

MYOB EXO INTERCOMPANY

User Guide

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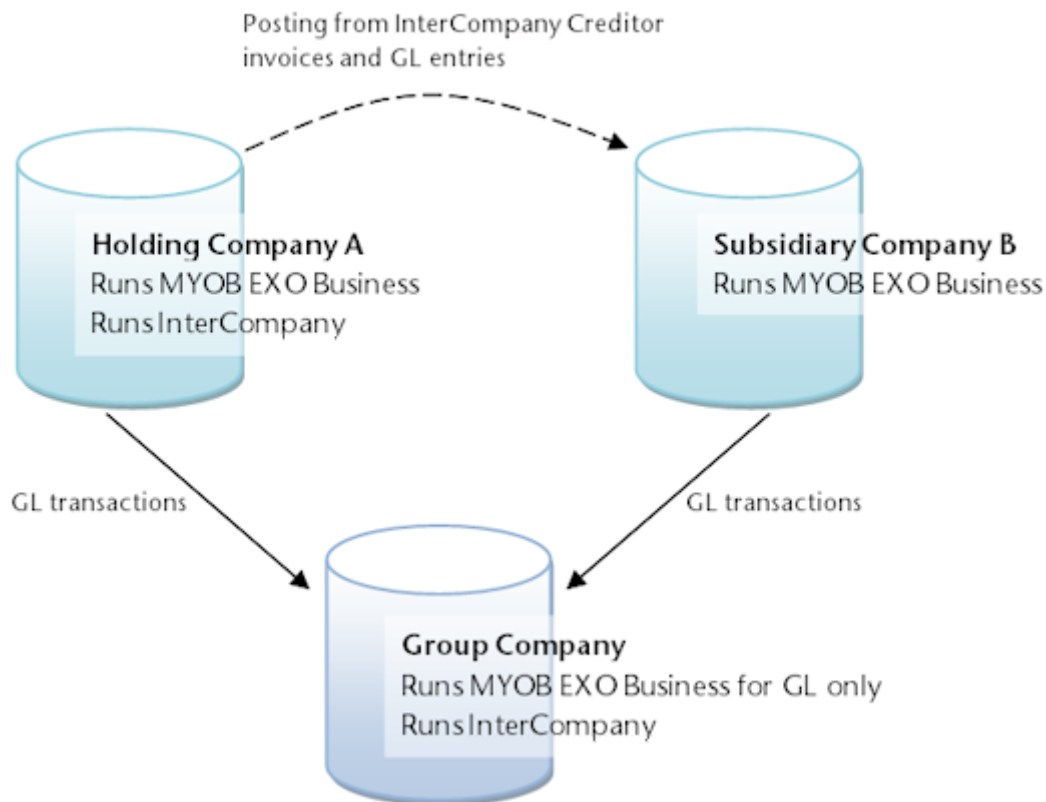
Table of Contents

Introduction	1
Features of the System	1
Setting up InterCompany	3
Setup Overview	3
Installing InterCompany	4
Defining the Group Consolidation	6
Defining Companies	8
Defining General Ledger Mappings	10
Specifying GL Contra Accounts	12
Specifying Conversion Rates	13
Defining Clearing Accounts	15
Setting up EXO Business	16
Group Company Operations	17
Downloading Transactions	17
Eliminating Transactions	19
Revaluing Balances	21
Year-End Operations	22
Source Company Operations	25
InterCompany Creditors Invoices	25
InterCompany General Ledger Posting	28
Index	29

Introduction

MYOB EXO InterCompany Consolidations (or InterCompany) is an MYOB EXO Business add-on module. Its main function is to extract General Ledger detail from source company databases and combine this in a group database. Data is extracted in a controlled way, foreign company balances are converted and Other Equity Interest is accounted for.

For example, Holding Company A Ltd owns Subsidiary Company B Ltd. Both companies are running EXO Business. A third database is created to hold the group data.



The Group Company is non-operational. There are no Debtor or Creditor accounts, no Stock items, no Sales or Purchases. It should only use General Ledger.

The Group Company's General Ledger is populated with General Ledger transactions from the source companies: the Holding Company and Subsidiary Companies. Consolidation entries such as elimination and acquisition entries can be posted into the Group Company's General Ledger.

The source companies may also process creditor invoices that need to be analysed/expensed to other companies in the group.

Features of the System

- Balances can be loaded at various levels of detail; by Period, by Period and Branch, or Individual Transactions.
- Foreign subsidiary balances/transactions are converted to the holding company's currency.
- Previously loaded balances of foreign subsidiary can be revalued.
- The Chart of Account of each source company can be mapped to the Group Chart of Accounts.
- Automatic calculation and posting of Other Equity Interest (Minority Interest) portion of the current year profit.

MYOB EXO Business InterCompany

- Controlled load of data, where loaded data is flagged in source company to ensure it is loaded to the Group company once only.
- Transactions can be eliminated in the Group Consolidation Entity.
- Provides InterCompany Creditor Invoice processing, where a single creditors invoice is expensed to more than one company.
- Provides InterCompany General Ledger journals, where the system generates the required entries in each

Setting up InterCompany

Setup Overview

The following steps are required to set up MYOB EXO InterCompany Consolidations:

1. Create a new database with MYOB EXO Business to represent the Group Consolidation entity.
2. Install the InterCompany module on the Group Consolidation entity.
3. In the Group Consolidation entity:
 - Define the Group Consolidation (see page 6).
 - Define the companies within the group (see page 7).
 - Define how source company GL accounts will map to Group Consolidation GL accounts (see page 9).
 - Specify which GL accounts will contra against each other (see page 11).
 - Specify the conversion rates (see page 13). These apply when balances from foreign subsidiaries are downloaded.
4. Set the InterCompany Source License (see page 6) in the source companies.
5. In the parent/holding company, define the InterCompany Clearing Accounts (see page 14) and other details to support InterCompany Creditor Invoice Entry and GL Journals.
6. In the parent/holding company, set up menu options and profile settings in the EXO Business core (see page 16).

Registration

To start up the InterCompany module you will need the “EXO InterCompany Consolidations” registration key to enable all the menu options relating to downloading transactions. Note that the Group Consolidation entity will also need an MYOB EXO Business core licence to be able to run the General Ledger.

InterCompany licensing is based on the number of source companies in the group. The download function in InterCompany checks that the selected source company that the user wants to retrieve GL transactions from has been registered, i.e. has an “EXO InterCompany Source” registration key.

The “EXO InterCompany Source” registration key also enables the source company to use InterCompany Creditor Invoice entry (see page 25) and/or GL transactions (see page 28) from EXO Business. When these options are run, EXO Business checks for a valid “EXO InterCompany Source” license in the company that’s running it, and checks that the other companies referred to in the transaction also have valid “EXO InterCompany Source” licenses.

Installing InterCompany

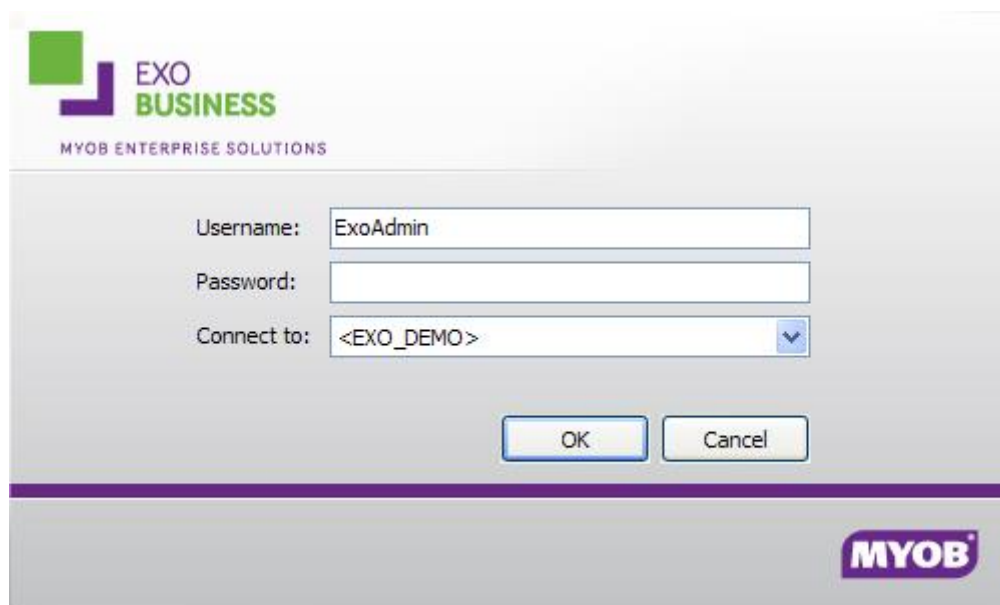
This section explains how to install or upgrade the InterCompany module. If you need related information please contact your EXO Business partner.

Note: Running InterCompany for the first time results in the creation of extra fields and tables within your EXO Business database. As with any upgrade ensure you have a good back-up of your database beforehand.

Copy the InterCompany application (**Interco.exe** file) into the directory that contains your MYOB EXO Business application (**Exonet.exe** file).

Installing InterCompany

Run the MYOB EXO InterCompany Consolidations application (**Interco.exe**) to launch the InterCompany application setup. The login screen appears:

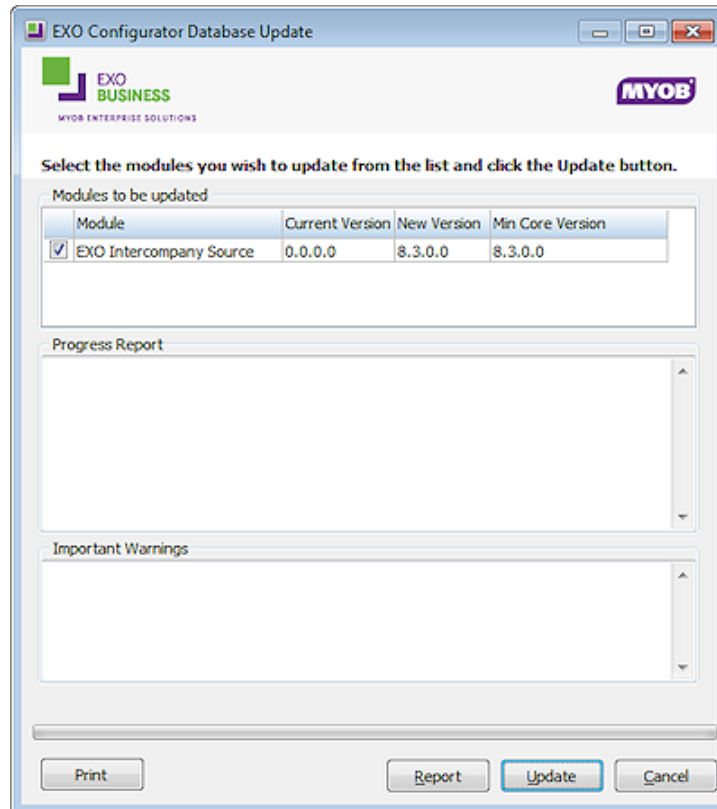


Log in as an administrator, selecting the database currently used by EXO Business. Click **OK**.

InterCompany displays a warning box asking you if you want to add this module to this database. Click **Yes**. An information box then appears asking you run the EXO Business Configurator (**ExoCfg.exe**) to initialise the database for Job Costing. Click **OK**. InterCompany will shut down, awaiting you to run the EXO Business Configurator.

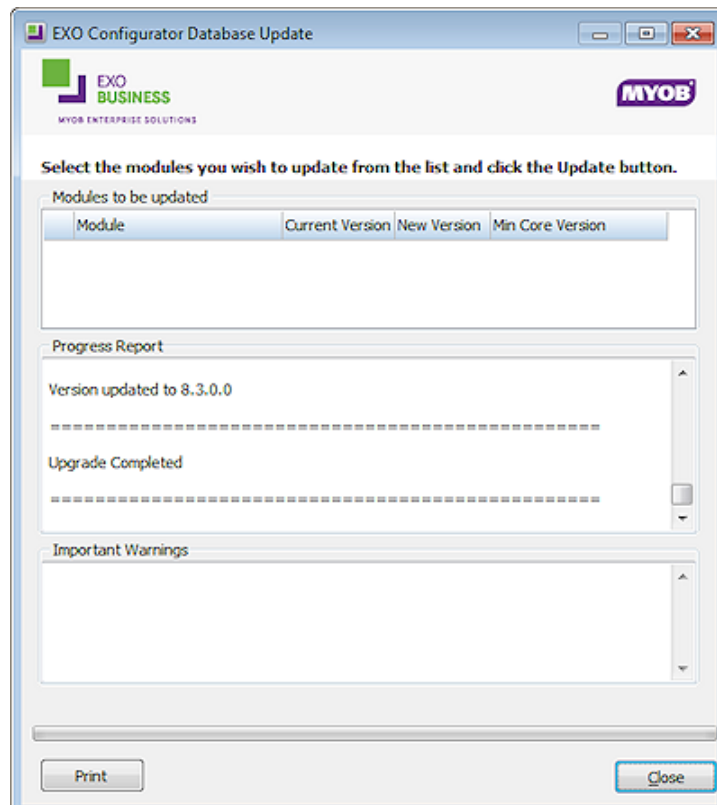
Open the EXO Business Configurator application. Log in to the Configurator by typing the administrator's user name and password. Select the same database chosen above (the database currently used by EXO Business).

Click **OK**. This brings up the Database Update screen:



Ensure the InterCompany module is included in the selection as above. Click the **Update** button. As mentioned earlier, this results in the creation of extra fields and tables within your (selected) EXO Business database. The Report screen rolls through these changes.

The words “Upgrade Completed” are displayed once the update is complete. Click the **Close** button.



Licensing

To start the **Interco.exe** module you will need the **EXO InterCompany Consolidation** registration key to enable all the menu options relating to downloading transactions. Note that the consolidation entity will also have to have an MYOB EXO Business core licence to be able to run General Ledger.

InterCompany licensing is based on the number of source companies that are in the group. The download function within InterCo will check that the selected source company that the user wants to retrieve GL transactions from has been registered, i.e. has an **EXO InterCompany Source** registration key.

The EXO InterCompany Source license also enables the source company to use InterCompany creditor invoice entry and/or GL transactions from the EXO Business core. When these options are run, EXO Business checks for a valid EXO InterCompany Source license in the company that's running it, and check that the other companies referred to in the transaction, also have valid EXO InterCompany Source licenses.

Defining the Group Consolidation

Once the InterCompany module has been installed (see page 3), set up the group consolidation.

In the InterCompany module, go to **Setup > Group Consolidation**:

Setup Group Consolidation

File Help

Save Cancel

Group name: Consolidation of A, B and C

Level of detail: 2. Summarised by period and branch

Progress step: 100 records

P/L forex a/c: 03350-00 FOREIGN EXCHANGE VARIANCE

P/L mapping error a/c: 09999-00 SUSPENSE

B/S mapping error a/c: 09999-00 SUSPENSE

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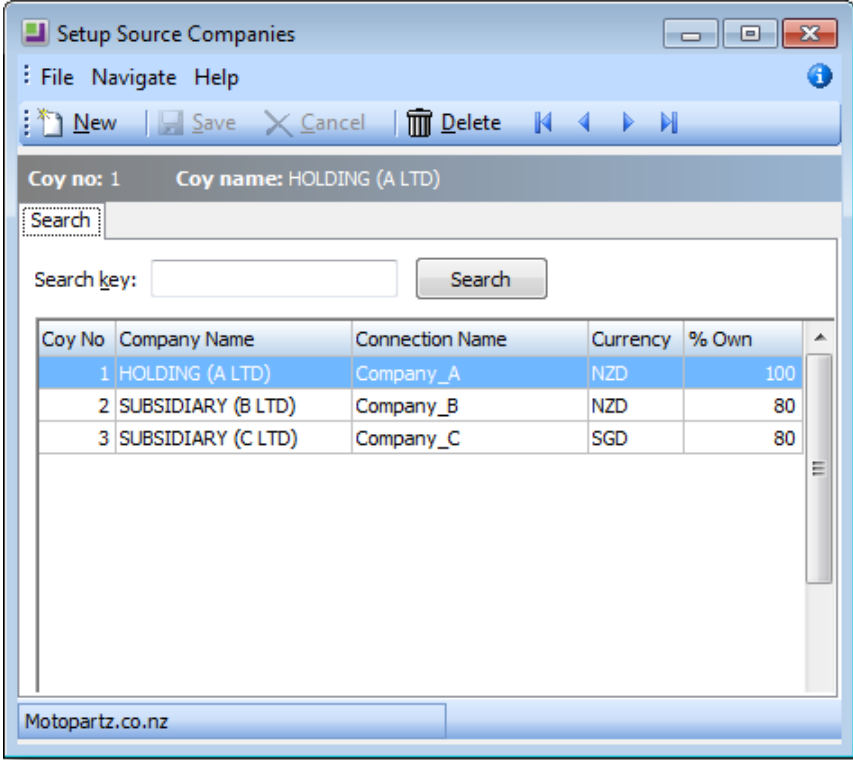
Enter the details as follows:

Field	Description
Group Name	Enter the name of the Group Consolidation Entity.
Level of Detail	Select the level of detail to import GL transactions into the Group Consolidation Entity. Three levels are available: • All Details - Individual GL Transactions from source companies will be loaded into the Group Consolidation Entity • Summarised by period and branch - GL Transactions from the source companies will be subtotalled by Period, Branch, Account and Sub-Account. • Summarised by period - GL Transactions from the source companies will be subtotalled by Period, Account and Sub-Account.
Progress step	
P/L FOREX a/c	On loading the GL balances/transactions of a foreign subsidiary company, the P&L is converted at average rate and B/S at closing rate. This may give rise to a difference, which will be posted to this account.
P/L Mapping Errors	Specify an account on the Group Consolidation Entity that will be used to hold P/L balance/transactions from source companies that were unsuccessfully mapped to a GL account in the Group Consolidation Entity.
B/S Mapping Errors	Specify an account on the Group Consolidation Entity that will be used to hold B/S balance/transactions from source companies that were unsuccessfully mapped to a GL account in the Group Consolidation Entity.

Defining Companies

This option is used to specify the companies that constitute the Group. Details about these companies are also defined for use in the Download Transactions process (see page 17).

In the InterCompany module, go to **Setup > Source Companies**:



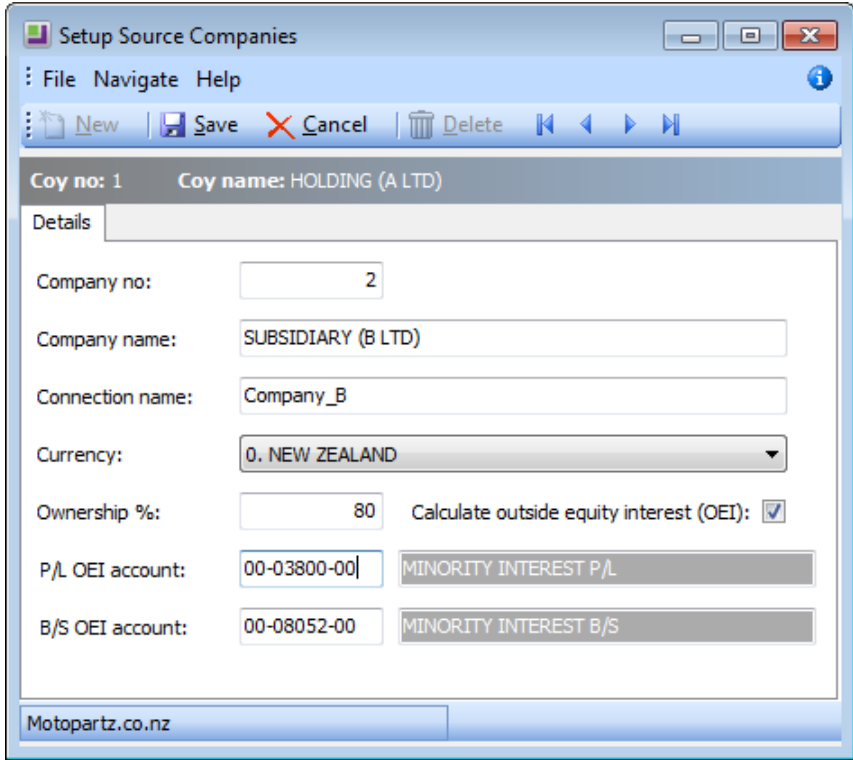
The 'Setup Source Companies' window displays a list of companies. The 'Coy no: 1' field is set to '1' and the 'Coy name' is 'HOLDING (A LTD)'. A search bar is available with a 'Search' button. Below the search bar is a table with the following data:

Coy No	Company Name	Connection Name	Currency	% Own
1	HOLDING (A LTD)	Company_A	NZD	100
2	SUBSIDIARY (B LTD)	Company_B	NZD	80
3	SUBSIDIARY (C LTD)	Company_C	SGD	80

The status bar at the bottom shows 'Motopartz.co.nz'.

To view the details of an existing record, double-click on it.

To add a new company to the Group, click **New**. The following screen is displayed:



The 'Setup Source Companies' window displays the details of a new company. The 'Coy no: 1' field is set to '1' and the 'Coy name' is 'HOLDING (A LTD)'. The 'Details' tab is selected. The following fields are visible:

- Company no: 2
- Company name: SUBSIDIARY (B LTD)
- Connection name: Company_B
- Currency: 0. NEW ZEALAND
- Ownership %: 80
- Calculate outside equity interest (OEI): ☒
- P/L OEI account: 00-03800-00 MINORITY INTEREST P/L
- B/S OEI account: 00-08052-00 MINORITY INTEREST B/S

The status bar at the bottom shows 'Motopartz.co.nz'.

Enter the details as follows:

Field	Description
Company No.	System generated number to uniquely identify this company within the group. Note: This number must be entered in the EXO Business Configurator application at Essentials > Company .
Company Name	Enter the name of the holding company or subsidiary company.
Connection Name	The EXO Business connect name.
Currency	Select the currency of the company. NB. We would expect the holding company to have currency code '0'.
Ownership %	Enter the percent ownership. This only applies to subsidiary companies; for the holding company, enter 100%.
Calculate OEI	OEI is Outside Equity Interest or 'Minority Interest'. This tick-box is available if Ownership % is less than 100%. When this box is checked, the system will calculate and post the OEI during the download of Profit & Loss balances.
P/L OEI Account	If the Calculate OEI option is selected, this field is available for entry. This is the GL account within the Group Consolidation Entity that will be debited with the OEI amount (assuming net profit from the down-loaded balances).
P/L OEI Account	If the Calculate OEI option is selected, this field is available for entry. This is the GL account within the Group Consolidation Entity that will be credited with the OEI amount (assuming net profit from the down-loaded balances).

Defining General Ledger Mappings

This step defines how source company General Ledger accounts will map to Group Consolidation General Ledger accounts.

In the InterCompany module, go to **Setup > GL Account Mappings**:

Coy No	Coy A/c	Coy Sub	A/c	Sub	A/c Name
1	1000	0	1000	0	SALES
1	1000	1	1000	1	ELECTRICAL
1	1000	2	1000	2	ENGINE
1	1000	3	1000	3	OTHER MECHANICAL PARTS
1	1000	4	1000	4	ACCESSORIES
1	1000	5	1000	5	SERVICE
1	1900	0	1900	0	DEPRECIATION RECOVERED
1	2000	0	2000	0	PURCHASES
1	2050	0	2050	0	COST OF GOODS SOLD
1	2050	1	2050	1	ELECTRICAL

Click **Generate** to automatically generate the GL mappings.

Select the company to generate a GL Account Mapping for.

Check the Overwrite check box to delete existing records first.

Company: 1. HOLDING (A LTD) Overwrite ☐

Ok Cancel

Select the company to generate GL account mappings for and click **OK**. The system will obtain the full chart of accounts from the company specified and generate a one-to-one mapping record, i.e. it is assumed you are mapping to the same GL account code in the Group Consolidation entity.

To filter the list, enter a Company number and/or GL account, then click **Search**.

Double-click on a row to view or edit a mapping.

Click **New** to create an individual mapping record.

Setup GL Account Mappings

File Navigate Utilities Help

New Save Cancel Delete Generate

Coy no: 1 A/c: 1000 Sub: 0

Details

Company no: 0

Company account:

Account:

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Field	Description
Company No.	The number of the source company, assigned when defining companies (see page 7).
Company Account	The GL account/sub-account in the source company.
Account	The GL account/sub-account in the Group Consolidation entity.

To delete an existing mapping record, highlight the row then click the **Delete** button.

Specifying GL Contra Accounts

This step specifies which GL accounts will contra against each other. The setup here supports the Elimination Transactions process (see page 19).

To define the GL accounts that should contra one another, go to **Setup > GL Contra Accounts**:

The screenshot shows the 'Setup GL Contra Accounts' window. At the top, it displays 'A/c: 1000 Sub: 0 Name: SALES'. Below this is a search bar and two input fields labeled 'Account:' and 'Contra:' with a 'Search' button. The main area contains a table with the following columns: A/c, Sub, A/c Name, Contra A/c, Contra Sub, and Contra A/c Name. The table lists several accounts, with 'SALES' (1000, 0) selected. The bottom status bar shows 'Motopartz.co.nz'.

A/c	Sub	A/c Name	Contra A/c	Contra Sub	Contra A/c Name
1000	0	SALES			
1000	1	ELECTRICAL			
1000	2	ENGINE			
1000	3	OTHER MECHANI...			
1000	4	ACCESSORIES			
1000	5	SERVICE			
1900	0	DEPRECIATION R...			
2000	0	PURCHASES			
2050	0	COST OF GOODS ...			
2050	1	ELECTRICAL			

The system displays the full chart of accounts from the Group Consolidation entity. Double-click on the account that the contra is to be set-up for. The following screen appears:

The screenshot shows the 'Setup GL Contra Accounts' window with the 'Details' tab selected. It displays 'A/c: 1900 Sub: 0 Name: DEPRECIATION RECOVERED'. Below this are two input fields: 'Account:' with '01900-00' and 'DEPRECIATION RECOVERED', and 'Contra account:' with '00000-00' and '*** NOT FOUND ***'.

Specify the GL account that your selected account will contra to. Enter “?” to perform a search of GL accounts.

The system will also set the contra on the other account.

Specifying Conversion Rates

In this step the conversion rates are specified that will apply when balances from foreign subsidiaries are downloaded. This only needs to be done if there are foreign subsidiary companies within the group, and the only entries that need to be made are for the currencies that those subsidiaries are in.

In the InterCompany module, go to **Setup > Conversion Rates**. The system displays the following screen:

Setup Conversion Rates

File Navigate Help

Save Cancel | < > << >>

Currency no: 0 Code: NZD Name: NEW ZEALAND

Search

Search key:

Curr No	Code	Currency Name	Average	Closing	RE Movements
0	NZD	NEW ZEALAND	1	1	1
1	AUD	AUSTRALIA			
2	USD	UNITED STATES			
3	GBP	UNITED KINGDOM			
4	FJD	FIJI			
5	SGD	SINGAPORE			
6	LKR	RUPEE			

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The contents are taken from the EXO Business Currencies table (**Admin > EXO Finance > Currencies** in the EXO Business Configurator application).

The additional data to add for InterCompany processing is Average and Closing exchange rates.

MYOB EXO Business InterCompany

Double-click on a row to display the following screen:

Setup Conversion Rates

File Navigate Help

Save Cancel

Currency no: 1 Code: AUD Name: AUSTRALIA

Details

Currency no: 1

Currency code: AUD

Currency name: AUSTRALIA

Buy rate: 0.88

Sell rate: 0.86

Average rate: 1

Closing rate: 1

RE movements: 1

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Enter the following details:

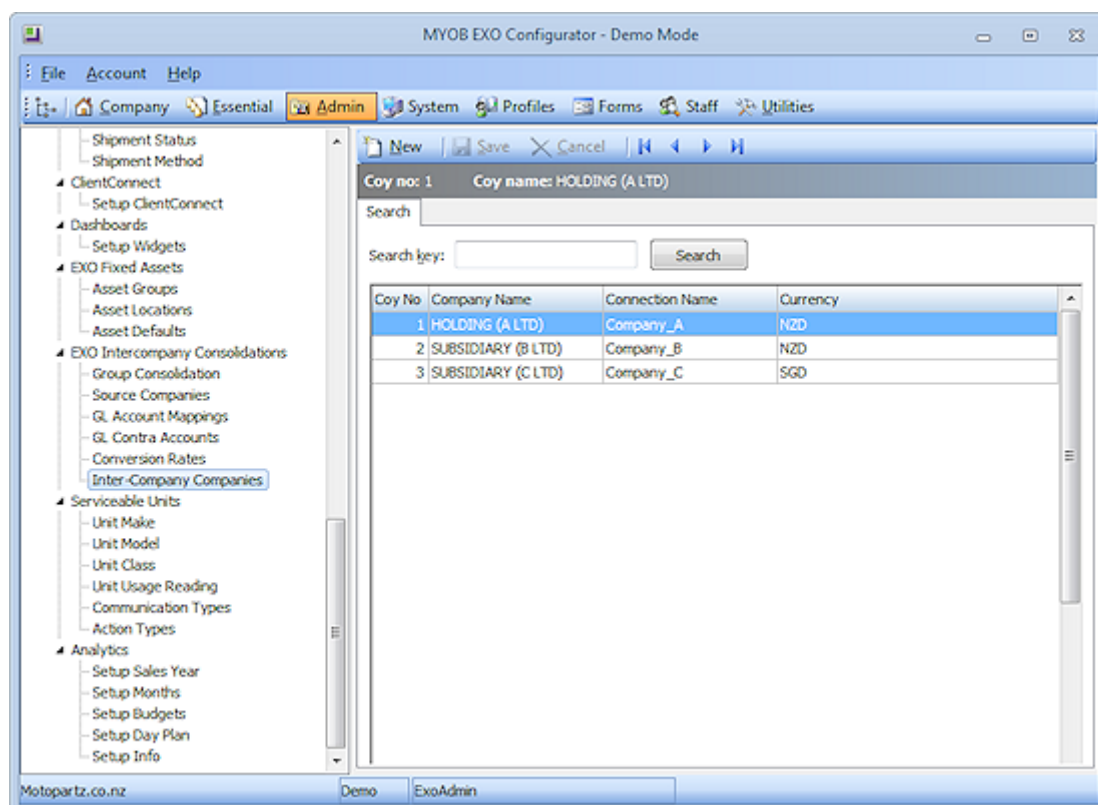
Field	Description
Average rate	The rate that the Profit & Loss account balances/transactions will be converted at during the download of transactions from the source company database.
Closing rate	The rate that Balance Sheet account balances/transactions will be converted at. This excludes Retained Earnings transactions.
RE movements	The rate that Retained Earnings transactions (those with period -1) will be converted at.

Defining Clearing Accounts

Note: This option is only used by source companies, not by the Group Consolidation Entity, as Creditors invoices would not be processed in the Group Consolidation Entity.

This setup is carried out in the EXO Business Configurator application, not the InterCompany module.

In the source/holding company, go to **Admin > EXO Intercompany Consolidations > Inter-Company Companies**:



To add a new company to the Group, click **New**. The following screen is displayed:

New | **Save** | **Cancel** | **Navigation icons**

Coy no: 1 **Coy name: HOLDING (A LTD)**

Details

Company no:

Company name:

Connection name:

Currency: **0. NEW ZEALAND** ▼

Source a/c:

Target a/c:

MYOB EXO Business InterCompany

Field	Description
Company No.	System generated number to uniquely identify this company within the group.
Company Name	Enter the name of the holding company or subsidiary company.
Connection Name	The EXO Business connect name.
Currency	Select the currency of the company. Normally, a holding company would have the currency code "0".
Source a/c	The GL inter-company clearing account within the source database. In the case of an InterCompany Creditors invoice entered in A Ltd, with a portion charged to an account in B Ltd, this account will be debited with the amount being charged to B Ltd. In this way it becomes an inter-company receivable/debtor account, representing the amount owed by B Ltd.
Target a/c	The GL inter-company clearing account within the target database. In the case of an InterCompany Creditors invoice entered in A Ltd, with a portion charged to an account in B Ltd, this account in B Ltd will be credited with the amount being charged to an expense account in B Ltd. In this way it becomes an inter-company payable/creditor account, representing the amount owing to A Ltd.

Setting up EXO Business

The following configuration changes must be made to the core EXO Business system, for it to operate with the InterCompany module.

Set Company Numbers

In the EXO Business Configurator application, go to **Essentials > Company**.

Set the **Company No.** property to the company number set for this company in InterCompany at **Setup > Source Companies**.

Add Menu Items

In the EXO Business Configurator application, go to **Staff > Menus > Dropdown Menu**.

Add the following menu options to the EXO Business menu(s) for all relevant menu definitions:

- Inter-Company Companies
- Inter-Company Creditor Invoice
- Inter-Company GL Transaction

Configure Profile Settings

In the EXO Business Configurator application, go to **Profiles > General Profiles**.

Enable the following User-level profile settings for all users who will need to use the Source Company operations:

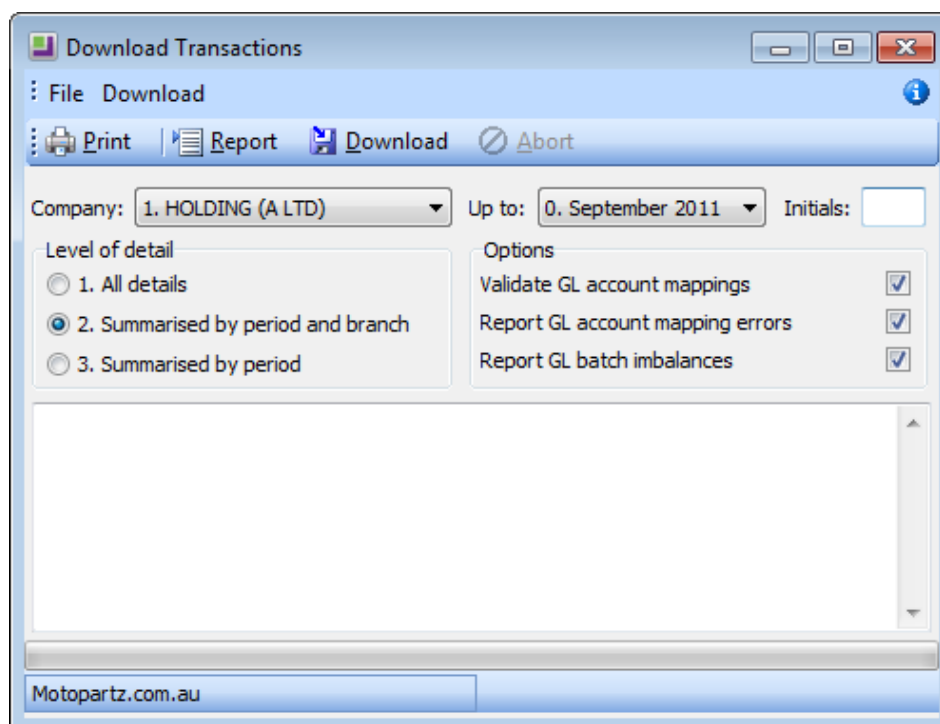
- Inter-Company Creditor Invoice Authority
- Inter-Company GL Transaction Authority

Group Company Operations

Downloading Transactions

Downloading GL transactions from the source companies and loading these into the Group Consolidation entity is the main function of the InterCompany module. To download transactions:

Select **Utilities > Download Transactions**:



Set the following options:

Field	Description
Company	Select the source company from the drop-down list.
Up to	Select the last Accounting Period that transactions should be extracted from.
Initials	The user initials entered here are recorded against the GL transactions created in the Group Consolidation Entity.
Level of detail	Select the level of detail for loading into the Group Consolidation Entity. This defaults to the option set for the Group Consolidation (see page 6), but can be overridden here. Three levels are available: • All Details - Individual GL Transactions from source companies will be loaded into the Group Consolidation Entity • Summarised by period and branch - GL Transactions from the source companies will be subtotalled by Period, Branch, Account and Sub-Account. • Summarised by period - GL Transactions from the source companies will be subtotalled by Period, Account and Sub-Account.

MYOB EXO Business InterCompany

Validate GL account mappings	If selected, the system checks that the GL account mapping is complete, with valid GL accounts in the target database.
Report GL mapping errors	If selected, the system reports any GL account mapping differences.
Report GL batch imbalances	If selected, the system checks that GL batches are balances on the source system. Out of balance batches are not downloaded.

Click **Report** to run a pre-check of the download. The system performs the selected validations for the data to be downloaded.

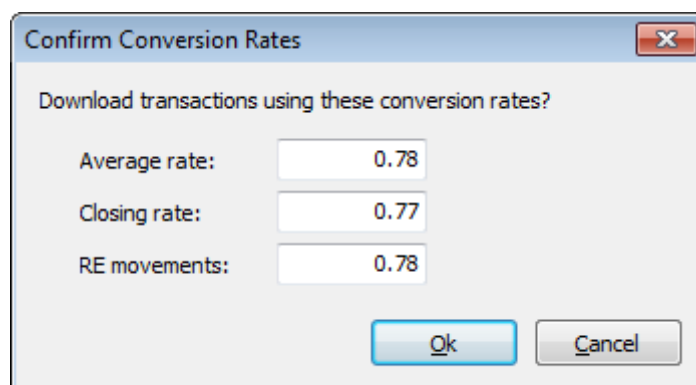
Click **Download** to download of GL transactions from the selected source company to the Group Consolidation entity.

Note: InterCompany attempts to connect to the specified source company by using the name and password of the user who is running the InterCompany module. Therefore this username with the same password must exist in each of the source databases.

The Download Process

On clicking **Download**, the download process occurs as follows:

1. If the source company is in foreign currency, the system will present the following window in order for the operator to confirm the rates:



The image shows a Windows-style dialog box titled "Confirm Conversion Rates". It contains the text "Download transactions using these conversion rates?". Below this text are three rows of labels and input fields: "Average rate:" with a value of 0.78, "Closing rate:" with a value of 0.77, and "RE movements:" with a value of 0.78. At the bottom right of the dialog are two buttons: "Ok" and "Cancel".

If the rates are incorrect, click **Cancel** and go to the Setup Conversion Rates window (see page 13) to change them.

2. The system connects to source company's database.
3. The system checks to see if the accounting periods in the source company are aligned to those in the consolidation company, i.e. that the PERIOD_SEQNO field in the PERIOD_STATUS table for period 0 for the General Ledger is the same in both the source company and the consolidation company. By default, an error message will appear if the periods are not in sync, and the download will not proceed.

Note: This behaviour is controlled by the **Inter-Company ledger period synchronisation** Company-level profile setting. This setting is set to enforce synchronisation by default, but it can be set to allow transactions to be downloaded when periods are not in sync, or to warn the user and ask if they want to proceed.

4. The system selects all GL transactions that have not yet been downloaded. GLTRANS.UPLOADED = "N".

5. The system checks for GL Batches that are out of balance – these GL transactions will not be downloaded.
6. The system checks the GL account mapping, and reports any errors.
7. The system flags the GL transactions in the source database that they have been uploaded. GLTRANS.UPLOADED set to “Y”.
8. The system creates Other Equity Interest (OEI) journals, if the **Calculate OEI** option is enabled for this company in the Setup Source Companies window (see page 7).
9. The system creates GL transactions in the Group Consolidation database:
 - Summarising if **Level of detail** is “Summarised by period and branch” or “Summarised by period”.
 - Converting the account codes according to the Setup GL Account Mappings window (see page 9).
 - Stamping source company code on the new GL transactions.

Eliminating Transactions

To eliminate transactions, go to **Utilities > Eliminate Transactions**.

The screenshot shows the 'Elimination Transaction' window with the following data:

Transactions for possible elimination:

Seq	Coy	Pd	Br	Batch	A/c	Sub	Name	Chq	Inv	Details	Amount
1	0	12	0	1	4000	0	CURRENT BANK ACC...			CURRENT BANK ACCOUNT	60000
2	0	12	0	1	8000	0	CAPITAL			CAPITAL	-60000
3	0	12	1	2	5500	0	CREDITORS CONTROL		83469273	Creditor Inv - 10. RENTAL PROP	-607.5
4	0	12	1	2	4550	0	GST PAID		83469273	Creditor Inv - 10. RENTAL PROP	67.5
5	0	12	1	2	5500	0	CREDITORS CONTROL		348972	Creditor Inv - 6. MERCURY ENER	-410.54
6	0	12	1	2	4550	0	GST PAID		348972	Creditor Inv - 6. MERCURY ENER	45.62
7	0	12	1	2	5500	0	CREDITORS CONTROL		9467246	Creditor Inv - 15. TELECOM	-332.59
8	0	12	1	2	4550	0	GST PAID		9467246	Creditor Inv - 15. TELECOM	36.95
9	0	12	1	2	5500	0	CREDITORS CONTROL		345	Creditor Inv - 14. SWIFT OFFIC	-224.8
10	0	12	1	2	4550	0	GST PAID		345	Creditor Inv - 14. SWIFT OFFIC	24.98
11	0	12	0	2	3550	0	RENT & RATES	-INLINE-	83469273	RENT & RATES	540
12	0	12	0	2	3500	0	POWER	-INLINE-	348972	POWER	364.92
13	0	12	0	2	3700	0	TELEPHONE	-INLINE-	9467246	TELEPHONE	295.64

Elimination transaction:

Seq	Coy	Pd	Br	Batch	A/c	Sub	Name	Chq	Inv	Details	Debits	Credits
973	0	10	1	28	4100	0	DEBTORS CONTROL		10049	Debtor Inv - 0. CASH SA		4.19
969	0	10	1	28	4100	0	DEBTORS CONTROL		CR 10042	Debtor Inv - 0. CASH SA	112.58	
2169	0	4	0	74	1000	4	ACCESSORIES		10124	STANDARD WINDSHIELD	25.90	

Totals: 138.48 4.19

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The following functions can be performed:

- Clicking **Load Transactions** retrieves all GL transactions for the contra accounts (those accounts defined in > Setup > GL Contra Accounts). This will populate the upper half of the screen shows all transactions that were found for the contra accounts – these are the transactions for possible elimination.
- Double-clicking a row in the top grid, or selecting it and clicking **Add**, transfers the transaction to the lower grid.
- Clicking **Remove** clears the selected transactions out of the lower grid.

MYOB EXO Business InterCompany

- Clicking **Clear** clears all transactions out of the lower grid.
- Clicking **Auto Add** transfers all transactions to the lower grid.
- Clicking **Never Eliminate** flags a transaction to be never eliminated. You are prompted to confirm - click **Yes**, and this transaction will no longer be available for selection for elimination.

Once all transactions that you want to eliminate have been transferred to the lower grid, click **Eliminate** to create a GL Journal to eliminate the selected transactions. A confirmation message appears - click **Yes** and the journal entry screen appears:

General Ledger Transaction Entry

File Utilities Help

New Open Save Save As Cancel Post to GL Print Paste Trans

Batch No: New Last Batch Posted: --

Trans date: 30.09.2011 Period: 0. Sep11 Initials: Auto reverse Repeat branch Print Transactions

Reference: Elimination transaction

GL Code	Details	Inv No	Chq No	Debit	Credit	Foreign	Analysis Codes
01-05500-00	Creditor Inv - 10. RENTAL PROP	83469273		607.50		607.50	
01-04550-00	Creditor Inv - 10. RENTAL PROP	83469273			67.50	-67.50	
01-05500-00	Creditor Inv - 6. MERCURY ENER	348972		410.54		410.54	
01-04550-00	Creditor Inv - 6. MERCURY ENER	348972			45.62	-45.62	
01-05500-00	Creditor Inv - 15. TELECOM	9467246		332.59		332.59	
01-04550-00	Creditor Inv - 15. TELECOM	9467246			36.95	-36.95	
01-05500-00	Creditor Inv - 14. SWIFT OFFIC	345		224.80		224.80	
01-04550-00	Creditor Inv - 14. SWIFT OFFIC	345			24.98	-24.98	
01-04550-00	Creditor Inv - 1. AUCKLAND PAR	324	1		13.97	-13.97	
01-04550-00	Creditor Inv - 1. AUCKLAND PAR	8752	1		13.97	-13.97	
01-04550-00	Creditor Inv - 3. AUTO TRADE S	5351			46.35	-46.35	
01-04550-00	Creditor Inv - 2. AUTOSTOP				353.81	-353.81	
01-04550-00	Creditor Inv - 9. RAINBOW AUTO				74.91	-74.91	
01-04550-00	Creditor Inv - 5. AMERICAN AUT	1231111	10003			-0.00	
01-04550-00	Creditor Inv - 10. RENTAL PROP	10003265			562.50	-562.50	
01-04550-00	Creditor Inv - 6. MERCURY ENER	60005698			106.25	-106.25	
01-04550-00	Creditor Inv - 20. BENEFITZ AD	20005488			312.50	-312.50	
01-04550-00	Creditor Inv - 21. JENSEN & RO	21005828			32.50	-32.50	
01-04550-00	Creditor Inv - 22. OFFICE PROD	22005747			70.00	-70.00	
01-04550-00	Creditor Inv - 18. MOSS MOTORS	18002587				-0.00	

Motopartz.com.au MELBOURNE GST PAID Debits 1715.02 Credits 24382.58 Balance -22667.56

Click **Post to GL** to eliminate the transactions.

Revaluing Balances

The Revaluation Utility should be used with foreign currency subsidiaries. It is used to revalue the balance sheet account balances that have come from the foreign currency subsidiary. If the Group Consolidation Entity is populated with transactions from source companies each month, these monthly movements will have been converted at the rates at the end of each month. The revaluation utility resets the balance sheet balances (sum of all transactions) to the rate entered by the user.

Note: GL Accounts can be excluded from revaluation, e.g. Goodwill on Consolidation. To do this go to **Account > General Ledger** in the EXO Business core module and tick the **Excluded from Revaluation** option on the Details tab. In particular, ensure that Retained Earnings is excluded from revaluation.

To perform a revaluation, select **Utilities > Revaluation Utility**. The following window appears:

Select the Company from the drop-down list (only foreign current companies are displayed.) The Closing Rate is retrieved from the Setup Conversion Rates window (see page 13), but this can be changed.

Click **Report** to report the revaluation calculation.

Click **Revalue** to perform the calculation and post the adjustment journal.

The system retrieves all Balance Sheet transactions for the selected company (excluding those where the **Excluded from Revaluation** flag has been set). It totals the foreign currency amount, then recalculates the local currency value based on the entered exchange rate. The difference between the new local currency value and the current balance is calculated and this difference is posted to the account. The net difference in this journal is posted to the P&L FOREX account.

Example

AMOUNT : NZD 3764.00

FCAMOUNT : SGD 3087.00

Exchange rate of 0.85 was entered.

DIFFERENCE = $3087 / 0.85 - 3764 = -132.24$

In the current period, post a journal:

CR ACCNO, SUBACCNO, BRANCHNO with the difference of 132.24

DR P&L FOREX account

Note: If the difference is positive, debit ACCNO, SUBACCNO and BRANCHNO.

Year-End Operations

Every time a download is run, the system extracts all Retained Earnings transactions from the source company (as long as they have not been previously downloaded). Therefore the main RE transaction (from the source company's year end process) will be picked up, together with RE transactions that are generated from prior years' postings to P&L accounts.

If the source company is foreign, the RE transactions are converted at the **RE Movements** rate specified on the Setup Conversion Rates window (see page 13). This should be set to the weighted average exchange rate as used to convert P&L transactions during the year.

Year-End on the Consolidation Company

As the Retained Earnings transactions have already been down-loaded from the source companies, we would not want to regenerate a Retained earnings transaction for these. However, there are some transactions on the consolidation company that do not come from source companies:

- Exchange Gains/Losses when downloading foreign source company transactions
- Other Equity Interest / Minority Interest entries
- Revaluation Adjustments
- Elimination journals

Run the year end process as normal on the Consolidation company (select **Utilities > End of Period** in the EXO Business core)

But behinds the scenes, EXO Business produces a Retained Earnings transaction to the value of P&L transactions that did not come from source company downloads.

Specifically this is where GLTRANS.COMPANYNO IS NULL OR GLTRANS.COMPANYNO=0 OR GLTRANS.SOURCE='i'.

GLTRANS.SOURCE is set to "i" (intercompany) during the download process, for specific transactions:

- Exchange Gains/Losses
- Other Equity Interest
- Revaluations

Example

This example illustrates the typical sequence of events for downloading transactions and performing period end/year end rolls. It also shows the effect of converting foreign balances.

In this example, the source company is in USD and the Group Consolidation company in NZD. There are two downloads during the year, with the exchange rates changing for each download. Assume a 31 December 2008 balance date.

The following sequence of events occurs.

	Current Period	
	Source Co.	Consolidation Co.
1. Download 1st half results (download up to period 0. June 08)	June 08	June 08
2. Download 2nd half results (download up to period 0. Dec 08)	Dec 08	Dec 08
3. Year-End roll on Source Company – generates a RE Transaction	Jan 09	Dec 08
4. Year-End on the Consolidation Company	Jan 09	Jan 09
5. Down-load RE transaction (download up to period 1. Dec 08)	Jan 09	Jan 09

MYOB EXO Business InterCompany

These events are illustrated in terms of balances below, with the exception of step 3 (Year-End roll on Source Company)

Event	Download 1st half results			Download 2nd half results			Year end	Download RE trans			TB Dec 08
Entity	Source		Consol.	Source		Consol.	Consol.	Source		Consol.	Consol.
Currency	USD	Rate	NZD	USD	Rate	NZD	NZD	USD	Rate	NZD	NZD
P&L - Sales	- 1,000.00	0.45	- 2,222.22	- 1,500.00	0.47	- 3,191.49					0
P&L - Costs	800.00	0.45	1,777.78	1,000.00	0.47	2,127.66					0
P&L - Exch. Gain			27.78			43.42					0
B/S - Net Assets	200.00	0.48	416.67	500.00	0.49	1,020.41					1,437.07
B/S - Ret. Earnings	0.00	0.48	0.00	0.00	0.47	0.00	71.20	- 700.00	0.46411	- 1,508.27	-1,437.07

The RE Movement exchange rate (**0.46411**) is the weighted average exchange rate as used to convert P&L transactions during the year.

Source Company Operations

InterCompany Creditors Invoices

The InterCompany option in the core EXO Business module is used to process creditor invoices that need to be charged out to more than one company.

Note: This menu option must be added manually using the EXO Business Configurator (see page 16). The **Inter-Company Creditor Invoice Authority** profile setting must be enabled for all users who will need to access this function.

Example

If A Ltd and B Ltd share an office that is cleaned by the same company, and that company only issues one invoice for \$2000 +GST, then it could be processed in the following way:

In A Ltd, we enter the creditor's invoice using Inter-Company Creditor Invoices. Assume that 75% of the cost relates to A Ltd.

The effect in A Ltd is:

DR	Cleaning Costs	\$1,500	
DR	InterCompany Clearing account with B Ltd	\$500	
DR	GST	\$150	
CR	Creditor's Control		\$2,150

The effect in B Ltd is:

DR	Cleaning Costs	\$500	
CR	InterCompany Clearing account with A Ltd		\$500

The Process

The process is illustrated using the above example.

1. Start the core EXO Business module for the company that will be processing the creditor's invoice (in this case A Ltd). Select the **InterCompany Creditors Invoices** menu option.
2. As in normal Creditors invoice entry, identify the creditor and enter other header details. For lines that will be charged to GL accounts within the same company (in this case A Ltd), enter these as normal.

Type	Code	Descrip...	Qty	@Price	Disc %	Total	GST	Gross Total	Job C...	Cost T...	Cost
GL	00-03250-00	CLEANING	1	1,500.00	0.0	1,500.00	150.00	1,650.00			

3. For lines that need to be charged to another company, use the short-code CTRL+<N>, where <N> is a number from 1 to 9 that identifies the company from the InterCompany Companies (see page 14).
4. Enter or search for the GL account that the line should be charged to. Double-click or click **Select & Close**.
5. The system will place the Source InterCompany Clearing account into the **Code** column of the main grid of the invoice, and present the line periscope:

Line #: 1. 00-03250-00. CLEANING

GL Code Line Details

Quantity: 1 GST rate: 27. 10% CAP PURCH - ATTRACTING GST

Unit price: 1,500.00 GST value: 150.00

Discount % 0.0 Mark Inwards Goods Line as Complete ☐

Inter-Company

Company: 1. HOLDING (A LTD) Debit a/c:

Description: 0. MISC PURCHASES Credit a/c:

Enter the amount to be charged to B Ltd in **Unit price**. Other detail on this window can be checked and amended if necessary.

6. Click **OK** on periscope and the system will return to the main grid.
7. Save the creditor's invoice, and click **Yes** when prompted for confirmation.

Results

In A Ltd, **Post Creditors to GL** will show this GL entry.

GL Coding Analysis		Debits	Credits
<u>00-3250-00</u>	CLEANING	1500.00	
<u>00-8120-00</u>	CLEARING ACCOUNT WITH COY B	500.00	
<u>01-4500-00</u>	GST	150.00	
<u>01-5500-00</u>	INVOICE TOTAL INC GST		2150.00

In B Ltd, the user will find a suspended GL Batch.

1. Go to **Transactions > General Ledger > GL Transactions**.
2. Click **New**.
3. Click **Open Suspended**, and the system will list suspended batches, select the appropriate one, by double-clicking, or press Load.
4. The system will display the GL batch that was generated from the Intercompany Creditors Invoice Entry, for the portion that relates to B Ltd.

Note that the Debit and Credit accounts and other details are as per the periscope in Intercompany Creditors Invoice Entry.

5. Click **Post to GL** to post the entry in B Ltd.

The expectation is that the two related InterCompany Clearing Accounts would have equal and opposite transactions/balances. It's an intercompany asset in one company and an intercompany liability in the other. However there will be exchange rate differences where the target and source companies are held in different currencies.

Special Case – Currency Handling

The system handles Creditor Invoices that are posted to group companies that are held in different companies. It uses the Currency table from the company that is processing the creditor's invoice to determine the appropriate exchange rate.

For example, consider an invoice from a US Supplier for USD 1,000.

The Currency table lists:

NEW ZEALAND	1
UNITED STATES	0.76
SINGAPORE	0.9952

Use InterCompany Creditor's Invoice entry in A Ltd (held in NZD), to charge to C Ltd (held in SGD).

MYOB EXO Business InterCompany

In A Ltd we get:

DR	InterCo Clearing account with C Ltd	NZD 1,315.79 [= USD1,000 / 0.76]	
CR	Creditor's Control		NZD 1,315.79

In C Ltd we get:

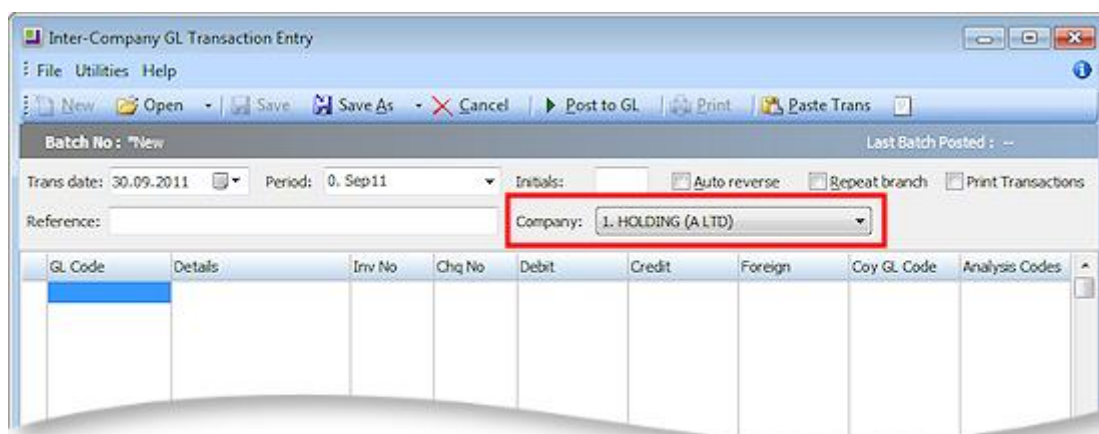
DR	Expense account	SGD 1,309.47 [=NZD 1,315.79 * 0.9952]	
CR	InterCo Clearing account with A Ltd		SGD 1,309.47

InterCompany General Ledger Posting

1. Start the core EXO Business module. Select the **InterCompany GL Transaction** menu option.

Note: This menu option must be added manually using the EXO Business Configurator (see page 16). The **Inter-Company GL Transaction Authority** profile setting must be enabled for all users who will need to access this function.

2. Click **New** to create a new GL batch.
3. Enter header information, and determine which company in the group that will be posted to by selecting from the drop-down list.



4. In the GL Code column, search for or enter the GL account within the current company.
5. In the Coy GL Code column, enter the GL account from the other company (the one selected in the header). Enter "?" in Coy GL Code to search for the GL account in the other company's chart of accounts.
6. Click **Post to GL** to process the journal, and click **Yes** when prompted for confirmation.
7. A message appears giving the batch numbers in each company.

Index

D

downloading transactions 17

E

eliminating transactions 19

G

GL contra accounts 12

I

InterCompany 1
installing 4

InterCompany Creditors Invoices 25

InterCompany GL posting 28

R

Revaluing Balances 21

S

setup 3

clearing accounts 15

companies 8

conversion rates 13

EXO Business for InterCompany 16

General Ledger mappings 10

group consolidation 6

T

transactions

downloading 17

eliminating 19

Y

Year-End operations 22