

# Intercompany and Intracompany

Mary Lenehan  
Crestwood Associates



# Your presenter



Mary Lenehan, CPA, MCP, MCTS  
Client Account Manager  
Crestwood Associates  
Mount Prospect, IL  
Direct: 847-232-8282  
Mobile: 847-924-6404  
[mary@crestwood.com](mailto:mary@crestwood.com)

# Agenda

- What is the difference?
- Setup Intercompany
- Setup Intracompany/Interfund
- What are the gotchas?
- ISVs
- Question and Answers

# Intercompany vs. Intracompany

- Intercompany
  - GL and AP only
  - Across databases
  - Must use batches
  - Still need to post batches in destination company
  - Voids of AP transactions do flow to destination company

# Intercompany vs. Intracompany

- Intracompany (Interfund)
  - All modules
  - Designed for not for profit and fund accounting
  - In the same company database
  - Single Due/To or Clearing accounts

# Intercompany Setup

- Activate module in Registration Tools>Setup>Registration
- Tools>Setup>System>Intercompany

Registration - ELFIN (sa)

OK Options Additional File Tools Help Add Note

Site Name [Redacted]

Account Number [Redacted]

Registration Keys

1: [Redacted] 4: [Redacted]

2: [Redacted] 5: [Redacted]

3: [Redacted]

Validate

Unmark the modules that you do not want to use. It is recommended that you do not unmark modules that you have already used because it can cause problems in Microsoft Dynamics GP.

Modules

- Integration Site Enabler
- Intercompany Processing
- Inventory Control
- Invoicing
- Landed Cost
- Lock Box
- Modifier

[Get registration keys online](#)

Intercompany Setup - ELFIN (sa)

Save Clear Delete File Print Tools Help Add Note

Originating Company ID TWO Company Name Fabrikam, Inc.

Destination Company Name: Elfin Company

Accounts

Originating Company

Due To 000-2222-00

Description Due to Elfin

Due From 000-1111-00

Description Due from Elfin

Destination Company

Due To 000-2222-00

Description Due to TWO

Due From 000-1111-00

Description Due from TWO Company

Company ID ELFIN  Enter Corresponding Company ID

# Enter transactions – General Ledger

- Enter a Batch ID - required
- Check Intercompany box
- Lights up the Co. ID in the distribution box
- Enter the company ID or select
- Enter the account or select
- Enter debits and credit for each company
- Print the edit list
- Post in originating company
- Post in destination company

Transaction Entry - TWO (sa)

Save Delete Void Post Correct Copy Paste View File Print Tools Help Add Note

Journal Entry 3,462  Intercompany Batch ID INTERCO GL

Transaction Type:  Standard  Reversing Transaction Date 4/12/2027 Reversing Date 0/0/0000

Source Document GJ Reference allocate rent Currency ID Z-US\$

Co. ID	Account	Debit	Credit
ELFIN	200-6180-00	\$5,000.00	\$0.00
	Rent Expense - Accounting		1.0000000
	allocate rent from TWD		TWD
TWD	200-6180-00	\$0.00	\$5,000.00
	Rent Expense - Accounting		0.0000000
			ELFIN

Batch ID: INTERCO GL  
Batch Comment:

Approved: No Batch Total Actual: \$0.00 Batch Total Control: \$0.00  
Approved By: Trx Total Actual: 1 Trx Total Control: 0  
Approval Date:

Journal Entry #	Transaction Type	Transaction Date	Reversing Date	Source Document	Transaction Reference
3,462	Standard	4/12/2027		GJ	allocate rent

Co. ID	Account	Description	Debit	Credit
ELFIN	200-6180-00	Rent Expense - Accounting	\$5,000.00	
ELFIN	000-2222-00	Due to TWO		\$5,000.00
TWO	200-6180-00	Rent Expense - Accounting		\$5,000.00
TWO	000-1111-00	Due from Elfin	\$5,000.00	

Total Distributions: 4

Total Journal Entries: 1

# Enter transactions – Payables

- Enter a Batch ID - required
- Check Intercompany box
- Lights up the Co. ID in the distribution box
- Enter the company ID or select
- Enter the account or select
- Enter debits and credit for each company
- Print the edit list
- Post in originating company
- Post in destination company GL

The image shows two overlapping SAP windows. The top window is titled "Payables Transaction Entry - TWO (sa)" and the bottom window is titled "Payables Transaction Entry Distribution - TWO (sa)".

**Payables Transaction Entry - TWO (sa) Data:**

- Voucher No.: 0000000000000473
- Document Type: Invoice
- Description: allocate rent
- Vendor ID: ALLENSON0001
- Vendor Name: Allenson Properties
- Address ID: PRIMARY
- Remit-To ID: PRIMARY
- Payment Terms: Net 30
- Currency ID: Z-US\$
- Document Number: 0000000000000473
- P.O. Number: 4654531
- Batch ID: INTERCO AP
- Doc. Date: 4/12/2027
- Intercompany:

**Payables Transaction Entry Distribution - TWO (sa) Data:**

- Vendor ID: ALLENSON0001
- Vendor Name: Allenson Properties
- Currency ID: Z-US\$
- Voucher Number: 0000000000000473
- Document Type: Invoice
- Functional Amount: \$10,000.00

**Distribution Table:**

Co. ID	Account	Type	Debit	Credit
				Originating Debit
				Originating Credit
Distribution Reference				
				Corresp. Co. ID
ELFIN	200-6180-00	PURCH	\$5,000.00	\$0.00
	Rent Expense - Accounting		\$5,000.00	\$0.00
TWO	000-2100-00	PAY	\$0.00	\$10,000.00
	Accounts Payable		\$0.00	\$10,000.00
TWO	000-6180-00	PURCH	\$5,000.00	\$0.00
	Rent Expense		\$5,000.00	\$0.00



# Demo



# Interfund (Intracompany) Setup

- Setup > Financial > Interfund Management
- You will need a segment to identify company in your chart of accounts
- Choose the Method of Interfund
  - Single Due/To – easy but not easy to track/match intercompany transactions
  - Clearing Fund – set up a segment to clear the transactions – one account per segment/company - **RECOMMEND**

Interfund Setup - TWO (sa)

OK File Tools Help Add Note

Actions File Tools Help

Fund Segment  Clearing Fund Number

Interfund Method

Single Due to / Due from

Clearing Fund / Central Treasury

Activate Interfund Management  Distribution Processed

Fund	Due To / Due From Account	Clearing Fund Account
000	- -	- -
100	100 -1250 -00	000 -1251 -00
200	200 -1250 -00	000 -1252 -00
300	300 -1250 -00	000 -1253 -00
400	400 -1250 -00	000 -1254 -00
500	500 -1250 -00	000 -1255 -00
600	600 -1250 -00	000 -1256 -00
999	999 -1250 -00	000 -1259 -00

Version: 18.00.0628

# example

Allocate repairs expense from Admin to Sales  
 Debit Sales repairs expense  
 Credit Admin repairs expense

Transaction Entry - TWO (sa)

Journal Entry: 3,464 Intercompany:  Batch ID: INTERFUND

Transaction Type:  Standard  Reversing Transaction Date: 4/12/2027 Reversing Date: 0/0/0000

Source Document: GJ Reference: allocate expenses Currency ID: Z-US\$

Co. ID	Account	Debit	Credit
TWO	300-6170-00	\$1,500.00	\$0.00
	Repairs & Maintenance - Sales		0.0000000
TWO	100-6170-00	\$0.00	\$1,500.00
	Repairs & Maintenance - Administration		0.0000000
Total		\$1,500.00	\$1,500.00
Difference			\$0.00

Status: Unposted

## # Intercompany Journal Entry

Batch ID: INTERFUND  
 Batch Comment:

Approved: No Batch Total Actual: \$3,000.00 Batch Total Control: \$0.00  
 Approved By: Trx Total Actual: 1 Trx Total Control: 0  
 Approval Date:

Journal Entry	Transaction Type	Transaction Date	Reversing Date	Source Document	Transaction Reference
3,464	Standard	4/12/2027		GJ	allocate expenses

  

Account	Description	Debit	Credit
300-6170-00	Repairs & Maintenance - Sales	\$1,500.00	
100-6170-00	Repairs & Maintenance - Administration		\$1,500.00
100-1250-00	Due to/Due from - Dept 100	\$1,500.00	
000-1251-00	Clearning fund - Dept 100		\$1,500.00
300-1250-00	Due to/From - Dept 300		\$1,500.00
000-1253-00	Clearning Fund - Dept 300	\$1,500.00	
Total Distributions:		6	
Totals:		\$4,500.00	\$4,500.00

Total Journal Entries: 1

# Demo



# Gotchas

- Intercompany (between databases) – only works with GL and AP
- Add all the accounts you need
- You need to use a batch
- Don't check use corresponding company ID – throws errors and is not needed – use line item description
- You need to post the batches in the destination company
- Interfund is a little confusing but think of it as intracompany and use the clearing accounts for each company to aid in tying out

# ISVs

- MC2 – Advanced Intercompany
  - GL Journal Entry, Payables Voucher, Bank Reconciliation, Receivables Sales, Purchase Order, Inventory or Payroll Transaction
  - Templates with default accounts, etc.
  - <http://mc2visions.com/knowledge-base/category/vision-product/advanced-intercompany-transactions/>
- Nodus – Intercompany Series
  - Intercompany posting for modules above
  - Auto posting, Integrations, Unit accounts, etc.
  - <https://www.nolanbusinesssolutions.com/us/solutions/microsoft-dynamics-gp/intercompany-series/>

# Questions?