup > Company > Company Information by selecting a Currency Locale.

If your business uses more than one currency, you must enable the Multiple Currencies feature at Setup > Company > Enable Features and then perform additional currency setup. This feature provides support for transactions with customers and vendors 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, and other currencies used by customers and vendors are referred to as foreign currencies or transaction currencies.

After you have enabled the Multiple Currencies feature, you can set up currency records for all of the different currencies to be used in your transactions. You can define your own base currency. If you use NetSuite OneWorld, you can define the base currency per subsidiary, or when using multiple accounting books with the Multi-Book Accounting feature, base currency per subsidiary per book. You can also assign currencies (or for NetSuite OneWorld, subsidiaries) to customers, vendors, and other entities. See Setting Up Multiple Currencies. For each currency you define, you must enter a three-letter alphabetic code supported by the International Standards Organization (ISO).

You also must set up a currency exchange rates list that includes exchange rates between each base currency and its foreign currencies, to be applied to transactions as necessary. See Setting Currency Exchange Rates.

You can enable the Currency Exchange Rate Integration feature to automatically update currency exchange rates one time each day. See Using the Currency Exchange Rate Integration Feature. If you have also enabled the use of cross currency triangulation, the Currencies page displays the Anchor Currency column. A Yes value in this column indicates that the respective currency can be used as the intermediate currency when NetSuite calculates the exchange rate for two cross currency pairs. For more information about cross currency calculation and anchor currencies, see Exchange Rate Integration.

If you use NetSuite OneWorld and your subsidiaries have different base currencies, you must maintain a table of consolidated exchange rates in addition to the Currency Exchange Rates list. The rates in this table are used to translate currency amounts from child to parent subsidiaries for consolidation purposes. These rates should be updated before each period is closed. See Using Consolidated Exchange Rates. A separate table is also available to enable you to maintain distinct budget exchange rates between child and parent subsidiaries for use in the budgeting process. See Using Budget Exchange Rates.

If you use multiple currencies with customers and vendors, the primary currency is the default currency used for transactions. Primary currency is set in the Primary Currency field on the customer or vendor NetSuite record. Transaction currencies include all of the currencies (including the primary currency) that can be used on transactions for those entities. Transaction currencies are selected under the Financial subtab on the Currencies subtab of the customer or vendor record. When a transaction is entered, the currency defined on the customer's or vendor's record determines the currency used to present the transaction amounts. If you use multiple currencies with customers and vendors, you can select any currency defined on a customer's or vendor's record when you create a transaction for that customer or vendor. If you do not use multiple currencies with customers and vendors, the currency defined on a record is used and cannot be changed. If a customer or vendor has a different currency from your company, the transaction must use two currencies: the foreign currency used by the customer or vendor and the base currency used by your company.

> **ℹ️ Note:** After qualifying revaluation transactions, the system generates the Realized Gain/Loss, Unrealized Gain/Loss, Unrealized Matching Gain/Loss, Rounding Gain/Loss accounts. Depending on the year in which your NetSuite account was established, you may also have the Exchange Rate Variance account.

For each currency that you use, you can customize the currency symbol and placement. Customized currency formats apply to currency fields displayed on screen and on printed transactions. See Customizing Currency Formats and Customizing Customer Currency Formats.

Currency exchange rates are used to convert foreign currencies to base currencies, providing 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.

> **ℹ️ Note:** With NetSuite OneWorld, each subsidiary can have a separate base currency, and the currency for an entity is determined by its associated subsidiary. See the help topics Multiple Currencies in OneWorld and Associating Subsidiaries with Entities.

Over time, fluctuations in exchange rates can affect the value of foreign currency transactions. NetSuite automatically revalues transactions that close during each accounting period and posts the variance. See Accounting for Fluctuation in Exchange Rates. Before you close each period you are required to revalue open balances to account for variances. See Revaluing Open Currency Balances.

> **⊗ Warning:** If your company conducts business in foreign currencies, your internal accounting staff and external accountants or auditors should familiarize themselves with the accounting principles and requirements of the country in which you must file reports to meet regulatory and tax requirements. Using non-compliant accounting practices over time could materially affect the valuation of transactions and account balances originally recorded in foreign currencies.

Setting Up Multiple Currencies

If your business uses more than one currency, you must enable the Multiple Currencies feature at Setup > Company > Enable Features and then perform additional currency setup. This feature provides support for transactions with customers and vendors that use currencies other than the currency in which your company manages its financials.

> **ℹ️ Note:** The capabilities previously associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features have been combined in the Multiple Currencies feature. When you enable the Multiple Currencies feature, you gain access to support for multiple currency customers and vendors. You cannot disable this feature if there are associated transactions.

See the following topics for information about setting up multiple currencies:

- Enabling the Multiple Currencies Feature
- Creating Currency Records
- Setting a Base Currency
- Assigning Currencies to Entities
- Currency Decimal Precision

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Enabling the Multiple Currencies Feature

A user with the Enable Features permission must enable the Multiple Currencies feature. This feature provides support for transactions with customers and vendors that use currencies other than the currency in which your company manages its financials.

To enable the Multiple Currencies feature:

1. Go to Setup > Company > Enable Features.
2. On the **Company** subtab, check the **Multiple Currencies** box.
3. You can also enable the **Currency Exchange Rate Integration** feature at this time if you want to automatically update exchange rates one time each day. For more information, see Using the Currency Exchange Rate Integration Feature.
4. Click **Save**.

After you enable **Multiple Currencies**, go to Lists > Accounting > Currencies. Ensure that the base currency for your company (or for NetSuite OneWorld, for each of your subsidiaries) is marked **Yes** in the **Base Currency** column. To use a base or foreign currency not included in the default list on the Currencies page, you must first define the new currency. NetSuite supports all ISO 4217 standard currencies. For more information, see Creating Currency Records.

You must define each foreign currency that you use on transactions with a name, default locale, ISO code, and default exchange rate.

> ⚠ **Important:** If you do not currently use accounting periods, you must enable the **Accounting Periods** feature in your account to effectively use the **Multiple Currencies** feature. Accounting periods are required to properly post open balance revaluation at the end of each accounting period. See Working with Accounting Periods.

Creating Currency Records

By default, NetSuite provides the following currencies with the Multiple Currencies feature:

Country	Currency Name	Symbol/ Currency Code
Canada	dollar	CAD
European Union	euro	EUR
Great Britain	pound	GBP
United States	dollar	USD

Create additional currency records for any other currencies to be used for transactions. NetSuite supports all ISO 4217 standard currencies.

> ⚠ **Important:** You must enter the International Standards Organization (ISO) supported alphabetic code in the ISO Code field for each new currency that you create. If you enter an unsupported ISO code, an error occurs preventing you from saving the currency record. The ISO code for each currency must be unique.

To create a currency record:

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

2. On the Currency page, enter a unique name for the currency.

   Because many countries use the same name for their currencies, use a combined name that includes the country name or abbreviation as well as the name of the currency. For example, pesos are the currency in the Philippines, Uruguay, and Mexico. In the **Name** field, you might enter **Mexican peso**.

   You can select this currency name when you define customer, vendor, and other records to make that currency the default transaction currency on that record.

3. In the **Default Locale** field, select a country to determine the currency format.

   The currency format is the combination of the symbol, thousands separator, level of decimal precision, and negative symbol used to display amounts on transactions.

   When you select a locale, the **ISO Code** field displays the three letter International Standards Organization (ISO) currency code for this locale. The **Format Sample** field displays the default currency format for this currency.

   > **(i) Note:** If you edit a currency by changing the default locale, NetSuite prompts you to confirm the change.

4. In the **ISO Code** field, select the three-letter International Standards Organization (ISO) currency code.

   The **Format Sample** field displays the default currency format for this currency.

   > **(i) Note:** You can create only one currency per ISO code.

   For example, you would use PHP for Philippines pesos, UYU for Uruguayan pesos, and MXN for Mexican pesos.

5. In the **Default Exchange Rate** field, enter an exchange rate for this currency against the base currency of this company.

   If you use NetSuite OneWorld, enter the exchange rate for this currency against the base currency of the root parent subsidiary. This rate is equal to the base currency amount over the foreign currency amount. For example:

   - If your company is located in Canada and you are defining the U.S. dollar, and the current exchange rate is 1.02 Canadian dollars to 1.00 U.S. dollar, the **Default Exchange Rate** for the U.S. dollar is 1.02/1.00, or 1.02.

   - If your company is located in the U.S. and you are defining the Canadian dollar, and the current exchange rate is 1.02 Canadian dollars to 1.00 U.S. dollar, the **Default Exchange Rate** for the Canadian dollar is 1.00/1.02, or .98.

   If you use NetSuite OneWorld **and you have Multi-Book Accounting** provisioned in your account, enter the exchange rate for this currency against the base currency of the root subsidiary primary book currency.

   This rate is the basis for rates in the Currency Exchange Rates table that are used in foreign currency transactions. If you use OneWorld, this rate also is the basis for rates in the Consolidated Exchange Rates table that are used in consolidated financials. For more information, see Setting Currency Exchange Rates.

6. If the Currency Exchange Rate Integration feature is enabled in your account, the **Automatic Update** box is checked to indicate that standard ISO exchange rates should be automatically updated by the system. For more information, see Using the Currency Exchange Rate Integration Feature.

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> ⚠️ **Important:** When the Currency Exchange Rate Integration feature is enabled in your account, NetSuite prohibits non-standard ISO codes even if **Automatic Update** is disabled for a specific currency. Non-standard ISO codes significantly slow down the exchange rate update process.

If you do not want an update to occur for a specific currency, you can clear the **Automatic Update** box. If this box is cleared for a base currency, the automatic updates that occur with that currency are only those updates to other base currencies. For example, if the definition of GBP as a base currency does not have automatic update enabled, no updates occur except with other base currencies, which consider the GBP a foreign currency.

7. If you are defining a base currency and the Currency Exchange Rate Integration feature is enabled, the **Update Time Zone** field displays. In this field, you can select the time zone used to determine the time of daily exchange rate updates. These updates occur at 6 a.m. in the selected time zone. The default is U.S. Eastern time. You can select another time zone. If this currency is not a base currency, the **Update Time Zone** field does not appear.

8. An existing currency record displays the **Is Base Currency** field if it has been designated as the base currency for a subsidiary, or selected as the currency at company level.

   You cannot edit this field on the currency record.

9. The read-only **Currency Precision** field displays the precision of the currency, which designates the number of digits to the right of the decimal point used in currency transactions. Precision can be zero or two. For more information, see Currency Decimal Precision.

   The level of decimal precision indicated is used for inventory costing calculations to maintains consistency between inventory costing and reporting. Values in report results are rounded to the base currency precision. This rounding applies to currency values and non-currency values, including formula column values.

   To change this read-only field to a list through which you can change the precision from zero or two, contact NetSuite Technical Support.

10. If you have enabled the use of cross currency triangulation, the Currency page also displays the **Is Anchor Currency** box. For more information about anchor currencies, see Exchange Rate Integration.

    If this currency is a designated anchor currency and the exchange rate is calculated, you cannot delete this currency.

11. Clear the **Inactive** box to make the currency available, or check it to make the currency inactive. You cannot make a currency inactive if any open transactions exist in that currency.

12. To customize the format for this currency, check the **Override Currency Format** box.

    - In the **Symbol** field, enter the text and currency symbol you want to use for this currency. Include spaces if you want to separate the symbol from the currency value.

    - In the **Symbol Placement** field, select to place the currency symbol before or after the number.

    The **Format Sample** field shows how currency amounts display on screen and on printed transactions using your customized currency format. See Customizing Currency Formats.

    > ℹ️ **Note:** When you check the **Format Sample** box, the Format Sample displays the format based on the user's Number Format preference, which may differ from the number format set at the company level.

13. Click **Save**.

> ✅ **Tip:** To edit an existing currency record, go to Lists > Accounting > Currencies. Click the name of the currency you want to edit. Modify the currency as required, then click **Save**.

You can associate this currency with customer, vendor, and other entity records. You can also create foreign currency prices for your sales items. For more information, see Assigning Currencies to Entities and Assigning a Foreign Currency Price to a Sales Item.

If you use NetSuite OneWorld, you can assign this currency as the base currency of one or more subsidiaries. For more information, see the help topics Multiple Currencies in OneWorld and Creating Subsidiary Records.

After you create records for the currencies to be used in your transactions, you can set up exchange rates between currencies. See Setting Currency Exchange Rates.

Currency Field Limitations

You can enter up to 17 digits including integers and decimals in a currency field on a record.

- For decimal currencies, the maximum field size is 15 + 2. You can enter numbers with up to 15 integers and 2 decimals. Example: 123,456,765,890,123.12
- For currencies without decimals, the maximum field size is 17 + 0. You can enter numbers with up to 17 integers. Example: 12,345,678,905,612,345

View-only currency fields such as totals, display up to 18 digits.

- For decimals currencies, the maximum field size is 18 +2. Example: 123,456,789,012,345,678.12
- For currencies without decimals, the maximum field size is 18 +0. Example: 123,456,789,012,345,678

Customizing Currency Formats

You can customize the formats for the currency or currencies you use in your account at the company level, per currency, and per customer record.

Customized currency formats apply to currency fields displayed on screen including viewing forms, editing and creating new forms, list pages, search results, and printed documents. Customized currency formats are not reflected in reports or CSV import and export results.

When customizing a currency format, you can set the symbol to use, include text and spaces, or use no symbol. You can also set whether to place the symbol before or after the number. The **Symbol** and **Symbol Placement** fields appear when you check the **Override Currency Format** box.

> ℹ️ **Note:** The symbol position you select in the **Symbol Placement** field appears only on transaction records. It does not appear on reports.

You can customize currency formats if you have a single currency account and if you use the Multiple Currencies feature.

- With Multiple Currencies: customize the currency format on the currency record. Go to Lists > Accounting > Currencies.
- Without Multiple Currencies: customize the currency format on the Company Information page. Go to Setup > Company > Setup Tasks > Company Information.

To customize currency formats per customer, see Customizing Customer Currency Formats.

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Setting a Base Currency

When you enable the Multiple Currencies feature, your NetSuite country edition initially sets the base currency. Before you save any transactions, you can choose a different base currency.

If you use NetSuite OneWorld, your NetSuite country edition initially sets the base currency of your root parent subsidiary. Before you save any transactions, you can choose a different base currency for this subsidiary. When you create each additional subsidiary record you must choose a base currency for that subsidiary. For more information, see the help topics Creating Subsidiary Records and Multiple Currencies in OneWorld.

The currency record displays **Is Base Currency** when it has been selected as the base currency for a subsidiary in OneWorld accounts, or on the Company Information page for an account. You cannot edit this field on the currency record.

While transactions default to the currency of the customer or vendor involved in the transaction, transactions post to your general ledger in your base currency. All reports and registers then display currency amounts in your base currency.

For example, if a company in Hamilton, Ontario, Canada issues an invoice to a customer in Buffalo, New York, United States of America, the invoice could be denominated in U.S. dollars (USD), but an accounts receivable report for the Hamilton company would display the amount in the company's base currency, Canadian dollars (CAD).

Be aware that you can define general ledger accounts that use foreign currencies. Typical foreign-denominated accounts include payable, receivable, and bank accounts. In addition, you can define accounts such as Foreign Currency Denominated Loans by assigning the appropriate Account Type to the Account. If you use OneWorld, you can share these accounts across subsidiaries. For information about denominating an account in a foreign currency, see Creating Accounts.

To change your initial base currency:

1. Go to Setup > Company > Company Information.
2. In the **Currency** field, select the currency you want to set as your base currency.
3. Click **Save**.

   If you are using the Currency Exchange Rate Integration feature to automatically update currency exchange rates, the time of these daily updates is 6 am in the selected Update Time Zone on the base currency record. The default selection is U.S. Eastern time. See Using the Currency Exchange Rate Integration Feature.

> ⊗ **Warning:** If any user has saved a transaction that includes a currency amount, you cannot change the base currency unless you delete that transaction.

Assigning Currencies to Entities

If you use the Multiple Currencies feature, you can assign currencies to customer, vendor, and other entity records.

If you do business with customers who use multiple currencies in their business dealings with you, you can assign multiple currencies to a single customer record. You can add currencies to a customer record at any time and can also change the primary currency. You cannot, however, remove a transaction currency after a transaction in that currency has been created.

If you do not do business with customers using multiple currencies, best practice is to assign a currency to an entity when it is created or soon after. You cannot change the currency on a customer, vendor,

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or other entity after entering a transaction with that entity using a currency amount. For example, you cannot define a customer as using U.S. dollars (USD), create a USD invoice, and then change the same customer's currency to Canadian dollars (CAD). You must define a new customer that uses CAD.

> ⚠️ **Important:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.
>
> When you enable this feature, you gain access to support for multiple currency customers and vendors.
>
> You cannot disable this feature if there are associated transactions.
>
> If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

You can set the currency format to be used on customer-facing documents such as invoices, bills, and payments. See Customizing Customer Currency Formats.

Although you can enter transactions in foreign currencies, NetSuite revalues these amounts to your base currency for financial reports and account registers.

Assigning Currencies to a Record

If your NetSuite account displays the Multiple Currencies, Multiple Currencies Customers, and Multi-Currency Vendors boxes on the Company subtab of the Enable Features page, and the Multi-Currency Customers box is **not** checked, use the following procedure to assign currencies to a record.

The default or primary currency is set to the base currency of the company, or for NetSuite OneWorld, the base currency of the root parent subsidiary. For NetSuite OneWorld, when you select a subsidiary to associate with an entity, the currency changes to be the base currency of the selected subsidiary.

If the Multi-Currency Customers box is checked, or if your NetSuite account displays only the Multiple Currencies box rather than three check boxes, use the Assigning Currencies to Customers procedure.

To assign a currency to a record:

1. Go to Lists > Relationships > Customers > New (or to another new entity page) to create a new record, or go to Lists > Relationships > Customers (or to another entity list page) and click the **Edit** link.
2. If you use NetSuite OneWorld, select a subsidiary to associate with the entity, if one is not already selected.
3. Click the **Financial** subtab, and select a currency in the **Currency** field.
4. Check **Override Currency Format** if you want to change the currency format used on printed documents for the customer.
   - **Currency Symbol** - enter a symbol for the currency, including spaces if needed.
   - **Symbol Placement** - select **Before Number** or **After Number** to indicate where the currency symbol appears.

   The **Format Sample** field displays the currency format with your changes.
5. Click **Save**.

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> **Note:** An entity's assigned currency determines the currency used for transactions that involve the entity. A child entity uses the same default currency as its parent entity, for example a sub-customer and customer. Likewise, projects for a customer use the same currency as the customer.

You cannot change the currency on a customer record after a transaction has been entered for that customer.

Assigning Currencies to Customers

If your NetSuite account displays the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors boxes on the Company subtab of the Enable Features page, and the Multi-Currency Customers box IS checked, or if your NetSuite account displays only the Multiple Currencies box rather than three check boxes, use the following procedure to assign multiple currencies to customers.

On a customer record, a customer's primary currency is selected in the Currency field. You can select additional transaction currencies on the Currencies subtab for the customer. You can also customize the format for each currency for a customer. For more information, see Customizing Customer Currency Formats.

To assign currencies to a customer:

1. Go to Lists > Relationships > Customers > New to create a new record, or go to Lists >Relationships > Customers and click the **Edit** link next to an existing record.
2. Click the **Financial** subtab.
3. In the **Currency** field, select the customer's primary currency. This currency is selected by default on transactions.
4. On the **Currencies** subtab, select another currency used by this customer.
5. Click **Add**.
6. To change the currency format to be used on screen and for printed documents, in the **Format** column for a currency, click the pencil icon.
   - Check **Override Currency Format**.
   - In the **Symbol** field, enter a symbol for the currency. Include spaces if you want to separate the symbol from the amount.
   - For **Symbol Placement**, select **Before Number** or **After Number** to indicate where the currency symbol appears.

   The **Format Sample** field displays the currency format with your changes.
7. Repeat these steps for each currency used by this customer.
8. Click **Save**.

When you enter a transaction for the customer, the primary currency is selected by default on the transaction. You can change the currency on a transaction to any of the currencies you set on the Currencies subtab of the customer record.

You can change the primary currency at any time by choosing it in the Currency field. You cannot, however, remove a currency from the list of transaction currencies after you have entered transactions in that currency.

Currency Decimal Precision

Some currencies require the use of integers, without decimal fractions. For example, Japanese yen are usually displayed as ¥123, but not as ¥123.45. For this reason, customer-facing documents must

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display currency amounts in yen using integers. The NetSuite user interface generally displays these currencies as integers. See Currencies Usually Expressed as Integers.

If the base currency of your company or subsidiary permits the use of decimal fractions, NetSuite displays amounts from foreign currency transactions in base currency amounts using two decimals places. Your customer can see the total amount of a transaction in a zero-precision foreign currency as an integer, but your company's records display the translated, base-currency amounts using two decimal places. For more information, see Working with Currencies and Setting a Base Currency.

For example, a company can use U.S. dollars as its base currency and price an item at $123.45 per unit. If the exchange rate is 93.4857 Japanese yen to the U.S. dollar, the line item amount displayed on an invoice to a Japanese customer for ten units of the item is ¥115,408, not ¥115,408.10. However, NetSuite displays the transaction amount for the ten units on the U.S. company's books, as $1,234.50. For more information, see the help topic Setting Up Item Pricing.

The decimal precision of a currency is displayed in the Currency Precision field on the Currency record. For example, the Currency Precision value for the Default Locale United States (English) is 2, for two decimal places. For the Japan (Japanese) local the Currency Precision value is 0. You cannot edit the Currency Precision. If you need a different decimal precision, contact NetSuite Customer Support for assistance. The only values supported are 0 and 2.

Values in report results are rounded to the base currency precision. This rounding applies to currency values and non-currency values including formula column values.

Currencies Usually Expressed as Integers

NetSuite displays the following currencies as integers, without using decimal fractions.

Country	Currency Name	Currency Code
Belarus	Ruble	BYR
Cambodia	Riel	KHR
Chile	Peso	CLP
Iceland	Krona	ISK
Indonesia	Rupie	IDR
Iraq	Dinar	IQD
Japan	Yen	JPY
Lebanon	Pound	LBP
Paraguay	Guarani	PYG
South Korea	Won	KRW
Vietnam	Dong	VND

Multiple Currencies and Customers

The Multiple Currencies feature authorizes you to do business with customers who use multiple currencies in their business dealings with you. This feature enables you to enter sales transactions in multiple currencies for individual customers, prospects, and leads. When you create a customer record, you set the primary currency and additional available currencies for transactions with that customer.

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> ⚠ **Important:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.
>
> When you enable this feature, you gain access to support for multiple currency customers and vendors.
>
> You cannot disable this feature if there are associated transactions.
>
> If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

Enabling the feature does the following:

- adds a Currencies subtab to lead, prospect, and customer records under the Financial subtab
- makes the Currency field on sales transactions an editable field
- changes the Currency field on customer records to Primary Currency

The primary currency is the default currency selected on sales transactions. Aggregate balance information and credit limits are displayed in the primary currency.

Transaction currencies are set on the Currencies subtab under the Financial subtab. Transaction currencies can be used for sales transactions for a customer. When you save a new customer record, the primary currency is automatically added to the list of transaction currencies on the Currencies subtab. There is no limit to the number of transaction currencies a customer can use.

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When you create a sales transaction for the customer, you can choose any of the transaction currencies associated with the customer. You cannot remove a currency from a customer if transactions have been entered in that currency.

> **ⓘ Note:** If you use NetSuite OneWorld, subcustomers can have primary currencies different from that of the top-level parent.

You can customize the currency symbol format that appears on screen and on printed transactions. See Customizing Customer Currency Formats.

> **ⓘ Note:** Multiple currencies hierarchies (an organization of a top-level parent customer and a series of sub-customers) can be used in cases where multiple records provide a better method of accounting for distinct customer relationships with a single accounts receivable representation. An example would be a multi-national corporation with a shared service center.

Selecting Currencies on Transactions

When you enter a transaction for a customer, the primary currency is selected by default, but you can choose any transaction currency from the customer's record.

After a transaction has been saved, you cannot change the currency. If you need to re-enter the transaction in another currency, you must delete it or make a copy of the transaction and change the currency on the copy.

If you change the currency while you are entering the transaction (before it is saved), shipping rates, prices, gross profit, and other currency amounts on the transaction are converted to the new currency. There are exceptions to this automatic recalculation including the following:

- If you enter a custom price for a line item and then change the currency, the rate is not converted to the new currency.
- The forecast fields on opportunities are not recalculated when you change the currency.

Customers placing orders through the Customer Center or the My Account section of the Web store can select any transaction currency that is set on the customer record. Customers can place orders only in their primary currency through Web store checkout.

If you do business with customers who use multiple currencies in their business dealings with you, you can also enter journal entries and intercompany journal entries for a customer in any currency used by that customer. If you have a customer who is also a vendor, you can choose from the vendor currency or any of the customer transaction currencies to use for the journal entry.

When you apply a gift certificate to an order, the list of gift certificates is filtered to only show the available gift certificates in the currency you have set on the order.

Transaction Workflows

When you convert an estimate or sales order to another sales transaction, the currency from the original estimate or order is maintained throughout the process and cannot be changed.

This includes the following workflows:

- converted estimates and opportunities
- sales order to invoice

  This includes the Bill Sales Orders page and the Invoice Billable Customers page. Invoices are created in the same currency as the sales order.
- invoice, order, cash sale to RMA to refund or credit
- deposit to refund

In other transaction workflows, it is possible to change the currency in subsequent transactions, including:

- making copies of transactions

  You can change the currency on a copy of a transaction. All currency amounts (except for custom prices) are converted to the new currency.
- accepting payments

  When you click Payment on an invoice, the invoice currency is selected by default on the ensuing payment. You can change the currency, but doing so filters out the original invoice from the list of invoices.

Accepting Payments and Credit Card Processing

When you record a customer payment, the customer's primary currency is chosen by default, but you can choose any of the customer's transaction currencies. The currency you select filters the list of invoices you can apply payment to and the lists of credits and deposits you can apply.

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When accepting credit card payments, you can use only those credit card processing profiles that are set up for the base currency.

For information on using multiple currencies customers and the Consolidated Payments feature, see Consolidated Payments and Multiple Currencies Customers.

Assessing Finance Charges in Multiple Currencies

With Multiple Currencies enabled, finance charges are accrued in the currency of the overdue transaction. The Assess Finance Charges page shows a line for each customer in each currency in which they have incurred a finance charge.

Billables and Multiple Currencies Customers

Billable items, expenses, and time are also recalculated when you change the currency on a sales transaction. Also note that if you change the currency on a sales transaction, invoices created for that customer in a different currency do not display on the Billable Time subtab on the Items subtab of the invoice.

When using the Invoice Billable Customers page to generate invoices in bulk, you create invoices only in a customers' primary currency.

Item Pricing with Multiple Currencies Customers

With the Multiple Currencies feature, item prices on transactions are determined through the following process:

1. If an item price is specified for the transaction currency, this price is used.
2. If no item price is specified for the transaction currency, the base currency item price is converted to the transaction currency based on the exchange rate on the transaction.
3. If neither base currency nor transaction currency price is available, the price field is left blank.

If you use absolute pricing for customers, you can enter absolute prices in any of a customer's transaction currencies. For more information, see the help topic Absolute Pricing for Customers.

When printing a price list for a single customer, you can choose any of the customer's transaction currencies to use. For more information, see the help topic Generating an Individual Price List. To print price lists in bulk, you can select whether you want to print prices in each customer's primary currency or print a price for every transaction currency.

Consolidated Payments and Multiple Currencies Customers

You can use the Consolidated Payments feature with the Multiple Currencies feature, enabling you to accept payments for any open invoice in any currency used by any customer in the hierarchy.

> ⓘ **Note:** With the Consolidated Payments feature, unless you are using NetSuite OneWorld, each customer in the hierarchy must have the same primary currency.

When you record a payment and select a customer, you can choose any of the transaction currencies on the customer record. This filters the invoices, credits, and deposits to show only those entered for customers in the hierarchy in that currency.

If you are accepting payment through a top-level customer, you can make payments toward any invoices entered for a customer in the hierarchy as long as the invoice currency is set as a transaction currency for that top-level parent.

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Customer Balance Information with Multiple Currencies Customers

Customers viewing balance information in the Customer Center or in the My Account section of the Web store see their balance converted to the customer's primary currency.

You can view the balance for each currency on the Currencies subtab under the Financial subtab of the customer record. If you use the Consolidated Payments feature, consolidated balance information is shown in each currency.

By default, A/R reports display the balance information in your base currency. If you want to show transaction amounts in the transaction currency, you can customize the report to include the transaction currency and currency amount.

Customer statements, printed both individually and in bulk, include separate statement pages for each currency the customer has a balance in. For more information, see the help topic Customer Statements.

If you use the Consolidated Payments feature and you print a consolidated statement, statement pages are printed for each currency that is used by any customer in the customer hierarchy.

Multiple Currencies Customers and KPIs and Reports

KPIs and reports give A/R amounts in your company's base currency. Foreign currency balances are converted based on the current exchange rates.

A/R reports by default show transaction amounts and balance data in your base currency, but you can customize these reports to show the foreign currency amounts as well. To add transaction currency information to a report, customize the report to include the transaction currency and amount.

Multiple Currencies Customers and Search

You can retrieve balance information for each of a customer's transaction currencies through a search. To do this, create a customer search and on the Results subtab, select Customer Currency Balance Fields. In the popup dialog in the Customer Currency Balance Field field, select from of the following:

- **Balance (Foreign Currency)** – This field displays the transaction currency balance amount for the currency in a line on the search results.
- **Currency** – Adding this field creates a line for each transaction currency for each customer in the search results.
- **Deposit Balance (Foreign Currency)** – This field displays the total deposit balance for each of a customer's transaction currencies.
- **Last Financial Charge Date (Foreign Currency)** – This field displays the date of the last finance charge in each of a customer's transaction currencies.
- **Unbilled Orders (Foreign Currency)** – This field shows the unbilled sales order total in each of a customer's transaction currencies.

> 🛈 **Note:** Any fields you add to the results from the customer record are repeated on each row of your search results. Therefore, if you want to include only the balance in each currency for a customer, do not include customer record fields.

Multiple Currencies and Customer Center

Customers can enter orders through the Customer Center in any currency set as a transaction currency on their customer record.

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Before a customer can place orders in more than one currency, a sales rep or someone with access to the customer record must first select the additional transaction currencies on the customer's record.

Multiple Currencies Web Site Customers

Shoppers can place orders through Web store checkout only in their primary currency.

When a shopper places the first order and registers at that time through Web site registration, the currency of that first order is set as the customer's primary currency on the customer record that is created.

Customers who register but do not order can select their primary currency during registration.

You can add transaction currencies for a customer, but those currencies are available for use only through the My Account section of the Web store or through the Customer Center.

Multiple Currencies and Projects and Jobs

Projects and associated transactions can be assigned only a single currency. When you select a customer on a new project record, you can select any of this customer's transaction currencies. This currency is used for any sales transaction associated with the project. If you create a sub-project record, the currency of the parent project is used.

When adding project items to sales transactions, the currency of the project must match the transaction currency.

When creating a job or project from a sales order line item, the currency of the sales order is used.

Merging Customer Records with Different Primary Currencies

If the Multiple Currencies feature is enabled, you can merge duplicate customers who have different primary currencies. When you merge two customers with the same primary currency, the following occurs:

- the lists of transaction currencies from both duplicate and master records are combined
- the primary currency of the master record is maintained
- the duplicate customer's custom pricing level is not copied over the master
- the customer credit limit is not copied over the master

For more information on duplicate detection and merge, see the help topic Duplicate Record Detection.

If you use NetSuite OneWorld, you can merge records only within the same subsidiary. If you use a role with access to multiple subsidiaries, before merging records, you should restrict your view to see only records for a single subsidiary.

To restrict your view:

1. Go to Home > Set Preferences.
2. Click the **Restrict View** subtab.
3. In the **Subsidiary** field, select the subsidiary into which you want to merge records.
4. Click **Save**.

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This restriction lasts for only your current session. You must reset the restriction each time you log in to your NetSuite account.

Customizing Customer Currency Formats

You can customize the currency format that appears on screen for transactions and on printed documents such as invoices and statements per customer. This enables you to format currency amounts by customer based on your business needs and on user preferences.

> ⓘ **Note:** If you do not use the Multiple Currencies feature, you can customize the format for a currency at the customer level. The formatting options are the same as for Multi-Currency Customers. See Assigning Currencies to a Record.

> ⚠ **Important:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.
>
> When you enable this feature, you gain access to support for multiple currency customers and vendors.
>
> You cannot disable this feature if there are associated transactions.
>
> If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

For each currency, you can customize the currency symbol and its placement in relationship to the currency amounts. You can add text to distinguish currencies that use the same currency symbol such as the dollar sign.

To customize currency formats for a multiple currencies customer:

1. On a customer record, go to the **Currencies** subtab under the **Financials** subtab.
2. Select a currency or add a new currency.
3. In the **Format** column, select the pencil icon to open the formatting popup.

   The **Format Sample** field shows the default format for this currency.
4. Check **Override Currency Format** to customize the currency format.
   - **Symbol** - enter a currency symbol and text such as USD. Include spaces if you want to separate the symbol from the currency amount.
   - **Symbol Placement** - select to place the currency symbol before or after the amount.

   > ⓘ **Note:** The **Override Currency Format** box must be checked to show the currency format on customer-facing documents such as invoices, bills, and payments. This information is useful when the currency of the subsidiary is different from the currency of the customer.
   >
   > For printed customer documents to respect the customer's currency settings, you must choose the **Print in Customer's Locale** option. The **Print** option does not respect currency format settings.
5. Click **Done**.

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Multiple Currencies and Vendors

The Multiple Currencies feature authorizes you to do business with vendors who use multiple currencies in their business dealings with you. This feature enables you to enter purchase transactions in multiple currencies for individual vendors. With this feature, when you create a vendor record, you set a primary currency and additional currencies available for transactions with that vendor.

> ⚠️ **Important:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.
>
> When you enable this feature, you gain access to support for multiple currency customers and vendors.
>
> You cannot disable this feature if there are associated transactions.
>
> If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

Enabling the feature does the following:

- adds a Currencies subtab to vendor records under the Financial subtab
- changes the Currency field on vendor records to Primary Currency
- makes the Currency field on purchase transactions editable

  The currency selected on existing vendors becomes the primary currency after you enable the feature. You can add transaction currencies for each vendor.

- enables you to define purchase prices in other currencies on item records

  This requires that you have enabled the Multiple Vendors feature.

The primary currency is set in the Primary Currency field on the vendor record. Primary currency is used for the following:

- default currency selected on purchase transactions
- aggregate balance information (shown in the Balance and Unbilled Orders fields on the vendor record)
- credit limits with vendors
- purchase order currency on drop-ship and special orders
- currency used for time entries created through the Vendor Center

Transaction currencies are set on the Currencies subtab under the Financial subtab on the vendor record. Transaction currencies are available to be used on purchase transactions for a vendor. (The primary currency is automatically added to the list of transaction currencies.) There is no limit to the number of transaction currencies you can use with a vendor.

When you create a purchase transaction for the vendor, you can choose any of the transaction currencies associated with the vendor. You cannot remove a currency from a vendor if transactions have been entered in that currency, but you can change a vendor's primary currency at any time. Changing a vendor's primary currency maintains the former primary currency as a transaction currency.

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Assigning Currencies to Vendors

When you create a vendor record, you select the primary currency in the Currency field. This is the default currency used on transactions as well as the currency used to present balance information for this vendor.

You can add transaction currencies on the Currencies subtab. The primary currency is added to the list of transaction currencies automatically.

> **Note:** If you change the currency on a vendor record, you must re-enter the credit limit you have with this vendor in the new primary currency.

If you have vendors who have other relationships with your company (for example, a vendor who is also a customer), when you first enable the Multiple Currencies feature, you cannot change the primary currency if you have existing transactions for the non-vendor relationship. You can still add other transaction currencies for these vendors.

Selecting Currencies on Transactions

When you enter a transaction for a vendor such as a purchase order, the primary currency is selected by default, but you can choose any transaction currency from the Currency list on the transaction record.

After a transaction has been saved, you cannot change the currency. If you need to re-enter the transaction in another currency, you must delete it or make a copy of the transaction and change the currency on the copy.

If you change the currency while you are entering the transaction (before it is saved) prices on the transaction are converted to the new currency. If a purchase price is defined for the items on the transaction, that price is used. If no purchase price for the item is defined in the currency of the vendor, the price is converted based on the exchange rate.

> **Note:** If you enter a custom price for a line item and then change the currency, the rate is not converted to the new currency.

When vendors log in to the Vendor Center, they can see purchase requests and purchase orders in the currency in which the transactions were entered. Billable time entered through the Vendor Center uses the vendor's primary currency.

Transaction Workflows

With Multiple Currencies, when you enter a vendor transaction you can choose from any of the vendor's transaction currencies. As that transaction advances through the purchasing process, the currency from the original transaction is maintained and cannot be changed.

This includes the following workflows:

- purchase request to purchase order
- purchase order to item receipt
- purchase order to vendor bill

  This includes purchase orders billed through the Bill Purchase Orders page.
- vendor bill to vendor payment

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- vendor return authorizations to vendor return item fulfillment

For example, if you create a purchase request using the British pound, the resulting purchase order, item receipt, and vendor bill all use the British pound.

Memorized purchase order transactions use the same currency as the original transaction. The cost of items on the generated purchase orders reflect this currency.

The Approve Bills transaction converts currency amounts on unapproved purchase orders and vendor bills into your company's base currency for the purpose of approval.

Drop-ship or special orders are purchased from an item's preferred vendor. The resulting purchase orders are in the preferred vendors' primary currency. The sales transactions can use any of your customer's transaction currencies.

Vendor Payments

When you record a payment made to a vendor, the vendor's primary currency is chosen by default, but you can choose any of the vendor's transaction currencies. The currency you select filters the list of bills or invoices as well as the lists of credits and deposits you can apply to display only those bills, credits, and deposits in the currency you chose.

Paying bills through the Pay Bills page can include payments in any number of vendor transaction currencies. Payment must be made in the same currency as the purchase order.

Order Items Transactions

Ordering items through the Order Items page displays all items with the purchase price of the items' preferred vendors. If you use this page and show items with no preferred vendor, when you select a vendor for a specific item, you must use that vendor's primary currency.

Vendor Currencies and Credit Limits

Your credit limit with a vendor is expressed in the vendor's primary currency, but it applies to all transactions regardless of the currency used. The current exchange rate is used to determine your current outstanding credit. Consequently, your available credit with a vendor can fluctuate with exchange rates.

Item Pricing with Multiple Currencies Vendors

The Multiple Vendors feature enables you to enter pricing for multiple vendors on item records. If you also do business with vendors who use multiple currencies in their business dealings with you, you can enter purchase prices on item records for each currency used by your vendors.

To enter vendor prices for an item:

1. On the Item record, on the **Purchasing/Inventory** subtab, click the **Vendors** subtab.
2. In the **Vendor** column, select the **Vendor** for whom you are entering prices.
3. In the **Code** column, enter this vendor's code for this item.
4. Check the box in the **Preferred** column if this is the preferred vendor for this item.
5. In the **Purchase Prices** field, click the **Set** icon.
6. In the popup, select the vendor transaction currency for which you want to define a price.

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7. Enter the purchase price in that currency.

8. Click **Add**.

9. Repeat steps 6 – 8 for each currency for which you want to list a price.

10. Click **OK**.

11. Repeat these steps for each vendor for whom you want to enter prices.

> ⓘ **Note:** When entering purchase prices for an item, you must enter a price in the vendor's primary currency.

When you do business with vendors who use multiple currencies in their business dealings with you, item prices on transactions are determined through the following process:

1. If an item price is specified for the transaction currency, this price is used.

2. If no item price is specified for the transaction currency, the base currency item price is converted to the transaction currency based on the exchange rate on the transaction.

3. If neither base currency nor transaction currency price is available, the price field is left blank.

Vendor Balance Information with Multiple Currencies Customers

On vendor records, your balance and unbilled order amounts are displayed for each vendor in both your base currency as well as in each vendor's primary currency.

The Balance and Unbilled Order fields display amounts in the vendor's primary currency. The Balance (Base) and Unbilled Orders (Base) fields are displayed in your company's base currency.

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Credit limits for each vendor are displayed in the Credit Limit field in the vendor's primary currency.

Multiple Currencies Vendors and KPIs and Reports

KPIs and reports give A/P amounts in your company's base currency. Other currency balances are converted based on current exchange rates.

A/P reports by default show transaction amounts and balance data in your base currency, but you can customize these reports to show the foreign currency amounts. To add transaction currency information to a report, customize the report to include the transaction currency and amount.

Multiple Currencies Vendors and Search

You can retrieve balance information for each of a vendor's transaction currencies through a search.

To do this, create a vendor search, and on the Results subtab, select Vendor Currency Balance Fields. In the popup dialog in the Vendor Currency Balance Field field, select from of the following:

- **Balance (Foreign Currency)** – This field displays the transaction currency balance amount for the currency in a line on the search results.
- **Currency** – Adding this field creates a line for each transaction currency for each vendor in the search results.
- **Unbilled Orders (Foreign Currency)** – This field displays the unbilled sales order total in each of a vendor's transaction currencies.

> ⓘ **Note:** Any fields you add to the results from the vendor record are repeated on each row of your search results. If you want to include only the balance in each currency for a vendor, do not include vendor record fields.

Merging Vendor Records with Different Primary Currencies

With the Multiple Currencies feature enabled, you can merge duplicate vendors who have different primary currencies. When you merge two vendors with the same primary currency, the following occurs:

- the lists of transaction currencies from both duplicate and master records are combined
- the primary currency of the master record is maintained
- vendor-specific prices for each duplicate are merged into the master record

For more information on duplicate detection and merge, see the help topic Duplicate Record Detection.

If you use NetSuite OneWorld, you can merge only records within the same subsidiary. If you use a role with access to multiple subsidiaries, before merging records, you should restrict your view to see only records for a single subsidiary.

To restrict your view:

1. Go to Home > Set Preferences.
2. Click the **Restrict View** subtab.
3. In the **Subsidiary** field, select the subsidiary into which you want to merge records.
4. Click **Save**.

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This restriction lasts for only your current session. You must reset the restriction each time you log in to your NetSuite account.

Setting Currency Exchange Rates

After you have created currency records in NetSuite and defined a base currency, you can set up exchange rates between the base currency and foreign currencies. If you use NetSuite OneWorld, you may define a different base currency per subsidiary, and set up different exchange rates between each base currency and its foreign currencies. Exchange rates for a base currency apply to all subsidiaries that use the same base currency.

These rates are stored in a list at Lists > Accounting > Currency Exchange Rates. For information about setting up rates in this list, see Adding Rates to the Currency Exchange Rates List. These exchange rates apply to transactions.

> ⚠️ **Important:** The Currency Exchange Rates page lists the base currency (currency of the subsidiary), currency, exchange rate, and the date on which the exchange rate changed for each currency exchange rate defined in your NetSuite account. To calculate exchange rates, NetSuite converts the currency to the base currency using the value that displays in the Exchange Rate column.
>
> If you use the Currency Exchange Rate Integration feature, this page displays two additional columns: One that provides the name of your exchange rate provider, and one that lists the method by which the rate was obtained. Methods include Direct (direct from the provider), Triangulation (cross currency triangulation calculation by NetSuite), and Inverse (based on the direct rate used by another NetSuite account).
>
> If you click a link in the Method column, a popup appears that contains specific details for how that exchange rate was derived. The popup provides the exchange rate ID (with a link to the Exchange Rate page), base or anchor currency, source currency, direct rate, source date, rate used, rate provider, and rate method (Direct or Inverse) for the currency pair. For Inverse exchange rates, the information is for a single currency pair. For a formula to calculate the rates that appear in this popup, see Triangulation Calculation.
>
> If you have enabled the use of cross currency triangulation, the Anchor Currency column displays the name of the anchor currency. For more information about cross currency calculation and anchor currencies, see Exchange Rate Integration.

> ℹ️ **Note:** The Currency Exchange Rates page always displays the **latest** exchange rate for a currency pair. Latest includes the following scenarios: 1) The latest manually recorded rates in the system, ordered by effective date, then modified date. 2) All of the latest rates provided from a single exchange rate provider, ordered first by effective date, then by the system's last modified date or the provider's rate's source date. 3) When rates are pulled from two different exchange rate providers on the same day, it is possible that the second provider's rate's source date could be a date earlier than the first provider's rate's source date. Rates are ordered first by effective date, then by the system's last modified date, and finally by the provider's rate's source date. 4) When rates are pulled from multiple exchange rate providers and the system contains manually recorded rates, rates are ordered first by effective date, then by the system's last modified date, and finally by the provider's rate's source date, if one exists.

You have three choices for making updates to exchange rates.

- You can manually update a rate between two currencies by adding a new rate for the same two currencies, with a different effective date.

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- You can set a rate to be automatically updated by the Currency Exchange Rate Integration feature. See Updating Rates in the Currency Exchange Rates List and Using the Currency Exchange Rate Integration Feature.

- You can use the Import Assistant to import currency exchange rates from an external system. The exchange rate values must be in a CSV file to import them into NetSuite. See the help topic Currency Exchange Rates Import.

To view the currency rate updates for your account, go to Lists > Accounting > Currencies and then click History. The Exchange Rate History page provides the date on which an update was recorded in the system, effective date of the update, and the date on which the update was change at the source. The recorded and source date may be the same, if you manually update currency exchange rates. If currency exchange rates are automatically updated, these dates may be different. This page also provides the user who made the change, and the rate before and after the change.

> ⓘ **Note:** A different set of exchange rates stored in the Consolidated Exchange Rates table, is used for consolidated reporting in OneWorld accounts. See Using Consolidated Exchange Rates.

Exchange Rate Field Limitations

You can enter exchange rates with up to 15 digits before the decimal point, or up to 8 digits after the decimal point. The maximum number of digits that can be entered in this field in any combination of integers and decimal fractions is 17. Exchange rate numbers can range from 123,456,789,012,345.12 (15 digits to the left of the decimal point and 2 digits to the right of the decimal point), to 12,346,789.12345678 (9 digits to the left of the decimal point and 8 digits to the right of the decimal point) to accommodate exchange rates related to large currencies and currencies with high decimal precision.

Exchange Rates on Reports

Exchange rates displayed on reports are rounded to 2 decimal places, but the complete exchange rate from the source transaction is used to calculate the currency conversion amounts. For most reports, you can drill down from the report to the source transaction to view the complete exchange rate.

Adding Rates to the Currency Exchange Rates List

In the Currency Exchange Rates list, you can specify an exchange rate between each base currency and each foreign currency. These exchange rates are applied to transactions.

To set the exchange rate for two currencies:

1. Go to Lists > Accounting > Currency Exchange Rates > New.

2. In the **Base Currency** field, select the base currency for this exchange rate.

   If you use NetSuite OneWorld, you can select the base currency for any subsidiary that you can access. If you do not use NetSuite OneWorld, this field displays your base currency.

3. Select a foreign currency in the **Currency** field.

   For example, if you are setting the exchange rate for the Euro to your base currency, the U.S. dollar, select the name of your base currency, **USA** in the **Base Currency** field and then select **Euro** in the **Currency** field.

   If the **Currency** list does not include the currency that you need, you can define a new currency. For more information, see Creating Currency Records.

4. In the **Exchange Rate** field, enter the exchange rate compared to the base currency.

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The exchange rate is the number of base currency units that equal one foreign currency unit. For example, if you want to set the value of a Euro to 1.357 U.S. dollar, enter **1.357** in the **Exchange Rate** field.

You can enter a number with up to 15 digits to the left of the decimal or up to 8 digits to the right of the decimal. For more information see Exchange Rate Field Limitations.

For comparison purposes, this page also displays the current (previous) exchange rate and the date that rate became effective.

5. Set the date this exchange rate becomes effective in the **Effective Date** field.
6. Click **Save**.

You can go to a transaction page (for example, an Invoice page) or the Currency Revaluations page to see the impact of an exchange rate change on the value of a transaction.

Viewing the Currency Exchange Rates List

The Currency Exchange Rates list includes exchange rates between each base currency and foreign currencies, to be applied to transactions.

- The Currency Exchange Rates list can be viewed at Lists > Accounting > Currency Exchange Rates.
- By default, rates as of the current date are displayed in the list. You can change the As of date to display past or future rates.
- You can export this list to a CSV file or a Microsoft Excel file.

To view the currency rate updates for your account, go to Lists > Accounting > Currencies and then click History. For more information, see Setting Currency Exchange Rates.

Updating Rates in the Currency Exchange Rates List

You can manually update rates in the Currency Exchange Rates list after they have been initially set up. If you prefer to have NetSuite update some or all exchange rates automatically one time each day, you can enable the Currency Exchange Rate Integration feature, then choose exchange rates to be updated automatically.

Manually Updating Currency Exchange Rates

To manually update an exchange rate between two currencies, you add a new exchange rate record with the same base currency and foreign currency, and a different effective date.

To manually update an exchange rate :

1. Go to Lists > Accounting > Currency Exchange Rates > New.
2. In the **Base Currency** field, select the base currency for this exchange rate update.
3. Select a foreign currency in the **Currency** field.
4. In the **Exchange Rate** field, enter the updated exchange rate.

    The exchange rate is the number of base currency units that equal one foreign currency unit. For example, if you want to set the value of a Euro to 1.357 U.S. dollar, you would enter **1.357** in the **Exchange Rate** field.

    You can enter a number with up to 15 digits to the left of the decimal or up to 8 digits to the right of the decimal. For more information, see Exchange Rate Field Limitations.

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For comparison purposes, this page also displays the current (**Previous Effective Rate**) exchange rate and the date that rate became effective.

5. Enter the date that this exchange rate becomes effective in the **Effective Date** field.

6. Click **Save**.

Setting Exchange Rates to be Automatically Updated

If the Currency Exchange Rate Integration feature is enabled, you can indicate on a currency record that its exchange rate with each base currency should be automatically updated each day. For information about enabling this feature and about automatic updates, see Using the Currency Exchange Rate Integration Feature.

To automatically update exchange rates for a base currency:

1. Go to Lists > Accounting > Currencies.

2. Click the name of a currency.

3. On the Currency page, if the **Automatic Update** box is checked, NetSuite updates the exchange rate between this foreign currency and the base currency (or for NetSuite OneWorld, the base currency of each subsidiary).

   If you do not want a foreign currency's rates to be automatically updated, clear the box.

4. On the record of a currency that has been defined as a base currency, the **Update Time Zone** field determines the time of the daily automatic exchange rate updates. These updates occur at 6 a.m. in the selected time zone.

   The default is U.S. Eastern time. You can select another time zone.

   If this currency is a base currency, the read-only **Is Base Currency** box is checked. If it is not a base currency, the box is clear.

   > ⚠️ **Important:** If you have enabled the use of cross currency triangulation, the Currency page also displays a checked, read-only **Is Anchor Currency** box. For more information about anchor currencies, see Exchange Rate Integration.
   >
   > If this currency is a designated anchor currency and the exchange rate is calculated, you cannot delete this currency.

5. Click **Save**.

Setting Exchange Rates Directly on Transactions

The default exchange rate for a transaction is based on the currency selected on the related entity (such as customer or vendor) record and the transaction date. This default is the rate in the Currency Exchange Rates list for the selected currency effective as of the transaction date. If you want to use an exchange rate other than the default, you may be able enter this other exchange rate directly on the transaction record.
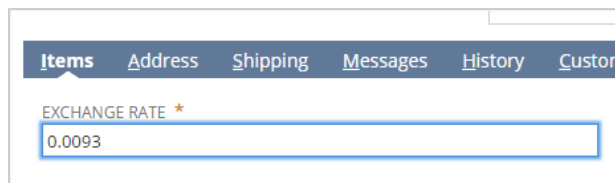
> ℹ️ **Note:** This capability may be more appropriate for purchase transactions than for sales transactions.

To manually set the exchange rate on a transaction:

1. On the transaction form, in the **Exchange Rate** field on the **Items** subtab, enter a new exchange rate between this transaction's base currency and foreign currency.

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The exchange rate is the number of base currency units that equal one foreign currency unit. For example, if you want to set the value of a Japanese yen to 0.0093 U.S. dollar, you would enter **0.0093** in the **Exchange Rate** field, as noted in the screenshot below.

You can enter a number with up to 15 digits to the left of the decimal or up to 8 digits to the right of the decimal. For more information, see Exchange Rate Field Limitations.

If you do not have the **Currency Exchange Rate Integration** feature enabled, a popup window opens, asking if you want to change the exchange rate on the currency record. You can:

- Click **OK** to update the exchange rate for this currency on the currency record.
- Click **Cancel** to apply this exchange rate to only this transaction.

2. Complete the remaining fields.
3. Click **Save**.

If you do not set the exchange rate on a transaction, NetSuite uses the exchange rate in effect on the date that you selected on the transaction form.

Using the Currency Exchange Rate Integration Feature

The Currency Exchange Rate Integration feature automatically updates currency exchange rates by the specified provider one time each day. The automatic update occurs at approximately 6:00 AM in one of four available time zones. The time zones and representative cities in those time zones are as follows:

- GMT - 5 hours = Eastern Time (U.S. & Canada)
- GMT + 1 hour = Brussels, Copenhagen, Madrid, Paris
- GMT + 9 hours = Osaka, Sapporo, Tokyo
- GMT + 11 hours = Magadan, Solomon Is., New Caledonia

The Eastern Time (U.S. & Canada) time zone is the default. You can specify a different time zone on each base currency record to designate the time for updates to its foreign currency exchange rates.

The automatic update run time respects time zone changes for daylight savings time, and runs daily at approximately the same local system time. If you operate in a location that follows daylight savings time, the GMT time zone shown in the Recorded Date and Source Date columns on the Exchange Rate History page change. To open the Exchange Rate History page and view the currency rate updates for your account, go to Lists > Accounting > Currencies and then click History.

After you enable the feature you can specify your exchange rate provider, determine the method used to obtain currency exchange rates, and specify anchor currencies, if needed.

- Enable the Currency Exchange Rate Integration Feature
- Exchange Rate Providers, Rate Acquisition Methods, and Anchor Currencies

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Enable the Currency Exchange Rate Integration Feature

When you enable the Currency Exchange Rate Integration feature, all currency records are set to automatically update exchange rates at approximately 6:00 AM in your selected time zone. For details about currency records, see Creating Currency Records.

> ⚠️ **Important:** Rates may be affected by time intervals when they are captured and then uploaded to NetSuite. Real time exchange rates are never exact inverses because market rates for currency are directional. For example, because you are able to exchange Canadian Dollars for United States Dollars at 2:1 does not mean that there is anyone willing to exchange United States Dollars for Canadian Dollars at .5:1. NetSuite loads rates specifically in the direction needed for the system and never auto calculates inverses. If you always want the exchange rate inverse to be 1/x of the direct rate, you can manually override the rate. For information about adding rates in this list, see Adding Rates to the Currency Exchange Rates List.

To set up automatic currency updates:

1. Enable the **Currency Exchange Rate Integration** feature:

    a. Go to Setup > Company > Enable Features.

    b. On the **Company** subtab, check the **Currency Exchange Rate Integration** box. (You must first check the **Multiple Currencies** box.)

    c. Read and accept the Notice, and click **Save**.

2. For any base currency for which you do not want rates automatically updated, go to the Currency record from Lists > Accounting > Currencies and clear the **Automatic Update** box.

> ⚠️ **Important:** Currency records where the **Automatic Update** box is dimmed (cannot be checked) cannot be set for automatic updates. Non-standard ISO base currency records must have a specified time zone and must have the **Automatic Update** box checked to be automatically updated.
>
> Non-standard ISO codes significantly slow down the exchange rate update process.

3. For any base currency for which you want rates updated at a time other than the default, go to the Currency record from Lists > Accounting > Currencies and select a different time zone in the **Update Time Zone** list.

4. If you change the currency record, click **Save** to accept changes.

> ℹ️ **Note:** If you do not want the prices of some items to fluctuate based on automatic exchange rate updates, you can set up currency-based pricing on Item records. For more information, see the help topic Assigning a Foreign Currency Price to a Sales Item.

Exchange Rate Providers, Rate Acquisition Methods, and Anchor Currencies

NetSuite provides two currency exchange rate providers: Xignite, which is the default rate provider, and Thomson Reuters. After you enable the Currency Exchange Rate Integration feature, you should choose your rate provider, the method by which exchange rates are obtained, and specify anchor currencies, if needed. You do this at Setup > Accounting > Preferences > Accounting Preferences > General subtab > Exchange Rate Integration.

- Integrated Exchange Rate Providers

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Integrated Exchange Rate Providers

The Rate Integration section is located on the Accounting Preferences page, General subtab. This is where you choose your exchange rate provider. Other choices that you make in this section determine the method by which your exchange rates are obtained.

The default exchange rate provider is Xignite, but you can choose Thomson Reuters. Changing from Xignite to Thomson Reuters has no impact on your daily operations. However, if you are currently using Xignite as your exchange rate provider and you change your provider to Thomson Reuters, you must re-agree to the Notice at Setup > Company > Enable Features > Company subtab.

At update time in your selected time zone, NetSuite uses a web services call to contact your specified integrated rate provider.

> ❌ **Warning:** To automatically update exchange rates using the Currency Exchange Rate Integration feature, you must enter the appropriate three-letter International Standards Organization (ISO) currency code in the ISO Code field on the Currency page. NetSuite does not automatically update exchange rates if the currency is not listed in the Forex Data of your specified exchange rate provider. For Xignite Forex Data, go to http://www.xignite.com/product/forex/. For Thomson Reuters Forex Data, go to http://thomsonreuters.com/en.html. For information about creating currency records, see Creating Currency Records.

Xignite

Xignite sources its data from SIX Financial Information, providing the latest bid and ask exchange rates as well as the computed midpoint of these two quotes. If you choose this rate provider, NetSuite uses this midpoint to fill the Currency Exchange Rates list with data.

For exchange rate information from SIX Financial Information, see https://www.six-financial-information.com/en/home.html.

Thomson Reuters

Thomson Reuters sources its data from Datascope Select. Thomson Reuters has received awards from Waters Ranking in 2013 for Best Reference Data Provider and Best Low-Latency Data Feed Provider. This rate provider offers real-time, current market rates. Thompson Reuters supports thousands of global and regional banks, institutional investors, and corporate clients around the world both in developed and emerging markets.

Thompson Reuters offers a four significant decimal exchange rate, which means that the leading zero displays but does not count as one of the four digits. For example, both 0.1234 and 0.0001234 represent four significant digits.

Methods for Obtaining Exchange Rates

After you choose your exchange rate provider, you specify the method NetSuite should use to obtain exchange rates. You have the option to permit NetSuite to use a triangulated calculation to obtain the exchange rate. This is used when the two home currencies in a transaction are not available as standard currency pairs from the selected rate provider, therefore, the exchange rate must be calculated. However, if you do not use this option, you are specifying that your method of obtaining exchange rates should be direct.

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- Triangulation Calculation
- Direct
- Inverse

Triangulation Calculation

When you check the Use Triangulation Calculation by NetSuite box and agree to the Notice, you are permitting NetSuite to use cross currency triangulation to calculate the exchange rate for a transaction. This is useful when the two home currencies involved in the transaction are not available as standard pairs from the selected rate provider. This triangulated calculation provides a method for two entities to simultaneously transact business in one currency, and at the same time repatriate money and profits back to the two home currencies.

Cross currency triangulation works by first converting the monetary amounts from one national currency unit (source currency) into an intermediate currency (anchor currency). The calculation then coverts the amount in the intermediate currency into the designated national currency unit (target currency).

For NetSuite to be able to calculate the exchange rate for a cross currency pair, you must specify the intermediate, or anchor currency to use in the calculation. For more information, see Anchor Currencies.

> **Note:** If Xignite is your chosen rate provider and you have permitted NetSuite to use a triangulated calculation to obtain exchange rates, rates greater than 1 will round to the 6th digit after the decimal, and rates less than 1 will have a precision of 6 significant digits.

Example

Company1 uses the following currencies:

- USD – Base Currency, set to update at GMT -5. This is an anchor currency.
- PHP – Base currency, set to update at GMT -5.
- XXX – Non-base currency.

Company2 uses the following currencies:

- USD – Base Currency, set to update at GMT -5. This is an anchor currency.
- PHP – Base currency, set to update at GMT +9.
- XXX – Non-base currency.

Assume your specified exchange rate provider does not provide a rate conversion from XXX to PHP, therefore an XXX to PHP rate conversion must be triangulated through USD. Company2 uses USD exchange rates as anchor at GMT-5 to ensure that XXX to PHP can be computed. Then USD exchange rates are again used as a base currency on GMT+9.

Formula

For example, if...

AED (United Arab Emirates Dirham) = Base Currency

RWF (Rwandan Franc) = Foreign Currency

USD = Anchor Currency

RWF to AED is not available in your rate provider.

Then...

RWF/AED = RWF/USD * (1/(AED/USD))

RWF/USD = 0.001451

AED/USD= 0.2723

0.001451 * (1/0.2723) = 0.005328

⚠️ **Important:** If you check the Use Triangulation Calculation by NetSuite box but do not agree to the Notice, NetSuite clears the check box, and the Currency Exchange Rate Integration feature provides only those rates received directly from the specified rate provider.

If you agree to the Notice, NetSuite stores the user id and time and date stamp of account changes in system notes.

Direct

Direct currency exchange rates are those that are provided directly from your specified exchange rate provider.

Inverse

Inverse rates are those exchange rates that are based on the direct rate used by another NetSuite account. The inverse rate that displays on the Currency Exchange Rates page at Lists > Accounting > Currency Exchange Rates is the most recent rate for that currency rate pair before the as-of-date. Note that if an as-of-date is not provided, today's date and the current time serve as the as-of-date.

The initial rate stored within NetSuite was obtained when the new currency was created in the system. Subsequent rate updates and as-of-dates were provided either from the rate provider or from a manually entered exchange rate.

For information about adding rates in this list, see Adding Rates to the Currency Exchange Rates List.

ℹ️ **Note:** If Xignite is your chosen rate provider and you use inverse rates, rates greater than 1 will round to the 6th digit after the decimal, and rates less than 1 will have a precision of 6 significant digits.

Anchor Currencies

When a transaction involves two currencies that are not available as standard pairs from the selected rate provider, an anchor (intermediate) currency is used to compute the transaction. The source currency is converted into the anchor currency, which is then converted into the target currency.

NetSuite uses anchor currencies in the cross currency triangulation calculation. At update time in your selected time zone, NetSuite uses a web services call to contact your specified integrated rate provider. If your rate provider does not offer an exchange rate between a requested currency pair, for example, XXX to PHP, NetSuite sends a second request to your rate provider. This request seeks exchange rates for two different currency pairs: one exchange rate between the source currency (XXX) and the currency specified in the Primary Anchor Currency field, and one exchange rate between the primary anchor currency and the target currency (PHP). If your rate provider offers those two exchange rates, NetSuite calculates the triangulated exchange rate for the transaction.

If your rate provider does not offer exchange rates for the primary anchor currency and the two currencies in the transaction, NetSuite sends another rate request to your rate provider. This request seeks exchange rates for the source currency (XXX) and the currency specified in the Secondary Anchor

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Currency field, and one exchange rate between the secondary anchor currency and the target currency (PHP). If your provider offers those two exchange rates, NetSuite performs the triangulated rate calculation.

If your provider does not offer exchange rates using the secondary anchor currency, NetSuite sends a third and final request, substituting the anchor currency specified in the Tertiary Anchor Currency field.

> **ⓘ Note:** Rate conversions that are available impact the exchange rate calculation.

You can specify any ISO standard currency as an anchor currency.

When you choose a currency in one anchor field, that currency is unavailable in the other two anchor fields.

> **⚠ Important:** If you do not choose an anchor currency, NetSuite provides only direct and inverse exchange rates. Direct exchange rates are those that are fed directly from your rate provider. Inverse exchange rates are based on the direct rate used by another NetSuite account.

Using Consolidated Exchange Rates

If you use NetSuite OneWorld and your subsidiaries have different base currencies, you can maintain a table of consolidated exchange rates. This table is used to ensure that for consolidation purposes, currency amounts properly roll up from child to parent subsidiaries. Each consolidated exchange rate translates between the base currency of a subsidiary and the base currency of its parent or grandparent subsidiary, for a specified accounting period. Consolidated exchange rates include three different rate types per period and subsidiary pair: Current, Average, and Historical.

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

> **ⓘ Note:** Your user role must have the Currency permission with Full permission level to work with consolidated exchange rates.

The Consolidated Exchange Rates table is available at Lists > Accounting > Consolidated Exchange Rates. Consolidated exchange rates for each period are based on the currency exchange rates effective at the end of the period, and on rates used for transactions posted during the period. You should update consolidated exchange rates at the end of each accounting period, as part of period close tasks.

Consolidated rates are created when their associated subsidiary and accounting period are created. Initial values in the Consolidated Exchange Rates table are built from the Currency Exchange Rates list, available at Lists > Accounting > Currency Exchange Rates. Initial consolidated rate values are based on effective dates, and are frequently default rates. Users can manually edit or ask the system to recalculate some consolidated rates.

If your account has been provisioned for Multi-Book Accounting, the Consolidated Exchange Rates page includes an Accounting Book filter. Use the filter to specify which accounting book you want to display, or to enter book specific consolidated exchange rates. This page also displays the Accounting Book column, which provides the exchange rates for the primary and secondary accounting books. The Closed column reflects the period close status of the specific accounting book, and provides a calculate icon if the period is open. The calculate icon does not display if the base currency of the parent subsidiary is the same as the child subsidiary. Consolidated exchange rates in the secondary book are created only for subsidiary pairs applicable for the secondary book, and always from child to parent to grandparent to great grandparent.

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For more details about consolidated exchange rates, see the following help topics:

- Consolidated Exchange Rates vs. Currency Exchange Rates
- Consolidated Exchange Rate Types
- Viewing Consolidated Exchange Rates
- Editing Consolidated Exchange Rates
- Auto Calculating Consolidated Exchange Rates

For information about how consolidated exchange rates are used in reports and searches, see:

- Applying Consolidated Exchange Rates to Reports
- Searching Consolidated Exchange Rates
- Selecting Exchange Rate Types for Transaction Searches

For an in-depth discussion of consolidated financial statements, see the help topic Working with OneWorld Financial Statements.

> ⚠️ **Important:** Organizations that budget in subsidiary-specific currencies can use a separate Budget Exchange Rates table to translate budget amounts for consolidated reporting purposes. This table functions in the same manner as the Consolidated Exchange Rates table, but can store different rates. See Creating Subsidiary Budgets and Using Budget Exchange Rates.

Consolidated Exchange Rates vs. Currency Exchange Rates

The following table summarizes the differences between consolidated exchange rates and currency exchange rates:

	Consolidated Exchange Rates	Currency Exchange Rates
Applied to:	Consolidated reports	Transactions
Set per:	Accounting period	As of effective date
Each rate translates between:	Base currencies for one pair of related subsidiaries	Base currency and one foreign currency
Updated by:	Manually editing, auto calculating rows, or both in the Consolidated Exchange Rates table. ℹ️ **Note:** You should auto calculate consolidated rates for each accounting period before closing the period. See Using the Period Close Checklist.	Manually adding new rows with new effective dates to Currency Exchange Rates list, or using Currency Exchange Rate Integration feature for automatic daily updates.

Consolidated Exchange Rate Types

The Consolidated Exchange Rates table includes three exchange rate types. Each of these types is used for valuation of accounts in consolidated financials, based on the rate types assigned to each account in the Chart of Accounts. Two rate type values are assigned to each account: a general rate type that is used for the income statement, balance sheet, and other general purposes, and a cash flow rate type that is used for cash flow statements.

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> **ℹ Note:** Your user role must have the Currency permission with Full permission level to work with consolidated exchange rates.

The following exchange rate types are listed in the Consolidated Exchange Rates table:

- **Average** – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Average. This rate is used to translate accounts in the income statement and to build retained earnings.
- **Current** – Also referred to as ending rate. This rate is based on the currency exchange rate that is effective at the end of the reported upon period. This rate is used for most asset and liability accounts in the balance sheet.
- **Historical** – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Historical. This rate is used for equity accounts, or owner's investments, in the balance sheet.

> **⚠ Important:** Transaction saved searches that include values calculated based on consolidated exchange rates may not match the general ledger impact of these same transactions. This is because the values are translated to the base currency of the transaction using average, current, or historical rates depending on the type of the account.

The difference between these rates results in a balance in the Cumulative Translation Adjustment (CTA) account. This account is used in consolidated balance sheet and cash flow statement reports. The CTA represents the cumulative foreign currency gain or loss resulting from the net investment in the subsidiary. See the help topic Understanding Cumulative Translation Adjustment (CTA).

> **ℹ Note:** Be aware that you cannot choose the transactions that are included in the weighted averages used to calculate average and historical rates. High volumes of transactions posted at the end of a period may skew these weighted averages.

Following are the default rate types for accounts:

- General Rate Type:
  - Current - for all balance sheet accounts other than equity accounts
  - Average - for all income statement accounts
  - Historical - for all equity accounts
- Cash Flow Rate Type: Average - for all accounts

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

For information about setting up accounts, see Creating Accounts.

Viewing Consolidated Exchange Rates

You can access the Consolidated Exchange Rates table at Lists > Accounting > Consolidated Exchange Rates.

> **ℹ Note:** Your user role must have the Currency permission with Full permission level to work with consolidated exchange rates.

You also can access this table from the Period Close Checklist. See Using the Period Close Checklist.

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- The Consolidated Exchange Rates table stores values for each period, each rate type (current, average, historical), and each currency pair (child subsidiary currency, and parent or grandparent subsidiary currency).

> ⚠️ **Important:** The Consolidated Exchange Rates table displays rates for only those subsidiaries to which you have access.

- Table columns include the accounting period, whether the period is closed, the From (child) subsidiary, the To (parent) subsidiary, and exchange rates. Rate values are displayed up to seven decimal places.

> ℹ️ **Note:** Click the System Notes link to display a popup with an audit trail of changes on each line item.

- Rates in this table are either direct or indirect (derived).
  - Direct rates are rates set between a child and parent subsidiary, and may be edited and auto calculated.

    See Editing Consolidated Exchange Rates and Auto Calculating Consolidated Exchange Rates.
  - Indirect rates are rates set between subsidiaries more than one hierarchical level removed from each other, such as a child and grandchild. Indirect rates are always set by the system and cannot be edited or auto calculated by users.
- Use the lists to filter by accounting period, accounting book, from subsidiary, and to subsidiary. The from and to subsidiary filters are available by customizing the view.

  When you access this page from the Period Close Checklist, only rates from the selected period display. The accounting period filter is not visible.
- You can further modify filter criteria or change the results column in this table by clicking the Customize View button and setting up a custom search to be used for consolidated exchange rates data. See the help topic Customizing List Views.

  Note that when you access this page from the Period Close Checklist, the Customize View function is not available.
- Click Calculate to update multiple rates at after, for a single period.

  This button is always enabled when you go to this page from the Period Close Checklist. If you use an alternate navigation, this button is enabled when a single period is selected from the period filter to ensure that only rates from a single period are displayed.

  When you click this button, all rates for the subsidiaries to which you have access are updated.
- Click the print icon to print consolidated exchange rates data.
- Export consolidated exchange rates data to a file by clicking the Export - CSV, Export - Microsoft Excel, or Export - PDF icons.

> ⚠️ **Important:** Transaction saved searches that include values calculated based on consolidated exchange rates may not match the general ledger impact of these same transactions. This is because the values are translated to the base currency of the transaction using average, current, or historical rates depending on the type of the account.

Editing Consolidated Exchange Rates

Some consolidated exchange rates are editable for some periods. Direct rates, between child and parent subsidiaries are editable for periods that have not been closed (that have a value of No in

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the Closed column). Indirect rates, also known as implied rates, between subsidiaries more than one hierarchical level removed from each other are never editable.

You cannot edit rates for elimination subsidiaries.

> **Note:** Your user role must have the Currency permission with Full permission level to work with consolidated exchange rates.

To find out if a specific exchange rate can be modified, point to the rate and read the popup. If the exchange rate can be modified, click the Edit link. On the Consolidated Exchange Rate page, you can change the following values:

- Average Exchange Rate
- Current Exchange Rate
- Historical Exchange Rate

> **Important:** You can edit a consolidated exchange rate between two subsidiaries only if you have access to both subsidiaries.

Auto Calculating Consolidated Exchange Rates

Consolidated exchange rates that can be edited can be auto calculated. To enable auto calculation, set Editing to On on the Consolidated Exchange Rates list page. Auto calculation rechecks the rates from which consolidated rates were derived and updates consolidated rates accordingly.

> **Note:** Your user role must have the Currency permission with Full permission level to work with consolidated exchange rates.

There are two ways to auto calculate consolidated exchange rates:

- Rows for open periods containing direct rates include an Auto Calculate Rates button in the Calculate column. Click the button to automatically update rates in that row.
- When you access the Consolidated Exchange Rates page from the Period Close Checklist, click the Calculate button to update rates for the selected period, for the subsidiaries to which you have access.

  For information about period close, see Using the Period Close Checklist.

> **Important:** If you do not have access to all subsidiaries, clicking the Calculate button does not update rates for all subsidiary pairs. Rates are updated for each subsidiary pair to which you have access.

Auto calculation updates are derived from rates in the Currency Exchange Rates list and from transaction history.

- Current Rate - Updated with the rate in effect (from the Currency Exchange Rates list) at the end of the period
- Average Rate - Updated with a weighted average, calculated according to the exchange rates and amounts for transactions applied to accounts with a general rate type of average during the period
- Historical Rate - Updated with a weighted average, calculated according to the exchange rates and amounts for transactions applied to accounts with a general rate type of historical during the period

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

To learn how auto calculation works, see Consolidated Exchange Rate Auto Calculation Example.

Consolidated Exchange Rate Auto Calculation Example

The following scenario provides an auto calculation example.

> ⓘ **Note:** The rate of GBP to USD on the transaction date is from Currency Exchange Rates list.

- Subsidiary Hierarchy:
  - U.S. Subsidiary is parent subsidiary, base currency is USD
  - U.K. Subsidiary is child subsidiary, base currency is GBP
- U.K. subsidiary transactions during the selected period of January 2014:

Transaction Date	Rate	Amount	General Rate Type of Booked Account
1/1/14	2	100 GBP	Average
1/1/14	2	300 GBP	Historical
1/15/14	2.5	200 GBP	Average
1/15/14	2.5	200 GBP	Historical
1/31/14	3	300 GBP	Average
1/31/14	3	100 GBP	Historical

- A user clicks the Auto Calculate Rates button for the U.K. to U.S. row in the Consolidated Exchange Rates table, to recalculate rates:
  - Current rate recalculation uses the GBP to USD rate from the Currency Exchange Rates list as of the end of the period (1/31/14).

    Value = 3.
  - Average rate recalculation computes a weighted average based on GBP to USD rates, and transaction amounts booked to accounts with a general rate type of Average, on each day.

    Value = [(2*100) + (2.5*200) + (3*300)]/600 = 2.6666667
  - Historical rate recalculation computes a weighted average based on GBP to USD rates, and transaction amounts booked to accounts with a general rate type of Historical, on each day.

    Value = [(2*300) + (2.5*200) + (3*100)]/600 = 2.3333333

> ⚠ **Important:** Transaction saved searches that include values calculated based on consolidated exchange rates may not match the general ledger impact of these same transactions. This is because the values are translated to the base currency of the transaction using average, current, or historical rates depending on the type of the account.

Applying Consolidated Exchange Rates to Reports

The selection in the Subsidiary Context list for a report filters data and determines the currency to be used for amounts, the base currency of the selected subsidiary. For consolidated reports that include data from multiple subsidiaries, consolidated rates are used to convert amounts from child subsidiary

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base currency to parent subsidiary base currency. For information about subsidiary context, see the help topic Subsidiary Context for Reports.

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

If your account has been provisioned for 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.

Reports that include both budgeted and exact amounts enable you to use two sets of exchange rates, budget and actual. Budget exchange rates are set in the Budget Exchange Rates table. For information, see Using Budget Exchange Rates and Running Subsidiary-Specific Budget Reports.

The following scenario describes how consolidated exchange rates are applied to a report.

- A company headquartered in the U.S. has a subsidiary in the United Kingdom. The U.K. subsidiary has a child subsidiary in Germany. In this case, there are two parents. Both parents require rates from the German subsidiary to consolidate balances. Rates are also needed between the U.K. and U.S. subsidiaries.

- The rates specified between the U.K. and U.S. are direct. The rates between Germany and the U.S. are indirect. To derive the indirect rate for the Euro (the German subsidiary's base currency) to the U.S. dollar, you would multiply the exchange rate for Euros to British pounds (GBP) by the rate for the GBP to the U.S. dollar.

- The global controller runs a Purchases by Vendor Summary report for the consolidated U.S. subsidiary. The following purchases were made so far this year:

Vendor	Period	Subsidiary	Transactions
Vendor 1	Period 1	U.S.	100 USD
Vendor 2	Period 1	U.K.	50 GBP
Vendor 2	Period 2	U.K.	50 GBP
Vendor 3	Period 1	GM	200 EU
Vendor 3	Period 2	GM	200 EU
Vendor 3	Period 3	GM	200 EU

The following consolidated exchange rates apply:

Period	From Subsidiary	To Subsidiary	Current Rate
Period 1	U.K.	U.S.	2.00
Period 1	GM	U.S.	3.00
Period 2	U.K.	U.S.	2.00
Period 2	GM	U.S.	2.40
Period 3	GM	U.S.	2.10

The report for the global controller is generated in U.S. dollars. The vendors have the following totals:

- Vendor 1 – $100

- Vendor 2 – (50 * 2 + 50 * 2) = $200

- Vendor 3 – (200 * 3 + 200 * 2.4 + 200 * 2.1) = $1500

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Consolidated Report Amounts vs. Subsidiary Report Amounts

Because consolidated exchange rates fluctuate, you may not be able to exactly map amounts from subsidiary-level reports to consolidated reports. When calculating the adjustment on a per-transaction basis, you cannot make inferences about how closely your sums and differences match the average yearly rate, as slight differences between orders of magnitude negate an even rate comparison. It is usually not possible to consolidate all income statements across multiple periods and end up with a reasonable average exchange rate.

For example, the net income in a yearly consolidated income statement may not match the net incomes in yearly subsidiary-level reports. To get clarity on these differing amounts, you can:

- Add the **Amount (Current)** field to the report to see the values as calculated with only the current exchange rate across all transactions. You can then see a direct conversion of any item in the report from one exchange rate to another.
- Add the **Translation Adjustment** field to the report to see the amount adjusted in a certain total.

> ⚠️ **Important:** Transaction saved searches that include values calculated based on consolidated exchange rates may not match the general ledger impact of these same transactions. This is because the values are translated to the base currency of the transaction using average, current, or historical rates depending on the type of the account.

Searching Consolidated Exchange Rates

You can search consolidated exchange rates to pinpoint rates for specific periods. You can create saved searches, and custom KPIs based on them, to monitor exchange rate changes over time.

The Consolidated Exchange Rates search is available at Lists > Accounting > Consolidated Exchange Rates > Search.

Search results can include the following columns: average rate, current rate, historical rate, period name, period start date, period end date, whether the period is closed, from subsidiary, to subsidiary.

Search data can be filtered by the following criteria: from subsidiary, to subsidiary, period name, period start date, whether the rate is derived.

If NetSuite Professional Services has provisioned Multi-Book Accounting in your account, you can filter by accounting book.

For general information about searches, see the help topic Running Searches. For information about saved searches, see the help topic Saved Searches. For information about custom KPIs, see the help topic Custom KPIs.

> ⚠️ **Important:** Transaction saved searches that include values calculated based on consolidated exchange rates may not match the general ledger impact of these same transactions. This is because the values are translated to the base currency of the transaction using average, current, or historical rates depending on the type of the account.

Selecting Exchange Rate Types for Transaction Searches

You can select the type of exchange rate applied to results for each transaction search. This enables you to apply the right exchange rate for each search context and to maintain consistency between consolidated report data, transaction search results, and any custom KPIs and KPI scorecards based on transaction saved searches.

Exchange rate type selection is available for advanced searches and saved searches of transactions. You can select an option in the Consolidated Exchange Rate list on the Results subtab. The following options are available:

- **Average** - Uses the average rate for the period in which the transaction occurred
- **Current** - Uses the current rate for the date range/period selected to filter the search or custom KPI results, if any

    If none is selected, uses the rate for the date/period when the search or custom KPI is run
- **Historical** - Uses the historical rate for the period in which the transaction occurred
- **Per-Account** - Uses the general rate type selected for each transaction's account, either average, current, or historical

    When this option is selected, different rate types may be used within each set of search results. This option is the default.
- **None** - Uses a user-specified rate for the period in which the transaction occurred

⚠️ **Important:** Rate type selections apply only to custom KPIs based on saved searches, not to standard KPIs that are based on reports.

⚠️ **Important:** Transaction saved searches that include values calculated based on consolidated exchange rates may not match the general ledger impact of these same transactions. This is because the values are translated to the base currency of the transaction using average, current, or historical rates depending on the type of the account.

Foreign Currency Revaluation

Changes in exchange rates between a company or subsidiary's base currency and the foreign currencies used in transactions can cause these transactions' base currency valuations to change over time, impacting general ledger accounts. As the value of a foreign currency changes relative to a company's base currency, so does the base currency value of transactions recorded in a company's general ledger accounts. As exchange rates, and therefore transaction values change, a difference occurs between the initial values of transactions and their values upon closure or payment, resulting in a gain or loss of currency amounts.

If you use Multi-Book Accounting, you can run month-end currency revaluation in pending and active secondary accounting books.

ℹ️ **Note:** NetSuite calculates the Foreign Currency Balance and the Base Currency Balance on the Currency Revaluation journal entry by generating two revaluations that are equal to the sum of the amount of the transaction. Generating two revaluations permits you to perform separate eliminations. For transaction balances to match, when you filter reports for intercompany transactions the To Subsidiary field cannot be blank.

For information about changes in exchange rates and their impact on currency amounts, see Accounting for Fluctuation in Exchange Rates.

NetSuite automatically posts gain or loss amounts for transactions that are closed in each accounting period. Additional work is required to calculate and post gain and loss amounts for transactions that remain open. For information about posting gains and losses for open transactions, see Revaluing Open Currency Balances.

For information about defining posting rules that specify the accounts to which foreign currency variances post, see Foreign Currency Variance Mapping.

For general information about currencies in NetSuite, see Working with Currencies.

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Accounting for Fluctuation in Exchange Rates

Changes in exchange rates between base currencies (company and subsidiary) and the foreign currencies used in transactions can cause these transactions' base currency valuations to change over time, impacting general ledger accounts. As exchange rates change, a variance occurs between the initial values of transactions and their values upon closure or payment. This change results in a gain or loss of currency amounts.

NetSuite automatically calculates and posts exchange rate gain or loss when users apply a payment or credit memo to an invoice or generate an invoice against a revenue commitment. Gain or loss amounts are posted if the exchange rate has changed between the initial transaction (invoice or revenue commitment) and the current transaction (payment, credit memo, or invoice). The gain or loss resulting from changes to the exchange rate posts to the Realized Gain/Loss account. For more details about how gain/loss amounts are calculated, see Applying Payments and Realized Gain/Loss.

For sample gain/loss calculations for different types of transactions, see Realized Exchange Rate Gains and Losses Report Examples.

> **Note:** The exchange rates shown in the Realized Exchange Rate Gains and Losses report are rounded to 2 decimal places. To view the complete exchange rate used to calculate the base currency amounts, drill down to the source transaction. For information about gains and losses reports, see Realized Exchange Rate Gains and Losses Report and Unrealized Exchange Rate Gains and Losses Report.

When foreign currency transactions remain open or unpaid at the end of an accounting period, you must generate revaluations for them before closing the period. You must also revalue balances in foreign currency denominated accounts. This revaluation process is separate from realized gains and losses that are automatically calculated for paid transactions. See Revaluing Open Currency Balances.

When you enable the Multiple Currencies feature, the following accounts are added to your chart of accounts after qualifying transactions:

Account	Source
Realized Gain/Loss	Realized gains and losses resulting from payment application
Unrealized Gain/Loss	Unrealized gains and losses resulting from month-end open balance revaluation
Unrealized Matching Gain/Loss	Matching unrealized gains and losses from revenue commitments and funds deposited This type of gain or loss is initiated internally during certain foreign currency transactions such as when a customer payment is deposited into bank. NetSuite creates a gain or loss as part of the bank deposit, regardless of the dates of the customer payment and bank deposit. ⚠️ **Important:** This type of unrealized gain and loss is also initiated when you are posting revenue commitment or revenue commitment reversal transactions created prior to Release 2012.2. ℹ️ **Note:** Base currency adjustments also post to the Unrealized Matching Gain/Loss account. These adjustments are always initiated externally and then system-generated. For example, if you have a foreign-currency denominated bank account that has a zero foreign currency balance but a non-zero base currency balance due to an exchange rate variation, NetSuite automatically generates this gain or loss when you run month end currency revaluation.
Rounding Gain/Loss	Gains and losses resulting from rounding differences

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Account	Source
	This type of gain or loss is initiated when a payment transaction is applied to a source document transaction and a difference occurs due to the rounding of amounts.

These accounts track the values for exchange rate fluctuations separately from the values of initial transactions. Use the account registers to see how fluctuations in exchange rates affect the financial position of your business. To view the account register for any of these accounts, select the account on the Accounts page. You also can obtain this data from the Realized Exchange Rate Gains and Losses and Unrealized Exchange Rate Gains and Loss reports.

For information about defining posting rules that specify the accounts to which foreign currency variances post, see Foreign Currency Variance Mapping.

Applying Payments and Realized Gain/Loss

NetSuite calculates and posts exchange rate gain or loss when you apply a payment or credit memo to an invoice and when you generate an invoice against a revenue commitment. Gain or loss occurs when the exchange rate changes between the date of the initial transaction (invoice or revenue commitment) and the date of the current transaction (payment, credit memo, or invoice). The gain or loss resulting from changes to the exchange rate posts to the Realized Gain/Loss account.

You can create rules to determine the accounts to which the gain and loss post from exchange rate variances. For information, see Foreign Currency Variance Mapping.

When foreign currency transactions remain open or unpaid at the end of an accounting period, you need to generate revaluations for them before closing the period. You also need to revalue balances in foreign currency denominated accounts. This revaluation process is separate from realized gains and losses that are automatically calculated for paid transactions. For information, see Revaluing Open Currency Balances.

Foreign-currency-denominated invoices remain open until the invoice balance equals zero in both the foreign currency and the base currency.

Full Payments

Payments and realized gain or loss are posted with different transactions depending on the posting periods of the transactions.

- When you apply a payment in an open period to an invoice from the same period or an earlier one, the realized gain or loss posting appears on the GL Impact page for the payment.

- When you apply a payment to an invoice whose accounting period is later than the payment posting period, the realized gain or loss posting appears on the GL Impact page for a separate currency revaluation transaction. The currency revaluation and payment are linked as a related records to the invoice.

- When you apply a payment whose posting period is closed, the realized gain or loss posting appears on the GL Impact page for a separate currency revaluation transaction. The currency revaluation and payment are linked as a related records to the invoice.

Partial Payments

For partial payments and credits, NetSuite automatically calculates realized gain and loss amounts for exchange rate fluctuations using the following process:

1. Convert the payment amount to your base currency using the current exchange rate, which is the exchange rate visible on the payment transaction.

2. Convert the payment amount to your base currency using either the exchange rate
   - from the last revaluation adjustment

     or
   - from the initial entry of the transaction.

3. Calculate the difference between these two amounts, then post this amount to your Realized Gain/Loss account.

For payments or credits applied to multiple transactions, NetSuite calculates and records a gain or loss for each transaction.

When you use the Revenue Recognition feature, revaluation from currency fluctuation affects accounts receivable, but not revenue accounts. NetSuite accounts for any gain or loss in the Realized Gain/Loss account without affecting the original or deferred revenue amounts of the transaction. Revenue reports generated for previous periods show the same amounts they showed prior to revaluation.

Realized Exchange Rate Gains and Losses Report

Use the Realized Exchange Rate Gains and Losses report to view the realized gain and loss by transaction for a period of time. The report presents each source transaction, the associated payment transaction, and the realized gain or loss for the transaction reported in the base currency. From the report you can drill down to the source invoice or vendor bill and the applied payment. From the transaction detail you can drill down to view the general ledger impact.

Use this report in your month end process to provide an audit trail of the transactions with realized gain or loss for the period. The Realized Gain/Loss account is included as Other Expense on the Income Statement.

> ⓘ **Note:** The exchange rates shown in this report are rounded to 2 decimal places. To view the complete exchange rate used to calculate the base currency amounts, drill down to the source transaction.

The Realized Exchange Rate Gains and Losses report lists transactions that have been closed and that posted a difference to the Realized Gain/Loss account. Only revaluation of currency amounts on paid transactions is reflected in this report.

This report groups transactions by customer or project name, in chronological order. It includes the following columns: Name, Subsidiary, Source Trans Number, Source Accounting Period, Source Trans Date, Source Trans Type, Source Account, Source Exchange Rate, Pmt Trans Number, Pmt Accounting Period, Pmt Trans Date, Pmt Trans Type, Pmt Exchange Rate, Transaction Currency, Applied Amount, Applied Amount (Base), Realized Gain/Loss Trans Number, Realized Gain/Loss Posting Period, Realized Gain/Loss Posting Date, and Realized Gain/Loss.

To see the Realized Exchange Rate Gains and Losses report:

Go to Reports > Financial > Realized Exchange Rate Gains and Losses (Administrator).

A message appears indicating that your report is loading. The status bar indicates the progress as your report loads. Click Cancel Report to stop the report from loading.

Unrealized Exchange Rate Gains and Losses Report

Use the Unrealized Exchange Rate Gains and Losses report to view the unrealized gain and loss by transaction for a period of time. The report displays each source transaction and the unrealized gain or

loss for the transaction reported in the base currency. From the report you can drill down to the source invoice or vendor bill. From the transaction detail you can drill down to view the general ledger impact.

Use this report in your month end process to provide an audit trail of the transactions with unrealized gain or loss for the period. The Unrealized Gain/Loss account is included as Other Expense on the Income Statement.

The Unrealized Exchange Rate Gains and Losses report lists open transactions that post a change in value to the Unrealized Gain/Loss account. Only the currency revaluation on open transactions is reflected in this report.

This report groups transactions by customer or project name, in chronological order. It includes the following columns: Name, Subsidiary, Source Trans Number, Source Trans Date, Source Trans Type, Unrealized Gain/Loss Posting Period, Source Exchange Rate, Ending Exchange Rate, Currency, Foreign Currency Balance, Net Gain/Loss, Unrealized Gain/Loss Trans Number, Base Amount (Opening), Base Amount (Adjusted), and Reversal.

To see the Unrealized Exchange Rate Gains and Losses report:

Go to Reports > Financial > Unrealized Exchange Rate Gains and Losses (Administrator).

A message appears indicating that your report is loading. The status bar indicates the progress as your report loads. Click Cancel Report to stop the report from loading.

Realized Exchange Rate Gains and Losses Report Examples

The following examples illustrate the Realized Exchange Rate Gains and Losses Report. The examples involve a U.K. based company that sells to a U.S. customer. Foreign currency transactions are recorded in the local currency using the exchange rate in effect on the date the transaction occurs. Each example includes a transaction scenario, the general ledger impact of the transactions, and the transaction and realized gain or loss information as it displays on the report.

- Same Period, Different Rates Example
- Different Periods, Different Rates Example
- Credit Memo, Different Periods, Different Rates Example

> (i) **Note:** The exchange rates shown in the Realized Exchange Rate Gains and Losses report are rounded to 2 decimal places. To view the complete exchange rate used to calculate the base currency amounts, drill down to the source transaction.

Same Period, Different Rates Example

In this example a user records an customer invoice and payment in a single accounting period, but with different exchange rates.

On February 15, a user in the U.K. subsidiary records a customer invoice dated February 15, and due February 25, for $300 USD. The exchange rate on February 15 is 1.00 USD / 0.6379 GBP (300 x 0.6379 = 191.37). The general ledger impact for the customer invoice on February 15 is:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - GBP Dr (Cr)
Accounts Receivable	USD	300	191.37
Revenue	USD	(300)	(191.37)

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On February 25, the invoice is paid. The exchange rate is 1.00 USD /0.653733 GBP (300 x 0.653733 = 196.12). The payment has the following general ledger impact:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - GBP Dr (Cr)
Bank Account	USD	300	196.12
Accounts Receivable	USD	(300)	(196.12)
Accounts Receivable	USD	0	4.75
Realized Gain/Loss	USD	0	(4.75)

Different Periods, Different Rates Example

Customer invoice recorded in one accounting period and paid in a subsequent accounting period at different exchange rates.

In this example a user records an invoice in one accounting period but payment is recorded in a subsequent period. Exchange rates are different.

On February 15, a user in the U.K. subsidiary records a customer invoice dated February 15, and due March 15, for $400 USD. The exchange rate on February 15 is 1.00 USD / 0.6379 GBP (400 x 0.6379 = 255.16). The general ledger impact for the customer invoice on February 15 is:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - GBP Dr (Cr)
Accounts Receivable	USD	400	255.16
Revenue	USD	(400)	(255.16)

On February 28, the exchange rate is 1.00 USD / 0.61 GBP. The open receivable is revalued using that exchange rate and reversed in the subsequent period.

On March 26, the customer invoice is paid and the exchange rate is 1.00 USD /0.67305 GBP (400 x 0.67305 = 269.22).

The payment has the following general ledger impact:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - GBP Dr (Cr)
USD Bank Account	USD	400	269.22
Accounts Receivable	USD	(400)	(269.22)
Accounts Receivable	USD	0	14.06
Realized Gain/Loss	USD	0	(14.06)

A partial payment is handled in a similar manner, by calculating realized gain or loss based on the portion of the invoice applied.

Credit Memo, Different Periods, Different Rates Example

A credit memo is issued to a customer and applied to an open invoice. Transaction are in different periods with different exchange rates.

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> **Note:** When you create a credit memo directly from an invoice, the credit memo inherits the exchange rate from the invoice and no gain or loss is generated. If you create a standalone credit memo that is not associated with an invoice, and then apply it to an invoice with a different exchange rate, realized gain or loss is generated as described in the example below. To eliminate the realized gain or loss, change the exchange rate on the credit memo to match the exchange rate on the invoice.

On January 15, an invoice is recorded for $800 USD. The exchange rate is 1.00 USD / 0.6140 GBP (800 x 0.6140 = 491.20). The invoice remains open until March 16 when a credit memo is issued for $800 USD and applied to the invoice. The exchange rate on March 16 is 1.00 USD / 0.6617375 GBP.

The invoice has the following impact on the general ledger on January 15:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - GBP Dr (Cr)
Accounts Receivable	USD	800	491.21
Revenue	USD	(800)	(491.21)

The credit memo on March 16 has the following general ledger impact:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - GBP Dr (Cr)
Revenue	USD	800	529.39
Accounts Receivable	USD	(800)	(529.39)

Applying the credit memo to the invoice results in a realized gain or loss:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - GBP Dr (Cr)
Realized Gain or Loss	USD	0	38.18
Accounts Receivable	USD	0	(38.18)

Revaluing Open Currency Balances

As exchange rates between a base currency and foreign currencies change over time, base currency values of foreign currency denominated transactions and accounts also change.

NetSuite automatically posts the gain or loss amounts for transactions that are closed in each accounting period, accounting for the fluctuation in exchange rates between the date each transaction is entered and the date it is closed. See Accounting for Fluctuation in Exchange Rates.

Additional work is required to calculate and post gain and loss amounts for transactions that remain open, and balances in foreign currency accounts, as of the end of a period. This revaluation of open currency balances determines the unrealized gains and losses from the exchange rate fluctuations and should be completed for each period before it is closed. In addition, for your monthly financial statements to be in balance, you must perform revaluation at the end of the month to ensure that all currency revaluation journal entries are included in the revaluation process.

You can generate revaluations as part of the Period Close Checklist, or at any time and for any reason from Transactions > Financial > Revalue Open Currency Balances. You should you lock a period before

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generating revaluations. Revaluations apply exchange rates as of the last day of the accounting period to calculate gain or loss.

A revaluation calculates the effects of exchange rate fluctuations on open balances for a selected period. It evaluates transactions based on the transaction period selected for running revaluation. It does not take into account the impact of related transactions that occur in a period after the selected date range. For example, an invoice recorded in January is paid in July. Open currency balances are calculated each period from January through June and posted as unrealized gain or loss. When the payment is made in July, the realized gain or loss is posted in that period.

A/R balances with the original source transaction, rather than the Gain/Loss balance. To ensure that the Income Statement and Balance Sheet are in balance, NetSuite performs the following process:

- If the source transaction (invoice) has class, department, location, or custom segment values, these values appear in the A/R line in the revaluation Journal Entry. The Gain/Loss line displays the value you provide.
- If the source transaction does not have class, department, location, or custom segment values but class, department, location are mandatory in the revaluation Journal Entry, the A/R and Gain/Loss lines display the values you provide. If class, department, and location are not mandatory, the Gain/Loss line displays the value you provide.

> ⊗ **Warning:** If Departments, Classes, and Locations are enabled at Setup > Accounting > Preferences > Accounting Preferences, and you intend to match the source classification (Transactions > Financial > Revalue Open Currency Balances) when you revalue your open currency balances, all of your transactions must specify the department, class, location, or custom segment for NetSuite to successfully perform the revaluation process.

> ⚠ **Important:** If you do not currently use accounting periods, you must enable the Accounting Periods feature in your account before you attempt to generate revaluations. Accounting periods are required to properly post open balance revaluations at the end of each accounting period. See Working with Accounting Periods.

- For instructions for revaluing open currency balances before closing a period, see Generating Revaluations.
- For details of revaluation calculations, see Revaluation Calculations
- For information about viewing unrealized exchange rate gains and losses, see Unrealized Exchange Rate Gains and Losses Report.

Revaluing Non-Currency Denominated Accounts

You can generate currency revaluations for any balance sheet account denominated in foreign currency. This includes foreign currency accounts and accounts that are not denominated by a currency. Revaluing non-denominated accounts provides information about potential realized gains and losses introduced by currency fluctuations in accounts that contribute to your company's balance sheet. When you run revaluation for accounts without a currency denomination, the revaluation engine revalues all transactions posted to the account and posts the gains and losses to the Unrealized Gain/ Loss account.

> ⓘ **Note:** Foreign currency transactions against base currency Bank accounts receive a one-time adjustment at the time the transaction is recorded. NetSuite makes the adjustment because these transactions are not considered unrealized gain or loss requiring revaluation every month.

The Revalue Open Balance for Foreign Currency Transactions box on the account record indicates whether you can select the account for revaluation on the Month End Currency Revaluation page.

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Check this box to make a balance sheet account available for revaluation regardless of whether it has a designated currency. For information about creating or editing accounts, see Creating Accounts.

Accounts Receivable, Accounts Payable, and Unbilled Receivable accounts are always included on the Month End Currency Revaluation page. For other balance sheet accounts, the following table shows the default values for the Revalue Open Balance for Foreign Currency Transactions box by account type:

Account Type	Revaluable	Editable	Default Value
Accounts Receivable, Accounts Payable, Unbilled Receivable	Yes	No	Checked
Fixed Asset, Other Current Asset, Other Asset, Deferred Revenue, Deferred Expense	Yes	Yes	Clear
Bank, Long Term Liability, Other Current Liability	Yes	Yes	Checked

> **Note:** You cannot revalue open balances for income statement accounts: COGS, Equity, Expense, Income, Other Expense, and Other Income.

Clearing Residual Base Currency Balances

Running currency revaluation can produce residual base currency amounts in balance sheet accounts. Residual base currency account balances occur when the exchange rate at the time of payment or zeroing the account differs from the exchange rate of the initial transaction. Accounts with base currency balances are subject to currency revaluation at the end of the period.

Base currency adjustments equalize foreign currency and base currency account balances, and eliminate the continuous revaluation and reversal of residual amounts. Base currency adjustments apply to balance sheet accounts other than Accounts Receivable, Accounts Payable, and Unbilled Receivable accounts. Base currency adjustments are automatically generated by the currency revaluation engine.

When you run currency revaluation at the end of a period, the revaluation engine first checks account balances subject to revaluation. It compares the foreign currency balance for an account to its base currency balance. If the foreign currency balance for an account is 0 but the base currency balance is not 0, the revaluation engine creates a currency revaluation adjustment to clear the residual base currency amount. The adjustment posts to the Unrealized Matching Gain/Loss account. Next the revaluation engine creates currency revaluations. Because both the foreign currency balance and base currency balance are 0, currency revaluation is not triggered for the account.

Key points for base currency adjustments:

- Base currency adjustments apply to balance sheet accounts subject to revaluation. Currency revaluations journal entries for transactions are shown on the Other Accounts subtab of the Currency Revaluation page. Base currency adjustments are not required for Accounts Receivable, Accounts Payable, and Unbilled Receivable accounts.
- Base currency adjustment is a separate currency revaluation record called Currency Revaluation (Base Currency Adjustment).
- You cannot change the posting period for a base currency adjustment.
- The Revaluation engine checks account balances as of the end of an accounting period.
- Base currency adjustments are created based on account balances. They are not tied to individual transactions.
- Base currency adjustments work best for holding accounts or accounts with few transactions.
- Base currency adjustments are shown on the Unrealized Exchange Rate Gains and Losses report.

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For information about running currency revaluation, see Generating Revaluations.

Base Currency Adjustment Example

On March 20, a company based in Canada issues a payroll advance to employee in the United States. The exchange rate is 0.998 CAD to 1.00 USD. The general ledger impact for the advance is:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - CAD Dr (Cr)
Employee Advance	USD	2000	1996
Accounts Payable	USD	(2000)	(1996)

On April 1, the employee advance account is reduced to 0 when payroll is recorded. The exchange rate is 0.992 CAD to 1.00 USD. The general ledger impact for the Employee Advance account is:

Description /Account	Transaction Currency	Foreign Currency Amount - USD Dr (Cr)	Base Currency Amount - CAD Dr (Cr)
Payroll Expense	USD	2000	1984
Employee Advance	USD	(2000)	(1984)

At the end of April, the foreign currency balance for Employee Advance is 0, but due to the different exchange rates, there is a residual base currency balance of 12.

Running currency revaluation at the end of April produces a base currency adjustment to clear the residual balance in the Employee Advance account. It has the following general ledger impact:

Description /Account	Base Currency Amount - CAD Dr (Cr)
Matching Unrealized Gain/Loss	12
Employee Advance	(12)

The foreign currency and base currency balances for the Employee Advance account are 0. Currency revaluation is not triggered for this account.

Generating Revaluations

To close each accounting period, you must post adjustments that revalue foreign denominated accounts and revalue open transactions with foreign customers and vendors. Note that automatic posting of exchange rate gain or loss amounts occurs when you apply payments. Revaluations are required **only** for transactions that have not been paid by the end of the period.

⚠️ **Important:** If you do not currently use accounting periods, you must enable the Accounting Periods feature in your account before you attempt to generate revaluations. Accounting periods are required to properly post open balance revaluations at the end of each accounting period. See Working with Accounting Periods.

You can generate revaluations as part of the Period Close Checklist, or at any time and for any reason from Transactions > Financial > Revalue Open Currency Balances. You should you lock a period before generating revaluations. Revaluations apply exchange rates as of the last day of the accounting period to calculate gain or loss.

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> **Note:** To generate revaluations, users must have the Currency Revaluation permission. To access the revaluation task from the Period Close Checklist, users must have the Manage Accounting Periods permission. To complete this task for a locked period, users must have the Override Period Restrictions permission.

For information about required tasks for closing periods, see Closing Accounting Periods.

To review completed revaluations, go to Transactions > Financial > Revalue Open Currency Balances > List or from Period Close Checklist. See Viewing Revaluation Results.

> **Important:** It is strongly recommended that you complete a revaluation before closing each period. It is possible, however, to complete the Period Close Checklist by **reviewing** the Month End Currency Revaluation page and then marking the Revalue Open Foreign Currency Balances task complete without performing a revaluation. See Using the Period Close Checklist.

Foreign Currency Revaluation for Multiple Subsidiaries

You can run period-end foreign currency revaluation for a large number of subsidiaries at one time, even when your foreign currency transaction volume is high. To do this, select the subsidiaries for foreign currency revaluation, check the Include Children box, and then select the account categories to include in the revaluation.

When you run the foreign currency revaluation process for multiple subsidiaries at one time, the following changes appear on the Month End Currency Revaluation page:

- Account Type field becomes the Account Category field
- Currency field does not display
- Class, Department, and Location are disabled and contain no selection

Classifications and Currency Revaluations

On the Month End Currency Revaluation page, you can apply the classifications (class, department, location, and custom segment) to filter the general ledger account list. The Match Source Classifications field determines if classifications are copied to the currency revaluations, based on the account type and other settings in your account.

When the Match Source Classification box is clear, the classifications specified on the Month End Currency Revaluation page are applied only to the gain/loss line for the currency revaluation. One currency revaluation is created for every 500 lines processed. Currency revaluations are not generated by class/department/location/custom segment (C/D/L) combinations.

When the Match Source Classification box is checked:

- If accounts to be revalued are Accounts Receivable, Accounts Payable, or Unbilled Receivable accounts and the source transaction **has** C/D/L/custom segment specified, the classifications from the source transactions are applied to **all** lines in the currency revaluation. One currency revaluation is created for each C/D/L/custom segment combination. These accounts are accounts that do not have a currency specified.
  - If the source transaction **does not** have a C/D/L/custom segment specified and C/D/L **is** mandatory per accounting preferences, the classifications specified on the Month End Currency Revaluation page, even if blank, are applied to all lines for the currency revaluation. One currency revaluation is created for each C/D/L/custom segment combination.
  - If the source transaction **does not** have a C/D/L/custom segment specified and C/D/L **is not** mandatory, the classifications specified on the Month End Currency Revaluation page are applied only to the gain/loss line for the currency revaluation. One currency revaluation is created for every 500 lines processed. Currency revaluations are not generated by class/department/location/custom segment (C/D/L) combinations.

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> ✔ **Tip:** To revalue currencies when C/D/L/custom segment do not have values, clear the Match Source Classification box.

- For all other accounts, the classifications specified on the Month End Currency Revaluation page are applied only to the gain/loss lines for the currency revaluation. One currency revaluation transaction is created for every 500 lines processed. Currency revaluations are not generated by C/D/L/custom segment combinations.

The following diagram illustrates how classifications are applied to currency revaluations.
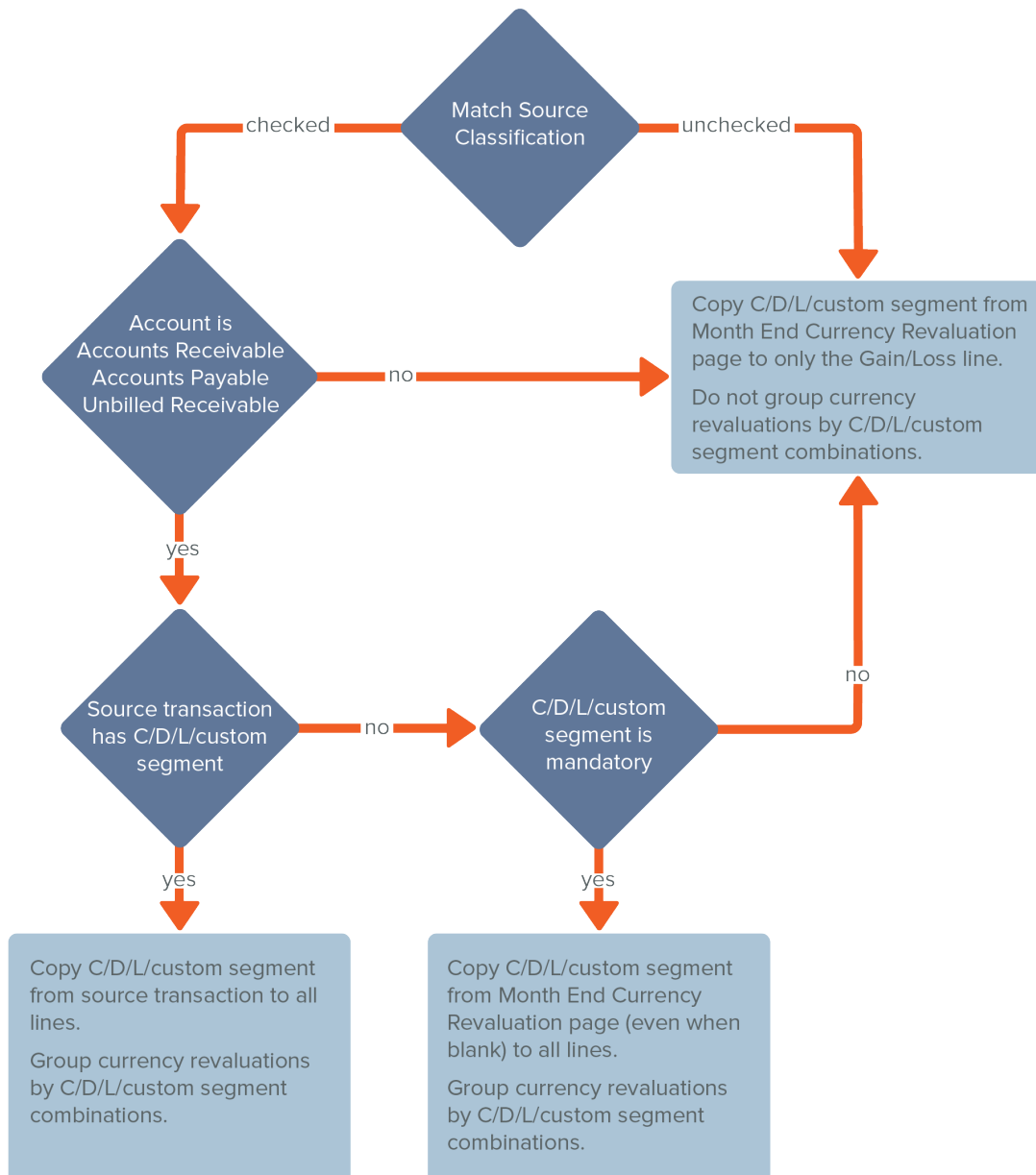
To generate period close revaluations:

1. Go to Transactions > Financial > Revalue Open Currency Balances.

You can also access this page from the **Revalue Open Foreign Currency Balances** task on the Period Close Checklist.

2. Select a posting period.

   Transactions to be revalued are determined by the transaction period.If you open this page from the Period Close checklist, this field is not editable. If you use a menu link, this field is set to the current period, and you can change it to be the period you want to revalue.

3. If you use NetSuite OneWorld and the **Multi-Book Accounting** feature **is** provisioned in your account, select an accounting book from the list. Month-end currency revaluation is book specific.

   The accounting book you select determines which subsidiaries are available in the **Subsidiary** list.

4. If the **Multi-Book Accounting** feature **is not** provisioned in your account, select a **Subsidiary**.

5. If you use NetSuite OneWorld and want to run period-end foreign currency revaluation for multiple subsidiaries at one time, check the **Include Children** box.

6. Optionally, add a memo.

7. Use the **Class**, **Department**, **Location**, and custom segment lists to filter the list of accounts that display and that can be selected for revaluation.

   For example, if you select Class A, only accounts with source transactions associated with this class display in the list. Class A is added to the Unrealized Gain/Loss line on the general ledger impact for the currency revaluation that is generated. For more information, see Classifications and Currency Revaluations.

   > **ℹ Note:** If you are running period-end foreign currency revaluation for multiple subsidiaries, **Class**, **Department**, **Location**, and custom segment are disabled and set to NULL.

8. For **Account Type**, select the type of account you want to revalue.

   Select **All** to list all accounts.

   > **ℹ Note:** If you checked **Include Children** and are running period-end foreign currency revaluation for multiple subsidiaries, **Account Type** becomes **Account Category** and includes the following options: All, Other, Accounts Payable, Accounts Receivable, and Bank. The option Other includes the rest of the balance sheet accounts such as Other Current Liability, Long Term Liability, Credit Card, Other Current Assets, Other Asset, and so on.

9. Check **Match Source Classification** to generate a currency revaluation for each combination of class, department, location (C/D/L), and custom segment, that occurs in Open Receivables, Open Unbilled Receivables, and Open Payables type accounts when C/D/L is mandatory.

10. Select the accounts for which you want to run revaluation.

11. Click **Save** to run revaluation for the selected period and accounts.

    NetSuite processes currency revaluation for transaction lines in groups of 500 lines. It creates one currency revaluation transaction for every 500 lines. If you check Match Source Classification, it processes currency revaluations for every C/D/L/custom segment combination, in groups of 500 lines, based on your account settings.

    The total variance amount for each currency revaluation transaction created posts to the Unrealized Gain/Loss account. You can view the revaluation results on the Results subtab of the Task: Revalue Open Currency Balances page. See Viewing Revaluation Results.

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> ⚠️ **Important:** You cannot delete a currency revaluation journal entry in an open period if any of the following conditions exist. It is a realized gain under the current revaluation engine (since 2012). It is a reversing foreign exchange revaluation journal entry. It is a realized gain under the old revaluation engine (prior to 2012) and the revaluation transaction is not an orphan transaction. If it is a month end revaluation under the old revaluation engine. If the revaluation details state that this is a rounding revaluation transaction. Finally, if the revaluation details state that this is a cleaning revaluation transaction.

> ⊗ **Warning:** Running revaluation can impact the revaluation calculations in subsequent periods. If you reopen a period, post changes, and rerun its revaluation after later periods have been closed, you must rerun revaluation for all the later periods. For an example, see Revaluation in Reopened Periods.

Viewing Revaluation Results

Use the Task: Revalue Open Currency Balances page to view information about the status and results of each currency revaluation run.

The Status subtab displays the status of the currency revaluation. The Percent Complete column provides how much of the process has run. The Transactions column provides the number of currency revaluations created for the run.

The Results subtab displays the currency revaluations created for each run in addition to the currency and the total variance amount for the transaction. If a revaluation run produces four currency revaluation transactions, you see four lines for that run number, each with a link to the revaluation results details. Click the transaction number to drill down to the Currency Revaluation (Unrealized Gain/Loss) page.

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Task: Revalue Open Foreign Currency Balances   Search

[Cancel] | [Mark Task Complete] [Currency Revaluation]   ⬙▾

Period   Start Date   Last Run By
FY 2014 : Q2 2014 : Jun 2014   6/1/2014   Heisler, Melanie

Status   End Date   Last Run Date
In Progress   6/30/2014   5/7/2014

Results   Status   Notes   ▤

RUN ▾	SUBMITTED ON	SUBSIDIARY	CURRENCY	TRANSACTION	AMOUNT
1	9/7/2014 4:05 pm	Parent Company	US Dollar	1	1,029.57

[Cancel] | [Mark Task Complete] [Currency Revaluation]   ⬙▾

The Currency Revaluation (Unrealized Gain/Loss) page displays the detailed results for each currency revaluation:

Currency Revaluation (Unrealized Gain/Loss)   List   Search   More
3

[Edit] [Back] | **Actions ▾**

Posting Period   Currency
Jun 2014   US Dollar

Ref No.   Total Variance
3   -1,029.57

Subsidiary   Department
Parent Company

Accounting Book   Class
Primary Accounting Book

Memo   Location

Open Receivables -1,029.57 •   Open Payables 0.00   Other Accounts 0.00

TYPE	DATE ▲	PAYEE	CURRENCY	TRANSACTION EXCHANGE RATE	ENDING EXCHANGE RATE	BALANCE	GAIN/LOSS	PRIOR GAIN/LOSS	NET GAIN/LOSS
Invoice	3/15/2014	British Based Company	British pound	2.50	1.9922	2,114.16	-1,073.57	0.00	-1,073.57
Invoice	6/10/2014	SW Demo Customer GBP	British pound	1.4922	1.9922	88.00	44.00	0.00	44.00

[Edit] [Back] | **Actions ▾**

- Review the amount in the **Total Variance** field.

  NetSuite calculates the total impact of exchange rate fluctuations for the selected accounts and displays the amount in the **Total Variance** field.

  A negative number indicates that overall, open foreign currency transactions and account balances have decreased in base currency value, resulting in a debit for the posting period. A positive number indicates an overall increase in base-currency value, resulting in a credit for the posting period.

- Click the available subtabs, which may include **Open Receivables**, **Open Payables**, and **Other Accounts**, to view the details of the revaluation calculation. Drill down to view the source transactions for each revaluation amount. For more information, see Revaluation Calculations.

- From **Actions**, click **GL Impact** to view the accounting detail for the revaluation.

Depending on the features you have enabled, the system may create a special revaluation (Base Currency Adjustment). You cannot modify the transaction, but you can delete it if needed. From the Currency Revaluation page, under Actions, click Delete.

You can also go to Transactions > Financial > Revalue Open Currency Balances > List to view currency revaluation results.

Revaluation Calculations

The following details are available for each revaluation at Transactions > Financial > Revalue Open Currency Balances > List (Administrator). Click Edit or View for a revaluation line. You can also view this information from Transactions > Financial > Revalue Open Currency Balances (Administrator) after you run revaluation for a period. Click View in the Results column to view the information from last time revaluation was run for an account.

- For transactions included on the Open Receivables and Open Payables subtabs:
  - **Type** – type of transaction to be revalued, such as invoice
  - **Date** – date of transaction
  - **Payee** – entity to receive payment or credit for the invoice
  - **Currency** – foreign currency used for the transaction
  - **Transaction Exchange Rate** – rate of the foreign currency to the base currency used on the transaction
  - **Ending Exchange Rate** – rate of the foreign currency to the base currency as of the last day of the selected period
  - **Balance** – foreign currency used for the transaction balance as of the last day of the selected period (ignoring any payments applied in the future)
  - **Gain/Loss** – difference between the base currency balance and the foreign currency balance as of the last day of the selected posting period in the base currency (A positive number indicates a gain)
  - **Prior Gain/Loss** – accumulated gain/loss amounts resulting from prior revaluations in the base currency, as of the last day of the selected period
  - **Net Gain/Loss** – difference between Gain/Loss and Prior Gain/Loss (Prior Gain/Loss subtracted from Gain/Loss)
- For account balances shown on the Other Account subtab:
  - **Account** – name of the foreign currency account
  - **Currency** – foreign currency used for the account
  - **Foreign Currency Balance** – account balance denominated in foreign currency
  - **Base Currency Balance** – accumulated account balance in base currency based on historical transactions
  - **Exchange Rate** – rate of the foreign currency to the base currency as of the last day of the selected period
  - **Net Gain/Loss** – difference between the Base Currency Balance and Foreign Currency Balance (Foreign Currency Balance subtracted from Base Currency Balance)

Revaluation Examples

The following examples illustrate the revaluation of open balances using the revaluation engine. Most of the examples involve a U.S. based subsidiary that sells to a British customer.

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There are two rounding gain/loss examples. One example involves a Canadian and U.S. currency exchange. Another example involves a multi-line item invoice where the exchange rate is the same at the time of payment and invoice creation.

- Revaluation of Invoice with No Payments
- Revaluation of Invoice with Partial Payment
- Revaluation in Reopened Periods
- Revaluation of Revenue Commitment
- Revaluation of Intercompany Journal Entry
- Rounding Gain/Loss
- Rounding Gain/Loss for Multi-Line Invoice and Payment Using the Same Exchange Rate

Revaluation of Invoice with No Payments

In this example, a user is revaluing open balances for January 2015. The Open Receivables list includes the following transactions from a U.S. based subsidiary to a British customer:

- Invoice 1 = 100 British Pounds
- Invoice 2 = 50 British Pounds

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Invoice	1/15	GBP	2.00	2.50	250.00	50.00	0.00	50.00
Invoice	1/15	GBP	2.00	2.50	125.00	25.00	0.00	25.00

In this case, a debit of $75 is posted to the Unrealized Gain/Loss account, to account for the weakening of the dollar's exchange rate against the British pound.

The Balance column lists the base currency balances as of the last day of the period, January 31, 2015. These amounts remain the same even if payments are applied to invoices after January 31. Any amounts related to future payments are posted in the period when the payments are made.

Revaluation of Invoice with Partial Payment

In this example, a user is revaluing open balances for January 2015 related to a U.S. based subsidiary's sales to a British customer. Transactions include the following:

- 1/07/15 Invoice for 100 GBP
  - Rate is 2 USD to 1 GBP
  - Base currency value = 200 USD
- 1/09/15 Payment for 40 GBP
  - Rate is 2.5 USD to 1 GBP
  - Base currency value = 100 USD
    - -100 USD posted to A/R account
    - -20 USD posted to Exchange Rate Variance account
- 2/15/15 Payment for 60 GBP
  - Rate is 3 USD to 1 GBP

- Base currency value = 180 GBP
  - -180 USD posted to A/R account
  - -60 USD posted to Exchange Rate Variance account
- January Period Close Revaluation
  - Revalues the open balance amount of the invoice at the end of the month
  - Rate on 1/31/2015 is 2.5 USD to 1 GBP

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Invoice	1/15	GBP	2.00	2.50	150.00	30.00	0.00	30.00

Revaluation in Reopened Periods

In this example, after a user has revalued and closed January, February, and March 2014, the user reopens January and posts a journal that increases the balance of a British pounds foreign currency account for a U.S. based subsidiary. When the user reopens January, the accounting periods of February and March are automatically reopened.

After posting the change to January, the user must complete the revaluation for all three periods again to be able to re-close them. Revaluations for February and March take into account the posting change and the revaluation of previous periods. These revaluations adjust accounts accordingly, as if the new posting had been originally made before the first set of revaluations.

This example includes the following details:

- Initial foreign currency account balance (cumulative):
  - January 2014: 50 GBP / 100 USD (rate is 2 USD to 1 GBP)
  - February 2014: 100 GBP / 300 USD (rate is 3 USD to 1 GBP)
  - March 2014: 150 GBP / 600 USD (rate is 4 USD to 1 GBP)
- Initial transactions:
  - January 2014 Journal: 50 GBP / 75 USD (rate is 1.5 USD to 1 GBP)
  - February 2014 Journal: 50 GBP / 100 USD (rate is 2 USD to 1 GBP)
  - March 2014 Journal: 50 GBP / 150 USD (rate is 3 USD to 1 GBP)
- Initial January Period Close Revaluation
  - Debit to A/R: 25 USD
  - Credit to Unrealized Gain/Loss account: 25 USD

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Journal	1/14	GBP	1.50	2.00	50.00	25.00	0.00	25.00

- Initial February Period Close Revaluation
  - Debit to A/R: 100 USD
  - Credit to Unrealized Gain/Loss account: 100 USD

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Journal	1/14	GBP	1.50	3.00	150.00	75.00	25.00	50.00

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Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Journal	2/14	GBP	2.00	3.00	150.00	50.00	0.00	50.00

- Initial March Period Close Revaluation
  - Debit to A/R: 150 USD
  - Credit to Unrealized Gain/Loss account: 150 USD

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Journal	1/14	GBP	1.50	4.00	200.00	125.00	75.00	50.00
Journal	2/14	GBP	2.00	4.00	200.00	100.00	50.00	50.00
Journal	3/14	GBP	3.00	4.00	200.00	50.00	0.00	50.00

- Transaction after reopening January, February, and March:
  - January 2014 Journal: 50 GBP / 100 USD (rate is 2 USD to 1 GBP)
- Adjusted foreign currency account balance (cumulative):
  - January 2014: 100 GBP / 200 USD (rate is 2 USD to 1 GBP)
  - February 2014: 150 GBP / 450 USD (rate is 3 USD to 1 GBP)
  - March 2014: 200 GBP / 800 USD (rate is 4 USD to 1 GBP)
- Adjusted January Period Close Revaluation
  - Debit to A/R: 25 USD
  - Credit to Unrealized Gain/Loss account: 25 USD
  - (This revaluation remains the same as the initial one. The newly added journal shared the period end rate, so it did not require revaluation.)

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Journal	1/14	GBP	1.50	2.00	100.00	25.00	0.00	25.00

- Adjusted February Period Close Revaluation
  - Debit to A/R: 150 USD
  - Credit to Unrealized Gain/Loss account: 150 USD

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Journal	1/14	GBP	1.50	3.00	150.00	75.00	25.00	50.00
Journal	1/14	GBP	2.00	3.00	150.00	50.00	0.00	50.00
Journal	2/14	GBP	2.00	3.00	150.00	50.00	0.00	50.00

- Adjusted March Period Close Revaluation
  - Debit to A/R: 200 USD
  - Credit to Unrealized Gain/Loss account: 200 USD

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/ Loss	Net Gain/ Loss
Journal	1/14	GBP	1.50	4.00	200.00	125.00	75.00	50.00
Journal	1/14	GBP	2.00	4.00	200.00	100.00	50.00	50.00

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Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/Loss	Net Gain/Loss
Journal	2/14	GBP	2.00	4.00	200.00	100.00	50.00	50.00
Journal	3/14	GBP	3.00	4.00	200.00	50.00	0.00	50.00

Revaluation of Revenue Commitment

In this example, a user revalues open balances for January 2015, after creating a revenue commitment for a British customer of a U.S. based subsidiary in January 2015, and invoicing the related sales order in February 2015. The revaluation treats the revenue commitment and its related unbilled receivable balance as open, because the invoice occurred on a future date.

This example includes the following transactions:

- 1/15 Revenue Commitment for 100 GBP
  - Rate is 2 USD to 1 GBP
  - Base currency value = 200 USD
- 1/15 Sales Order for 100 GBP
  - Rate is 2 USD to 1 GBP
  - Base currency value = 200 USD
- 2/15 Invoice for 100 GBP
  - Rate is 2 USD to 1 GBP
  - Base currency value = 200 USD
- January Period Close Revaluation
  - Rate on 1/3/2015 is 2.25 USD to 1 GBP

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/Loss	Net Gain/Loss
Revenue Commitment	1/15	GBP	2.00	2.25	225.00	25.00	0.00	25.00

Revaluation of Intercompany Journal Entry

In this example, a user revalues open balances for January 2015 and February 2015 to account for an expense report for a U.K. subsidiary employee with a line for a U.S. subsidiary project and the related automated intercompany adjustment and expense billing.

This example includes the following transactions:

- 1/15 U.K. subsidiary employee's expense report includes line for U.S. subsidiary project for 100 GBP
- 1/15 Month End Automated Intercompany Adjustment creates journal entry with the following lines:

Account	Amount (Debited)	Amount (Credited)	Subsidiary
Intercompany Clearing GBP	100		U.K.
Expense		100	U.K.
Expense	100		U.S.
Intercompany Clearing GBP		100	U.S.

- Rate is 2 USD to 1 GBP
- Base currency value of U.S. debit amount = 200 USD

- Base currency value of U.S. credit amount = 200 USD

- January Period Close Revaluation

  - Period end rate is 2.5 USD to 1 GBP

  - No revaluation is necessary for the U.K. subsidiary because ICJE was in base currency

  - The following revaluation is performed for the U.S. subsidiary

Type	Date	Currency	Transaction Exchange Rate	Ending Exchange Rate	Balance	Gain/Loss	Prior Gain/Loss	Net Gain/Loss
Intercompany Clearing	1/15	GBP	2.00	2.50	250.00	50.00	0.00	50.00

Rounding Gain/Loss

When calculating revaluation for vendor bill payments, NetSuite first calculates the accounts payable or accounts receivable line, and then the Realized Gain/Loss line. Rounding Gain/Loss is created as necessary depending on whether the bill payment is the first or a subsequent payment.

In this example, two bill payments are made to pay a vendor bill in the amount of 607.40 Canadian dollars (CAD). When the bill is created, the USD exchange rate is 1.21955001. The bill amount in USD is 740.75467607, or 740.75 when rounded to 2 decimal places.

You receive the first bill payment. There is a new exchange rate. The CAD 607.40 amount with the new exchange rate of 1.21754874 is USD 739.53910468, or 739.54 (rounded to 2 decimal places).

The realized gain or loss on the first payment is equal to the payment rate less the source transaction rate multiplied by the bill amount. In this case, (1.21754874 - 1.21955001) x CAD 607.40, which is USD -1.21557140 or 1.22 (rounded to 2 decimal places).

Because NetSuite displays the rounded amount in the user interface, the GL Impact pages for the bill and the bill payment are different.

GL Impact on the Bill

Account	Amount (Debited)	Amount (Credited)
2001 Accounts Payable		740.75
1150 Advances	740.75	

GL Impact on the First Bill Payment

Account	Amount (Debited)	Amount (Credited)
1000 Checking		739.54
2001 Accounts Payable	739.54	
Realized Gain/Loss		1.22
2001 Accounts Payable	1.22	

> **Note:** The first bill payment includes an additional 0.01 on the Accounts Payable account (739.54 + 1.22 = 740.76) compared to Accounts Payable account on the bill (740.75). NetSuite uses the Rounding Gain/Loss account to offset the difference.

You receive the second bill payment. There is a different exchange rate. The CAD 607.40 amount with the latest exchange rate of 1.21631607 is USD 738.7903809, or 738.79 (rounded to 2 decimal places).

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The realized gain or loss on the second payment is equal to the payment rate less the source transaction rate multiplied by the bill amount. In this case, (1.21631607 - 1.21955001) x CAD 607.40, which is USD -1.964295156 or 1.96 (rounded to 2 decimal places).

GL Impact on the Second Bill Payment

Account	Amount (Debited)	Amount (Credited)
1000 Checking		738.79
2001 Accounts Payable	738.79	
Realized Gain/Loss		1.96
2001 Accounts Payable	1.96	

> **Note:** The Accounts Payable account on the second bill payment (738.79 + 1.96 = 740.75) matches the Accounts Payable account on the bill (740.75). NetSuite did not use Rounding Gain/ Loss on the second bill payment.

Rounding Gain/Loss for Multi-Line Invoice and Payment Using the Same Exchange Rate

In this example, a foreign currency customer's invoice contains three separate line items with the exchange rate 24.537. The line item amounts are 4,475.00, 2,400.00, and 627.00. The invoice total is 7,502.00. At the time of payment the exchange rate is 24.537. The transaction creates a rounding gain/ loss.

GL Impact on the Invoice

The general ledger impact for the Income lines are the amounts in foreign currency multiplied by the exchange rate, and then rounded up or down to obtain two digits after the decimal point.

- 4,475.00 x 24.537 = 109,803.08
- 2,400.00 x 24.537 = 58,888.80
- 627.00 x 24.537 = 15,384.70

The Accounts Receivable line is the sum of the Income lines (109,803.08 + 58,888.80 + 15,384.70 = 184,076.58).

Account	Amount (Debited)	Amount (Credited)
Accounts Receivable	184,076.58	
Income		109,803.08
Income		58,888.80
Income		15,384.70

Accept payment for the invoice.

The exchange rate at the time of payment (24.537) is the same as at the time the invoice was created.

GL Impact on the Payment

The general ledger impact for the payment amount (invoice total 7,502.00) in foreign currency multiplied by the exchange rate (7,502.00 x 24.537 = 184,076.57), and then rounded up or down to obtain two digits after the decimal point.

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Account	Amount (Debited)	Amount (Credited)
Undeposited Funds	184,076.57	
Accounts Receivable		184,076.57

The transaction created a rounding gain/loss in the amount of .01.

Foreign Currency Variance Mapping

The Foreign Currency Variance Mapping feature enables you to create foreign currency variance posting rules that determine the accounts into which foreign currency variances are posted. If your NetSuite implementation has no variance posting rules, NetSuite posts the gains and losses from fluctuations in foreign exchange rates to default system-generated accounts. For a listing of the default system-generated accounts, see Accounting for Fluctuation in Exchange Rates.

Some cases in which you might want to create a foreign currency variance posting rule are as follows:

- You want to have a realized or unrealized gain posted to an account different from a realized or unrealized loss.
- You want to use a subsidiary-specific foreign exchange variance account.
- You want to use a separate account for intercompany receivable and intercompany payable foreign exchange variances.
- You want to use different foreign exchange variance accounts based on the Class, Department, and Location values.
- You want to use separate foreign exchange variance posting accounts based on the source account type (for example, a bank account rather than an accounts receivable account).

> ⚠ **Important:** When the Foreign Currency Variance Mapping feature is enabled, **all** realized gain and loss is posted using a foreign exchange revaluation record. The foreign exchange revaluation record is attached on the **Related Record** subtab for the associated transaction. When this feature is enabled, realized gain and loss are not included in the **GL Impact** for the payment.

To enable the Foreign Currency Variance Mapping feature, go to Setup > Company > Enable Features. Foreign Currency Variance Mapping is on the Accounting subtab under Advanced Features. Check the feature box and click Save.

Access to variance posting rules requires Full access to the Foreign Currency Variance Mapping permission. This permission is included in the standard Administrator and CFO roles and can be added to custom roles. The permission is on the Permissions subtab of the role record under Setup.

Users with Full access to the Foreign Currency Variance Mapping permission can create and view all rules for all subsidiaries and classifications regardless of subsidiary restrictions.

For more information about foreign currency variance posting rules, see the following topics:

- Defining Foreign Currency Variance Posting Rules
- Foreign Currency Variance Posting Rules List
- Prioritizing Foreign Currency Variance Posting Rules
- Transactions Voided After Posting Rules Change
- Impact of Foreign Currency Variance Posting Rules on Foreign Exchange Revaluation Reports

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Defining Foreign Currency Variance Posting Rules

You define foreign currency variance posting rules on the Foreign Currency Variance Posting Rule page. Each rule specifies the account into which gain or loss resulting from foreign currency variances is posted. This account is the Destination Account. The rules consist of a set of source or revaluation transaction criteria that determine the posting account.

If your NetSuite implementation has no variance posting rules, NetSuite posts the gains and losses from fluctuations in foreign exchange rates to default system-generated accounts. The default system-generated accounts are also used if no rules match the transaction. For information about the default accounts, see Accounting for Fluctuation in Exchange Rates.

Each variance posting rule must have a unique set of criteria. Each transaction is compared to the foreign currency variance posting rules in the order of rule priority. When a matching rule is found, that rule is used and evaluation ends. Key fields, custom segments, and custom fields that apply to Purchase, Sale, Journal, Customer Payment, Vendor Payment, or Deposit are available as criteria. Custom fields are limited to the following types:

- Check Box
- Currency
- Date
- Decimal Number
- Email Address
- Free-Form Text
- Integer Number

Adding, modifying, and removing rules does not affect transactions for which the foreign currency variances have already been posted.

You must create the posting accounts you want to set as the destination accounts before you create the rules. The destination accounts must be account types Other Income or Other Expense.

To define a foreign currency variance posting rule:

1. Go to Setup > Accounting > Foreign Currency Variance Posting Rules > New.

2. In the **Rule Name** field, enter a unique name for the rule.

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Your rule name should include enough information for you to identify it in a list if you need to change the priority of your rules. You can include symbols in addition to letters and numbers.

3. In the **Description** field, enter a short description of the rule. The description is optional.

4. Select the **Destination Account** for the foreign currency variance posting rule.

   Foreign currency variances post to this destination account when the source or revaluation transaction matches the rule. Multiple rules can have the same destination account.

   The **Destination Account** list includes all accounts of the Other Income and Other Expense account types.

   If you include **Subsidiary** in your criteria, the **Destination Account** should be associated with the subsidiary you select.

5. Check the **Inactive** box if you want to disable the rule.

   When the **Inactive** box is checked, you can inactivate a rule you no longer want or save rules that would be invalid if they were active. For example, you could save a copy of an existing rule as inactive for later editing.

   Inactive rules are included on the Foreign Currency Variance Posting Rules page. However, they are ignored during revaluation processing.

6. In the **Criteria** subtab, select the criteria for your rule.

   Custom fields and segments appear at the bottom of the Field list with the suffix (Custom). Criteria with custom fields or custom segments apply to source transactions only.

   The other available fields are as follows:

   - **Account** – Multi-select list, searchable by account name. This field refers to the posting account on the source transaction. Use this field, for example, to add criteria to match specific accounts payable accounts on vendor bills.

   - **Account Type** – Multi-select list. The field refers to the account type of the posting account on the source transaction. Use this field, for example, to add criteria to match all accounts of the account type Accounts Receivable.

   - **Accounting Book** – Multi-select list. This field refers to the accounting book of revaluation transactions. This field is available only when the Multi-Book Accounting feature is enabled. For information, see the help topic Using Multi-Book Accounting.

   - **Class** – Multi-select list. This field refers to the Class field of source transactions.

   - **Country** - Multi-select list. This field refers to the Country field of the subsidiary of the source transaction and is available only in NetSuite OneWorld implementations.

   - **Currency – Source Transaction** – Multi-select list. This field refers to the Currency field of source transactions.

   - **Date – Revaluation** – Date or date range field. This field refers to the Date field of revaluation transactions.

   - **Date – Source Transaction** – Date or date range field. This field refers to the Date field of source transactions.

   - **Department** – Multi-select list. This field refers to the Department field of source transactions.

   - **Gain/Loss** – Select Gain or Loss. This field indicates whether the revaluation transaction is a gain or a loss.

   - **Is Intercompany** – Yes or No only. When you select Yes as the value for the field, source transactions match the rule only when the line to be revalued is marked for elimination. This field does not apply to revaluation transactions. This field is available only when the Automated Intercompany Management feature is enabled. For information, see Automated Intercompany Management Overview.

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- **Location** – Multi-select list. This field refers to the Location field of source transactions.
- **Memo** – Text entry field. This field refers to the Memo field of source transactions.
- **Nexus** – Multi-select list. This field refers to the Nexus field of source transactions.
- **Posting Period** – Multi-select list. This field refers to the posting period of payments or credit memos for realized gains. For unrealized gains, this field refers to the posting period of customer invoices or vendor bills. For invoices against revenue commitments, this field refers to the invoice posting period.
- **Subsidiary** – Multi-select list. If you use this field, make sure the subsidiaries you select are associated with the **Destination Account**. This field refers to the Subsidiary field of the source transaction and is available only in NetSuite OneWorld implementations. Full subsidiary access is provided for rule creation.
- **Variance Type** – Multi-select list. The options for variance type are Matching, Realized, and Unrealized. For information about the variance types, see Accounting for Fluctuation in Exchange Rates.

7. When you have added the criteria necessary to direct posting to the destination account, click **Save**.

If your rules post to an unexpected account, verify that all of the following are true:

- Destination accounts are all active.
- Accounts included as criteria are all active.
- Subsidiaries included as criteria are all associated with the destination accounts for the rules in which they are included.
- All the rules you want to use are active (the Inactive box is clear).
- Your rules are prioritized correctly. For information, see Prioritizing Foreign Currency Variance Posting Rules.

Foreign Currency Variance Posting Rules List

When foreign currency variance posting rules exist in your system, you can view the list of rules on the Foreign Currency Variance Posting Rules list page at Setup > Accounting > Foreign Currency Variance Posting Rules.

The Foreign Currency Variance Posting Rules list page provides access to all foreign currency variance posting rule actions. From this page, you can do the following:

- Click **New Rule** to create new foreign currency variance posting rules. For information, see Defining Foreign Currency Variance Posting Rules.
- Click **Prioritize Rules** to reorder the list and change the priority of the rules. For information, see Prioritizing Foreign Currency Variance Posting Rules.
- Click **Edit** for an existing rule to make changes or delete the rule. Deleted rules are listed in Deleted Record searches when the Record Type filter includes Foreign Currency Variance Posting Rule.
- Click the link for a rule in the **Rule Name** column to open the rule for viewing. The Foreign Currency Variance Posting Rule page also includes a Copy command on the Action menu and a System Notes subtab.

When the Multi-Book Accounting feature is enabled, an Accounting Book column is included. An Intercompany column is included when the Automated Intercompany Management feature is enabled. For more information about these features, see the help topics Using Multi-Book Accounting and Automated Intercompany Management Overview.

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Prioritizing Foreign Currency Variance Posting Rules

The priority numbers of the foreign currency variance posting rules determine which destination account the variance posts to if more than one rule matches the transaction. The rule with the lower priority number has the higher priority and is the one that determines the posting account.

To be considered, a rule that is an exception to a general rule must have a higher priority than the general rule. For example, if you have a general rule for realized gains, and also have a subsidiary-specific rules for realized gains, make the subsidiary-specific rules higher priority.

To change the priority of variance posting rules:

1. Go to Setup > Accounting > Foreign Currency Variance Posting Rules and click **Prioritize Rules**.

2. On the Foreign Currency Variance Rule Priority page, use the buttons for each row to adjust the position of the row in the list. On this page, the rules are listed in order of their priority.

    For example, to move the Realized Loss - UK rule in the following screenshot to a higher priority than the Realized Loss rule, click **Move Up**. The Realized Loss — UK rule then becomes Priority 3, and Realized Loss becomes Priority 4.

    You can also drag and drop to change the order. To drag and drop, click the row handle (the six dots before the rule name) and drag the row to the position you want.

3. When you are satisfied with the order, click **Save**.

Transactions Voided After Posting Rules Change

When you void a transaction, amounts from the original transaction are reversed from the original general ledger accounts. Any change to foreign currency variance posting rules between the time of the original transaction and the voided transaction are ignored for purposes of the reversal.

For example, you have a vendor bill for $100 in the transaction currency. The exchange rate to base currency is 1.1. The general ledger impact from the vendor bill in base currency is as follows:

Vendor Bill	Debit	Credit
Expense	110	

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Vendor Bill	Debit	Credit
Accounts Payable		110

When you pay the vendor bill, the exchange rate is 1.2. No foreign currency variance posting rule applies to the payment. The general ledger impact in base currency for the payment and the currency revaluation is as follows:

Payment	Debit	Credit
Accounts Payable	120	
Bank Account		120

Currency Revaluation	Debit	Credit
Realized Gain/Loss (default account)	10	
Accounts Payable		10

You close the periods that the bill and payment are in, and you create a foreign currency variance posting rule. The new rule posts all revaluations to a new revaluation account.

You void the payment you made in the previous period. The new foreign currency variance posting rule is ignored in this case. The exchange rate for voiding the payment is the same as the original payment. The general ledger impact in base currency for the voiding journal and currency revaluation reversal is as follows:

Voiding Journal	Debit	Credit
Bank Account	120	
Accounts Payable		120

Currency Revaluation Reversal	Debit	Credit
Accounts Payable	10	
Realized Gain/Loss (default account)		10

Impact of Foreign Currency Variance Posting Rules on Foreign Exchange Revaluation Reports

If the Foreign Currency Variance Mapping feature is enabled in your account, the Unrealized Exchange Rate Gains and Losses and Realized Exchange Rate Gains and Losses reports include the Foreign Currency Variance Posting Account column. This column provides the posting account of foreign exchange variance lines. This column is also available as a report filter. For information about these reports, see Unrealized Exchange Rate Gains and Losses Report and Realized Exchange Rate Gains and Losses Report.

> ✔ **Tip:** You can customize the these reports to include the Realized/Unrealized Gain, Realized/Unrealized Loss, and Variance Posting Account columns. For details about report customization, see the help topic Report Customization.

Working with the Chart of Accounts

One of the first tasks you must complete before you can begin managing accounting in NetSuite is to set up a chart of accounts (COA). You can use the CSV Import Assistant to import account information from another system, or you can manually create account records in NetSuite. Your chart of accounts provides a set of destinations for posting transactions, and categorizes these transactions for tracking and reporting purposes.

If you use NetSuite OneWorld and have an administrator role or have the Set Up Company permission, you can set up accounting contexts at Setup > Company > General Preferences.. An accounting context can be a one-to-one relationship between a country's local GAAP (Generally Accepted Accounting Principles) reporting requirements and a statutory chart of accounts (COA). It can also be a unique relationship that meets your company's specific needs. Accounting contexts are useful when users prefer to work in a local GAAP context, rather than in the consolidated context with one centralized COA. Accounting contexts are also useful if you have Multi-Book Accounting provisioned in your account. You can set an accounting context specific for your secondary book and use it for your secondary book reports. For more information, see the help topic Accounting Contexts. When one accounting context exists, users can select their preferred accounting context at Home > Set Preferences. When users select an accounting context, all transactions including system-generated transactions post to the defined COA account name and number. For information about user preferences, see the help topic Setting General Preferences.

If Multi-Book Accounting is provisioned in your account, you can create accounts for specific secondary accounting books. Secondary accounting book specific accounts are filtered for your view when you make book specific secondary book transactions. Accounts that are not available in the primary accounting book do not appear at book generic transactions. For information about book generic and book specific transactions, see the help topic Book-Generic and Book-Specific Records.

Account types are used to organize data in account registers and other financial reports.

- Income statement account types include Cost of Goods Sold, Expense, Income, Other Expense, and Other Income.

- Balance sheet account types include Accounts Payable, Accounts Receivable, Bank, Credit Card, Deferred Expense, Deferred Revenue, Equity, Fixed Asset, Long Term Liability, Other Asset, Other Current Asset, Other Current Liability, and Unbilled Receivable.

- Cash flow statement account types include the net of Income and Other Income, Accounts Payable, Accounts Receivable, Equity, Fixed Asset, Long Term Liability, Other Asset, Other Current Asset, Other Current Liability, and Unbilled Receivable.

- Statistical accounts, part of the Advanced Financial module, enable your financial team to track non-monetary data and then use that information on reports and income statements. Financial users can examine the non-monetary data to view its relationship with the financial activity of your organization. For more information, see the help topic Using Statistical Accounts.

> ⓘ **Note:** When you enable some accounting features, the system automatically generates an account specific to those features. If your chart of accounts already contains an account by the same name as that of a system-generated account created through feature enablement, the system-generated account name is appended with "(system)" and the default account type is selected. For example, you have created an A/R account type named Unbilled Receivable. You enable the Advanced Revenue Management feature. The system automatically generates the Unbilled Receivable (System) account under the account type Unbilled Receivable and uses this system account for unbilled receivable reclassification. For a list of feature-specific, system-generated accounts, see Feature-Specific, System-Generated Accounts.

You can create a hierarchy of accounts within each account type by defining subaccount relationships on account records. Careful attention to account typing, naming, and numbering when you set up

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your chart of accounts results in more useful reports. In addition, organize your account hierarchies, naming, and numbering to simplify the future addition of new accounts.

NetSuite enables you to create an account record solely for reporting purposes. These accounts are called summary accounts and are useful when you want to create a non-posting, inactive parent account that has active child accounts. New summary accounts that are not in NetSuite OneWorld cannot have an opening balance, but you can convert an existing account with a transaction balance into a summary account. In this case, you cannot post additional transactions to the account. Summary accounts appear with their children in the chart of accounts list. You cannot merge a summary account into another account.

For financial statements such as income statements (profit and loss statements) and balance sheets, you can also use account names or numbers to further customize your data presentation.

> ⚠️ **Important:** If you want to use numbers as well as names to identify accounts, enable the related accounting preference in your account at Setup > Accounting > Accounting Preferences. For more information, see Using Account Numbers.

To set up your chart of accounts, perform the following steps.

1. Create NetSuite account records.

   > ℹ️ **Note:** Your user role must have both ADMI_ACCOUNTING and LIST_ACCOUNT permissions to access Setup > Accounting > Manage G/L > Chart of Accounts.

   - If you want to import account information from another system, see:
     - Chart of Accounts Import
     - Importing CSV Files with the Import Assistant
   - If you want to create new accounts in NetSuite, see Creating Accounts.

2. Enter opening balances for new accounts. For more information, see Entering Opening Balances.

The system automatically adds default Japanese accounts to your chart of accounts upon creation of a Japanese subsidiary in NetSuite OneWorld. The Japanese accounts are based on the Japanese Industrial Standard (JIS) X 0406:1984. These default accounts are also already included in NetSuite Japan edition.

You can review your chart of accounts at any point. For more information, see Viewing the Chart of Accounts.

After you have created a chart of accounts, you can make changes as necessary. For more information, see Making Changes to Accounts.

For information about financial tracking and reporting, see the following help topics:

- Working with Account Registers
- Working with Accounting Reports
- Financial Statements Overview

Feature-Specific, System-Generated Accounts

The following table provides the feature and respective system-generated accounts.

General Accounting

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⚠️ **Important:** Activation and inactivation of system-generated accounts is handled automatically by the NetSuite system.

The following accounts cannot be inactivated from the Account page:

* AccumDeprec

* AdvPaid

* COGS

* CommPay

* CTA-E

* CustAuth

* DeferExpense

* DeferRevenue

* DefRevClearing

* DirectLabor

* Estimate

* FailedACH

* FxRateVariance

* IndirectLabor

* InvInTransit

* InvInTransitExt

* InvtAsset

* JobCostVariance

* Opprtnty

* PayAdjst

* PSTExp

* PSTPay

* PurchOrd

* PurchReq

* RecvNotBill

* RefundPay

* RevArrng

* RtnAuth

* RtnNotCredit

* SalesOrd

* SalesTaxPay

* Tax

* TrnfrOrd

* UnappvExpRept

* UnappvPymt

Feature	System-Generated Account

A/P (Payable)	Accounts Payable
	Note: Depending on your NetSuite Edition, the account may be named Acct Pay. When this feature is enabled for the first time, the Accounts Payable (AcctPay) account is created. However, this account is not inactivated or reactivated if the feature check box is cleared and then checked again.
A/R (Receivable)	Accounts Receivable
	Note: Depending on your NetSuite Edition, the account may be named Acct Rec. When this feature is enabled for the first time, the Accounts Receivable (AcctRec) account is created. However, this account is not inactivated or reactivated if the feature check box is cleared and then checked again. Customer Deposits (CustDep) Customer Deposits is not activated by the A/R (Receivable) or any other feature.
Accounting	Undeposited Funds Refunds Payable
	Note: If you are using NetSuite Canadian Edition, you also have Payable and Expenses accounts. In addition, the Tax (Tax) account is activated or inactivated when this feature is enabled or when the feature check box is cleared. If you are using NetSuite (U.S.), you have the additional Sales Tax Payable account.
Advanced Receiving	Accrued Purchases
Advanced Revenue Management	Deferred Revenue Deferred Revenue Clearing Revenue Arrangement (non-posting) Unbilled Receivable
	Note: When the Expand Account Lists accounting preference is enabled, these accounts may appear in other account lists. Do not select the Unbilled Receivable or the Deferred Revenue Clearing account from lists. All debits and credits to these account must be system-generated. Deferred Expense is generated when the accounting preference Enable Advanced Cost Amortization is checked.
Amortization	Deferred Expense Accumulated Depreciation
Automated Intercompany Management	CTA Elimination
	Note: This account is system-generated after a qualifying transaction. For example, a user must first run the Elimination process so that an Elimination Journal Entry is created that uses this account.
Credit Card Payments and Customer Access	Unapproved Customer Payments
Direct Deposit	Failed ACH Transactions (FailedACH)
Electronic Funds Transfer	Failed ACH Transactions (FailedACH)

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Employee Commissions, Partner Commissions/ Royalties	Commissions Payable
Estimates	Estimates
Expense Reports	Unapproved Expense Reports Advances Paid Accounts Payable When this feature is enabled for the first time, the Accounts Payable (AcctPay) account is created. However, this account is not inactivated or reactivated if the feature check box is cleared and then checked again.
Intercompany Time and Expense	If you enabled this feature after April 2014, when you created a qualifying journal entry the system created a single Intercompany Clearing Account of the Type: Other Current Asset. The account was set to the Root Subsidiary and included all child subsidiaries. Adjustment journal entries correctly posted to this new account, and no other currency-locked Intercompany Clearing Accounts were created. If you enabled this feature prior to April 2014, when you created a new adjustment journal entry the system created a new Intercompany Clearing Account (no currency), which became the parent of all other existing clearing accounts. New adjustment journal entries use this parent account, and the existing currency-locked Intercompany Clearing Account remained intact. ⓘ **Note:** If you edit a transaction that originally posted to the existing currency-locked Intercompany Clearing Account, the GL Impact of that transaction affects that account.
Inbound Shipment Management	External Inventory In Transit (InvInTransitExt) This account is activated or inactivated when the feature is enabled, or when the feature check box is cleared.
Inventory	Inventory Asset Cost Of Goods Sold
Job Costing and Project Budgeting	Direct Labor (DirectLabor) Indirect Labor (IndirectLabor) Job Cost Variance (JobCostVariance) These accounts are activated or inactivated when these features are enabled, or when the respective feature check boxes are cleared.
Multi-Location Inventory	Transfer Orders Inventory In Transit
Multiple Currencies	After qualifying revaluation transactions, the system generates the Realized Gain/ Loss, Unrealized Gain/Loss, Unrealized Matching Gain/Loss, Rounding Gain/Loss accounts. ⓘ **Note:** Depending on the year in which your NetSuite account was established, you may also have the Exchange Rate Variance account.
Opportunities	Opportunities
Payroll	Payroll Adjustments
Payroll Service	Failed ACH Transactions (FailedACH) This account is activated or inactivated when the feature is enabled, or when the feature check box is cleared.
Purchase Orders	Purchase Orders

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Requisitions	Requisitions
Return Authorizations	Return Authorizations
Revenue Commitments	Unbilled Receivables ⓘ **Note:** When the Expand Account Lists account preference is enabled, this account may appear in other account lists. Do not select the Unbilled Receivable account from lists. All debits and credits to this account must be system-generated.
Sales Orders	Sales Orders
Split Tender	Customer Payment Authorizations (CustAuth) This account is activated or inactivated when this feature is enabled, or when the feature check box is cleared.
Vendor Return Authorizations	Vendor Return Authorizations Purchases Returned Not Credited
Work Orders	Work Orders

Using Account Numbers

Many businesses use standard account numbers and the names of those accounts on their general ledger. You can set up account numbers that appear in your chart of accounts, transactions, and on most financial reports.

When you start to work with NetSuite, account numbers are not enabled. An administrator must enable the preference on the Accounting Preferences page.

To enable account numbers:

1. Go to Setup > Accounting > Accounting Preferences.
2. Click the **General** subtab, check the **Use Account Numbers** box.
3. Click **Save**.

When you enable the account numbers preference, NetSuite inserts standard account numbers before most existing account names, and enables you to enter account numbers for new accounts. Standard account numbering is described below.

For information on how to change these numbers or add numbers to other accounts, see Adding or Changing Account Numbers. For information about creating accounts, see Creating Accounts.

Standard Numbering for Chart of Accounts

When the Use Account Numbers preference is enabled, four-digit account numbers are automatically associated with existing accounts as follows:

- 1xxx - Asset accounts
- 2xxx - Liability accounts
- 3xxx - Equity accounts
- 4xxx - Income accounts
- 5xxx - Cost of Goods Sold (COGS) accounts
- 6xxx - Expense accounts

- 8xxx - Other Income accounts

Account numbers can be alphanumeric with a maximum of 60 characters.

> **ⓘ Note:** If you are importing account data and must map CSV fields to NetSuite fields, see the help topic Importing CSV Files with the Import Assistant.

Creating Accounts

You can choose whether to use the CSV Import Assistant to import accounts information or to create new account records in NetSuite.

> **ⓘ Note:** Your user role must have both ADMI_ACCOUNTING and LIST_ACCOUNT permissions to access Setup > Accounting > Manage G/L > Chart of Accounts.

Consider the following questions before you first begin creating accounts:

- How do you want to organize the hierarchy for each account type?

  You can define a parent account on each account record. A parent account must have the same type as the subaccount.

  You cannot change the account type for an account that has associated posting and non-posting transactions such as sales order and revenue commit.

- What naming conventions do you want to use for accounts?
- Do you want to use account numbering?

  If you want to use numbers as well as names to identify accounts, ensure that the related accounting preference is enabled in your account at Setup > Accounting > Accounting Preferences. See Using Account Numbers.

- Do you want to limit the availability of some accounts to a single department, class, or location?

  For information, see the help topic Classifications in NetSuite.

- NetSuite OneWorld only:

  - Do you want to limit the availability of some accounts to a subset of your subsidiaries? For information, see the help topics Subsidiaries Overview and Setting Up Accounts in OneWorld.

  - If you have an administrator role or have the Set Up Company permission, you can set up accounting contexts at Setup > Company > General Preferences.. An accounting context can be a one-to-one relationship between a country's local GAAP (Generally Accepted Accounting Principles) reporting requirements and a statutory chart of accounts (COA). It can also be a unique relationship that meets your company's specific needs. Accounting contexts are useful when users prefer to work in a local GAAP context, rather than in the consolidated context with one centralized COA. Accounting contexts are also useful if you have Multi-Book Accounting provisioned in your account. You can set an accounting context specific for your secondary book and use it for your secondary book reports. For more information, see the help topic Accounting Contexts. When one accounting context exists, users can select their preferred accounting context at Home > Set Preferences. When users select an accounting context, all transactions including system-generated transactions post to the defined COA account name and number. For information about user preferences, see the help topic Setting General Preferences.

  - If Multi-Book Accounting is provisioned in your account, you can create accounts for specific secondary accounting books. Secondary accounting book specific accounts are filtered for your view when you make book specific secondary book transactions. Accounts that are not available in the primary accounting book do not appear at book generic transactions. For information about book generic and book specific transactions, see the help topic Book-Generic and Book-Specific Records.

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- Be aware that you cannot create an intercompany clearing account. This account is automatically generated by the system when the Intercompany Time and Expense feature is enabled. When this feature is enabled, you cannot edit the subsidiaries associated with any existing account type except Bank. For more information, see Intercompany Clearing Account.

  - (Multiple Currencies only) What currency and what types of exchange rates do you want to associate with each account? For information, see Working with Currencies.

- Do you want to track non-monetary data and then use that information on reports and income statements to view its relationship with the financial activity of your organization? For more information, see the help topic Using Statistical Accounts.

- Do you want to create a summary account record solely for reporting purposes? Summary accounts are useful when you want to create a non-posting, inactive parent account that has active child accounts. New summary accounts that are not in NetSuite OneWorld cannot have an opening balance, but you can convert an existing account with a transaction balance into a summary account. In this case, you cannot post additional transactions to the account. Summary accounts appear with their children in the chart of accounts list. You cannot merge a summary account into another account.

The chart of accounts for your company lists all of the accounts set up to use in the general ledger for your NetSuite account. You cannot customize the chart of accounts list. For more information, see Viewing the Chart of Accounts

To create a new account:

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

2. Enter general account information:

   a. If you are using account numbering, enter an account number.

   Account numbers can be alphanumeric with a maximum of 60 characters.

   b. Enter a name for this account.

   This name appears in the chart of accounts list, on transactions lists, and on reports.

   c. If the **Use Legal Name in Account** accounting preference is enabled at Setup > Accounting > Accounting Preferences, the **Legal Name** field appears. You can enter up to 400 characters in this field including special characters such as colon and semi colon. You can also enter characters such as Éé,Çç, and 2 byte characters such as #####.

   This field is useful in countries where the legal name of an entity is required by law.

   The **Legal Name** field can be added to financial reports where account is an available component. It is also available in advanced searches, SuiteScript, and ODBC. System notes maintains an audit trail specific to the activity on the Legal Name field.

   > **Note:** If the Multi-Language feature is enabled, the **Legal Name** field appears on the **Localization** subtab when the account record is in edit mode. The restrictions that apply to the **Legal Name** field in the header apply to the **Legal Name** field on the subtab.

   d. To make this account the subaccount of another, select the parent account in the **Subaccount of** field.

   When you create a child account, it must be of the same type as the parent account. For example, you cannot choose **Accounts Payable** (a liability) as the parent of an expense account.

   e. Select the type of account you want to create.

      i. If you are creating a **Bank** type account, enter the bank account number.

      ii. If the new account is an account for which you want to include associated vendor transactions' amounts on 1099-MISC forms, select a **1099-MISC Category**.

- These categories correspond to the boxes on the 1099-MISC form and cannot be added to or deleted.

- An amount for a category is not reported on the 1099-MISC form until the threshold for that category is met. As soon as the amount per vendor is greater than or equal to the threshold amount, the total amount is shown on the form.

- You can view and change the threshold amounts for each category at Setup > Accounting > Accounting Lists. Select 1099-MISC Category in the Type filter.

- This field is not available on certain types of account records, where it is not relevant.

      iii. If you are creating an **Other Current Asset** type account and want the balance of this account included in the total balance of the Inventory KPI, check the **Inventory** box.

      iv. If you are creating a statistical account, see the help topic Creating Statistical Accounts.

3. If the **Multiple Currencies** feature is enabled and the **Account Type** is **Bank**, select a currency to associate with the account. (For other types of accounts, this field defaults to the base currency.)

4. For NetSuite OneWorld, select rate types for exchange rates used to value financials:

    a. Select a **General Rate Type** that is used to translate amounts for accounts in the income statement, balance sheet, and other general purposes.

    b. Select a **Cash Flow Rate Type** that is used to translate amounts for accounts in the cash flow statement.

The **Current** rate is the effective rate at the end of a selected period.

The **Average** rate is a weighted average of rates used for transactions posted during a selected period to accounts with an average general rate type.

The **Historical** rate is a weighted average of rates used for transactions posted during a selected period to accounts with a historical general rate type.

Following are the default rate types for accounts:

- **General Rate Type**:

  - **Current** - for all balance sheet accounts other than equity accounts.

  - **Average** - for all income statement accounts.

  - **Historical** - for all equity accounts.

- **Cash Flow Rate Type**: **Average** - for all accounts.

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

> ⓘ **Note:** By default, **Fixed Asset** type accounts have a general rate type of **Current**. If you want to this an account of this type to use a historical rate, you need to change its general rate type to **Historical**.

5. If you use the **Multiple Currencies** feature and want to be able to select this account for revaluation, check the **Revalue Open Balance for Foreign Currency Transactions** box.

   You cannot select this option for **COGS**, **Equity**, **Expense**, **Income**, **Non Posting**, **Other Expense**, and **Other Income** accounts.

6. Check the **Eliminate Intercompany Transactions** box if this is an intercompany account used only to record transactions between subsidiaries. Amounts posted to intercompany accounts

are eliminated when you run the intercompany elimination process at the end of an accounting period.

7. Enter a description of the account.

8. The **Date** field indicates the date for the account's opening balance.

   It defaults to the current date. You can modify it as necessary.

9. If you **are not using NetSuite OneWorld**, enter an opening balance for this account.

   If this account is a summary account, you cannot provide an opening balance.

   If you **are using NetSuite OneWorld**, you can enter opening balances only after you have created accounts. See Entering Opening Balances.

10. Check the **Summary** box to make this a reporting account record.

    Summary accounts are useful when you want to create a non-posting, inactive parent account that has active child accounts.

    > ⚠ **Important:** Checking the **Summary** box automatically inactivates the account.

    Checking the **Summary** box does not modify the state of the **Inventory** and **Revalue Open Balance for Foreign Currency Transactions** boxes.

11. To make an account inactive, check the **Inactive** box.

12. Enter classification information:

    a. If the **Departments** feature is enabled and you want to restrict the use of this account to a single department, select the department.

    b. If the **Classes** feature is enabled, and you want to restrict the use of this account to a single class, select the class.

    c. If the **Locations** feature is enabled, and you want to restrict the use of this account to a single location, select the location.

       > ⚠ **Important:** After you select a class, department, location, or a combination of segments, this account can be selected only on transactions where those segments are also selected.

    d. If you are using NetSuite OneWorld and you want to limit the use of this account to a subset of subsidiaries:

       i. Select one or more subsidiaries.

       ii. Check the **Include Children** box to make the account available to all of the child subsidiaries of selected subsidiaries.

          > ⚠ **Important:** Inactivating and activating accounts may limit access to subsidiaries for users assigned custom roles.

    e. If Multi-Book Accounting is provisioned in your account, select the secondary accounting books to which this account is restricted when you make book specific secondary book transactions. Accounts restricted to only secondary accounting books are not available at book generic transactions.

       > ⓘ **Note:** The **Restrict to Accounting Book** field displays Active and Pending accounting books. Inactive accounting books are listed only if selected before the accounting book was deactivated.

       If you do not select a secondary accounting book, the account is available in all accounting books.

In addition to secondary accounting books, the **Restrict to Accounting Book** field lists the primary accounting book. If you select the primary accounting book, the account is not available at book specific secondary book transactions. If you select the account at primary accounting book generic transactions and mapping is not defined, the transactions are posted to the same account in the secondary accounting books. For information on mapping, see the help topic Chart of Accounts Mapping.

> ⚠ **Important:** Secondary accounting book restricted accounts are not available for budgeting. Budgeting is available only in the primary accounting book.
>
> Every page where you can select an accounting book and an account adheres to the defined restrictions. For example, for Amortization and Revenue Recognition journal entries, the **Original Account**, **Target Account**, and **Deferral Account** fields display the restricted accounting books. For Allocation Schedules and Intercompany Allocation Schedules, the **Source Account**, **Destination Account**, **Credit Account**, and **Intercompany Account** fields display the restricted accounting books. If the account is not restricted to an accounting book, journal entries are posted to the same accounts in the secondary accounting books. For Account Mappings, the **Source Account** field lists all accounts that are available in the primary accounting book and the **Destination Account** field lists accounts that are available in the restricted secondary accounting books.

Statistical accounts do not have accounting book restrictions because these accounts do not appear at book specific transactions.

You can restrict an account to additional accounting books after transactions are posted to previously restricted accounting books.

A restricted account displays in reports.

13. Click **Save**.

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⚠️ **Important:** Activation and inactivation of system-generated accounts is handled automatically by the NetSuite system.

The following accounts cannot be inactivated from the Account page:

* AccumDeprec

* AdvPaid

* COGS

* CommPay

* CTA-E

* CustAuth

* DeferExpense

* DeferRevenue

* DefRevClearing

* DirectLabor

* Estimate

* FailedACH

* FxRateVariance

* IndirectLabor

* InvInTransit

* InvInTransitExt

* InvtAsset

* JobCostVariance

* Opprtnty

* PayAdjst

* PSTExp

* PSTPay

* PurchOrd

* PurchReq

* RecvNotBill

* RefundPay

* RevArrng

* RtnAuth

* RtnNotCredit

* SalesOrd

* SalesTaxPay

* Tax

* TrnfrOrd

* UnappvExpRept

* UnappvPymt

If the account is a bank type, additional fields are now available in edit mode. See Editing an Account.

> **ⓘ Note:** If you are using the CAMT.053.001.06–formatted or BAI2-formatted files import feature, you must complete additional fields.

To review account information, see Setting Up Historical Balances in OneWorld.

To edit account names or account numbers, or to merge, inactivate, or delete accounts, see Making Changes to Accounts.

Editing an Account

Depending on the features enabled in your account, multiple subtabs appear at the bottom of the Account page when an account is in edit mode. For example, if you use the Multi-Language feature, the Localization subtab appears. Use it to edit the account name or legal name for the languages defined in your system. For information, see the help topic Configuring Multiple Languages. The System Notes and Bank Import Mapping subtabs always appear. It provides an audit trail of changes made to an account.

If you use NetSuite OneWorld and accounting contexts have been set up, the Localization subtab enables you to enter different account names, languages, and numbers for a single account. An accounting context can be a one-to-one relationship between a country's local GAAP (Generally Accepted Accounting Principles) reporting requirements and a statutory chart of accounts (COA). It can also be a unique relationship that meets your company's specific needs.

The account name that displays is based on the order of the following conditions:

1. If any line on the Localization subtab represents both the accounting context language **and** the user's preferred language, the account name displays in this language.

2. If there is a line only for the user's preferred language, the account name displays in this language.

3. If there is a line only for the accounting context language, the account name displays in this language.

4. If none of these conditions exist, the account name displays as defined on the account record.

The account number that displays is based on the order of the following conditions:

1. If any line on the Localization subtab represents both the accounting context language **and** the user's preferred language, the account number displays in this language.

2. If this condition does not exist, the account number displays as defined on the account record.

For more information, see the help topic Accounting Contexts.

To modify an existing account:

1. Go to Lists > Accounting > Accounts.

2. Click the **Edit** link to the left of the account you want to modify.

3. On the Account page, modify the account as needed.

   If the Intercompany Time and Expense feature is enabled, you cannot edit the subsidiaries associated with any existing account type except Bank. This is because the system-generated intercompany clearing account locks the Subsidiaries field.

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> ⚠️ **Important:** If you check the **Summary** box on an existing account, the account maintains its posted transactions, but you cannot post additional transactions to the account. The account also becomes inactive, but its children accounts maintain their current state.
>
> If you clear the **Summary** box on an inactive, parent summary account and then save the record, the account is not automatically reactivated nor are its children automatically inactivated. To automatically inactivate the children accounts, first edit the account record to clear the **Inactive** box and then save the record. Second, edit the account record again to check the **Inactive** box and then save the record. All children accounts are updated to inactive status.

For more information, see Changing Names of General Ledger Accounts, Adding or Changing Account Numbers, Merging Accounts, and Deleting Accounts and Making Accounts Inactive.

4. If you want to use the Reconcile Account Statment page for this account, select the **Use Account Statement Reconciliation** box.

   If you import a statement, NetSuite automatically selects the **Use Imported Statement Reconciliation Form** box, as long as NetSuite can parse the file and import is successful.

   If you want to reconcile the account without using the imported statement, in the original Reconcile Bank Statement or Reconcile Credit Card Statement page, clear the box.

   > ℹ️ **Note:** When the Use Account Statement Reconciliation box is selected, this Account is only available in the Account list of the Reconcile Account Statement page, not in the Reconcile Bank Statement or Reconcile Credit Card Statement page.

5. On the **Bank Import Mapping** subtab, for a **Bank** type account, enter the following:

   > ℹ️ **Note:** The fields in this subtab are required for importing CAMT.053.001.06–formatted or BAI2-formatted files.

   - **02 Record - Originator Identification Field**

     > ℹ️ **Note:** If you are using the BAI2-formatted bank statement import feature, enter the Originator Identification from the 02 Record of the BAI2 file. This is typically the ABA/FRB routing and transit number for Domestic Financial Institutions, or SWIFT, CHIPS, or another mutually agreed on number for Foreign Financial Institutions. To ensure you have the correct number to enable successful BAI2 file imports, contact your bank.

   - **03 Record - Customer Account Number**

     > ℹ️ **Note:** If you are using the BAI2-formatted bank statement import feature, enter the Customer Account Number from the 03 Record of the BAI2 file. This is typically the Customer account number at the originator financial institution. To ensure you have the correct number to enable successful BAI2 file imports, contact your bank.

   - **IBAN Identifier / Tag 25 Account Identification**

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> **Note:** If you are using the ISO 20022 import feature, enter the number from <BkToCstmrStmt><Stmt><Acct><Id><IBAN> in the BankToCustomerStatementV06 file. If you are using the SWIFT import, enter the number from Tag :25: Account Identification in the SWIFT MT940 file. The International Bank Account Number (IBAN) is an identifier that financial institutions use internationally to uniquely identify a customer account. To ensure you have the correct number to enable successful file imports, contact your bank.

6. If you are editing a **Bank** type account, you can also enter:
   - **Next Check Number**
   - **Maximum Amount Per Transaction**
   - **Bank Name**
   - **Bank Routing Number**

7. If required, select the default **Language** for the account from the list.

8. If you use the **Electronic Funds Transfer (EFT)**, and **ACH Vendor Payments** features:
   a. Check the **Use ACH** box.
   b. Enter an **ACH Message**.

> **Note:** For details on how to enable ACH processing, see the help topic ACH Processing.

9. Click **Save**.

For information about creating accounts, see Creating Accounts.

Account Types

Each account in NetSuite must have a Type assigned. Each of these account types belongs to a broader category in the general accounting equation: Assets + Expenses = Equity + Liabilities + Income.

Each account type has a normal balance type of debit or credit. NetSuite uses negative notation for debit accounts and positive notation for credit accounts. For information about creating accounts, see Creating Accounts.

The relationship between type, category, balance type, and notation in NetSuite is shown in the following table:

Account Type	Category	Balance Type	Notation
Accounts Receivable	Asset	Debit	-
Bank	Asset	Debit	-
Deferred Expense	Asset	Debit	-
Fixed Asset	Asset	Debit	-
Other Asset	Asset	Debit	-
Other Current Asset	Asset	Debit	-
Unbilled Receivable	Asset	Debit	-
Equity	Equity	Credit	+
Cost of Goods Sold	Expense	Debit	-

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Account Type	Category	Balance Type	Notation
Expense	Expense	Debit	-
Other Expense	Expense	Debit	-
Income	Income	Credit	+
Other Income	Income	Credit	+
Accounts Payable	Liability	Credit	+
Credit Card	Liability	Credit	+
Deferred Revenue	Liability	Credit	+
Long Term Liability	Liability	Credit	+
Other Current Liability	Liability	Credit	+

NetSuite also includes a non-monetary account type called Statistical. For more information, see the help topic Using Statistical Accounts.

Accounts that belong to the asset, liability, and equity categories are included in the balance sheet. Income and expense accounts are in the income statement.

Entering Opening Balances

The opening balance for each general ledger account is the amount in the account when you first start using it in NetSuite. The date of the opening balance is included on each account record. After an opening balance has been entered for an account, that account can be used in NetSuite transactions.

- If you do not use NetSuite OneWorld:
  - For accounts included in your initial NetSuite chart of accounts, you can enter opening balances for your go-live date on each account record as you create the account. See Creating Accounts.
  - You may want to obtain a trial balance report in debit/credit format, from your accountant or from your previous accounting management system, to use as a worksheet for entering opening balances in NetSuite.
  - For accounts added later, you can enter opening balances after account records have been created in NetSuite on the Opening Balances page. For example, you created a new petty cash account. Use the Opening Balance page to enter the amount of starting cash in that account.
- If you use NetSuite OneWorld, you must create and save accounts, then enter opening balances from the Opening Balances page.

You enter opening balances for the first time on the Opening Balances page. See Entering Opening Balances for the First Time.

If necessary, you can go back and change opening balances later. You make changes through a transaction search. See Changing Opening Balances.

Entering Opening Balances for the First Time

The Opening Balances page enables you to enter balances for multiple accounts at one time.

To enter opening balances for the first time:

1. Go to Setup > Accounting > Setup Tasks > Enter Opening Balances (Administrator).

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You can enter an opening balance for any account for the first time on this page.

You cannot enter an opening balance for a new summary account.

Accounts that already have opening balances are not available on this page. See Changing Opening Balances.

2. Select the correct posting period.

3. If you are using NetSuite OneWorld, select a subsidiary.

4. If necessary, modify the date.

5. For each account, enter a debit or credit according to the starting balance, then save.

   You can enter either a debit or a credit. If you enter a debit, the credit field disables. If you enter a credit, the debit field disables.

When you save the Opening Balances page, NetSuite generates journal entries to create opening balances.

NetSuite tracks the difference between the opening balances' debits and credits in the **Out of Balance By** field.

Changing Opening Balances

When you save an account's opening balance, NetSuite generates a journal transaction. To change the balance, you must run a transaction search to find the journal transaction and then directly edit that transaction record.

To find a transaction and change its opening balance:

1. Go to Transactions > Management > Search Transactions.

2. When the Transaction Search page appears, select the following filters, and click **Submit**:

   - **Account** – select the account with the opening balance you need to change

   - **Transaction Type** – select Journal

3. From the list of search results, locate the journal entry for that opening balance and click **Edit** next to that entry.

   Opening balance journals usually have text flagging them in the **Memo** field.

4. On the lower half of the Journal page, you can make changes to transaction lines as necessary. Click **Done** after each line change.

5. When you have completed your edits, click **Save**.

After you have created accounts and entered opening balances, you can review the chart of accounts. See Setting Up Historical Balances in OneWorld.

Setting Up Historical Balances in OneWorld

It is recommended that you do not load a complete transaction history to set up or upgrade to NetSuite OneWorld. Instead, to bring in the general ledger, best practice is to journal in the balances of all balance sheet accounts as of a period end.

Exchange rate issues can cause complications for journal entries representing child subsidiary equity accounts, if these accounts' amounts are translated into the parent subsidiary's currency for

consolidated financials. You may require more than one historical rate to translate different equity accounts such as capital stock and retained earnings for the consolidated balance sheet.

The Consolidated Exchange Rates table stores one historical rate per time period. Extra steps are necessary to use a different historical rate for a particular equity account such as capital stock. These steps include the following:

- Setting up a historical rate used for most equity accounts in the most recently completed period
- Setting up an additional historical rate used for the capital stock account in a previous period
- Creating journal entries to ensure that the earlier rate is used to translate capital stock accounts for the consolidated balance sheet

The following example illustrates this process. In this example:

- The intent is to journal in balances to result in an accurate balance sheet as of 12/31/13, for a U.S. child subsidiary of a U.K. parent subsidiary.
- An Opening Balance equity account starts with a zero balance.
- The balance in the Retained Earnings equity account is 1,500 GBP and needs to be translated at a rate of .5 USD/1 GBP.
- The balance in the Capital Stock equity account is 1,000 GBP and needs to be translated at a rate of .6 USD/1 GBP.

To ensure that capital stock amounts are translated at the correct rate:

1. Ensure the **Opening Balance** equity account has a **General Rate Type** value of **Current**.

   Because the default general rate type for equity accounts is **Historical**, you may be required to edit this value. You can edit an account record at Lists > Accounting > Accounts.

2. In the example above, ensure that the November 2013 period has a status of open.

   If this period has been closed, you need to reopen it. See Reopening a Closed Period . Opening this period causes all later periods to be reopened as necessary.

3. In the Consolidated Exchange Rates table, set the following historical exchange rates from the U.S. subsidiary to the U.K. subsidiary:

   - For the period of November 2013, set a historical rate of .6. This rate is used for capital stock.
   - For the period of December 2013, set a historical rate of .5. This rate is used for retained earnings and other equity accounts.

   For instructions for adding or editing these rates, see Using Consolidated Exchange Rates.

4. Post the following journal entries:

   - For December 2013:

     DEBIT Capital Stock 1,000 GBP

     CREDIT Opening Balance account 1,000 GBP

   - For November 2013:

     DEBIT Opening Balance account 1,000 GBP

     CREDIT Capital Stock 1,000 GBP

5. Close November 2013, December 2013, and any other periods as necessary. See Closing Accounting Periods.

After these steps are completed, the balance in the Capital Stock account is translated at the .6 rate, for any Balance Sheet as of December 2013 or a later period.

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Viewing the Chart of Accounts

The chart of accounts for your company lists all of the accounts set up to use in the general ledger for your NetSuite account. The chart of accounts page displays the account number, account name, account type, description, and balance for each account. It also indicates whether an account is a summary account. Summary accounts display a read-only state in the Inactive column.

If you use the Multiple Currencies feature, this page adds columns displaying the base currency and foreign currency balance and displays the base currency balance in the balance column. If no foreign currency amount affects an account balance, the base currency amount is displayed in both the balance and foreign currency balance columns.

> ⚠️ **Important:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page. You can enable or disable this feature. When you enable this feature, you gain access to support for multiple currency customers and vendors. If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

> ℹ️ **Note:** You cannot customize the account list on the Chart of Accounts page. For example, you cannot display a list of accounts grouped by their parent account. You can, however, create a search display a list of account-specific values such as the Internal ID of an account. For an overview topic about searching in NetSuite and references to defining various searches, see the help topic Search Overview.

To view the chart of accounts:

1. Go to Lists > Accounting > Accounts.
2. Click any of the following:
   - **Edit** next to an account to edit that account record. (if available)
   - An account name to view the account register.
   - **Show Inactives** to view a list of both active and inactive accounts.
   - **New** to create a new account.
   - **Print** icon to print the chart of accounts.
   - **Export - CSV** or **Export - Microsoft Excel** icons to export the chart of accounts to a file.

For information about editing accounts, see Making Changes to Accounts.

Making Changes to Accounts

Review the following help topics for information about editing accounts:

- Changing Names of General Ledger Accounts
- Adding or Changing Account Numbers
- Merging Accounts

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- Deleting Accounts and Making Accounts Inactive

> **Note:** Your user role must have both ADMI_ACCOUNTING and LIST_ACCOUNT permissions to access Setup > Accounting > Manage G/L > Chart of Accounts.

For information about changing account types, see Creating Accounts.

> **Note:** You cannot change the account type for an account that has associated posting and non-posting transactions such as sales order and revenue commit.

Changing Names of General Ledger Accounts

You can change the name of an account by clicking its Edit link on the Chart of Accounts page. NetSuite automatically updates existing records when you change an account name.

To change general ledger account names:

1. Go to Lists > Accounting > Accounts.
2. Click **Edit** next to the account to rename.
3. Enter up to 31 characters in the **Name** field.

   Text entered in the **Name** field appears on the income statement and in lists.
4. Enter up to 30 characters in the **Description** field.

   Text entered in the **Description** field shows only on your list of accounts. This is helpful for internal accounting use.
5. Click **Save**.

Adding or Changing Account Numbers

An account number is another method, in addition to a name, to refer to one of your general ledger accounts. These numbers can save you time by providing quick reference to your accounts. You should assign account numbers in ranges corresponding to their different types. The standard account numbers in NetSuite are four digits, but your account numbers can be as long as 60 alphanumeric characters. NetSuite automatically updates existing records when you change an account number.

To enter or change an account number:

1. Go to Lists > Accounting > Accounts.
2. Click **Edit** next to the account you want to change.
3. On the Edit Account page, enter the number you want to use in the **Number** field.
4. Click **Save**.

Merging Accounts

Merging accounts enables you to combine all the information and transactions from one account into another.

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> ⚠️ **Important:** Merging bank and credit card accounts automatically un-reconciles the reconciled transactions in the Merge From account. You must re-reconcile these transactions in the register of the Merge To account.

You can merge one account into another if they are the same account type and the account you want to merge has no attached subaccounts. You can combine an account with a parent account or with a subaccount. For example, a store owner has a bank account for petty cash and a bank account for cash-on-hand. The owner has decided to keep all the cash in one place. Because the petty cash account does not have any subaccounts, the owner can merge that account into the cash-on-hand account.

> ⚠️ **Important:** You cannot merge summary accounts.

The following accounts cannot be merged:

- Accounts Payable
- Accounts Receivable
- Advances Paid
- Inventory Asset
- Undeposited Funds
- Failed ACH Transactions
- Intercompany Clearing
- Intercompany Payable/Receivable
- Accrued Purchases
- Payroll Liabilities
- Refunds Payable
- Sales Taxes Payable
- Opening Balances
- Retained Earnings
- Cost of Goods Sold
- Uncategorized Income
- Uncategorized Expense
- ALL non-posting registers

> ⚠️ **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 new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. In 2014.1, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

To merge accounts:

1. Go to Lists > Accounting > Accounts.

> **Note:** Your user role must have both ADMI_ACCOUNTING and LIST_ACCOUNT permissions to access Setup > Accounting > Manage G/L > Chart of Accounts.

2. Click the **Edit** link to the left of the account you want to merge into another account.

3. On the Account page, under **Actions**, click **Merge**.

4. On the Merge Accounts page, select the account into which you want to merge this account.

Only similar account types show in the **Merge Into** list.

5. Click **Save**.

6. At the prompt to confirm the merge, click **OK**.

The chart of accounts displays the combined accounts.

The information and transactions for this account are combined with those of the account into which you merged. In the example above, the transactions for petty cash now appear on reports as cash-on-hand transactions.

Deleting Accounts and Making Accounts Inactive

An account is a category of transactions related to a specific type of asset, liability, equity, income, or expense. Your accounts are listed in your chart of accounts. You can customize your chart of accounts to make it more useful. You can delete accounts that are never used, inactivate accounts that are not currently being used, or both.

- Accounts that are inactive appear in your chart of accounts only when the Show Inactives box is checked. If you do not want to see inactive accounts, clear the Show Inactives box on the chart of accounts. Marking an account inactive **does not** alter the amount in that account. You must move any amount to another account to reduce the amount to zero.

- Accounts that have been deleted no longer show in your chart of accounts.

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Many accounts cannot be deleted. You can delete an account if there is no activity in the account and if the account is not required by NetSuite. For example, the non-posting Sales Order account cannot be deleted because NetSuite uses this account for sales orders. Also, certain accounts cannot be deleted because they are required for reporting purposes. Reports are hard-coded with these accounts, therefore, NetSuite does not permit you to delete them. You can, however, make them inactive.

You can delete or make accounts inactive from individual account records, or directly on the chart of accounts list.

To delete or make accounts inactive from account records:

1. Go to Lists > Accounting > Accounts.

2. Click the **Edit** link for an account that you want to delete or mark inactive.

3. On the Edit Account page, under **Actions**, click **Delete**.

   If **Delete** is not available in the **Actions** list, this account cannot be deleted.

4. To make an account inactive, check the **Inactive** box.

   Summary accounts are inactive by default. To automatically inactivate its children accounts, first edit the account record to clear the **Summary** box and then save the record. Second, edit the account record to clear the **Inactive** box and then save the record. Third, edit the account record to check the **Inactive** box and then save the record. All children accounts are updated to inactive status.

   > ⚠ **Important:** Inactivating and activating accounts may limit access to subsidiaries for users assigned custom roles.

5. Click **Save**.

To delete or make accounts inactive from the chart of accounts list:

1. Go to Lists > Accounting > Accounts.

2. Check the **Show Inactives** box.

   Your chart of accounts refreshes and an **Inactive** column and a **Delete** column are added.

3. For the accounts you want to delete or make inactive, check the boxes in the appropriate columns.

   Accounts that have the word **No** in the **Delete** column cannot be deleted from your chart of accounts.

4. Click **Submit**.

> ⚠ **Important:** If you receive a warning that an account cannot be deleted because it is associated to a child entity or transaction, you must delete all transactions associated with the account before you can delete the account. You can do a transaction search filtered by the account to review the associated transactions. If you cannot delete these transactions, you can mark the account inactive.

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Working with Accounting Periods

The Accounting Periods feature supports general ledger management. If accounting periods are not used, NetSuite transactions post in real time. When accounting periods are enabled, users can select a past or future posting period for each transaction, and accounting personnel can more effectively monitor and control the status of accounts.

> **Note:** If your system has historical transaction data and you want to use the Accounting Periods feature, enable the feature and then create an accounting period for a past quarter or month. NetSuite automatically assigns that accounting period to the transactions dated within the period's date range.

A user with the Enable Features permission can enable the Accounting Periods feature at Setup> Company > Enable Features, on the Accounting subtab. After the feature is enabled, periods can be set up at Setup > Accounting > Manage G/L > Manage Accounting Periods. See Setting Up Accounting Periods.

> **Important:** If you do not use NetSuite OneWorld, you cannot disable the Accounting Periods feature if an accounting period exists. To disable the feature you must delete all created accounting periods.

NetSuite OneWorld supports using fiscal calendars to define fiscal years with different start and end dates per subsidiary. See Using Fiscal Calendars.

If your international auditing requirements include gapless numbering sequences to all general ledger posting transactions, enable the GL Audit Numbering feature. When this feature is enabled, numbering general ledger posting transactions is a required task when closing the **last month** in an accounting period. For more information see, Using GL Audit Numbering. If your country requires that corrections are made as adjustment transactions posted to the same accounts as the original transactions, see Using GL Impact Locking.

If NetSuite Professional Services has provisioned Multi-Book Accounting in NetSuite OneWorld, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

For information about managing tax periods, see the help topic Working with Tax Periods.

Periods can be locked to prevent the posting of transactions that affect the general ledger. The locking of a period to A/P, A/R, and Payroll transactions provides a pre-closed state that permits the balancing of a period's financials before closing. These locking tasks are the first steps in a Period Close Checklist of tasks available in the NetSuite user interface. After these tasks are completed, the period can be closed. After a period is closed, it is unavailable for adding new posting transactions or making edits that impact the general ledger. For more information, see Closing Accounting Periods.

You can automatically maintain a number of unlocked current and future periods to facilitate your monthly business and accounting processes while preventing erroneous data entry in future periods. See Locking Future Accounting Periods.

The Accounting Periods feature permits organization of report, search, and key performance indicator data by periods to simplify financial review and analysis. For information about sorting and filtering report data by period, see Reporting by Accounting Period. For information about filtering and displaying search data by period, see Searching by Accounting Period.

Be aware of the following permissions requirements for accounting periods:

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- **Edit** or **Full** level of the **Manage Accounting Periods** permission is required to set up, edit, lock transactions for period close, or reopen accounting periods.

  Users with the **View** level of this permission can see the Manage Accounting Periods page but cannot make changes to periods.

  > ⚠ **Important:** When a journal entry, intercompany journal entry, statistical journal entry, or commission transaction has no defined posting period, users with **View** level of the **Manage Accounting Periods** permission see a suggested accounting period in the Posting Period field on the transaction. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission would see the suggested posting period as February. An administrator with **Full** level of the permission would see the suggested posting period as January.
  >
  > For the following transactions, users with **View** level of the **Manage Accounting Periods** permission do not see a suggested posting period when there is no defined accounting period: Cash Sale, Check, Credit Card Charge, Credit Card Refund, Customer Refund, Credit Memo, Customer Payment, Deposit, Expense Report, Inventory Adjustment, Invoice, Item Fulfillment, Item Receipt, Transfer, Vendor Bill, and Vendor Payment.

- The **Override Period Restrictions** permission is required to add and make general ledger impacting changes to posting transactions in periods that have been locked to transactions.

- Users must have both of the above permissions in addition to task-specific permissions to complete Period Close Checklist tasks such as automated intercompany adjustments, open currency balance revaluations, and calculation of consolidated exchange rates.

- If the **Allow Non-G/L Changes** option is enabled for a period, users with the **Allow Non G/L Changes** permission can make non-general ledger changes to posting transactions after the period has been locked to transactions, and after the period has been closed.

- No one can make general ledger impacting changes to posting transactions in a closed period. The period must be reopened before these changes can be posted.

- These permission restrictions do not apply to the addition or editing of non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

Setting Up Accounting Periods

A user with at least **Edit** level of the **Manage Accounting Periods** permission can set up fiscal periods one period at a time or one fiscal year at a time. For more information, see:

- Manage Accounting Periods Page
- Setting Up Accounting Periods for a Year
- Setting Up Single Accounting Periods
- Editing an Accounting Period
- Deleting an Accounting Period

Users with custom Accounting Center roles must have the **Posting Period on Transactions** permission to set up accounting periods.

> ⚠ **Important:** If you do not use NetSuite OneWorld, you cannot disable the Accounting Periods feature if an accounting period exists. To disable the feature you must delete all created accounting periods.

In NetSuite OneWorld, if you enable the Multiple Calendars feature you can create fiscal calendars and use different accounting period rollups for your subsidiaries. The base accounting periods that roll up into these hierarchies are common to all subsidiaries.

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If you use fiscal calendars and are creating an Accounting Period search (Lists > Search > Saved Search > New > Accounting Period), you can filter your search based on the fiscal calendar. For information about defining a saved search, see the help topic Defining a Saved Search. For information about fiscal calendars, see Using Fiscal Calendars.

For information about managing tax periods, see the help topic Working with Tax Periods.

For more information about accounting periods, see the following help topics:

- Setting Up Accounting Periods for a Full Year for Subsidiaries
- Setting Up Single Accounting Periods for Subsidiaries

> ⚠️ **Important:** Each day must belong to an accounting period to ensure accuracy in reporting.

Accounting periods cannot be set up until the Accounting Periods feature has been enabled. See Working with Accounting Periods.

> ℹ️ **Note:** If your system has historical transaction data and you want to use the Accounting Periods feature, enable the feature and then create an accounting period for a past quarter or month. NetSuite automatically assigns that accounting period to the transactions dated within the period's date range.
>
> If you create an accounting period that precedes a locked period, the new period you create is locked upon creation. For example, you have created an accounting period for fiscal year 2013. The period is closed and locked. You have transactions to enter for fiscal year 2012, so you create an accounting period for that fiscal year. When you save the new period, it is saved locked to prevent mismatches and accidental general ledger impact in the periods that follow. You must manually unlock A/R and A/P in each period to enter the transactions.

When you set up or make changes to accounting periods, a batch process runs to align transactions with the appropriate accounting period. See Monitoring the Status of Accounting Period Changes.

Users with **View** level of the **Manage Accounting Periods** permission can view the Manage Accounting Periods page but cannot add or edit periods.

> ℹ️ **Note:** If the Accounting Periods feature has been enabled, users can set a personal preference to view report data by period. See Reporting by Accounting Period. After this preference has been set for a user's reports, these reports cannot display results to the user until accounting periods for the entire fiscal year have been set up.

Manage Accounting Periods Page

The Manage Accounting Periods page is a list of all of the accounting periods set up in your account, and rolled up in the accounting period hierarchy to which they belong. Use this page to set up, view, and edit periods. You can also access the Period Close Checklist to lock, unlock, and close accounting periods. To see this page, go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

> ℹ️ **Note:** This page is available if you have the **View** level or higher of the **Manage Accounting Periods** permission. You must have at least the **Edit** level of this permission to set up or edit accounting periods.

If your user role has the Period Closing Management permission and the Allow Quick Close of Accounting Periods preference is enabled, you can close one or more accounting periods with a single click. For more information, see Using Quick Close to Close Periods.

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If NetSuite Professional Services has provisioned Multi-Book Accounting in NetSuite OneWorld, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of this page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

You can filter accounting periods by fiscal calendar. For more information, see Using Fiscal Calendars.

For information about managing tax periods, see the help topic Working with Tax Periods.

> **ⓘ Note:** If your system has historical transaction data and you want to use the Accounting Periods feature, enable the feature and then create an accounting period for a past quarter or month. NetSuite automatically assigns that accounting period to the transactions dated within the period's date range.

This page includes the following columns:

- **Period Name** - name you defined for the accounting period, such as FY 2012 (Fiscal Year 2012), Q1 2014 (First Quarter 2014). Periods are grouped into fiscal years, quarters, and months. Use the + or – icon to expand or collapse the list of periods for a fiscal year.
- **Expand All/Collapse All** - Expand or collapse all periods.
- **Checklist** - Click the Checklist icon 🔍 to view a list of tasks to be completed to close the period. You also lock and unlock transaction modules and periods from the Checklist.

  > **ⓘ Note:** The first time that any task is viewed, System Notes logs a Create entry.

- **Period Close** - A green check mark in this column indicates that all items on the Period Close Checklist have been completed and the accounting period is closed to all transactions and entry.

  > **ⓘ Note:** If Multi-Book Accounting is provisioned in NetSuite OneWorld and you have enabled the Extended Accounting Period Close Process feature, when you close all of your accounting books at the same time you can point to the Period Close icon to view information about which books are already closed and which are still opened.

- **A/P Transactions** - a lock indicates that ordinary users cannot post A/P transactions in this period.
- **A/R Transactions** - a lock indicates that ordinary users cannot post A/R transactions in this period.
- **Payroll Transactions** - (if Payroll feature enabled) a lock indicates that ordinary users cannot post payroll transactions in this period.
- **All G/L Transactions** - a lock indicates ordinary users cannot post any transaction that has general ledger impact in this period.
- **Allow Non-G/L Changes** - a check indicates that users with the **Allow Non G/L Changes** permission can post changes to transactions that do not affect the general ledger.

On this page, you can:

- Click a **Period Name** to make changes to edit the period. See Editing an Accounting Period.
- Click a **Checklist** icon to review the status of tasks to complete for period close, to go through this close process, and lock or unlock the period or transaction modules. See Closing Accounting Periods.
- Click **Set Up Full Year** to set up an entire year of accounting periods. See Setting Up Accounting Periods for a Year.

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- Click **Create Single Period** to set up a new accounting period. See Setting Up Single Accounting Periods.

- Click **Print** to print the list of Accounting Periods.

- Check the **Show Inactives** box to display inactive periods in the list and also mark periods inactive. By default, only active periods are displayed.

  After you check the **Show Inactives** box, an **Inactive** column is added to the page with check boxes for each period.

> (i) **Note:** You cannot create new transactions in inactive periods, but you can run reports for inactive periods.

Setting Up Accounting Periods for a Year

You have the option of setting up a single accounting period at a time or generating all periods for a full year using the Set Up Full Year button. Best practice recommendation is to use Set Up Full Year to generate all periods and the rollup hierarchy for a full year. You must have at least **Edit** level of the **Manage Accounting Periods** permission to set up accounting periods.

> ⚠ **Important:** Each day must belong to an accounting period to ensure accuracy in reporting.

To set up periods for a full year at a time:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

2. On the Manage Accounting Periods page, click **Set Up Full Year**.

   The Accounting Periods for Full Year page appears.

3. In the first fiscal month field, select the month your fiscal year starts.

   Example: **July**

4. In the **Fiscal Year End** field, enter or accept the four-digit fiscal year for which you want to generate accounting periods.

   For example, if you were generating periods for 2013 you would enter 2013 in this field.

5. Select the format you want to use for your accounting periods:

   - **Calendar Months** – This sets up 12 periods, one for each calendar month in the fiscal year.

   - **4 Weeks** – This sets up 13 periods, each for every 4 weeks in the fiscal year.

   - **4–4–5 Weeks** – This sets up a fiscal year so that you have two 4-week periods followed by one 5-week period, repeating this cycle four times for a total of 13 periods in a fiscal year. The first accounting period of the year is from January 1 to January 28, regardless of the day of the week on which January 1 falls. The last accounting period of the year ends on December 31. Used this way, the 4-4-5 periods shift the ending day of the week from year to year.

6. In the **Year in Period Name** field, select the starting or ending year to include in the period name.

   For example, if a fiscal year starts in 2014 and ends in 2015, selecting **Ending Year of Period** would include 2015 in the name of the period.

7. Check **One-Day Year-End Adj. Period** if you want to include a standalone adjustment period for last day of this fiscal year.

8. Click **Save**.

For information about managing tax periods, see the help topic Working with Tax Periods.

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> **(i) Note:** If you create an accounting period that precedes a locked period, the new period you create is locked upon creation. For example, you have created an accounting period for fiscal year 2013. The period is closed and locked. You have transactions to enter for fiscal year 2012, so you create an accounting period for that fiscal year. When you save the new period, it is saved locked to prevent mismatches and accidental general ledger impact in the periods that follow. You must manually unlock A/R and A/P in each period to enter the transactions.

The Manage Accounting Periods page shows the fiscal period created for the year. To edit a period, click the period name in the list of periods. See Editing an Accounting Period.

> **(i) Note:** The **Allow Non-G/L Changes** box is not available on this page until after a period has been locked to transactions. When enabled, this option enables users with the **Allow Non G/L Changes** permission to make non-general ledger changes to posting transactions after the period has been locked to transactions.

Setting Up Single Accounting Periods

Best practice is to use the Set Up Full Year option to generate all the periods for a year, but you can manually set up your periods, if you prefer. If you manually set up periods you must set up a year period first, which is the highest level period in the accounting period rollup. Then set up the subperiods that belong to that fiscal year. Typically a fiscal year consists of a year, quarters, and months. You can, if needed, set up base periods with other date ranges such as weeks, but it is not recommended.

> **⚠ Important:** Each day must belong to an accounting period to ensure accuracy in reporting.

Use caution when setting up individual accounting periods to avoid creating incomplete or incorrect period rollups. In general, it is always best to set up all subperiods for a year.

> **⚠ Important:** You must set up all subperiods for a year for reports to display results by period. Remember to review all rollups on the Manage Accounting Page to verify each fiscal year is complete and correct.
>
> Remember that an adjustment period is a base period. All base periods must roll up to a parent period across all fiscal calendars. If you have an adjustment period without a parent in one fiscal calendar, it is an orphan period. When you run your financial reports in that fiscal calendar, all adjustment journal entries in that adjustment period are not included in your report.

You must have at least **Edit** level of the **Manage Accounting Periods** permission to set up accounting periods.

To set up periods one at a time:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select the **New Year Only**, **New Quarter Only**, or **Base Period** option.

To set up a new year:

1. On the Manage Accounting Periods page, click **New Year Only**.
2. In the **Period Name** field, enter a short, descriptive name such as **FY 2014.**

   You can enter up to 40 characters, but because these names appear in lists on all transaction forms it is better to enter a short name.
3. In **Start Date**, enter or pick the first date for the fiscal year such as **1/1/2014.**

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4. In **End Date**, enter or select the last date for the year such as **12/31/2014**.

5. Click **Save**.

To set up a new quarter:

1. On the Manage Accounting Periods page, click **New Quarter Only**.

2. Enter a name in the **Period Name** field such as **Q1 2014.**

3. In the **Start Date** field, enter or pick the first date of the period such as **1/1/2014**.

4. In the **End Date** field, enter or pick the last date of the period such as **3/31/2014.**

5. In **Sub-period of**, select the parent period such as **FY 2014.**

6. Click **Save**.

7. Continue setting up the remaining periods for the quarter.

To set up a new period:

1. On the Manage Accounting Periods page, click **Base Period**.

2. Enter a name in the **Period Name** field such as **Jan 2014.**

3. In the **Start Date** field, enter or pick the first date of the period such as **1/1/2014.**

4. In the **End Date** field, enter or pick the last date of the period such as **1/31/2014.**

5. In **Sub-period of**, select the parent period such as **Q1 2014.**

6. Check **Period is Adjustment** if this is an adjustment period.

   You can set up a standalone adjustment period or an adjustment period that overlaps the dates of a base period.

7. The **Allow Non-G/L Changes** box is not available until after a period has been locked to transactions. When checked, this option enables users with the **Allow Non G/L Changes** permission to make non-general ledger changes to posting transactions after the period has been locked to transactions.

   > **Note:** If you allow non-general ledger changes to posting transactions after the period has been locked to transactions, these changes may trigger inventory costing recalculations even if the change made does not directly impact the general ledger. For details, please read Limiting Inventory Costing Triggers under Inventory Costing Recalculations.

8. Click **Save**.

9. Continue setting up the remaining base periods.

To edit a period, click the period name in the list of periods on the Manage Accounting Periods page. See Editing an Accounting Period.

Editing an Accounting Period

You can edit or delete an accounting period after it has been set up. You cannot delete an accounting period after it has been closed.

> **Note:** For instructions for setting up a period for the first time, see Setting Up Single Accounting Periods and Setting Up Single Accounting Periods for Subsidiaries.

To edit a periods:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

2. On the Manage Accounting Periods page, click the period that you want to edit.

3. To delete the period, from the **Actions** menu, click **Delete**.

    If the **Delete** option is not available, you cannot delete the period. The following types of periods cannot be deleted:

    - Closed periods
    - Periods with sub-periods

        You must first delete all sub-periods before you can delete a period. For example, before you can delete a quarter you must first delete all of the months included in the quarter.

4. On the Accounting Period page, edit any of the following fields:

    - **Period Name**
    - **Start Date**
    - **End Date**
    - **Sub-period of**
    - **Period is Adjustment**

5. With the **Multiple Calendars** feature enabled, you can also edit the **Fiscal Calendar** field or add or remove a fiscal calendar assigned to a base accounting period.

6. Click **Save**.

Deleting an Accounting Period

You can delete an accounting period, depending on the type of period and its relationship in the accounting period hierarchy. If you use fiscal calendars, additional restrictions apply. The general rules for deleting a period are shown in the following table.

Period Type	Restriction	Result
Base Period	Allowed only if the period has no transactions	Deletes the period. With Multiple Calendars enabled, deletes the period from all fiscal calendars.
Quarter	Allowed	With Multiple Calendars disabled, deletes the quarter only if the base periods attached to the quarter have no transactions. If true, deletes the quarter and all its base periods. With Multiple Calendars disabled, deletes the quarter and reassigns its base periods to the fiscal year.
Year	Allowed only if the year has no subperiods, or if its subperiods can be deleted	Deletes the year and all subperiods for that year.

For information about fiscal calendars, see Using Fiscal Calendars.

Monitoring the Status of Accounting Period Changes

When you add, edit, or delete accounting periods, a batch process runs in the background to align existing transactions with the appropriate accounting period. You cannot make additional changes to accounting periods until this process finishes. With changes such as adding a single accounting period, the process completes quickly. For other changes such as modifying the date range for a period, setting up a full year, or enabling the Accounting Periods feature and creating accounting periods, the process can require more time to complete. If you attempt to make changes to accounting periods before the batch process completes, you are prompted to wait until the process completes before making any more changes to accounting periods.

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To view the status of changes to accounting periods, go to Setup > Accounting > Manage GL >Manage Accounting Periods > Status.

The batch job status can be Complete, Processing, Pending, Deferred, or Failed.

Using Fiscal Calendars

Fiscal calendars apply to accounting periods and tax periods. To use fiscal calendars, the Multiple Calendars feature must be enabled. This feature is available only for NetSuite OneWorld and by default, is not enabled. The Multiple Calendars feature also determines the rollup structure for tax periods. For more information, see the help topic Setting Up Tax Periods Using a Fiscal Calendar.

If you create different accounting period rollups for subsidiaries, the accounting period rollup is defined within the context of fiscal calendar. Each accounting period rollup groups transaction data from a common set of base periods into fiscal years. This enables you to report transaction activity using different fiscal year start and end dates, as needed, to meet statutory and organizational reporting requirements.

A fiscal calendar determines the start date for a fiscal year and rolls up the accounting periods to build a fiscal year. The lowest level accounting periods that make up a fiscal year are shared across all fiscal calendars. Aggregate periods within a fiscal year, such as quarters and years, are unique to a fiscal calendar.

You then assign a fiscal calendar to a subsidiary to determine how to roll up accounting periods for reporting activity in that subsidiary. A subsidiary can have only one fiscal calendar in effect at a time. You can change the fiscal calendar assigned to a subsidiary as needed.

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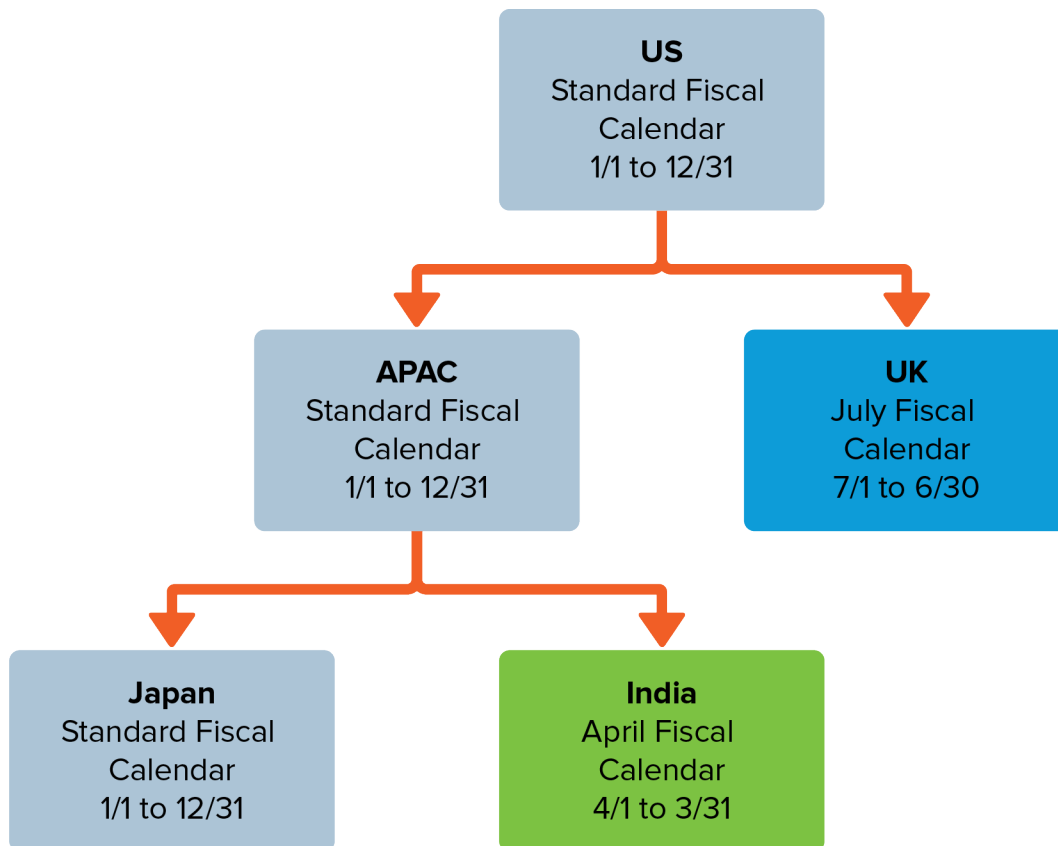
The diagram above shows a subsidiary hierarchy with three fiscal calendars. The Standard Fiscal Calendar starts January 1 and is assigned to the U.S., APAC, and Japan subsidiaries. The accounting period rollup for these subsidiaries organizes fiscal years to start January 1 and end December 31. The July Fiscal Calendar is assigned to the U.K. subsidiary to create fiscal years beginning July 1 and ending June 30. The India subsidiary fiscal year runs April 1 through March 31, so the April Fiscal Calendar is assigned to the India subsidiary.

Default Fiscal Calendar

NetSuite creates a default Standard Fiscal Calendar when you enable the Multiple Calendars feature. Your existing fiscal year structure determines the start date and period rollup structure for the Standard Fiscal Calendar.

> **Note:** For new implementations or if you enable the Multiple Calendars feature before creating any accounting periods, the Standard Fiscal Calendar does not have a start date or accounting period rollup structure until you set up accounting periods.

The Standard Fiscal Calendar is assigned to all existing subsidiaries and to any new subsidiaries you create. It remains the default fiscal calendar until you designate a different calendar as the default. When you change the default fiscal calendar, only subsidiaries created after that point are assigned the new default fiscal calendar. Existing subsidiaries continue to use the Standard Fiscal Calendar. The fiscal calendar for subsidiaries previously assigned does not change.

> **Note:** Rename the Standard Fiscal Calendar when it is no longer the default fiscal calendar.

Accounting Period Rollups

An accounting period rollup provides the structure to organize the base accounting periods for reporting. The base accounting period is typically a month. Month periods can be calendar months, 4 week months, or months of 4-4-5 weeks. The **Set Up Full Year** function creates fiscal years based on calendar months. If you want to use periods other than months, you must use manually set up accounting periods and fiscal years using **New Year Only**, **New Quarter Only**, and **Base Period** buttons. Best practice is to use Set Up Full Year to generate your accounting periods.

On the Manage Accounting Period page, select a fiscal calendar to display accounting periods using the period rollup for that calendar. The fiscal calendar determines the rollup hierarchy for the accounting

periods. You must set up a fiscal year in order for the Manage Accounting Periods page to display a fiscal period rollup.

Existing base accounting periods that are not included in the accounting period rollups for a fiscal calendar display on the Manage Accounting Periods page under **Unassigned**. For complete consolidated reporting, you must define a complete rollup hierarchy for a base period by assigning its sub-period of relationship for each fiscal calendar

To add unassigned periods to accounting rollups:

1. On the Manage Accounting Periods page, select a fiscal calendar and check for unassigned periods.
2. Click an unassigned period to edit.
3. On the Edit Accounting Period page, assign the period to a sub-period for each fiscal calendar that exists.
4. Click **Save**.

Enabling Multiple Calendars

The Multiple Calendars feature applies to accounting periods and tax periods. This feature is available only in NetSuite OneWorld and is not enabled by default. The Multiple Calendars feature determines the rollup structure for tax periods. For more information, see the help topic Setting Up Tax Periods Using a Fiscal Calendar.

When the Multiple Calendars feature is enabled, you can filter accounting and tax period searches by fiscal calendar.

Before you enable Multiple Calendars, if you have any open, standalone adjustment periods you must change them to overlap existing non-adjustment periods. For more information, see Adjustment Periods.

Review the guidelines below to determine whether you should make changes to other standalone adjustment periods:

- future adjustment periods - recommended
- open adjustment periods - required
- historical, closed adjustment periods - optional

You can disable this feature only if you have not assigned any new fiscal calendars to subsidiaries.

To enable the Multiple Calendars feature:

1. Go to Setup > Company > Enable Features.
2. On the **Accounting** subtab, under Advanced Features, check **Multiple Calendars**.
3. Click **Save**.

Creating a Fiscal Calendar

A fiscal calendar identifies the month that begins a fiscal year. When assigned to a subsidiary, the fiscal calendar determines the accounting period rollup structure used to build fiscal years for reporting purposes.

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When you create a fiscal calendar, you identify the first month for the fiscal years created for this calendar. New fiscal years generated using **Set Up Full Year** always begin on the first day of the month selected in the Fiscal Calendar record, as do the quarters and months created.

When you set up individual accounting periods using the **New Year Only**, **New Quarter Only**, or **Base Period** button instead of Set Up Full Year, you can begin a fiscal year on any day of first month of the fiscal calendar, if needed.

To create a fiscal calendar:

1. Go to Setup > Accounting > Manage G/L > Fiscal Calendars > New.
2. Click **New Fiscal Calendar**.
3. Enter a name for the fiscal calendar.
4. In the **First Fiscal Month** field, enter the month the fiscal year begins.

   This month determines when to begin fiscal years created using this fiscal calendar.
5. Check **Default Fiscal Calendar** to assign this fiscal calendar to any new subsidiaries you create.

   The fiscal calendar for existing subsidiaries assigned the Standard Fiscal Calendar or other default fiscal calendar does not change.
6. Click **Save**.

Editing a Fiscal Calendar

You can change the name and first month for a fiscal calendar. Changing the first month does not change any existing accounting period rollups created for the fiscal calendar. This means you can edit a fiscal calendar record to create tax years and accounting years for a subsidiary that begin on different dates. For example, the fiscal year for a Subsidiary A runs from July 1 to June 30, but tax report filings are filed based on the calendar year, January to December. Because you can assign only one fiscal calendar to a subsidiary, you can set up the accounting period hierarchy first with the First Fiscal Month of the fiscal calendar set to July. Then edit the fiscal calendar and set the First Fiscal Month to January. Use Set Up Full Year to generate tax periods and their rollup as needed. Remember to change the fiscal calendar record accordingly before you use Set Up Full Year. For information about tax periods, see the help topics Setting Up Tax Periods Using a Fiscal Calendar and Setting Up Historical and Transitional Tax Periods Using a Fiscal Calendar.

To edit a fiscal calendar:

1. Go to Setup > Accounting > Manage G/L > Fiscal Calendars.
2. On the Fiscal Calendars page, select the calendar you want to change.
3. Click **Edit** and make your changes.

   > ⓘ **Note:** The **Subsidiaries** field lists the subsidiaries that use this fiscal calendar to roll up accounting periods and tax periods. The **Tax Calendar Subsidiaries** field lists the subsidiaries that share this tax calendar.

   If you change the setting for **Default Fiscal Calendar**, the change applies only to the new subsidiaries you create.
4. Click **Save**.

Assigning Fiscal Calendars

When you can assign a fiscal calendar to a subsidiary, that fiscal calendar rolls up accounting periods for the subsidiary.

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To assign a fiscal calendar to a subsidiary:

1. Go to Setup > Company > Classifications > Subsidiaries.
2. Select a subsidiary to edit.
3. In the **Fiscal Calendar** field, select the fiscal calendar to roll up accounting periods for this subsidiary.
4. Click **Save**.

On the fiscal calendar record, the Subsidiaries field displays a list of the subsidiaries that roll up accounting periods using that calendar.

Transitioning Subsidiaries to a New Fiscal Year

When you add new fiscal calendars, you can introduce a gap in reporting coverage in the accounting rollup for the subsidiaries associated with a new fiscal calendar. For example, your organization previously used a calendar year, January through December, for reporting across all subsidiaries. With the **Multiple Calendars** feature enabled, you add a fiscal calendar, FC April, that runs April through March and assign it to Subsidiary B. The first fiscal year for this subsidiary begins April 1, which leaves a reporting gap for January, February, and March of that year.

To provide full reporting coverage:

- Create a new fiscal calendar and set the start date to be the same as Standard Fiscal Calendar. Assign subsidiaries to the new calendar.
- Use **Set Up Full Year** to generate accounting period rollups for the new fiscal calendar to provide reporting coverage for all historical, closed, or existing fiscal years.
- Next, set up the accounting period rollup for the short year or transition period that falls before the first day the new fiscal calendar starts. Set up the base periods and rollup hierarchy manually using the **New Year Only**, **New Quarter Only**, and **Base Period** buttons.
- Then change the **Start Date** for the new fiscal calendar to the date you want to use for the calendar going forward.
- Use **Set Up Full Year** and generate accounting period rollups for future fiscal years.

For the above example, add fiscal calendar, FC April, with a start date of January 1. Generate fiscal years for FC April for all periods before April of the first year you want to use FC April. Then change the start date of FC April to April 1 and use Set Up Full Year to generate accounting period rollups using the new calendar.

Setting Up Accounting Periods for a Full Year for Subsidiaries

For NetSuite OneWorld with the **Multiple Calendars** feature enabled, best practice is to use **Set Up Full Year** to generate accounting periods and its associated accounting period rollup.

> ⚠️ **Important:** Each day must belong to an accounting period to ensure accuracy in reporting.

When you set up a new year, the base accounting periods may already exist if they were previously generated for a rollup for another fiscal calendar. In this case, NetSuite generates the fiscal year and quarters for the new calendar, but only generates new months if they were not created for another

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fiscal calendar. For example, you select a fiscal calendar FC India on the Manage Accounting Periods page and click Set Up Full Year to set up FY 2015. FY 2015 spans April 2014 through March 2015. Base periods for the months April through December 2014 have already been created using the Standard Fiscal Calendar. NetSuite creates new base periods only for January 2015, February 2015, and March 2015 and assigns the existing base periods for 2014 to FY 2015. These new periods are Unassigned periods on the Manage Accounting Periods page for the Standard Fiscal Calendar.

In addition, you cannot set up overlapping fiscal years that have different base period formats such as 4 week months and calendar months, even if the years belong to different fiscal calendars.

To set up periods for a full year:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select a fiscal calendar.
3. Click **Set Up Full Year**.
4. On the Accounting Periods for a Full Year page, verify that the Fiscal Calendar is correct.
5. The first fiscal month for the fiscal calendar displays, defaulting from the fiscal calendar selected.
6. Select the format you want to use for your accounting periods: **Calendar Months**, **4 Weeks**, or **4-4-5 Weeks**.
7. In the **Year in Period Name** field, select the starting or ending year to include in the period name.
8. Optionally, check the **One-Day Year-End Adj. Period** box to include an adjustment period at the end of this fiscal year.

   The adjustment period always overlaps the last day of the month. For example if the last month in a fiscal year is December and the year includes an adjustment period, the date span for December period is 12/1 through 12/31. The adjustment period is one day: 12/31.
9. Click **Save**.

Setting Up Single Accounting Periods for Subsidiaries

Setting up accounting periods individually can create incomplete or incorrect period rollups if you aren't careful. Make sure to review the accounting period rollups on the Manage Accounting page and verify each fiscal year is complete and correct. Do this for each fiscal calendar.

> ⚠️ **Important:** Each day must belong to an accounting period to ensure accuracy in reporting.

To set up accounting periods individually for a fiscal year:

- first set up a year
- set up quarters if desired
- set up base periods

To set up a new fiscal year:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select the fiscal calendar.
3. Click **New Year Only**.

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4. Enter **Period Name**.

5. Enter a start date and end date for the period.

6. Verify the fiscal calendar selected is correct.

7. Click **Save**.

To set up a new quarter:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

2. Select the fiscal calendar.

3. Click **New Quarter Only**.

4. Enter the **Period Name**.

5. Enter a start date and end date for the quarter.

6. Verify the fiscal calendar selected is correct.

7. For **Sub-period of**, select the fiscal year to which this quarter belongs.

8. Click **Save**.

To set up a new period:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

2. Select the fiscal calendar.

3. Click **Base Period** and then enter the **Period Name**.

4. Enter a start date and end date for the period.

5. Check **Allow Non-G/L Changes** to permit users with the **Allow Non-G/L Changes** permission to make non-general ledger changes to posting transactions after the period has been locked to transactions, and after a period has been closed.

   This box is available only when the period is locked or closed.

6. Verify the fiscal calendar is correct.

7. Check **Period is Adjustment** to mark this period only for adjustment journal entries.

   The date range for adjustment period must overlap an existing accounting period.

8. In the **Fiscal Calendar** column, if the period is for the **Standard Fiscal Calendar**, in **Sub-period of** column, select a period to be its parent period.

   You can also add a new row and select the fiscal calendar to use for the accounting rollup and the parent period. For example, when creating a period for June 2015, you can select Q2 2015 for the Sub-period of field.

9. Click **Save**.

Adjustment Periods

Adjustment periods must overlap existing base (non-adjustment) accounting periods when the Multiple Calendars feature enabled.

You can set up new adjustment periods two ways:

- Use **Set Up Full Year** to generate a one-day adjustment period at the end of a new fiscal year. You must check the **One-day Year-End Adj.** Period box.

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■ Manually create a period using the **Create Single Period** button and check the **Period is Adjustment** box. Manually created adjustment periods can be more than one day in length.

> ⚠ **Important:** Best practice is to lock accounting periods as part of your month-end process. After the period is locked, ordinary users can no longer post accounting transactions in the period. The administrator and controllers, however, can still make adjustment postings, which provides the same capabilities as an adjustment period. If you have more than one fiscal calendar, this also eliminates having multiple adjustment periods in the same calendar year to accommodate different subsidiaries. See Locking and Unlocking Accounting Periods and Locking Accounting Periods in NetSuite OneWorld.

If you use Multiple Calendars and include adjustment periods in your fiscal years, you can have more than one adjustment period in the same calendar year. Transactions posted to an adjustment period roll up in the fiscal year to which they belong and are included in consolidated reports accordingly.

> ⚠ **Important:** You can post only journal entries to an adjustment period. Adjustment periods are not available in the Posting Period list for non-JE transactions.

Period	Standalone Periods		Overlapping Periods	
	Start Date	End Date	Start Date	E nd Date
Dec 2014	12/1/2014	12/30/2014	12/1/2014	12/31/2014
ADJ 2014	12/31/2014	12/31/2014	12/31/2014	12/31/2014

> ⓘ **Note:** Before you can enable the Multiple Calendars feature, all adjustment periods must be overlapping periods.

To modify an accounting period date ranges:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the accounting period you want to change.
3. Set the **End Date** for the period to include adjustment period date.
4. Click **Save**.

Adjustment Periods without Multiple Calendars

If you are not using the Multiple Calendars feature, you can create standalone or overlapping adjustment periods. See Setting Up Accounting Periods for a Year and Setting Up Single Accounting Periods.

Restriction and Automation Rules Governing Accounting Period Changes

When you add, delete, or modify accounting periods, NetSuite attempts to adjust the rollup hierarchy across all fiscal calendars and prevent creating standalone periods. Restriction and automation rules run in the background to simplify managing accounting periods though preserving the integrity of the accounting period structure.

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Modifying an accounting period is generally prohibited if doing so removes an existing parent/child without reestablishing a new one.

When you create, update, or delete base or aggregate periods, NetSuite automatically attempts to find the logical parent for a period in the accounting period rollup and across all existing fiscal calendars to prevent creating a standalone period.

- If one or more aggregate periods exist for the date range, NetSuite assigns the new period to the lowest level aggregate period available, unless you specify a parent.

- You can make changes in a hierarchy such deleting a period, as long as a suitable parent exists for all periods in the hierarchy. If no logical parent exists, you cannot make the change.

You are restricted from making a change if the change disrupts the accounting period rollup. The general rules that affect rollups are:

- A base period must have at least one aggregate level period or parent

- Aggregate periods are the parents for subperiods

- A base period has multiple parents, one in each fiscal calendar context

- A subperiod can be a base period or another aggregate period

- All base periods must have at least one parent

- Parent and child periods roll up into fiscal years for each fiscal calendar

Using Multiple Calendars with Other NetSuite Features

When you enable the Multiple Calendars feature, you can use subsidiary-specific calendars with the following features in NetSuite. Assigning a fiscal calendar to a subsidiary determines the calendar used to set up and manage the following:

- Budgets
- Forecasts
- Quotas
- Commission

With Multiple Calendars enabled, the fiscal calendar assigned to a subsidiary determines when the calendar begins for these features. The Standard Fiscal Calendar is assigned to all subsidiaries when you enable Multiple Calendars. As you create new calendars and assign them to subsidiaries, the monthly organization for following features changes as noted in the following subtopics. These changes apply only for NetSuite OneWorld with the Multiple Calendars feature enabled.

> **ⓘ Note:** NetSuite automatically adjusts the quotas of sales representatives in subsidiaries and the parent company when changes are made to the respective fiscal calendar.

Without Multiple Calendars enabled, when you set up a budget or quotas, the calendars of months are based on the First Fiscal Month identified in Company Settings. See the help topic Configuring Company Information.

Using Quotas Per Subsidiary, Multiple Calendars with Quotas

When you assign a calendar other than the Standard Fiscal Calendar to a subsidiary, NetSuite modifies the organization (monthly quotas and years) of all existing quotas in that subsidiary to begin with the

first fiscal month of that calendar. For example, before enabling Multiple Calendars, your fiscal year was based on a calendar year, January to December. You set up quotas for three years - 2012, 2013, and 2014. All quotas were set up for the year periods, January through December. You then enable the Multiple Calendars feature and create a new fiscal calendar that runs April 1 through March 31. You assign the new fiscal calendar to the India Subsidiary. NetSuite adjusts existing quotas for sales reps in the India Subsidiary to be grouped by years that run for the period April to March. It creates 4 years of quotas as follows:

Year	Start Month	End Month	Months
2011 - 2012	January 2012	March 2012	January, February, March (3 months)
2012 - 2013	April 2012	March 2013	April - March
2013 - 2014	April 2013	March 2014	April - March
2014 - 2015	April 2014	December 2014	April, May, June, July, August, September, October, November, December (9 months)

The first and last years are not full years because only existing quota months can be reorganized for the new fiscal calendar. New months are not created automatically.

To complete the quotas for Year 2014-2015, edit the quota records and add quota amounts for January, February, and March 2015.

Searching Fiscal Calendars

There are several searches that you can use to capture fiscal calendar and tax fiscal calendar data.

Fiscal Calendar as a searchable entity – You can search for a specific fiscal calendar. You can specify name criteria that does or does not contain specific letters, starts or does not start with specific letters, or is or is not empty. If you know the exact name of the fiscal calendar, you can enter it as criteria, and if you do not know any part of the name, you can leave the name criteria blank and retrieve all fiscal calendars in your system. To perform this search, navigate to Setup > Accounting > Fiscal Calendars > Search.

Fiscal Calendar and Tax Fiscal Calendar in Subsidiary Search – You can search and produce results for Fiscal Calendar and Tax Fiscal Calendar in the subsidiary search at Setup > Company > Subsidiaries > Search. This search returns the fiscal and tax fiscal calendars associated with specific subsidiaries.

Tax Fiscal Calendar in Tax Period Search – You can search and produce results for Tax Fiscal Calendar in the Tax Period Search. You can access this search at Setup > Accounting> Manage Tax Periods and then click Search in the top right corner of the page. Select the tax fiscal calendar from the Fiscal Calendar list. This search returns the tax fiscal calendars within a specified tax period.

Fiscal Calendar in Accounting Period Search – You can search and produce results for Fiscal Calendar in the Accounting Period Search. This search returns the fiscal calendars within a specified accounting period. You can access the Accounting Period Search at the following locations:

- Lists > Search > Saved Search > New > Accounting Period

  On the Criteria subtab, select Fiscal Calendar in the Filter field. For information about defining a saved search, see the help topic Defining a Saved Search.

- Setup > Accounting > Manage G/L > Manage Accounting Periods and then click Search in the top right corner of the page

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For general information about searches and links to multiple search related topics, see the help topic Search Overview.

Using GL Audit Numbering

The GL Audit Numbering feature applies gapless numbering sequences to all general ledger posting transactions. Gapless GL audit numbering enables companies to meet international compliance requirements.

> ℹ️ **Note:** GL Audit Numbering is independent of other auto generated numbering you have set up at Setup > Company > Auto-Generated Numbers.

When this feature is enabled, GL Audit Numbering is listed as a required task on the period close checklist when you close the last month in an accounting period (fiscal year, period, or quarter). The GL Audit Numbering task appears only in an open period, and must be closed prior to year-end. When you run GL audit numbering by quarter or year, transactions in closed periods are numbered for the purposes of GL auditing. The GL Audit Numbering task on the period close checklist opens the GL Audit Numbering page. If GL audit numbering sequences have been set up, you can run them from this page. You can also set up new GL audit numbering sequences from the GL Audit Numbering page.

The GL Audit Numbering feature also enables you to run GL audit numbering sequences on demand at Transactions > Management > GL Audit Numbering Sequences > Run. From the GL Audit Numbering page, you can set up new GL audit numbering sequences. You can also set up new sequences from Transactions > Management > GL Audit Numbering Sequences > New.

From the Transactions > Management > GL Audit Numbering Sequences menu, you can perform a variety of GL audit numbering tasks.

> ⚠️ **Important:** You must have View level of the Manage Accounting Periods permission to see the GL Audit Numbering menu option. View level permits you to review the GL impacting transactions to be numbered, view the history of GL audit numbered transactions, and verify the status of GL audit numbered transactions. You must have Full level of the Manage Accounting Periods permission to set up and run GL audit numbering sequences.

Types of GL Audit Numbering Sequences

There are two types of GL audit numbering sequences: permanent and repeatable. When you run a permanent GL audit numbering sequence, the number assigned to a general ledger impacting transaction cannot be changed. When you run a repeatable GL audit numbering sequence, you can re-run the numbering sequence on general ledger impacting transactions as often as required. However, re-running a repeatable numbering sequence renumbers transactions and may assign a number different from the previously assigned number.

Locking GL Audit Numbers

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a

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GL numbered impacting transaction **after running a GL audit numbering sequence** automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the original GL impacted transaction. For more information, see Using GL Impact Locking.

Transactions Numbered by the GL Audit Numbering Feature

Transactions that do not have general ledger lines **are not** included in GL audit numbering. Voided transactions with zero amounts **are** included in GL audit numbering.

The following transactions are numbered through the period close task or on demand at Transactions > Management > GL Audit Numbering Sequences > Run:

- All transactions that post to the general ledger
- Voided transactions
- Assembly build, assembly unbuild, and item fulfillment transactions with zero amounts

   (These transactions also have document and transaction numbers.)

- Transactions that have been voided through reversal transactions
- Transactions that do not post until they are approved including commission, journal entries, expense reports, and vendor bills

   (These transactions are included in GL audit numbering only after they are approved.)

- Canceled vendor bills

> ⓘ **Note:** You must have View level or above of the Make Journal Entry permission to see the GL impact of any transaction.

Voided Transactions

There are two methods for addressing voided transactions. The standard void method changes the transaction amount to zero (0) and marks the transaction voided. These transactions are GL numbered. If you use GL Impact Locking, GL impact adjustment copy and reversal transactions are created to change the amount. However, if you use the Void Transactions Using Reversing Journals accounting preference, the GL impact adjustment copy reversal transactions are not created. Instead, both the original transaction and the reversal journal entry are GL numbered.

Best Practices for Using the GL Audit Numbering Feature

Following are best practices for using the GL Audit Numbering feature:

- Run permanent GL audit numbering sequences.
- In NetSuite OneWorld, use one subsidiary per GL audit numbering sequence.
- When setting up a GL audit numbering sequence on demand at Transactions > Management > GL Audit Numbering Sequences > Run > New Sequence button, select Period Type - Year, then run the sequence.
- When scheduling a recurring value for a permanent GL audit numbering sequence, use values that represent days such as one day or 24 hours.
- To stop a recurring, permanent GL audit numbering sequence, delete the value in the Recurring Unit field, or mark the task complete from the period close checklist. You can also mark the sequence inactive to stop a recurring, permanent GL audit numbering sequence.

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GL Audit Numbering and Other Features

The following information describes how the GL Audit Numbering feature interacts with other NetSuite features.

GL Audit Numbering and Multiple Calendars

If you use the Multiple Calendars feature and have multiple fiscal calendars with different start and end periods, or that are structured differently, you can run GL audit numbering for only those calendars in which you are in the last month of the period. For example, you run GL audit numbering every quarter. You have two fiscal calendars for two subsidiaries. One calendar begins its fiscal year in March and the first quarter ends in May. The second calendar begins its fiscal year in January and the first quarter ends in March. If you view the Manage Accounting Periods page in March, you can run GL audit numbering for only the second calendar that began its fiscal year in January. You cannot run GL audit numbering for the subsidiary that uses the first calendar until it ends its first quarter in May.

GL Audit Numbering and Multi-Book Accounting

If you use the Multi-Book Accounting feature and maintain multiple accounting books, you can assign book-specific GL audit numbering sequences. You can also perform the GL audit numbering period close process across multiple accounting books.

> ⚠ **Important:** Transactions that have general ledger lines in one accounting book but not in another accounting book are numbered in the first book and ignored in the other book. Transactions that do not have general ledger lines in any accounting book are ignored in all accounting books. Transactions that have general ledger lines in multiple accounting books are numbered relative to the specific general ledger lines in each book.

GL Audit Numbering and Intercompany Journal Entries

Intercompany journal entries are associated with different subsidiaries. When you run GL audit numbering for intercompany journal entries, a unique GL audit number is assigned for each subsidiary in the journal entry.

Enabling GL Audit Numbering and Setting Preferences

Administrators can enable GL Audit Numbering by going to Setup > Company > Enable Features > Accounting under Basic Features. The Accounting Periods feature is a requirement for using the GL Audit Numbering feature.

Choose the frequency of GL audit numbering by going to Setup > Accounting > Preferences > Accounting Preferences. On the General subtab under General Ledger, in the GL Audit Numbering Method list, select Base Accounting Period, Quarter, or Year to specify when the GL audit numbering task is available to be processed as part of closing a period. If you change the numbering method, existing numbers assigned through a repeatable GL audit numbering sequence may be renumbered.

Set the reporting and search preference by going to Home > Set Preferences. On the Analytics subtab under Reporting, in the Report by Period list, select Financials Only or All Reports. Selecting Financials Only filters the GL Audit Numbering Report by accounting period.

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Reviewing Transactions Before Running a Numbering Sequence

The GL Audit Numbering Review page lists the transactions available for numbering in a GL audit numbering sequence. This page is useful when you want to verify that the transactions are accurate before assigning a GL audit number.

> ⚠️ **Important:** If your company uses a transaction approval process, general ledger impacting transactions are **not** assigned a GL audit number until they are approved or reviewed. Then, these transactions are available for GL audit numbering and posting. If you use GL Impact Locking for your company or any subsidiary, the general ledger impact of the transaction is locked when the transaction is assigned the GL audit number, regardless of approval requirement.

> ℹ️ **Note:** You must have View level or above of the Make Journal Entry permission to see the GL impact of any transaction.

You can access the GL Audit Numbering Review page at Transactions > Management > GL Audit Numbering Sequences > Review.

The default GL Audit Numbering Review page provides an Edit and View, or View links depending on the transaction's edit state.

If you edit a general ledger impacting transaction that was numbered through a permanent GL audit numbering sequence **and** you use GL Impact Locking for a company or subsidiary, NetSuite generates a GL impact adjustment copy and a GL impact adjustment reversal transaction to preserve the original transaction general ledger impact before the change under the same GL audit number. The original (source) transaction after the general ledger change represents the real values in the system.

Other line-level transaction details provided include the following:

- Document number
- Transaction type
- Transaction date
- Accounting period
- Account against which the transaction posted or will post
- Amount of the transaction
- Currency of the transaction
- Subsidiary, if any, against which the transaction posted or will post
- Creation date of the transaction
- User who created the transaction

> ℹ️ **Note:** The entity (name) is stored on the GL impact adjustment copy and GL impact adjustment reversal transaction. However, changing the entity on a transaction numbered through a GL audit numbering sequence typically **does not** automatically generate the GL impact adjustment copy and GL impact adjustment reversal transactions. If the transaction includes a line that references an A/R or A/P account type, GL impact adjustment copy and GL impact adjustment reversal transactions **are** automatically generated.

Running GL Audit Numbering Sequences

The GL Audit Numbering feature enables you to set up and run two types of GL audit numbering sequences: permanent and repeatable. When you run a permanent GL audit numbering sequence,

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the number assigned to a GL impacting transaction cannot be changed. You can, however, modify the details of the original GL impacting transaction. When you run a repeatable GL audit numbering sequence, you can re-run the numbering sequence on GL impacting transactions as often as required to address gaps in numbering that might occur due to adjustments made to your GL.

> **Note:** Re-running a repeatable numbering sequence renumbers transactions and may assign a number different from the previously assigned number.

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a GL impacted field or entity field on a GL numbered impacting transaction **after running a GL audit numbering sequence** automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the standard form of the original general ledger impacted transaction. For more information, see Using GL Impact Locking.

Both permanent and repeatable GL audit numbering sequences are run from the GL Audit Numbering page. You can access this page from the GL Audit Numbering task on the period close checklist and on demand at Transactions > Management > GL Audit Numbering Sequences > Run.

Information that appears on this page includes the sequence name and type. Subsidiaries and accounting books defined in the sequence set up display on this page. Prefixes, suffixes, number length, starting number, and recurring information display on this page. This page also provides how a sequence is ordered, the last number assigned in a previous run, last run date and by who, and the status of the run. If the status is Invalid-see details, click the link to access a GL audit numbering review of the invalid run. Finally, whether the sequence is copied to the next period for an available run. The next period is a link for access to the details of the next period run.

> **Note:** You can view only those subsidiaries to which you have been granted access.

To run GL numbering sequences:

1. If you accessed the GL Audit Numbering page from the period close checklist, the available GL audit numbering sequences are specific to the accounting period that you are closing.

   If you accessed the GL Audit Numbering page from Transactions > Management > GL Audit Numbering Sequences > Run, select the type of accounting period and the available open period for which you want to run numbering sequences.

   In NetSuite OneWorld, you can select a different period type based on the subsidiary for which you are setting up the GL audit numbering sequence.

   The default period type is the type specified at Setup > Accounting > Preferences > Accounting Preferences > General subtab in the GL Audit Numbering Method list. For more information, see Enabling GL Audit Numbering and Setting Preferences.

2. To set up a new GL audit numbering sequence, click **New Sequence**. For details on setting up a GL audit numbering sequence, see Setting Up a GL Audit Numbering Sequence.

3. Check the box next to each GL audit numbering sequence that you want to run.

4. Click **Validate** to verify that the existing GL audit numbering sequence is gapless.

   The validation process provides the status of the GL audit numbering sequence: Valid, Invalid Re-Run, or Running. Any unnumbered transaction included in the GL audit numbering sequence returns the status Invalid or Re-Run.

   Click **Run** to run the GL audit numbering sequence.

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> ⚠️ **Important:** If you use the Multi-Book Accounting feature, clicking **Validate** and **Run** processes all of the selected GL audit numbering sequences in all of the selected accounting books.

> ℹ️ **Note:** If you use year end closing and year end journal entries exist, running a GL audit numbering sequence sequentially numbers the journal entries.

5. If you accessed the GL Audit Numbering page from the period close checklist, click **Back to Period Close** to return to the period close checklist.

   If you accessed the GL Audit Numbering page from Transactions > Management > GL Audit Numbering Sequences > Run, click **Edit** or **View** next to a specific GL audit numbering sequence to access the GL Audit Numbering Sequence page and details for that sequence.

Setting Up a GL Audit Numbering Sequence

When you are in the last month of an accounting period, you can set up a GL audit numbering sequence for that period from the GL Audit Numbering page. This page is accessible from the GL Audit Numbering task on the period close checklist. You can also set up a GL audit numbering sequence for any period type and accounting period on demand from the following two menu paths:

- Transactions > Management > GL Audit Numbering Sequences > New
- Transactions > Management > GL Audit Numbering Sequences > Run > New Sequence button

There are two types of numbering sequences that you can set up: permanent and repeatable. When you run a permanent numbering sequence, the number assigned to a general ledger impacting transaction cannot be changed. When you run a repeatable numbering sequence, you can re-run the numbering sequence on general ledger impacting transactions as often as required.

> ℹ️ **Note:** Re-running a repeatable numbering sequence renumbers transactions and may assign a number different from the previously assigned number.

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a GL numbered impacting transaction **after running a GL audit numbering sequence** automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the standard form of the original general ledger impacted transaction. For more information, see Using GL Impact Locking.

If you use the Multi-Book Accounting feature and maintain multiple accounting books, you can assign book-specific GL audit numbering sequences.

> ℹ️ **Note:** The same sequence of numbers you assign to a period's transactions could be assigned to the transactions in another period if you define the sequence in the same way. To avoid this, ensure that the sequences you assign to each period are unique.

Setting up a GL Audit Numbering Sequence

The following procedure explains how to set up a GL audit numbering sequence from the period close checklist and on demand from the two Transactions > Management > GL Audit Numbering Sequences menu path options.

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To set up a GL audit numbering sequence:

1. From the period close checklist, complete the tasks that precede **GL Audit Numbering**.

   For more information, see Using the Period Close Checklist.

   The GL Audit Numbering task is the last task in the period close checklist. It appears only in the last month of an accounting period (fiscal year, period, or quarter).

   Click the **GL Audit Numbering** icon to open the Task: GL Audit Numbering page, then click **GL Audit Numbering**.

   The GL audit numbering sequence you set up is specific to the accounting period that you are closing.

   From the menu, go to Transactions > Management > GL Audit Numbering Sequences > Run. On the GL Audit Numbering page, click **New Sequence**. You can also set up new sequences from Transactions > Management > GL Audit Numbering Sequences > New.

2. In the Primary Information section, provide the following information.

   > **Note:** When you create GL audit numbering sequences by base accounting periods, the name, prefix, and suffix from the previous period are automatically set for the next period's sequence. The first number in the sequence is set to one higher than the last number of the previous period's sequence, providing consistency in numbering between periods.

   a. Enter the name of the GL audit numbering sequence.

   b. Select the open period for the GL audit numbering sequence.

   c. If you use NetSuite OneWorld, select the subsidiaries whose transactions you want to include in the GL audit numbering sequence.

   You can select multiple subsidiaries or a single GL audit numbering sequence by holding **Ctrl** and clicking the name of those subsidiaries in the **Subsidiaries** column. A subsidiary can be assigned to only one GL audit numbering sequence.

   > **Note:** You can view only those subsidiaries to which you have been granted access.
   >
   > In addition, when a subsidiary (including a parent subsidiary) has been assigned to a GL audit numbering sequence for a specific period, if you create a new sequence for that same period, that assigned subsidiary will not appear in the **Subsidiaries** column.

   d. Select the numbering type for the GL audit numbering sequence.

   - Repeatable – When you select this option, you can run the GL Audit Numbering task as often as required for the same period. All transactions (including future-dated transactions) in the sequence are renumbered each time you run the numbering sequence.

   - Permanent – When you select this option, you can run GL audit numbering as often as required on demand from the menu option and as a recurring run. Numbers assigned to general ledger impacting transactions cannot be changed, although the transaction details can be modified, as required. When you create this GL audit numbering sequence, NetSuite validates that there is no other existing sequence for this accounting period type and open accounting period. GL audit numbering numbers transactions until the numbering run date. Future-dated transactions are not numbered.

   If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an

administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a GL numbered impacting transaction **after running a GL audit numbering sequence** automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the standard form of the original general ledger impacted transaction. For more information, see Using GL Impact Locking.

    e. If you use the Multi-Book Accounting feature, select the accounting book for which you want to set up the GL audit numbering sequence.

        Only those subsidiaries that are enabled for the selected accounting book display in the list.

3. In the Numbering section, provide the following information.

    a. Enter a prefix, suffix, or both for the GL audit numbering sequence.

    b. Enter the minimum number of digits for the numbers in this GL audit numbering sequence.

    c. Enter the starting number for this GL audit numbering sequence.

    d. Choose how you want to order the transactions for GL audit numbering.

        You can order transactions by transaction date or transaction entry date.

4. In the Recurring section, provide the following information.

    a. Choose the recurring unit type for the GL audit numbering sequence.

        This field is available only when **Numbering Type** is **Permanent**.

        Recurring runs are useful when you want to run the GL audit numbering sequence at a scheduled time rather than manually.

        Based on your recurring type selection, choose the recurring option for hourly or daily.

        The range is from one to 999, but Best Practice is one day or 24 hours.

    b. Enter the time of the first run.

    c. The **Next Run** read-only field displays the next scheduled run, based on the recurring type and unit.

5. Click **Save**.

Viewing the GL Audit Numbering Status

The GL Audit Numbering Status page provides information specific to the date and time the GL audit numbering sequence was run. This page provides the sequence name, numbers assigned, and percent complete. It also provides the status of the run, date range, and number of records found.

Following are the standard NetSuite work queue values for status:

- Pending
- Processing
- Deferred
- Complete
- Failed
- Retry

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- Canceled

To access this page go to Transactions > Management > GL Audit Numbering Sequences > Status.

Viewing GL Audit Numbering Sequences

The GL Audit Numbering Sequences page provides a list of GL audit numbering sequences that were run for an accounting period, even if the period is closed.

You can filter the data that displays on the page as well as choose to show inactive sequences. You can also click the Edit and View links to access a sequence record.

The information provided includes the following:

- name of the sequence
- any subsidiaries on which the numbering sequence was run
- type of GL audit numbering sequence
- accounting period for which the sequence was run
- whether the accounting period was closed when the sequence was run
- last number of the previous period's sequence
- date on which the sequence was last run
- user who ran the last sequence
- status of the sequence run

You can access this page at Transactions > Management > GL Audit Numbering Sequences.

> **ⓘ Note:** If you run a recurring, permanent GL audit numbering sequence from the GL Audit Numbering task in the period close checklist, when you close the task the recurring value is removed. However, details are tracked in system notes.

Reports and Saved Searches

You can customize financial reports including the Trial Balance, Balance Sheet, and Income Statement to include or exclude GL audit numbered transactions. You can also filter transactions on reports through the GL Audit Number field.

In an advanced Transaction search and a customized Transactions report, select the GL# date filter to return the date a GL audit number was assigned to a transaction. Select the GL# Set By filter to return who assigned a GL audit number to a transaction. For information about advanced searches, see the help topic Defining an Advanced Search. For information about using Report Builder to customize a report, Report Customization.

If you use GL Impact Locking, you can customize standard, posting transaction types to include the Exclude GL Audit Numbering box. For posting transaction types that are not customizable, you can access this field only through SuiteScript. For information about GL Impact Locking, see Using GL Impact Locking.

If you use SuiteFlow or SuiteScript, you can add GL Audit Numbering Excluded to your workflow or script. Then you can search for posting transactions that were excluded from GL audit numbering. In

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an advanced Transaction search, choose the filter GL Audit Numbering Excluded to return excluded posting transactions.

The GL Audit Numbering feature provides a specific report. For information, see GL Audit Numbering Report.

If you use GL Impact Locking for your company or any subsidiary, the general ledger impact of the original transaction is locked to the general ledger and cannot be changed. When changes to the original general ledger impacting transaction are required, NetSuite automatically generates GL impact adjustment copy and GL impact adjustment reversal transactions to preserve the original general ledger impact of the original transaction before the general ledger impacting change under the same GL audit number. You can create saved searches to include or exclude the copy and adjustment transactions that corrected the original general ledger impacting transactions. To include these transactions in a saved search, from the Type list, select GL Impact Adjustment. For instructions about defining a saved search, see the help topic Defining a Saved Search.

Using GL Impact Locking

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record.

When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a GL numbered impacting transaction **after running a GL audit numbering sequence** automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the original general ledger impacted transaction.

> ✔ **Tip:** The GL Impact subtab is visible **only** on standard forms. If you use customized forms (Customization > Forms > Transaction Forms), check the GL Impact Show box during form customization to make this subtab visible.

The GL Impact subtab provides the history of GL impact adjustment copy and GL impact adjustment reversal transactions. From each line, a link is provided to access the transaction details.

For information about the GL Impact Locking box, see the help topics Configuring Company Information and Creating Subsidiary Records.

> ⓘ **Note:** The GL Audit Numbering feature is required for GL Impact Locking.

> ⚠ **Important:** The GL audit numbering sequence **must** be run **before** editing the original transaction. Running the GL audit number sequence is a prerequisite for the GL impact adjustment copy and GL impact adjustment reversal transactions if the general ledger impact of the transaction changes due to the edit.

From the GL impact adjustment copy and a GL impact adjustment reversal transactions, the Lines subtab provides the account affected, the debit and credit amounts, any memo, and the name of the entity affected by the transaction. The account value is a link to the account register, and the name of the entity is a link to the entity record.

The affected entities and transaction reversal dates appear in reports and system notes.

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> **Note:** Changing the entity on a posting transaction that impacts A/R and A/P accounts in an open period is a general ledger impacting change and generates GL impact adjustment copy and GL impact adjustment reversal transactions.
>
> In addition, merging two entities with existing posting transactions that impact A/R and A/P accounts impacts historical transactions and automatically generates GL impact adjustment copy and GL impact adjustment reversal transactions.

> ⚠ **Important:** You can modify a transaction if it is in an open accounting period.
>
> Any modification that changes the entity, amount, account, class, department, location, currency, or accounting period creates two new transactions. One transaction is a copy (adjustment) of the original transaction and has the same general ledger impact as the original transaction. The GL audit number on the original transaction is removed from the transaction and assigned to the copied transaction. The second transaction is a reversal (adjustment) of the original transaction. The effective date is the same date as the original general ledger impacting transaction.
>
> All transaction modifications are tracked in system notes on the original general ledger impacting transaction. Any modification that generated copy and adjustment journal entries include a View link. Clicking the link displays the GL Impact page, which displays the copy and adjustment journal entries.

Following are fields that impact the general ledger:

- account
- amount
- subsidiary
- accounting period
- department, class, location, and custom segment
- name (entity) on A/P and A/R accounts

Following are fields that do not impact the general ledger:

- name (entity) on non-A/P and A/R general ledger lines
- memo
- date
- custom fields
- all other fields

GL Impact Example

GL Impact Locking provides a complete audit trail for external reviewers such as tax reviewers. GL Impact Locking ensures that your accounting books contain only accurate and approved information. You should regularly review transactions and make corrections in a timely manner.

Consider the following GL Impact Locking example. Your company assigns GL audit numbers at the time of approval. You recorded a cash sale for $5,000 on February 20, 2017. The company accountant was on vacation until February 22, at which time the transaction was approved and assigned GL audit number 20,053. The approved transaction was Debit Cash $5,000 and Credit Sales $5,000. During the end-of-week cash reconciliation process it was discovered that the cash sale was for $500, not $5,000. The accountant corrected the cash sale to $500, then NetSuite automatically created the following new transactions:

- The GL impact adjustment copy transaction with the same original GL impact Debit Cash $5,000 and Credit Sales $5,000 using GL audit number 20,053.

- The GL impact adjustment reversal transaction for Debit Sales $5,000 and Credit Cash $5,000 without assigning a GL audit number.

If you do not use GL Impact Locking, the accountant could perform one of the following two tasks:

- Modify transaction 20,053 using Debit $500 Cash and Credit $500 Sales without any visible correction in GL.

- Delete transaction 20,053, creating a gap in GL audit numbering, and then create a new transaction for the proper amount.

Locking Future Accounting Periods

Use the Enable Accounting Period Window accounting preference to automatically maintain a number of unlocked accounting periods while preventing entries in locked future periods. With this accounting preference you can determine the minimum number of current and future accounting periods that are available for transactions and lock all other future periods for posting. NetSuite automatically maintains the same number of open periods in the accounting period window by unlocking the next future period when you close a period.

> For example, your accounting period window size is 2. The current open period is March 2014, and April 2014 is an unlocked future period. All other future periods are locked. When you complete the month-end process and close March 2014, the accounting period May 2014 is automatically unlocked and available for transaction posting.

Locking future periods prevents users from entering transaction data and journal entries by mistake. The period window ensures that users who can post transactions can do so only within the window of unlocked periods. Some user roles, such as CFO, have higher level privileges and can post in any locked or unlocked period.

Lock future periods while maintaining an accounting period window of open periods to accommodate your monthly accounting workflow and process. Determine the minimum number of open periods available to your organization. NetSuite automatically unlocks the next period for transactions when you complete the accounting close for a period. Automatically maintaining a minimum number of open periods protects against erroneous entries and reduces the number of manual tasks required for monthly accounting activities.

The ability to lock future periods without locking intermediary periods is controlled by the accounting preference Enable Accounting Period Window. When you set this preference, you also set the size of the accounting period window. The period window is the number of unlocked current and future periods. The accounting period window applies to accounting periods as a whole. The account period window also applies individually to accounting transactions for accounts receivable, accounts payable, and payroll. See Setting the Enable Accounting Period Window Preference.

> 🛈 **Note:** You can lock future periods and types of transactions without setting the Enable Accounting Period Window preference. However, doing so locks all periods or types of transactions prior to that point including the current period. In addition, future locked accounting periods do not display the lock 🔒 icon.

Period Window

The accounting period window is the minimum number of current and future accounting periods that are open and unlocked. You can configure the size of the window to any number of periods from 1

to 1,000. Setting the accounting period window automatically ensures that a specific number of open periods are unlocked and available for posting transactions. No manual action is required to unlock the next accounting period. As you close a period or lock a set of transactions, NetSuite unlocks the next period or set of transactions. This prevents accounting period starvation and eliminates the accounting cycle task of opening the next period for data entry.

Period Wall

The period wall is defined as end of the current accounting period. If today's date is January 7, 2014, the period wall is January 31, 2014. Accounting periods to the right of the period wall are future periods. Periods to the left of the wall are the current period and past periods. The period wall provides the reference point for locking and unlocking periods.

Locking Accounting Period Window Rules

Locking accounting periods follows four basic rules. These rules reference the period wall to determine whether locking or unlocking affects other accounting periods. Use the diagram below to understand the impact of each rule. Accounting period window rules apply to both accounting periods and to accounting transactions, such as A/R Transactions.
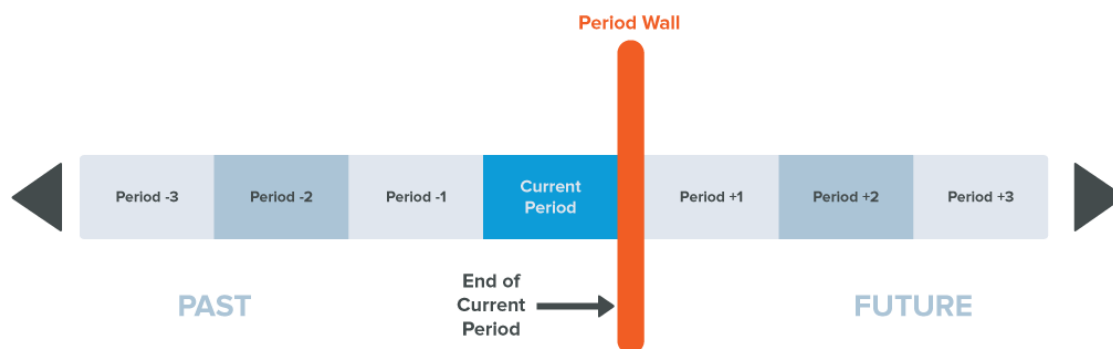
- Locking a future period automatically locks all future periods after the locking point (to the right of the locking point).
- Locking a past period automatically locks all past periods prior to the locking point (to the left of the locking point.
- Unlocking a future period automatically unlocks all periods between the period wall and the unlocking point.
- Unlocking a past period automatically unlocks all periods between the period wall and the unlocking point.

You can manually unlock more periods than the number set in the Minimum Period Window Size preference. Locked future or past periods must be continuous and without gaps from the locking or unlocking point.

You cannot lock a period that is within the current minimum period window. For example, if your window size is 3 and your current accounting period is January 2014, you cannot lock February 2014 and March 2014.

For instructions on how to lock and unlock accounting periods, see Locking and Unlocking Accounting Periods.

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Setting the Enable Accounting Period Window Preference

Accounting periods and modules are locked or unlocked when you save changes made to the Enable Accounting Period Window accounting preference. If you check the Enable Accounting Period Window box and then later clear it, all future accounting periods are unlocked when you save your preference changes. For more information, see Locking Future Accounting Periods

To set the Enable Accounting Period Window preference

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

2. On the **General** subtab, check the **Enable Accounting Period Window** box.

3. In the **Minimum Period Window Size** field, enter the minimum number of current and future accounting periods that you want to be unlocked at any time. You can unlock more than this number of periods manually.

   The minimum period window uses the system date as the baseline period to determine the future open periods. For example, if the system date is June 15 and the Minimum Period Window Size is 3, June, July, and August are all opened. However, if the Minimum Period Window Size is 1, only June is opened.

4. Click **Save**.

When you set the **Enable Accounting Period Window** preference, NetSuite automatically sets the **Allow Transaction Date Outside of Posting Period** to **Disallow**. You can reset this preference to Warn or Allow if you want. For more information about this preference, see General Accounting Preferences.

In addition, when you enable this preference, future locked accounting periods display a lock 🔒 icon.

For instructions on how to lock and unlock accounting periods, see Locking and Unlocking Accounting Periods.

Locking and Unlocking Accounting Periods

You can lock accounting periods or transaction modules for a period to prevent users from posting transactions that affect the general ledger. Locking is part of the period close process. If you set the Enable Accounting Period Window preference, you can also lock future periods to provide greater control for your accounting process. In addition, setting this preference displays a lock 🔒 icon near each future accounting period. See Locking Future Accounting Periods for information about how locking and unlocking periods performs with this preference.

To lock an accounting period:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.

2. Click the **Checklist** icon 🔍 for the period.

3. Click the **Go To Task** icon for **Lock All**.

4. On the Task: Lock Accounting Period (All) page, click **Submit**.

To lock a transaction module:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.

2. Click the **Checklist** icon 🔍 for the period.

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3. On the Period Close Checklist page, do one of the following:

    1. To lock A/R transactions in the period, click the **Lock A/R** icon, then click **Lock**.

    2. To lock A/P transactions in the period, click the **Lock A/P** icon, then click **Lock**.

    3. To lock Payroll transactions in the period, click the **Lock Payroll** icon, then click **Lock**.

To unlock an accounting period:

To unlock an accounting period, you must unlock each transaction module in the period.

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.

2. On the Manage Accounting Periods page, click the **Checklist** icon 🔍 for the period.

3. On the Period Close Checklist page, click the **Lock A/R** icon, then click **Unlock**.

    Repeat this step for **Lock A/P**, **Lock Payroll**, and **Lock All** tasks.

To unlock a transaction module:

For information about how to unlock a transaction module for a period, see Unlocking Period Transactions.

When you unlock a transaction module such as A/R Transactions, All GL Transactions is also unlocked.

Locking Accounting Periods in NetSuite OneWorld

In NetSuite OneWorld, you can lock or unlock accounting periods at the subsidiary level. You can manage your period close process based on the workflow needs of your organization. Only controllers and administrators with the permission to perform period close tasks at the parent subsidiary level can select subsidiaries to lock or unlock.

For information about locking and unlocking accounting periods in NetSuite if you are not using OneWorld, see Locking and Unlocking Accounting Periods.

When an accounting period is locked for a subsidiary, users cannot enter transactions for the subsidiary in that period. The locked period is not available in the Posting Period list. If a user selects a transaction date that falls within a locked period, the Posting Period is set to the current open period for the subsidiary. This happens only if the **Allow Transaction Date Outside of Posting Period** preference is set to Disallow or Warn.

> ℹ️ **Note:** Users with the **Override Period Restrictions** permission can select a locked period for the Posting Period on a transaction.

If the **Enable Accounting Period Window** preference has been enabled at Setup > Accounting > Preferences > Accounting Preferences, NetSuite maintains a minimum number of unlocked current and future accounting periods. In this case, locking a transaction module or a period for a subsidiary can trigger automatic opening of the next future period, based on the minimum period window size that you define. When this trigger occurs, NetSuite opens the next future period for all subsidiaries to maintain the same period window across your organization.

Use the Lock Accounting Period page, available from the Period Close Checklist, to select subsidiaries to lock.

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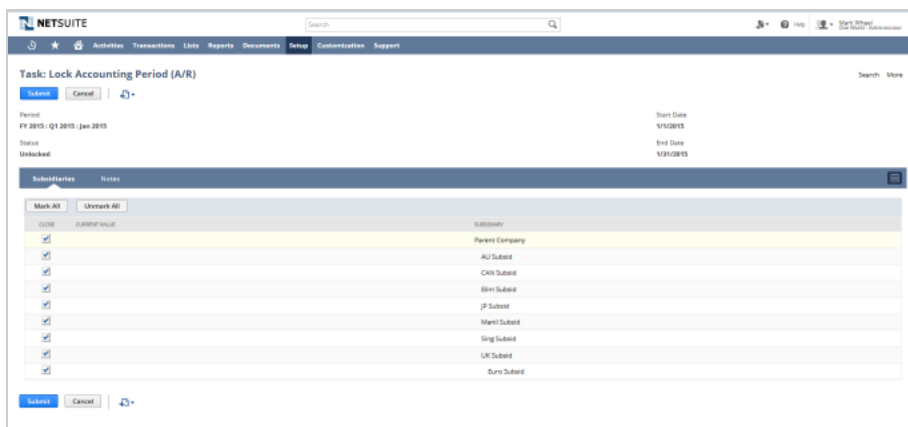
The Subsidiaries subtab on the Lock Accounting Period page displays the subsidiary hierarchy for your organization.

⚠️ **Important:** The Subsidiaries subtab displays only those subsidiaries that your role has permission to access. If your role does not have permission to access all of the subsidiaries, you cannot see the complete subsidiary hierarchy.

A Lock icon in the Current Value column indicates the subsidiaries that are locked for transactions. Mark or unmark the box in the Lock column for each subsidiary, as needed.

On the Notes subtab, the System Notes subtab displays each change made to the lock status including the subsidiary information. You can include subsidiary information in any searches that include system notes to search and report on period locking history by subsidiary. For information on how to set up a search, see the help topic Creating Saved Searches for System Notes.

ℹ️ **Note:** The first time that any task is viewed, System Notes logs a Create entry.

On the Period Close Checklist, icons in the Status column indicate whether a task is completed, partially done, or not started. The status for a Lock task shows as partially done when you lock at least one subsidiary for the task.

The Manage Accounting Periods page displays accounting period status at a glance using the following icons:

- 🔓 **Unlocked** - All subsidiaries are unlocked
- 🕐 **Partially Locked** - One or more subsidiaries are locked. Point to the icon to see the number of locked subsidiaries. This number reflects the complete subsidiary hierarchy, not only the subsidiaries you have permission to access.
- 🔒 **Locked** - All subsidiaries are locked.

To lock or unlock accounting periods in NetSuite OneWorld:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. On the Manage Accounting Periods page, click the **Checklist** icon 🔍 for the period.
3. On the Period Close Checklist, click the **Go To Task** icon for **Lock AR**, **Lock AP**, **Lock Payroll**, or **Lock All**.
4. On the **Subsidiaries** subtab, mark the **Lock** box for each subsidiary you want to lock.

   You can also **Mark All** or **Unmark All** to change the value of the lock for all subsidiaries.

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> ⚠️ **Important:** **Mark All** or **Unmark All** locks or unlocks only those subsidiaries that display on this subtab, which depending on your permissions, may not include the complete subsidiary hierarchy.

To unlock a subsidiary, clear the **Lock** box.

5. Click **Submit**.

Closing Accounting Periods

Closing an accounting period means changing its status from Open to Closed. A status of Closed indicates that posting transactions for the period have been completed. This status prevents posting to the general ledger for any dates included in the period, by anyone. Closing a period should be a final step, after a process of accounts review and reconciliation to ensure correctness and balance. To close an accounting period, go to Setup > Accounting > Manage GL > Manage Accounting Periods.

You can also use the Quick Close preference, which marks complete each task in the accounting period.

- Period Close Checklist
- Using Quick Close to Close Periods
- Making Changes to Locked and Closed Periods
- Approving Transactions from Closed Periods

If NetSuite Professional Services has provisioned Multi-Book Accounting in NetSuite OneWorld, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

Period Close Checklist

A Period Close Checklist for each period is available from the Manage Accounting Periods page. From this checklist, you can complete required tasks in sequence.

- The **Override Period Restrictions** permission is required to access this checklist.
- Preliminary tasks lock the period to limit posting transactions. Locking tasks include **Lock A/P**, **Lock A/R**, **Lock Payroll** (if the Payroll feature is enabled), and **Lock All**.
- Other tasks such as Create Intercompany Adjustments, Revalue Open Foreign Currency Balances, and Calculate Consolidated Exchange Rates, provide necessary adjustments. To complete these tasks, users require related permissions.
- If you have enabled the GL Audit Numbering feature, GL Audit Numbering is listed as a task required as part of the period close process. Assign the number sequence for the period and then verify that the GL audit numbering is gapless. If you use NetSuite OneWorld, you can create sequences for each subsidiary. If you use Multi-Book Accounting, you can define book-specific numbering sequences. For more information, see Using GL Audit Numbering.
- The final task is to close the period.
- The Period Close Checklist provides access to related system and user notes.

  For more information, see Using the Period Close Checklist.

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Using Quick Close to Close Periods

The Quick Close preference enables you to close one or more accounting periods with a single click. This time-saving preference is useful when you have reopened one or more closed accounting periods to make a change. With Quick Close, NetSuite marks complete all tasks in all reopened accounting periods, eliminating the requirement to close them one-by-one. For example, I must make a change in the January 2016 accounting period. I reopen the period, which reopens all of the subsequent closed periods. I make my change. With Quick Close, I can close the January 2016 period and all subsequent periods at the same time.

The Quick Close preference is also useful when you prefer a one-click method for closing accounting periods. For example, I am the sole proprietor of my business. I process all accounting transactions. I do not want to step through each task on the period close checklist to close my accounting periods. With Quick Close, I can close each period with a single click.

> ⊗ **Warning:** The Period Close Checklist helps you with your financial closing workflow. Quick Close **does not** run period closing tasks. It only marks the tasks as completed. Use Quick Close **only** when you are certain that there is no requirement to run period closing tasks.

- Granting Permission to Use Quick Close
- Enabling the Quick Close Preference
- Closing Accounting Periods with Quick Close

Granting Permission to Use Quick Close

Quick Close is automatically granted to administrators and to user roles granted Full Access. The Setup permission, Period Closing Management, must be added to other roles for users to use the feature. For information about NetSuite permissions, see the help topics NetSuite Permissions Overview and Permissions Documentation.

Enabling the Quick Close Preference

If your user role is granted both the Set Up Accounting and Period Closing Management permissions and you want to use Quick Close, you must enable the Allow Quick Close of Accounting Periods preference. Go to Setup > Accounting > Accounting Preferences. On the General subtab under the General Ledger section, click the Allow Quick Close of Accounting Periods box and then save.

This preference does not appear in user roles that do not have the Period Closing Management permission.

For information about general accounting preferences, see General Accounting Preferences.

Closing Accounting Periods with Quick Close

If you have the appropriate permissions and the Allow Quick Close of Accounting Periods preference is enabled, the Manage Accounting Periods page displays the Close Multiple Periods button.

To close one or more periods, click Close Multiple Periods. From the Periods to Close list, select the accounting period you want to close. If you are closing multiple periods, this period should be the last in the series of open periods. For example, I want to close January 2016, February 2016, March 2016, and April 2016. I select April 2016 from the Periods to Close list.

If Multi-Book Accounting is provisioned in NetSuite OneWorld, select the accounting book associated with the periods you are closing.

Click Submit. At the prompt, click OK. The Period Close Checklist updates to reflect the closed periods.

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NetSuite maintains an audit trail of every changed task in every closed accounting period through system notes. For information about System Notes Overview.

Making Changes to Locked and Closed Periods

Users with the Override Period Restrictions permission can add and edit posting transactions even if the transaction type has been locked for a period. To allow other users to add or edit posting transactions, transactions must be unlocked for the period. See Unlocking Period Transactions.

> ⚠️ **Important:** Changes to addresses are not permitted in a closed accounting period. Changing the address on a transaction could alter the tax rate, and have an impact on the general ledger.

No one can make general ledger impacting changes to posting transactions in a closed period. The period must be reopened before these changes can be posted. See Reopening a Closed Period.

If the Allow Non-G/L Changes option is enabled for a period, users with the Allow Non G/L Changes permission can make non-general ledger changes to posting transactions after the period has been locked to transactions, and after the period has been closed.

These permission restrictions do not apply to the addition or editing of non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

> ℹ️ **Note:** Account administrators and Full Access Users have both the Override Period Restrictions and Allow Non-G/L Changes permissions.

Approving Transactions from Closed Periods

Because expense report and journal entry transactions are not posted until they are approved, their posting periods are determined upon approval. The actual posting period may vary from the period displayed on transaction entry forms and unapproved records. If the originally displayed period is closed at the time of approval, the first open period is defined as the posting period.

- For expense reports:
  - The expense report form displays the posting period that contains the current date. The user cannot select a different posting period.
  - The unapproved expense record displays the posting period that contains the current date.
  - The approved expense report is saved with the first open period defined as the posting period.
- For journal entries:
  - The journal entry form displays the posting period that contains the current date. The user can select a different posting period.
  - The unapproved journal entry record does not display any posting period.
  - The approved journal entry is saved with the first open period defined as the posting period.

Non-Posting Transactions in Locked and Closed Periods

Permissions restrictions for locked and closed accounting periods do not apply to non-posting transactions such as sales orders and return authorizations. Users do not need any specialized permissions to add or edit non-posting transactions in any period, even if the period has been locked to transactions or closed.

The following transaction types are always non-posting:

- Estimate

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- Liability Adjustment
- Opportunity
- Payroll Adjustment
- Purchase Order
- Return Authorization
- Sales Order
- Transfer Order
- Vendor Return Authorization
- Work Order

The following transaction types are non-posting if they are unapproved:

- Commission
- Expense Report
- Journal Entry

> ⚠️ **Important:** Because Commission, Expense Report, and Journal Entry transactions are not posted until they are approved, their posting periods are determined upon approval. Their posting periods may vary from the periods displayed on transaction entry forms and unapproved records.

For information about transactions' impact on the general ledger, see General Ledger Impact of Transactions.

Using the Period Close Checklist

To close a period, you must first lock out transactions that post to A/P, A/R, and Payroll if applicable, and then review accounts and perform any necessary adjustments. These adjustments can include transactions generated by the system such as intercompany adjustments and foreign currency balance revaluations in NetSuite OneWorld. Also, if you use NetSuite OneWorld, you must update consolidated exchange rates to ensure that consolidated financials are accurate, and eliminate intercompany transactions if you use the Intercompany Auto Elimination feature.

You might also be required to reconcile negative inventory, correct transaction/period date mismatches, or validate gapless GL audit numbering.

If your user role has the Period Closing Management permission and the Allow Quick Close of Accounting Periods preference is enabled, you can omit closing the tasks one-by-one and close one or more accounting periods with a single click. For more information, see Using Quick Close to Close Periods.

If NetSuite Professional Services has provisioned Multi-Book Accounting in NetSuite OneWorld, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

After you have completed these tasks, you can close the period to exclude all posting transactions. Later, if additional postings are required, you can reopen the period.

All tasks are completed from the Period Close Checklist page. This page also provides access to system notes and user notes related to period close. You must have **Edit** or **Full** level of the **Manage**

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Accounting Periods permission as well as the **Override Period Restrictions** permission to complete all tasks in this page.

> ⓘ **Note:** The first time that any task is viewed, System Notes logs a Create entry.

If previous periods are still open, you can complete tasks to lock transactions for a period. You cannot, however, complete any other checklist tasks including closing the period until all previous periods have been closed.

To use the Period Close Checklist to close a period:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. Click the **Checklist** icon 🔍 for a period.
3. Review the tasks in the checklist. Tasks are listed in the order in which they should be completed.

   Status icons indicate whether each task is completed ✅, partially done 🕐, or not started ⚪.

   Icons ➡ in the **Go To Task** column provide links to individual task pages where you can review details about and take action to complete each task. Note that some task actions may be inaccessible until prerequisite tasks are completed. These actions display lock icons 🔒. You can point to these icons for information about prerequisites.

   > ⓘ **Note:** The **Modified By** column displays the name of the user responsible for changing the status of that particular task. For example, if user A is the person responsible for first locking the Lock A/R task for a particular subsidiary, user A's name displays on the **System Notes** of the accounting period for which the field's status changed from Unlocked to In Progress. If user B locks the A/R task for another subsidiary but there are subsidiaries that remain unlocked, the accounting period retains the In Progress status for A/R, and the **Modified By** field continues to display user A's name. The **Modified By** field changes only when all of the subsidiaries have been locked, or changed back to unlocked.
   >
   > The first time that any task is viewed, System Notes logs a Create entry.

4. To complete a task, click the **Go To Task** ➡ icon for the task.
   a. To prevent A/R transactions in the period, click ➡ for Lock A/R, then click **Submit**.
   b. To prevent A/P transactions in the period, click ➡ for Lock A/P, then click **Submit**.
   c. To prevent Payroll transactions in the period, click ➡ for Lock Payroll, then click **Submit**.
   d. To prevent A/R, A/P, and Payroll (if applicable) transactions in the period, click ➡ for Lock All, then click **Submit**.

   In NetSuite OneWorld, you can lock periods by subsidiary. For instructions, see Locking Accounting Periods in NetSuite OneWorld

5. If you use the Inventory feature, the checklist may include these inventory tasks:
   - Resolve Date/Period Mismatches
   - Review Negative Inventory
   - Review Inventory Cost Accounting
   - Review Inventory Activity (NetSuite OneWorld)

   For details about completing these tasks, see Inventory Tasks on the Period Close Checklist.

6. If you use the Custom GL Lines Plug-in and have some implementations running asynchronously, click the ➡ icon for **Review Custom GL Plug-ins Executions**.
   - You must have the **Review Custom GL Plug-ins Executions** permission as well as the **Override Period Restrictions** permission to complete this task for the subsidiaries you can access.

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- Click **Review Custom GL Plug-ins Executions** to go to the Reviewing Custom GL Lines Plug-in Executions page.

- If your review is finished, click **Mark Task Complete**.

- If you have previously marked this task complete but must do more work, click **Mark Task In Progress**.

- To go back to the checklist page, click **Cancel**.

7. If you use NetSuite OneWorld and have automated adjustments for intercompany expenses enabled, click the ➲ icon for **Create Intercompany Adjustments**.

- You must have the **Journal Entry** permission as well as the **Override Period Restrictions** permission to complete this task for the subsidiaries to which you have access.

- Click **Create Intercompany Adjustments** to go to the Create Intercompany Adjustments page and complete this process. See Creating Intercompany Adjustments for Time and Expenses.

   The Period Close Checklist requires that you review the Create Intercompany Adjustments page. After you have reviewed this page it is possible to return to the Period Close Checklist, mark the task complete without performing it, and proceed with the close. However, it is strongly recommended that you complete intercompany adjustments before closing a period.

   The recommended way to eliminate this requirement from the checklist is to change the Intercompany Expenses preference from **Allow and Auto Adjust** to **Allow**. This preference is available at Setup > Accounting > Preferences > Accounting Preferences. See General Accounting Preferences.

   > ⓘ **Note:** If you also use Job Costing in NetSuite OneWorld, this item is required for resolving any project time that has posted in this period. For more information, see the help topic Job Costing and OneWorld.

- If your intercompany adjustments are finished, click **Mark Task Complete**.

- If you have previously marked this task complete but now need to do more work, click **Mark Task in Progress**.

- To go back to the checklist page, click **Cancel**.

8. If multiple currencies is enabled, click the ➲ icon for **Revalue Open Foreign Currency Balances**.

- You must have the **Currency Revaluation** permission as well as the **Override Period Restrictions** permission to complete this task for the subsidiaries you can access.

- Click **Currency Revaluation** to go to the Select Accounts to Revalue page and complete this process. See Revaluing Open Currency Balances.

- In NetSuite OneWorld, you must complete revaluation for each subsidiary. Go to the Select Accounts to Revalue page to select each subsidiary and complete the task. Depending on your implentation, you may revisit this page multiple times.

   The Period Close Checklist requires that you review the Select Accounts to Revalue page. After you have reviewed this page it is possible to return to the Period Close Checklist, mark the task complete without performing it, and proceed with the close. However, it is strongly recommended that you complete revaluation before closing a period.

- If your revaluation is finished, click **Mark Task Complete**.

- If you have previously marked this task complete but must do more work, click **Mark Task In Progress**.

- To go back to the checklist page, click **Cancel**.

9. If you use NetSuite OneWorld and have multiple currencies enabled, click the ➲ icon for Calculate Consolidated Exchange Rates.

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If the Multi-Book Accounting feature is provisioned in NetSuite OneWorld, this task is accounting book specific. On the Consolidated Exchange Rates page, from the Accounting Book filter, choose the accounting book for which you want to calculate exchange rates.

- You must have the **Currency** permission as well as the **Override Period Restrictions** permission to complete this task for the subsidiaries and accounting books you can access.

- Go to the Consolidated Exchange Rates page, click **Calculate Consolidated Exchange Rates**.

  By default, this page lists consolidated exchange rates for the period for all subsidiaries and accounting books to which you have access.

  Click **Calculate** to update consolidated exchange rates. If you do not have access to all subsidiaries or accounting books, rates are updated for only those subsidiaries and accounting books to which you have access. For more information, see Auto Calculating Consolidated Exchange Rates.

- If consolidated exchange rate updates are complete, click **Mark Task Complete**.

> ⚠️ **Important:** After you mark this task complete, the consolidated exchange rates for the selected period CANNOT BE CHANGED.

- If you previously marked this task complete but are required to do more work, click **Mark Task in Progress**.

- To go back to the checklist page, click **Cancel**.

10. If you use NetSuite OneWorld and have intercompany elimination enabled, click the 🔄 icon for **Eliminate Intercompany Transactions**.

    If the Multi-Book Accounting feature is provisioned in NetSuite OneWorld, this task is accounting book specific.

    For instructions on running intercompany elimination, see Run Intercompany Elimination and Using Automated Intercompany Management for Elimination.

11. If you have enabled the GL Audit Numbering feature, **GL Audit Numbering** is listed as a task required as part of the period close process in the last month of the period. Click the 🔄 icon to assign the number sequence for the period and verify that the GL audit numbering is gapless. If you use NetSuite OneWorld, you can create sequences for each subsidiary. If you use Multi-Book Accounting, you can define book-specific numbering sequences. For more information, see Using GL Audit Numbering.

12. If you completed all other tasks on the list, you are ready to close the period. Click the 🔄 icon for **Close**, and then click **Close Period**.

    After the period is closed, all other task icons are no longer accessible and no further actions can be completed in the period.

> ℹ️ **Note:** If Multi-Book Accounting is provisioned in NetSuite OneWorld and you have enabled the Extended Accounting Period Close Process feature, when you close all of your accounting books at the same time you can point to the Period Close icon to view information about which books are already closed and which are still opened.

    If changes are later required for a closed period, you must reopen the period. See Reopening a Closed Period.

13. To review system notes, review user notes, or add a user note, click the **Notes** link in the header. You can also view notes on the **System Notes** subtab on a checklist task page.

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Inventory Tasks on the Period Close Checklist

When you close an accounting period and use the Inventory feature, the Period Close checklist includes checks for inventory cost and quantity inconsistencies. You can correct inventory with a negative count and run an inventory costing calculation.

When you go to the Manage Accounting Periods page at Setup > Accounting > Manage GL > Manage Accounting Periods and open the checklist for a period, the checklist shows these inventory tasks:

1. Resolve Date/Period Mismatches
2. Review Negative Inventory
3. Review Inventory Cost Accounting
4. Review Inventory Activity

You must mark these inventory tasks complete to close the period.

Resolve Date/Period Mismatches

You can reconcile transactions that are not dated within the corresponding financial period. For example, the selected posting period could be January 2014 while the transaction date was December 2013. Having mismatched transaction dates can cause inventory issues.

> ⊗ **Warning:** It is strongly recommended that all inventory posting transactions have the correct alignment of the transaction date and the accounting period. A misaligned date and accounting period on a transaction may lead to inconsistent asset and inventory costing values in the accounting period.

The Transactions with Date/Period Mismatch page enables you to resolve issues for mismatched transactions that are dated outside of the selected posting period. This helps ensure that transaction and period dates are properly aligned.

To open this task on the checklist, you must have already completed the **Lock All** task.

To resolve mismatched dates:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. Click the **Checklist** icon 🔍 for a period.
3. Click the **Go To Task** arrow icon next to **Resolve Date/Period Mismatches**.
4. The Resolve Date/Period Mismatch page shows your progress for this task. The **System Notes** subtab displays a record of each change and the name of the user that entered it.

    The first time that any task is viewed, System Notes logs a Create entry.
5. Click **Resolve Date/Period Mismatches**.
6. On the Resolve Date/Period Mismatches page in the **Period** field, select a period for which you want to resolve mismatches.

    For example, if you select the period January 2014, the list shows any transactions that have a posting period during January 2014 but are dated outside of the period range, from January 1 through January 31.
7. After you select a period, the page shows a list of transactions that have a mismatched posting period and transaction date.

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For each transaction, the following data shows:

- Transaction Type
- Transaction Number
- Transaction Date
- Period Name
- Period Start
- Period End

8. Click **Edit** next to a transaction to modify.

   After the transaction opens, edit it to amend either the posting period or the transaction date so that the two correctly match.

9. Save the transaction.

   Repeat all steps for any remaining mismatched transactions.

After you have matched the transaction date and posting period for all transactions on the Resolve Date/Period Mismatch page, you can mark the task complete.

Completing the Task

To mark the task complete, go to Setup > Accounting > Manage GL > Manage Accounting Periods and click the **Go To Task** arrow icon next to **Resolve Date/Period Mismatches**. On the Task: Resolve Date/Period Mismatches page, click **Mark Task Complete**.

> **(i) Note:** NetSuite permits you to mark the task complete even if transactions remain mismatched and are not dated within the corresponding financial period. If the task is marked complete when mismatched dates are left unreconciled, the Close Period Checklist logs the date and the user who marked the task complete.

Mismatched Transaction Handling Preference

To establish preventive measures to avoid transactions with mismatched dates, you can set a preference for handling mismatched transaction entry. Set the preference at Setup > Accounting> Preferences > Accounting Preferences on the **General** subtab.

Select one of the following for **Allow Transaction Date Outside of Posting Period**:

- **Disallow** – When you choose this setting, users are not allowed to save a transaction unless the transaction date is within the date range for the posting period selected.
- **Warn** – When you choose this setting, users are warned when a transaction date is not within the date range for the posting period selected, but they can click **OK** on the warning and save it anyway.
- **Allow** – When you choose this setting, users can enter a transaction even if the date is not within the date range for the posting period selected. No warning is given to the user before the transaction is saved.

Review Negative Inventory

When closing a period, you must identify any negative inventory values that can be corrected by a positive adjustment. Reviewing negative inventory items is a required task for the period closing checklist.

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This task does not create a physical count. A physical count should already be completed before you begin this task.

To open this task on the checklist, you must have completed the **Resolve Date/Period Mismatches** task.

To reconcile negative inventory:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for a period.
3. Click the **Go To Task** arrow icon next to **Review Negative Inventory**.

   The Review Negative Inventory page opens. This page shows your progress for this task. The **System Notes** subtab displays a record of each change and the name of the user that entered the change.

   The first time that any task is viewed, System Notes logs a Create entry.
4. Click **Review Negative Inventory**.
5. On the Review Negative Inventory page, in the **As of Date** field, enter the date through which you want to review inventory. For example, if you enter January 1, 2014, the list shows inventory that has a negative count as of January 1, 2014.
6. If you use the **Multi-Location Inventory** feature, you can filter the list by location in the **Location** field.
7. The list of inventory items that shows identifies any items that have negative inventory.

   Use the list to adjust the amounts for those items so they are no longer negative. For details about entering an inventory adjustment, see the help topic Adjusting Inventory.

After you have reviewed the negative inventory items and entered the necessary adjustments, you can mark the task complete.

Completing the Task

To mark the task as complete, go to Setup > Accounting > Manage G/L > Manage Accounting Periods and click the **Go To Task** arrow icon next to **Review Negative Inventory**. On the Task: Review Negative Inventory page, click **Mark Task Complete**.

> ⓘ **Note:** NetSuite permits you to mark the task as complete even if some inventory counts remain negative. If the task is marked complete when inventory counts remain negative, the Close Period Checklist logs the date and the user who marked the task as complete.

You can also access the Review Negative Inventory page at Transactions > Inventory > ReviewNegative Inventory.

Review Inventory Cost Accounting

When closing a period, you must run the costing accounting process for the period close. To complete this task, ensure that there are no costing items to be corrected and that inventory costing calculations are not already currently running.

To open this task on the checklist, you must have already completed the **Review Negative Inventory** task.

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To review inventory cost accounting:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for a period.
3. Click the **Go To Task** arrow icon next to **Review Inventory Cost Accounting**.
4. Click **Review Inventory Cost Accounting**.

   Please note the following:

   - To run inventory costing calculations, there must be no items on the Review Inventory Cost Accounting page in the list of outstanding items to be corrected. If any items show on the list, you must wait until they are resolved. If an item on the list cannot be resolved, you are prompted to contact customer support.
   - If inventory costing calculations are currently running or are deferred, you cannot click the **Review Inventory Cost Accounting** button.
   - If inventory costing calculations are currently deferred, you must wait until the scheduler runs inventory costing calculations.
   - If inventory costing calculations are disabled, you are prompted to contact customer support.

5. After the inventory costing calculations have finished running, click **Mark Task Complete**.

You can also reconcile transactions that are not dated within the corresponding financial period and set a preference for handling mismatched transaction entry. For details about this checklist requirement, read Using the Period Close Checklist.

Inventory Costing and Closed Accounting Periods

Be aware that if you open a previously closed period and then edit an inventory transaction from that previously closed period, the costing changes you enter for items on the changed transaction do propagate to all subsequent related transactions. This requires an inventory costing recalculation to run and be completed.

> **Note:** Before you go back and close the accounting period again, verify that the recalculation is complete. If you close the period while inventory costing is being calculated, it can affect the accuracy of your costing and potentially cause errors.

For more information, read the help topic Inventory Costing Recalculations

Review Inventory Activity

If you use NetSuite OneWorld, this task opens a customizable version of the Inventory Activity Detail report. This report provides a view of specific inventory values. The report details are based on the item level total inventory value in a specific subsidiary context.

Reviewing inventory activity is a required task for the period closing checklist.

To open this task on the checklist, you must have already completed the **Review Inventory Cost Accounting** task.

To review inventory activity:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for a period.

3. Click the **Go To Task** arrow icon next to **Review Inventory Activity**.

4. Click **Review Inventory Activities**.

5. Review the Inventory Activity Detail report, filtering and customizing the report, as needed. For information about using Report Builder to customize this report, see the help topic Report Customization

   Filter the report by subsidiary context, location, and From and To date. By default, the dates reflect the accounting period that is being closed.

   The standard report includes the following columns:

   ■ Item

   ■ Transaction Type

   ■ Date (of transaction)

   ■ Document Number

   ■ Description

   ■ Qty. (item quantity remaining)

   The report rows are grouped first by inventory activity under the Item column. For example, you have an inventory activity group for Inventory Items. When you expand the Inventory Items group, you see the #10 Envelopes subgroup. Beneath this subgroup are rows for a variety of number 10 envelopes. The last row of the subgroup provides the total of #10 Envelopes you hold in inventory.

   Click **Refresh** to update the report.

6. When you have completed your inventory review, exit the report and then complete the task.

Completing the Task

To mark the task as complete, go to Setup > Accounting > Manage G/L > Manage Accounting Periods and click the **Go To Task** arrow icon next to **Review Inventory Activity**. On the Task: Review Inventory Activity page, click **Mark Task Complete**.

Unlocking Period Transactions

Locking out transactions, including custom transactions that post to Accounts Payable, Accounts Receivable, and Payroll (if applicable) are prerequisite tasks for closing a period. These locks enable accounting personnel to review stable accounts and enter adjustments, as necessary.

Locking does not lock the entire transaction. It locks the general ledger impacting changes to posting transactions on the locked account. To make general ledger impacting changes to posting transactions on a locked account, the specific type of lock must be released. For example, releasing Lock A/P.

Locking transactions applies to all transactions including general journals and intercompany journals whether they are generated from the user interface, CSV imports, WebServices, SuiteScript, and ODBC.

If a period that has been locked to transactions has the Allow Non-G/L Changes option enabled, users with the **Allow Non G/L Changes** permission can still make non-general ledger changes to posting transactions. Also, users with the **Override Period Restrictions** permission can make both non-general ledger and general ledger impacting changes to posting transactions in a period that has been locked to transactions.

If users who do not have the Override Period Restrictions permission must make general ledger impacting changes to posting transactions, transactions must be unlocked for the period. You cannot unlock transactions for a closed period. You must first reopen the period. See Reopening a Closed Period.

> **Note:** These permission restrictions do not apply to non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

To unlock transactions for a period:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for the period.
3. On the Period Close Checklist page, do one of the following
   a. To unlock A/R transactions in the period, click the **Lock A/R** icon, then click **Unlock**.
   b. To unlock A/P transactions in the period, click the **Lock A/P** icon, then click **Unlock**.
   c. To unlock Payroll transactions in the period, click the **Lock Payroll** icon, then click **Unlock**.
   d. To unlock other transactions in the period, click the **Lock All** icon, then click **Unlock**.

After all transactions are unlocked for a period with Allow Non-G/L Changes option enabled, this option is disabled. If transactions are later locked, the option can be enabled again.

Reopening a Closed Period

When a period is closed, it is considered complete and no one can add or make general ledger impacting changes to posting transactions for the period. If a period that has been closed requires later changes, you must reopen the period before these changes can be completed.

You must have the **Override Period Restrictions** permission to reopen a period.

If your user role has the Period Closing Management permission and the Allow Quick Close of Accounting Periods preference is enabled, you can close one or more accounting periods with a single click. For more information, see Using Quick Close to Close Periods.

If NetSuite Professional Services has provisioned Multi-Book Accounting in NetSuite OneWorld, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

> **Note:** These restrictions do not apply to non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

To reopen a closed period:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for the period.
3. On the Period Close Checklist page, click the arrow icon for the **Close** task.
4. On the Close Accounting Period page, click **Reopen Period**.
5. Enter text in the **Justification** field to explain why you are reopening the period, click **Reopen Period** again, and review the warning text to make sure you understand the following:

   If you reopen the period, you may need to redo checklist tasks to close the period. Also, any later closed periods are automatically reopened and you may need to redo checklist tasks for those periods as well before you can close them.

6. If you want to continue, click **OK** in the warning dialog.

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The justification text is saved in a user note.

> **Note:** If the **Allow Non-G/L Changes** option is enabled for a period, users who have the **Allow Non G/L Changes** permission can make non-general ledger changes to posting transactions in the period after it has been closed.

Year-End Closing

Closing the books for a year ends the opportunity to post entries to the sub-ledgers and general ledger to transfer net income to retained earnings (for a corporation) or to owner's equity (for an individual proprietorship).

To perform year-end closing, go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

Using NetSuite financials, you are **not required** to make journal entries to close out the income statement to retained earnings. You can choose to do one of the following:

- **Automatic Close** – Allow NetSuite to automatically close year end so that your books reflect the correct balance in retained earnings based on the dates you select on the balance sheet. This method is **strongly** recommended. For more information, see Automatic Close.
- **Manual Close** – Manually close income statement accounts to the balance sheet by making journal entries to close accounts. For more information, see Manual Close.

Preparing for Year-End Closing

Be aware of the following as you prepare for year-end closing:

- Before year-end close, you should close all of the periods included in the year.
  - A checklist of required tasks is provided to guide you through the closing process for each period. See Using the Period Close Checklist.
  - If you use multiple currencies, you should revalue open currency balances for each period before you close it. See Generating Revaluations.
  - It is important to understand the difference between closing a period and locking transactions for a period.
    - Closing a period prevents postings for any dates included in the period, by anyone, and should be the final step after a process of accounts review and reconciliation.
    - Locking transactions for a period prevents users without override permission from posting to the period, and is a preliminary task before closing occurs.

      For more information, see Closing Accounting Periods.
- If you use NetSuite for payroll processing, you must complete additional payroll tasks before year-end close. See the help topic Performing Quarterly or Yearly Payroll Tasks.

> **Important:** It is recommended that you consult with your accountant to ensure that your books fulfill all legal requirements.

Automatic Close

When you permit NetSuite to automatically close year end, financial statement figures display as if the accounts had been closed, based on the period or periods you select for reports. **You are not required**

to perform a formal year-end closing. NetSuite automatically closes year-end after you close all of the periods in your year.

To permit NetSuite to automatically perform year-end closing, go to Setup > Accounting > Manage G/L > Manage Accounting Periods. Perform the required tasks noted in Preparing for Year-End Closing, referring to the noted topics for specific details.

By using this method, your general ledger ties to financials for the same periods run for all accounts, with the exception of the retained earnings account. The system posts a placeholder entry to the retained earnings account on the balance sheet to reflect the income for the period run.

For example, if you want to see a balance sheet for the fiscal year 2013, NetSuite assesses the cumulative net income though 2013 and displays that value in the retained earnings account for reporting purposes. Similarly, if you run a balance sheet for fiscal year 2012, NetSuite assesses the cumulative net income from 2011 and 2012 to determine the retained earnings balance.

NetSuite **does not post** the balance to retained earnings because doing so would zero the past income statements and prevent them from being viewed.

On your balance sheet, the retained earnings account and the net income account together make up your cumulative retained earnings balance at any point in time.

Net income from **prior** fiscal year is displayed in the **retained earnings** account.

Net income from the **current** fiscal year-to-date is displayed in the **net income** account.

The retained earnings account is a system account and cannot be deleted or substituted with another account. If you must adjust retained earnings or allocate the balance to other equity accounts, you can post a journal entry and it is reflected on the balance sheet.

Adjustments to the retained earnings account are combined on the balance sheet along with other account figures. For example, if your net income for 2013 was $100,000 and you made a journal entry that debited retained earnings $10,000 in 2013, your fiscal year 2013 balance sheet displays a $90,000 credit, assuming it was your first year in business.

Manual Close

If you want to start the new fiscal year with a zero net income, go to Transactions > Financial >Make Journal Entries to create journal entries that zero out your income and expense accounts, and transfer the balance to a retained earnings account.

> ⊗ **Warning:** Be aware that the manual close method is not recommended.

Reporting by Accounting Period

When you enable the Accounting Periods feature and set up accounting periods, you have the option of organizing report data by fiscal period instead of by date range. This capability is especially important for financial statements. The use of accounting periods also enables you to filter and calculate KPI scorecard figures by fiscal period.

To set up your reports to be organized by period, set the Report by Period preference, at Home > Set Preferences > Analytics > Reporting section. You can choose to sort and filter all reports by period, or only financial reports like income statements and balance sheets. For more information, see the help topic Choosing a Date or Period Range for a Report.

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> **Note:** After the Report by Period preference has been set for a user's reports, these reports cannot display results to the user until accounting periods for the entire fiscal year have been set up.

In NetSuite OneWorld, if you use the Multiple Calendars feature, the subsidiary's fiscal calendar determines the date ranges for the period selected for a report. For information about running reports for subsidiaries, see Running Reports for Subsidiaries with Different Accounting Periods.

To set up a KPI scorecard's data to be organized by period, check the Use Periods option on the scorecard record. For more information, see the help topics Defining KPI Scorecard Date Ranges or Periods and Period Ranges for KPI Scorecards.

Running Reports for Subsidiaries with Different Accounting Periods

Running Reports for Subsidiaries without Multiple Calendars

In NetSuite OneWorld, different subsidiaries may use different fiscal periods. In these cases, accounting periods are usually set up to map to the root parent subsidiary's calendar, so that consolidated reports that report by period fit the internal management reporting calendar.

These default reporting periods may not meet the fiscal reporting requirements for lower level subsidiaries that use different fiscal periods from the root parent subsidiary. When you run these subsidiaries' reports, you can select **Custom** in the **Period** list, and select beginning and ending periods that correspond to the range you need, or for reports such as the Balance Sheet, the **As of** period you need.

If none of the listed periods fit a subsidiary's date requirements, you can change the Report by Period preference, at Home > Set Preferences on the **Analytics** subtab, to **Never**. Rerun the report, select **Custom** in the **Date** list, and enter the exact beginning and ending dates, or **As of** date that you need.

If further modifications are needed to meet reporting requirements for a subsidiary, you can use the Financial Report Builder to create customized financial statements for individual subsidiaries. For more information, see the help topic Using the Financial Report Builder. For reports other than financial statements, you can use the Report Builder for customization. For more information, see the help topic Report Customization.

> **Note:** By default, each report displays data for the top-level, or root-parent, subsidiary. Select from the **Subsidiary Context** list to display data for the subsidiary you want. See the help topic Setting the Subsidiary Context for a Financial Statement.

Running Reports for Subsidiaries with Multiple Calendars

With Multiple Calendars feature enabled, you can have more than one fiscal calendar to roll up accounting periods for reporting purposes.

To view a report using the accounting period rollup for a subsidiary:

1. Select a subsidiary on the footer for a report.
2. Select an option for **Period** or **Date**, depending on the type of report you are running and your **Report by Period** preference.

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The dates for the report range selected are based on the accounting period rollup in the context the fiscal calendar assigned to the subsidiary.

For consolidated reporting, when you run reports for a single subsidiary, the associated fiscal calendar applies. When you run a report at the consolidated level, the fiscal calendar associated with the highest level consolidated subsidiary determines the accounting period hierarchy.

Searching by Accounting Period

You can filter and display transaction search data based on related accounting period field values. You can use the following fields as filter criteria and results for advanced searches and saved searches of transactions:

- AP Locked - whether A/P transactions have been locked for the period

- AR Locked - whether A/R transactions have been locked for the period

- Adjust - whether the period is an adjustment period

- All Locked - whether all transactions are locked for the period

- Allow Non G/L Changes - whether changes that do not impact the general ledger are allowed for the period after its transactions have been locked.

- Closed - whether the period is closed

- Date Closed On - date when the period was closed

- End Date - last day of the period

- Inactive - whether the period is inactive

- Internal ID - internal ID of the period

- Payroll Locked - whether payroll transactions have been locked for the period

- Period Name - name of the period

- Quarter - whether the period is a quarter

- Start Date - first day of the period

- Sub-Period Of - parent of the period

- Year - whether the period is a year

> **ⓘ Note:** Fiscal Calendar is not available as a filter for search criteria and results. You can however restrict your view to a single subsidiary at Home > Set Preferences > Restrict View. Search results are limited to the accounting periods for the fiscal calendar assigned to that subsidiary.

Transaction search is available at Transactions > Management > Search Transactions, and from Search options at Lists > Search > Saved Search > New.

To enter an advanced search, check the **Use Advanced Search** box. To create a saved search, click **Create Saved Search**.

- To filter by an accounting period field's value, on the **Criteria** subtab, from the **Filter** list, select **Accounting Period Fields**. In the Accounting Period Filter popup window, select a field.

- To display an account period field's values in search results, on the **Results** subtab, from the **Columns** list, select **Accounting Period Fields**. In the Accounting Period Filter popup window, select a field.

For general information about searches, see the help topic Running Searches . For information about saved searches, see the help topic Saved Searches.

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Locking Transactions

⚠️ **Important:** The following text applies only if the Accounting Periods feature has **not** been enabled. This feature provides different, more complex functionality for locking transactions and closing periods. See Working with Accounting Periods.

The Lock Transactions link and page are available only if you have chosen not to use the Accounting Periods feature at Setup > Accounting > Preferences > Accounting Preferences.

To verify that the Accounting Periods feature is not enabled:

1. Go to Setup > Company > Setup Tasks > Enable Features. Click the **Accounting** subtab.
2. Clear the **Accounting Periods** box.
3. Click **Save**.

To lock transactions if you do not use accounting periods:

1. Navigate to Setup > Accounting > Lock Transactions.
2. Enter a date when all transactions should be locked.
3. Click **Save**.

Editing a Locked Transaction without Accounting Periods

Locking transactions prevents unauthorized users from entering or changing transactions on or before the ending date of that time period.

To edit a locked transaction, you must be logged in as an Administrator or the standard, System Accountant. If you are logged in with these roles, find the transaction you want to change and access the record in edit mode. A warning appears before you enter or change a locked transaction. Agree to the warning, and continue.

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General Ledger Impact of Transactions

The following topics explain the general ledger (GL) impact of some common NetSuite transactions. Review them to get a high-level understanding of these transactions. For more detail, see help topics specific to these transactions.

- Sales Transaction GL Impact
- Customer Transaction GL Impact
- Vendor/Purchase Transaction GL Impact
- Cost of Goods Sold (COGS) GL Impact
- Bank Transaction GL Impact

> **Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

Sales Transaction GL Impact

Sales transactions are entered to process sales you make and can affect your general ledger. These transactions are used to record and fulfill orders as well as bill customers for orders they have received. As sales transactions are entered, NetSuite records the value of items shipped to customers and the prices charged for them.

Sales Orders

Entering sales orders enables you to track the items you need to fulfill and ship to customers. Sales orders, however, are non-posting transactions. They **do not** post an amount to your ledger accounts.

Enter sales orders at Transactions > Sales > Enter Sales Orders.

After you fulfill a sales order, the costs and asset values of the items post to your ledger.

Order Fulfillments

Fulfilling a sales order ships items to a customer to complete a sale. When you fulfill an order, you pull the items from inventory, package them, and send them to your customer.

After you physically fulfill an order, record an item fulfillment in NetSuite to specify which parts of an order you fulfilled. For example, Maple Street School buys copy paper from you to use in their office. Yesterday, they placed an order for three cases of paper. This morning, you fulfilled the order by getting three cases out of inventory, boxing them, and delivering them to the school. Now you need to record the fulfillment in NetSuite.

When you record a fulfillment, it posts to the journal accounts affected by the fulfillment. Because you are removing items of value from your inventory, fulfilling items lowers the total value of your assets on hand. That is why a fulfillment posts a decrease to an asset account.

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The amount of the decrease that posts is based on your cost for the item. For example, if you paid $10 for each of the three cases, the value of your assets on hand decreases by $30. This posts as a decrease in the Inventory Asset account. Fulfilling items also increases the total amount you have spent on items sold, which is tracked in the Cost of Goods Sold (COGS) account. You paid $10 for each of the three cases, so this posts as a $30 increase to your COGS account.

These journal lines are posted by this fulfillment:

Account	Debit	Credit
Cost of Goods Sold (COGS)	$30	
Inventory Asset		$30

Record your item fulfillments at Transactions > Sales > Fulfill Orders.

After an order is fulfilled, bill the customer that received the order. Customers can be billed using cash sales, invoices, or statement charges.

Cash Sales

Cash sales should be used to bill customers only if you receive assured payment at the time of the sale in the form of credit card, check, or cash. If you provide terms for your customers and let them pay within a certain period, issue invoices and track how much each customer owes you. For example, you enter a cash sale for three cases of copy paper at $25 each. The total of $75 is paid upon receipt in cash. When you record a cash sale, the cash sale posts to the journal accounts affected by the sale. Accepting the cash from your customer increases the total amount of money you have yet to deposit in the bank. The cash sale posts this as $75 added to the Undeposited Funds account. Accepting the cash from your customer also increases the total amount of funds you have received as income. The cash sale posts this as $75 added to the Sales Income account.

These journal lines are posted by this cash sale:

Account	Debit	Credit
Undeposited Funds	$75	
Sales Income		$75

Record cash sales at Transactions > Sales > Enter Cash Sales.

Invoices

Invoices record income you expect to receive in the future for goods or services that you have provided. For example, you enter an invoice for three cases of copy paper at $25 each, totaling $75 due. When you record an invoice, it posts to the journal accounts affected by the invoice. The invoice increases the total amount of funds you need to collect as payments from customers. The invoice posts this as $75 added to the Accounts Receivable account. The invoice also increases the total amount of funds you have received as income. The invoice posts this as $75 added to the total amount in the Sales Income account.

These journal lines are posted by this invoice:

Account	Debit	Credit
Accounts Receivable (AR)	$75	

Account	Debit	Credit
Sales Income		$75

Invoice your orders at Transactions > Sales > Bill Sales Orders or at Transactions > Sales > Create Invoices.

Statement Charges

Statement charges are similar to invoices because they track payments you expect from customers. Use statement charges instead of invoices when you want to enter several charges that accumulate before you send a billing statement to the customer. For example, a landscaping company offers weekly lawn service to its customers. Each weekly service incurs a $50 charge. A $50 statement charge is entered each week that the lawn service is performed. Then, one time each month a statement is sent to the customer showing the total due for services performed.

Statement charges increase expected receivables and increase income like invoices do. These journal lines are posted by this statement charge:

Account	Debit	Credit
Accounts Receivable (AR)	$200	
Sales Income		$200

Record Statement Charges at Transactions > Sales > Create Statement Charges.

Customer Transaction GL Impact

After customers are billed, you must process payments you receive. Customer transactions you enter in NetSuite include customer payments and deposits, return authorizations, receipts of item returns, credit memos, and customer refunds. As you enter customer transactions, NetSuite records the effects with journal entries in the general ledger.

Customer Payments

Enter customer payments to record payments you receive from customers. By recording payments, you can track how much money customers owe you. For example, Maple Street School has a $75 invoice due. They send you a check and you record the $75 payment. When you record a payment, it posts to the journal accounts affected by the payment. Recording a payment increases the total amount of funds you have yet to deposit in the bank. The payment posts this as $75 added to the Undeposited Funds account. Recording a payment also decreases the total amount of funds you expect to receive from customers. The payment posts this as $75 reduced from the Accounts Receivable account.

These journal lines are posted by the payment:

Account	Debit	Credit
Undeposited Funds	$75	
Accounts Receivable		$75

Record customer payments at Transactions > Customers > Accept Customer Payments.

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Customer Deposits

Sometimes a customer pays a deposit or pre-payment before an order is complete. Record this payment as a deposit that can later be applied on the invoice for the order. Then, the total amount due is decreased by the amount of the deposit. For example, Maple Street School wants to buy new computers for their library. After they place the order, they pay a $1,000 deposit. When you record the customer deposit, the payment posts to the journal accounts affected by the deposit. Recording a deposit increases the total funds you are holding to apply to invoices later. The deposit posts this as a $1,000 increase in the Customer Deposits account. The deposit also increases the total amount of money due to be deposited in your bank account. The deposit posts this as a $1,000 increase in the Undeposited Funds account.

These journal lines are posted by the deposit:

Account	Debit	Credit
Undeposited Funds	$1,000	
Customer Deposits		$1,000

Record customer deposits at Transactions > Customers > Record Customer Deposits.

Return Authorizations

Customers that want to return an item for a refund or credit can be issued a return authorization. A return authorization enables you to track items you expect to be returned, but is not a posting transaction. Items on return authorizations have no accounting impact until you receive those items back into inventory. When you receive the items back into your inventory, the costs and asset values of the items post to your ledger.

Return Receipts

When your warehouse gets an authorized return from a customer, you need to record that you have received it. Then, you can track which items you have already received and which ones you expect to receive later. For example, Maple Street School returns a keyboard they previously purchased. Your warehouse manager puts the keyboard back in stock to sell again at a later time, and you record that the keyboard is added back into inventory.

When you receive a return, it posts to the journal accounts affected by the receipt. Because you are adding items of value to your inventory, receiving items increases the total value of your assets on hand. A return receipt posts an increase to an asset account. The amount of the increase that posts is based on the amount you paid for the item. You originally paid $10 for the keyboard, so the value of your assets on hand increases by $10. This posts as an increase in the Inventory Asset account. Receiving a return also decreases the total amount you have spent on items sold, which is tracked in the Cost of Goods Sold (COGS) account. You paid $10 for the keyboard, so this posts as a $10 decrease from the total amount in the COGS account.

These journal lines are posted by the deposit:

Account	Debit	Credit
Inventory Asset	$10	
Cost of Goods Sold (COGS)		$10

Record return receipts at Transactions > Customers > Receive Returned Order.

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When a return has been received, you can issue a refund or credit to the customer.

Credit Memos

A credit memo decreases the amount a customer owes you. You can use a credit memo to reverse a charge billed to a customer. For example, last week you billed Maple Street School for 10 keyboards at $20 each. Upon realizing they had one keyboard too many, the school returned the extra keyboard. When the returned keyboard is received, you issue a credit memo to decrease the total amount the school owes. Issuing a credit memo posts to the journal accounts affected by the credit memo.

Because crediting an item reduces the amount you expect this customer to pay, it reduces the total funds you are expecting to receive. This posts as a $20 decrease to the Accounts Receivable account. Crediting the item decreases the total amount of your income from sales. This posts as a $20 decrease to the Sales Income account.

These journal lines are posted by the credit memo:

Account	Debit	Credit
Sales Income	$20	
Accounts Receivable (AR)		$20

Issue Credit Memos at Transactions > Customers > Issue Credit Memos.

When a credit memo has been issued, you can issue the customer a refund.

Customer Refunds

Customer refunds give money back to the customer in the amount that they originally paid. Refunds are often made using checks but may also credit the customer's credit card. You can refund money to customers by generating a refund from a credit memo or by generating an individual refund.

Refunding from a Credit Memo

For customers that are billed with invoices instead of cash sales, refund returns by first generating a credit memo and then clicking Refund on the credit memo. When you click Refund, a customer refund opens in the amount credited on the credit memo. For example, Maple Street School wants to be refunded the amount showing on the credit memo you issued for the returned keyboard. To process the refund, view the credit memo and click the Refund button.

Refund from a credit memo by going to Transactions > Customers > Issue Credit Memos > List and clicking View next to the credit memo.

Refunding a Cash Sale

If you originally entered a cash sale and now need to refund money to a customer, enter an individual cash refund. A cash sale refund is a transaction that gives money back to a customer who paid for goods or services at the time of the sale using cash, a check, or a credit card.

Cash refunds are not generated from a credit memo, but instead issue a payment to the customer in the amount you enter on the cash refund. For example, a teacher at Maple Street School purchased three staplers for the classroom. The teacher bought the staplers with cash and you entered a cash sale. Later, the teacher realized that only two staplers were needed and returned one of them. To refund the money for the stapler, you enter a cash refund.

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Enter a cash refund at Transactions > Customers > Refund Cash Sales.

Account	Debit	Credit
Sales Income	$20	
Checking Account (or Undeposited Funds Account)		$20

Refund Journal Entries

Refunding a return posts to the journal accounts affected by the refund.

Refunding a sale decreases the income generated from the original sale. When you refund the sale, the amount of income generated by the sale posts as a decrease to your sales income account. Refunding a sale takes money out of your checking account in the amount of the refund. This posts as a decrease to your checking account.

These journal lines are posted by the refund:

Account	Debit	Credit
Sales Income	$20	
Checking Account		$20

Refund a return at Transactions > Customers > Refund Returns.

Vendor/Purchase Transaction GL Impact

Purchase transactions you enter in NetSuite include purchase orders, item receipts, vendor bills, vendor payments, and vendor credits.

As you enter these transactions, NetSuite records the costs and value of items. These transaction forms appear on the Transactions tab under the Sales Transaction heading when you are logged in using your Administrator role.

Purchase Orders

Entering purchase orders enables you to track the items you expect to receive from vendors and the costs associated with those purchases. Purchase orders, however, are non-posting transactions. They do not post an amount to your ledger accounts.

Record purchase orders at Transactions > Purchases > Enter Purchase Orders.

When you receive the purchase order, the costs and asset values of the items post to your ledger.

Item Receipts

As shipments arrive at your business, match them against open purchase orders to receive them into inventory. Record an item receipt to detail the items you are receiving into your inventory. For example, the Jones Paper Company ships you 10 cases of paper at a purchase price of $10 each. After you verify that the shipment contains all 10 cases, you record that you received them into your inventory. When you record an item receipt, it posts to the journal accounts affected by the receipt.

Receiving items increases the total value of your assets on hand. The receipt posts this as $100 added to the Inventory Asset account. Receiving items also increases the total amount owed to your vendor. The item receipt posts a $100 increase in the total amount of the Accounts Payable account.

These journal lines are posted by the receipt:

Account	Debit	Credit
Inventory Asset	$100	
Accounts Payable		$100

Record item receipts at Transactions > Purchases > Receive Orders.

If you use the Advanced Receiving feature, item receipts can post to other ledger accounts. For detailed information about the Advanced Receiving feature and tracking Cost of Goods Sold (COGS), see the help topic Inventory Costing and the Advanced Receiving Feature.

Vendor Bills

Entering vendor bills enables you to record invoices you receive from vendors. Then, you can pay bills from the payable list as they are due. By recording vendor bills rather than writing a check to the vendor, you can track how much money your business owes at any point during the billing cycle. For example, you enter a bill from the Jones Paper Company showing $100 due for 10 cases of paper. When you record a bill, the bill posts to the journal accounts affected by the bill.

Billing items decreases the total amount you must schedule for payment to a vendor. The bill posts this as a $100 decrease from the account Accrued Purchases. Billing items also increases the money you are due to pay out. The bill posts this as a $100 increase in the Accounts Payable account.

These journal lines are posted by the bill:

Account	Debit	Credit
Accrued Purchases	$100	
Accounts Payable (AP)		$100

Record vendor bills at Transactions > Payables > Enter Bills.

Vendor Payments

Enter vendor payments to record when you pay a vendor bill. The payment records the payment date and the amount paid. By tracking payments you make to vendors, you know how much money you owe to specific vendors. For example, you pay the $100 bill from Jones Paper Company. When you record a vendor payment, the payment posts to the journal accounts affected by the payment.

Paying bills reduces the total amount of money you owe to vendors. The vendor payment posts a $100 decrease of the amount in the Accounts Payable account. The bill payment also decreases the total amount of money in the bank account you pay from. The vendor payment posts a $100 decrease of the total amount of funds in the Checking account.

These journal lines are posted by the payment:

Account	Debit	Credit
Accounts Payable (AP)	$100	

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Account	Debit	Credit
Checking		$100

Record a vendor payment at Transactions > Payables > Pay Bills or Transactions > Payables > Pay Single Vendor.

Vendor Credits

Enter a vendor credit to record credit from a vendor that you can apply to your payable account. Vendors may credit your account if you return merchandise to them or negotiate a discount after receiving an invoice. For example, after you paid the bill to Jones Paper Company, you discover that one case of paper you received is damaged. You send the paper back and they fax you a credit memo for $10. You record the $10 credit so you can apply it against another Jones bill the next time you make a payment.

When you enter a vendor credit, the credit posts to the journal accounts affected by the credit. Crediting items decreases the total amount of money you are due to pay out to the vendor. The credit posts a $10 decrease of the amount in the Accounts Payable account. Vendor credit decreases the total value of your inventory. The vendor credit posts a $10 decrease of the total amount in the Inventory Asset account.

These journal lines are posted by the credit:

Account	Debit	Credit
Accounts Payable (AP)	$10	
Inventory Asset		$10

There are two ways to enter a vendor credit:

- Create a credit from an original vendor bill.

  Go to Transactions > Payables > Enter Bills > List and click the date next to the bill you want to credit.

- Manually create a credit that is not necessarily associated with an existing bill.

To manually enter a vendor credit, go to Transactions> Payables > Enter Vendor Credits.

Cost of Goods Sold (COGS) GL Impact

If you use both the Accounting and Inventory features, you must know the cost of each item in inventory to track the total value of your assets and to calculate profits. You can use NetSuite to track the costs associated with goods and services you sell, or Cost of Goods Sold (COGS). The cost of an item you buy or sell affects accounts in your general ledger.

A COGS account is not an expense account, but it functions like an expense account. When calculating your company's gross profit, the COGS total is subtracted from the income total before expenses. While the cost of an item can be directly associated with income, expenses (such as rent and utilities) are normally considered overhead and are not directly associated with the sale of an item.

For example, you buy calculators from a vendor to sell in your retail store. Each time you buy a calculator and add it to inventory, you need to account for two changes:

- increase of assets on hand

- increase of payments you need to make

The amount that posts to your ledger for these changes is the value, or cost of the item. If the vendor charges $10 for each calculator, these changes are recorded when you receive a calculator into inventory:

- $10 increase in Inventory Asset account
- $10 increase in Accounts Payable account

Each time you sell a calculator you must account for two changes:

- decrease of assets on hand
- increase of costs you incurred to make this sale

When you fulfill the item, the item cost posts to your ledger to record the appropriate changes:

- $10 decrease in Inventory Asset account
- $10 increase in COGS account

In this way, you keep track of the value of your inventory on hand and you also track the total amount of money spent on inventory that you have sold.

The cost of an item is determined at the time you receive it into inventory through a purchase or an inventory adjustment. Item cost is determined by the price of the item that shows on the purchase order.

The exact cost assigned to an item depends on the costing method you choose. Standard costing methods are First In First Out (FIFO), Last In First Out (LIFO), or Average.

- **First-In, First-Out (FIFO)** – Using FIFO, the first goods purchased are assumed to be the first goods sold so that the ending inventory consists of the most recently purchased goods.
- **Last-In, First-Out (LIFO)** – Using LIFO, the last goods purchased are assumed to be the first goods sold so that the ending inventory consists of the first goods purchased.
- **Average costing** (weighted-average method) – In NetSuite, this is the default costing method. COGS are calculated as the total units available during a period divided by the beginning inventory cost plus the cost of additions to inventory.

Bank Transaction GL Impact

You must regularly examine your bank account balances. Account balances are determined by bank transactions that affect these accounts such as deposits you make and checks that you write.

Bank Deposits

When you make a deposit with your bank, the deposit increases the total amount of money in a bank account. For example, you have checks from customers that paid invoices this week. The total of all the checks is $2,500. When you take the checks to the bank and deposit them into your checking account, record the $2,500 deposit in NetSuite to track the balance in your checking account.

When you record the deposit, the payment posts to the journal accounts affected by the deposit. Recording a deposit increases the total amount of money you have in your Checking account. The deposit also decreases the total amount of money due to be deposited in your bank account. The deposit posts a $2,500 decrease in the Undeposited Funds account.

These journal lines are posted by the deposit:

Account	Debit	Credit
Checking Account	$2,500	
Undeposited Funds		$2,500

Record bank deposits at Transactions > Bank > Make Deposits.

Recording Deposits from Transactions

When entering customer payments, customer deposits, or cash sales, you can specify that the transaction amount directly post into a bank account instead of into your Undeposited Funds account. NetSuite does not track each deposit made into a bank account when you choose to directly post transactions.

To set the account to which a transaction posts, click the Account button and select a bank account in the list. After you save the transaction, NetSuite remembers the account you selected the next time you open that type of form.

Recording Deposits on Payment Method Records

You can set the account to which payments post based on the type of payment method used. For example, you can set all payments made by credit card to automatically records funds deposited in your checking account.

To set an account to deposit to on payment method records, go to Setup > Accounting > Accounting Lists and click Edit next to the payment method. On the payment method record, click Deposit To and select an account into which the funds should be deposited. Click Save. Now when you select the payment method on a transaction, the funds deposit to the account you indicated.

To create a new payment method record, go to Setup > Accounting > Accounting Lists > New and then click Payment Method.

Writing Checks

When you spend money by writing a check, recording the check in NetSuite shows how much money you spent by decreasing the total amount of money in a bank account. If you record expenses on the check, the check shows how you spent the money.

> **ⓘ Note:** There is an important difference between entering checks and entering other transactions. Many transactions default to automatically post into certain ledger accounts. When you write a check, however, you choose the journal account affected by the payment and the check amount posts into that account.

For example, you pay $30 to buy a case of paper for the printer in your office. When you write the check, you record how much you spend and why the money was spent. The check posts a $30 decrease in the total amount of funds in the checking account, and $30 is added to the account to which the expense should be posted such as the Office Expense account.

These journal lines are posted by the payment:

Account	Debit	Credit
Office Expense	$30	

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Account	Debit	Credit
Checking Account		$30

Checks you write can post to more than one expense account, if needed. For example, each month you write a check to your phone company for monthly expenses. Your monthly phone bill shows charges for land-line phones in your office as well as cell phones and pagers your employees use. This month your office phone charges are $175, cell phone charges are $300, and pager charges are $50. Your total bill from the phone company is $525. Because you previously set up expense accounts to track each type of phone expense, you can enter the exact amount for each expense when you write the check.

These journal lines are posted by the check:

Account	Debit	Credit
Telephone: Office	$175	
Telephone: Cell	$300	
Telephone: Pager	$50	
Checking Account		$525

> **Note:** To keep your accounts in balance, the total amount of the debit lines must be equal to the credit amount to save the check and post the entries.

Write checks at Transactions > Bank > Write Checks.

Entering Checks to Record Non-Check Debits

You can enter a check to record other purchase methods that decrease funds from bank accounts. For example, you can enter a check to track cash purchases, debit card transactions, ATM (automated teller machine) transactions, and EFT (electronic funds transfer) payments.

To record non-check debits, go to Transactions > Bank > Write Checks. Enter the payee and the amount you spent. Verify the account you are debiting. In the Check # field, enter CASH, ATM, DEBIT or EFT to identify the transaction. On the Expenses and Items subtabs, enter line items for the expenses or items associated with this cash transaction. Click Save.

General Ledger Tracking in Transaction System Notes

When you use the Accounting feature, the system notes logged for transactions include tracking general ledger impact. Each time a change is made to a transaction that affects the general ledger, a system note is created so you can reference the change that occurred. For example, if an invoice originally sells five widgets and then you edit it to sell ten widgets, the system notes track the general ledger impact of increasing the number of widgets sold.

On the System Information subtab of transactions, the System Notes subtab shows ledger changes with the term **Impact** in the Field column. Click the **View** links to see details of debits and credits posting to the ledger, both before the change and after:

- Click View under Old Value to see the previous ledger impact.
- Click View under New Value to see the ledger impact after the change was entered.

General Accounting

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Accessing the details of general ledger posting changes for each transaction enables you to audit accounting data using the newest addition to system notes.

You also can search transaction system notes for changes made within a particular date, time, or both range. Tracking these changes helps you monitor user activity and avoid unexpected postings to closed periods. NetSuite provides two methods for these searches: the transaction audit trail and system notes searches. For more information, see the help topics Using the Transaction Audit Trail and Searching System Notes.

> **Note:** The setting for Log System Notes on Updates Only at Setup > Company > General Preferences determines whether system notes are generated when a transaction is created. By default, it is enabled for new accounts as of that release or later, and disabled for accounts that existed before that release.

Working with Journal Entries

Any transaction that changes the balance in a ledger account does so by posting a journal entry. Transactions that post to ledger accounts are called posting transactions. For example, a bank check is a posting transaction. NetSuite automatically generates journal entries when you record posting transactions.

Journal entry transactions are not posted until they are approved. A journal entry is posted in a period to which the journal entry approver has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date, or, if this period is locked/closed, the first open period. For an introduction to NetSuite journal entries, see Journal Entries Overview.

> **Note:** When a journal entry is an automated posting generated by the system for a specific purpose, the line item appears dimmed. Typically, postings of this type are generated during revenue recognition, amortization, allocation, payments applied, foreign currency revaluation applied to AR/AP lines on the journal entry, autogenerated intercompany time and expense, intercompany auto elimination, and vendor bill variance.

> **Warning:** If you have enabled the Statistical Accounts feature (Setup > Company > Enable Features > Accounting under Advanced Features) and have defined a saved search for general journal entries, to avoid unexpected results, update the search criteria to filter out statistical journal entries. For more information, see the help topic Using Statistical Accounts.

If you must adjust the balances in your ledger accounts without entering a posting transaction, make a manual journal entry. Automated and manual journal entries move amounts between accounts, representing the flow of funds through your company.

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, and each journal entry includes at least one debit amount and at least one credit amount.

For instructions for completing journal entry tasks, see the following topics:

- Setting Journal Entry Preferences
- Making Journal Entries
- Approving Journal Entries
- Using SuiteFlow for Journal Entry Approvals
- Reversing Journal Entries
- Deleting Journal Entries
- Viewing Journal Entries
- Printing Journal Entries
- Importing a Journal Entry

> **Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features you can modify the line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

Journal Entries Overview

A general journal entry records debits and credits to be posted to ledger accounts. General journal entries adjust the value of any set of accounts without entering transactions such as invoices or bills.

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For example, journal entries can be used to do the following:

- Specify the opening balances for your accounts if you chose not to do it when you first created your NetSuite account for your company

- Edit your opening balances if you find the amounts were in error

- Enter an adjustment such as for depreciation, that is not possible as a standard transaction

- Transfer amounts from one ledger account to another

- Consolidate multiple subsidiary accounts into a single account for the purposes of consolidated reporting

Journal entry transactions are not posted until they are approved. A journal entry is posted in a period to which the journal entry approver has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date, or, if this period is locked/closed, the first open period.

To keep your books in balance, remember the principles of double-entry bookkeeping when you make journal entries. You can enter as many lines as needed in the journal entry if the total amount of debit lines equals the total amount of credit lines.

> **Note:** Because lines in journal entries can post to almost any account you choose, ensure that the accounts you select accurately reflect the transaction you are recording.

Specialized Types of Journal Entries

The following are specialized types of journal entries:

- **Journal Entries in OneWorld** - Most journal entries in OneWorld must be associated with a single subsidiary and are made in the same manner as journal entries in accounts that are not OneWorld. See Making Journal Entries in OneWorld.

  The following types of journal entries are available to maintain balance among subsidiaries in OneWorld accounts:

  - **Advanced Intercompany Journal Entries** - Advanced intercompany journal entries record the impact of transactions between two or more subsidiaries. These advanced intercompany journal entries are created through a user interface that differs from both regular journal entries and legacy intercompany journal entries. Advanced intercompany journal entries identify both a **from** (originating) subsidiary and one or more **to** (receiving) subsidiaries. These journal entries cause the ledger of each subsidiary to be appropriately debited and credited.

    As of 2018.1, advanced intercompany journal entries replace legacy intercompany journal entries in new OneWorld accounts, except when the Intercompany Time and Expense feature is enabled. See Advanced Intercompany Journal Entries.

  - **Intercompany Journal Entries** - Prior to 2017.1, these intercompany journal entries, now called **legacy** intercompany journal entries, were the only journal entries that recorded the impact of transactions between subsidiaries. These legacy intercompany journal entries are created through a user interface that differs from both regular journal entries and advanced intercompany journal entries. Legacy intercompany journal entries are limited to an originating subsidiary and a single receiving subsidiary. See Intercompany Journal Entries.

  - **Elimination Journal Entries** - Elimination journal entries are regular journal entries that are associated with elimination subsidiaries. Elimination journal entries can be created to reverse the effect of intercompany transactions, thereby maintaining balance in the consolidated books. An elimination journal entry must be associated with a single elimination subsidiary. See Elimination Journal Entries. Use the Automated Intercompany Management feature to

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automatically generate elimination journal entries when closing a period. See Automated Intercompany Management Overview.

- □ **Automated Intercompany Adjustments** - The Intercompany Time and Expense feature enables entry of intercompany time and expense transactions. It also enables creation of adjusting intercompany journal entries to transfer time, expense, or both charges from one subsidiary to another. Adjustments for intercompany expenses can be automated. Intercompany adjustments for time cannot be automated. Users with the Intercompany Adjustments permission and access to all subsidiaries can configure the system to generate all required adjustments for a selected posting period. See Creating Intercompany Adjustments for Time and Expenses.

- ▪ **Expense Allocation Journal Entries** – If the Expense Allocation feature is enabled, you can set up allocation schedules to automate journal entries that transfer balances from expense accounts into other accounts. For information about scheduling expense allocation journal entries, see Expense Allocation Overview.

- ▪ **Revenue Recognition Journal Entries** – If the Revenue Recognition feature is enabled, you can set up revenue recognition schedules and create specialized journal entries that recognize revenue over a period of time rather than all at one time. See the help topics Revenue and Expense Recognition Overview and Working with Revenue Recognition Journal Entries.

- ▪ **Amortization Journal Entries** – If the Expense Amortization feature is enabled, you can set up amortization schedules and create journal entries that amortize expenses across a range of time and recognize expenses in increments. See the help topics Amortization Feature Overview and Generating Amortization Journal Entries.

- ▪ **Statistical Journal Entries** – If the Statistical Accounts feature is enabled, you can make single-sided transactions by class, department, location, or custom segment. Statistical journals appear as a positive, debit amount. For more information, see the help topic Making Statistical Journal Entries.

- ▪ **Book Specific Journal Entries** – If the Multi-Book Accounting feature is provisioned in your account, you can make book specific journal entries and book specific intercompany journal entries. For more information, see the help topic Journal Entries in Multi-Book Accounting.

Manual Journal Entry Creation

You record manual journal entries at Transactions > Financial > Make Journal Entries. When you have finished entering line items on the Journal page, the Out of Balance fields at the top should be empty. If either field contains an amount, your line items are out of balance and you cannot save the journal entry.

For more information, see Making Journal Entries and Reversing Journal Entries.

> ⓘ **Note:** Intercompany journal entries, statistical journal entries, revenue recognition journal entries, and amortization journal entries are made on their own specialized pages, available from separate menu options.

Journal Entry Approval

You can set up an approval process for journal entries before they post to your general ledger. When you enable the Require Approvals on Journal Entries accounting preference, you require that journal entries are approved by employees with Administrator or Full Access roles before they are posted to your ledger accounts. After you enable the preference for journal entry approval, journal entries entered by employees without approval permission must be approved before they post to your general ledger. Employees with approval permission can mark their own journal entries approved when entering them. For information about setting this preference, see Setting Journal Entry Preferences.

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You can also use SuiteFlow to create a custom journal entry approval routing workflow. For details, see Using SuiteFlow for Journal Entry Approvals.

You can approve journal entries at Transactions > Financial > Approve Journal Entries. After journal entries are approved, they post to your general ledger. For more information, see Approving Journal Entries.

Journal Entry Reversal

Journal entries can also be used to reverse ledger entries that have already posted to accounts. These are known as reversing journal entries.

You may want to set up a journal entry to automatically reverse itself. These reversing journal entries do not require you to manually track the transaction. For example, you enter an accrual transaction for revenue earned but not yet received. Next month, you must make a journal entry to reverse that accrual entry.

A reversing journal entry is an exact opposite of the original journal entry. For example, the original journal entry debits Accounts Receivable $100, credits a revenue account $100, and has an exchange rate of 1.5. The reversing entry credits Accounts Receivable $100, debits the revenue account $100, and has an exchange rate of 1.5 regardless of the current exchange rate.

A reversing journal entry is also permanently linked to the original entry. Any change you make to the original entry affects the reversing transaction. You cannot directly edit a reversing journal entry.

To create a reversing journal entry, go to the Journal entry page. In the Reversal Date field, enter the date on which you want the reversing entry to be posted. Complete the remaining information as required, and click Save. For more information, see Reversing Journal Entries.

Setting Journal Entry Preferences

The following preferences relating to journal entries are available under Accounting Preferences:

- Void Transactions Using Reversing Journals Preference
- Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period
- Summarized Intercompany Elimination Journal Entries
- Require Approvals on Journal Entries Preference
- Use Journal Entry Approval Routing
- Class, Department, Location Journal Entry Preferences
- Revenue Recognition Journal Entry Preference

Void Transactions Using Reversing Journals Preference

Enable the Void Transactions Using Reversing Journals preference to permit the creation of journal entries that void transactions on days or periods different from the original transaction dates.

To enable this preference, go to Setup > Accounting > Accounting Preferences. On the General subtab in the General Ledger section, check the Void Transactions Using Reversing Journals box. After you enable this preference, a reversing journal entry is created when you click the Void button on the following transactions:

- Check

- Bill Payment
- Payroll Liability Payment
- Customer Refund
- Tax Payment
- Tax Liability Check

Clicking Void on the transaction opens a Voiding Journal form. The journal entry lines autofill to show the reverse of the original transaction. The Void Of field provides a link to the original transaction.

Saving the Voiding Journal form sets the status of the original transaction to Voided. Then, when you view the original transaction, the Voided On date provides a link to the voiding journal entry.

Be aware of the following conditions:

- After you void a transaction, you cannot make any changes that have general ledger impact to the original transaction including changing the posting period.
- Checking and clearing the Void Transactions Using Reversing Journals box results in different entries on reconciliations. For example, you check the box and then void a bill payment with a journal entry. You then clear the box. The reversing journal entry appears in reconciliations, but the bill payment does not. If the box had been checked, both the bill payment and the journal entry would have appeared in reconciliations.
- For bill payments, customer refunds, or payroll liability checks you void, any linked transactions are reopened. For example, if you void a bill payment, the bill it paid would have an Open status.

> ⚠️ **Important:**   **When you enable the Void Transactions Using Reversing Journals preference, you can no longer void the following transactions: sales order, estimate, cash sale, invoice, return authorization, cash refund, and credit memo.**

Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period

When the Void Transactions Using Reversing Journals preference is enabled, the Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period preference is available. Check this box to require NetSuite to use the date specified in a reversing foreign currency gain and loss variances on voided transactions. If this box is not checked, NetSuite uses the current date for variance and reversal lines, rather than the date of the reversing journal entry.

To enable the Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period preference, go to Setup > Accounting > Accounting Preferences. On the General subtab in the General Ledger section, check the Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period box.

Require Approvals on Journal Entries Preference

You can require approval for journal entries before they are posted. Requiring approval establishes control over the accuracy and materiality of the journal entries in your ledgers.

To enable the Require Approvals on Journal Entries preference, go to Setup > Accounting > Accounting Preferences. On the General subtab in the General Ledger section, check the Require Approvals on Journal Entries box.

After you enable this preference, a user with the Journal Approval permission (Edit level or higher) must approve each journal entry before it is posted. By default, only users with the Full Access or

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Administrator role have this permission. Administrators can add this permission to a customized role, permitting users with that role to approve journal entries. See the help topic Customizing or Creating NetSuite Roles.

Use Journal Entry Approval Routing

You can use SuiteFlow to create a custom journal entry approval routing workflow. First you enable the SuiteFlow feature at Setup > Company > Setup Tasks > Enable Features. Then you enable the Journal Entries approval routing accounting preference at Setup > Accounting > Accounting Preferences. If you have been using the Require Approvals on Journal Entries accounting preference, you must approve all existing journal entries before you can enable the Journal Entries approval routing preference. For information about creating a custom journal entry approval routing workflow, see Using SuiteFlow for Journal Entry Approvals.

Class, Department, Location Journal Entry Preferences

If you use classes, departments, locations, or a combination of segments to categorize records, you can specify how these categories are set on journal entry forms:

- **Always Allow Per-line Classifications on Journals** – Set this preference to enter classes, departments, and locations on individual journal entry line-items, rather than for the journal entry as a whole. For journal entries, this preference overrides any Allow Per Line Class, Department, Location preferences you have set for other transactions.

- **Allow Non-balancing Classifications on Journals** – Set this preference to enable creation of journal entries with line-item amounts that do not balance by department, class, and location.

- **Allow Empty Classifications on Journals** – Set this preference to enable creation of journal entries with line-items that do not have classes, departments, and locations, even if you require them on other forms.

> ⚠ **Important:** If you have enabled the **Intercompany Time and Expense** feature and you have made classes, departments, and locations mandatory, it is recommended that you enable the **Allow Empty Classifications on Journal** accounting preference. For more information, see Enabling Intercompany Time and Expenses.

To set these preferences, go to Setup > Accounting > Accounting Preferences, on the General subtab under Classifications.

Revenue Recognition Journal Entry Preference

If you use the Revenue Recognition feature, you can choose to post either detailed or summarized revenue recognition journal entries by setting this preference:

- **Create Revenue Recognition Journals in GL** – Provides a choice for posting revenue recognition journal entries:
  - **Detail** – A separate journal entry is created for each revenue recognition schedule.
  - **Summary** – Revenue recognition schedules are summarized for posting. The summaries are based on matching attributes. For details, see the help topic Using Summarized Revenue Recognition Journal Entries.

To set this preference, go to Setup > Accounting > Accounting Preferences. It is on the General subtab under Revenue Recognition.

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Making Journal Entries

Use journal entries to adjust the balances in your general ledger accounts without entering a posting transaction. For more information, see Working with Journal Entries, Journal Entries Overview, and Setting Journal Entry Preferences.

Journal entry transactions are not posted until they are approved. A journal entry is posted in a period to which the journal entry approver has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date, or, if this period is locked/closed, the first open period.

Copy an existing journal entry to automatically complete header and line-level data on a new journal entry. To copy a journal entry, go to Transactions > Financial > Make Journal Entries > List. Click the View link next to the journal entry that you want to copy. On the journal record, click Make Copy.

You can create memorized transactions for journal entries that recur. For more information, see the help topic Memorizing and Recalling Transactions.

You can also import journal entry data from a CSV file. See Importing a Journal Entry.

> (i) **Note:** The limit for journal entries submitted through the user interface or synchronous web services is 1,000 lines. For transactions submitted through SuiteScript, CSV import, or through asynchronous web services, the limit is 10,000 lines per transaction.

For information about making journal entries for statistical accounts, see the help topic Making Statistical Journal Entries.

Users with the Custom Transaction Forms permission can click Customize on the Journal page to create a custom journal entry form with fields different from the standard journal entry form. See the help topic Creating Custom Entry and Transaction Forms.

To enter a general journal transaction:

1. Go to Transactions > Financial > Make Journal Entries.
2. Complete the fields in the top of the form as follows:
   a. In the **Entry No.** field, accept the default or enter a different number.

      If journal entries are assigned autogenerated numbers in your account, **To Be Generated** is displayed in this field. For more information, see the help topic Set Auto-Generated Numbers.

   b. Select a **Subsidiary** if you use NetSuite OneWorld. Subsidiary is in the Classification section. You must select the subsidiary before you can accept or select the currency.

      The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.

      You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, make an intercompany journal entry. See Intercompany Journal Entries.

      If the subsidiary you select is assigned to one or more shared vendor or customer records, you can make journal entries for any of the vendors or customers to which the selected subsidiary is assigned. For more information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.

   c. If you use the **Multiple Currencies** feature, in the Primary Information section, accept the default **Currency** or select the currency used for all amounts in this journal entry.

      - If you use NetSuite OneWorld, the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

For general journal entries, the currency defaults to the base currency of your company or root parent subsidiary. You can select any other currency available in your account.

For intercompany journal entries in OneWorld, the currency defaults to the base currency of the selected subsidiary, but can be changed to the currency of the To Subsidiary.

- If you do not use NetSuite OneWorld, the **Currency** field defaults to the base currency of the company.

d. The **Exchange Rate** field displays the default exchange rate of the selected subsidiary.

For intercompany journal entries in OneWorld, this field displays the To Subsidiary's currency to the Subsidiary's currency. You can edit the exchange rate for this transaction only, or you can update the currency exchange rates list.

e. If you have journal approval permission, check the **Approved** box to approve your journal entry. If you do not check this box, this entry does not post until it is approved.

The **Approved** box displays only if the **Require Approvals on Journal Entries** accounting preference is enabled at Setup > Accounting > Accounting Preferences > **General** subtab. See Require Approvals on Journal Entries Preference.

The **Approved** box does not display if you have enabled the **Journal Entries** approval routing accounting preference. This preference enables you to use SuiteFlow to create a custom journal entry approval routing workflow. See Use Journal Entry Approval Routing.

f. In the **Date** field, accept today's date or enter a new date for the journal entry.

g. If you use fiscal periods, select the **Posting Period** in which to post this transaction.

The posting period is determined when the journal entry is approved. A journal entry is posted in a period to which the journal entry approver has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date, or, if this period is locked (closed), the first open period.

When a journal entry transaction has no defined posting period, users with **View** level of the **Manage Accounting Periods** permission see a suggested accounting period in the Posting Period field on the transaction. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission would see the suggested posting period as February. An administrator with **Full** level of the permission would see the suggested posting period as January.

h. Leave the **Reversal Date** field blank and **Defer Entry** box blank, unless you want to create a reversing entry at the same time.

If you check the **Defer Entry** box, the **Reversal Date** field is mandatory.

For information about reversing entries, see Reversing Journal Entries.

i. In the **Memo** field, enter information to help you identify this journal entry in a list of other journal entries.

The value in this field displays on the List page.

3. In the Classification section, if you have enabled **Departments**, **Classes**, or both and you classify at the transaction-level rather than the line-level, select the appropriate classification to associate with this journal entry. For information about Departments and Classes, see the help topic Departments and Classes Overview.

If the Approval Routing **Journal Entries** accounting preference box is checked, the **Approval Status** and **Next Approver** lists appear. Custom buttons that perform various commands may also appear enabled or unavailable, depending on your workflow configuration. For information about a custom journal entry approval workflow, see Using SuiteFlow for Journal Entry Approvals.

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4. On the **Lines** subtab, enter the detail information for the journal lines.

   The columns that appear are based upon the permissions set for your user role.

   > ✔ **Tip:** You can navigate down the lines by pressing the **Enter** key on your keyboard. You cannot navigate up the lines.

   a. In the **Account** field, select the ledger account to be affected by this journal entry.

      The list of available accounts is filtered according to any class, department, and location restrictions set for your role. Accounts that are associated with classes, departments, and locations to which your role does not have access are not available in the **Account** list.

   b. Enter the **Debit** or **Credit** amount for the line.

      Review the **Out of Balance By** fields at the top of the form as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

   c. Select a tax code, if needed.

   d. Complete any of the following optional fields:

      - **Memo** – Enter a memo to help you recognize this journal entry in a register for this account.

      - **Name** – Select an entity to associate with this journal entry.

        Click the double down arrows to select **List** or **Search** options for your selection.

        The **List** option opens a popup list that includes a dropdown list at the top where you can filter the entities by type, such as **Customer**, **Vendor**, **Employee**, or **Other Name**.

        If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned.

   e. If you have enabled **Locations** on the **Company** subtab of the Enable Features page and you specify classifications at the line-level, select the appropriate location to associate with this line.

      For information about Locations, see the help topic Locations Overview.

   f. If you use the Revenue Recognition or Amortization features:

      i. In the **Schedule** column list, select the appropriate template.

         Revenue recognition templates display when the **Revenue Recognition** feature is enabled. Amortization templates display when the **Amortization** feature is enabled.

      ii. If you select a variable template, you must also select the associated project in the **Customer** column list.

      iii. Enter a start and end date, if needed.

      iv. Enter the residual amount not to be recognized, if needed.

   g. For OneWorld subsidiaries or accounts with value-added tax (VAT), enter the VAT amount, gross amount, and tax account, if needed.

   h. Click **Add**.

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> ✅ **Tip:** When line details are similar, click **Copy Previous** and then make modifications as required.

      i. Repeat these steps for each line item.

5. On the **Communication** subtab, you can attach files and notes to this transaction.

     a. On the **User Notes** subtab, enter a title and note for any comments you want to add to this transaction. Click **Add** after each note

     b. On the **Files** subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select **New** from the list in the **Attach Files** column.

     c. Use the **Events**, **Tasks**, and **Phone Calls** subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

6. If you use NetSuite OneWorld and the Multi-Book Accounting feature is provisioned in your account, the **Accounting Books** subtab appears. This subtab shows the secondary books associated with the selected check, if any, and their respective base currencies and exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

7. Click **Save**.

When you finish entering line items, verify that the **Out of Balance by Debit** and **Credit** fields are blank. If either field contains an amount, your line items are out of balance. Your line items must balance to save the journal.

> ℹ️ **Note:** To make a journal entry for undeposited funds, create a line item with an account of undeposited funds. Enter a credit in the amount of the transfer and a debit in the amount of the funds. The funds you can deposit appear on the Deposit page. This journal entry appears on the registers for the Income, Asset, or Undeposited Funds accounts. To enter a deposit, go to Transactions > Bank >Make Deposits.

Modifying Journal Entries

You can modify an existing journal entry that has not been approved for posting or has not been posted.

To modify an existing journal entry:

1. Go to Transactions > Financial > Make Journal Entries > List.

2. If available, click **Edit** next to the journal entry you want to modify.

   The **Edit** link is not available for journals that already have been approved for posting or have been posted.

3. On the Journal page, modify the account as needed.

   If you have enabled the **Journal Entries** accounting preference, the **Approval Status** and **Next Approver** lists appear. Custom buttons that perform various commands may also appear enabled or unavailable, depending on your workflow configuration. For information about a custom journal entry approval workflow, see Using SuiteFlow for Journal Entry Approvals.

   For information about deleting and memorizing journals, see Deleting Journal Entries and Memorizing and Recalling Transactions.

4. Click **Save**.

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Deleting Journal Entries

At any time you can delete an existing journal entry that has not been approved for posting or has not been posted.

To delete an existing journal entry:

1. Go to Transactions > Financial > Make Journal Entries > List.

2. If available, click **Edit** next to the journal entry you want to modify.

3. On the Journal page, under **Actions**, click **Delete**.

4. At the prompt to confirm the action, click **OK**.

⚠️ **Important:** Special conditions exist to delete a currency revaluation journal entry in an open period. For details, see Generating Revaluations.

Approving Journal Entries

NetSuite provides two journal entry approval accounting preferences.

- **Journal Entries** – This accounting preference is on the **Approval Routing** subtab of the Accounting Preferences page. When the **Journal Entries** box is checked, a workflow for journal entry approval handles approval routing. The workflow may be a custom SuiteFlow or a SuiteApproval workflow. Workflows for journal entry approval do not use the Journal Approval permission to determine who can approve the journal entries. For more information about these options, see Using SuiteFlow for Journal Entry Approvals and SuiteApprovals for Journal Entry.

- **Require Approvals on Journal Entries** – This accounting preference is on the **General** subtab of the Accounting Preferences page in the General Ledger section. When this preference is checked, journal entry approval is required before posting to your general ledger account. Someone with Journal Approval (Edit or Full) permission must approve a journal entry before the entry posts to your general ledger. If you have this Journal Approval permission, you can approve your own journal entries when entering them. For more information this preference, see Require Approvals on Journal Entries Preference.

A journal entry is posted in a period to which the journal entry **approver** has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date, or, if this period is locked/closed, the first open period.

You can unapprove an approved journal entry by editing the journal record and clearing the Approved box.

To approve a journal entry:

1. Go to Transactions > Financial > Approve Journal Entries.

2. Optionally, click **Customize** to filter the journals awaiting approval or to select the columns to display on the Approve Journals page. On the Customize Sublist page:

   a. Click the **Additional Columns** subtab and check each field you want to add as a column. For example, if you use OneWorld, you can add a **Subsidiary** column.

   b. Click the **Additional Filters** subtab and check each field for which you want to allow filtering. For each checked field, a filter list is added on the Approve Journals page. For example, you can add a **Created By** filter.

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      c.   Click **Save** to return to the Approve Journals page.

3. If you have added any filters, select from lists to limit the listed entries.

4. Check the boxes in the **Approve** column next to the entries you want to approve.

    Click **Mark All** to approve all the journal entries.

    If you are using a custom workflow for journal entry approval routing, two lists appear at the top of the page: **Action** and **View**. The **Action** list enables you to approve or reject journal entries. The **View** list enables you to filter the journal entries by their status. Depending on the configuration of your approval routing workflow, various buttons that perform workflow steps may appear.

5. Click **Save**.

> ℹ️ **Note:** If you use NetSuite OneWorld, the Approve Journals page lists only journal entries for subsidiaries to which you have access.

Using SuiteFlow for Journal Entry Approvals

This topic describes using SuiteFlow to create a custom workflow for journal entry approvals. For information about using a SuiteApp that also includes workflows for journal entry approval, see SuiteApprovals for Journal Entry.

With SuiteFlow you can create a custom workflow for journal entry approval routing. You can create a workflow that routes a journal entry to as many as three different approvers before the journal entry is approved for posting. Your workflow can be configured to send email to specific recipients when a journal entry is rejected. Workflows for journal approval do not use the Journal Approval permission to determine who can approve the journal entries.

If you have permission to approve journal entries, a new Reminders portlet appears on your Dashboard when you have journal entries to approve. The portlet contains the link, Journals to approve by you, and provides a count of journal entries where you are the next approver and the approval status is not approved. Click the link to display the Approve Journals page for your approval workflow.

> ℹ️ **Note:** If the journal approval workflow does not restrict who can approve journal entries, the Reminders portlet could display a count of zero journal entries to approve when there are journal entries ready for approval. To ensure that the Reminders portlet counter matches the number of journal entries ready for approval, the user who should approve the journal must be defined as the next approver, **and** the workflow should be defined so that only the Next Approver can approve the journal.

To use SuiteFlow for journal entry approvals you must complete these steps:

1. Enable the SuiteFlow feature at Setup > Company > Setup Tasks > Enable Features. On the SuiteCloud tab, check the **SuiteFlow** box and click **Save**.

2. Enable workflows for journal entry approval

3. Design and deploy a workflow using SuiteFlow

Enable workflows for journal entry approval

To enable workflows for journal entry approval, you check the Journal Entries box on the Approval Routing subtab of the Accounting Preferences page.

If you have been using the **Require Approvals on Journal Entries** preference, you must perform the following tasks before you set the Journal Entries preference.

1. Approve all existing journal entries in your system.

2. Optionally, disable the **Require Approvals on Journal Entries** accounting preference.

   NetSuite hides this approval method after the **Journal Entries** approval routing accounting preference is checked. If you later clear the **Journal Entries** preference and **Require Approvals on Journal Entries** is still checked, NetSuite defaults to this approval method.

3. Set the **Journal Entries** accounting preference.

   ### To set the accounting preference:

   1. Go to Setup > Accounting > Accounting Preferences.
   2. Click the **Approval Routing** subtab.
   3. Check the **Journal Entries** box.
   4. Click **Save**.

      Two new lists appear on the Journal, Intercompany Journal, and Statistical Journal pages: **Next Approver** and **Approval Status**. If you do not want these lists to appear you must customize the form to hide them. In the top right corner of the page, select Customize > Customize Form.

Design and deploy a workflow using SuiteFlow

Create a SuiteFlow workflow that incorporates rules for approval processes, criteria, and tolerances for variances. For details about setting up an approval routing workflow, see the help topic Creating Your First Workflow.

Your approval routing workflow can be created for general journal entry approval, intercompany journal entry approval, statistical journal entry approval, or a custom workflow for the three transaction record types. You should not create more than one approval workflow for either of these transaction record types.

For specifics about creating an approval routing workflow for journal entries, see the following:

- **Record Type** – Select the Transaction Record Type, and then select Intercompany Journal Entry, Journal Entry, Statistical Journal, or a combination thereof.

- **Trigger Type** – NetSuite automatically generates a variety of journal entries when you use various features. To ensure that only journal entries subject to approval are included in your approval workflow, you must set the Trigger Type to All **or** After Record Submit.

- **Other Configuration** – Set the **Condition** field to Custom Approval = T. This condition filters journal entries that should not be subject to approval from initializing a workflow when created. Journal entries not subject to approval include system-generated journal entries, journal entries created because of another journal entry, and so on.

> ⚠️ **Important:** The **Condition** equals Custom Approval = T is not intended to represent whether or not a journal entry was system-generated. It is used to filter journal entries that have been historically auto-approved from initializing an approval workflow when created. Any scripts written to execute on journal entry creation user events should also be configure to only execute if **Condition** equals Custom Approval = T.

Example Workflow

Name = Journal Workflow

Record Type = Transaction

Sub Types = Journal Entry, Intercompany Journal Entry

Release Status = Released

Enable Logging = T

On Create = T

Trigger Type = After Record Submit

Set Condition to Custom Approval = T

Save

SuiteApprovals for Journal Entry

The SuiteApprovals for Journal Entry SuiteApp provides standard capabilities for managing journal entry approval. With the customizable properties of SuiteApprovals, you can ensure that only authorized individuals can edit, approve, reject, and resubmit journal entries for approval. You can create approval rules, each consisting of a set of criteria and approval hierarchy, to manage the validation and approval routing of journal entries.

With SuiteApprovals, you can set up employee and general limits to determine if a journal entry will be routed for approval. You can choose to route journal entries through hierarchical approval or custom approval, with the option for users to delegate approval authority.

It is recommended that you understand the following concepts before installing the SuiteApprovals for Journal Entry SuiteApp:

- **Journal Entries** — Any transaction that changes the balance in a ledger account does so by posting a journal entry. Transactions that post to ledger accounts are called posting transactions. Journal entry transactions are not posted until they are approved.

  For more information, read Working with Journal Entries.

- **Approval Routing** — When you use approval routing, transactions that are entered are not processed until they are approved. This gives a measure of oversight to persons of authority who can choose to reject some transactions if they do not want them to continue being processed.

  For more information, see the help topic Approval Routing.

Installing SuiteApprovals for Journal Entry

Prerequisites

Before installing the SuiteApprovals for Journal Entry SuiteApp, be sure to enable the required features and preferences in your account.

Go to Setup > Company > Setup Tasks > Enable Features.

- On the **Company** tab, check the box for **Departments**.
- On the **Accounting** tab, check the box for **Accounting**.
- On the **Employees** tab, check the box for **Approval Routing**.
- On the **SuiteCloud** tab, check the box for each of the following features:

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☐ **Custom Records**
☐ **Client SuiteScript**
☐ **Server SuiteScript**
☐ **SuiteFlow**

For more information, see the help topic Enabling Features.

Go to Setup > Accounting > Accounting Preferences.

- On the **General** tab, check the box for **Require Approvals on Journal Entries**.
- On the **Approval Routing** tab, check the box for **Journal Entries**.

Installation

To install SuiteApprovals for Journal Entry, go to Customization > SuiteBundler > Search & Install Bundles.

Use the following information to search for the SuiteApp:

- Bundle Name: **SuiteApprovals**
- Bundle ID: **203059**

The SuiteApprovals for Journal Entry SuiteApp is a managed bundle and is automatically updated. Issue fixes and enhancements are available after the SuiteApp is updated in your account.

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

Roles and Permissions

By default, the following roles are given full access to the SuiteApprovals for Journal Entry SuiteApp:

- Administrators
- Full Access

> ℹ **Note:** Administrator and Full Access roles are not available for selection in approval matrices.

Other roles need additional permissions to use the SuiteApp. The table below outlines the permissions required for using SuiteApprovals for Journal Entry. For information about customizing roles, see the help topic Customizing or Creating NetSuite Roles.

Permission	Level
To allow a custom role to set up approval rules:	
Approval Rule record	Full
Approval Matrix record	Full
To allow a custom role to set up approval information and delegation:	
Lists > Employees	Edit
To allow a custom role to set up roles, departments, or groups:	
Setup > Bulk Manage Roles	Full

Permission	Level
Lists > Departments	Full
Lists > CRM Groups	Full
To allow a custom role to set up Department Approvers:	
Department Approver record	Full
Lists > Custom Record Entries	Full
Lists > Departments	Full
Lists > Subsidiaries	Full
Lists > Employees	Full

After you have customized a role to access SuiteApprovals lists and records, an administrator must also add this new role to the corresponding script deployment.

To add access to approval rule records for a custom role:

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Rule SU**.
3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Rule records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.

   > ⓘ **Note:** Make sure that the **Execute as Role** field is set to Administrator.

4. When you have finished, click **Save**.

To add access to the approval rule list for a custom role:

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Rule List SU**.
3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Rule records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.

   > ⓘ **Note:** Make sure that the **Execute as Role** field is set to Administrator.

4. Optionally, under the **Links** subtab, add a menu link for the center of the custom role.
5. When you have finished, click **Save**.

To add access to the approval rule assistant for a custom role:

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Rule Assistant**.
3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Rule records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.

4. When you have finished, click **Save**.

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To add access to approval delegation for a custom role:

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Delegation SU**.
3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Rule records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.
4. When you have finished, click **Save**.

To use SuiteApprovals for Journal Entry, you must also set up the following requirements for the users and approvers:

- Assign the Employee Center role to approvers.
- Set the employee limit for each journal entry creator.
- Keep email addresses up to date to be sure that users and approvers receive the notifications.

For more information about assigning roles, see the help topic Assigning Roles to an Employee. For more information about setting approval limits, see the help topic Supervisors, Approvers, and Approval Limits.

Setting Up SuiteApprovals for Journal Entry

Before setting up SuiteApprovals, consider how your company currently manages journal entry approval. You should think about the business requirements that define how you design and implement approval processes for journal entries. You can create multiple approval rules to reflect these business requirements, including iterations based on variable criteria.

An approval rule contains a unique set of criteria and approval hierarchy that define how to handle approval routing for journal entries. You specify field values, settings, and approval hierarchy in the approval rule record to create a unique approval rule:

Approval Rule Record Field/ Setting	Description
Name	The approval rule's name must be unique.
Start Date	An approval rule becomes active on the date it starts. The start date can be before the current date, today's date, or a future date.
End Date	The end date can be the same as the start date or a future date, but not earlier than the start date. ⚠️ **Important:** The combination of date range and subsidiary must be unique. The approval rule cannot be created if its date range falls within the date range of another approval rule for the same subsidiary.
Subsidiary	You specify the subsidiary for which the approval rule applies.
Saved Search Condition	Optionally, you can specify a saved search to filter journal entries that will be routed for approval using the approval rule. For more information, see the help topic Saved Searches.
Approval Routing	
Route Approvals	When this setting is enabled, approval routing ends when the amount criterion is met using the employee approval hierarchy or custom approval chain.

Approval Rule Record Field/ Setting	Description
Based on Amount	When not enabled, approval routing uses the custom approval chain you define on the record. The journal entry will go through all specified approvers regardless of the transaction amount. **Note:** For NetSuite OneWorld accounts, the transaction amount is based on the base currency of the subsidiary. For single instance accounts, the amount is based on the account's base currency.
Transaction Limit	A journal entry with amount that is less than or equal to the Transaction Limit you specify will be automatically approved.
Amount Field Mapping	The journal amount field you select will be used to validate journal entries for approval. All searchable Currency, Decimal, and Integer fields (including custom fields) in the journal entry record are available for selection. The Total Journal Amount field is selected by default.
Use Employee Limit	When this setting is enabled, a journal entry with amount that is less than or equal to the approval limit of the employee who submits the transaction will be automatically approved.
Custom Approval Chain matrix	You define the approval chain by adding approvers and specifying the sequence of approval routing. The employee's supervisor is added as first approver by default. You can remove the supervisor from the chain, or move the supervisor to a different place in the approval sequence. You can add approvers of the following types: ■ **Employee Supervisor** — The direct supervisor of the employee who submits the journal entry. ■ **Specific Approver** — Any employee that belongs to the same subsidiary. ■ **Department Approver** — You can only select a department approver if a record is already set up. For more information, see Setting Up Department Approvers. ■ **Group (Any)** — Select a group to require that at least one of its members takes action on the journal entry. To create a group, see the help topic Working with Groups. ■ **Group (All)** — Select a group to require that all its members take action on the journal entry. ■ **Role (Any)** — Select a role to require that at least one employee with the role takes action on the journal entry. ■ **Role (All)** — Select a role to require that all employees with the role take action on the journal entry.

The following topics must be completed to set up SuiteApprovals for Journal Entry:

■ Setting Up Employee Approval Information

■ Setting Up Department Approvers

■ Setting Up Group Approvers

■ Setting Up Role Approvers

■ Creating Approval Rules

Setting Up Employee Approval Information

When you create an approval rule, you can set approval routing to use the approval hierarchy of the employee who submits the journal entry. The approval chain is determined by the amount of the **Amount Field Mapping** value selected in the approval rule.

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You should set up approval information for all your employees who create, submit, edit, or approve journal entries.

To set up employee approval information for journals:

1. Go to Lists > Employees > Employees.

2. Click **Edit** next to the name of the employee.

3. Click the **Human Resources** tab.

4. Click the **Approval Information** subtab.

5. In the **Journal Entry Approver** field, select the name of the employee authorized to approve journal entries submitted by this employee. For more information, see the help topic Supervisors, Approvers, and Approval Limits.

6. In the **Journal Entry Approval Limit** field, enter the maximum journal entry amount that this employee can approve when designated as another employee's approver.

7. In the **Journal Entry Limit** field, enter the maximum journal entry amount that this employee can submit without requiring approval.

   Note that this amount will be used if you check the **Use Employee Limit (Apply if Higher Than Transaction Limit)** box in the approval rule. For more information, see Creating Approval Rules.

8. When you have finished, click **Save**.

For more information, read the help topic Entering Employee Human Resources Information.

> (i) **Note:** To set up approval delegation, see Delegating Approval.

Setting Up Department Approvers

> ⚠ **Important:** Only administrators, Full Access roles, or roles with custom permissions can set up Department Approver records. For more information, see Roles and Permissions.

When you create an approval rule, you can require approval from an employee who is authorized to approve journal entries for a department. To be able to select an employee as department approver, you must first set up a record for that employee. You can set up only one department approver per department, or combination of department and subsidiary.

To set up a department approver for journals:

1. Go to Setup > Workflow Manager > Set Up Department Approver > New.

2. Select a department and a subsidiary. For OneWorld accounts, the combination or department and subsidiary must be unique.

3. In the **Approver** field, select the employee you want to assign as department approver.

4. When you have finished, click **Save** or **Save & New** to create another record.

> (i) **Note:** Setting up of department approver records in web services or through CSV is not currently supported.

To edit a department approver record for journals:

1. Go to Setup > Workflow Manager > Set Up Department Approver.

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2. Click **Edit** next to the record you want to edit.

3. Select new values on the Department Approver page. Check the **Inactive** box if you do not want this approver to be available for selection as department approver in any approval rule.

   Under Actions, select **Delete** and click **OK** in the confirmation dialogue to remove the record.

4. When you have finished, click **Save**.

Setting Up Group Approvers

> ⚠ **Important:** Only administrators, Full Access roles, or roles with custom permissions can set up group approver records. For more information, see Roles and Permissions.

When you create an approval rule for journals, you can require approval from one or all members of a specific group of employees. To be able to add approvers of the types **Group (Any)** and **Group (All)** to an approval matrix, you must first set up group records.

For steps to create group records, read the help topic Working with Groups.

Make sure that employee records of group members are active to avoid errors when adding these approver types to approval chains.

> ℹ **Note:** Employees who are Inactive, from different subsidiaries, or without login access are considered invalid members. These employees will not be added as approvers when the group they belong to is selected as group approver.

> ℹ **Note:** You do not need to create groups based on roles. For more information, see Setting Up Role Approvers.

Setting Up Role Approvers

When you create an approval rule, you can require approval of journal entries from one or all employees of a specific role. You can add approvers with standard and custom roles by selecting the approver types **Role (Any)** and **Role (All)** in the approval matrix.

For more information, see the help topic Assigning Roles to an Employee.

Take note of the following to avoid errors when adding these approver types to approval chains:

- Make sure that role records are active.
- Make sure that the role has access to Journal Entries.

> ℹ **Note:** Only active employees in the same subsidiary of the approval rule will be added as approver for any of the Role approver types.

Creating Approval Rules

> ⚠ **Important:** Only administrators, Full Access roles, or roles with custom permissions can create approval rules. For more information, see Roles and Permissions.

You can create approval rules using the Approval Rule page or the Approval Rule Assistant.

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Guidelines for creating approval rules:

- The combination of date range and subsidiary must be unique such that the date range of one approval rule for a subsidiary does not fall within the date range of another rule for the same subsidiary.

- If you want to apply a saved search to an approval rule, create saved searches of journal transactions before you create approval rules. For steps to create saved searches, read the help topic Saved Searches.

- By default, an approval rule locks journal entry records when in the Approved or Pending Approval status. A journal entry may only be edited and resubmitted for approval if its status is Rejected. For more information, see Resubmitting Journal Entries for Approval.

To create an approval rule using the Approval Rule page:

1. Go to Setup > Workflow Manager > Approval Rule List.
2. On the Approval Rule List page, click **New Approval Rule**.
3. In the New Approval Rule window, click **Use the New Approval Rule page**.
4. On the Approval Rule page:

   Under **Primary Information**:

   - In the **Name** field, enter a unique name for the rule.
   - Optionally, enter a description for the rule in the **Description** field.
   - Select start and end dates for this approval rule.
   - Select a subsidiary.
   - If you want to use a saved search in the rule, select it in the **Saved Search Condition** field.

     If you use a saved search, the approval workflow will filter journal entries for approval based on the saved search criteria. If you do not use one, the workflow will filter journal entries for this approval based on the transaction amount or employee limit, depending on the approval routing settings you use.

   Under **Approval Routing**:

   - Leave the **Route Approvals Based on Amount** box checked if you want approval routing to end when the approval's amount criterion is met. You can choose to use the standard employee hierarchy, or define a custom approval chain, by choosing the respective radio button under Approval Routing.

     Clear the box if you want the transaction to go through all specified approvers regardless of the transaction amount.

   - If **Route Approvals Based on Amount** is checked, select the amount field you want to use for validating journal entries for approval in the **Amount Field Mapping** field. The default value is Total Journal Amount.

   - Select a currency.

     > **Note:** If the currencies of the journal entry for approval and the approval rule are different, the journal amounts are first converted to the rule's currency before the approval evaluation.

   - In the **Transaction Limit (Require Approval for Amounts Over)** field, enter the value of the general limit that you want to apply to journal entries that are routed through this approval rule.

   - Check the **Use Employee Limit (Apply if Higher than Transaction Limit)** box if you want to apply the approval limit of the employee who submits the transaction.

- Approval hierarchy is set to standard employee hierarchy by default. This means that approval routing is based on the approval hierarchy of the employee who submits the journal entry. If you want to use the standard employee hierarchy, proceed to Step 5.

  If you do not want to use the default hierarchy, choose the **Define Custom Approval Chain** radio button and build your hierarchy using the matrix:

  - The employee's supervisor is selected as first approver by default. Click the Delete icon if you want to remove the supervisor from the approval chain, or to add back in another place in the sequence.

  - Click **Add Approver**, and select the Approver Type, Approver, and Approval Limit. Repeat to add more approvers.

  - Make sure that you have added all the required approvers, and that the sequence is correct.

> ⚠️ **Important:** When you add approvers, consider the sequence by which you add each one. Make sure that the hierarchy you build meets your approval process and requirements. To review the approver types, see Setting Up SuiteApprovals for Journal Entry.

> ℹ️ **Note:** The maximum number of approvers you can add is 20.

5. When you have finished, click **Save**.

To create an approval rule using the Approval Rule Assistant:

1. Go to Setup > Workflow Manager > Approval Rule List.

2. On the Approval Rule List page, click **New Approval Rule**.

3. In the New Approval Rule window, click **Use the Approval Rule Assistant**.

4. Under **Step 1 Enter Basic Information**:

   - In the **Name** field, enter a unique name for the rule.

   - Select a subsidiary.

   - Select start and end dates for this approval rule.

   - Optionally, enter a description for the rule in the **Description** field.

   - If you want to use a saved search to apply to the approval rule, select it in the **Saved Search Condition** field.

   When you have finished, click **Next**.

5. Under **Step 2 Define Approval Routing**:

   - Leave the **Route Approvals Based on Amount** box checked if you want approval routing to end when the approval's amount criterion is met. You can choose to use the standard employee hierarchy, or define a custom approval chain, by choosing the respective button.

   - If **Route Approvals Based on Amount** is checked, select the amount field you want to use for validating journal entries for approval in the **Amount Field Mapping** field. The default value is Total Journal Amount.

   - In the **Transaction Limit (Require Approval for Amounts Over)** field, enter the value of the general limit that you want to apply to journal entries that are routed through this approval rule.

   - Check the **Use Employee Limit (Apply if Higher than Transaction Limit)** box if you want to apply the approval limit of the employee who submits the transaction.

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- Approval hierarchy is set to custom approval by default. This means that approval routing is based on the approval hierarchy you will set up using the matrix.

  ⚠️ **Important:** When you add approvers, consider the sequence by which you add each one. Make sure that the hierarchy you build meets your approval process and requirements. To review the approver types, see Setting Up SuiteApprovals for Journal Entry.

  - The employee's supervisor is selected as first approver by default. Click the Delete icon if you want to remove the supervisor from the approval chain, or to add back in another place in the sequence.
  - Click **Add Approver**, and select the Approver Type, Approver, and Approval Limit. Repeat to add more approvers.
  - Make sure that you have added all the required approvers, and that the sequence is correct.

  ℹ️ **Note:** The maximum number of approvers you can add is 20.

  ℹ️ **Note:** If you decide to use the standard employee hierarchy instead, any approval matrix entries you have made will not be saved.

  When you have finished, click **Next**.

6. Under **Step 3 Review Approval Rule**, review the details of your approval rule. Go back to the previous pages to make changes as needed.

   Click **Finish** to create the approval rule.

You can copy, edit, or set an approval rule to Inactive.

To copy an approval rule:

1. Go to Setup > Workflow Manager > Approval Rule List.
2. Click **View** next to the approval rule record you want to copy.
3. Click **Make Copy**.
4. In the **Name** field, enter a unique name for the rule.
5. By default, the start date is the current date. Select another date from the picker as needed.
6. Select an end date.
7. Select a subsidiary if other than the default value.
8. Optionally, select a saved search.
9. When you have finished, click **Save**.

You can edit an approval rule if it is not currently running. If currently running, you can only change the rule's end date.

To edit an approval rule:

1. Go to Setup > Workflow Manager > Approval Rule List.
2. Click **Edit** next to the approval rule record you want to edit.
3. Make the changes to the approval rule. For more information, refer to the procedures for creating approval rules.

   Check the **Inactive** box if you do not want the rule to run against any journal transaction for approval.

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Click **Delete** to remove the approval rule record.

4. When you have finished, click **Save**.

> ⚠️ **Important:** You cannot delete an approval matrix if there is a transaction in Pending Approval that is using the approval matrix.

Using SuiteApprovals for Journal Entry

When you have SuiteApprovals correctly set up, the SuiteApp's workflow for journal entry approval routing is operative in your system.

The SuiteApprovals workflow is initiated when a journal entry is created or resubmitted. The transaction goes through the states depending on the result of amount validation, approver validation, or approver actions.

Entry

The journal entry goes through the Entry state upon creation. If there is no active rule created for the transaction, the journal entry does not go through the SuiteApprovals workflow. If there is an active rule for the transaction, the workflow is initiated.

Pending Approval

Journal entries that require initial or further approval are sent to the Pending Approval state. The approval status is set to **Pending Approval**. The current or next approver, and delegate approver if any, are sent an email notification regarding the transaction for review and action. Only the approver is given access to the **Approve** and **Reject** buttons, which are enabled on the transaction. However, the current approver is not allowed to edit the journal entry. If a rejected journal entry has been edited or updated and then resubmitted, it enters from the Resubmitted state.

Approved

Depending on the approval rule that is running on the transaction, journal entries are transferred to the Approved state when any of the following conditions has been met:

- The transaction amount is less than or equal to the Transaction Limit specified in the approval rule.
- The transaction amount is less than or equal to the employee's journal entry limit.
- The transaction is approved by the final supervisor or journal approver.
- The transaction is approved by all specified approvers.

Rejected

Journal entries that have not been approved are sent to the Rejected state. The employee is notified through email and the Approval Status is changed to **Rejected**.

Depending on the approval rule that is running on the transaction, journal entries are transferred to the **Rejected** state due to any of the following conditions:

- The employee who submits the journal entry is the first approver in the approval chain, or is the next approver in the chain.
- Employee supervisor is selected in the approval chain but the employee who created the transaction has no supervisor on record.
- A department approver is selected in the approval chain but at least one of the following conditions is true:
  - There is no department approver set up, or the specified department approver is inactive or has no login access.
  - No department is specified on the journal.

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- No valid approver is available. For example, the approver type **Role (Any)** or **Role (All)** is selected in the approval chain but at least one of the following conditions is true:
    - The employee or employees with the selected role are inactive.
    - The employee who created the journal entry is the only employee with the selected role.
    - The selected role is inactive.
    - No employee with the selected role has access to the transaction.
- The approver type **Group (Any)** or **Group (All)** is selected in the approval chain but the specified group has no valid members. Invalid members include the employee who created the journal entry, and employees who are either Inactive, without login access, or from different subsidiaries.
- The transaction is rejected by the current journal approver.
- No one in the approval hierarchy has sufficient approval limit to approve the transaction.

Resubmitted

Journal entries in **Rejected** status can be resubmitted for approval.

The **Resubmit** button is enabled on the transaction record in **View** mode. Any user with access to the transaction can resubmit the record for approval.

Approving or Rejecting Journal Entries Using SuiteApprovals

You can use the email notifications generated by SuiteApprovals to view and take action on the journals for your approval.

To approve or reject a journal entry:

1. Open the email message.
2. Click **View Record** in the email body.
3. On the journal entry record, click the corresponding button for the action you want to take.
    - **Approve** — If you are the final supervisor or approver, the journal entry becomes approved for posting.
    - **Reject** — The journal entry is rejected.

> (i) **Note:** If a user is specified as delegate approver by two or more employees, the delegate approver only needs to take action once.

Resubmitting Journal Entries for Approval

Journals in **Approved** or **Pending Approval** status cannot be edited. You can only update and resubmit a **Rejected** journal entry. Note the following when resubmitting journal entries for approval:

- Any user with access to the transaction can resubmit the record.
- Approval routing uses the approval hierarchy of the user who resubmits the record.

To resubmit a journal entry for approval:

1. Go to Transactions > Financial > Make Journal Entries > List.
2. Click the **View** link for the journal entry you want to resubmit for approval.
3. On the journal record, click the **Resubmit** button.

The resubmitted record is validated anew and either exits the workflow or is routed for approval. Email notifications are sent to specific recipients depending on the changes applied to the record and workflow state. For more information, see Email Notifications for SuiteApprovals.

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Delegating Approval

You can delegate your approval of journal entries indefinitely or for a period of time, specified by start and end dates.

If you are a supervisor, journal entries requiring your approval are routed to your delegate when employee hierarchy is specified in the approval rule.

If you are selected as approver of a specific approver type, journal entries requiring your approval are routed to your delegate when the approval rule deployed uses a custom approval chain.

When you delegate approval, your approval limits apply.

> **Note:** You can only delegate approval to another employee within your subsidiary.

To delegate approval:

1. Got to Lists > Employees > Employees.
2. Click **Edit** next to your name in the Employees list.
3. Click the **Human Resources** tab.
4. Click the **Approval Delegation** subtab.
5. Check the **Delegate Approval** box.
6. In the **Delegate To** field, select the employee you want to delegate your approval to.
7. Select start and end dates. Do not select a date range if you want to delegate indefinitely.
8. When you have finished, click **Save**.

You can return to your record anytime to change your approval delegation details.

> **Note:** Email notification is sent to both approver and delegate approver. For more information, see Email Notifications for SuiteApprovals.

To delegate approval using your Employee Center role:

1. Log in to NetSuite using your Employee Center role.
2. Under **My Information**, click **Approval Delegation**.
3. In the **Delegate To** field, select the employee you want to delegate your approval to.
4. Select start and end dates. Do not select a date range if you want to delegate indefinitely.
5. When you have finished, click **Save**.

Viewing Approval History

Actions taken and action owners are tracked for each journal entry that is routed for approval using the SuiteApprovals workflow.

To view approval history for a journal:

1. Go to Transactions > Financial > Make Journal Entries > List.
2. Click **View** next to the journal you want to view.
3. Click the **Approval History** subtab.

    When an approval rule is running against a journal entry, the system generates email notifications to the submitter and approvers of each action taken on the record. For more information, see Email Notifications for SuiteApprovals.

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> **Note:** Journals that are approved for posting or pending approval cannot be edited.

Email Notifications for SuiteApprovals

When an approval rule is running against a journal entry, the system sends email notifications to specific recipients of actions taken on the record.

- **Submission**

  When a journal entry is submitted, email notification is sent to the next approver if one is required by the approval rule.

- **Approval Routing**

  Each time an approver takes action on the journal entry, email notifications are sent to the following:

  - Employee who submitted the journal entry, if the transaction has been approved
  - The next approver (and the next approver's delegate approver), if any
  - Approvers of the type **Role (Any)** or **Group (Any)**, if any, when at least one valid approver takes action on the record

- **Resubmission**

  Depending on the changes applied to the transaction, email notifications are sent to the following:

  - Employee who resubmitted the journal entry
  - Employee who previously submitted the journal entry
  - Current next approver, or delegate approver
  - Previous approver

  When a previously approved journal entry is edited, resubmitted, and approved, no email notifications are sent to any recipient. The same is true when a previously rejected journal entry is edited, resubmitted, and rejected.

- **Delegation**

  - The employee who delegated approval
  - The delegated approver

When an employee delegates approval, the system sends email notifications to the employee and delegate approver. The delegate approver is also notified when the employee has made changes to the delegation details, including cancellation of the approval delegation.

Reversing Journal Entries

Journal entries can also be used to reverse ledger entries that have already posted to accounts. These are known as reversing journal entries.

You may want to set up a journal entry to automatically reverse itself. Reversing journal entries do not require you to manually track the transaction. For example, you enter an accrual transaction for revenue earned but not yet received. Next month, you must make a journal entry to reverse that accrual entry.

A reversing journal entry is an exact opposite of the original journal entry. For example, the original journal entry debits Accounts Receivable $100, credits a revenue account $100, and has an exchange rate of 1.5. The reversing entry credits Accounts Receivable $100, debits the revenue account $100, and has an exchange rate of 1.5 regardless of the current exchange rate.

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A reversing journal entry is also permanently linked to the original entry. Any change you make to the original entry affects the reversing transaction. You cannot directly edit a reversing journal entry.

The date of the reversing journal entry is tracked in system notes.

To create a saved search for reversing journal entries, include Reversal Date, Reversal Number, or Is Reversal in the criteria or results as needed.

> **(i)** **Note:** Users with the Custom Transaction Forms permission can create a custom journal entry form with fields different from the standard journal entry form. See the help topic Creating Custom Entry and Transaction Forms.

To create a reversing journal entry:

1. Go to Transactions > Financial > Make Journal Entries.

2. In the Primary Information section:

   a. In the **Entry No.** field, accept the default or enter a different number.

   > **(i)** **Note:** If journal entries are assigned autogenerated numbers in your account, you cannot change the default number unless the override permission is enabled for Journal. Go to Setup >Company > Auto-Generated Numbers > Document Numbers subtab. Check the **Allow Override** box on the **Journal** line. For more information, see the help topic Set Auto-Generated Numbers.

   b. Review the **Out of Balance By** fields as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

   c. If you use NetSuite OneWorld, in the Classification section, select a subsidiary to associate with this journal entry. You must select the subsidiary before you can accept or select the currency.

   The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.

   You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, make an intercompany journal entry. See Intercompany Journal Entries.

   > **(i)** **Note:** If the subsidiary you select is assigned to one or more shared vendor records, you can make journal entries for any of the vendors to which the selected subsidiary is assigned. To do this, on the **Lines** subtab, select the shared vendor from the **Name** field. For more information about shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

   > **(i)** **Note:** If the subsidiary you select is assigned to one or more shared vendor or customer records, you can make journal entries for any of the vendors or customers to which the selected subsidiary is assigned. For more information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.

   d. If you use the **Multiple Currencies** feature, in the Primary Information section, accept the default **Currency** or select the currency used for all amounts in this journal entry.

   - If you use NetSuite OneWorld, the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

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For general journal entries, the currency defaults to the base currency of your company or root parent subsidiary. You can select any other currency available in your account.

For intercompany journal entries in OneWorld, the currency defaults to the base currency of the selected subsidiary, but can be changed to the currency of the To Subsidiary.

- If you do not use NetSuite OneWorld, the **Currency** field defaults to the base currency of the company.

e. The **Exchange Rate** field displays the default exchange rate of the selected subsidiary.

For intercompany journal entries in OneWorld, this field displays the To Subsidiary's currency to the Subsidiary's currency. You can edit the exchange rate for this transaction only, or you can update the currency exchange rates list.

f. If you have journal approval permission, check the **Approved** box to approve your journal entry.

If you do not check this box, this entry does not post until it is approved.

> ⚠ **Important:** The **Approved** box displays only if the **Require Approvals on Journal Entries** preference is enabled. Go to Setup > Accounting > Accounting Preferences > **General** subtab. See Require Approvals on Journal Entries Preference.
>
> The **Approved** box does not display if you have enabled the **Journal Entries** approval routing preference to use SuiteFlow to create a custom journal entry approval routing. See Use Journal Entry Approval Routing.

g. In the **Date** field, accept today's date or enter a new date for the journal entry.

h. If you use fiscal periods, select the **Posting Period** in which to post this transaction.

> ⚠ **Important:** When a journal entry transaction has no defined posting period, users with **View** level of the **Manage Accounting Periods** permission see a suggested accounting period in the Posting Period field on the transaction. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission would see the suggested posting period as February. An administrator with **Full** level of the permission would see the suggested posting period as January.

> ⚠ **Important:** The posting period is determined when the journal entry is approved. If approval occurs after the selected posting period has closed, the journal entry is posted to the first open period.

i. In the **Reversal Date** field, enter the date on which you want the reversing entry to be posted.

j. Check or clear the **Defer Entry** box using the following two options:

- Check this box to make the reversal a memorized transaction that is automatically created on the reversal date.

  If you check the **Defer Entry** box, the **Reversal Date** field is mandatory.

- Clear this box to immediately enter the reversal transaction with a transaction date that matches the date you entered in the **Reversal Date** field.

k. In the **Memo** field, enter information to help you identify this journal entry in a list of other journal entries.

The value in this field displays on the List page.

3. In the Classification section, if you have enabled **Departments**, **Classes**, or both and you classify at the transaction-level rather than the line-level, select the appropriate classification to associate with this journal entry.

   For information about Departments and Classes, see the help topic Departments and Classes Overview.

4. On the **Lines** subtab, enter the detail information for the journal lines.

   The columns that appear are based upon the permissions set for your user role.

   > ✔ **Tip:** You can navigate down the lines by pressing the **Enter** key on your keyboard. You cannot navigate up the lines.

   a. In the **Account** field, select the ledger account to be affected by this journal entry.

      The list of available accounts is filtered according to any class, department, and location restrictions set for your role. Accounts that are associated with classes, departments, and locations to which your role does not have access are not available in the **Account** list.

   b. Enter the debit or credit amount for the line.

   c. Select a tax code, if needed.

   d. Optionally, enter a memo to help you recognize this entry in a register for this account.

   e. Optionally, select a name of a person, vendor, project, or company to associate with this entry.

      If you use the Multiple Currencies and Customers feature, you can make journal entries in any currency used by an entity.

      > ⓘ **Note:** If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned. To do this, select the shared vendor or customer from the **Name** field.

   f. If you have enabled **Locations** on the **Company** subtab of the Enable Features page and you specify classifications at the line-level, select the appropriate location to associate with this line.

      For information about Locations, see the help topic Locations Overview.

   g. If you use the Revenue Recognition or Amortization features:

      i. In the **Schedule** column list, select the appropriate template.

         Revenue recognition templates display when the **Revenue Recognition** feature is enabled. Amortization templates display when the **Amortization** feature is enabled.

      ii. If you select a variable template, you must also select the associated project in the **Customer** column list.

      iii. Enter a start and end date, if needed.

      iv. Enter the residual amount not to be recognized, if needed.

   h. For OneWorld subsidiaries or accounts with value-added tax (VAT), enter the VAT amount, gross amount, and tax account, if needed.

   i. Click **Add**.

      > ✔ **Tip:** When line details are similar, click **Copy Previous** and then make modifications as required.

   j. Repeat these steps for each line item.

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5. On the **Communication** subtab, you can attach files and notes to this transaction.

   a. On the **User Notes** subtab, enter a title and note for any comments you want to add to this transaction. Click **Add** after each note

   b. On the **Files** subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select **New** from the list in the **Attach Files** column.

   c. Use the **Events**, **Tasks**, and **Phone Calls** subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

6. If you use NetSuite OneWorld and the Multi-Book Accounting feature is provisioned in your account, the **Accounting Books** subtab appears. This subtab shows the secondary books associated with the selected check, if any, and their respective base currencies and exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

7. Click **Save**.

   When you finish entering line items, verify that the **Out of Balance by Debit** and **Credit** fields are blank. If either field contains an amount, your line items are out of balance. Your line items must balance to save the journal.

Viewing Journal Entries

> **Note:** For transactions from advanced intercompany journal entries, the permissions set for your user role determines what you are able to view and edit. If you do not have access to all the subsidiaries on a record, you can only view data for the subsidiaries to which you have access. In addition, you cannot edit or copy the record.

To view a list of journal entries:

1. Go to Transactions > Financial > Make Journal Entries > List.

2. You can do the following:

   - Click **View** next to a journal entry to view the individual record.

     The journal entry record displays header field values, journal lines, and history information that includes any activities, user notes, system notes, or files associated with the journal entry.

     For more information about journal history, see the help topics Reviewing Transaction History, Viewing Transaction System Notes, and Line-Level Audit Trail for Transactions.

   - Click an account name to view the account register.

   - If available, click an **Edit** link next to a journal entry to edit that record.

     The **Edit** link is not available for journals that have been approved for posting or have been posted.

   - Select from lists to filter the displayed data.

   - Click **New** to create a new journal entry.

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> ⚠️ **Important:** Copy an existing journal entry to complete the header and line-level data on a new journal entry. To copy a journal, go to Transactions > Financial > Make Journal Entries > List. Click the **View** link next to the journal you want to copy. On the journal record, click **Make Copy**.
>
> You also may be able to create memorized transactions for journal entries that are required to recur. See the help topic Memorizing and Recalling Transactions.

- Click the print icon to print the list of journals.

- Click **Customize View** to base the filters and displayed results for the journals list on a saved search. See the help topic Customizing List Views.

- Click the Export - CSV, Export - Microsoft Excel, or Export - PDF icons to export the list of journals to a file.

Printing Journal Entries

NetSuite enables you to print a single journal entry as well as a list of all of your journal entries. The following printing options are available:

- Printing Journal Entries Using Advanced PDF/HTML Printing
- Printing a List of Journal Entries

Printing Journal Entries Using Advanced PDF/HTML Printing

The Advanced PDF/HTML Templates feature must be enabled to use the Standard Journal Entry PDF/HTML Template for printing journal entries. When Advanced PDF/HTML Templates is enabled, the Standard Journal Entry PDF/HTML Template is enabled by default on the Advanced PDF/HTML Templates page. This page is located at Customization > Forms > Advanced PDF/HTML Templates. The script ID for Journal type is STDTMPLJOURNAL.

> ℹ️ **Note:** Printing journal entries using advanced PDF/HTML printing retrieves the same lines that are available in the GL Impact, but does not support GL Impact printing. Advanced PDF/HTML printing for journal entries is useful when transaction records have the tax information on the same line with one or more accounts but would prefer to have the tax information appear as an additional line.

The following journal entry types are supported:

- Journal Entries (Book Generic and Book Specific)
- Intercompany Journal Entries (Book Generic and Book Specific)
- Advanced Intercompany Journal Entries (Book Generic and Book Specific)

If you use the Standard Journal Entry PDF/HTML Template without customization, it is suitable for printing general Journal Entries (Book Generic). Oracle recommends that you customize the standard template and save the customizations for the other journal entry types.

> **Note:** In NetSuite OneWorld, the standard template includes a Subsidiary column.

> ⚠️ **Important:** If you stop using the Advanced PDF/HTML Templates feature and then enable the feature again, associations between a customized or standard journal entry PDF/HTML template and a customized journal entry form **may** be removed. For example, you customize the standard journal entry PDF/HTML template and associate it with a customized journal entry form. Then you stop using the Advanced PDF/HTML Templates feature. You then update the customized journal entry form, and enable the feature again. In this example, the association between the customized journal entry PDF/HTML template and the customized journal entry form is removed because you updated the customized form during the period of time that the feature was not enabled. To resolve this example, you must reassociate the template to the form.

Data Sources

There are two data sources that you can use with advanced PDF/HTML journal entry printing: General Journal Entry SuiteScript Record and GL Impact. You can use a single data source to retrieve data for the template, or you can use both data sources to retrieve data. For example, you can use the SuiteScript record to retrieve data for the header of the template and use GL Impact to retrieve data for the lines.

General Journal Entry SuiteScript Record

The data source for the fields on the Standard Journal Entry PDF/HTML Template is the general journal entry SuiteScript record. The general journal entry SuiteScript record has all of the fields that are accessible using dot-notation, such as record.subsidiary.

If you use the general journal entry SuiteScript record as your data source, advanced PDF/HTML journal entry printing creates a SuiteScript record and passes it to the templating engine using the "record" alias.

When you customize a template for a specific journal entry type and then use the general journal entry SuiteScript record as your data source, your template will have access to only those fields that are available to the general journal entry SuiteScript record. Your template will not have access to specific fields that are available on a specific journal entry, such as Advanced Intercompany Journal.

For a list of fields available to the general journal entry SuiteScript record, see the Journal Entry reference page in the Records Browser.

Following is a code example when the general journal entry SuiteScript record is the data source:

```
<table>
    <tr>
        <th>${record@title}</th> <th>${record.trandate}</th>
    </tr>

    <#list record.line as line>
    <tr>
        <td>${record.subsidiary}</td>
        <td>${line.account}</td>
        <td>${line.debit}</td>
        <td>${line.credit}</td>
        <td>${line.memo}</td>
    </tr>
    </#list>
</table>
```

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GL Impact

The GL Impact data source uses the results of a saved search constructed to retrieve the same lines that are available in the GL Impact of a specific journal entry transaction. For example, this data source creates a line for tax, which is not available when you use the general journal entry SuiteScript record as your data source.

The GL Impact data source is available only for advanced PDF/HTML journal entry printing. It is not accessible in any other printing.

⚠️ **Important:** The GL Impact data source is available only for the primary accounting book.

When you use the GL Impact as your data source, advanced PDF/HTML journal entry printing retrieves the results from the saved search and passes the results to the templating engine using the "gllines" alias. This data source has the following fields for each row:

- account
- debitamount
- creditamount
- posting
- memo
- entity
- subsidiary
- department
- class
- location
- fxamount
- lowercased alias of custom segments that appear on the GL impact such as custcol_cseg1

Following is a code example when both the general journal entry SuiteScript record and the GL Impact are used as the data source:

```
<table>
    <tr>
        <th>${record@title}</th> <th>${record.trandate}</th>
    </tr>

    <#list gllines as glline>
    <tr>
        <td>${record.subsidiary}</td>
        <td>${glline.account}</td>
        <td>${glline.debitamount}</td>
        <td>${glline.creditamount}</td>
        <td>${glline.memo}</td>
    </tr>
    </#list>
</table>
```

Enable the Advanced PDF/HTML Templates Feature

The Advanced PDF/HTML Templates feature must be enabled to use the Standard Journal Entry PDF/HTML Template for printing journal entries.

To enable the Advanced PDF/HTML Templates feature:

1. Go to Setup > Company > Enable Features.

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2. Click the **SuiteCloud** subtab.

3. Under SuiteBuilder, check the **Advanced PDF/HTML Templates** box.

4. If required, agree to the SuiteCloud Terms of Service, and click **Save**.

Customize the Standard Journal Entry PDF/HTML Template

The Standard Journal Entry PDF/HTML Template at Customization > Forms > Advanced PDF/HTML Templates includes the following fields:

- Title
- Journal no. (Entry No)
- Date
- Posting Period
- System ID (Internal ID)
- Currency
- Subsidiary (OneWorld)
- Account
- Debit (amount)
- Credit (amount)
- Memo

These fields are available in the general journal entry SuiteScript record.

When you customize the Standard Journal Entry PDF/HTML Template you can use two data sources to retrieve data for the template. For details about the available data sources, see Data Sources.

To customize the Standard Journal Entry PDF/HTML Template, go to Customization > Forms > Advanced PDF/HTML Templates and click the Customize link. For detailed information about customizing a template, see the help topic Customizing Advanced Templates in the Template Editor.

Print a Single Journal Entry or Multiple Journal Entries

When the Advanced PDF/HTML Templates feature is enabled, you can print a single journal entry or multiple journal entries at the same time.

> ℹ️ **Note:** You must have the Make Journal Entry permission to see and print journal entries.

When you want to print a single journal entry, a Print link appears on each journal line on the List view of the specific journal entry type you want to print. In addition, a print icon appears on the following journal entry pages:

- Journal
- Intercompany Journal
- Advanced Intercompany Journal
- Book Specific Journal
- Book Specific Intercompany Journal
- Book Specific Advanced Intercompany Journal

If you have an administrator role, you can print multiple journal entries at the same time from the Print Checks & Forms page at Transactions > Management > Print Checks and Forms.

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To print an individual journal entry:

1. Go to the List view of the specific journal entry type you want to print.

   For example, if you want to print general journal entries, go to Transactions > Financial > Make Journal Entries > List.

2. Click the **Print** link on the line for the journal entry you want to print.

   You can also click the print icon on a journal record to print an individual journal entry.

   The journal entry appears in a new browser tab.

3. Right-click the browser tab to display a menu, choose the print option, then complete the printing process.

To print multiple journal entries at the same time:

1. Go to Transactions > Management > Print Checks and Forms.

2. Click the **Journals** link to access the Print Journals page.

3. Select the type of journal record you want to print from the **Journals** list. Your selection filters the unprinted journal entries that appear on the page.

   > ⓘ **Note:** A maximum of 100 journals can appear on the page and be selected for printing.

   You can further filter the unprinted journal entries by selecting the location, the transaction template from the **Form** list, or both.

   The **Documents in Queue** field provides the number of journal entries queued for printing.

4. To view and reprint journal entries that have already been printed, check the **Allow Reprinting** box.

   Reprinting journal entries is useful if you have had printer problems or require more than one copy of the printed document.

5. Click **Customize** to customize the journal entry list view to include additional filters that impact the journal entries that appear on the Print Journals page.

6. Click the **Print** box next to the journal entries you want to print.

   You can also click **Mark All** to print all of the journal entries that appear in the list. Click **Unmark All** to clear the **Print** boxes.

7. Click **Print** to print the selected journal entries.

Printing a List of Journal Entries

You print a list of journal entries from the specific journal entry type page. For example, if you want to print a list of general journal entries, go to Transactions > Financial > Make Journal Entries > List.

To print a list of journal entries:

1. Go to the List view of the specific journal entry type you want to print.

2. Click the print icon to print the list of journal entries.

Importing a Journal Entry

If you have the Make Journal Entry and Posting Period on Transactions permissions, you can import a single journal entry from an external system into NetSuite.

If you use NetSuite OneWorld, you can also import a single intercompany journal entry.

Import is supported for journal entries with up to 10,000 lines. You may notice a performance impact during import and in the user interface for journal entries with over 1000 lines. In addition, these large journal entries may not be editable in the user interface.

> **(i) Note:** As of 2015.2, the journal entry and intercompany journal entry records include a Memo body field. However, if your file includes only one column labeled Memo, auto-mapping during a simple import still works as it did in previous releases: The Memo field is mapped to the Line Memo field. The system also displays a warning that instructs you to check that your mapping is correct. If you include both a Memo and Line Memo column, both columns auto-map to the appropriate fields.
>
> Auto-mapping works differently if you are using the CSV Import Assistant. For details on that method, see the help topic Journal Entry Import and Intercompany Journal Entry Import.

To import a journal entry:

1. Go to Transactions > Financial > Make Journal Entries > Import.

   (To import an intercompany journal entry, go to Transactions > Financial > Make Intercompany Journal Entries > Import.)

2. On the Import Assistant's Scan & Upload CSV File page, select the type of character encoding for imported data.

   For information about available options, see the help topic Choose Import Character Encoding.

   For more information about the Import Assistant, see the help topic Single Journal Entry Import.

3. Click the **Single Journal Entry Template File** link to download a CSV template file.

4. Save the file to your system and then populate the saved file with your journal entry data. Note the following conditions:

   - Each imported journal entry must include at least two lines and have balancing debits and credits.
   - Each imported intercompany journal entry must include at four lines with one debit and credit for both the originating and receiving subsidiary.
   - You can add columns to the file to import data for additional journal entry fields.
   - For more information about supported CSV file values, see the help topic Supported Values for Journal Entry Import CSV Files.

5. Click **Select**, choose the CSV file you have populated and then click **Open**.

6. Click **Next**.

7. On the View Mapping / Start Import page, review the automappings of CSV file fields to NetSuite fields.

   Accept the default mappings and start the import, or make changes by dragging and dropping fields. You can also click the pencil icon to open a popup and set default values.

   If you do not map or set defaults for the **Date** and **Entry No.** fields, the import process provides default values.

   > **(i) Note:** If you want to know what the defaulted number is going to be for an imported statistical journal, you can check this value prior to the import by going to Setup > Company > Auto-Generated Numbers > **Document Numbers** subtab > **Journal** field > **Current Number** column. For details about field mapping, see the help topics CSV Field Mapping Tasks and General CSV Field Mapping Tips.

8. Click **Run** to immediately start the import.

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When the import process successfully completes, the record created by the journal entry import displays. This page enables you to immediately review import results.

If an import does not successfully complete, a Job Status page appears. Click the **CSV Response** link to view a results.csv file that contains your CSV file data and the error message.

Correct the error in your CSV file and then retry the import. For information about import errors, see the help topic Journal Entry Import Errors.

> **ⓘ Note:** Users who have the **Import CSV File** permission can import multiple journal entries at one time and take advantage of additional import options. For details about this more complex capability, see the help topic Journal Entry Import and Intercompany Journal Entry Import. For details about importing advanced intercompany journal entries, see the help topic Advanced Intercompany Journal Entry Import.

Making Journal Entries in OneWorld

You create most OneWorld journal entries at Transactions > Financial > Make Journal Entries. On the Journal record, you associate the journal with a single subsidiary. Revenue recognition journal entries must also be associated with a single subsidiary. For general information about journal entries in NetSuite, see Working with Journal Entries.

Intercompany journal entries are a specialized type of journal, specifically for OneWorld accounts. Use intercompany journal entries to post transactions between subsidiaries.

When you create a regular intercompany journal entry, you select the originating subsidiary and the receiving subsidiary. Choices in the Account fields are limited to those associated with the chosen subsidiaries, classes, departments, and locations to which the current user's role has access. The Currency field displays the base currency of the originating subsidiary,but you can change it to the base currency of the receiving subsidiary. When you save the journal entry, the ledger of each subsidiary is appropriately debited and credited. Create regular intercompany journals at Transactions > Financial > Make Intercompany Journal Entries. For details, see Intercompany Journal Entries.

When you create an advanced intercompany journal entry, you can select the originating subsidiary and define multiple receiving subsidiaries. The Currency field displays the base currency of the originating subsidiary, but you can change it to any currency set up in your system. When you save the journal entry, the ledger of each subsidiary is appropriately debited and credited. Create advanced intercompany journals at Transactions > Financial > Make Advanced Intercompany Journal Entries. For details, see Advanced Intercompany Journal Entries.

Elimination journal entries are regular journal entries that are associated with elimination subsidiaries. You can create elimination journal entries to reverse the effect of intercompany transactions, maintaining balance in the consolidated books. You must associate an elimination journal with a single elimination subsidiary. You create elimination journal entries at Transactions > Financial >Make Journal Entries. On the Journal record, you select an elimination subsidiary. See Elimination Journal Entries. You can also automatically generate elimination journal entries if you enable the Automated Intercompany Management feature. See Automated Intercompany Management Overview.

You can import journal entry, intercompany journal entry and advanced intercompany journal entry data from a CSV file. See Importing a Journal Entry.

If you enable the Intercompany Time and Expense feature, you can create intercompany time entries and expense transactions. You can create intercompany adjustment journal entries to transfer time, expense, or both charges from one subsidiary to another. You can also automate adjustments for intercompany expenses. See Enabling Intercompany Time and Expenses.

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You can set preferences to require approval for journal entries before they are posted, and to determine how classes, departments, and locations are shown on journal entry forms. To set these preferences, go to Setup > Accounting > Accounting Preferences > General subtab.

Elimination Journal Entries

Many business transactions between a parent company and its subsidiary involve a profit or a loss. Among these transactions are intercompany sales of merchandise and intercompany sales of fixed assets. Consolidated financial statements compute the financial position and the results of operations of two or more subsidiaries (affiliated companies), as if they were one company. The unrealized profits or losses in these intercompany transactions must be eliminated until intercompany profits or losses are realized through the sale of the assets to outsiders.

Failure to eliminate unrealized profits and losses result in consolidated income statements reporting not only the results of transactions to outsiders, but also the results of related party transactions within the affiliated group. Similarly, non-recognition of realized profits and losses would misstate consolidated net income in the consolidated financial statements.

Elimination journal entries are regular journal entries, except that they are associated with elimination subsidiaries. You must associate each elimination journal with a single elimination subsidiary. You create elimination journal entries at Transactions > Financial > Make Journal Entries. On the Journal record, select an elimination subsidiary. For details about how to set up elimination subsidiaries, see the help topic Elimination Subsidiaries Overview.

> **ⓘ Note:** If you are reviewing reports when the elimination process is running, the reports may change as the process runs. If the elimination process fails, some of the elimination journal entries are not created. It is recommended that you re-run the elimination process. Running the elimination process again deletes all of the elimination journal entries created on the previous run to ensure no duplication.

Intercompany Journal Entries

> **ⓘ Note:** As of 2018.1, advanced intercompany journal entries replace legacy intercompany journal entries in new OneWorld accounts.

Intercompany journal entries are a specialized type of journal available specifically for OneWorld. An intercompany journal entry records debits and credits to be posted to ledger accounts for transactions between two subsidiaries. Intercompany journal entries adjust the value of any set of accounts without entering transactions such as invoices or bills.

An advanced version of intercompany journal entries is now available, which enables you to define multiple receiving subsidiaries, change the base currency to any currency set up in your system, and use the Auto Balance functionality. For information, see Advanced Intercompany Journal Entries.

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.

If you enable the Intercompany Time and Expense feature, you can create intercompany time entries and expense transactions. You can create intercompany adjustment journal entries to transfer time, expense, or both charges from one subsidiary to another. For these journals, you have the option of using the intercompany clearing account that is automatically created when this feature is enabled and their associated transactions such as journal entries. For expense charges, you can generate automated adjustments instead of creating intercompany journal entries. See Enabling Intercompany Time and Expenses.

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> ⚠️ **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 new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. In 2014.1, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Intercompany Elimination Overview.

You also have the option of importing intercompany journal entry data from a CSV file. For more information, see Importing a Journal Entry.

For general information about making journal entries in OneWorld, see Making Journal Entries in OneWorld. For examples, see Example Intercompany Journal Entries. For information about automatically creating journal entries from allocation schedules, see Creating Intercompany Allocation Schedules.

To make an intercompany journal entry:

1. Go to Transactions > Financial > Make Intercompany Journal Entries.
2. In the Primary Information section:

   a. In the **Entry No.** field, accept the default or enter a different number.

   > ℹ️ **Note:** If journal entries are assigned autogenerated numbers in your account, you cannot change the default number unless the override permission is enabled for Journal. Go to Setup >Company > Auto-Generated Numbers > Document Numbers subtab. Check the **Allow Override** box on the **Journal** line. For more information, see the help topic Set Auto-Generated Numbers.

   b. Review the **Out of Balance By** fields as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

   c. In the Classification section, select the subsidiary initiating the ledger transaction. You must select the subsidiary before you can accept or select the currency.

   The first line of this journal entry must post to the selected subsidiary.

   > ⚠️ **Important:** All lines of this journal entry must post to either the **Subsidiary** or the **To Subsidiary**. No other subsidiaries can be associated with lines on this journal entry.

   d. In the **To Subsidiary** field, choose the second subsidiary for this ledger transaction.

   > ℹ️ **Note:** If one or both of the subsidiaries selected in the **Subsidiary** or **To Subsidiary** field is assigned to one or more shared vendor or customer records, you can make intercompany journal entries for any of the vendors or customers to which the selected subsidiaries are assigned. To do this, on the **Lines** subtab, select the shared vendor or customer from the **Name** field. For more information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.

   e. By default, the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

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You can change this value to the base currency of the subsidiary selected in the **To Subsidiary** field.

If one of the subsidiaries uses a base currency different from the selected currency, the journal entry is translated into that subsidiary's base currency before it posts to that subsidiary's ledger. This translation is based on the exchange rate entered on the intercompany journal form.

f. The **Exchange Rate** field is the current exchange rate between the selected currency and the base currency of the other subsidiary in the transaction.

You can edit the exchange rate on this form for only this transaction. To affect additional future transactions, you can also update the currency record with the entered exchange rate.

g. If you have journal approval permission, check the **Approved** box to approve your journal entry.

If you do not check this box, this entry does not post until it is approved.

> ⚠ **Important:** The **Approved** box displays only if the **Require Approvals on Journal Entries** preference is enabled. Go to Setup > Accounting > Accounting Preferences > **General** subtab. See Require Approvals on Journal Entries Preference.
>
> The **Approved** box does not display if you have enabled the **Journal Entries** approval routing preference to use SuiteFlow to create a custom journal entry approval routing. See Use Journal Entry Approval Routing.

h. In the **Date** field, accept today's date or enter a new date for the journal entry.

i. If you use fiscal periods, select the **Posting Period** in which to post this transaction.

> ⚠ **Important:** When an intercompany journal entry transaction has no defined posting period, users with **View** level of the **Manage Accounting Periods** permission see a suggested accounting period in the Posting Period field on the transaction. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission would see the suggested posting period as February. An administrator with **Full** level of the permission would see the suggested posting period as January.

> ⚠ **Important:** The posting period is determined when the journal entry is approved. If approval occurs after the selected posting period has closed, the journal entry is posted to the first open period.

j. Leave the **Reversal Date** field blank and **Defer Entry** box blank, unless you want to create a reversing entry at the same time.

If you check the **Defer Entry** box, the **Reversal Date** field is mandatory.

For information about reversing entries, see Reversing Journal Entries.

k. In the **Memo** field, enter information to help you identify this journal entry in a list of other journal entries.

The value in this field displays on the List page.

3. If you have enabled **Departments**, **Classes**, or both on the **Company** subtab of the Enable Features page, select the appropriate classification to associate with this journal entry.

For information about Departments and Classes, see the help topic Departments and Classes Overview.

4. On the **Lines** subtab, enter the detail information for the journal lines.

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The columns that appear are based upon the permissions set for your user role.

> ✔ **Tip:** You can navigate down the lines by pressing the **Enter** key on your keyboard. You cannot navigate up the lines.

a. In the **Subsidiary** field, select the subsidiary to associate with this journal line. Only the **Subsidiary** or **To Subsidiary** can be selected.

The first line of this journal entry must post to the subsidiary selected in the **Subsidiary** field. Lines subsequent to the first may post to either the **Subsidiary** or **To Subsidiary**.

> ⓘ **Note:** If the selected subsidiary is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the subsidiary is assigned. To do this, select the shared vendor or customer from the **Name** field.

b. In the **Account** field, select the ledger account to be affected by this journal line.

If you use the **Automated Intercompany Management** feature, you can select an intercompany account. The **Eliminate** box is checked to flag the line for elimination at period end. See Using Automated Intercompany Management for Elimination.

If you enabled the **Intercompany Time and Expense** feature, you can use the subsidiaries' intercompany clearing account for entries that transfer charges for time or expenses. See Intercompany Clearing Account.

The list of available accounts is filtered according to any class/department/location restrictions set for your role. Accounts that are associated with classes, departments, and locations to which your role does not have access are not available in the **Account** list.

c. In the **Debit** or **Credit** field as appropriate, enter the amount of the line item.

d. Optionally, enter a memo to help you recognize this entry in a register for this account.

e. Optionally, in the **Name** field, select a customer, employee, project, or vendor to associate with this entry.

If you use the Multiple Currencies and Customers feature, you can create a journal entry for an entity in any of that entity's currencies.

If you use **Automated Intercompany Management**, select an intercompany customer or intercompany vendor, as appropriate.

> ⓘ **Note:** NetSuite filters the list of options in this field and includes only entities that support the selected base currency. If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned. To do this, select the shared vendor or customer from the **Name** field.

f. If you have enabled **Locations** on the **Company** subtab of the Enable Features page and you specify classifications at the line-level, select the appropriate location to associate with this line.

For information about Locations, see the help topic Locations Overview.

g. If you use the Revenue Recognition or Amortization features:

i. In the **Schedule** column list, select the appropriate template.

Revenue recognition templates display when the **Revenue Recognition** feature is enabled. Amortization templates display when the **Amortization** feature is enabled.

    ii. If you select a variable template, you must also select the associated project in the **Customer** column list.

    iii. Enter a start and end date, if needed.

    iv. Enter the residual amount not to be recognized, if needed.

  h. If this journal entry was created by an intercompany allocation schedule and the selected subsidiary was an elimination subsidiary **and** the intercompany elimination accounts used the same elimination algorithm **and** the accounts were in balance, NetSuite automatically marked the intercompany journal lines as elimination. You can manually unmark the lines as elimination by clearing the **Eliminate** box.

  i. If required, select a tax code to default the tax rate for the line.

   Only tax codes with VAT and GST appear in the **Tax code** list.

  j. Enter the VAT or GST tax amount for the line, if any.

  k. In the **Tax Account** field, select the account for the tax.

  l. Click **Add**.

> ✔ **Tip:** When line details are similar, click **Copy Previous** and then make modifications as required.

  m. Repeat these steps for each line item.

   When you finish entering line items, the **Debit** and **Credit** out of balance fields at the top of the page should be blank. If either field contains an amount, your line items are out of balance and you cannot save this entry.

   To post an intercompany journal entry, the total debits and credits must balance by subsidiary for every transaction. Debit and credit amounts between subsidiaries can be different. Upon saving the intercompany journal entry in this case, NetSuite alerts you that the journal entry does not balance between subsidiaries. To save the journal entry, click **OK**.

5. On the **Communication** subtab, you can attach files and notes to this transaction.

  a. On the **User Notes** subtab, enter a title and note for any comments you want to add to this transaction. Click **Add** after each note

  b. On the **Files** subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select **New** from the list in the **Attach Files** column.

  c. Use the **Events**, **Tasks**, and **Phone Calls** subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

6. If the Multi-Book Accounting feature is provisioned in your account, the **Accounting Books** subtab appears. This subtab shows the secondary books, if any, and their respective base currencies and exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

7. Click **Save**.

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⚠️ **Important:** When you create an intercompany journal entry for two subsidiaries with different base currencies, the general ledger impact may be different for each subsidiary, due to revaluation.

VAT/GST for Intercompany Journal Entries

When you create an intercompany journal entry, include VAT/GST information in the VAT and VAT Amt fields on the Lines subtab. These fields are available for subsidiaries with a tax nexus set up and a reporting requirement for VAT or GST.

Example Intercompany Journal Entries

ℹ️ **Note:** As of 2018.1, advanced intercompany journal entries replace legacy intercompany journal entries in new OneWorld accounts. For information, see Advanced Intercompany Journal Entries. This example is valid for both advanced and legacy intercompany journal entries.

The following journal entries recognize revenue for a sale from a U.S. subsidiary to a U.K. subsidiary:

Subsidiary	Account	Debit	Credit
Wolfe U.S.	Intercompany Receivable	$100	
Wolfe U.S.	Sales		$100
Wolfe U.K.	Intercompany Payable		$100
Wolfe U.K.	Inventory	$100	

Because the U.K. subsidiary uses British pounds (GBP) as its base currency, NetSuite revalues the transaction before posting it to the U.K. subsidiary's ledger. For this reason, from the perspective of the U.K. subsidiary, the general ledger impact of this transaction would show the revalued transaction in GBP, not U.S. dollars. This means the general ledger impact for Wolfe U.S. and Wolfe U.K. can differ.

To post an intercompany journal entry, the total debits and credits must balance by subsidiary for every transaction. Debit and credit amounts between subsidiaries can be different. When saving the intercompany journal entry in this case, NetSuite alerts you that the journal entry does not balance between subsidiaries. Click OK to save the journal entry.

In addition, to maintain balance in consolidated financials, you need to create elimination journal entries to reverse the effects of the intercompany transactions. With the Automated Intercompany Elimination feature enabled, elimination journal entries are automatically generated as part of the period close process. See Automated Intercompany Management Overview.

For instructions for making an intercompany journal entry, see Intercompany Journal Entries. For general information about OneWorld journal entries, see Making Journal Entries in OneWorld.

Advanced Intercompany Journal Entries

Using an advanced intercompany journal entry, you can specify the originating subsidiary and multiple receiving subsidiaries for the journal entry. You can also change the transaction currency to any currency set up in your system. Other behavior of advanced intercompany journal entries is similar to regular intercompany journal entries. For information about regular intercompany journals, see Intercompany Journal Entries.

Scripts and workflows for regular intercompany journal entries do not work with advanced intercompany journal entries. You must create separate scripts and workflows for advanced intercompany journal entries.

To create advanced intercompany journal entries, your role must include at least edit-level access for the Make Journal Entry permission. Advanced intercompany journal entries respect subsidiary and account restrictions.

If you use the Automated Intercompany Management feature, advanced intercompany journal entries include an Auto Balance button. This button automatically adds elimination lines to balance the transaction. For example, if the net amount of a To subsidiary is a credit, an offsetting debit line with a receivables account is automatically added.

You cannot use a default intercompany journal entry auto balance account if that account has a currency or subsidiary restriction that makes the line invalid. For example, if the default auto balance account currency is restricted to the Japanese Yen, you cannot use it with a journal in which the currency is set to CAD.

> ⚠️ **Important:** When the Intercompany Time and Expenses feature was released, accounts were created named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In 2013.1, the Intercompany Clearing XXX account was introduced. This account replaced the Intercompany Payable/Receivable Account for new NetSuite implementations. Existing implementations kept the original accounts. In 2014.1, intercompany clearing accounts were introduced for payable and receivable that were not currency locked. These clearing accounts are used 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 Intercompany Elimination Overview.

The following topics include information related to journal entries and advanced journal entries:

- Making Journal Entries in OneWorld
  – general information about journal entries in OneWorld
- Example Intercompany Journal Entries – an example of an intercompany journal entry
- Creating Intercompany Allocation Schedules – information about automatically creating journal entries from allocation schedules
- Advanced Intercompany Journal Entry Import – information about importing advanced intercompany journal entries

To make an advanced intercompany journal entry:

1. Go to Transactions > Financial > Make Advanced Intercompany Journal Entries.
2. In the Primary Information section:
   a. In the Classification section, select the **Subsidiary** initiating the journal entry.

      You must select the **Subsidiary** before you can select the **Currency**.

      The first line of this journal entry must post to the Subsidiary you select.

      > ℹ️ **Note:** If you select a subsidiary in the **Subsidiary** field that is assigned to one or more shared vendor or customer records, you can make advanced intercompany journal entries for any of the vendors or customers to which the selected subsidiary is assigned. To do this, on the **Lines** subtab, select the shared vendor or customer from the **Name** field. For more information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.

   b. In the **Entry No.** field, accept the default or enter a different number.

      If journal entries are assigned autogenerated numbers in your account, you cannot change the default number unless the override permission is enabled for Journal. For more information, see the help topic Set Auto-Generated Numbers.

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c. Review the **Out of Balance By** fields as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

d. By default, the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

You can change this value to any currency set up in your system.

If one of the subsidiaries uses a base currency different from the selected currency, the **Line** subtab also displays the transaction amount translated into the subsidiary's base currency. This translation is based on the exchange rate entered on the intercompany journal line.

e. If you have journal approval permission, check the **Approved** box to approve your journal entry when you save it.

The **Approved** box displays only if the **Require Approvals on Journal Entries** accounting preference is checked. For information, see Require Approvals on Journal Entries Preference.

When you check the **Journal Entries** box on the **Approval Routing** subtab on the Accounting Preferences page, the Approved box is not added to the journal entry page. Approval routing for journal entries uses SuiteFlow to create journal entry approval routing. For information, see Use Journal Entry Approval Routing.

If the **Approved** box is displayed and you do not check it, the journal entry does not post until it is approved.

f. In the **Date** field, accept today's date or enter a new date for the journal entry.

g. If you use fiscal periods, select the **Posting Period** in which to post this transaction.

When an intercompany journal entry has no defined posting period, a suggested accounting period is displayed in the Posting Period field to those whose role includes **View** level access for the **Manage Accounting Periods** permission. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission sees the suggested posting period as February. An administrator with **Full** level of the permission sees the suggested posting period as January.

> ⚠️ **Important:** The posting period is determined when the journal entry is approved. If approval occurs after the selected posting period has closed, the journal entry is posted to the first open period to which the approving user has access.

h. Leave the **Reversal Date** field blank and **Defer Entry** box blank, unless you want to create a reversing entry at the same time.

If you check the **Defer Entry** box, the **Reversal Date** field is mandatory.

For information about reversing entries, see Reversing Journal Entries.

i. In the **Memo** field, enter information to help you identify this journal entry in a list of other journal entries.

The value in this field displays on the List page.

3. On the **Lines** subtab, enter the detail information for the journal lines.

The columns that appear are based upon the permissions set for your user role.

> ✔️ **Tip:** You can navigate down the lines by pressing the **Enter** key on your keyboard. You cannot navigate up the lines.

a. In the **Subsidiary** field, select the subsidiary to associate with this journal line.

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The first line must post to the subsidiary selected in the **Subsidiary** field in the Classification section of the journal entry. Lines after the first may post to any of the other subsidiaries.

The subsidiaries that appear in the list are based upon the permissions set for your user role. You must have access to all the subsidiaries on the record.

> ⓘ **Note:** If the selected subsidiary is assigned to one or more shared vendor or customer records, you can make this line for any of the vendors or customers to which the subsidiary is assigned. To do this, select the shared vendor or customer from the **Name** field.

b. In the **Account** field, select the ledger account to be affected by this journal line.

If you use the **Automated Intercompany Management** feature, you can select an intercompany account. The **Eliminate** box is checked to flag the line for elimination at period end. See Using Automated Intercompany Management for Elimination.

If you enabled the **Intercompany Time and Expense** feature, you can use the subsidiaries' intercompany clearing account for entries that transfer charges for time or expenses. See Intercompany Clearing Account.

The list of available accounts is filtered according to any class, department, location, and subsidiary restrictions set for your role. Accounts that are associated with classes, departments, locations, or subsidiaries to which your role does not have access are not available in the **Account** list.

c. In the **Debit** or **Credit** field as appropriate, enter the amount of the line item.

d. If required, select a tax code to default the tax rate for the line.

e. Optionally, enter a memo to help you recognize this entry in a register for this account.

f. Optionally, in the **Name** field, select a customer, employee, project, or vendor to associate with this entry.

> ⓘ **Note:** NetSuite filters the list of options in this field and includes only entities that support the selected base currency. If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned. To do this, select the shared vendor or customer from the **Name** field.

If you use the Multiple Currencies and Customers feature, you can create a journal entry for an entity in any of that entity's currencies.

If you use **Automated Intercompany Management**, select an intercompany customer or intercompany vendor, as appropriate.

g. If you have enabled **Departments**, **Classes**, or both on the **Company** subtab of the Enable Features page, select the appropriate classification to associate with this line entry.

For information about Departments and Classes, see the help topic Departments and Classes Overview.

h. If you have enabled **Locations** on the **Company** subtab of the Enable Features page, select the appropriate location to associate with this line.

For information about Locations, see the help topic Locations Overview.

i. If you use the Revenue Recognition or Amortization features:

   i. In the **Schedule** column list, select the appropriate template.

       Revenue recognition templates display when the **Revenue Recognition** feature is enabled. Amortization templates display when the **Amortization** feature is enabled.

    ii.   If you select a variable template, you must also select the associated project in the **Name** column list.

    iii.   Enter a start and end date, if needed.

    iv.   Enter the residual amount not to be recognized, if needed.

j.   If you are using the Eliminations feature and the line is marked as elimination, accept the other subsidiary in the **Due To/From Subsidiary** column or select a subsidiary that is not the From Subsidiary .

   If this line is the From Subsidiary, the selected subsidiary must be added as one of the To Subsidiaries in the transaction before saving.

   If this line is the To Subsidiary line, this column value must be the From Subsidiary.

k.   Enter the VAT tax amount for the line, if any.

l.   In the **Tax Account** field, select the account for the tax.

m.   The **Exchange Rate** field is the current exchange rate between the selected currency and the base currency of this subsidiary in the line.

   You can edit the exchange rate on this line for only this transaction. To affect additional future transactions, you can also update the currency record with the entered exchange rate.

   If you have multiple rows on the **Lines** subtab that specify the same subsidiary, they must share the same **Exchange Rate**. If you have multiple subsidiaries with the same base currency, it is recommended that you keep their **Exchange Rate** values the same.

   If you use the Multi-Book Accounting Overview feature, you can set exchange rates per subsidiary for the primary book on the **Lines** subtab. Set the exchange rates per subsidiary for the secondary books on the **Accounting Book** subtab. If a secondary book uses the same base currency as the primary book for a certain subsidiary, their exchange rates do not have to be the same. However, if within the same accounting book you have two subsidiaries that share the same base currency, it is recommended that you keep their exchange rates the same.

> ⓘ **Note:** If you use the Multiple Currencies and Customers feature, the **Base Currency** column is populated by the subsidiary's base currency (book-specific) definition.

n.   Click **Add**.

> ✔ **Tip:** When line details are similar, click **Copy Previous** and then make modifications as required.

o.   Repeat these steps for each line item.

   When you finish entering line items, the **Debit** and **Credit** out of balance fields at the top of the page should be blank. If either field contains an amount, your line items are out of balance and you cannot save this entry. The net debit and credit amount on the From subsidiary, must be the same as the total net credit and debit of all To subsidiaries combined.

   If you have the **Automated Intercompany Management** feature enabled, you can use the Auto Balance functionality. To automatically add elimination lines and balance the transaction, click **Auto Balance**. NetSuite automatically populates the balancing lines.

For example, if the net amount of a To subsidiary is a credit, NetSuite auto-populates an offsetting debit line with a Receivable type of account.

> **ⓘ Note:** You cannot use a default intercompany journal entry Auto Balance account if that account has a currency or subsidiary restriction that makes the line invalid. For example, if the default Auto Balance account is restricted to the JPY currency, you cannot use it with a journal where the Base Currency (or Transaction Currency) is set to US.

To remove the automatic lines, click **Undo Auto Balancing**.

> **ⓘ Note:** To use Auto Balancing, go to Accounting > Accounting Preferences > Items/Transactions, then set your preferences for **Default ICJE Auto Balance Receivables Account** and **Default ICJE Auto Balance Payables Account**. For details, see Items/Transactions Accounting Preferences.

To post an intercompany journal entry, the total debits and credits must balance by subsidiary for every transaction. Debit and credit amounts between subsidiaries can be different. Upon saving the intercompany journal entry in this case, NetSuite alerts you that the journal entry does not balance between subsidiaries. To save the journal entry, click **OK**.

4. On the **Communication** subtab, you can attach files and notes to this transaction.

   a. On the **User Notes** subtab, enter a title and note for any comments you want to add to this transaction. Click **Add** after each note

   b. On the **Files** subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select **New** from the list in the **Attach Files** column.

   c. Use the **Events**, **Tasks**, and **Phone Calls** subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

5. If the Multi-Book Accounting feature is provisioned in your account, the **Accounting Books** subtab appears. This subtab shows the secondary books, if any, and their respective base currencies and exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

6. Click **Save**.

7. To view the general ledger impact of the created transaction, go to **Actions** > **GL Impact**.

> **⚠ Important:** When you create an intercompany journal entry for subsidiaries with different base currencies, the general ledger impact reflects the balance in the base currency of the subsidiary.

> **ⓘ Note:** When viewing transactions from advanced intercompany journal entries, the permissions set for your user role determines what you are able to view and edit. If you do not have access to all the subsidiaries on a record, you can only view data for the subsidiaries to which you have access. In addition, you cannot edit or copy the record.

Enabling Intercompany Time and Expenses

In OneWorld accounts, before you can enter transactions for an entity such as a customer, a vendor, or an employee, you must assign a single subsidiary to that entity. Transactions involving a customer or

vendor generally impact the accounts of the subsidiary assigned to that customer or vendor. Time and expenses entered for an employee generally impact the subsidiary assigned to that employee.

In a multi-subsidiary environment, some transactions may involve more than one subsidiary, impacting the accounts of more than one subsidiary. For example, employees assigned to one subsidiary may be required to enter time or expenses for customers assigned to a different subsidiary. The Intercompany Time and Expense feature enables entry of intercompany time and expenses, and the transfer of time, expense, or both charges from one subsidiary to another.

You can enable the Intercompany Time and Expense feature at Setup > Company > EnableFeatures,, on the Accounting subtab.

> **ⓘ Note:** If you enabled this feature after April 2014, when you created a qualifying journal entry the system created a single Intercompany Clearing Account of the Type: Other Current Asset. The account was set to the Root Subsidiary and included all child subsidiaries. Adjustment journal entries correctly posted to this new account, and no other currency-locked Intercompany Clearing Accounts were created.
>
> If you enabled this feature prior to April 2014, when you created a new adjustment journal entry the system created a new Intercompany Clearing Account (no currency), which became the parent of all other existing clearing accounts. New adjustment journal entries use this parent account, and the existing currency-locked Intercompany Clearing Account remained intact. If you edit a transaction that originally posted to the existing currency-locked Intercompany Clearing Account, the GL Impact of that transaction affects that account.

After this feature is enabled, you can set the following OneWorld preferences at Setup > Accounting > Accounting Preferences > General subtab:

- **Intercompany Time** – Set to **Allow** (default) to permit time entries where the employee and customer have different subsidiaries. Set to **Disallow** to prohibit these transactions.

- **Intercompany Expenses** – Set to **Allow** to permit expenses transactions where the employee and customer have different subsidiaries. Set to **Disallow** to prohibit these transactions. Set to **Allow and Auto Adjust** (default) to enable automated intercompany adjustments.

When time and expenses are entered, their impact on employee subsidiary accounts is recorded. For customers that have a subsidiary different from employees, create adjusting journal entries to reverse the impact on employee subsidiary accounts and register the impact on customer subsidiary accounts. You can manually adjust for intercompany time by creating intercompany journal entries. Adjustments for expense transactions can be created manually, or they can be automated by generating specialized transactions called intercompany adjustments.

For information about manually creating journal entries to adjust for intercompany transactions, see Intercompany Journal Entries.

For information about generating automated intercompany adjustments, see Creating Intercompany Adjustments for Time and Expenses.

If you plan to enable the Intercompany Time and Expense feature, consider the following:

- **Expense Accounts and Categories** - It is recommended that you set up expense categories linked to expense accounts that are available to all subsidiaries. In intercompany expense transactions, users cannot save expense lines unless they contain expense categories available to both the employee subsidiary and customer subsidiary. See the help topics Setting Up Accounts in OneWorld and Creating an Expense Category.

- **Service Items** - It is recommended that you set up service items that are available to all subsidiaries. In intercompany time entries, users cannot save lines unless they contain service items available to

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both the employee subsidiary and customer subsidiary. See the help topic Associating Subsidiaries with Items.

- **Classes, Departments, and Locations** - You must determine a strategy for handling classification segments on intercompany time and expenses.

  - If you do not need to use classes, departments, and locations, you should omit them on intercompany time and expenses. You can set your accounting preferences to make this omission possible. Go to Setup > Accounting > Preferences > Accounting Preferences. On the General subtab, do one of the following:

    - Disable the **Make Classes Mandatory**, **Make Departments Mandatory**, and **Make Locations Mandatory** options,

      or

    - Enable the **Allow Empty Classifications on Journals** option.

  - If you must use classifications on these transactions, it is recommended that you set up global classifications that are available to all subsidiaries.

  - If classifications are required for journals, set up global classifications available to all subsidiaries. Without global classifications, errors may occur for automated intercompany adjustments. These errors are caused by expense lines that include a class, department, or location that is not available to the subsidiary associated with the selected customer.

  - For more information about using classes, departments, and locations, see the help topic Classifications in NetSuite.

When you enable this feature, the system creates an intercompany clearing account. This clearing account prevents you from modifying the subsidiaries associated with all account types except Bank.

> ⊗ **Warning:** If the Intercompany Time and Expense feature is not enabled, users cannot enter time or expenses where the employee and customer have different subsidiaries.

Intercompany Clearing Account

The Intercompany Time and Expense feature enables the transfer of time, expense, or both charges from one subsidiary to another. If this feature is enabled in your account, an intercompany clearing account is automatically created when the first intercompany transaction occurs. The intercompany clearing account is used to offset the transfer of expenses from the originating subsidiary (employee's subsidiary) to the related subsidiary (customer's subsidiary). This system-generated account enables the balancing of debits and credits in each subsidiary.

Note that when you enable this feature, the intercompany clearing account prevents you from modifying the subsidiaries associated with all account types except Bank.

This is an account of the Other Current Asset type. By default, it does not have an account number. You can change the name. You cannot make other changes, merge, delete, or inactivate the intercompany clearing account. You cannot create other accounts of this type.

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> ⚠️ **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 a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

The intercompany account associated with a subsidiary is used for transactions where that subsidiary is the originating subsidiary. This ensures that adjusting journal entries are all in the base currency of the originating subsidiary. For example, the following intercompany adjustment journal entries illustrate the transfer of expenses entered by a Canadian employee working for a U.K. customer, to be charged to the U.K. subsidiary:

Subsidiary	Account	Debit	Credit
Canadian Subsidiary	Intercompany Clearing CA Dollars	3,395.24	
Canadian Subsidiary	Expense Account		3,395.24
U.K. Subsidiary	Expense Account	3,395.24	
U.K. Subsidiary	Intercompany Clearing CA Dollars		3,395.24

Automated intercompany adjustments use Intercompany Clearing accounts. See Creating Intercompany Adjustments for Time and Expenses.

You also can use Intercompany Clearing accounts in journal entries you create to manually adjust for intercompany time and/or expenses.

If an account already exists with the default name used by a system-generated intercompany payable/receivable account, the system generates the account with a number appended so that its name is unique.

Creating Intercompany Adjustments for Time and Expenses

If the Intercompany Time and Expense feature has been enabled, and the Intercompany Expenses preference has been set to Allow and Adjust, you can create automated intercompany expense adjustments. If you also use Job Costing, you can create intercompany adjustments to account for posted project time transactions. See Enabling Intercompany Time and Expenses.

⚠️ **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 a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Intercompany Elimination Overview.

Users with the Intercompany Adjustments permission and access to all subsidiaries, can generate all required adjustments for a selected posting period. It is recommended that this task be completed as part of the period close process, but it can be done at any time. To access this task from the Period Close Checklist, users need the Manage Accounting Periods permission. To complete this task for a locked period, users need the Override Period Restrictions permission.

ℹ️ **Note:** To have the required permission and access, users must be administrators or have a custom role. The standard CFO role has the Intercompany Adjustments permission but needs to be customized to be granted access to all subsidiaries. See the help topic Controlling Employee Access to Subsidiaries.

To create intercompany adjustments:

1. Go to Transactions > Financial > Create Intercompany Adjustments.

   (You can reach this page either from the Period Close Checklist page or from its own task link.)

   You cannot access this page unless you have the **Intercompany Adjustments** permission **and** access to all active subsidiaries. The **Intercompany Time and Expense** feature must be enabled and the **Intercompany Expenses** preference must be set to **Allow and Adjust**.

   If you also use Job Costing, the **Intercompany Time** preference must be set to **Allow**.

2. Select a posting period, if necessary.

   (If you accessed this page from the period close checklist, the posting period is preselected.)

   The journal entry date is set to the last day of the selected period.

   A list of adjustments displays expense and posted time amounts to be transferred from the subsidiary of the employee (Originating Subsidiary) to the subsidiary of the customer or project (Related Subsidiary). One adjustment is listed for each subsidiary pair.

   Each adjustment line displays the base currency of the originating subsidiary. It also displays the amount required to adjust for expenses entered by employees in the originating subsidiary that must be charged to the related subsidiary.

   ⚠️ **Important:** For posted time transactions using Job Costing, multiple currencies is not allowed. The employee and project customer must have the same base currency.

   This currency may not reflect the currency used on the expense report, which is used primarily for receipt matching. Only approved expense transactions are used to calculate the amount of each adjustment.

3. To view a detailed list of expense and time transactions covered by an adjustment, click an adjustment line's **Amount** field. The list displays in a separate Required Subsidiary Adjustments window.

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> **ⓘ** **Note:** Only approved expense transactions and posted time transactions are included in this list. Currency values may not match the currency used in the transaction.
>
> * To view an expense report record, click its **Date** link.
>
> * To edit an expense report record, click its **Edit** link.
>
> * To customize the view, click the **Customize View** button. For more information, see the help topic Customizing Sublist Views.
>
> * To view a job costing journal entry, click its **View** link.

4. To automatically generate journal entries that implement the listed adjustments, click **Submit**.

    The intercompany clearing account is created if one does not exist. For more information, see Intercompany Clearing Account.

    If generation of journal entries takes an extended period of time, a status page displays.

    After the adjusting journal entries are generated, the Processed Adjustments page displays.

5. After journal entries have been created, you can see journal entry detail for each adjustment by clicking a **Journal** field on the Processed Adjustments page.

    - Journal date is the last day of the selected posting period.

    - The intercompany clearing account is used to balance debits and credits in each subsidiary.

    - All journal amounts are in the base currency of the originating subsidiary, for accounts in both the originating subsidiary and the related subsidiary. General ledger impact to each subsidiary is in its own base currency.

      Each journal entry includes an exchange rate used to translate general ledger impact from the originating subsidiary's base currency to the related subsidiary's base currency. This exchange rate is based on the last day of the period when the adjustment occurred.

    - To review the general ledger impact of an adjustment, click the link in the header of the adjustment record.

      Amounts for originating subsidiary accounts remain in that base currency. Amounts for the related subsidiary are converted using the exchange rate on the adjustment record.

To review previously processed adjustments, you can:

- Go to Transactions > Financial > Create Intercompany Adjustments > Status. Click a **COMPLETE** link in the **Status** column to view the list of adjustments processed as part of each job.

- Do a transaction search, specifying a value of **Yes** for the newly added search field **Is Intercompany Adjustment**. For an example, see Example Intercompany Adjustment Scenario.

> **⚠ Important:** For the system to generate an adjustment that includes a class, department, or location, the specified classification must be available to the selected customer's subsidiary. You can also enable the option **Allow Empty Classifications on Journals** at Setup > Accounting > Accounting Preferences > General subtab.

Example Intercompany Adjustment Scenario

This example occurs in an account where the Intercompany Time and Expense feature is enabled and the Intercompany Expenses accounting preference is set to Allow and Adjust.

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> ⚠️ **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 a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

Background

Sara Peters, an employee assigned to the U.S. based subsidiary of this account provides consulting services to FinCo. Finco is a U.K. based customer associated with the U.K. subsidiary.

Original Expense Report

Sara Peters incurs the following billable expenses recorded in U.S. dollars and records them in an expense report transaction. These expenses are cross-subsidiary. They were incurred by an employee of the U.S. subsidiary during the time in which the employee worked for a customer of the U.K. subsidiary.

Employee	Employee Subsidiary	Expense Category	Memo	Amount	Currency	Customer	Customer Subsidiary
Sara Peters	U.S.	Travel	RT Airfare NY-London	1,600.00	USD	FinCo	U.K.
Sara Peters	U.S.	Lodging	2 nts Hyatt	800.00	USD	FinCo	U.K.
Sara Peters	U.S.	Meals	3 days	600.00	USD	FinCo	U.K.

Expense Report GL Impact

After the expense report is approved by Accounting, the following amounts are posted to U.S. subsidiary accounts:

Account	Amount (Debited)	Amount (Credited)	Name	Subsidiary
Accounts Payable		3,000.00	Sarah Peters	U.S.
Travel	1,600.00		FinCo	U.S.
Lodging	800.00		FinCo	U.S.
Meals	600.00		FinCo	U.S.

Automated Intercompany Adjustment

As part of the period close process in which the expenses occurred, the controller generates automated adjustments to transfer the impact of intercompany expenses. An adjustment with the following lines is generated, all amounts in U.S. dollars:

Subsidiary	Account	Amount (Debited)	Amount (Credited)	Name
U.S.	Intercompany Clearing USD	1,600.00		
U.S.	Travel		1,600.00	FinCo

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Subsidiary	Account	Amount (Debited)	Amount (Credited)	Name
U.K.	Travel	1,600.00		FinCo
U.K.	Intercompany Clearing USD		1,600.00	
U.S.	Intercompany Clearing USD	800.00		
U.S.	Lodging		800.00	FinCo
U.K.	Lodging	800.00		FinCo
U.K.	Intercompany Clearing USD		800.00	
U.S.	Intercompany Clearing USD	600.00		
U.S.	Meals		600.00	FinCo
U.K.	Meals	600.00		FinCo
U.K.	Intercompany Clearing USD		600.00	

Automated Adjustment GL Impact

The following lines illustrate the automated adjustment's general ledger impact on U.S. and U.K. subsidiary accounts:

An exchange rate specified on the adjustment record translates the general ledger impact for the U.K. subsidiary from the U.S. subsidiary base currency (USD) to the U.K. subsidiary base currency (GBP). This rate is based on the last day of the period in which the adjustment occurred. In this example it is 0.51056877.

Account	Amount (Debited)	Amount (Credited)	Name	Subsidiary
Intercompany Clearing USD	1,600.00			U.S.
Travel		1,600.00	FinCo	U.S.
Travel	816.91		FinCo	U.K.
Intercompany Clearing USD		816.91		U.K.
Intercompany Clearing USD	800.00			U.S.
Lodging		800.00	FinCo	U.S.
Lodging	408.46		FinCo	U.K.
Intercompany Clearing USD		408.46		U.K.
Intercompany Clearing USD	600.00			U.S.
Meals		600.00		U.S.
Meals	306.34			U.K.
Intercompany Clearing USD		306.34		U.K.

GL Impact Page

You can access the GL Impact page from most transaction records by clicking GL Impact in the Actions menu.

If a custom GL plug-in execution is scheduled or in progress, a message is displayed at the top of the GL Impact page to indicate that the GL impact might change.

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> **Note:** For transactions from advanced intercompany journal entries, the permissions set for your user role determines what you are able to view and edit. If you do not have access to all the subsidiaries on a record, you can only view data for the subsidiaries to which you have access. In addition, you cannot edit or copy the record.

The GL Impact page lists the general ledger or journal impact of lines on the originating transaction. For each transaction line, the following details are displayed, as applicable:

- Account affected
- Debited amount
- Credited amount
- Whether the amount posts to the account
- Memo text
- Name of related entity (for example, employee, customer, or vendor)
- (OneWorld only) Hierarchical name of the subsidiary affected by the transaction
- Department
- Class
- Location
- Custom segment

For example, the GL Impact page for an invoice could show a debit amount posting to an Accounts Receivable account and a credit amount posting to a merchandise sales account.

Non-posting transactions list debits to the related non-posting registers. Opportunity records do include the GL Impact link.

To return to the source transaction, click the crosslink at the top of the page, for example, Go to Sales Order #SORD1001.

Click the Export button to export GL impact details to a CSV or Excel file.

> **Note:** For automated intercompany adjustments in a OneWorld account, this page displays amounts debited and credited to accounts in both the originating subsidiary (employee's subsidiary) and the related subsidiary (customer's subsidiary). General ledger impact to the originating subsidiary is in its base currency, the same currency recorded for the adjustment. General ledger impact to the related subsidiary is translated from the originating subsidiary base currency to the related subsidiary base currency, using the exchange rate indicated on the adjustment record. This rate is based on the last day of the period when the adjustment occurred.

Tax Lines on the GL Impact Page

If a transaction has values for class, department, and location at the header level, those same values are displayed at the tax line on the transaction's GL Impact page. If the transaction record displays no values for class, department, and location at the header level, the GL Impact page displays the class, department, and location of the last transaction line that has tax.

For intercompany journal entries, the GL Impact page always uses the class, department, and location used by the subsidiary at the last transaction line that has tax. For information about enabling line-level selection for class, department, and location, see the help topic Using Per-Line Classifications.

> **Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique GL capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

Writing Off Bad Debt

A bad debt is an amount owed that is written off as a loss. It is classified as an expense because the debt cannot be collected and all reasonable efforts to collect it have been exhausted. This usually occurs when the debtor has declared bankruptcy or the cost of pursuing further action in an attempt to collect the debt exceeds the debt itself.

Writing off bad debt reduces your accounts receivable balance and gives you an accurate estimate of the payments your company expects to receive. The write-off incurs an expense for the amount of the unpaid debt.

For more information about writing off bad debt, see the following topics:

- Allowance for Bad Debts
- Creating a Journal Entry to Write Off Bad Debt
- Accepting a Customer Payment to Write Off Bad Debt

Allowance for Bad Debts

Allowance for bad debts are amounts expected to be uncollected, but still with possibilities of being collected. When there is no other possibility for them to be collected, they are considered as uncollectible accounts. For example, if gross receivables are $100,000 and the amount that is expected to remain uncollected is $5,000, the net current asset section of the balance sheet is:

Gross accounts receivable	$100,000
Less: Allowance for bad debts	$5,000
Net receivables	$95,000

In financial accounting and finance, bad debt is the portion of receivables that can no longer be collected, typically from accounts receivable or loans. There are two methods to account for bad debt. Both methods credit the accounts receivable account.

- **Direct write off method (Non-GAAP)** – A receivable that is not considered collectible, charged directly to the income statement. With this method, the journal entry is a debit to the bad debt expense account.

- **Allowance method (GAAP)** – An estimate is made at the end of each fiscal year of the amount of bad debt. This estimate is accumulated in a provision, which is then used to reduce specific receivable accounts as and when necessary. With this method, the journal entry is a debit to the allowance for bad or doubtful debts account.

Because of the matching principle of accounting, revenues and expenses should be recorded in the period in which they are incurred. When a sale is made on account, revenue is recorded with account receivable. Because there is an inherent risk that clients might default on payment, accounts receivable have to be recorded at net realizable value. The portion of the account receivable that is estimated to not be collectible is set aside in a contra-asset account, called Allowance for Doubtful Accounts. At the end of each accounting cycle, adjusting entries are made to charge uncollectible receivable

as expense. The amount of uncollectible receivable is written off as an expense from Allowance for Doubtful Accounts.

Creating a Journal Entry to Write Off Bad Debt

To accurately write off bad debt for an invoice, you must do the following:

1. **Create a journal entry** to credit the amount of the unpaid invoice to your accounts receivable account. The balancing debit is to your bad debt expense account, or your allowance for bad debts account if you are using that method.

   If the unpaid invoice includes an amount for VAT (sales tax in the U.K.), bad debt relief can only be claimed on a VAT return when **all** of the following conditions are met:

   - The sales invoice is more than six months overdue for payment.

   - The invoice has been written off in the business records and accounts.

   - Output VAT on the invoice must have been declared and paid to HMRC on a VAT return.

   - The debt must not have been sold, factored, or paid under a valid legal assignment.

   If all of the above conditions are met, you should split the debit amount. Debit the VAT amount to a sales account and the remaining amount to the Bad Debt expense account.

2. **Accept a customer payment of a zero amount** to remove the uncollectible invoice amount from open invoices and aging reports. For more information, see Accepting a Customer Payment to Write Off Bad Debt.

To create a journal entry for writing off bad debt:

1. Go to Transactions > Financial > Make Journal Entries.

2. In the **Entry No.** field, accept the default or enter a different number.

   If journal entries are assigned autogenerated numbers in your account, you cannot change the defaults unless the **Allow Override** box is checked for **Journal**. Go to Setup > Company > Auto-Generated Numbers > Document Numbers subtab. For more information, see the help topic Set Auto-Generated Numbers.

3. If you use NetSuite OneWorld, select a subsidiary to associate with this journal entry.

   The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.

   You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, you must make an intercompany journal entry. For more information, see Making Journal Entries in OneWorld.

4. If the **Multiple Currencies** feature is enabled, review the value in the **Currency** and **Exchange Rate** fields and edit as necessary.

   If you use NetSuite OneWorld, by default the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

5. If you have journal approval permission, check the **Approved** box to approve your journal entry. If you do not check this box, this entry does not post until it is approved.

   The **Approved** box displays only if the **Require Approvals on Journal Entries** accounting preference is checked at Setup > Accounting > Accounting Preferences > **General** subtab. See Require Approvals on Journal Entries Preference.

   The **Approved** box does not display if you have checked the **Journal Entries** approval routing accounting preference. This preference enables you to use SuiteFlow to create a custom journal entry approval routing workflow. See Use Journal Entry Approval Routing.

6. Accept or enter a date in the **Date** field.

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7. If you use accounting periods, select one in the **Posting Period** field.

   When a journal entry transaction has no defined posting period, users with **View** level of the **Manage Accounting Periods** permission see a suggested accounting period in the Posting Period field on the transaction. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission would see the suggested posting period as February. An administrator with **Full** level of the permission would see the suggested posting period as January.

8. On the Lines subtab:

   a. Enter a credit to A/R:

      ■ In the **Account** field, select your Accounts Receivable account.

      ■ In the **Credit** field, enter the amount of the invoice for which you do not expect to receive payment.

      ■ In the **Name** field, select the name of the customer with whom this invoice is associated.

      > **ⓘ Note:** When you enter the customer name on both the credit and bad debt debit lines, the journal entry is listed twice on the Transactions subtab of the customer record. The customer balance, however, remains outstanding. You should enter the customer name for the debit so the bad debt expense is included in the Customer Profitability report.

      ■ Enter other information on this line item as necessary.

      ■ Click **Add**.

   b. Enter a debit to a bad debt account:

      > **✔ Tip:** You can navigate down the lines by pressing the **Enter** key on your keyboard. You cannot navigate up the lines. When line details are similar, click **Copy Previous** and then make modifications as required.

      ■ In the **Account** field, enter or select your Bad Debt Expense account.

      ■ In the **Debit** field, enter the amount of the invoice for which you do not expect to receive payment.

        If the invoice includes a VAT amount, enter the amount of the invoice minus the VAT amount.

      ■ Enter other information on this line item as necessary.

      ■ Click **Add**.

   c. (For invoices with VAT amounts only) Enter a debit for VAT to a sales account:

      ■ In the **Account** field, enter or select a sales account.

      ■ In the **Debit** field, enter the VAT amount.

      ■ Enter other information on this line item as necessary.

      ■ Click **Add**.

9. Verify that the **Out of Balance By** Debit and Credit fields are empty, and then click **Save**.

Accepting a Customer Payment to Write Off Bad Debt

After you have entered a journal entry to write off bad debt, the next task is to accept a customer payment.

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After this payment record is saved, the invoice is no longer included in the Open Invoices report or in A/R Aging reports. You are not required to void the invoice.

To accept a zero customer payment amount:

1. Go to Transactions > Customers > Accept Customer Payment.

2. Select the customer with the unpaid invoice.

   You can change the **Date** if appropriate, but accept the default choice of **Undep. Funds**.

3. In the **A/R Account** field, select a posting account for this transaction.

   Only invoices charged to this account show in the list.

4. Click the **Apply** subtab.

5. Click the **Credit** subtab and then check the **Apply** box for the journal entry you created.

6. Click the **Invoices** subtab and then check the **Apply** box for the unpaid invoice.

   The Payment Amount is automatically set to 0.00.

7. Click **Save**.

The payment is not included in the customer payments list page because the payment amount is 0.

Because the payment amount is 0.00, the general ledger is not affected by this transaction. For information about the general ledger impact of other customer payment transactions, see Customer Transaction GL Impact.

Writing Off Customer Overpayments

You can make journal entries to write off small amounts related to customer overpayments.

> ⓘ **Note:** You may prefer to apply a customer overpayment against an outstanding invoice.

To write off small amounts from customer overpayment:

1. Go to Transactions > Financial > Make Journal Entries.

2. In the Primary Information section:

   a. In the **Entry No.** field, accept the default or enter a different number.

      If journal entries are assigned autogenerated numbers in your account, you cannot change the defaults unless the **Allow Override** box is checked for **Journal**. Go to Setup > Company > Auto-Generated Numbers > Document Numbers subtab. For more information, see the help topic Set Auto-Generated Numbers.

   b. If you use NetSuite OneWorld, select a subsidiary to associate with this journal entry.

      The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.

      You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, you must make an intercompany journal entry. For more information, see Making Journal Entries in OneWorld.

   c. If the **Multiple Currencies** feature is enabled, review the value in the **Currency** and **Exchange Rate** fields and edit as necessary.

      If you use NetSuite OneWorld, by default the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

   d. If you have journal approval permission, check the **Approved** box to approve your journal entry. If you do not check this box, this entry does not post until it is approved.

> ⚠️ **Important:** The **Approved** box displays only if the **Require Approvals on Journal Entries** accounting preference is enabled at Setup > Accounting > Accounting Preferences > **General** subtab. See Require Approvals on Journal Entries Preference.
>
> The **Approved** box does not display if you have enabled the **Journal Entries** approval routing accounting preference. This preference enables you to use SuiteFlow to create a custom journal entry approval routing workflow. See Use Journal Entry Approval Routing.

   e. Accept or enter a date in the **Date** field.

   f. If you use fiscal periods, select the **Posting Period** in which you want to post this transaction.

> ⚠️ **Important:** When a journal entry transaction has no defined posting period, users with **View** level of the **Manage Accounting Periods** permission see a suggested accounting period in the Posting Period field on the transaction. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission would see the suggested posting period as February. An administrator with **Full** level of the permission would see the suggested posting period as January.

If approval of the journal entry occurs after the selected posting period has closed, the journal entry is posted to the first open period.

> ✅ **Tip:** You can navigate down the lines by pressing the **Enter** key on your keyboard. You cannot navigate up the lines.

3. On the **Lines** subtab:

   a. In the **Account** field, enter or select your Accounts Receivable account.

   b. In the **Debit** field, enter the amount of the overpayment from the invoice.

   c. In the **Name** field, select the name of the customer with whom this overpayment is associated.

   d. Enter other information on this line item as necessary.

   e. Click **Add**.

> ✅ **Tip:** When line details are similar, click **Copy Previous** and then make modifications as required.

   f. In the **Account** field, enter or select your Miscellaneous Income account or your preferred income account.

   g. In the **Credit** field, enter the amount of the overpayment from the invoice.

Note that this amount must match the amount you entered on the previous line.

   h. Enter other information on this line item as necessary.

   i. Click **Add**.

4. Verify that the **Out of Balance By** field shows 0.00.

You cannot save a journal entry that is out of balance.

5. Verify that the amounts entered in the **Debit** and **Credit** fields are the exact amount of the invoice.

6. Click **Save**.

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The final results are:

- Your accounts receivable account is increased by the overpayment amount.
- Your miscellaneous income account is increased by the same amount.

To apply the journal entry to the overpayment:

1. Go to Transactions > Customers > Accept Customer Payment.
2. In the **Customer** field, enter or select the customer to which the journal entry should be applied.
3. In the **A/R Account** field, enter or select the appropriate settlement account.
4. Complete the remaining fields as required.
5. On the **Credit** subtab of the **Apply** subtab, check the **Apply** box for the customer overpayment.
6. On the **Invoices** subtab of the **Apply** subtab, check the **Apply** box for the journal entry you created for this overpayment.

   > **Note:** The Payment Amount is set to 0.00.

7. Click **Save**.

Expense Allocation Overview

The Expense Allocation feature enables you to account for fixed expenses without having to split them among individual departments or locations in advance of incurring the expenses. Later, you can transfer expenses into different accounts and assign the expenses to specific departments, classes, or locations. An administrator can enable the Expense Allocation feature at Setup > Company > EnableFeatures > Accounting subtab.

The Accounting Periods feature must be enabled to use Expense Allocation.

> **Important:** Your user role must have Full level of the Create Allocation Schedules permission to use Expense Allocation.

Expense allocation is managed by allocation schedules. You set up allocation schedules to allocate, or transfer, balances from expense accounts into one or more other accounts. You can choose the date and frequency with which expenses are allocated on an ongoing basis. You create an allocation schedule at Transactions > Financial > Create Allocation Schedules. For more information, see Creating Expense Allocation Schedules.

> **Note:** When you use NetSuite OneWorld in conjunction with the Expense Allocation feature, you can create an intercompany allocation schedule. Intercompany schedules allocate a balance from one source subsidiary to multiple destination subsidiaries for costs that are shared between subsidiaries on a regular basis such as rent utilities. For more information, read Creating Intercompany Allocation Schedules.

For each scheduled allocation, a journal entry is automatically created. For more information, see Creating Expense Allocation Journal Entries.

You can be reminded when allocations are due in the Reminders portlet on your dashboard. To set a reminder for allocation schedules that are due, go to the Home tab and click Customize this Page. In

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the Add Content panel, click or drag and drop the Reminders Item. In the Reminders portlet, click the Set Up link. In the Set Up Reminders dialog, check the Allocation Schedules Due box, and click Save. Click the reminder in the portlet to view and approve allocation journal entries.

If you have enabled both the Statistical Accounts and the Dynamic Allocation features (Setup > Company > EnableFeatures > Accounting under Advanced Features), you can assign any statistical account to any allocation schedule. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. To calculate statistical weight, NetSuite uses the flat amount for each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines.

> **Note:** You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through the Next Date field. This end date can be the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the Next Date field. This is useful when you want an allocation schedule to calculate a statistical account balance for a period of time prior to or after the run date. For example, you want to run your allocation schedule on March 3, 2015 (system date) for the February previous period, February 1 through 28, 2015. You also specify the Next Date field as February 28, 2015 to synchronize the source and weight basis timeline to February 1 – 28, 2015. With the new synchronized weight enhancement, the source timeline, created journals, **and** the weight timeline are driven by the value in the Next Date field. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account.

Creating Expense Allocation Schedules

You create allocation schedules to manage the allocation of expenses after they are incurred. Allocation schedules distribute expenses across departments, locations, classes, and custom segments, saving you the time required to enter complex journal entries.

> **Important:** Your user role must have Edit or Full level of the Create Allocation Schedules permission to use Expense Allocation.

With Expense Allocation, you can allocate:

- from one account or from multiple accounts
- to specific department class or locations within expense accounts
- from one account to multiple accounts

The Dynamic Allocation feature (Setup > Company > EnableFeatures > Accounting under Advanced Features) extends the existing fixed rate revenue and cost allocation capability. With fixed rate allocation, you must specify the fixed allocation weight for the entire life cycle of any allocation schedule. Dependent upon the Statistical Accounts feature (Setup > Company > EnableFeatures > Accounting under Advanced Features), Dynamic Allocation enables you to assign any statistical account to any Single or Intercompany Allocation Schedule. Statistical account assignment is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. To calculate statistical weight, NetSuite uses the flat amount for

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each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines.

> ℹ️ **Note:** You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through the Next Date field. This end date can be the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the Next Date field. This is useful when you want an allocation schedule to calculate a statistical account balance for a period of time prior to or after the run date. For example, you want to run your allocation schedule on March 3, 2015 (system date) for the February previous period, February 1 through 28, 2015. You also specify the Next Date field as February 28, 2015 to synchronize the source and weight basis timeline to February 1 – 28, 2015. With the new synchronized weight enhancement, the source timeline, created journals, **and** the weight timeline are driven by the value in the Next Date field. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account.

> ⚠️ **Important:** If you intend to create dynamic allocation schedules based on a statistical account, the segments you define in the statistical account are the only segments that can be used in the allocation schedule. For example, if you want to allocate cost by subsidiary and department, the statistical account must also be segmented by subsidiary and department.

When you are creating an expense allocation schedule, keep in mind the following questions to set up a schedule to best meet your needs:

- Is the amount being allocated from one account or several accounts?

  On the Source subtab, you can choose one or more accounts from which to take an amount.

- When you allocate the amount from this source, do you want to move the amount or allocate for reporting purposes?

  - To add the amount to the destination account **and zero the balance in the source account**, only select an account in the Account field on the Source subtab. **Do not** choose a Credit Account.

    When you do not select a credit account, an offsetting credit **is not** created, so the amount is transferred out of the source account.

  - To add the amount to the destination account **and leave the balance in the source account**, select an account in the Account field on the Source subtab **and** choose a Credit Account.

    Selecting a credit account creates an offsetting credit so the amount is not transferred out of the source. Doing so enables you to look at the expense multiple ways on the Income Statement. For example, you can allocate portions of one rent expense (source) account into several departments (destination). This enables you to view expense reports by department for budget planning, but leaves the actual expense amount in the source account. For example, to allocate $10,000 from the Rent Expense account to several departments.

    Whether you choose a credit account determines what happens to the amount you allocate from the source account:

    - When you **do** choose a credit account, $10,000 is allocated to the appropriate destination accounts **and** the $10,000 balance remains in the Rent Expense account because an offsetting credit is created

    - When you **do not** choose a credit account, $10,000 is allocated to the appropriate destination accounts to credit the rent expense and the source account balance is reduced to zero.

- Is the amount being allocated into one account or several accounts?

  On the Destination subtab, you can choose one or more accounts into which to add an amount.

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- If the Multi-Book Accounting feature is provisioned in your account, you can create an expense allocation schedule for a secondary accounting book. NetSuite first calculates the source balance to obtain the destination balance in the secondary book. Then, after the allocation schedule runs, NetSuite sets the source balance to zero. When you create an expense allocation schedule for all active accounting books, NetSuite generates book-specific allocation journal entries for open accounting periods for all active accounting books.

- If you enable the **Values are percentages** option, you can enter a percentage as a Weight value for each destination account or custom segment, department, class, location, and custom segment.

- If you enable the **Use source/credit account** option, the destination lines should be custom segments, departments, classes, locations, and custom segments within accounts specified on the Source subtab.

> (i) **Note:** If you are creating a dynamic allocation schedule for a statistical account, the **Destination** subtab includes the **Update Sample Weights** button. Clicking this button calculates and displays the **Sample Weight** and **Balance** values for each destination line.

After you know the answer to these questions, follow the steps below to set up your allocation schedule.

When you use NetSuite OneWorld in conjunction with the Expense Allocation feature, you can create an intercompany allocation schedule. Intercompany schedules allocate a balance from one source subsidiary to multiple destination subsidiaries for costs that are shared between subsidiaries on a regular basis such as rent utilities. For more information, see Creating Intercompany Allocation Schedules.

To create an expense allocation schedule:

1. Go to Transactions > Financial > Create Allocation Schedules.

2. In the Primary Information section:

   a. Enter a name for this allocation schedule.

   b. If you use NetSuite OneWorld, select the subsidiary with which this expense allocation schedule should be associated.

   > (i) **Note:** If the subsidiary you select is assigned to one or more shared vendor records, you can specify that the source account and destination account belong to any of the vendors to which the selected subsidiary is assigned. To do this, on the **Source** and **Destination** subtabs respectively, select the shared vendor from the **Name** field. For more information about shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

   c. If you use Multi-Book Accounting, select an accounting book from the list.

      You may select the primary book or any secondary book to which you have access.

   d. In the **Frequency** field, choose how often you want to reallocate expenses from this account.

      You are not required to enter a date in the **Next Date** field if you choose **End of Period** as the allocation frequency.

      Only those allocation schedules where the selected **Frequency** is **Run by Batch** can be included in an allocation batch. For more information, see Creating an Allocation Batch.

   e. In the **Next Date** field, enter the date of the next scheduled allocation.

      You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through this field. This end date can be

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the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the **Next Date** field.

f. In the **Subsequent Date** field, enter the date of the following allocation.

g. If you chose **Twice a Month** in the **Frequency** field, enter the day of the month that the second allocation occurs.

h. Choose one of the following:

- **Remind Forever** – Choose this option if you want to indefinitely reallocate based on this schedule.

- **Number Remaining** – Choose this option if you want to limit the number of times this schedule reallocates expenses. Enter the number of reallocations you want this schedule to make.

i. Select or clear the **Inactive** box to enable or deactivate the allocation.

This option does not delete the allocation schedule.

j. In the **Allocation Mode** field, choose whether the schedule is a fixed rate or dynamic allocation.

If you choose **Dynamic Allocation**, complete the following fields:

1. In the **Weight Source** field, choose the statistical account upon which this dynamic allocation schedule is based.

The **Unit Type** field displays the unit of measure type associated with the selected statistical account.

The **Unit of Measure** field displays the base unit assigned to the **Unit Type**.

2. In the **Date Basis** field, choose the method by which the system should sum the statistical journals for weight calculation.

Available options include:

- **As of Date** – The system sums all statistical journals from the beginning date to the day before the date you enter in the **Next Date** field.

- **Period to Date** – The system sums all statistical journals from the first day of the Accounting Period to the day before the date you enter in the **Next Date** field.

- **Quarter to Date** – The system sums all statistical journals from the first day of the quarter to the day before the date you enter in the **Next Date** field.

- **Year to Date** – The system sums all statistical journals from the first day of the year to the day before the date you enter in the **Next Date** field.

3. Complete the **Source** subtab:

a. If you want to create an offsetting credit for the amount you are allocating, select the account for the offsetting credit to post to in the **Credit Account** field.

- If you **do** choose a Credit Account:

The schedule creates an offsetting credit to balance the allocation so the amount remains in the source account and is not transferred out of the source account by the allocation journal entry. The schedule adds the amount to the destination account for reporting purposes and leaves the actual balance in the source account.

- If you **do not** choose a Credit Account:

The schedule zeroes the balance in the source account when the amount is transferred into the destination account by the allocation journal entry because an offsetting credit is not created.

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b. If you are creating an offsetting credit for the credit account selected, associate the offsetting credit with a project or entity by selecting them in the **Credit Name** field.

c. If you are creating an offsetting credit for the credit account selected, associate the offsetting credit with a department, class, and location by selecting them in the **Credit Location**, **Credit Class**, and **Credit Department** fields.

   To associate an offsetting credit with a department, class, and location, the **Allow Per-Line Classifications on Journals** preference must be enabled. See Class, Department, Location Journal Entry Preferences.

d. In the **Account** column, choose the account or the type of account you are allocating with this schedule.

   If you choose an account type instead of a specific account, all accounts of this type are allocated with this schedule.

e. In the **Name** column, select a customer, employee, project, or vendor to associate the allocation from the chosen account (d).

f. Choose the department, class, location, or custom segment to associate with allocation from the chosen account (d).

g. Click **Add**.

h. Repeat these steps for each account that you want to allocate with this schedule.

4. Complete the **Destination** subtab:

   a. If you want to allocate expenses into custom segments, departments, classes, and locations by percentage, check the **Values are percentages** box.

   b. If you want to allocate to custom segments, departments, classes, and locations within the source account, check the **Use source/credit accounts** box. If you check this box, you cannot choose destination accounts because the allocation distributes the expenses among custom segments, departments, classes, and locations rather than different accounts.

      If you are creating a dynamic allocation schedule for a statistical account, the **Destination** subtab includes **Update Sample Weights**. Clicking this button calculates and displays the sample weight and balance for each destination line.

      From the **Name**, **custom segment**, **Department**, **Location**, and **Class** fields you can select **—Auto Populate—**. Rather than entering a fixed value, NetSuite searches all existing values at the time the allocation journal is generated and completes these fields according to the gathered information. You can define four fields as **—Auto Populate—**.

      > ⓘ **Note:** If **Name**, **custom segment**, **Department**, **Location**, and **Class** are not defined at the line level on the field set to **—Auto Populate—**, NetSuite does not display the line because there is no assignment.

   c. If you are entering values as percentages, you can use the following buttons to distribute the allocated amounts:
      - **Normalize** – This button makes total weight add up to 100%.
      - **Even Spread** – This button makes all the weights equal.

   d. If you are allocating to other accounts, select an account in the **Account** column.

   e. In the **Name** column, select a customer, employee, project, or vendor to associate the allocation to the account on this line.

   f. Choose the location, department, class, or custom segment to which you want to allocate expenses.

   g. In the **Weight** column, enter:

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- a percentage, if you checked the **Values are percentages** box
- a flat amount that is divided by the total amount of all entered lines to determine allocation

  For example, if you enter 100, 300, 400 on three lines, the system would allocate the source amount to the destination lines based on the calculated percentage: 12.5% (100/800), 37.5% (300/800), 50% (400/800).

  > ⓘ **Note:** If you are creating a dynamic allocation schedule for a statistical account, NetSuite calculates the statistical weight using the flat amount for each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines. The statistical weight is calculated when the allocation schedule is running and then used in allocation journal generation.

5. Click **Save**.

After you create an expense allocation schedule, journal entries are created whenever you have a scheduled allocation. For more information, read Creating Expense Allocation Journal Entries.

Creating Expense Allocation Journal Entries

Allocation schedules are used to generate journal entries that distribute expenses to the appropriate accounts, departments, classes, and locations.

Dynamic allocation schedules calculate the weight of a statistical account through statistical journal entries or as an absolute value at the time the allocation journal is created. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account

> ⚠ **Important:** Your user role must have Edit or Full level of the Create Allocation Schedules permission to use Expense Allocation.

To create an allocation journal entry from an allocation schedule:

1. Go to Transactions > Financial > Create Allocation Schedules > List.
2. Click **View** next to an allocation that is due.
3. On the allocation schedule, click **Create Journal Entry**.

   The Journal Entry record opens in View mode.

   - If the **Require Approvals on Journal Entries** accounting preference has not been enabled, you can click **Edit**, then **Save**, to post the journal entry.
   - If the **Require Approvals on Journal Entries** accounting preference has been enabled, and you have journal approval permission, you can click **Approve** to post the journal entry. If you do not have this permission, you can view the journal entry.
   - If you have enabled the **Journal Entries** accounting preference, the **Approval Status** and **Next Approver** lists appear. Custom buttons that perform various commands may also appear enabled or unavailable, depending on your workflow configuration. For information about a custom journal entry approval workflow, see Using SuiteFlow for Journal Entry Approvals.
   - This preference is available at Setup > Accounting > Preferences > Accounting Preferences, on the General subtab, under General Ledger.

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> **ⓘ Note:** If the allocation schedule creates more than 10,000 journal entry lines, the expense allocation process is stopped and an error message appears indicating that the limit was exceeded.
>
> When the error message appears, no information is captured and nothing is posted, so there is no need to fix the posting. To run the allocation schedule, revise it and consider using the Auto Populate option on the Destination subtab. For more information, see Creating Expense Allocation Schedules.

If you have enabled the Allocation Schedules Due reminder on your dashboard, you can click the reminder to view a list of allocations that are due.

To enable the Allocation Schedules Due reminder:

1. Go to the Home tab and click **Personalize Dashboard**.
2. In the **Add Content** panel, click or drag and drop the Reminders Item.
3. In the Reminders portlet, click the **Set Up** link.
4. In the Set Up Reminders dialog, check the **Allocation Schedules Due** box.
5. Click **Save**.

If you need to alter an individual allocation, click **Add Custom Allocation** on the **History** subtab.

Creating Intercompany Allocation Schedules

If you have enabled the Expense Allocation feature in your NetSuite OneWorld account, expense allocations can be made within a single subsidiary. When you create an allocation schedule, the subsidiary you select applies to both the source and the destination of the allocation.

> **⚠ Important:** Your user role must have Edit or Full level of the Create Allocation Schedules permission to use Expense Allocation.

> **ⓘ Note:** If the subsidiary you select is an elimination subsidiary **and** the intercompany elimination accounts use the same elimination algorithm **and** the accounts are in balance, NetSuite automatically marks the intercompany journal lines as elimination. You can manually unmark the lines as elimination on the respective intercompany journal entry.
>
> If the subsidiary you select is an elimination subsidiary **and** the intercompany elimination accounts **do not** use the same elimination algorithm **and** the accounts **are not** in balance, NetSuite does not automatically mark the intercompany journal lines as elimination. You can manually mark the lines as elimination on the respective intercompany journal entry.

Intercompany allocation schedules distribute a balance from one source subsidiary to multiple destination subsidiaries for costs that are shared between subsidiaries on a regular basis such as rent. If the source subsidiary or any destination subsidiary is assigned to one or more shared vendor records, you can specify that the source and destination belong to any of the vendors to which the selected subsidiaries are assigned. On the Source and Destination subtabs respectively, select the shared vendor from the Name field. For more information about shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

If you have enabled both the Statistical Accounts and Dynamic Allocation features (Setup > Company > EnableFeatures > Accounting under Advanced Features), you can assign any statistical account to

any allocation schedule. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. To calculate statistical weight, NetSuite uses the flat amount for each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines.

> ⓘ **Note:** You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through the Next Date field. This end date can be the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the Next Date field. This is useful when you want an allocation schedule to calculate a statistical account balance for a period of time prior to or after the run date. For example, you want to run your allocation schedule on March 3, 2015 (system date) for the February previous period, February 1 through 28, 2015. You also specify the Next Date field as February 28, 2015 to synchronize the source and weight basis timeline to February 1 – 28, 2015. With the new synchronized weight enhancement, the source timeline, created journals, **and** the weight timeline are driven by the value in the Next Date field. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account.

You can streamline your month-end close process by using allocation schedules to automatically create advanced intercompany journal entries that allocate shared costs or revenues.
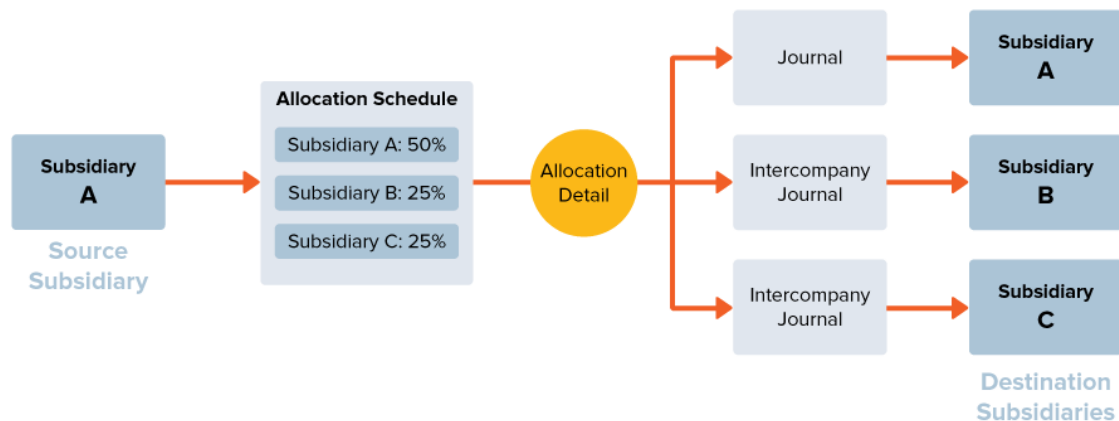
For example, Subsidiary A must allocate part of a $1,000 rent expense to two other subsidiaries that are separate legal entities who share space and are responsible for their portion of the rent. For an allocation based on a percentage of square footage, an intercompany schedule can be set up to keep 50% of the $1,000 rent expense for Subsidiary A, allocate 25% to Subsidiary B, and allocate 25% to Subsidiary C.

The following are intercompany allocation schedule details:

Rent Bill Received and Paid by Subsidiary A:

Rent Expense $1,000

Cash $1,000

You enter the following intercompany allocation schedule:

- Values are percentages = True
- Use Source/credit Accounts = True

- Source Account: Rent Expense

- Source Subsidiary: Subsidiary A

- Intercompany Clearing Account

- Destination Account: Same as source

- Destination Subsidiary: Subsidiary A, Weighting: 50%

- Destination Subsidiary: Subsidiary B, Weighting: 25%

- Destination Subsidiary: Subsidiary C, Weighting: 25%

- Intercompany Clearing Account: same as source

> ⚠️ **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 a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

The allocation would be created as below to ensure that the books for each subsidiary reflect the correct rent expense posting:

Journal 1: Regular Journal, only one subsidiary

Rent Expense	Subsidiary A	$500	
Rent Expense	Subsidiary A		$500

Advanced Intercompany Journal 1: Allocates to Subsidiary B

Intercompany Clearing Account	Subsidiary A	$250	
Rent Expense	Subsidiary A		$250
Rent Expense	Subsidiary B	$250	
Intercompany Clearing Account	Subsidiary B		$250

Advanced Intercompany Journal 2: Allocates to Subsidiary C

Intercompany Clearing Account	Subsidiary A	$250	
Rent Expense	Subsidiary A		$250
Rent Expense	Subsidiary C	$250	
Intercompany Clearing Account	Subsidiary C		$250

Create a new schedule at Transactions > Financial > Create Allocation Schedules. For important details about creating allocation schedules, see Creating Expense Allocation Schedules.

On the schedule, select a subsidiary to indicate the source from which the amounts are taken. Then, enter details on the Source subtab.

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Please note the following about the source:

- You can identify source credits in the account, name, department, class, and location fields **or** specify accounts in the account list.

- The Intercompany Account is the clearing account used.

- Only accounts and segments/classifications available to the source subsidiary can be selected.

- The currency of the source subsidiary is the currency used on resulting journals and intercompany journals created from the schedule.

On the Destination subtab, select one or more destination subsidiaries into which you want the amount allocated.

Please note the following about the Destination subtab:

- If you have checked the **Values are percentages** box, then the total must be less than or equal to 100%.

  - If the Values are percentage box is clear, NetSuite calculates the percentages based on the values supplied.

    For example, if you enter 100, 300, 400 on three lines, NetSuite calculates 12.5% (100/800), 37.5% (300/800), 50% (400/800), where 800 is the sum of 100+300+400.

- If the total is less than 100%, an amount remains in the account and the allocation can be run again.

- If you have checked the **Use source/credit account(s)** box, the account and intercompany account are used on all lines.

> ⓘ **Note:** All destination subsidiaries must have access to the accounts to use this selection. Subsidiaries are given access when selected on the account record.

- Only accounts and classifications available to the destination subsidiaries can be selected.

At each scheduled allocation, NetSuite automatically creates an advanced intercompany journal entry for each destination subsidiary and the appropriate amount posts to the specified account.

Please note the following about journal entries created for intercompany allocation:

- A regular journal is created for lines with the same source and destination subsidiary.

- An advanced intercompany journal is created for each destination subsidiary: one journal per subsidiary. This is the case even if there are multiple lines on the allocation schedule for the same subsidiary.

- Each advanced intercompany journal entry posts at least four lines, two lines for the source and two for the destination.

- The journal shows a **Created from** link to the allocation schedule detail.

> ⊗ **Warning:** Journals created from allocation schedules cannot be directly deleted. You must first open the allocation detail and delete it, which deletes all journal entries to which it is associated.

Viewing the Details of Allocation Schedules

At any time you can view the list of allocation schedules and their respective details. Information provided about each allocation schedule includes the next day on which the schedule is run and name. It also provides the frequency of execution of the allocation schedule, duration of the schedule, and whether it is an Intercompany allocation schedule.

For allocation schedules based on monetary accounts, you can enter expenses associated with the schedule's source and destination accounts for the specified period.

Details about a particular allocation schedule are accessible through the record.

To view a list of allocation schedules and their respective details:

1. Go to Transactions > Financial > Create Allocation Schedules > List (Administrator).
2. From the Allocation Schedules page, you can do the following:
   - Click **New** to create a new allocation schedule.
   - Click **Edit** next to the allocation schedule you want to modify or delete.
   - Click **View** next to an allocation schedule to view details about the record.

     From the record you can do the following:
     - **Edit** the allocation schedule.
     - Under **Actions**, click **New** or **New Intercompany Allocation Schedule/New Allocation Schedule**.
     - On the **Source** subtab, click the name of the source account to view its Register.

       On the **Destination** subtab, click the name of a destination account to view its Register.

       On the **History** subtab, you can access the journal created from the schedule including any historical transactions, and any details specific to the allocation schedule. In the **Detail** column, click the link to access the Allocation Detail page, from which you can view the record that created the allocation, created journal, and related Register.
   - Define filters to control the allocation schedules that display in the list including those allocation schedules with remaining scheduled occurrences.
   - Click the **Show Inactives** box to refresh the allocation schedule list and display inactive schedules.
   - Click **Style** to view the displayed allocation schedules as a report or in a grid.

     > **(i) Note:** **Edit** links are not available when the **Report** option is selected.

   - Click the print icon to print the list of allocation schedules.
   - Click **Customize View** to base the filters and displayed results for the allocation schedule list on a saved search.

     For more information, see the help topic Customizing List Views.
   - Click the Export - CSV, Export - Microsoft Excel, or Export - PDF icons to export the list of allocation schedules to a file.

Assigning Expense Allocations to Projects and Entities

You can account for expenses by allocating costs into accounts and assigning the expenses to specific projects, customers, vendors, or employees. You can also transfer costs by entering an allocation from one project or customer to another.

When you create an allocation schedule, set up schedules to transfer balances from expense accounts into one or more other accounts.

- On the Source subtab, in the Name field, associate a project or entity with the account from which the allocation sources.

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- On the Destination subtab, in the Name field, associate a project or entity with a destination account.

For more details about creating allocation schedules, see Creating Expense Allocation Schedules.

Creating an Allocation Batch

If you have enabled the Expense Allocation and Accounting Periods features (Setup > Company > Enable Features > Accounting under Advanced Features and Basic Features, respectively), you can manually run multiple fixed allocation schedules in a specific sequence. An allocation batch, commonly referred to as the step-down allocation method in cost accounting, enables you to define a sequence where the result of the first allocation is the source pool of the second allocation and so on. You can include up to ten allocation schedules in a batch.

> (i) **Note:** Allocation batches generate non-approved, non-posted journal entries. You can reuse these journals within the same allocation batch, however, to use them from external sources the journals must be approved and posted. External sources include other journals, other batch journals, and journals which are generated by other allocation schedules.

If you have enabled both the Statistical Accounts and Dynamic Allocation features (Setup > Company > Enable Features > Accounting under Advanced Features), you can assign any statistical account to any allocation schedule. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers.

If you do not enable the Statistical Accounts and Dynamic Allocation features, your allocation batch can include only allocation schedules based on percentages.

For example, you want to create an allocation batch that includes three allocation schedules. The first schedule allocates the IT department costs by headcount to the Manufacturing, Sales, and Marketing departments. From the results of the first allocation schedule, the second schedule then allocates facility costs by office space to the Manufacturing, Sales, and Marketing departments. Finally, from the results of the second allocation schedule, the third schedule then allocates marketing costs based on number of units sold to the Manufacturing department.

> (i) **Note:** Allocation schedules included in an allocation batch cannot be run outside of the batch.

To create an allocation batch:

1. Go to Transactions > Financial > Create Allocation Batches.
2. Enter a name for this allocation batch.

   The system date displays in the **Creation Date** field.
3. Enter the date on which the journal entries should post.

   You cannot save the allocation batch without specifying a posting date.

   The read-only **Created By** field displays the user's name created the batch.
4. Select or clear the **Inactive** box to enable or deactivate this allocation batch.

   This option does not delete the allocation batch.
5. Enter any notes about this allocation batch.
6. In the **Allocation Schedule** column, select an allocation schedule to include in this batch.

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> ⚠️ **Important:** Only those allocation schedules where the **Frequency** is set to **Run by Batch** can be included in a batch. After you include an allocation schedule in a batch, you cannot inactivate or delete that allocation schedule. In addition, you cannot change the frequency of the schedule unless you first remove the allocation schedule from all of the batches in which it is included.

7. Click **Add**.
8. Repeat these steps for each allocation schedule that you want to include in this batch.

   You can use the mover buttons to reorganize the batch sequence. You can also drag and drop schedules to reorganize the sequence.

9. Click **Save**.

Modifying Allocation Batches

At any time you can modify the attributes of an allocation batch.

To modify an existing allocation batch:

1. Go to Transactions > Financial > Create Allocation Batches > List.
2. Click **Edit** next to the allocation batch you want to modify.
3. On the Edit Allocation Batch page, modify the record as needed.

   To view or edit the details associated with an allocation schedule in this batch, in the **Allocation Schedule** column, click 🖼 **Open** next to the name of the schedule.

4. Click **Save**.

Deleting Allocation Batches

At any time you can delete an existing allocation batch.

To delete an existing allocation batch:

1. Go to Transactions > Financial > Create Allocation Batches > List.
2. Click **Edit** next to the allocation batch you want to delete.
3. On the Edit Allocation Batch page, under **Actions**, click **Delete**.
4. At the prompt to confirm the action, click **OK**.

Viewing the Details of Allocation Batches

At any time you can view the list of allocation batches. Information provided includes the name of the batch, last date on which the batch was executed, and the number of allocation schedules included in the batch.

When you view an allocation schedule within the batch, you have access to the history of the schedule including the journal entries it creates. You can also delete all journal entries created in the last execution of the batch.

To view a list of allocation batches and their respective details:

1. Go to Transactions > Financial > Create Allocation Batches > List.

2. From the Allocation Batches page, you can do the following:

- Click **Edit** next to the allocation batch you want to modify or delete. For more information, see Modifying Allocation Batches and Deleting Allocation Batches.

- Click View next to an allocation batch to view details about the record.

  From the record you can do the following:

  - **Edit** the allocation batch.

  - Click **Execute** to immediately run the allocation batch and create journal entries.

  - Under **Actions**, click **New** to create a new allocation batch. For more information, see Creating an Allocation Batch.

  - On the Tasks subtab, in the **Allocation Schedule** column, click the name of an allocation schedule to view or edit its details.

    On the Allocation Schedule page, Destination subtab, you can access the account record on which the schedule is based. On the History subtab, you can access the journal created from the schedule including any historical transactions, and any details specific to the allocation schedule.

  - On the History subtab, click **Delete Last Run** to delete all journal entries created by the last execution of the allocation batch.

    In the **Allocation Batch Details** column, click **Link** to access the Allocation Batch Run page. In the **Allocation Schedule Details** column, click **Link** to access the Allocation Detail page and view the details of the schedule.

- Click **Run** to immediately run the allocation batch and create journal entries.

- Click the **Show Inactives** box to refresh the allocation batch list and display inactive batches.

- Click **New** to create a new allocation batch.

Viewing the Status of an Allocation Batch

At any time you can view the status of an allocation batch at Transactions > Financial > Create Allocation Batches > Status.

The Allocation Batch Execution Status page displays the name of the batch, last user to manually execute the batch, and the date and time stamp of the last execution. It also displays the name of an allocation schedule within the batch, any message, execution completion percentage of the allocation schedule, and success status of executed schedule.

From this page you can access the allocation batch, define the period during which you want to view batch execution, and refresh the page.

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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
- Using Automated Intercompany Management for Elimination
- Working with Elimination Reports

Automated Intercompany Management Overview

Use the Automated Intercompany Management feature in NetSuite OneWorld to manage intercompany transactions and automatically generate elimination journal entries. Previously known as Intercompany Auto Elimination, the feature has been expanded 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 and 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 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 Managing Intercompany Orders.
- Manage intercompany inventory transfers. See Managing Intercompany Inventory Transfers - Arm's Length.
- Enter intercompany journal entries for other intercompany transactions.
- 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 feature.

For information about how to run intercompany elimination, see Using Automated Intercompany Management for Elimination.

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. If your current subsidiary hierarchy does not include one or more elimination subsidiaries under the root subsidiary level, you must create them before enabling this feature. See the help topic Elimination Subsidiaries Overview.

2. Enable the **Automated Intercompany Management** feature at Setup > Company > Enable Features > Accounting > Advanced Features > Automated Intercompany Management.

   Enabling this feature creates the system-generated CTA Elimination account after a qualifying transaction. For example, a user must first run the Elimination process so that an Elimination Journal Entry is created that uses this account.

   > ❌ **Warning:** After Automated Intercompany Management is enabled, you cannot disable the feature. This is true even if you have not created any intercompany entities or transactions.

   Enabling the feature adds the following:

   - Cumulative Translation Adjustment-Elimination (CTA-E) account is added to your chart of accounts. See Cumulative Translation Adjustment-Elimination (CTA-E).
   - **Eliminate Intercompany Transactions** is added as the last task in the Period Close Checklist.
   - **Eliminate** box displays for journal lines on intercompany journal entries (ICJE).

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

   - **Represents Subsidiary** field is added to Customer and Vendor forms.
   - **Intercompany Status** and **Paired Intercompany Transactions** fields are added to Sales Order, Purchase Order, Return Authorization, and Vendor Return Authorization forms.
   - **Eliminate Intercompany Transactions** box is added to the Account form.

3. Create intercompany accounts. See Intercompany Accounts.

4. Create intercompany customers and vendors. 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 > Order Management > Transfer Orders.

7. Optionally, enable the Automated Intercompany Drop Ship feature to manage intercompany drop ship orders. Go to Setup > Company > Enable Features > Accounting > Advanced Features > Automated Intercompany Drop Ship. See Intercompany Inventory Drop Ship.

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 process at the end of an accounting period, amounts posted to intercompany accounts that are eligible for elimination are eliminated for consolidated financial statements.** Posting occurs during the period close process.

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

An intercompany account is an account that has the Eliminate Intercompany Transactions box checked. For accounts that cannot be used for intercompany transactions, the Eliminate Intercompany Transactions box is disabled. 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. **An intercompany customer or intercompany vendor is required for intercompany Accounts Receivable and intercompany Accounts Payable accounts.**

> ⚠ **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 new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. In 2014.1, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

To designate an account as an intercompany account, check the Eliminate Intercompany Transactions box on the account record. 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

Note that 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 Feature-Specific, System-Generated Accounts.

You can create more than one intercompany account for each account type as needed in your organization. For a list of account types and accounts that cannot be used for elimination, see Other Account Types and Exceptions.

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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.

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, transaction lines associated with the intercompany account are marked for elimination.

You must check the Eliminate Intercompany Transactions box for all income and expense accounts associated with items used in intercompany transactions.

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, intercompany clearing accounts are not returned to zero during the Eliminate Intercompany Transactions task on the Period Close Checklist. Reporting at the subsidiary level displays the intercompany clearing account with an accumulated balance.

Accounts Receivable and Accounts Payable

Transactions posted to these accounts are eliminated during the period close process. Eliminations are automatically reversed in the following period. If 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 have been posted to an intercompany A/R or A/P account, you cannot change the setting for Eliminate Intercompany Transactions. **An intercompany customer or intercompany vendor is required for intercompany A/R and A/P accounts.**

> ⓘ **Note:** If an existing A/R or A/P account has balances from non-intercompany transactions, you cannot check the Eliminate Intercompany Transactions box to 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

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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, but you should use intercompany journal entries to record intercompany inventory transfers. For information on intercompany journal entries, see 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

Balance Sheet Accounts

Transactions posted to this group of account types are eligible for both intercompany elimination and foreign currency revaluation. Intercompany eliminations for these accounts are reversed in the next period. When set up as intercompany accounts, these accounts do not have to be used 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

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Account Type	Eliminate Intercompany Transactions	Restricted to Intercompany Transactions	Reverse Elimination Automatically	Revalue Foreign Currency Open Balances
Deferred Revenue	Yes	No	Yes	Yes
Deferred Expense	Yes	No	Yes	Yes
Unbilled Receivable	Yes	No	Yes	Yes

When the Advanced Revenue Management and Automated Intercompany Management features are enabled, the Eliminate Intercompany Transactions box is automatically checked on the system deferred revenue and unbilled receivable accounts. You must check the Eliminate Intercompany Transactions box on these accounts if you are using the Revenue Recognition and Revenue Commitment features. You can clear the Eliminate Intercompany Transactions 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, the Eliminate Intercompany Transactions box is disabled.

- 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 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)
- 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 legal entities or subsidiaries. You can use NetSuite OneWorld intercompany accounts to record and post intercompany purchase and sale transactions across

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subsidiaries, making it less cumbersome to distinctly track from other existing profit and loss accounts. Financial consolidations can automatically eliminate these intercompany accounts, enabling the values to "wash each other out" 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.

You must enable the Automated Intercompany Management feature. For instructions, see Setting Up Automated Intercompany Management.

After the feature is enabled, go to Setup > Accounting > Preferences >Accounting Preferences and click the Items/Transactions subtab to choose settings for the following preferences:

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

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

If any of these intercompany account values is left blank, the Use Default Account option is selected for items.

> ⚠️ **Important:** These accounts are used for all intercompany transactions. You can make new account selections at any time, but the accounts of historical transactions are not changed.

Creating Intercompany Accounts

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

Note that 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 Feature-Specific, System-Generated Accounts.

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At a minimum, to properly account for and eliminate intercompany transactions you need accounts for Intercompany Receivables, Intercompany Payables, Intercompany Revenue, and Intercompany Expense.

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.

   The following table shows the account types used for intercompany A/R and A/P:

Account for	Account Type
Intercompany Receivables	Accounts Receivable
Intercompany Payables	Accounts Payable

   > ⓘ **Note:** **An intercompany customer or intercompany vendor is required 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**.

To modify an existing account for intercompany transactions:

1. Go to Setup > Accounting > Manage G/L > Chart of Accounts.
2. Select Edit for the account you want to modify.

   The following table shows the account types for intercompany revenue and expense accounts:

Account for	Account Type
Intercompany Revenue	Revenue, Other Income
Intercompany Expense	Expense, Other Expense, Cost of Goods Sold (COGS)

3. Check the **Eliminate Intercompany Transactions** box.
4. Click **Save**.

Creating Intercompany Customers and Vendors

Intercompany customers and vendors are entity records used only 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.

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 intercompany journal entry. You must enter an intercompany entity for lines that include

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an intercompany receivable or intercompany payable account. For information on setting up intercompany accounts, see Intercompany Accounts.

An intercompany entity is a customized entity record with an additional field: Represents Subsidiary. The Represents Subsidiary field indicates that this entity acts as an agent for a selected subsidiary. An intercompany entity can be used only for intercompany transactions.

- For customer records, the Represents Subsidiary field identifies the subsidiary this customer represents as a customer or buyer.

- For vendor records, the Represents Subsidiary field identifies the subsidiary this vendor represents as a vendor or seller.

> **Note:** The Represents Subsidiary field is not available for customization on the popup Customer / Vendor form.

Create an intercompany customer and corresponding intercompany vendor for each subsidiary-to-subsidiary relationship that has intercompany transactions in your organization. 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 need to:

- 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 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 form and a vendor form. For information on customizing forms, see the help topics Creating Custom Entry and Transaction Forms and Configuring Fields or Screens.

To 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.

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- ■ **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**.

To 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**.

Intercompany Inventory Items Guidelines

You can transfer inventory items between subsidiaries. Inventory items do not need 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 actual cost and the transfer price posts to this account when the item ships. The gain/loss amount is eliminated when you run intercompany elimination.

- ■ **Intercompany Drop Ship** - When the Automated Intercompany Drop Ship feature is enabled, the Dropship Expense Account on Item Record defaults to the account specified in the Default Expense Account on the Accounting Preference page. 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

NetSuite recommends using Intercompany Journal Entries (ICJE) to record intercompany transactions. If you want use journal entries with the Automated Intercompany Management feature, you must

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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 line is flagged 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

Use the Automated Intercompany Management feature to manage intercompany sales and billing transactions. You can create, manage, and eliminate intercompany transactions between the subsidiaries in your organization and reduce the manual work associated with tracking intercompany transactions and calculating elimination amounts.

Using the intercompany transaction workflow, you can generate an intercompany sales order from an existing intercompany purchase order. This 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. For information about using this page, see Managing Intercompany Orders. For information about creating intercompany purchase orders per subsidiary, see the help topic Entering a Purchase Order.

Managing Intercompany Orders

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

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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.

  > ℹ️ **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.

Note that access to subsidiary data is controlled by user role. If you have not been assigned the Administrator role, 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 you must have Allow Cross-Subsidiary Record Viewing enabled, and you must have view access to Purchase Order. To automatically generate/create a Sales Order, you must have create/full access to Sales Order. For more information, see the help topic Controlling 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

To generate an intercompany sales order:

Prerequisite: Create an intercompany purchase order. For more information, see the help topic Entering a Purchase 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 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.

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If Classes, Departments, or Locations values are mandatory (Setup > Accounting > Accounting Preferences > General > Classifications), you cannot auto generate sales orders or return authorizations.

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 enabled. For more information, see the help topic Voiding, Deleting, or Closing Transactions.

To reject 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. This removes it from the list of pending intercompany purchase orders.

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

2. Select a customer and currency.

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.

Managing Intercompany Inventory Transfers - Arm's Length

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

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

- Use the intercompany auto-elimination capability 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.

- Enter intercompany journal entries for other adjustments to inventory accounts. See 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. This eliminates the need for foreign currency revaluation for the transactions at period end.

- 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, and 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 a purchase order that has an intercompany vendor and an inventory item. You cannot manually create an intercompany sales order.

- You must generate an intercompany return authorization using the Manage Intercompany Return Authorization page for a vendor return authorization that has an intercompany vendor and an inventory item. You cannot manually create an intercompany return authorization.

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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**, and then each subsidiary completes their part of the return process. **Changes made to any line item are not processed.**

> **ⓘ Note:** For arm's length intercompany inventory transfers, intercompany clearing accounts are not returned to zero during the Eliminate Intercompany Transactions task on the Period Close Checklist. 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.

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 these steps:
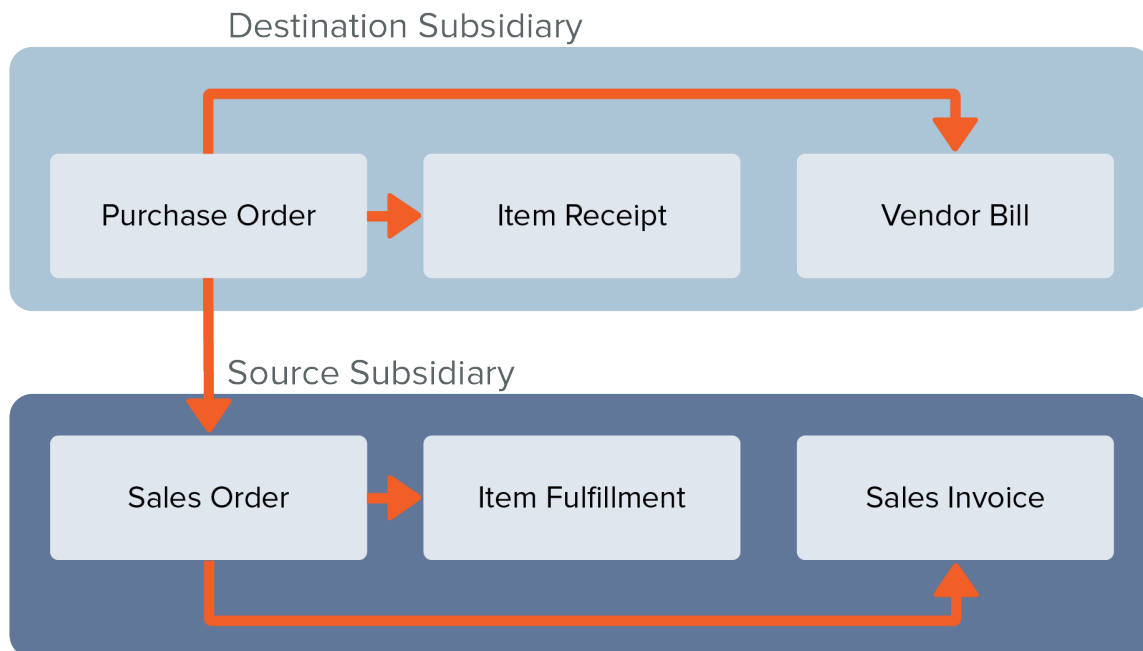
1. Destination subsidiary creates an intercompany purchase order.
2. Source subsidiary generates an intercompany sales order using the Manage Intercompany Sales Orders page at Transactions > Sales > Manage Intercompany Sales Orders.
3. Source subsidiary fulfills the order and creates an item fulfillment.

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**, and then each subsidiary completes their part of the return process. **Changes made to any line item are not processed.**

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 that was 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 steps described below. 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.

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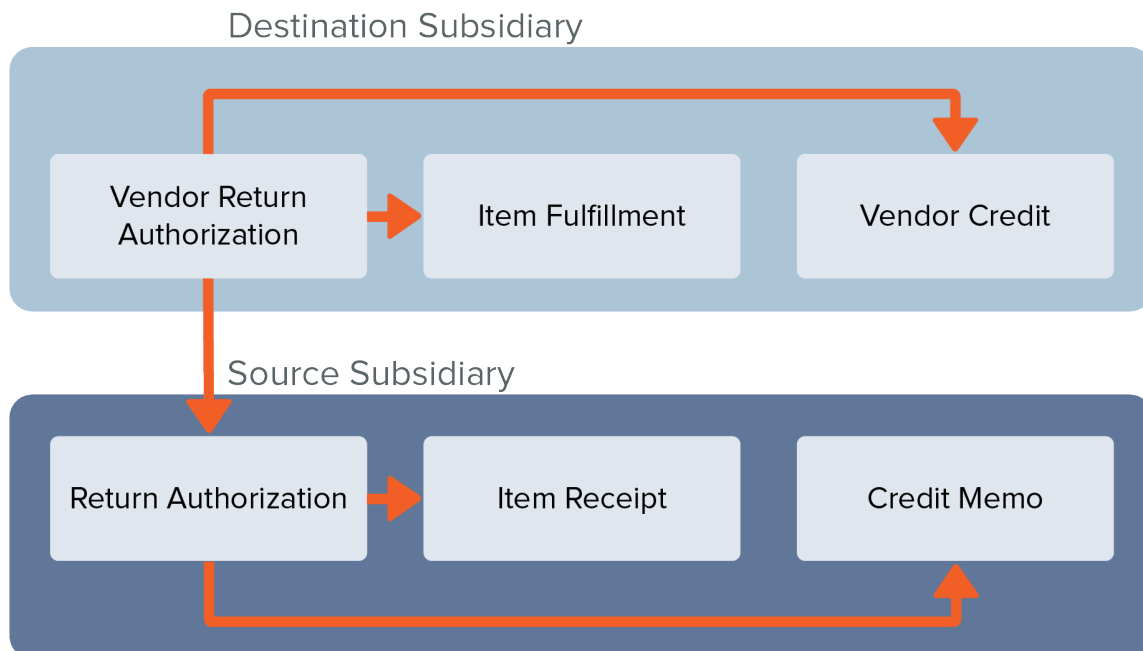
1. Destination subsidiary, the subsidiary that initially purchased the item, creates an intercompany vendor return authorization to return an item.

2. Source subsidiary generates an intercompany return authorization using the Manage Intercompany Return Authorizations page at 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 would need to 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. Read 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. For information about items to drop ship, see the help topic Drop Ship Items.

To manage intercompany drop ship orders, you must enable Automated Intercompany Drop Ship at Setup > Company > Enable Features > Accounting. 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 sets the following accounting preferences at Setup > Accounting > Preferences > Accounting Preferences > Order Management > Drop Shipments. These settings are required for the intercompany drop ship workflow to properly function. You cannot change these settings.

- **Update Drop Ship Order Quantities Automatically Prior to Shipment** - This preference is checked and disabled. 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.

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- **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:

Sales Subsidiary

```
Sales Order for          →    Sales Invoice to
External Customer             External Customer

                              Dummy Item
                         →    Fulfillment - Mark
                              as Shipped

Intercompany             →    Vendor Bill to         External Customer
Purchase Order                Warehouse Sub
```

Warehouse Subsidiary

```
Intercompany Sales   →   Item Fulfillment   →   Sales Invoice to
Order                                            Sales Subsidiary
```
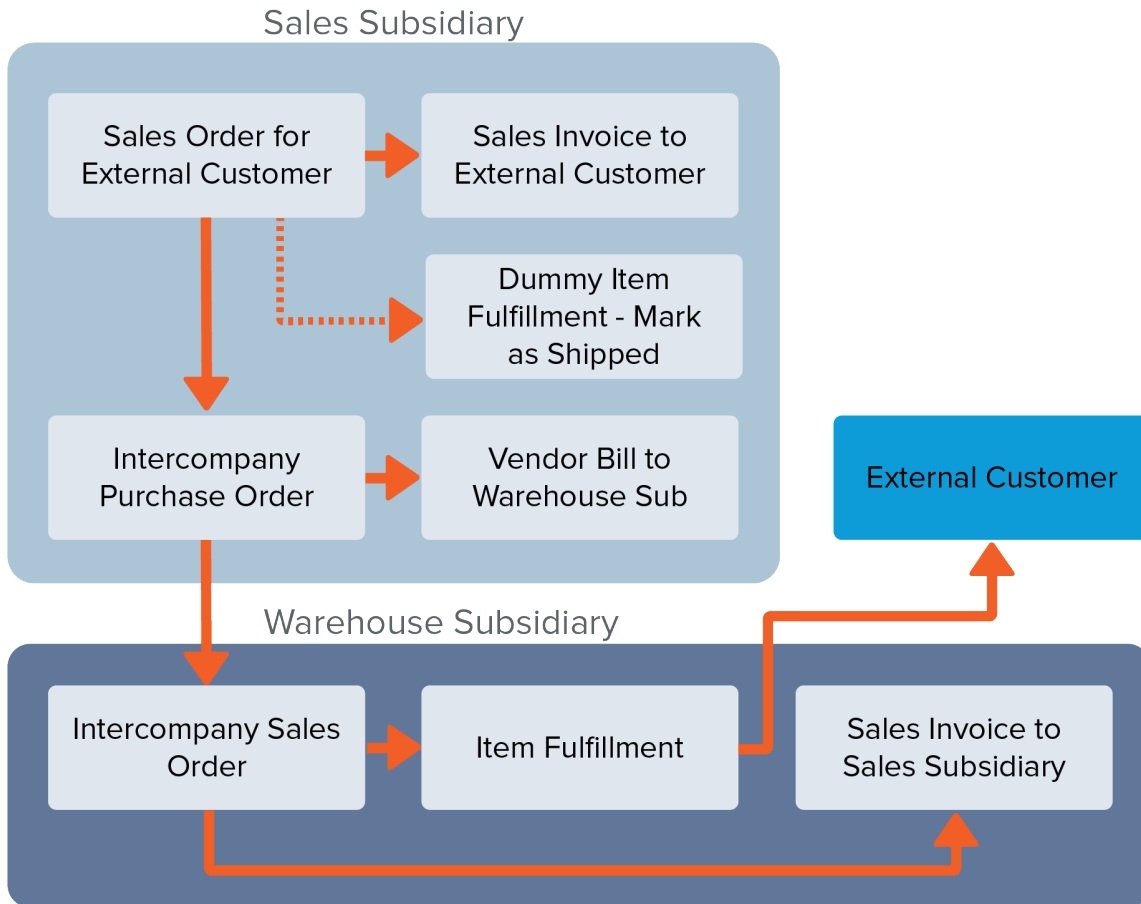
1. Sales subsidiary creates a sales order for an external customer specifying an intercompany vendor representing the Warehouse subsidiary.

2. Sales subsidiary creates an intercompany purchase order for the sale with an intercompany vendor representing the Warehouse subsidiary.

3. Warehouse subsidiary generates an intercompany sales order using the Manage Intercompany Sales Orders page at 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, billing 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, creating a dummy item fulfillment and 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.

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> **Note:** NetSuite does not support returns for intercompany drop-ship orders. You would need to 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. Read 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 using 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.

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

> **Note:** The general ledger impact for COGS and Inventory lines post in the currency of the source subsidiary (GRP), even though all of the transactions for the transfer are in the currency of the destination subsidiary (EUR).

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

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Subsidiary	Account	Debit	Credit
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/sales order pair.
- The U.K. subsidiary creates the return authorization using the Manage Intercompany Return Authorizations page.
- 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.

> ℹ **Note:** The general ledger impact for Cost of Goods Sold (COGS) and inventory lines post in the currency of the source subsidiary (GRP), even though 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	

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Subsidiary	Account	Debit	Credit
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 and sells an item to Customer A 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.
- 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 using 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 A.
- 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.

> **Note:** The general ledger impact for COGS and Inventory lines post in the currency of the sales subsidiary (GRP), even though 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			

Subsidiary	Account	Debit	Credit
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

See Intercompany Inventory Drop Ship for more information.

Intercompany Inventory Reports

Use these reports to 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 the month-end elimination task. For information on 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 intercompany journal entries (ICJE) to record business activity between the subsidiaries in your organization, transaction lines are identified that require elimination at period end.

- 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. When the sales order is invoiced, however, the transaction lines posting to intercompany accounts are identified for elimination. The same is true for intercompany purchase orders. An intercompany purchase order is a nonposting transaction, but when the purchase order is billed, the transaction lines posting to intercompany accounts are identified for elimination.

- Intercompany inventory transfers and intercompany drop shipments are identified by default, 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, based on the intercompany account entered for the line, or by manually checking the line for elimination.

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. This ensures that foreign currency adjustment amounts have been calculated for transactions in the period. See Using the Period Close Checklist.

When you run intercompany elimination for the period, 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 for the originating intercompany journal entry and the elimination journal entry post to the Cumulative Translation Adjustment-Elimination (CTA-E) account. 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 your account has been provisioned for 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 the Use Journal Entry Summarization on Intercompany Elimination accounting preference is enabled in your account, similar elimination journal entries are grouped into a single, summarized journal entry. For information, see Summarized Intercompany Elimination Journal Entries.

- You must have 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 process is performed for all subsidiaries in your organization. You cannot eliminate intercompany transactions by subsidiary.
- In organization hierarchies with multiple levels and multiple 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, the elimination subsidiary under the parent subsidiary is used.
  - If two subsidiaries do not have a parent-child relationship, the elimination subsidiary for the first level parent they have in common is used.
- NetSuite eliminates reversal intercompany journal entries in the same period in which they post. If you post an intercompany journal entry (ICJE) and its reversal ICJE in the same period, the **net** amount from the elimination journal entries for the pair 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. CTA-E is added to your chart of accounts when you enable the Automated Intercompany Management feature in NetSuite OneWorld. CTA-E has two purposes:

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- acts as the clearing account for intercompany elimination journal entries
- tracks the foreign currency translation adjustment amounts that result from elimination journal entries

When you run intercompany eliminations from the Period Close Checklist, gains and losses from currency exchange rate fluctuation between the originating intercompany journal entry and the elimination journal entry 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

The Use Journal Entry Summarization on Intercompany Elimination accounting preference is enabled by default. When enabled, NetSuite groups similar elimination journal entries into a single, summarized journal entry line. If the accounting preference is not enabled in your account, each elimination journal entry appears on a single journal entry line. You can change the state of the preference, as required.

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.

Access to information on the Lines subtab on the journal entry record is dependent on the state of the accounting preference.

For example, when the accounting preference is enabled and the journal entries are grouped, the Source Transactions column provides the number of rows (XX rows) that contributed to the single journal entry line. Clicking the Rows link opens a details page that displays all of the journal entries that were grouped into the single journal entry. On the details page, clicking a journal entry link in the Created From column opens the related source transaction. The details page also provides the Consolidated Exchange Rate column. This information is not provided when the accounting preference is not enabled and the journal entries are not grouped.

When the accounting preference is not enabled and journal entries are not grouped, the Source Transaction column does not appear.

Intercompany Elimination Example

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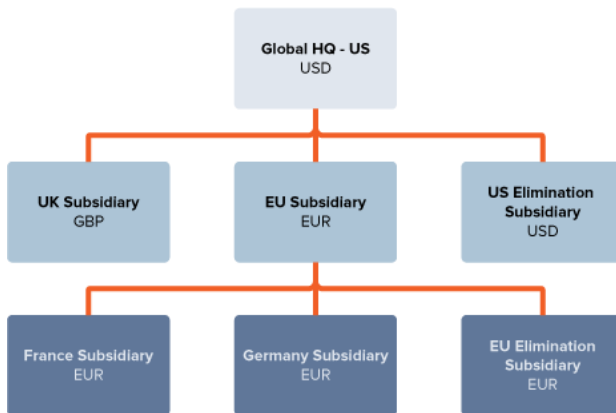
The hierarchy is based on geography and represents the following organizational relationships:

- 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 intercompany journal entry for the 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/loss posts to the cumulative translation adjustment - elimination (CTA-E) account. Running the

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intercompany elimination process 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

Running intercompany elimination produces two results. First, the elimination journal entries post to the U.S. Elimination subsidiary to eliminate revenue and expense from the consolidated financials. Then both the original and elimination journal entries roll up to the Global HQ-US subsidiary and any unbalanced currency adjustment gain/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.

Using Automated Intercompany Management for Elimination

Eliminating intercompany transactions with Automated Intercompany Management has two parts: entering intercompany transactions and running intercompany elimination at the end of the period.

First, 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 intercompany journal entries (ICJE) for transactions during a period and identify the journal lines that require elimination. Then when closing the period, you run intercompany elimination to automatically generate the elimination journal entries. NetSuite creates elimination journal entries for all flagged transaction and journal entry lines, and auto-reversing journal entries in the next period for all flagged journal lines posted to Intercompany Receivables and Intercompany Payables.

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> **(i) Note:** NetSuite does not generate elimination journal entries for any ICJEs 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:

- Enter Intercompany Transactions for Elimination
- Run Intercompany Elimination
- View 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 intercompany journal entries (ICJE)

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, which means that 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

Use intercompany journal entries (ICJE) to enter intercompany transactions and flag journal lines to be eliminated. In an ICJE, 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.

The best practice recommendation is to use ICJE to record intercompany transactions. Using ICJE forces you to have balanced elimination lines. If you use a regular journal entry to enter intercompany transaction activity but do not balance the lines to be eliminated, NetSuite assumes you entered the data correctly and posts the journal lines without validating the accounts used and the elimination flags.

You cannot check the **Eliminate Intercompany Transactions** box on ICJE lines posting to non intercompany accounts or on equity type accounts.

Using ICJE enforces balanced debits and credits across subsidiaries for journal line pairs using balance sheet accounts (A/R, A/P) and for lines using income statement accounts (Income, Expense, Cost of Goods Sold (COGS)). NetSuite validates the journal lines when you save an ICJE and displays an error if the debit and credits do not balance for the line pairs.

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If you do business with customers who use multiple currencies in their business dealings with you, create the ICJE in the base currency of the sales subsidiary (the vendor for the transaction). The currency for an ICJE should be the base currency of the sales subsidiary. For more information about account types and intercompany transactions, see Intercompany Accounts and Account Types and Intercompany Transactions.

Classifying 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 the **Make Locations Mandatory** accounting preference is enabled, Location is a mandatory 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 the **Multi-Location Inventory** feature is enabled, Location is a mandatory 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 the **Make Locations Mandatory** accounting preference is not enabled and the **Multi-Location Inventory** feature is not enabled, 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.

Run Intercompany Elimination

You can run the intercompany elimination process only from the Period Close Checklist. Eliminate Intercompany Transactions is the last task on the checklist to ensure that you have completed all other period closing tasks before running elimination. Running elimination posts elimination journal entries. You can run intercompany elimination for a period multiple times, as needed. However, you cannot initiate a new intercompany elimination run when another intercompany elimination is running.

> ⚠ **Important:** Complete all other tasks from the Period Close Checklist before running intercompany elimination. Most importantly, you must run Revalue Open Foreign Currency Balances and Calculate Consolidated Exchange Rates before running elimination to properly determine the gain and loss information to post to Cumulative Translation Adjustment - Elimination (CTA-E) account.

> ⓘ **Note:** If the GL Audit Numbering feature is enabled and you are in the last month of the accounting period, the GL Audit Numbering task is the last task on the checklist. For information, see Using GL Audit Numbering.

To run intercompany elimination:

1. From the Period Close Checklist, click the **Eliminate Intercompany Transactions** icon.
2. Verify the **Period** is correct.

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3. Click **Run Intercompany Elimination**.

   Select a class, department, and location, if used. Optionally, add a memo.

   If both the Automated Intercompany Management and Multi-Location Inventory features are enabled and the Make Location Mandatory accounting preference is enabled, you must assign a default elimination location to each elimination subsidiary. Then, on the Task: Eliminate Intercompany Transactions page you can select the elimination subsidiary from the Location list. The default value is Default Elimination Subsidiary Location. The elimination subsidiary you select is assigned to each intercompany elimination journal entry generated through completing this task.

   If your account has been provisioned for 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 for this period and post the elimination journal entries for the period.

   > ℹ️ **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** - display system and user notes for all eliminations run for the period
- **Results** - displays a line for each intercompany elimination process that has been run

  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 View 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 being processed. This number increases as the initialization detects more lines that need to be processed.

  In the **Submission Status** column, clicking the **Complete** link for an intercompany elimination request opens 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 the **Use Journal Entry Summarization for Intercompany Elimination** accounting preference is enabled, the **Records** column does not display values for summarized Other Current Asset and Other Current Liabilities accounts.

  > ℹ️ **Note:** The percent complete is an estimate of overall elimination progress. It does not represent progress in terms of time.

View 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.

You can also drill down to view the journal entry created by running 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, on the **Results** subtab, click the link in the **Elimination Journal** column to view the journal entry that was created.
5. From the **Lines** subtab, you can 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 journal entry that was created.
6. From the **Lines** subtab, you can 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 information, see Run 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. Clicking a source line link opens its source transaction.

> 🛈 **Note:** Non-AR/AP Balance Sheet accounts are summarized. Therefore, there is no link to the source transaction.

The Processed Records page also lists the resulting 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 your account has been provisioned for Multi-Book Accounting, 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 running intercompany elimination. You can also drill down from the report to edit the source sales and billing transactions, as needed.

Alternately, run the report periodically to catch problems with transactions before the month end process.

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 quantity fulfilled for an item on a sales order is different from the quantity billed for the item on the sales invoice created for the same sales order

   - **Item Receipt and Vendor Bill** - the quantity received for an item on a purchase order is different from the item quantity on the vendor bill created for the same purchase order

   - **Item Receipt and Item Fulfillment** - the quantity fulfilled for an item 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.

  > (i) **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: Setting Analytics 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 drilldown 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 drilldown 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

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Using the Intercompany Reconciliation Report

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. Then 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.

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 to view the source transactions marked for elimination and the resulting elimination journal entries.

If your account has been provisioned for Multi-Book Accounting, 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 for a subsidiary, remember to 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 using the following grouping:

- Elimination subsidiary
  - Sales order/purchase order pair
    - Source transaction - sales invoice, vendor bill, credit memo, vendor credit, journal entry, 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 intercompany journal entry (ICJE)
- Paired Subsidiary - the subsidiary the transaction targets
  - the Other subsidiary for ICJE
- 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

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Working with Budgets

Budgets provide estimates of income and expense for a specified period of time, and are used for financial planning purposes. In NetSuite, each budget covers a year and permits the entry of an amount, per account, for each accounting period in the year. You can choose the types of accounts to include in a budget: income accounts, expense accounts, income and expense accounts (to include all Income Statement accounts), or balance sheet accounts (to include assets, liabilities, and equity).

You can also enter budgets for statistical accounts. You can create budgets for departments, classes, locations, items, and customers or projects. For example, you can enter a budget for the headcount statistical account that specifies the number of new employee requisitions for the Sales Department in the upcoming financial year. You can then compare the budgeted amount against the number of new employees by customizing the Budget vs. Actual report. For more information, see the help topics Using Statistical Accounts and Budget vs. Actual Report.

You can create budgets for specific customers or projects, items, departments, classes, locations or any combination of these criteria. If you use NetSuite OneWorld, you also can create budgets for subsidiaries.

You can set up budgets within NetSuite or use the CSV Import Assistant to import budgets from external systems. See Setting Up a Budget and Importing a Budget.

If you want to base a budget on a previous budget or on a previous year's financials, you can copy a budget to save time. See Copying a Budget.

If you want to create multiple budgets for the same time period and combination of criteria, the Multiple Budgets feature can be enabled. See Using Multiple Budgets and Budget Categories.

When the Multiple Currencies feature is enabled, budgets are defined in your base currency. If you use NetSuite OneWorld, for each subsidiary budget you have the choice of using the subsidiary's base currency, or the currency of the root parent subsidiary. See Working with Subsidiary Budgets in OneWorld.

Setting Up a Budget

In NetSuite, each budget covers a year and permits the entry of an amount, per account, for each accounting period in the year. You can choose the types of accounts to include in a budget: income accounts, expense accounts, income and expense accounts (to include all Income Statement accounts), or balance sheet accounts (to include assets, liabilities, and equity). You can enter positive or negative values.

You can also enter budgets for statistical accounts. For example, you can enter a budget for the headcount statistical account that specifies the number of new employee requisitions for the Sales Department in the upcoming financial year. You can then compare the budgeted amount against the number of new employees by customizing the Budget vs. Actual report. For more information about statistical accounts, see the help topic Using Statistical Accounts.

To set up a budget:

1. Go to Transactions > Financial > Set Up Budgets.

2. If you use NetSuite OneWorld, select a subsidiary.

   > ⚠️ **Important:** If you use NetSuite OneWorld, it is recommended that you see Working with Subsidiary Budgets in OneWorld, and follow the steps in Creating Subsidiary Budgets. You can set up a budget for elimination subsidiaries.

3. In the **Year** field, select the fiscal year for which you want to create a budget.

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4. (If the **Multiple Budgets** feature is enabled, in the **Budget Category** field, select the category for this budget, or create a new one if necessary.

   For example, if you are creating a budget for a statistical account, create a new category and then name it Statistical Accounts.

   For information about multiple budgets, see Using Multiple Budgets and Budget Categories.

   In NetSuite OneWorld, with the **Multiple Budgets** and **Multiple Currencies** features enabled, each budget category has a a type of global or local. This type determines the currency NetSuite uses for a subsidiary's budget and final amounts.

5. You can create specific budgets for:

   - **Customers or Projects**

   - **Items**

   - **Classes**

   - **Departments**

   - **Locations**

   To create a specific budget, select an item from the list for the appropriate field. Leave the field blank to budget for the entire list in the field.

6. In the **Account Type** field, you can filter the types of accounts for which you are creating this budget.

   - **Income and Expense** - accounts included in both income and expense sections of Income Statement reports.

   - **Income** - accounts included in income sections of Income Statement reports.

   - **Expense** - accounts included in expense sections of Income Statement reports.

   - **Balance Sheet** - accounts included in Balance Sheet reports, assets, liabilities, and equities.

   - **All** - accounts included in Income Statement, Balance Sheet reports, and statistical accounts.

   The Budget page displays the accounts in your system specific to the selected account type. It also displays an Apply box, which includes or excludes a specific account in the budget as well as the months of the year.

7. You can enter budget amounts for each account year in the following ways:

   - Enter individual values for each month.

   - To copy an amount entered in the first month to all months for an account, check the **Apply** box next to an account, enter an amount in the first month, and click **Fill**.

     For example, if you enter $120 in the first month for an account and click Fill, $120 is entered in all other months for that account.

   - To evenly divide an amount entered in the first month into all months for an account, check the **Apply** box next to an account, enter an amount in the first month, and click **Distribute**.

     For example, if you enter $120 in the first month for an account and click Distribute, $10 is entered in all other months for that account.

   - To place checks in the **Apply** boxes for all accounts, click **Mark All**.

   - To remove all checks in **Apply** boxes, click **Unmark All**.

   - Click **Clear** to clear the existing values.

8. When you have finished entering budget details, click **Save**.

To see the Budget Income Statement, go to Reports > Banking/Budgeting > Budget Income Statement.

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Editing an Existing Budget in NetSuite

You can manually edit an existing budget in NetSuite.

To edit an existing budget:

1. Go to Transactions > Financial > Set Up Budgets > List.
2. Click the **Edit** link next to the budget you want to modify.
3. Modify the fields and each budget record as required.

   To delete this budget, in the **Actions** menu, click **Delete**. Click **OK** to confirm the deletion.
4. Click **Save**.

If you want to modify existing NetSuite budget data in an external application, you can export the data, make changes, then re-import the changed data. To export NetSuite budget data, create a budget search at Transactions > Financial > Set Up Budgets > Search, then click **Export** for the search.

> ⊗ **Warning:** Using a CSV file to update an existing budget record **overwrites** all existing budget data. The CSV file you use to update an existing budget **MUST** contain values in each field or your existing budget data is lost through the import process.

Copying a Budget

You can save time when creating a budget by copying a previous year's budget or by having NetSuite create your budget based on last year's actuals. Budgets provide an estimate of revenues and expenses for an account for a fiscal year. A previous year's actuals reflect how much revenue an account has generated or how much money an account has paid out in expenditures at a given point in time during a fiscal year.

For information, see the following subtopics:

- Copying a Previous Year's Budget
- Basing a Budget on a Previous Year's Actuals

Copying a Previous Year's Budget

The Copy Budget feature creates a new budget record by copying a budget from different year. For example, you want this year's budget to be the same as last year's budget, so you copy last year's budget to create a new budget for this year.

If the Accounting Periods feature is enabled, you can create a new budget by copying a budget from any fiscal year where a budget exists. Only those fiscal years where a budget exists can be selected as a source budget year. The process copies the values associated with the specified account types and budget categories to the new budget. If you are replacing the budget, the existing budget is deleted before the process copies the new budget.

If the Accounting Periods feature is not enabled, you can create a new budget by copying a budget from any year. The process verifies that a budget exists for the specified year, then the values associated with the specified account types and budget categories are copied from the source budget

to the new budget. If you are replacing the budget, the existing budget is deleted before the process copies the new budget. If a source budget does not exist for the specified year, the process leaves the new budget unchanged.

If the source budget does not contain data in a specific period, the new budget does not contain data for that period.

> **Note:** NetSuite limits you to one budget per category per fiscal year. Copying a budget from one year and category to create a budget for the same year and category DOUBLES the budgeted amount.

To copy a previous year's budget:

1. Go to Transactions > Financial > Copy Budgets.
2. Select **From Budget Year**, and then select the year's budget from which you want to copy data.
3. If the **Multiple Budgets** feature is enabled, in the **From Budget Category** field, select the budget category from which you want to copy.

   In NetSuite OneWorld, with the **Multiple Budgets** and **Multiple Currencies** features enabled, each budget category has a a type of global or local. This type determines the currency NetSuite uses for a subsidiary's budget and actual amounts.
4. In the **To** fields, select the year and category (if applicable) you want the copied budget to represent.
5. To retain detail information from the source budget into the copy, check the **Keep Detail** box for **Customers**, **Items**, **Departments**, **Classes**, or **Locations**.
6. In the **Account Type** field, choose the types of accounts you want to copy into the new budget.
   - **Income** - accounts included in income sections of Income Statement reports.
   - **Expense** - accounts included in expense sections of Income Statement reports.
   - **Balance Sheet** - accounts included in Balance Sheet reports, assets, liabilities, and equities.
   - **Income and Expense** - accounts included in both income and expense sections of Income Statement reports.
   - **All** - accounts included in Income Statement, Balance Sheet reports, and statistical accounts.
7. In the **Modify** field, enter a percentage you would like to increase or decrease the budget amounts.

   Enter a positive percentage to increase the budget amounts. Enter a negative percentage to decrease the budget amounts.
8. If you are copying a budget onto an existing budget that has amounts already entered, check the **Replace** box to replace the amounts on the copied budget. Keep this box clear to add the amounts to the budget.
9. Click **Save**.

Basing a Budget on a Previous Year's Actuals

When you create a new budget based on the actuals from a previous fiscal year, the process copies the values associated with the specified account types and budget categories to the new budget. If you are replacing the budget, the process deletes the existing budget before copying values to the new budget. This copying ensures that the new budget is identical to the actuals from a previous fiscal year.

To base a budget on a previous year's actuals:

1. Go to Transactions > Financial > Copy Budgets.

2. Select **Actuals From Year**, and then choose the year's budget that you want to copy.

3. In the **To Budget Year** field, select the year of the budget you are creating.

4. If the **Multiple Budgets** feature is enabled, in the **Budget Category** field, select the category for the budget, or create a new one if necessary.

   In NetSuite OneWorld, with the **Multiple Budgets** and **Multiple Currencies** features enabled, each budget category has a a type of global or local. This type determines the currency NetSuite uses for a subsidiary's budget and actual amounts.

5. In the **Account Type** field, choose the types of accounts you want to copy into the new budget:

   - **Income** - accounts included in income sections of Income Statement reports.

   - **Expense** - accounts included in expense sections of Income Statement reports.

   - **Balance Sheet** - accounts included in Balance Sheet reports, assets, liabilities, and equities.

   - **Income and Expense** - accounts included in both income and expense sections of Income Statement reports.

   - **All** - accounts included in Income Statement, Balance Sheet reports, and statistical accounts.

6. In the **Modify** field, enter a percentage you would like to increase or decrease the budget amounts.

   Enter a positive percentage to increase the budget amounts. Enter a negative percentage to decrease the budget amounts.

7. If you are copying a budget onto an existing budget that has amounts already entered, check the **Replace** box to replace the amounts on the copied budget. Keep this box clear to add the amounts to the budget.

8. If you want to maintain the budget criteria in the new budget, check the **Keep Detail** box next for each detail you want to maintain in the new budget.

   If you clear all of these boxes, the budget created has no customer, item, department, class, or location criteria.

9. Click **Save**.

Importing a Budget

You can import external applications' budget data as CSV files to create NetSuite budget records.

You can use the Import Assistant to import budget data directly into the database. For information, see the help topics Budget Import and Budget Template File.

Before you begin the import process, ensure that the values in the CSV file are properly formatted.

- The account name in the CSV file must exactly match the account name in the chart of accounts.

- If there is a subaccount, the account field must include the parent account name and subaccount name, separated by a colon (:). The format should be, Parent : Child Account. The format for subsidiaries should be the same as the format for subaccounts.

- The account name should not contain account numbers.

- If multiple budgets are enabled, category is mandatory.

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- The year format in the CSV file must exactly match the year format of the accounting period in Setup > Accounting > Manage G/L > Manage Accounting Periods.

- Numbers/amounts must not contain the separator (,) or the Currency character ($).

⚠ **Important:** Any field in the CSV file that does not contain a value appears in the created budget record as blank.

You need the Set Up Budget permission to import budget data. You do not need the Import CSV File permission. For questions about permissions, contact your administrator.

To import a budget:

1. Go to Transactions > Financial > Set Up Budgets > Import.

2. On the Import Assistant page, in the Scan & Upload CSV File section, select the type of character encoding for imported data.

   For information about available options, see the help topic Choose Import Character Encoding.

3. Click the **Budgets Template File** link to download a template file.

4. Save the file to your system, and then populate the saved file with your budget data. Be aware of the following limitations for CSV file fields:

   - **Year** – Year values should be for years with accounting periods set up at Setup > Accounting > Manage Accounting Periods.

   - **Category** – If the **Multiple Budgets** feature is enabled, **Category** is a required field.

     ⚠ **Important:** If the **Budget Category** field is not mapped during the import, its value defaults to the first budget category on the list. This list is ordered alphabetically.

     If you use NetSuite OneWorld and the **Multiple Currencies** feature is enabled, the budget category type determines whether NetSuite stores budget amounts using the global (root parent's base currency) or local (subsidiary's base currency) currency. See Creating Budget Categories for Local Subsidiary Budgeting.

   - **Account** – **Account** field values should be names. Do not use numbers even if the **Use Account Numbers** preference is enabled. For subaccounts, values should be hierarchical, with the format **parent account name: child account name**.

5. Click **Select**, choose the budget data file you have populated, and then click **Next**.

6. On the View Mapping / Start Import page, review the automappings of CSV file fields to NetSuite fields, and make any necessary changes or additions.

   - Note that the **CSV file** field mapped to the required **Account** field should contain account names, not account numbers. If you have multiple accounts with the same name and different numbers, so that mapping by name does not work, a workaround is to map a CSV file field containing internal ID values to the **Account** field.

   - For information about Import Assistant field mappings, see the help topics CSV Field Mapping Tasks and General CSV Field Mapping Tips.

7. Click **Run** to start the import.

   - For information about the Import Assistant's error handling, see the help topic CSV Import Error Reporting.

   - For information about checking import status, see the help topic Checking CSV Import Status.

8. After the import of budget data has successfully completed, you can review NetSuite budget records by going to Transactions > Financial > Set Up Budgets > List, then clicking a **View** or **Edit** link to open each budget record.

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> 🛈 **Note:** If you want to modify existing NetSuite budget data in an external application, you can export the data, make changes, then re-import the changed data. To export NetSuite budget data, create a budget search at Transactions > Financial > Set Up Budgets > Search, then click **Export** for the search.
>
> **Warning!** Using a CSV file to update an existing budget record **overwrites** all existing budget data. The CSV file you use to update an existing budget **MUST** contain values in each field or your existing budget data is lost through the import process.

Using Multiple Budgets and Budget Categories

Budget categories are available when the Multiple Budgets feature is enabled. Budget categories can created at Setup > Accounting > Accounting Lists > New.

If you want to create multiple budgets to use as proposals, you can assign a budget category to each budget. Budget category values allow differentiation between budgets for which other criteria, such as Item, Customer or Project, Class, Department, or Location, are identical.

A user with the Enable Features permission can enable the Multiple Budgets feature, at Setup > Company > Setup Tasks > Enable Features (Administrator), on the Accounting subtab.

After this feature is enabled, each budget that is set up must be assigned a category. On each budget record, the Budget Category list includes the following values:

- New - to create a new budget category.
- Legacy - the budget category assigned to any budgets you created prior to enabling the Multiple Budgets feature.
- Any budget categories that have been created in your account.

> ⚠ **Important:** In NetSuite OneWorld, with the Multiple Budgets and Multiple Currencies features enabled, each budget category has a budget category type of global or local. This type determines the currency NetSuite uses for a subsidiary's budget and actual amounts. For more information, see Working with Subsidiary Budgets in OneWorld.

To view an income statement with a budget income statement for the same set of criteria, see the help topic Budget vs. Actual Report.

Working with Subsidiary Budgets in OneWorld

If you use NetSuite OneWorld, and the Multiple Budgets feature is enabled, you can create separate budgets and track results for each of your subsidiaries including elimination subsidiaries. If the Multiple Currencies feature is also enabled, for each subsidiary budget you have a choice of using the subsidiary's base currency or using the root parent subsidiary's base currency. With this capability, subsidiary managers have access to budget-related financial information in their local currency. This provides a more straightforward analysis of financial performance.

> 🛈 **Note:** The Multiple Currencies feature is **not required** to create subsidiary budgets in NetSuite OneWorld. For example, if your subsidiaries are located in and do most of their business in the European Community, then you may choose to do all of your budgeting in Euros. However, in most cases, the companies that implement NetSuite OneWorld operate subsidiaries in multiple countries with different currencies.

The Multiple Budgets feature enables you to associate a budget category with each budget. The type of budget category can indicate whether a budget is local to a subsidiary, and defined in its own base

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currency, or global and defined in the root parent subsidiary's base currency. Budget categories should be created before you begin creating budgets. See Creating Budget Categories for Local Subsidiary Budgeting.

To be able to set up budgets for elimination subsidiaries, you must set the accounting preference, Enable Budget with Elimination Subsidiaries.

For information about setting up budgets for subsidiaries, see Creating Subsidiary Budgets.

You can consolidate budget amounts using consolidated exchange rates or budget-specific rates. At each level in the hierarchy, NetSuite revalues amounts from the child subsidiary's currency to the next-level parent subsidiary's currency. For information about consolidated exchange rates, see Setting Currency Exchange Rates and Using Consolidated Exchange Rates. For information about Budget Exchange Rates, see Using Budget Exchange Rates.

For information about running budget reports for subsidiaries, including choosing the subsidiary context, currency, and exchange rates, see the help topic Running Subsidiary-Specific Budget Reports.

> (i) **Note:** An employee can view budgets only for subsidiaries with which that employee is associated.

Subsidiary Budgeting Example

The following scenario provides an example of subsidiary budgeting in NetSuite OneWorld.

The company Wolfe Consolidated includes the subsidiaries Wolfe U.S. and Wolfe U.K. Wolfe Consolidated is the root-parent subsidiary. Because it is located in the United States, Wolfe Consolidate uses the U.S. dollar (USD) as its currency. Because Wolfe Consolidated has a subsidiary in another country (U.K.) that uses a different currency (British pounds, or GBP), the budgets and reports of actuals for Wolfe U.K. can be set up using either GBP or USD.

The budgeting options for Wolfe Consolidated are:

- Budget and report actual results for the three subsidiaries (Consolidated, U.S., and U.K.) in USD.
- Budget and report actual results for Wolfe Consolidated and Wolfe U.S. in USD, but use GBP for Wolfe U.K. This option gives U.K. managers the ability to budget and report actuals in their local currency. Wolfe Consolidated managers still see subsidiary and consolidated budgets in USD.

For example, you could create a Wolfe U.K. budget in GBP that would consolidate to USD. Assuming the exchange rate is 1.50 USD to 1.00 GBP, then:

Creating Budget Categories for Local Subsidiary Budgeting

When the Multiple Budgets feature is enabled, budget category values are used on budget records to categorize types of budgets. In NetSuite OneWorld, budget category values are used to indicate

whether budgeting is done at the local subsidiary level in local currency or globally using the root subsidiary's currency. Each budget category is associated with a budget category type of local or global.

Budget categories should be created before you create budgets.

To create a budget category:

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

2. On the Add to Accounting Lists page, click the link to **Budget Category**.

3. Enter a descriptive name. This name appears in lists.

4. Check the **Global** box to indicate that budgets assigned this budget category have a type of global, and are defined in the base currency of the root parent subsidiary.

   If this box is not checked, this budget has a budget category type of local, indicating that budgets assigned this category are defined in the base currency of the individual subsidiary.

   To develop and test budget alternatives, you can create multiple global and local budgets for each subsidiary.

5. Click **Save**.

Creating Subsidiary Budgets

If you use NetSuite OneWorld with the Multiple Budgets and Multiple Currencies features enabled, you can define budgets specific to each subsidiary and choose whether to use local subsidiaries' base currencies or the base currency of the root parent subsidiary for budget amounts. If you enable the accounting preference, Enable Budget with Elimination Subsidiaries, you can also set up a budget for elimination subsidiaries.

You can create subsidiary-specific budgets in the same manner as other budgets, by creating a new budget in NetSuite, by copying previous years' budgets or actuals, or by importing budget data from another system. For subsidiary budgets, you must be conscious of the budget category assigned for each budget and whether it is a local or global type. The budget category type indicates the currency used for the budget, local subsidiary base currency or root parent base currency.

For more information, see the following:

- Setting Up a Subsidiary Budget
- Copying a Subsidiary Budget
- Importing a Subsidiary Budget

After you have set up subsidiary budgets, you can run budget reports. You have multiple choices about how to consolidate budget report data, including what currency and what exchange rates to use. See the help topic Running Subsidiary-Specific Budget Reports.

Setting Up a Subsidiary Budget

If you use NetSuite OneWorld, you can set up budgets per subsidiary.

To create a subsidiary budget:

1. Go to Transactions > Financial > Set Up Budgets.

2. In the **Subsidiary** field, select the name of the subsidiary.

> ⓘ **Note:** Set the **Enable Budget with Elimination Subsidiaries** preference to be able to select an elimination subsidiary from this list.

3. In the **Year** field, select the fiscal year for which you want to create a budget.

4. In the **Budget Category** field, select:
   - **Any** budget category defined for your company.
   - **New** - to define a new budget category.
   - **Legacy** - This is the budget category assigned to any budgets created before the Multiple Budgets feature was enabled. It has a budget category type of Global.

   When you select a defined budget category, NetSuite populates the **Budget Category Type** field with a read-only value, based on the status of the **Global** box for the selected budget category. Also, NetSuite populates the **Currency** field:
   - If the budget category type is global, then the currency used is the root parent's base currency.
   - If the budget category type is local, then the currency used is the subsidiary's base currency. If you are creating budgets in local currencies, then you could create multiple Budget Categories, for example, using alternate exchange rate assumptions.

5. You can create specific budgets within a subsidiary for:
   - **Customers or Projects**
   - **Items**
   - **Classes**
   - **Departments**
   - **Locations**

   To create a specific budget, select from the list for the appropriate field. Leave the fields blank to budget for the entire list in the field. For more information, see Setting Up a Budget.

6. In the **Account Type** field, you can filter the types of accounts for which you are creating this budget, such as:
   - **Income** - accounts included in income sections of Income Statement reports.
   - **Expense** - accounts included in expense sections of Income Statement reports.
   - **Balance Sheet** - accounts included in Balance Sheet reports, assets, liabilities, and equities.
   - **Income and Expense** - accounts included in both income and expense sections of Income Statement reports.
   - **All** - accounts included in both Income Statement, statistical accounts, and Balance Sheet reports.

   Based on the **Account Type** that you select, NetSuite displays the available accounts for the specific type.

7. Enter budget amounts for each account.

8. Click **Save**.

Copying a Subsidiary Budget

In NetSuite OneWorld, you can copy a subsidiary's actual amounts or a budget to use as the basis for different versions of the same subsidiary's budget.

Set the Enable Budget with Elimination Subsidiaries preference to be able to select an elimination subsidiaries.

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For the specific steps to copy a budget, see Copying a Budget.

When copying a subsidiary budget in NetSuite OneWorld, the Budget Category selected on the Copy Budgets page as the target (To) can affect the amounts in the budget copy:

From - source budget category type	To - target budget budget category type	Impact
Local	Local	1-to-1, no change from local
Local	Global	Use Budget Exchange Rates table to convert local currency amounts to global currency amounts
Global	Local	Use Budget Exchange Rates table to convert global currency amounts to local currency amounts
Global	Global	1-to-1, no change from global

When copying actual amounts into a budget, the Budget Category selected as the target (To) can affect the amounts in the budget copy:

From - source budget category type	To - target budget category type	Impact
Local	Local	1-to-1, no change from local
Local	Global	Use Consolidated Exchange Rates table to convert local currency amounts to global currency amounts

For example, copying a budget with a global budget category type, as the basis for a local budget, would use the amounts entered in the root parent's base currency. NetSuite converts those amounts into the subsidiary's base currency, using rates from the Budget Exchange Rates table.

If you copy a budget, with a global budget category type, in U.S. dollars (USD) for use as a local budget in Canadian dollars (CAD), then NetSuite converts the budget amounts from USD to CAD when copying the budget. In the example shown, NetSuite converts an Income Account with an amount of 400 USD using the rate type for that account (Average). The conversion uses the **inverse** of the CAD to USD exchange rate from the Budget Exchange Rate table. NetSuite uses the inverse because the Budget Exchanges Rates table stores only bottom-up exchange rates (CAD to USD), not top-down (USD to CAD). In the example shown, NetSuite OneWorld would divide the global budget amount by the inverse exchange rate (0.8) to convert the budget amount to 500 CAD.

Importing a Subsidiary Budget

You can use a Comma Separated Values (CSV) file to import budget amounts for NetSuite OneWorld subsidiary budgets. For example, many companies develop budgets using a spreadsheet application, which can save budget data in a CSV file.

For the specific steps to import budget data in a CSV file, see Importing a Budget.

> ⚠ **Important:** When you create the CSV file, using NetSuite's Budget template, enter budget amounts consistent with the budget category type and Subsidiary values that you enter. The Category column determines whether NetSuite stores budget amounts using the global (root parent's base currency) or local (subsidiary's base currency) currency. The Subsidiary column determines the subsidiary's base currency.

	A	B	C	D	E	F	G	H	I	
1	Year	Category	Customer/Job	Item	Department	Class	Location	Account	Subsidiary	Period
2	Enter Year	Enter Category	Enter Customer	Enter Item	Enter Department	Enter Class	Enter Location	Enter Account	Enter Subsidiary (if Applicable)	Enter
3										

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For example, assume that your root parent subsidiary uses British pounds and your company has a subsidiary in Canada. If the CSV file has local in the Category column and Canada in the subsidiary column, then 10,000 entered in an Amount column would be stored as 10,000 Canadian dollars. However, if you entered global in the Category column and Canada as the subsidiary, then 10,000 would be stored as British pounds.

Using Budget Exchange Rates

The Budget Exchange Rates table is available at Lists > Accounting > Budget Exchange Rates. In this table you can maintain exchange rates between the child and parent subsidiaries for use in the budgeting process.

> **ⓘ Note:** To access this table, the Multiple Currencies and Multiple Budgets features must be enabled.

The Budget Exchange Rates table is very similar to the Consolidated Exchange Rates table. In NetSuite OneWorld, NetSuite uses the Consolidated Exchange Rates table to initially populate the Budget Exchange Rates table. Then, you can update and maintain the Budget Exchange Rates table as necessary.

This table shows the exchange rates for each subsidiary's base currency in relation to the currencies used by its parent subsidiaries, for each period. Table columns include: accounting period, whether the period is closed, the From (child) subsidiary, the To (parent) subsidiary, and exchange rates.

Rates in this table are either direct or indirect (derived). Direct rates are rates set between a child and parent subsidiary. Direct rates are set by a user and may be edited. Indirect rates are rates set between a grandchild and grandparent subsidiary. Indirect rates are always calculated by the system and cannot be edited.

The following exchange rate types are listed in the Budget Exchange Rates table:

- **Average** – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Average. This rate is used to translate accounts in the budget income statement and to build retained earnings.
- **Current** – Also referred to as ending rate. This rate is based on the currency exchange rate that is effective at the end of the reported upon period. This rate is used for most asset and liability accounts in balance sheet budget columns.
- **Historical** – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Historical. This rate is used for equity accounts, or owner's investments, in balance sheet budget columns.

For further explanation of rate types, see Consolidated Exchange Rate Types.

Viewing Budget Exchange Rates

- The consolidated exchange rate table can be viewed at Lists > Accounting > Budget Exchange Rates.
- You can use the lists to filter by accounting period, child subsidiary, parent subsidiary, and/or date range.
- You can further modify filter criteria or change the results column in this table by clicking the Customize View button and setting up a custom search to be used for consolidated exchange rates data. See the help topic Customizing List Views.

Editing Budget Exchange Rates

If an exchange rate can be modified, following are the methods for rate modification:

- The editing feature must be enabled for the budget exchange rates table to be editable. See the help topic Using Inline Editing.

  To enable editing, set Edit to On in the header. Rates for closed periods and indirect rates (between grandchild and grandparent subsidiary, rather than between child and parent) are not editable. These rates can be viewed when editing is enabled, but are unavailable.

  To find out if a specific exchange rate can be modified, point to the rate and read the popup. If a popup does not appear, you can change the rate in the text box.

- If an exchange rate can be modified, click the Edit link to open the Budget Exchange Rate page. The values that you can change include:

  - Average Exchange Rate

  - Current Exchange Rate

  - Historical Exchange Rate

> ⚠ **Important:** You can edit a budget exchange rate between two subsidiaries only if you have access to both subsidiaries.

Applying Budget Exchange Rates to Reports

- The selection in the Subsidiary Context list for a report filters data and also determines the currency to be used for amounts, the base currency of the selected subsidiary. For consolidated reports that include data from multiple subsidiaries, consolidated rates are used to convert amounts from child subsidiary base currency to parent subsidiary base currency. For information about subsidiary context, see the help topic Subsidiary Context for Reports.

- Reports that include both budget and actual amounts allow you to use two sets of exchange rates, budget and actual. You can choose whether to display actual and budget amounts in a selected subsidiary's local currency, or in a parent subsidiary's currency. By default, consolidated report budget amounts use rates from the Budget Exchange Rates table and consolidated report actual amounts use rates from the Consolidated Exchange Rates table. You can customize reports to vary this default. For more information, see the help topic Running Subsidiary-Specific Budget Reports.

Searching Budget Exchange Rates

You can search budget exchange rates to pinpoint rates for specific periods. You can create saved searches, and custom KPIs based on them, to monitor exchange rate changes over time.

The Budget Exchange Rates search is available Lists > Accounting > Budget Exchange Rates > Search.

Search results can include the following columns: average rate, current rate, historical rate, period name, period start date, period end date, whether the period is closed, from subsidiary, to subsidiary.

Search data can be filtered by the following criteria: from subsidiary, to subsidiary, period name, period start date, whether the rate is derived.

For general information about searches, see the help topic Running Searches. For information about saved searches, see the help topic Saved Searches. For information about custom KPIs, see the help topic Custom KPIs.

Working with Account Registers

An account register is a list of transactions for a particular account, for a selected date range, with the ending balance. NetSuite provides registers for posting and non-posting accounts. Each register includes detailed information about all transactions affecting the account for a selected time period, including balance information.

You can use registers to review and manage account transactions. You can access and edit transaction records from registers, reconcile accounts, and mark transactions as cleared. For information about how to access and use account registers, see Viewing Account Registers.

For information about the types of account registers available to you in NetSuite, see Available Account Registers.

In addition to single account registers, NetSuite provides several register reports. Each of these reports combines data for all registers of a specific type. The register reports provide more display options than single account registers, but do not provide access to transaction editing or account reconciliation. For a list of available register reports, see Register Reports.

Viewing Account Registers

You can access single account registers from the following types of records:

- Chart of Accounts

  Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.

- Transactions List

  From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.

- Single Transaction

  From a transaction record, under Actions, click Go to Register.

In general ledger account registers, with the exception of statistical account registers, parentheses enclose a credit amount in an accounting journal entry. Numbers that represent the debit amount in a journal entry are not enclosed in parentheses.

From the register page, you can go to a transaction's detail page by clicking the Edit link under the transaction's date. To see the Edit link, clear the 1-Line check box, and then click Refresh. After you are on the transaction detail page, you can review and change the transaction. When you submit the changes, you are brought back to the register.

Also, from the account register page, you can select a date range of transactions to display, choose to display one transaction per line, choose a sort order for displayed transactions, and choose to display only uncleared transactions, search for a specific transaction. If you use NetSuite OneWorld, you can select a subsidiary or set of subsidiaries for which to display transactions for a subset of subsidiaries. See Account Register Footer Options.

On bank and credit card account registers, you can mark individual transactions as cleared directly on the register page, or click the Reconcile link for a transaction to review or initiate a reconciliation. See Marking Transactions Cleared on Registers.

> **ⓘ Note:** For accounts that have the Use Imported Statement Reconciliation Form box checked, and use the Reconcile Account Statement page, the Clr box in the account register is Read Only and transactions cannot be cleared manually.
>
> Transactions that are matched in the Reconcile Account Statement page are marked as cleared. For details, see the help topic Matching Transactions.

You can print, email, or export a register. See Printing Account Registers, Emailing Account Registers, and Exporting Account Registers.

> **ⓘ Note:** Click **Add To Shortcuts** at the top of a register page to create a shortcut for this register on your Home page.

For information about bank account reconciliation and reporting, see the help topic Bank Account Reconciliation and Reporting.

For information about setting up historical balances in NetSuite OneWorld, see Setting Up Historical Balances in OneWorld.

Account Register Footer Options

Each account register includes options in its footer that you can use to filter and sort displayed transaction data. The following table describes the available options.

Option	Description
Accounting Book	(This list is available if you use Multi-Book Accounting.) Make a selection to determine the accounting book in which the register displays.
Date	You can select the date range for the transactions to be displayed. The selected date range is reflected in the From and To fields. If you enter a different range in the From and To fields, the Date field displays **custom**.
From and To	Enter a date range in the From and To fields for the transactions to be displayed The register displays transactions up to and including the date in the To field.
Subsidiary Context	(This list is available if you use NetSuite OneWorld.) Make a selection to determine the context in which the register displays, meaning the single subsidiary data, or consolidated set of subsidiaries data that is displayed. The Running Balance and Amount columns are based on the selected subsidiary context. However, the Current Ending Balance is always expressed in your role's default subsidiary context. For more information about subsidiary context, see the help topic Subsidiary Context for Reports.
1-line	Check this box to see one transaction per line.
Sort by	You can choose to sort register data by
Open	Check this box to display only open transactions on your register.
Refresh	Click Refresh after you select new register options.

Marking Transactions Cleared on Registers

You can use bank and credit card account registers to manually mark transactions cleared. Transactions cleared through a register appear on Reconciliation Summary and Reconciliation Detail reports, under the appropriate heading. However, they do not appear in Reconciliation History reports.

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> **ⓘ Note:** For accounts that have the Use Imported Statement Reconciliation Form box checked, and use the Reconcile Account Statement page, the Clr box in the account register is Read Only and transactions cannot be cleared manually.
>
> Transactions that are matched in the Reconcile Account Statement page are marked as cleared. For details, see the help topic Matching Transactions.

To mark transactions cleared:

1. Go to a bank or credit card account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
   - From a list of transactions, click the account.
   - From a transaction record, under **Actions**, click **Go to Register**.
2. On the register, check the box in the **Clr** column for every transaction that also appears on your bank or credit card statement.
3. Click **Refresh** when you have finished.

Printing Account Registers

You can print an account register by clicking the print icon located in the footer.

To print an account register:

1. Go to an account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
   - From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.
   - From a transaction record, under **Actions**, click **Go to Register**.
2. In the footer of the register, click the print icon.

Emailing Account Registers

You can click the Email icon in the footer of any register to email that register to an employee, vendor, customer, or partner entered in your account.

To email a register:

1. Go to an account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
   - From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.
   - From a transaction record, under **Actions**, click **Go to Register**.
2. Click the Email icon in the footer and complete the Email Report page.

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For details about email options and how to use them, see the help topic Emailing a Report.

Exporting Account Registers

Exporting a register provides you with additional flexibility in reviewing and analyzing your business's data. You can export many registers into a comma-separated value (CSV), Microsoft Word, Microsoft Excel, or Adobe PDF file to take advantage of the formatting and chart-making abilities those programs offer.

If you choose to export your report to Microsoft Excel, only **Microsoft Excel 2002 and later** are supported by NetSuite.

To export a register:

1. Go to an account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
   - From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.
   - From a transaction record, under **Actions**, click **Go to Register**.
2. In the footer of the register, click the Export-CSV, Export-Microsoft Word, Export-Microsoft Excel, or Export-PDF icons.

After you have exported a register to an external application, you can open it in that application and customize it as needed.

Be aware of the following export limitations. For more information, see the help topic Working with Records, Transactions, and Lists.

- Exported PDFs currently have some output limitations. You may encounter issues if your registers include a large number of rows and/or columns, or extremely long field values. You cannot export registers with more than 30 columns and NetSuite truncates exported records for registers with more than 10 columns.

- If you use Microsoft Excel to open an exported CSV file that contains data in languages other than English, some special characters may appear corrupted. If you encounter this issue, it is recommended that you export data to Excel instead of CSV. After you open the file in Excel, you can save it as a CSV file.

Available Account Registers

Each account register lists transactions for a single account. The account registers that you can access depend upon the types of accounts included in your chart of accounts. The following types of account registers may be available to you.

- Accounts Payable (A/P) Account Register
- Accounts Receivable (A/R) Account Register
- Bank Account Register
- Cost of Goods Sold Account Register
- Credit Card Account Register

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- Deferred Expense Account Register
- Deferred Revenue Account Register
- Equity Account Register
- Fixed Asset Account Register
- Expense Account Register
- Income Account Register
- Long Term Liability Account Register
- Non-posting Account Registers
- Other Asset Account Register
- Other Current Asset Account Register
- Other Current Liability Account Register
- Other Expense Account Register
- Other Income Account Register
- Unbilled Receivable Account Register
- Statistical Account Register

You may have access to multiple registers of the same type, depending on how many accounts of that type are included in your chart of accounts.

You also may have access to register reports, which are different from single account registers. Register reports combine data for all registers of a selected type and include more presentation options. See Register Reports.

Accounts Payable (A/P) Account Register

An accounts payable register lists posting purchases from or payments to your vendors. These transactions are liabilities representing amounts owed to vendors for the purchase of inventory, goods, or services.

You can use an accounts payable register to track and manage payable transactions.

> **Note:** To set your aging preference for your general and subledgers, go to Setup > Accounting > Preferences > Accounting Preferences, and on the General subtab, under General Ledger, for Aging Reports Use, choose either Due Date or Transaction Date.

To view an accounts payable register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of payable transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

An A/P Register report is available at Reports > Vendors/Payables > A/P Register. See A/P Register Report. This report combines data from all accounts payable accounts and offers more display options

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than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Accounts Receivable (A/R) Account Register

An accounts receivable register lists posting sales to and payments from customers. Receivables are assets that represent amounts owed by customers for the purchase of inventory, goods, or services. You can use an accounts receivable register to track and manage receivable transactions.

> **Note:** To set your aging preference for your general and subledgers, go to Setup > Accounting > Preferences > Accounting Preferences, and on the General subtab, under General Ledger, for Aging Reports Use, choose either Due Date or Transaction Date.

To view an accounts receivable register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of receivable transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

An A/R Register report is available at Reports > Customers/Receivables > A/R Register. See A/R Register Report. This report combines data from all accounts receivable accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Bank Account Register

A bank account register lists all transactions for a particular bank account. These transactions include liquid assets such as cash.

All cash accounts are treated as bank accounts, even if you do not keep money for that account in a bank. For example, a petty cash account is created as a bank account. Any transaction that takes money from, or adds money to, petty cash appears as a line item on the petty cash account register. In NetSuite, cash transactions are recorded on the Write Checks page.

You can use a bank account register to track and manage bank transactions, and to reconcile the account. During the reconciliation process, you can check the box in the cleared column next to transactions that have gone through, but do not yet appear on the statement. To reconcile a transaction that appears on a statement, click Reconcile in the Reconciled Date column. Reconciled transactions are automatically marked as Cleared. If a transaction was reconciled, the reconciliation date shows next to the Cleared (Clr) column.

To view a bank account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of bank transactions, such as checks, click the account.

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□ From a transaction record, under **Actions**, click **Go to Register**.

A Bank Register report is available at Reports > Banking/Budgeting > Bank Register. See the help topic Bank Register Report. This report combines data from all bank accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Cost of Goods Sold Account Register

A Cost of Goods Sold (COGS) account register lists expenses incurred for purchasing or manufacturing the merchandise you sell. Cost of goods sold, or, inventory costing, is calculated by subtracting ending inventory from the sum of the beginning inventory and the purchases during a period of time.

You can use a cost of goods sold account register to track and manage transactions that affect your cost of goods sold account. You can also print selected transactions from the register page by checking the appropriate box in the Print column, and then clicking the Print button.

To view a cost of goods sold account register:

- Do one of the following:

  □ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.

  □ From a list of transactions affecting inventory calculations, click the account. (Many types of transactions may affect inventory costing, including invoices, cash sales, checks, bills, and inventory adjustments.)

  □ From a transaction record, under **Actions**, click **Go to Register**.

For information about how inventory costing is recorded and managed in NetSuite, see the help topics Item Costing and Inventory Costing and the Advanced Receiving Feature.

Credit Card Account Register

A credit card account register lists all transactions for a particular credit card account. You can use a credit card account register or report to track and manage credit card transactions, and to reconcile the account.

During the reconciliation process, you can check the box in the cleared column next to transactions that have gone through, but do not yet appear on the statement. To reconcile a transaction that appears on a statement, click Reconcile in the Reconciled Date column. Reconciled transactions are automatically marked as Cleared. If a transaction was reconciled, the reconciliation date shows next to the Cleared (Clr) column.

To view a credit card account register:

- Do one of the following:

  □ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.

  □ From a list of credit card transactions, click the account.

  □ From a transaction record, under **Actions**, click **Go to Register**.

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Deferred Expense Account Register

A deferred expense register lists expenses that have been capitalized on a balance sheet and are to be expensed to the income statement later, in accordance with the nature of the expense. For example, a prepaid expense account is an example of a deferred expense account.

Expenses are typically deferred and then later are expensed when related revenues are recognized. These deferred expenses usually post to the income statement using amortization schedules. See the help topic Amortization Feature Overview.

To view a deferred expense register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

Deferred Revenue Account Register

A deferred revenue register lists income that has been promised or received but is not yet recognized as earned. Deferred revenue is listed on the balance sheet under liabilities and it to be added to the income statement later.

Revenues are typically deferred and then later are recognized when related goods or services are received. These deferred revenues usually post to the income statement using revenue recognition schedules. See the help topic Using Revenue Recognition.

To view a deferred revenue register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

Equity Account Register

An equity account register lists transactions related to the owner's investment in or draw from the company. You can use an equity account register to track and manage transactions that affect your equity account.

To view an equity account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions affecting the equity account, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

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Fixed Asset Account Register

A fixed asset account register lists transactions related to items that are acquired for long-term use rather than for resale. Often, the costs of these assets are depreciated gradually over time.

You can use a fixed asset account register to track and manage transactions that affect your fixed asset account. You can also print selected transactions from the register page by checking the appropriate box in the Print column, and then clicking the Print button.

To view a fixed asset account register:

- Do one of the following:
    - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
    - From a list of transactions, click the account.
    - From a transaction record, under **Actions**, click **Go to Register**.

Expense Account Register

An expense account register lists the costs and liabilities associated with producing revenue. The depreciation account is an example of an expense account. Expense is calculated by subtracting income from revenue during the time period specified. You can use an expense account register to track and manage that account's transactions.

If employee information is masked and you require this information, contact your account administrator.

To view an expense account register:

- Do one of the following:
    - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
    - From a list of transactions, click the account.
    - From a transaction record, under **Actions**, click **Go to Register**.

Income Account Register

An income account register lists your assets that result from the sale of products and services. Income is calculated by subtracting expenses from revenues during the time period specified. You can use an income account register to track and manage transactions that affect your income account.

To view an income account register:

- Do one of the following:
    - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
    - From a list of transactions, click the account.
    - From a transaction record, under **Actions**, click **Go to Register**.

Long Term Liability Account Register

A long-term liability account register lists transactions related to debts that are due in more than one year like a mortgage. You can use a long-term liability account register to track and manage transactions that affect your long-term liability account.

To view a long-term liability account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

Non-posting Account Registers

A non-posting account register lists transactions that do not directly affect the balance of what your company is worth. Purchase orders, for example, are transactions that do not actually incur debt the way bills do. Nevertheless, it's important to know how these transactions may affect the future balance of your accounts.

NetSuite offers several registers based on non-posting accounts, including the following:

- Estimates Register
- Opportunities Register
- Payroll Adjustments Register
- Purchase Orders Register
- Return Authorizations Register
- Sales Orders Register
- Transfer Orders Register
- Unapproved Expense Reports Register
- Unapproved Payments Register
- Vendor Return Authorizations Register

To view a non- posting account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

Estimates Register

The estimates register lists amounts for what you have offered to sell, not necessarily what you have sold and what has been paid for, in a non-posting estimates account. This register is available if the Estimates feature has been enabled.

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For information about using estimates, see the help topic Estimates.

An Estimates Register report is available at Reports > Pipeline Analysis. See the help topic Estimates Register Report. This report combines data from all estimates accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Opportunities Register

The opportunities register lists amounts for negotiations with prospects, in a non-posting opportunities account. This register is available if the Opportunities feature has been enabled.

For information about using opportunities, see the help topic Opportunity Records.

Payroll Adjustments Register

The payroll adjustments register lists modifications you have made to payroll that do not have any impact on the general ledger. An example of a non-posting payroll adjustment is a payroll year-to-date amount. You can use the payroll adjustment register to find existing adjustments and to track payroll adjustments. This register is available if the Payroll feature has been enabled.

For information about payroll adjustments, see the help topic Creating Payroll Adjustments.

Purchase Orders Register

The purchase orders register lists what you have ordered, not necessarily what you have bought and paid for, in a non-posting account. This register is available if the Purchase Orders feature has been enabled.

For information about using purchase orders, see the help topic Purchase Orders.

A Purchase Order Register report is available at Reports > Purchases. See Purchase Order Register Report. This report combines data from all purchase order accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Return Authorizations Register

The return authorizations register lists amounts for purchases that customers have been authorized to return to you, but have not received refunds, in a non-posting account. This register is available if the Return Authorizations feature has been enabled.

For information about using return authorizations, see the help topic Customer Return Management.

A Return Authorizations Register report is available at Reports > Order Management > Return Authorizations Register. See the help topic Return Authorizations Register. This report combines data from all return authorizations accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Sales Orders Register

The sales orders register lists what your customers have ordered from you, but have not yet paid for, in a non-posting account. This register is available if the Sales Orders feature has been enabled.

You can use the sales order register to find existing transactions, track projected sales and profitability, monitor inventory levels and determine when to schedule shipments to customers. You can also print sales orders from the register.

For information about using sales orders, see the help topic Sales Orders.

A Sales Order Register report is available at Reports > Order Management > Sales Orders Register. See the help topic Sales Order Register Report. This report combines data from all sales orders accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

> **Note:** The Orders and the Sales (Orders) key performance indicators (KPI) can be added to your dashboard to provide at-a-glance views of totals from this register. For more information on KPIs, see the help topic Setting Up the Key Performance Indicators Portlet.

Transfer Orders Register

The transfer orders register lists transfer orders that have been entered to track the movement of inventory items from one location to another, whether they are awaiting approval or have been completed. This register is available if the Multi-Location Inventory feature has been enabled.

For information about using transfer orders, see Inventory Transfer Orders .

A Transfer Order Register report is available at Reports > Inventory/Items > Transfer Order Register. This report lists the transaction number, status, and dollar amount value for each transfer order, and offers more display options than the transfer orders register.

Unapproved Expense Reports Register

The expense reports register lists all expense reports that have been started, whether they have not yet been completed by the employee or are waiting for approval by either the supervisor or accounting. This register is available if the Expense Reports feature has been enabled.

Unapproved Payments Register

The unapproved payments register, also called the unapproved customer payments register, lists payments your customers have made but have not yet been approved by your company. This register is available if your company tracks credit card payments.

Vendor Return Authorizations Register

The vendor return authorizations register lists amounts for purchases that you have been authorized to return to vendors, but have not yet received refunds, in a non-posting account. This register is available if the Vendor Return Authorizations feature has been enabled.

For information about using vendor return authorizations, see the help topic Vendor Return Authorization Overview.

Other Asset Account Register

An other asset account register lists transactions related to assets that are not categorized as fixed assets or other current assets. Typically the value of this account is small relative to total assets. Examples of other assets are prepaid expenses and the value of obsolete equipment to be sold.

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To view an other asset account register:

- Do one of the following:
  - ▫ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - ▫ From a list of transactions, click the account.
  - ▫ From a transaction record, under **Actions**, click **Go to Register**.

Other Current Asset Account Register

An other current asset account register lists transactions related to assets that are not categorized in cash accounts, bank accounts or accounts receivable and are expected to be sold, used or converted to cash within a year. An example of an other current asset is an employee advance.

To view an other current asset account register:

- Do one of the following:
  - ▫ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - ▫ From a list of transactions, click the account.
  - ▫ From a transaction record, under **Actions**, click **Go to Register**.

Other Current Liability Account Register

An other current liability account register lists transactions related to obligations that are due within a year and are not categorized in accounts payable. An example of an other current liability is taxes payable. You can use an other current liability account register to track and manage transactions that affect your other current liability account.

If employee information is masked and you require this information, contact your account administrator. For more information, see the help topic Hiding Employee Information on Financial Reports.

To view an other current liability account register:

- Do one of the following:
  - ▫ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - ▫ From a list of transactions, click the account.
  - ▫ From a transaction record, under **Actions**, click **Go to Register**.

Other Expense Account Register

An other expense account register lists the expenses associated with producing revenue that are not categorized in regular expense accounts. You can use an other expense account register to track and manage transactions that affect your other expense account.

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To view an other expense account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

Other Income Account Register

An other income account register lists income that is not categorized in regular income accounts. All income accounts are used to track assets resulting from the sale of products and services. Finance charge income is an example of an other income account. Other income, like regular income, is calculated by subtracting expenses from revenues during a fiscal period. You can use an other income account register or report to track and manage transactions that affect your other income account.

To view an other income account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - From a transaction record, under **Actions**, click **Go to Register**.

Unbilled Receivable Account Register

⚠️ **Important:** The functions discussed in this topic require the Revenue Commitments feature to be enabled.

The unbilled receivable register lists income that has been recognized as earned but has not yet been billed to customers. There is only one system-generated Unbilled Receivable account. You cannot create additional accounts of this type.

Unbilled receivable amounts occur when revenue commitments are generated from sales orders. Revenue commitment reversals can be generated from return authorizations. See the help topic Using Revenue Commitments.

⚠️ **Important:** The unbilled receivable account appears in account lists when the **Expand Account Lists** accounting preference is enabled. **Do not select this account.** All debits and credits to this account must be system-generated.

To view the unbilled receivable register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.

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◻ From a transaction record, under **Actions**, click **Go to Register**.

Statistical Account Register

⚠️ **Important:** The functions discussed in this topic require the Statistical Accounts and Multiple Units of Measure features to be enabled.

ℹ️ **Note:** You must have REGT_STAT - Statistical Account Registers permission to view this register. Administrators and user roles with FULL access can view this register. The REGT_STAT permission has been added to these core user roles: A/P Clerk : EDIT, Accountant : EDIT, Accountant (Reviewer) : VIEW, Bookkeeper : VIEW, CEO : FULL, CEO (Hands Off) : VIEW, CFO : FULL, Consultant : VIEW, Sales Administrator : VIEW, Sales Manager : VIEW, and Sales Vice President : VIEW. Users with permission to add permissions to custom roles can do so as needed.

You can use the register associated with a statistical account to obtain the date the statistical journal entry was recorded in the system, transaction number, customer associated with the statistical journal entry, any memo, and the amount relative to the associated unit of measure. A register is useful when you need to determine whether to reverse a statistical journal entry. For more information about statistical accounts, see the help topic Statistical Accounting Overview.

Do one of the following:

■ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.

■ Reports > Financials > Chart of Accounts

■ Setup > Accounting > Chart of Accounts

From the **View** list, choose **Statistical**, and then click the statistical account name to open the register.

Register Reports

NetSuite provides several register reports. These reports are different from the single account registers described in Available Account Registers. Each of these reports combines data for all registers of a specific type. The register reports provide more display options than single account registers, but do not provide access to transaction editing or account reconciliation.

The register reports available to you depend upon the features enabled in your account. They may include the following:

■ A/P Register Report at Reports > Vendors/Payables > A/P Register

■ A/R Register Report at Reports > Customer/Receivables > A/R Register

■ Bank Register Report at Reports > Banking/Budgeting > Bank Register

■ Estimates Register Report at Reports > Pipeline Analysis > Estimates Register

■ Payroll Check Register at Reports > Payroll > Payroll Check Register

■ Purchase Order Register Report at Reports > Purchases > Purchase Order Register

■ Return Authorizations Register at Reports > Order Management > Return Authorizations Register

■ Sales Order Register Report at Reports > Order Management > Sales Orders Register

■ Transfer Order Register Report at Reports > Inventory/Items > Transfer Order Register

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Working with Accounting Reports

The following types of accounting reports are described in this section:

- Financial Reports
- Purchases Reports
- Payables Reports
- Receivables Reports

Financial statements, including income statements (profit and loss statements), balance sheets, and cash flow statements, are described elsewhere. For information, see the help topic Financial Statements Overview.

Financial Reports

The following financial reports are available:

- General Ledger Report
- Trial Balance Report
- Deferred/Capitalized Expense (requires the Amortization feature)
- Transaction Detail Report
- Realized Exchange Rate Gains and Losses Report
- Unrealized Exchange Rate Gains and Losses Report
- Intercompany Elimination Report (OneWorld only)
- Intercompany Reconciliation Report (OneWorld only)
- GL Audit Numbering Report

⚠️ **Important:** NetSuite provides specialized customization methods for financial statements, including income statements, balance sheets, and cash flow statements. Financial statements are described separately from financial reports. See the help topic Financial Statements Overview.

General Ledger Report

The General Ledger report shows transactions sorted and subtotaled by account during a fiscal period or any other time period you specify.

To see the General Ledger report:

Go to Reports > Financial > General Ledger.

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.

If employee information is masked and you require this information, contact your account administrator.

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> ⓘ **Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

Trial Balance Report

The Trial Balance is a report that shows the balance of each active account as of a specified date, usually the end of the month. Account balances are shown in debit and credit columns. An accountant runs this report before preparing financial statements to make sure the debits and credits are equal to one another. When the trial balance is in balance, the financial statements can be prepared.

The table below shows the account types on the trial balance report and whether they represent a credit or debit on the report.

Account Type	Debit	Credit
Bank	X	
Accounts Receivable	X	
Other Current Asset	X	
Fixed Asset	X	
Other Asset	X	
Accounts Payable		X
Credit Card		X
Other Current Liability		X
Long Term Liability		X
Equity		X
Income		X
Cost of Goods Sold	X	
Expense	X	
Other Income		X
Other Expense	X	
Deferred Revenue		X
Deferred Expense	X	
Unbilled Receivable		X
Non-posting		

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> ⚠️ **Important:** Some user roles such as Finance Manager are restricted by location to Own, Unassigned, and Subordinate. The Trial Balance report is not restricted by location, but users with location-restricted roles may see an imbalance in the report. The reason for an imbalance is that within a single transaction some transaction lines may be set to an accessible/ non-accessible location. Any resulting credit/debit imbalance is reported in the Cumulative Translation Adjustment line. Users should run reports using and unrestricted role.

To see the Trial Balance report:

Go to Reports > Financial > Trial Balance.

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.

If employee information is masked and you require this information, contact your account administrator.

In the report, you can click an account name to see details about the account. You can click the dollar amount listed for an account to view an account detail report of recent transactions. See Account Detail Report.

Some differences between amounts in the Trial Balance and in the account detail reports may occur as follows:

- For income statement accounts (Income, Expense, Other Income, Other Expense, and Cost of Goods Sold), the Trial Balance report includes only transactions posted from the beginning of the calendar year up to the As of date for these types of accounts. The account detail reports for these account types also include the balance for transactions posted prior to the beginning of the calendar year.

- Retained earnings are reported in the Trial Balance report as the sum of cumulative net income and amounts posted directly to the retained earnings account through journal entries. The cumulative net income is a calculated reporting value which is not recorded in the account register detail report.

The following filters are available in the report footer. Select from these filters, and then click Refresh to modify report results.

- **Column** - you can switch the columns displayed in the report.
  - Debit/Credit - to display two columns, with debit and credit balances, for each account
  - Total - to display one column with balance of debits and credits for each account
- **Date or Period** - you can change the date or period for report data.

  Whether Date or Period is used depends upon your setting for the Report by Period preference at Home > Set Preferences, on the Analytics tab.

  For information about setting dates or periods for reports, see the help topic Choosing a Date or Period Range for a Report.

- **As of** - displays the date corresponding to your selection in the Date or Period filter. You also can enter a date directly into this field to set a custom Date or Period.

  Be aware that this report handles the reporting of posted transaction data differently for different types of accounts. For example, if the **As of** date for a Trial Balance report is **12/31/2009**:

  - For Income, Expense, Other Income, Other Expense, and Cost of Goods Sold (COGS) type accounts, the report includes only transactions posted from 1/1/2009 to 12/31/2009. It does not include transactions posted prior to 1/1/2009.

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> □ For the Retained Earnings account, the report includes all transactions posted on or before 12/31/2009, plus Net Income posted on or before 12/31/2008.
>
> □ For all other types of accounts, the report includes all transactions posted on or before 12/31/2009.

- **Subsidiary Context** - (OneWorld only) You can filter the report to show only data from the subsidiary you select, or in the case of consolidated subsidiaries, to show data for all child subsidiaries of the consolidated parent subsidiary.

  If you are using the Multiple Currencies feature, when the **Subsidiary Context** is a consolidated subsidiary, this report also includes the Cumulative Translation Adjustment (CTA) account. If you have posted manual journal entries to the account, one line displays only the balance resulting from manual journal entries. This line appears in regular account order within the report. The primary CTA account line appears at the end of the account listing. It includes both the manual journal entries and the calculated CTA. Only the primary CTA line is counted in the total. See the help topic Understanding Cumulative Translation Adjustment (CTA).

  If the **Subsidiary Context** is **not** a consolidated subsidiary, the transaction exchange rate used to convert from the transaction current to the subsidiary base currency.

Account Detail Report

The Account Detail report shows a list of transactions that affect the balance of a specific account.

If employee information is masked and you require this information, contact your account administrator.

Most Account Detail reports include the following columns:

- **Account** – the name of the account and its number
- **Type** – the type of transaction
- **Date** – the transaction date
- **Num** – a reference number for the transaction, such as an invoice number
- **Name** – a name of entity associated with the transaction, such as a vendor, customer or employee
- **Clr** – a notation if the transaction has cleared your bank account
- **Split** – the other account involved in the double-entry bookkeeping notation. If more than one account was used to offset this distribution, you see the notation **-Split-**.)
- **Amount** – the amount of the transaction
- **Balance** – the balance of that account after that transaction

An Account Detail report opens when you click an account amount in the Trial Balance report. Account details from the General Ledger report open when you click an amount in other financial statement detail reports, such as the Balance Sheet Detail report.

Account registers include information similar to Account Detail reports. For information, see Working with Account Registers.

The following filters are available in the report footer. Select from these filters, and then click Refresh to modify report results.

- **Date** - You can select the date range for the transactions to be displayed. The selected date range is reflected in the From and To fields. If you enter a different range in the From and To fields, the Date field displays **custom**.
- **From** and **To** - Enter a date range in these fields for the transactions to be displayed. The account detail displays transactions to and including the date in the To field.

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- **Subsidiary Context** - Available in NetSuite OneWorld only. Select the context for the report. You can select data for a single subsidiary or consolidated data for a set of subsidiaries. For more information about subsidiary context, see the help topic Subsidiary Context for Reports.

- **Accounting Book** - Available only when the Multi-Book Accounting feature is enabled. Select the accounting book to display.

GL Audit Numbering Report

The GL Audit Numbering report lists all general ledger posting transactions in gapless numbered order. This report can be submitted to government tax authorities where required. You can filter this report by numbering sequence.

To view the GL Audit Numbering report, go to . Information you can obtain from this report includes the numbering sequence, general ledger number, transaction date, and the number of the transaction record. Further information includes transaction type, entry date, accounting period, account, and transaction amount. If you use NetSuite OneWorld, this report provides the subsidiary associated with the general ledger sequence.

If you use the Multi-Book Accounting feature, this report provides the accounting book name and ID. You can also filter this report to display book-specific numbering sequences.

To ensure that this report displays all transactions for the periods shown and that there are no gaps in the numbering, go to Home > Set Preferences > Analytics and set the Report by Period preference to Financials Only or All Reports.

> ⓘ **Note:** If the Allow Transaction Date Outside of Posting Period preference is set to Warn or Allow in your NetSuite account, when you run the GL Audit Numbering report you may see transactions with dates that do not fall within the period for which you are viewing general ledger numbers.

You can add general ledger numbers to a standard report by customizing it to include the GL# column. You can also include the numbering sequence that was used to number each transaction.

Purchases Reports

The following purchases reports are available:

- Purchase by Vendor Summary Report
- Purchase by Vendor Detail Report
- Purchase by Item Summary Report
- Purchase by Item Detail Report
- Purchase Order Register Report
- Open Purchase Orders Report
- Purchase Order History Report

Purchase by Vendor Summary Report

A Purchase by Vendor Summary report shows your actual purchases of items, categorized by vendor, for the time period you specify.

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To see a Purchase by Vendor Summary report:

Go to Reports > Purchases > Purchase by Vendor.

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.

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase by Vendor Detail Report

A Purchase by Vendor Detail report shows individual purchase transactions categorized by vendor for the time period you specify.

To see a Purchase by Vendor Detail report:

Go to Reports > Purchases > Purchase by Vendor > Detail.

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.

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase by Item Summary Report

A Purchase by Item Summary report shows dollar amounts categorized by item for the time period you specify.

To see a Purchase by Item Summary report:

Go to Reports > Purchases > Purchase by Item.

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.

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash

Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase by Item Detail Report

A Purchase by Item Detail report shows individual purchase transactions categorized by item for the time period you specify.

To see a Purchase by Item Detail report:

Go to Reports > Purchases > Purchase by Item > Detail.

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.

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase Order Register Report

The Purchase Order Register report lists what you have ordered, not necessarily what you have bought and paid for, in a nonposting account. This nonposting account appears only if your company uses purchase orders.

To view the Purchase Order Register report:

Go to Reports > Purchases > Purchase Order Register.

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.

Open Purchase Orders Report

The Open Purchase Orders report lists purchase orders with an open billing status, meaning those that have not yet been fully billed or closed.

To view the Open Purchase Orders report:

Go to Reports > Purchases > Open Purchase Orders.

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.

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> **(i) Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payables Reports

The following payables reports are available:

- A/P Aging Summary Report
- A/P Aging Detail Report
- A/P Register Report
- A/P Payment History by Bill Report
- A/P Payment History by Payment Report

A/P Aging Summary Report

An Accounts Payable Aging report shows all unpaid bills in your accounts payable.

In NetSuite, the A/P Aging Summary report shows the amounts owed to vendors for the current billing period and what is still owed from previous billing periods.

In NetSuite, someone with permission to access the Accounting Preferences page can choose to age bills and invoices by due dates or transaction dates.

> **(i) Note:** The Payables key performance indicator (KPI) can be added to your dashboard to provide at-a-glance views of totals from this report. For more information on KPIs, see the help topic Setting Up the Key Performance Indicators Portlet.

To see an A/P Aging Summary report:

Go to Reports > Vendors/Payables > A/P Aging.

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.

A/P Aging Detail Report

An Accounts Payable Aging report shows all unpaid bills in your accounts payable. In NetSuite, the A/P Aging Detail report shows individual bills owed each vendor, the age or exact number of days past due of each bill, the open balances for each vendor and a grand total for all vendors.

In NetSuite, someone with permission to access the Accounting Preferences page can choose to age bills and invoices by due dates or transaction dates.

The A/P Aging Detail report includes the following sections:

- **Vendor** — The legal name of the vendor with the balance owed, itemized by transaction, and then summed. Entries grouped under No Vendor are Journal Entries.
- **Transaction Type** — The type of vendor transaction such as bill, deposit, expense report, and so on.

- **Date** — The date on which the transaction was entered into the system.
- **No.** — The number of the transaction, specific to the transaction type.
- **Due Date** — The date on which the transaction amount owed was due.
- **Age** — The number of days the amount owed is past due.
- **Amount Due** — The amount owed itemized by transaction and grouped by vendor total.

The A/P Aging Detail report is customizable. For more information, see the help topic Report Customization.

To see an A/P Aging Detail report:

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.

> ⚠️ **Important:** Debit and credit journal entries against identical accounts for the same entity value do not impact the general ledger, and therefore do not appear in the A/P Aging Detail report.

A/P Register Report

The Accounts Payable Register report lists all posting purchases from or payments to your vendors. These transactions are liabilities representing amounts owed to vendors for the purchase of inventory, goods or services.

You can use an accounts payable register report to find existing transactions and to track payable transactions. You can use an open bills report to see what bills still need to be paid.

To see the Accounts Payable Register report:

Go to Reports > Vendors/Payables > A/P Register.

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.

A/P Payment History by Bill Report

The A/P Payment History by Bill report provides a view of your payment history with vendors, organized by bills, and shows how your payments were applied to bills.

This report can be used to review contract employees billings, as well as other vendors' payables.

To see the A/P Payment History by Bill report:

Go to Reports > Vendors/Payables > A/P Payment History by Bill.

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.

> **ⓘ Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

A/P Payment History by Payment Report

The A/P Payment History by Payment report provides a view of your payment history with vendors, organized by payment, and shows how those payments were applied to bills.

To see the A/P Payment History by Payment report:

Go to Reports > Vendors/Payables > A/P Payment History by Payment.

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.

> **ⓘ Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Receivables Reports

The following receivables reports are available:

- A/R Aging Summary Report
- A/R Aging Detail Report
- A/R Register Report
- A/R Payment History by Invoice
- A/R Payment History by Payment Report
- Receivables by Customer Report

A/R Aging Summary Report

The A/R Aging Summary report summarizes unpaid invoices and statement charges in accounts receivable, grouped by customer and billing period. For each customer who owes money, the report shows what the customer owes for the current billing period and what they haven't paid from previous billing periods.

The 1-30, 31-60, 61-90, and >90 columns show overdue balances from previous billing periods. These aging periods are defined using the Interval and Duration fields.

You can use the A/R Aging reports to identify where collection efforts should be concentrated. Because accounts receivable directly affect your company's cash, close attention should be paid to customers that are extending the time it takes to collect your accounts receivable. The longer accounts are left unpaid, the more likely it is that you cannot collect on that account. A large number of overdue amounts may signal that your business needs to tighten credit policies toward new and existing customers.

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You may change the interval of your aging buckets by entering a new value in the Interval field located in the footer of this report. You also may change the duration. To change the duration, click the double-arrow beside the Interval field to see the Duration field and enter the desired duration. Then, click Refresh to reflect the changes.

> ℹ️ **Note:** The Receivables key performance indicator (KPI) can be added to your dashboard to provide at-a-glance views of totals from this report. For more information about KPIs, see the help topic Setting Up the Key Performance Indicators Portlet.

To view the A/R Aging Summary report:

Go to Reports > Customer/Receivables > A/R Aging.

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.

> ℹ️ **Note:** If the Consolidated Payments feature is enabled, the A/R Aging report shows the un-consolidated balance for each subcustomer. Amounts are totaled for each customer-subcustomer hierarchy, which permits you to see the consolidated balances. For details about this feature, see the help topic Consolidated Payments.

A/R Aging Detail Report

The A/R Aging Detail report shows unpaid invoices and statement charges in accounts receivable, grouped and summed by Customer/Project, and then summed for the period. The A/R Aging Detail report includes the following sections:

- **Customer** — The legal name of the customer or project with the open balance, itemized by transaction and then summed. Entries grouped under No Customer/Project are Journal Entries.
- **Transaction Type** — The type of customer or project transaction such as invoice, customer credit, payment, and so on.
- **Date** — The date on which the transaction was entered into the system.
- **No.** — The number of the transaction, specific to the transaction type.
- **P.O. No.** — The purchase order number for the transaction.
- **Due Date** — The date on which the transaction amount was due.
- **Age** — The number of days past due.
- **Amount Due** — The amount due itemized by transaction and grouped by customer or project total.

The A/R Aging Detail report is customizable. For more information, see the help topic Report Customization.

You can use A/R Aging reports to identify where your collection efforts should be concentrated. Because accounts receivable directly affect your company's cash, close attention should be paid to customers that are extending the time it takes to collect your accounts receivable. The longer accounts are left unpaid, the more likely it is that you cannot collect on that account. A large number of overdue amounts may signal that your business needs to tighten credit policies toward new and existing customers.

To see an A/R Aging Detail report:

Go to Reports > Customer/Receivables > A/R Aging > Detail.

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.

> ⚠️ **Important:** Debit and credit journal entries against identical accounts for the same entity value do not impact the general ledger, and therefore do not appear in the A/R Aging Detail report.

A/R Register Report

The Accounts Receivable Register report lists all posting sales to and payments from customers. These transactions are assets representing amounts owed by customers for the purchase of inventory, goods or services.

In a general ledger account register, which is intended primarily for people with accounting knowledge, parentheses represent numbers that translate to credits. Parentheses do not mean a negative number in accounting-specific reports. Numbers that translate to debits are represented without parentheses.

To view the Accounts Receivable Register report:

Go to Reports > Customer/Receivables > A/R Register.

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.

A/R Payment History by Invoice

The A/R Payment History by Invoice report provides a view of your customer's payment history, organized by invoice, and shows how those payments were applied to invoices.

To see the A/R Payment History by Invoice report:

Go to Reports > Customer/Receivables > A/R Payment History by Invoice.

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.

A/R Payment History by Payment Report

The A/R Payment History by Payment report provides a view of your customer's payment history, organized by payment, and shows how those payments are applied to invoices.

To see the A/R Payment History by Payment report:

Go to Reports > Customer/Receivables > A/R Payment History by Payment.

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.

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Receivables by Customer Report

The Receivables by Customer Report displays open receivables balances by customer for invoiced receivables.

Perform a manual reconciliation to get the breakdown of the revaluation amount related to unbilled receivables account by customer. For details about how the unbilled receivables balance is created, see the help topic Reclassifying Deferred Revenue for Revenue Commitments.

This report is available when the Revenue Commitments feature is enabled and is compatible with all historical recognition methods. For information about the Revenue Commitments feature, see the help topic Creating Revenue Commitments.

You can use this report as part of your credit management and receivables collections processes. The report includes the following fields: customer name, unbilled receivables open balance, and accounts receivable open balalnce.

To see the Receivables by Customer report:

Go to Reports > Customer/Receivables > Receivables by Customer.

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.

Understanding Japan-Specific Features

Help topics about Japan-Specific features are moved to the Country-Specific Features, see the help topic Understanding Japan-Specific Features under Japan Help Topics.