



# Inter-Company Processing

Dear user,

You must make sure that you have read "Navigating the System" first before reading any other Clarity guides as without a good knowledge of the navigation you will not fully benefit from the features and shortcuts that Clarity will provide for you.

Click here to read Navigating the System: https://dataflow.co.uk/images/uploads/release notes/Clarity - Navigating the System .pdf

Also at the end of each guide, there may be a list of other supplements for further explanation of features within this routine.

Enjoy exploring Clarity and please do not hesitate to suggest any improvement that you feel will be useful to add to this document.

Warmest regards

Dataflow (UK) Ltd



## Inter-company Processing overview

The Inter-company postings routine allows postings in two sets of books from one posting entry. You can record an expense, either through an Invoice or directly through the Nominal Ledger transactions posting routine, where the cost is part of a larger Invoice billed to one company, but part of the expense belongs to another company in the group.

## Inter-company Setup

Before you establish an Inter-company Processing link you will firstly need to create a new Nominal Ledger code. In the example screenshot below we have created a new Balance Sheet Nominal Ledger Code called *INTERCO*. A Nominal code can also be created for the Handling charges if they occur between the two companies. The value that will be posted to the Handling account is calculated using the percentage value entered into the Handling percentage field.

If you are unsure how to add a new Nominal Code please refer to our *Chart of Accounts and Report Groups assignment guide* which can be downloaded <u>here</u>.

Before you can use Inter-company processing some pre-configuration will need to be set within the Inter-company Parameters window. This window is located within the *System* tab (yellow arrow on the screenshot below) and *Inter-company Parameters* (green arrow below). This is where you define the two companies linked for Inter-company postings.

To add an Inter-company link click the *Add* button (highlighted below in blue). This will open another window where you are prompted to define the Inter-company Parameters using the available drop-down menus. These parameters include the *To Company, Nominal Account, Handling Account* and *Handling percentage*. The 'from' company is defined by the selected company in the top right corner of Clarity e.g. the active company (highlighted below in red).

Dataflow Clarity [System]	$\sim$	- 0 ×
	Company' Miles Brown and Sons &	Co. • User: SUPERVISOR •
	se Ledger Purchase Orders Nominal Ledger Audit & VAT Timesheets Dashboard Stock Ledger System	
Users & Company & VAT & Aut Security* Consolidation* Currency*	🔀 🥵 🔚 🛐 🧐 🏀 🏠 🏠 🎋 - 3 🎉 🥵 👘 - 1 Stranger Stra	
General	Sales Ledger Nominal Ladger Purchase Ledger Stock Tools	
	A later-company Processing Setup - D X	
	Company 1 Company 2 Nominal Description Handling A/c Code Handling A/c Description Handling %	
	Meles Brown and Sons & Co. Green Retailers Ltd INTERCO Inter Company 0	
	A Inter-company Parameters     Optimis	
	To Company Green Retailers Ltd •	
	Nominal account INTERCO + Inter Company +	
	Handling account v	
	Handling percentage 0	
	OK Ø Cancel Ø	
	0.9 (30.0.9)	
	Add 🌵 Modify 🥖 Remove 🗙 Close 🔯	



### Inter-company posting Scenario

A Sales Invoice for expenses is billed to a customer by Miles Brown Ltd, but part of the travel expenses were incurred by an employee from Green Retailers. The Invoice will be made out to Miles Brown but part of the Invoice need to be posted across to Green Retailers allocating the cost to the relevant Nominal Account.

The basic postings required will be as follows:

Nominal	Company	£	£
TRAVELEXP	Miles Brown	- 100	
TRAVELEXP	Green Retailers - 200		
DEBTORS	Miles Brown		300

To achieve the above scenario, the entry for Green Retailers would be posted using the Inter-company account. By defining this Account in the Intercompany Parameter setup the system recognises that this is an Inter-company posting, and forces the input of the Nominal account to which the debit in Green Retailers is to be posted to in the Inter-company Processing routine.

N.B. Entries (4) and (5) in the example below will be generated automatically when the Inter-company processing routine is run under Nominal Ledger Transactions.

In detail, the postings will be as follows:

<u>Entry No</u>	Nominal	Company	£	£
1.	TRAVELEXP	Miles Brown	- 100	
2.	INTERCO	Miles Brown	- 200	
3.	DEBTORS	Miles Brown		300
4.	TRAVELEXP	Green Retailers	- 200	
5.	INTERCO-Miles Brown	Green Retailers		200

Below is a screenshot of the Sales Invoice containing the TRAVELEXP and INTERCO transaction lines as they would appear when creating your invoice. Note the line Nominal selection and amounts correspond with the example postings above (highlighted below in yellow):



															-	
												Company Miles B	rown and Sons &	Co. 🔻	User	SUPER
	Purchase Ledger	Purchase	Orders	Nominal Lee	dger Au	idit & VAT	Time	sheets Dashboa	rd St	tock Ledger	System					
- p p				6				31								
Cash Allocat Cash	e Invoice Proform	a Schedule	ed Custo Data Lis	omer Tran stings • Re	sactional s	Statements	s Letters	Close Period								
unts Transactions					Reporting			Period Processing								
	Invoice	g			iceporting			renoutrocessing							_	
lea 🙆 New Invoice													-			Status
Header 📄 De	tails 😤 Lines 😑															Outstan
Lines																Outstan
Notes		Quantity	Price Go	oods Net	t VAT Code	VAT %	VAT	Nominal Code								Outstan
Conference Ho	otel Expenses	0.00	100.00 100	0.00 100.00	1	20.00 %	20.00	TRAVELEXP								Outstan
Conference Ho	otel Expenses	0.00	200.00 200	0.00 200.00	1	20.00 %	40.00	INTERCO								Outstan
																Outstan
4																Outstan
A																Outstan
Details														≁ û	in-2	Outstan
Details Item Code							•							÷ ů	in-2 ay-2	Outstan Outstan
Item Code	Conference Hotel Ex	cpenses					•							÷ Ú	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code	Conference Hotel Ex	cpēnsēs					·	Discount %						0 ~ Ú	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code	Conference Hotel Ex	kpenses					•	Discount % Discount Amount							in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code	Conference Hotel Ex	xpenses					•	Discount Amount						0	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code Description	Conference Hotel Ex	kpenses						Discount Amount	1 •	Standard Ra	ted			0	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code Description	Conference Hotel Ex	kpenses					0	Discount Amount Net Amount Vat	1 •	Standard Ra	ted			0.00	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code Description Quantity Price	Conference Hotel Ex	kpenses					0 200.00	Discount Amount Net Amount Vat	1 •	Standard Ra		Volume		0.00 200.00 20.0%	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code Description Quantity Price	Conference Hotel Ex	xpenses					0 200.00	Discount Amount Net Amount Vat Vat Amount	1 -	Standard Ra		Volume		0 0.00 200.00 20.0% 40.00	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code Description Quantity Price Goods							0 200.00	Discount Amount Net Amount Vat Vat Amount	1 •	Standard Ra		Volume		0 0.00 200.00 20.0% 40.00	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code Description Quantity Price Goods	Conference Hotel Ex Cost Centres 2分 Job		) Intrastat	s 😢 Totals	<i>ā</i>		0 200.00	Discount Amount Net Amount Vat Vat Amount	1 -	Standard Ra		Volume		0 0.00 200.00 20.0% 40.00	in-2 ay-2 ec-2	Outstan Outstan Outstan
Item Code Description Quantity Price Goods			> Intrastate	s 😩   Totals	1		0 200.00	Discount Amount Net Amount Vat Vat Amount		Standard Ra			Discard	0 0.00 200.00 20.0% 40.00 0	in-2 ay-2 ec-2 ec-2	Outstan Outstan Outstan Outstan
Item Code Description Quantity Price Goods			) Intrastate	s 🎒 Totals	1		0 200.00	Discount Amount Net Amount Vat Vat Amount		Standard Ra	0			0 0.00 200.00 20.0% 40.00 0	in-2 ay-2 ec-2 ec-2	Outstan Outstan Outstan

#### Inter-company Processing

Once you have created and updated to Ledger a Sales invoice that includes the Intercompany value you can navigate to *Nominal Ledger* (yellow arrow below) and *Inter-company Processing* (green arrow) where you will see the Inter-company element of your invoice awaiting update to Green Retailers.

🙆 Dataflow Clarity [Nominal Ledger]	$\sim$			- 🗆 ×
			Company Miles Brown and So	user: SUPERVISOR*
Sales Ledger Sales Orders Purchase Ledger Purchase Order			System	
	💈 🌮 🚰 🐳	31		
Browse Chart Of Journals Journal Cashbook Cashbook Rec Adjustments Postings Adjustments Pos	~			
Accounts Transaction	s Reporting	g Period Processing		
Inter-company Processing				– 🗆 X
To Company Green Retailers Ltd			•	View Outstanding 🔻
	A/c Code From A/c Name To A/c Code To A/c Name		A/c Code Handling A/c Name Handling %	Date Period Dat
INV 000002084 645 9825 INTE	RCO Inter Company	Conference Hotel Expenses	0	24 January, 2022 31 January, 2
	B			
			Process 📀	Modify 🥖 Close 🔀
			Process 📀	Modify 🥖 Close 🔀



Before you're able to update the transaction to Green Retailers you must first define the *Target account*. The *Target account* is the destination Nominal to where the balance will be posted to from the Intercompany Control Account (*INTERCO*). To set the *Target account* click on your entry line within the grid and click the *Modify* button (highlighted below in green). In this scenario *TRAVELEXP* has been selected as the Target account (highlighted below in yellow).

👌 Da	taflow Cla	arity [No	minal Ledger]														-	
														any Miles	Brown and S	ons & Co. 🔹	User:	SUPERVISOR *
Sales	Ledger			Purchase Ledge	Purchase	Orders I	Nominal Ledger	Audit & VAT	Timesheets		Stock Led	ger System						
M			9				\$ <del>,</del> ″£ [	P. 16	-	31 m								
Brows	e Chart Accou	nts Joi	Adjust	rnal Cashbo tments Posting	Is Adjustment	s Postings	Accounts Acco	ncile Inter-compa unts Processin	any All g reports∙	Period								
A	ccounts				Trans	sactions			Reporting	Period Processing			_	_			_	_
	👌 Inte	r-compa	ny Processing													-		×
	To Comp	any Gr	een Retailers	Ltd											-	View O	utstanding	•
	Process	? Type	Reference	Batch Number	Audit Number	From A/c C	ode From A/c N	ame To A/c Code	To A/c Name	Notes	н	andling A/c Cod	e Handling	A/c Name	Handling %	Date	Perio	d Dat
	•	INV	0000002084	645	9825	INTERCO	Inter Comp	any		Conference Hotel E	xpenses				0	24 January, 2022	31 Janu	ary, 2
														_				
					Inter-compa	ny Details						-		<				
					Target account	TRAVELEXP	<ul> <li>Travel Exp</li> </ul>	enses						·				
					Town Held									•				
					Heid													
					Cost Centre Det	ails						_						
												ок 🥝	Cancel	•				
	•								П									•
															Process 🤆	) Modify 🥖	Close	

Confirm the selection by clicking the *OK* button (highlighted below in blue).

Once you've set the Target account you'll be able to update the Inter-company transaction to Green Retailer's Nominal Ledger. To process the entries click the *Process* button (highlighted below in green)

Once you've clicked the Process button a secondary window will open displaying all entries that will be updated to Green Retailers Nominal Ledger (highlighted below in yellow).

Click the Update button to complete the process (highlighted below in red).

In this example the screen below shows that the transaction will credit the INTERCO account and debit the TRAVELEXP account by £200 in Green Retailers.



Dataflow Clarity [Nominal Ledger]					- 🗆 ×
				Company Miles Br	own and Sons & Co.   User: SUPERVISOR*
Sales Ledger Sales Orders Purchase Le	dger Purchase Orders Nominal Ledger Aud	dit & VAT Timesheets	Dashboard Stock Ledger	System	
	s 🗧 🗖		31		
Browse Chart Of Journals Journal Cash Accounts Adjustments Pos	hbook Cashbook Recurring Revalue Reconcile Ir tings Adjustments Postings Accounts Accounts	nter-company All	Close Period		
-		Processing reports *			
Accounts	Transactions	Reporting Pe	riod Processing		
Inter-company Processing					– 🗆 X
To Company Green Retailers Ltd					▼ View Outstanding ▼
	nber Audit Number From A/c Code From A/c Name To	o A/c Code To A/c Name	Notes Handl	lling A/c Code Handling A/c Nam	
<ul> <li>INV 000002084 645</li> </ul>		RAVELEXP Travel Expenses		ing Are code transmig Are Nam	0 24 January, 2022 31 Januar
		indice Expenses			
	A Inter-company Journal [Green Retailers Ltd]			- 🗆 ×	
	A/c Code A/c Description Date Reference	e Notes Currency Rate	Amount Base Amount		
	INTERCO Inter Company 24-Jan-2022 0000002	084	£ 200.00 £ 200.00		
	TRAVELEXP Travel Expenses 24-Jan-2022 0000002	084	£-200.00 £-200.00		
	Nominal TRAVELEXP Travel Expense	es Currency			
	Date 24-Jan-2022		1.0		
			1.0		
	Reference 000002084	Amount		£ -200.00	
	Notes	Base Amount		£ -200.00	
	Cost Centres 🛃 Batch Totals 📳				
			Update 🤅	Olose X	
					,
					Process 🛞 Modify 🥖 Close 🔀
					Close 🔪

Once you've updated a transaction via the Inter-company process you can view the entries that have been posted to Green Retailers via the Audit Trail.

14	4 1	of 1 🕨 🕅	4		F	ind   Next 🛛 🔍 🔹 🤇								
Miles E	Brown ar	d Sons & Co.						24 Jar	nuary 2022 12	2:13	Page 1	Page 1 of 1		
Finar	ncial A	udit Trail				Batch range from 64								
								VAT		Currency				
Batch	Audit	Nominal Code	Dated	Туре	Source	Reference	Amount	Value C	ode	Amount	VAT	User ID	Timestamp	Notes
645	9825	TRAVELEXP	24/01/2022	SA-INV	A00001	000002084	(100.00)	(20.00)	1			SUPERVISOR	24/01/2022 11:55:36	Conference Hotel Expenses
645	9825	INTERCO	24/01/2022	SA-INV	A00001	000002084	(200.00)	(40.00)	1			SUPERVISOR	24/01/2022 11:55:36	Conference Hotel Expenses
645	9826	VATSTAND	24/01/2022	NO-BAT			(60.00)	0.00	1			SUPERVISOR	24/01/2022 11:55:36	
645	9827	DEBTORS	24/01/2022	SA-BAT			360.00	0.00				SUPERVISOR	24/01/2022 11:55:36	

You can select which company the Intercompany transaction is being posted to and from by using the company selection drop down (highlighted below in green). You can also choose whether the grid displays *All*, *Outstanding* or *Processed* by using the *View* drop down (highlighted below in yellow).



0	👌 Dataflow Clarity [Nominal Ledger] - 🗆 🛛														×				
	Company Miles Brown and Sons														& Co. 🔹	User: S	UPERVISOR	R -	
s	ales Le	edger		Sales Orders	Purchase Le	dger Purch	ase Orders	Nominal Ledger	Audit & VA	T Timesheets Da	shboard	Stock Ledger	System						
×	ĺ۲.		-	3/2	68 1			c 4 m	a 🚱	5 B	31								
Image: State of Journals     Journal Cashbook     Syfe     Image: Syfe																			
Browse Chart Of Journals Journal Cashbook Cashbook Recurring Revalue Reconcile Inter-company Accounts Adjustments Postings Adjustments Postings Accounts Accounts Processing Period																			
	Accounts Transactions Reporting Period Processing																		
	Code - like D All   A   B   C   D   E   F   G   H   I   J   K   L   M   N   O   P   Q   R   S   T   U   V   W   X   Y   Z   O   1   2   3   4   5   6   7   8   9																		
Peri	Peri 2) Inter-company Processing - C X																		
c	To Co	mpar	iy Gr	een Retailers I	Ltd										-	View	Processed	•	9
D	Proc	ess?	Туре	Reference	Batch Number	Audit Number	From A/c Code	From A/c Name	To A/c Code	To A/c Name	Notes		Ha	ndling A/c Code	Handling A/c Name	Handling %	Date		Group by
D	•		INV	89002	373	3758	INTERCO	Inter Company	FOOD	Food costs for the events	Hotel expe	enses Nov 2004				0	19 August,	2018	Grou
D	•		INV	89003	373	3759	INTERCO	Inter Company	ACCOUNTS	Accountancy Fees	Entertaini	ng expenses				0	19 August,		8
D	•	•	INV	89005	373	3760	INTERCO	Inter Company	ACCOUNTS	Accountancy Fees	Hotel cost	s for Director's m	eeting"			0	02 August,	2018	Filters
D	•	•	JRN	Conference	644	9822	INTERCO	Inter Company	ACCOUNTS	Accountancy Fees						0	04 January,	2022	Ť
D	•	•	INV	000002084	645	9825	INTERCO	Inter Company	TRAVELEXP	Travel Expenses	Conference	e Hotel Expenses				0	24 January,	2022	
D																			
		_	_												Process 😁	Modify 🥖	Close		
															Process 🤠	moulty 🖉	Close		