

# Microsoft® Business Solutions Financials–Great Plains®



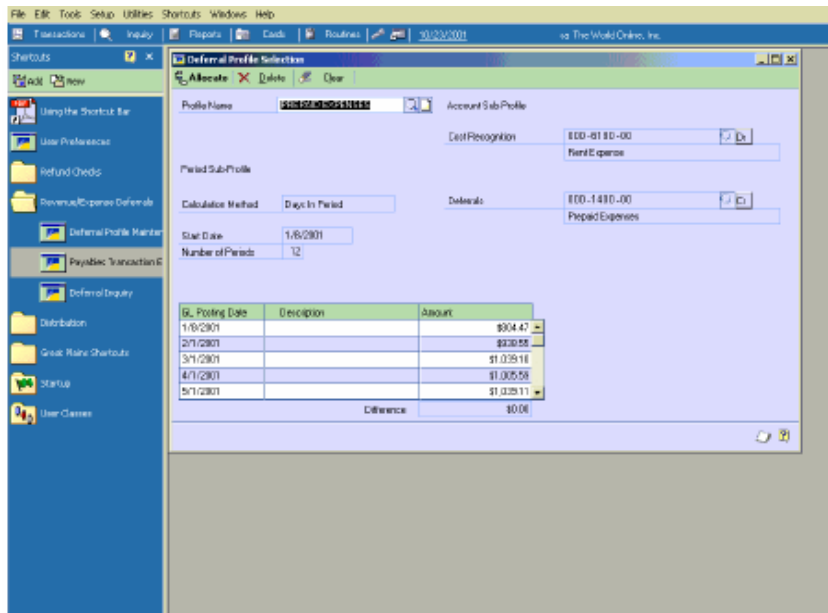
## Revenue/Expense Deferrals

### Recognize Revenue and Costs When Appropriate

Revenue accruals and pre-payments processing are common activities in service organizations throughout the world. Designed for these types of companies, and more, Revenue/Expense Deferrals automates the process of recognizing deferred revenue and expenses in the appropriate accounting periods based on when the amounts are realized. Revenue and costs are distributed over a specified period by calculating and posting values across selected date ranges. This ensures more accurate accounting, recognizing revenue and costs as appropriate.

### Revenue and Expense Allocation Made Easy

Revenue/Expense Deferrals dramatically simplifies the task of deferring revenues or distributing costs over multiple periods. Complex calculations and the posting of values are automatically managed within Revenue/Expense Deferrals, spreading values over date ranges specified by the user. All postings are made at the time of the originating entries, Revenue/Expense Deferrals will save business professionals time and effort every financial period; calculations and journal entries are automatically managed rather than having to be manually entered from spreadsheets or other sources.



*Right within any financial, purchase or sales transaction window, you can defer revenue and expenses. You will see all calculations take place, posting the correct amounts to the appropriate accounts.*

## An Integrated Approach

Microsoft Business Solutions offers a completely integrated solution for solving your business problems, and has implemented this same principle in Revenue/Expense Deferrals. Revenue or cost entries can be deferred and posted to future periods automatically from the General Ledger, Accounts Receivables, Sales Order Processing, Invoicing, Accounts Payables and Purchase Order Processing.

Within the Deferral Entry window, you will specify the deferral and recognition accounts to use, the beginning and end dates for the deferral, and the method for calculating the deferred amounts. If you want to ensure that similar transactions are entered with the correct information, you can setup a deferral profile to be used across like allocations over time, such as prepaid rent expense or similar.

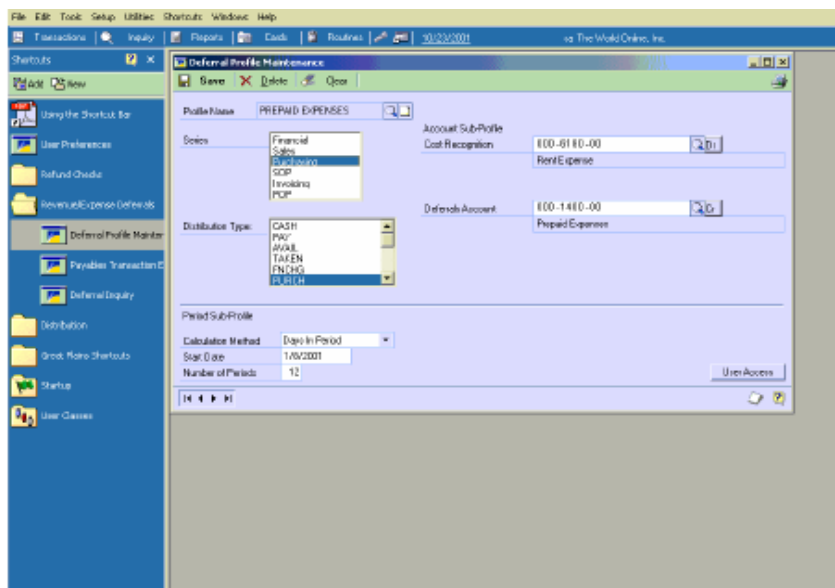
Posting routines include detailed audit trails or prepayment and accrual details. Revenue/Expense Deferrals creates the forward-dated transaction postings automatically, without requiring any future action from the system user.

## Historical Allocations Support

When past transactions previously posted need to be allocated across multiple periods, Revenue/Expense Deferrals allow you to create “Retro Allocations”. From within Accounts Receivables and Accounts Payables, simply recall the transaction and determine how you wish to spread the costs or receipts. New posting options also mean that you decide whether to post directly to Profit & Loss accounts and defer to Balance Sheet accounts, or vice versa.

## Simple Setup

Revenue/Expense Deferrals setup is adaptable to your business processes. By creating deferral profiles, you can define default templates that can be applied against any transactions within the Microsoft Business Solutions Financials and Inventory and Order Processing solutions. To build a profile, you provide it a name, select the series (sales, purchasing, etc.) to which it applies, determine the original and offset accounts to be used, specify the calculation method for calculating the deferred amounts, and finally set the start date and number of periods that the deferral will be spread across.



*Setup any number of Deferral Profiles to quickly apply to various transactions. This speeds allocations by applying the appropriate accounts for distribution. You can choose to defer revenue and expenses on a one-off basis as well.*

