

Findings on FRD:

I. Departments:

- 1) Finance Dept.
- 2) Sales & Marketing Dept.
- 3) Purchase & Payables Dept.
- 4) Warehouse Dept.
- 5) Production & Planning Dept.

II. Masters:

- 1) Vendors: As per the Given Data
- 2) Customers: As per the Given Data
- 3) Items: Retail, Production, Non-Production and Service Items (As per the Given Data)
- 4) Fixed Assets: As per the Given Data
- 5) Depreciation Books: Company and Income-Tax
- 6) Bank Accounts: Total 5
- 7) Currency: Local Currency INR & Foreign Currency Dollar \$
- 8) Locations: Main Store & FG Location
- 9) Machine Center: Total 10 [Mach. 01... To... Mach. 10]
- 10) Routings: Total 3 [Processing cum Assembling->Finishing->Packaging]

Note: Depreciation Method: Straight-Line **OR** Declining-Balance 1 (WDV)

III. Dimensions:

- 1) Departments: Shortcut Dimension 1
- 2) Projects : Shortcut Dimension 2

IV. Documents:

- 1) Purchase Quote
- 2) Purchase Order
- 3) Purchase Invoice (For Direct Invoicing without generating GRN/MRN)
- 4) Purchase Return Order or Credit Memo (For Return & Cancellations)
- 5) Sales Quote
- 6) Sales Order
- 7) Sales Invoice ((For Direct Invoicing)
- 8) Sales Return Order or Credit Memo (For Return & Cancellations)
- 9) FA Journals (it would update Fixed Assets Card only)
- 10) FA G/L Journals (integrated with Fixed Assets Card and G/Ls)
- 11) Item Journals (For Negative and Positive Adjustment of inventory)

- 12) Revaluation Journal
- 13) Consumption Journal
- 14) Output Journal
- 15) Bank Account Reconciliations

V. Posting Groups:

- 1) Vendor Posting Groups-
 - i. AP-DOM: For Domestic Vendors
 - ii. AP-FRGN: For Foreign Vendors
- 2) Customer Posting Groups-
 - i. AR-DOM: For Domestic Customers
 - ii. AR-FRGN: For Foreign Customers
- 3) Inventory Posting Groups-
 - i. RM: Raw Materials
 - ii. WIP/SFG: Work-In-Progress **OR** Semi Finished Goods
 - iii. CON: Consumables
 - iv. FG: Finished Goods
 - v. LT: Loose Tools
- 4) General Business Posting Groups-
 - i. Domestic
 - ii. Foreign
 - iii. Others (Like; Import or Export or Both)
- 5) General Production Posting Groups-
 - i. Retail
 - ii. Production
 - iii. Services
 - iv. FA (Fixed Assets)
- 6) FA Posting Groups-
 - i. P&M: Plant & Machineries
 - ii. F&F: Furniture & Fixtures
 - iii. OFA: Other Fixed Assets
- 7) Bank Account Posting Groups-
 - i. BNK1: Bank Account 1
 - ii. BNK2: Bank Account 2
 - iii. BNK3: Bank Account 3
 - iv. BNK4: Bank Account 4
 - v. BNK5: Bank Account 5

VI. Accounting Periods (Fiscal Year):

- 1) From 01/04/2020 To 31/03/2021


- VII. Inventory Period:
- 1) On Monthly Basis (Ending Date of the Month)
- ✚ **Suggestion:** To Close Inventory Period, we have to run “**Close Inventory Period – Test**” batch job (Report) at the time of year closing.
- VIII. Costing Method:
- 1) Standard (based on the requirement).
- IX. Chart of Accounts (COA): List of all G/L Accounts [As per the Given Data].
- X. Payment Methods:
- 1) Cash/Cheque
 - 2) Credit Cards
 - 3) Funds Transfer
- XI. General Journal Batches:
- 1) These Batches would be based on Departments | Branches | Locations.
For Example; Ms. Riya from Purchase Dept. will use Purchase Voucher-Batch (JRNL-PUR), this batch would perform as per employee’s user id.
- XII. Standard Vouchers List:
- 1) Journal Vouchers (JV)
 - 2) Cash Receipt Voucher (CRV)
 - 3) Cash Payment Voucher (CPV)
 - 4) Bank Receipt Voucher (BRV) OR **Cash Receipt Journals** (preferred)
 - 5) Bank Payment Voucher (BPV) OR **Payment Journals** (preferred)
 - 6) Contra Voucher (CONV) [Deposit | Withdrawal | Transfer]
 - 7) General Journal (Gen. JRNL.) [for Posting, Adjustment and Year End Entries]
- Note: Document Number Series Format required for these Vouchers. For Example;
JV/APR-2020/01
- XIII. Approval System needs to be established in Sales & Marketing Department.
- XIV. Sometimes Direct Invoicing/Billing Process would be used for Purchase & Sales transactions.
- XV. Item’s Unit of Measure & Purchase Unit of Measure could be different sometimes.
- XVI. Bill of Materials process, Production BOM would be used for this Discrete Manufacturing.
- XVII. Taxation: GST (Goods & Services Tax) Applicable.
- XVIII. Year End Process: Using “**Close Income Statement**” batch job (Report).

- XIX. User Setup: This will define as per their roles (designation wise).
- XX. For the Reporting and Analysis Purpose: We'll use inbuilt functionality of Microsoft Dynamics 365 Business Central-
- 1) Account Schedules: For Presenting Financial Statements like; Profit & Loss and Balance Sheet [Last year's Audited Financial Statement required to prepare this).
 - 2) G/L Balance/Budget: For Budget wise reporting.
 - 3) Analysis by Dimensions: For Dimension wise reporting.

Note: Using above reporting tools we can send the required data to excel.

- XXI. System In-Built Reports (Finance related reports):
- 1) Aged Accounts Receivable
 - 2) Aged Accounts Payable
 - 3) Trial Balance
 - 4) Day Book
 - 5) Ledger
 - 6) Inventory Valuation (Opening+Purchases+Closing Values of Inventories)
 - 7) Customer Order Detail (For Outstanding Sales Orders Reporting)
 - 8) Inventory - G/L Reconciliation

Note: Use Search Box, type the name of any report and press enter.

- XXII. To calculate depreciation, we have to run **“Calculate Depreciation”** batch job (Report), periodically.
- XXIII. To Adjust Cost, we have to run **“Adjust Item Costs/Prices”** batch job (Report), periodically.
- XXIV. To Adjust Transaction or Item Entries, we have to run **“Adjust Cost - Item Entries”** batch job (Report), periodically.
- XXV. To post that Items Cost to their respective G/Ls, we have to run **“Post Inventory Cost to G/L”** batch job (Report), periodically.
-  **Suggestion:** If we select; (1) **Automatic Cost Posting-> Enabled** and (2) **Automatic Cost Adjustment-> Always**, in Inventory Setup, then our manual effort would be minimizing to run these *Inventory Cost Updating reports*. (3) **Average Cost Calc. Type-> Item** and (4) **Average Cost Period->Day**. [All these settings are the part of Inventory Costing].
- Note: Expected Cost Posting to G/L** (It should be, **Enabled** when we are working with **Standard** Costing Method).
- XXVI. Process Documents would be part of User Training Materials.