

Multi Entity Control

Business Case

If you have more than one company in your group, Microsoft Dynamics 365 Business Central requires you to set up a separate company for each legal entity. If you have 5 companies in your group, then you will have to set up 5 companies in Business Central, each with their own chart of accounts, vendors, customers, banks and other setup tables. You may start out with the same chart of accounts in each company, but it is very difficult to keep the separate chart of accounts in sync and over a period of time they will become different. The same thing happens to vendor tables – they eventually become different making it difficult to create reports of total purchases by vendor.

Multi Entity Control allows you to set up one company within Business Central and use a dimension to identify the legal entity.

As an example, if a customer has 5 separate companies, instead of creating 5 companies within Business Central we only need to create one company and use the Entity dimension to separate transactions for each separate “company” .

Keeping separate “companies” or entities within one company in Business Central will allow you to implement one chart of accounts, one vendor table and one customer table. Having only one table to manage for the chart of accounts, vendors and customers, makes the system cleaner and easier to maintain.

Benefits

- Easier to maintain with only one chart of accounts, one vendor table, one customer table.
- Less time spent implementing your system. New “companies” can be added in less than 5 minutes since you only have to add one new entity or company dimension code
- Eliminates the time spent switching from one company to another. This can be significant when you have multiple companies.

Setting Up

- A dimension needs to be set up as a Global Dimension, to identify the “company”
- You could call this dimension whatever you want, for example ENTITY or COMPANY.
- A Journal Template will be used to post any balancing transactions in the intercompany accounts between different entities or companies.
- You select an account that will be used for the intercompany account that will be used to post the intercompany entries.

Description of Process

Entries will be posted into Business Central and may be posted to more than one entity. For example, a purchase invoice is posted to a vendor using entity A and the expense is posted to entity B. The purchase invoice will be posted as normal. Multi Entity Control will be triggered by the posting process and will check to make sure the entry balances by the entity dimension. If it does not, then intercompany postings will automatically be posted to make sure each entity balances to zero.