Consolidations
Frequently Asked Questions

What do I need to do when adding a new GL account?

Complete the Consol. Debit Account, Consol. Credit Account, and Consolidation Translation Method fields.

What are the different Consolidation Translation Methods and when are they used?

- **Average Rate (Manual):** typically used for Income Statement accounts; the rate is specified during consolidation process
- **Closing Rate:** typically used for Balance Sheet Accounts, with the exception of Equity accounts; the rate is specified during consolidation process, the beginning balance is restated
- **Historical Rate:** typically used for Retained Earnings, Intercompany Payables and Receivables, foreign currency loans from third parties; use the exchange rate in effect on the transaction’s posting date
- **Composite Rate:** used for Equity accounts, the beginning balance is not restated, the average rate specified during consolidation is used for the current period; indicate accounts for posting on the Business Unit page
- **Equity Rate:** similar to Composite; indicate accounts for posting on the Business Unit page

NOTE: Methods should agree to those being used currently (manually) and confirmed through testing and with outside auditors.

How do I select Dimensions for consolidation?

From the Business Unit, select Functions > Import Database. On the Options tab, click the ellipsis in the Dimensions field and place a check in front of the dimensions to import.

How do I record eliminating entries?

Enter the eliminating entries in a journal batch. To view the entries prior to posting, run the Eliminations report from the Business Unit page and on the Options tab, select the Journal and Batch for the elimination entries.

Do I need to close the year in the consolidated company?

Yes, the year needs to be closed to properly reflect retained earnings and the income statement balances.
Are there special steps when processing a consolidation for multicurrency?

To process the consolidation with a foreign currency, from the Business Unit:
- Select the Exchange Rates button > Average Rate and enter the average exchange rate for the period.
- Select the Exchange Rates button > Closing Rate and enter the closing exchange rate for the period.
- Process as for other consolidations

What exchange rate is used when processing a consolidation?

In the Currency Exchange Rate Table, you can select the option of using the Local (Parent) or Business Unit (Subsidiary) as the source; alternatively enter the exchange rates from the business unit card as indicated above.

Are there special considerations when reconsolidating and multiple currencies are involved?

Yes, enter the Average Rate and Closing Rate on the Business Unit card.

Can I use an Additional Reporting Currency for consolidations?

Yes, in the Data Source field on the Business Unit card, select the Additional Reporting Currency option.

Do I need to run the Adjust Exchange Rate batch in the consolidated company?

If you use the Additional Reporting Currency (ACY) as the consolidation currency, then you need to run the Adjust Exchange Rate batch job in the consolidated company for the ACY.

Also, if you use multiple currencies in any of the subsidiary companies, you need to run the Adjust Exchange Rate Batch job for your customers, vendors, and bank accounts prior to consolidating.