**DS0625**

**Month-End Allocation Journal Entry Processor**

# Table of Contents

# Problem Definition

| *Problem Definition* | CCDA |
|---|---|
| ACME Co. deals with government contracts. Accordingly, they require the ability to allocate certain administrative expenses, such as salaries. The allocation percentage can vary from year to year; therefore, they also require the ability to set the Allocation Rate Percentage.<br><br>ACME would like Dynamics GP to generate allocation journal entries as part of their month-end process. | |

# Solution Overview

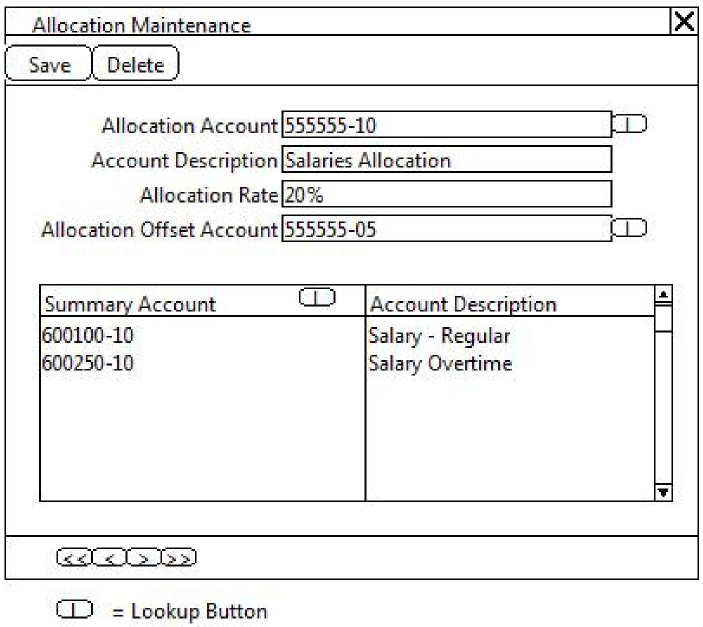
| *Solution Overview* | **CCDA** |
|---|---|
| Please see the Design Features section below. | |

# Design Features

| *Allocation Maintenance* | CCDA |
|---|---|

**Navigation: Cards→Financial→Allocation Maintenance**

This window is used to maintain Allocation Accounts.




| Field | Function |
|---|---|
| Allocation Account | The user will enter an account number or select one from the lookup. |
| Description | The corresponding account description will populate. This field is not editable. |
| Allocation Rate | The user will enter the Allocation Rate Percentage. |

| | |
|---|---|
| Allocation Offset Account | The user will enter or select an Allocation Offset Account from the lookup. The Allocation Offset Account must be a posting account. |
| Summary Account | The user will enter an account number or select one from the lookup. |
| Account Description | The corresponding account description will populate. This field is not editable. |
| Save Button | The user will select the SAVE button to save the record. |
| Delete Button | The user will select the DELETE button to delete the record. |

The user will enter the Allocation Account, the Allocation Percentage and the Allocation Offset Account. The Allocation Percentage is a whole number. The user will then enter the Allocation Account's corresponding Summary Account(s). The Summary Accounts may be updated at any time. When running the Allocation Processor (see next section), the processor will utilize the Summary Accounts entered at the time the process is run.

To delete a Summary Account from the scrolling window, the user will select the line item, then navigate to Edit→Delete Row.

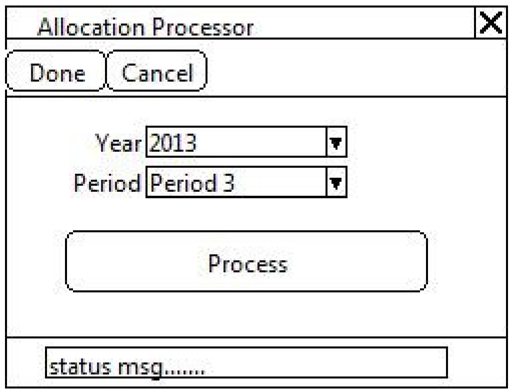
**Controls**

- The Allocation Account and Summary Account(s) MUST be posting accounts. If the user enters an account which is NOT a posting account, they will be alerted to the condition and unable to continue.
- An Allocation Account can't be assigned to another Allocation Account as a Summary Account. If the user enters or selects an Allocation Account in the scrolling window, they will be alerted and unable to continue.
- An Allocation Account cannot be assigned to itself as a Summary Account. If the user enters or selects the Allocation Account in the scrolling window, they will be alerted and unable to continue.
- The Allocation Rate may be changed at any time. When running the Allocation Processor (see Allocation Processor section), the processor will utilize the Account Rate entered at the time the process is run.
- The Allocation Offset Account may be changed at any time. When running the Allocation Processor (see Allocation Processor section), the processor will utilize the Allocation Offset Account entered at the time the process is run.

| ***Allocation Processor*** | **CCDA** |
|---|---|

**Navigation: Utilities→Financial→Allocation Processor**

This window is used to run the Allocation Process.




| Field | Function |
|---|---|
| Process Button | The user will select the PROCESS button to run the Allocation Process. |
| Year | The user will select the Year from the dropdown. Historical Years will NOT populate. |
| Period | The user will select the Period from the dropdown. |
| status msg | The status msg field will provide an update to the user during processing. |
| Done Button | The user will select the DONE button to exit the window. |
| Cancel Button | The user will select the CANCEL button to exit the window without running the processor. |

When the PROCESS button is clicked, the utility will do the following:

1. Sum the Net Change balances of all Summary Accounts assigned to each Allocation Account for the selected Year and Period.
2. Take the Sum of each and multiply it by the Allocation Rate Percentage to get each Allocation Accounts allocation amount.
3. Create one Journal Entry listing all Allocation Accounts and their amounts AND an offsetting amount equal to their sum crediting the Allocation Offset Account.

**Example:**

Allocation Account = 555555-10
Net Change Balance Account 600100-10 = $10,000
Net Change Balance Account 600250-10 = $1,000

Allocation Account = 555555-12
Net Change Balance Account 600100-12 = $20,796
Net Change Balance Account 600250-12 = $5,114

Allocation Offset Account = 555555-05
Allocation Rate Percentage = 20%

$11,000 x 20% = $2,200
$25,910 x 20% = $5,182

Journal Entry:

Debit 555555-10 = $2,200
Debit 555555-12 = $5,182
Credit 555555-05 = $7,382

The Journal Entry Header will be created using the following logic:

- Journal Entry Numbers - the next available Journal Entry Number.
- Batch ID – the prefix ALLOC followed by the process date (ALLOC04/01/13)
- Transaction Type – Standard
- Transaction Date – Last Day of Period (in this example, March 31, 2013)
- Source Document – GJ

| | |
|---|---|
| • Reference – Dynamics GP User ID<br><br>Once the process has completed, the user may review the Journal Entries and post them.<br><br>**Controls**<br><br>• The Allocation Processor can be run multiple times each month. Users may choose to run the Allocation Process to review the Journal Entry which it will create, then choose to delete the Journal Entry.<br>• The percent calculation will be rounded to two decimals. | |