General Accounting
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- Are the examples correct?
- Do you need more examples?
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Click here to send us your comments. If possible, please provide a page number or section title to identify the content you're describing.

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General Accounting

- NetSuite Accounting Overview
- Accounting Features and Preferences
- Currency Management
- Chart of Accounts Management
- Accounting Period Management
- General Ledger Impact of Transactions
- Journal Entries
- Budgets in NetSuite
- Account Registers
- Accounting-Related Reports
- Japanese Invoicing
NetSuite Accounting Overview

You can use NetSuite for accounting management. For information about how to use general accounting related features, see the following help topics:

- Accounting Features and Preferences
- Currency Management
- Chart of Accounts Management
- Accounting Period Management
- General Ledger Impact of Transactions
- Journal Entries
- Budgets
- Account Registers
- Accounting-Related Reports

**Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.
Accounting Features and Preferences

If you plan to use NetSuite for accounting management, your required setup tasks include the enabling of accounting features, setting of accounting preferences, and setup of accounting lists. You can make changes later to some of these features, preferences, and lists as your accounting management needs change. For more information, see the following help topics:

- Accounting-Related Features
- Accounting Preferences
- Setting Up Accounting Lists
- Setting Up Employee Related Lists

**Note:** The Japan Edition of NetSuite includes additional accounting features to meet specialized Japanese business needs. For information, see the help topic Japanese Invoicing.

For information on using the SuiteGL features, see the help topic SuiteGL Features Overview.

### Accounting-Related Features

The records and transactions available for use in your NetSuite account depend on the features that have been enabled. Features can be enabled and disabled at Setup > Company > Enable Features by the account administrator or by another user who has the Enable Features permission. After you have enabled features, you can set up related records that are prerequisites for managing accounting in NetSuite. For information about all of the features on the Enable Features page, see the help topic Enabling Features.

SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

The following sections describe accounting-related features that are not listed on the Accounting subtab on the Enable Features page. These sections are named for their respective subtab on the Enable Features page where they are displayed. For information about accounting features, see the help topic Accounting Features.

- **Company**
- **Transactions**
- **Employees**

### Company

The following accounting-related features are available on the Company subtab of the Enable Features page.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Currencies</td>
<td>Enables use of foreign currencies for sales and purchase transactions, and accounts for exchange rate fluctuations. This feature also authorizes you to do business with both customers and vendors who use multiple currencies in their business dealings with you. See Currency Management. After qualifying revaluation transactions, the system generates the Realized Gain/Loss, Unrealized Gain/Loss, Unrealized Matching Gain/Loss, Rounding Gain/Loss accounts.</td>
</tr>
</tbody>
</table>
Depending on the year in which your NetSuite account was established, you may also have the Exchange Rate Variance account.

Currency Exchange Rate Integration
Automatically updates currency exchange rates by the specified provider one time each day. Agree to the Notice, as required. NetSuite stores the user id and time and date stamp of account changes in system notes.

To choose an exchange rate provider, method for obtaining exchange rates, and anchor currencies, go to Setup > Accounting > Preferences > Accounting Preferences > General subtab > Exchange Rate Integration. For more information, see Exchange Rate Integration.

For more information about the Currency Exchange Rate Integration feature, see Currency Exchange Rate Integration.

Transactions

The following accounting-related features are available on the Transactions subtab of the Enable Features page.

Many of these features create system-generated accounts when enabled. These accounts are included in the descriptions. For a complete listing of system-generated accounts, see Feature-Specific, System-Generated Accounts.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Orders</td>
<td>Enables tracking of customer orders and conversion into invoices and cash sales. See the help topic Sales Orders. Enabling this feature creates the system-generated Sales Orders account.</td>
</tr>
<tr>
<td>Return Authorizations</td>
<td>Enables tracking of customer returns. See the help topic Customer Return Management. Enabling this feature creates the system-generated Return Authorizations account.</td>
</tr>
<tr>
<td>Purchase Orders</td>
<td>Enables tracking of orders to vendors. See the help topic Purchase Orders. Enabling this feature creates the system-generated Purchase Orders account.</td>
</tr>
<tr>
<td>Vendor Return Authorizations</td>
<td>Enables tracking of returns to vendors. See the help topic Vendor Returns. Enabling this feature creates the system-generated Vendor Return Authorizations and Purchases Returned Not Credited accounts.</td>
</tr>
<tr>
<td>Advanced Billing</td>
<td>Enables invoicing of sales over time or to a contract term, based on defined schedules. See the help topic Project Billing.</td>
</tr>
<tr>
<td>Credit Card Payments</td>
<td>Enables receipt of customer credit card payments. See the help topic Customer Credit Card Processing Enabling both this feature and Customer Access creates the system-generated Unapproved Customer Payments account.</td>
</tr>
<tr>
<td>PayPal Integration</td>
<td>Enables receipt of PayPal payments from Web store customers. See the help topic PayPal Integration and Express Checkout.</td>
</tr>
<tr>
<td>Electronic Funds Transfer</td>
<td>Enables customer authorization of electronic funds transfers from their accounts to yours. See the help topic Electronic Funds Transfer (EFT). Enabling this feature creates the system-generated Failed ACH Transactions account.</td>
</tr>
<tr>
<td>ACH Vendor Payments</td>
<td>Enables authorization of electronic funds transfers from your accounts to vendors’ accounts. See the help topic ACH Vendor Payments.</td>
</tr>
</tbody>
</table>
Employees

The following accounting-related features are available on the Employees subtab of the Enable Features page.

Several of these features create system-generated accounts when enabled. These accounts are included in the descriptions. For a complete listing of system-generated accounts, see Feature-Specific, System-Generated Accounts.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>Enables processing of payroll and printing of paychecks. See the help topic <strong>Payroll Setup</strong>. Enabling this feature creates the system-generated Payroll Adjustments account.</td>
</tr>
<tr>
<td>Paycheck Journal</td>
<td>Enables integration with external payroll systems, the creation of custom payroll solutions with SuiteScript and SOAP web services, and tracking employees' payroll data through NetSuite. See the help topic <strong>Using the Paycheck Journal Feature</strong>.</td>
</tr>
<tr>
<td>Direct Deposit</td>
<td>Enables authorization of electronic funds transfers from your accounts to employees' accounts. See the help topic <strong>About Direct Deposit</strong>. Enabling this feature creates the system-generated Failed ACH Transactions account.</td>
</tr>
<tr>
<td>Expense Reports</td>
<td>Enables tracking and billing of employee expenses. See the help topic <strong>Expense Reporting</strong>. Enabling this feature creates the system-generated Unapproved Expense Reports, Advances Paid, and Accounts Payable accounts.</td>
</tr>
<tr>
<td>Purchase Requests</td>
<td>Enables use of purchase requests to provide approval process for purchase orders. See the help topic <strong>Purchase Requests</strong>.</td>
</tr>
<tr>
<td>Employee Commissions</td>
<td>Enables the automation of employee compensation processes. See the help topic <strong>Commissions</strong>. Enabling this feature creates the system-generated Commissions Payable account.</td>
</tr>
</tbody>
</table>

Accounting Preferences

NetSuite provides many accounting preferences that determine the flow of the accounting management user interface in your account. Preferences can be set at Setup > Accounting > Accounting Preferences, by a user who has the Set Up Accounting permission. These preferences should be defined when your account is first set up. You can change most of them at any time.

The accounting preferences that can be set depend upon the NetSuite product purchased and the features enabled for your account.

The following sections describe accounting preferences, grouped by the subtabs of the Accounting Preferences page where they are displayed:

- General Accounting Preferences
- Items/Transactions Accounting Preferences
- Order Management Accounting Preferences
- Projects Accounting Preferences
- Time & Expenses Accounting Preferences
- Approval Routing Accounting Preferences
- Balancing Segments Preferences
Important: Click the Audit Trail link in this page header to review a list of changes to accounting preferences including the users who made the changes, dates of the changes, and preference values before and after changes. This list includes preferences that have been reset through scripting. See the help topic Auditing Account Preferences. Changes made to accounting preferences are captured in system notes. See the help topic Searching System Notes.

Invoicing, Inventory, and Finance Charge preferences also are available from additional menu options at Setup > Accounting. See the help topics Global Invoicing Preferences and Inventory Management Preferences.

General Accounting Preferences

The following types of preferences are available on the General subtab of the Accounting Preferences page:

- General Ledger
- Accounts Receivable
- Accounts Payable
- Classifications
- Revenue Recognition
- Classic Revenue Recognition Only
- Advanced Revenue Management Only
- Amortization
- OneWorld
- Budget
- Exchange Rate Integration

General Ledger

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Account Numbers</td>
<td>Choose to see both account numbers and names for general ledger accounts in lists, your chart of accounts, and most financial reports. Clearing this box gives you shorter fields on reports and forms.</td>
</tr>
<tr>
<td>Use Legal Name in Account</td>
<td>Check this box to add the Legal Name field to the general ledger account record. This field is useful in countries where the legal name of an entity is required by law.</td>
</tr>
<tr>
<td></td>
<td>When this preference is enabled, the Legal Name field can be added to financial reports where account is an available component. It is also available in advanced searches, SuiteScript, SOAP web services, CSV import, and ODBC. If you clear the Use Legal Name in Account box after using the Legal Name field, the field is no longer available through the user interface, SuiteScript, SOAP web services, CSV import, or ODBC. However, system notes maintains an audit trail specific to the activity on the Legal Name field.</td>
</tr>
<tr>
<td></td>
<td>This box is clear by default.</td>
</tr>
<tr>
<td>Show All Transaction Types In Reconciliation</td>
<td>Check this box to display all transactions in the reconciliation pages, including positive or negative amounts of certain transaction types.</td>
</tr>
<tr>
<td></td>
<td>When this preference is enabled, the Reconcile Bank Statement and Reconcile Credit Card Statement pages display:</td>
</tr>
<tr>
<td></td>
<td>▪ Negative amount transactions that are a Check, Credit Card Refund, Bank Transfer, Cash Sale, or Bill Credit</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td>Positive amount transactions that are a Deposit, Credit Card Charge, Bank Transfer, Liability Payment, Bill Payment, Sales Tax Payment, or Expense Report</td>
<td></td>
</tr>
</tbody>
</table>

**Important:** To reconcile Custom transactions, check the Show All Transaction Types In Reconciliation box.

**Expand Account Lists**

Choose your setting for account lists.

- Clear this box to restrict lists to frequently use accounts. For example, income and expense accounts can be chosen on items to be resold, or expense accounts can be chosen on purchases.

**Important:** To ensure that non-inventory data appears correctly in reports and registers, best practice is to associate non-inventory items with Income/Other Income accounts.

- Check this box to enable additional choices in account lists. For example, select Cost of Goods Sold and balance sheet accounts for items, or asset accounts for vendors.

**Cash Basis Reporting**

Check this box to set standard reports to be on a cash basis rather than accrual basis, for all reports that support this choice. This setting also determines the default for custom reports created from standard reports that support cash basis. You can modify this setting for an individual custom report by setting the Cash Basis option on the More Options page of the Report Builder or Financial Report Builder. For more information, including a list of reports where Cash Basis Reporting is available, see the help topic Setting Up Cash Basis Reporting.

**Aging Reports Use**

Click Due Date to age by the due date assigned for bills and invoices. Click Transaction Date to age by the date of the bill or invoice.

**Void Transactions Using Reversing Journals**

Enable this preference to create a reversing journal entry that voids checks and transactions on days or periods different from the original transaction date. When enabled, clicking the Void button on transactions creates a reversing journal entry.

**Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period**

When the Void Transactions Using Reversing Journals accounting preference is enabled, this accounting preference is available. Check this box to require NetSuite to use the date specified in a reversing foreign currency gain and loss variances on voided transactions. If this box is not checked, NetSuite uses the current date for variance and reversal lines, rather than the date of the reversing journal entry.

**Use Journal Entry Summarization on Intercompany Elimination**

This box is checked by default. When checked, similar elimination journal entries are grouped into a single, summarized journal entry. For information, see the help topic Summarized Intercompany Elimination Journal Entries.

You can clear the box at any time to prevent NetSuite from grouping similar elimination journal entries.

**Require Approvals on Journal Entries**

Choose to require approval of journal entries entered by employees before they post to your general ledger. Employees with approval permission can mark their journal entries approved when entering them.

**Note:** If you edit a sales order when using a role with permission to approve sales orders, a sales order status is not set to the Pending Approval status.

If you have enabled the Journal Entries approval routing preference and are using SuiteFlow for journal approval, this field does not display.

**Allow User Events on Bulk Journal Approval**

Choose to execute user events such as SuiteScript and SuiteFlow (Workflow) after bulk journal approval.
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow GL Custom Segment Deletion</td>
<td>Allow users with the Setup Accounting permission to delete custom segments. By default, this preference is not enabled. If this preference is not enabled, custom segments cannot be deleted, but they can be inactivated.</td>
</tr>
<tr>
<td>Enable Accounting Period Window</td>
<td>Automatically maintain a minimum number of unlocked current and future accounting periods. By default, this preference is not enabled. Use the Minimum Period Window Size preference to set the number of unlocked periods for the window. Enabling this feature also sets the Allow Transaction Date Outside of Posting Period preference to Disallow. You can reset the preference manually to Warn or Allow.</td>
</tr>
<tr>
<td>Minimum Period Window Size</td>
<td>Set the number of unlocked current and future accounting periods for the accounting period window. The window size must be at least 1, and the maximum is 1,000. NetSuite checks daily to verify that at least this number of current and future accounting periods are unlocked and automatically unlocks the next future period as needed. The query runs daily at 11 PM Auckland, New Zealand time zone (GMT +12).</td>
</tr>
<tr>
<td>Allow Transaction Date Outside of Posting Period</td>
<td>Set a preference for handling mismatched transaction entry. Select one of the following:  ■ <strong>Disallow</strong> – When you choose this setting, users are not permitted to save a transaction unless the transaction date is within the date range for the posting period selected.  ■ <strong>Warn</strong> – When you choose this setting, users are warned when a transaction date is not within the date range for the posting period selected. Users can click Ok on the warning and save the transaction.  ■ <strong>Allow</strong> – When you choose this setting, users can enter a transaction even if the date is not within the date range for the posting period selected. No warning is given to the user before the transaction is saved.</td>
</tr>
<tr>
<td>GL Audit Numbering Method</td>
<td>Choose when the GL Audit Numbering task is available to be processed as part of closing a period. The GL Audit Numbering task can be performed only in the last month of the fiscal year, period, or quarter. When you run a GL audit numbering sequence by quarter or year, transactions in closed periods are also numbered. Note: The GL Audit Numbering Method field is visible only when the GL Audit Numbering feature is enabled. You can enable GL Audit Numbering at Setup &gt; Company &gt; Enable Features &gt; Accounting under Basic Features. The Accounting Periods feature is a requirement for using the GL Audit Numbering feature.</td>
</tr>
<tr>
<td>Default Posting Period When Transaction Date in Closed Period</td>
<td>Choose the period in which the system should post a backdated transaction from a closed period.  ■ <strong>Current Period</strong> – When you choose this setting, backdated transactions from a closed accounting period are posted to the current period. This setting is the default.  ■ <strong>First Open Period</strong> – When you choose this setting, backdated transactions from a closed accounting period are posted to the first open accounting period.</td>
</tr>
<tr>
<td>Create and Edit Inventory Transactions Dated in Closed Periods</td>
<td>Clear this box to prevent changes to transactions that would result in inventory costing calculations in closed periods. Changes are not allowed in closed periods for new transactions or changes in fields that trigger inventory costing calculations for an item, even without posting to the general ledger.</td>
</tr>
</tbody>
</table>

**General Accounting**
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check this box to allow changes in closed</td>
<td>Check this box to allow changes in closed periods for new transactions or changes in fields that trigger inventory costing calculations for an item.</td>
</tr>
<tr>
<td>Note:</td>
<td>When this preference is enabled in NetSuite OneWorld, this global preference affects all subsidiaries.</td>
</tr>
<tr>
<td>Note:</td>
<td>Even if you enable the preference and allow editing and creation transactions dated in a closed period, you may still see the following error that</td>
</tr>
<tr>
<td>Note:</td>
<td>requires you to enter posting changes to an open period:</td>
</tr>
<tr>
<td>Note:</td>
<td>“The transaction date is not within an open accounting period. One or more fields on this transaction can trigger inventory costing calculations in a closed</td>
</tr>
<tr>
<td>Note:</td>
<td>period. Click OK, and then do one of the following:</td>
</tr>
<tr>
<td>Note:</td>
<td>Change the transaction date to a date within an open accounting period if this is a new transaction.</td>
</tr>
<tr>
<td>Note:</td>
<td>Cancel the edits that affect the general ledger if you are editing a previously entered transaction.”</td>
</tr>
<tr>
<td>Allow Inventory Transactions Dated</td>
<td>To ensure your employees adhere to required accounting practices, choose whether to allow setting a transaction date that is outside the posting period.</td>
</tr>
<tr>
<td>Transactions Outside the Posting Period</td>
<td>Check this box to allow dating a transaction outside the posting period.</td>
</tr>
<tr>
<td>Allow Quick Close of Accounting Periods</td>
<td>Clear this box to prevent dating a transaction outside the posting period.</td>
</tr>
<tr>
<td>Check this box to use the Quick Close</td>
<td>Check this box to use the Quick Close feature. With one click, this feature enables you to mark complete, each task in the period close checklist for one</td>
</tr>
<tr>
<td>Use Consolidation with Period End Journal</td>
<td>or more open accounting periods.</td>
</tr>
<tr>
<td>Entries</td>
<td>Important: You must have both the Set Up Accounting and Period Closing Management permissions to check this box. You must have the Period Closing Management permissions to see this box.</td>
</tr>
<tr>
<td>Check this box to create consolidation</td>
<td>Check this box to create consolidation journals each period for each parent subsidiary that has the Period End Journal Entries feature enabled.</td>
</tr>
<tr>
<td>Use Consolidation with Period End Journal</td>
<td>If you use multi-book accounting, this preference applies only to subsidiaries in the primary accounting book. The Enable Consolidation option on the accounting book record controls whether consolidation journals are created for secondary accounting books.</td>
</tr>
<tr>
<td>Statements</td>
<td>Choose to view only open transactions when you view or print statements.</td>
</tr>
</tbody>
</table>

### Accounts Receivable

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accept Payments Through Top-Level</td>
<td>Check this box if you want to apply payments, deposits, and credit only the through the top level customer in a customer-subcustomer hierarchy. Leave this box clear if you want to be able to apply payments, deposits, and credits to any open invoice entered for any customer or subcustomer in a customer hierarchy.</td>
</tr>
<tr>
<td>Customer Only</td>
<td>This preference is available only if you have enabled the Consolidated Payments feature.</td>
</tr>
<tr>
<td>Show Only Open Transactions on Statements</td>
<td>Choose to view only open transactions when you view or print statements.</td>
</tr>
</tbody>
</table>
### Account Balance Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Credit Limit</td>
<td>Select your preferred handling method when a customer exceeds their allowed credit limit:</td>
</tr>
<tr>
<td>Handling</td>
<td>- <strong>Ignore</strong> – Select this method to enter sales orders and invoices without a warning for a customer at or above their credit limit.</td>
</tr>
<tr>
<td></td>
<td>- <strong>Warn Only</strong> – Select this method to generate a warning when a sales order or invoice is entered that puts the customer at or above their credit limit. You can choose to enter or cancel the transaction after the warning has appeared.</td>
</tr>
<tr>
<td></td>
<td>- <strong>Enforce Holds</strong> – Select this method to block the entry of a sales order or invoice that puts the customer at or above their credit limit. This method also blocks the addition of items to existing orders for customers at or above their credit limit.</td>
</tr>
</tbody>
</table>

**Note:** This preference does not affect the entry of opportunities, estimates, or cash sales. The setting you choose applies to all employees unless you enable an override that permits individuals to set their own preference. To do so, an administrator must allow an override of the company setting at Setup > Company > General Preferences.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Transactions on</td>
<td>Select your preferred handling method when you generate statements:</td>
</tr>
<tr>
<td>Statements</td>
<td>- <strong>Open Transactions by Today</strong> – If you generate statements and check the Show Only Open Transactions box, only invoices with payment dates after the current date are included.</td>
</tr>
<tr>
<td></td>
<td>- <strong>Open Transactions by Statement Date</strong> – If you generate statements and check the Show Only Open Transactions box, only transactions open by the statement date are included. The balance shown is as of the statement date.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Credit Limit</td>
<td>Clear this box to include only billed orders when you make credit limit calculations. Check this box to include orders that are entered but not yet billed when you make credit limit calculations. This ensures that customers do not place orders over their credit limit.</td>
</tr>
</tbody>
</table>

**Note:** Unbilled orders are included whether or not they are approved. Closed and canceled orders are not included in these calculations.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days Overdue for Warning/Hold</td>
<td>Set this preference to manage customers that are delinquent in making payments. Define a grace period after the due date of invoices, after which, customers are unable to place new orders on terms until they have paid their overdue invoices.</td>
</tr>
<tr>
<td></td>
<td>In this field, enter the number of days overdue at which you want to generate a warning.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include Tax for Term</td>
<td>Check this box to include taxes for term discount calculations. (See example below.)</td>
</tr>
<tr>
<td>Discounts</td>
<td>For example, an invoice has terms of 1% Discount Net 30. If a customer pays within 30 days, they receive a 1% discount.</td>
</tr>
<tr>
<td></td>
<td>- Total amount for items sold = $1,000</td>
</tr>
<tr>
<td></td>
<td>- Tax = 10% ($100)</td>
</tr>
<tr>
<td></td>
<td>- Shipping = $100</td>
</tr>
<tr>
<td></td>
<td>If the Include Tax for Term Discounts preference is on, the discount is 1% * $1,100.</td>
</tr>
<tr>
<td></td>
<td>If the Include Shipping for Term Discounts preference is on, the discount is 1% * $1,100.</td>
</tr>
<tr>
<td></td>
<td>If both preferences are <strong>on</strong> (Include Tax for Term Discounts and Include Shipping for Term Discounts), the discount is 1% * $1,200.</td>
</tr>
<tr>
<td></td>
<td>If both preferences are <strong>off</strong> (Include Tax for Term Discounts and Include Shipping for Term Discounts), the discount is 1% * $1,000.</td>
</tr>
</tbody>
</table>
### Field Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include Shipping for Term Discounts</td>
<td>Check this box to include shipping charges for term discount calculations.</td>
</tr>
</tbody>
</table>

### Accounts Payable

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Vendor Payments To Be Printed</td>
<td>Enable this preference to be able to check the Be Printed box by default when processing bill payments.</td>
</tr>
<tr>
<td>Vendor Credit Limit Warnings</td>
<td>Check this box to receive a warning when you exceed the credit limit for a vendor. The setting you choose applies to all employees unless you enable an override that permits individuals to set their own preference. To do so, an administrator must allow an override of the company setting at Setup &gt; Company &gt; General Preferences.</td>
</tr>
<tr>
<td>Vendor Credit Limit Includes Orders</td>
<td>Clear this box to include only billed orders when you make vendor credit limit calculations. Check this box to include purchase orders that are entered but not yet billed when you make vendor credit limit calculations. This ensures that vendors do not have new orders entered over their credit limit. Unbilled orders are included whether or not they are approved. Closed and canceled orders are not included in these calculations.</td>
</tr>
<tr>
<td>Vendor Prepayment Account</td>
<td>Defines the account selected by default when entering a new vendor prepayment transaction. You can configure the vendor prepayment account at the company level, or at the subsidiary level when using NetSuite OneWorld. For information on setting up the vendor prepayment account, see the help topic Configuring a Default Vendor Prepayment Account.</td>
</tr>
<tr>
<td>Auto-Apply Vendor Prepayments</td>
<td>Check this box to automatically apply vendor prepayments to your bills. Using this preference, you do not need to manually apply vendor prepayments to bills. The Auto-Apply preference enters the vendor prepayment applications automatically in the background. For more information on the Auto-Apply accounting preference, see the help topic Configuring Vendor Prepayments with Auto-Apply.</td>
</tr>
</tbody>
</table>

### Classifications

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make Departments Mandatory</td>
<td>Check this box to make the Department field required on records and transactions. <strong>Note:</strong> If this box is checked and the field is not mandatory, update or create a custom form and specify on the form that the field is mandatory.</td>
</tr>
<tr>
<td>Make Classes Mandatory</td>
<td>Check this box to make the Class field required on records and transactions.</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Make Locations Mandatory</td>
<td>Check this box to make the Location field required on records and transactions. Note: If this box is checked and the field is not mandatory, update or create a custom form and specify on the form that the field is mandatory.</td>
</tr>
<tr>
<td>Allow Per-Line Departments (Divisions)</td>
<td>If you enable the preference to make locations mandatory and use a custom form to display a location at both the header and line level, the selection is mandatory at both the header and line level.</td>
</tr>
<tr>
<td>Allow Per-Line Classes (Sales Channels)</td>
<td>Clear this box to select a class in the header of a transaction. When this preference is disabled, the class chosen in the header applies to all line items on the transaction.</td>
</tr>
<tr>
<td>Allow Per-Line Locations (Warehouses)</td>
<td>Clear this box to select a location in the header of a transaction. When this preference is disabled, the location chosen in the header applies to all line items on the transaction.</td>
</tr>
<tr>
<td>Always Allow Per-line Classifications on Journals</td>
<td>Check this box to enter line-item classes, departments, and locations on journal entries. For only journal entries, this preference overrides any other Allow Per Line Class/Dept/Location preferences you have set.</td>
</tr>
</tbody>
</table>

Note: If you use the Multi-Location Inventory feature, this preference is automatically enabled and does not display as an option on the Accounting Preferences page.
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow Non-balancing Classifications on Journal Entries</td>
<td>Check this box to prevent NetSuite from requiring journal entries to balance by department, class, or location. Clear this box to require that journal entries must always balance.</td>
</tr>
<tr>
<td>Allow Empty Classifications on Journals</td>
<td>Check this box if you want journal entries to override any other preferences set for mandatory classes, departments, and locations. You can then create a journal entry that has line-items without classes, departments, and locations, even if you require them on other forms.</td>
</tr>
</tbody>
</table>

**Important:** If you have enabled the **Intercompany Time and Expense** feature to allow intercompany time and expense transactions, and you have made classes, departments, or locations mandatory, best practice is to enable the **Allow Empty Classifications on Journal** preference. For more information, see Enabling Intercompany Time and Expenses.

---

### Revenue Recognition

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create Revenue Recognition Journals in GL</td>
<td>Provides a choice for posting revenue recognition journal entries:</td>
</tr>
<tr>
<td>▪ <strong>Detail</strong> – A separate journal entry is created for each revenue recognition schedule.</td>
<td></td>
</tr>
<tr>
<td>▪ <strong>Summary</strong> – Revenue recognition schedules are summarized for posting. The summaries are based on matching attributes. For details, see the help topic Using Summarized Revenue Recognition Journal Entries.</td>
<td></td>
</tr>
</tbody>
</table>

When you use advanced revenue management, reclassification journal entries can also be summarized. For details, see the help topic Summarized Reclassification Journal Entries.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Revenue Recognition Journal Date to Open</td>
<td>Choose to set the default transaction date of revenue recognition journal entries when you open the Create Revenue Recognition Journal Entries page. Select one of the following:</td>
</tr>
<tr>
<td>▪ <strong>Last Day of Period</strong> – The date defaults to the last day of the period you select in the Posting period field.</td>
<td></td>
</tr>
<tr>
<td>▪ <strong>Current Date</strong> – The date defaults to the current date.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Deferred Revenue Reclassification Account</td>
<td>Select the deferred revenue account to use by default for revenue reclassification between deferred revenue and unbilled receivable accounts. NetSuite requires a default account to avoid errors in the month-end reclassification process.</td>
</tr>
</tbody>
</table>

When the Advanced Revenue Management feature is enabled, this preference is not required if the Unbilled Receivable Adjustment Journal Grouping preference is set to Element.

You can also set a reclassification account in the Financial subtab of the customer record. The account set on the customer record overrides the system default.

When you use the Revenue Commitment feature, you can also set the reclassification account on sales orders.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use System Percentage of Completion for Schedules</td>
<td>Check this box to calculate project completion automatically, based on approved time logged against the project. If you clear this box, you must enter the percentage of project completion manually on project records for revenue and expense recognition.</td>
</tr>
</tbody>
</table>

**Revenue Recognition** and **Amortization**: To override automatic calculation, enter a value in the **Rev Rec Override Percent Complete** field on the Financial subtab of the
### Accounting Preferences

#### Field

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>project. Use this same field to enter the percent complete when the preference is not checked.</td>
<td><strong>Advanced Revenue Management ignores this preference except when you use Project Revenue Rules.</strong> Percent complete is automatically calculated based on approved time logged against the project. If you use Project Revenue Rules, you must check this box to calculate percent complete automatically.</td>
</tr>
<tr>
<td><strong>Advanced Revenue Management:</strong> To bypass automatic calculation, enter values for Period and Cumulative Percent Complete in the Percent Complete Override subtab on the Financial subtab of the project. Use the same subtab to enter the percent complete for Project Revenue Rules when the preference is not checked.</td>
<td><strong>Classic Revenue Recognition Only</strong></td>
</tr>
</tbody>
</table>

#### Classic Revenue Recognition Only

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Foreign Currency Adjustment Revenue Account</td>
<td>The default revenue account to post foreign currency adjustments that result when exchange rates are different for billing and revenue postings. You must select an income account.</td>
</tr>
<tr>
<td>This account appears on customer records and on sales orders for the customer. You can override this default on the customer record or on a sales order.</td>
<td><strong>Allow Users to Modify Revenue Recognition Schedule</strong></td>
</tr>
<tr>
<td>Enable this preference to allow changes to be made to existing revenue recognition schedules. You can change the revenue recognition amount on a schedule only by changing the schedule to generate the new amount. The schedule amount must always equal the line amount. Only amounts that have not yet been recognized can be changed.</td>
<td>To prevent revenue recognition schedules from being changed after they are created, disable this preference.</td>
</tr>
<tr>
<td><strong>Allow Users to Modify VSOE Values on Transactions</strong></td>
<td>Check this box to permit changes to VSOE prices on sales transactions. Only amounts that have not yet been recognized can be changed. Also, the delivery status of an item can be changed until the item’s revenue is recognized, regardless of this preference.</td>
</tr>
<tr>
<td><strong>Prorate Revenue Recognition Dates For Partially Billed Sales Orders</strong></td>
<td>This preference applies only to revenue recognition schedules that have Rev Rec Date Specified on Sales Order as the Term Source. The preference affects only the revenue recognition start and end dates for the invoices. Amounts and periods on the revenue recognition schedules are not affected.</td>
</tr>
<tr>
<td>When the box is checked, the revenue recognition start and end dates for invoices divide the period established by the sales order revenue recognition start and end dates proportionally for each partial invoice. This is the default.</td>
<td>When the box is cleared, the revenue recognition start and end dates for each invoice are the same as the start and end dates on the sales order.</td>
</tr>
<tr>
<td><strong>Adv. Billing: Use Sales Order Amount</strong></td>
<td>Set this preference to determine the source of the revenue amount when billing schedules and variable revenue recognition schedules are used.</td>
</tr>
<tr>
<td>- Check this box to recognize revenue based on the percent complete in relation to the sales order. For example, if the sales order amount is $1,000, the invoice amount is $500 and the project is 50% complete, then 50% of the sales order amount is recognized ($500).</td>
<td>- Clear this box to recognize revenue based on the invoice amount. For example, if the sales order amount is $1,000, the invoice amount is $500 and the project is 50% complete, then 50% of the invoice amount is recognized ($250).</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Allow Revenue Commitments in Advance of Fulfillment</td>
<td>Check this box to permit the full recognition of revenue with revenue commitments before the completed delivery of products or services on the sales order. This preference provides similar capability to the Invoice in Advance of Fulfillment preference, see Invoicing on the Order Management tab. Clearing the check box for this preference restricts revenue recognition with a revenue commitment to the fulfilled items on a sales order.</td>
</tr>
<tr>
<td>Allow Revenue Commitment Reversals In Advance of Item Receipt</td>
<td>Check this box to permit the full reversal of revenue previously recognized on a revenue commitment, before the receipt of products on the return authorization and their return to inventory. This preference provides similar capability to the Refund in Advance of Return preference, see Returns on the Order Management tab. Clearing the box for this preference restricts the reversal of revenue previously recognized on a revenue commitment, to the items received against a return authorization and returned to inventory.</td>
</tr>
</tbody>
</table>

### Advanced Revenue Management Only

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Arrangement Update Frequency</td>
<td>Select how revenue arrangements are synchronized with sales transactions.</td>
</tr>
<tr>
<td></td>
<td>▪ When the Manual option is selected, go to Financial &gt; Other Transactions &gt; Update Revenue Arrangements and Revenue Recognition Plans, and click Update Revenue Arrangements to update revenue arrangements. For additional information, see the help topic Updating Revenue Arrangements.</td>
</tr>
<tr>
<td></td>
<td>▪ When you select Automatic, the system updates revenue arrangements every 3 hours.</td>
</tr>
<tr>
<td>Revenue Plan Update Frequency</td>
<td>Select how revenue recognition plans are synchronized with revenue arrangements.</td>
</tr>
<tr>
<td></td>
<td>▪ When the Manual option is selected, you must click Update Revenue Plans on the revenue arrangement record or go to Financial &gt; Other Transactions &gt; Update Revenue Arrangements and Revenue Recognition Plans, and click Update Revenue Plans to update multiple revenue recognition plans. For additional information, see the help topic Updating Revenue Recognition Plans. In NetSuite OneWorld, the subsidiary access of the logged in user determines which revenue elements have their plans updated.</td>
</tr>
<tr>
<td></td>
<td>▪ When you select Automatic, the system updates revenue plans every 3 hours.</td>
</tr>
<tr>
<td></td>
<td>When revenue recognition plans are updated automatically, administrator permissions are used and all plans are updated regardless of subsidiary restrictions in NetSuite OneWorld.</td>
</tr>
<tr>
<td>Allow Gaps in Revenue Recognition Record Numbers</td>
<td>Check the box to permit gaps in record numbering for revenue elements and revenue recognition plans. Allowing gaps streamlines the process when executing large numbers of records. The box is automatically checked for new NetSuite implementations. If you clear the box, gaps in the record numbers occur only when revenue elements or revenue recognition plans are deleted.</td>
</tr>
<tr>
<td>Default Revenue Arrangement Form</td>
<td>Select the system form to use for revenue arrangements. The options are Standard Revenue Arrangement plus any custom forms created during implementation.</td>
</tr>
<tr>
<td>Default Revenue Recognition Journal Entry Form</td>
<td>Select the journal entry form to use for revenue recognition journal entries. The options are Standard Journal Entry plus any custom journal entry forms created during implementation. If you use workflows for journal entry approval routing, create a custom form for your system-generated revenue recognition journal entries and exclude it from your workflows. Then select that custom form as the value for this preference.</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Default Reclassification Journal Entry Form</td>
<td>Select the journal entry form to use for deferred revenue reclassification journal entries. The options are Standard Journal Entry plus any custom journal entry forms created during implementation. If you use workflows for journal entry approval routing, create a custom form for your system-generated reclassification journal entries and exclude it from your workflows. Then select that custom form as the value for this preference.</td>
</tr>
<tr>
<td>Default Deferred Cost Journal Entry Form</td>
<td>Select the journal entry form to use for the deferred cost journal entry. The options are the Standard Journal Entry plus any custom journal entry forms created during implementation. If you use workflows for journal entry approval routing, create a custom form for this system-generated journal entry and exclude it from your workflows. Then select that custom form as the value for this preference.</td>
</tr>
<tr>
<td>Default Standard Revenue Recognition Rule</td>
<td>Select the revenue recognition rule to use by default for items.</td>
</tr>
</tbody>
</table>
| Default Catch Up Period                  | Select the catch up period to use by default when an actual revenue plan that has been on hold resumes. The options are as follows:  
  - **Blank** – You must set the *Catch Up Period* on the revenue plan.  
  - **Current Period** – This is the default.  
  - **First Open Period** – The accounts receivable lock determines whether a period is closed.                                                                                                                                                                                                                                                                                                                                                                               |
| Default Reforecast Method                | Select the Reforecast Method to use by default for revenue forecast rules. If you select Manual, the Recalculation Adjustment Period Offset field is required on revenue forecast rules unless you select a different option when you create the rule. For information about the Recalculation Adjustment Period Offset field, see the help topic *Reforecast Method*.                                                                                                                                                                                                                     |
| Enable Fair Value Range Checking        | Check this box to add the Fair Value Range Checking Policy dropdown list and its dependent fields to the fair value price record. The Fair Value Range Checking Policy is also added to the item revenue category record. This preference is checked by default. For more information, see the help topic *Creating the Fair Value Price List*.                                                                                                                                                                                                 |
| Use Sales Price as Fair Value            | When this box is checked, if a matching record is not found in the fair value price list, the allocation uses the sales price as the fair value. When the sales price is used as the fair value, the value of Is VSOE defaults to Yes in the revenue element. If the box is not checked, you receive an error message and must either define the fair value for the item or check the box for this preference.                                                                                     |
| Use Transaction Date as Revenue Arrangement Date | Check this box to use the source transaction date as the date for the revenue arrangement. When a project is attached to a source line item, the source transaction date is used, not the project date. If the source date is updated after the revenue arrangement is created, the revenue arrangement date does not change. The following source transactions are supported for this preference:  
  - Sales order  
  - Return authorization  
  - Sales invoice  
  - Credit memo  
  - Cash sale  
  - Cash refund  
  - Journal entry  
  - Intercompany journal entry |
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Subscription Billing Date as Revenue Arrangement Date</td>
<td>Check this box to use the Start Date in the subscription record header as the date for the revenue arrangement. If the subscription date is updated after the revenue arrangement is created, the revenue arrangement date does not change. Clear this box to use the system date when the revenue arrangement is created as the revenue arrangement date. This box is clear by default. This preference is available only when the SuiteBilling feature is also enabled.</td>
</tr>
<tr>
<td>Use Project Date as Revenue Arrangement Date</td>
<td>Check this box to use the source project date as the date for the revenue arrangement. This date is the Start Date in the Project Dates section of the project record. If the project date is updated after the revenue arrangement is created, the revenue arrangement date does not change. This preference applies to project revenue recognition configured for charge-based project billing, not to projects attached to transaction line items. For more information, see the help topic Project Revenue Recognition. Clear this box to use the system date when the revenue arrangement is created as the revenue arrangement date. This box is clear by default. This preference is available only when the Project Management feature is also enabled.</td>
</tr>
<tr>
<td>Require Invoice Approval When Revenue Plans Are Created on Billing</td>
<td>Check this box if you use invoice approval routing and do not want revenue recognition plans to be created unless the invoice is approved. Clear the box if you want plans to be created when the invoice is created, regardless of the invoice approval status. When you save your accounting preferences after turning this preference on or off, the evaluation and any revenue plan updates occur in the background. If you have a high number of unapproved invoices when you change the preference, the processing could be slow.</td>
</tr>
</tbody>
</table>
| Unbilled Receivable Adjustment Journal Grouping | Select the grouping for reclassification of unbilled receivables. The options are as follows:  
  - **Element** – The unbilled receivable adjustment is calculated for each revenue element. This is the default.  
  - **Arrangement** – The unbilled receivable adjustment is calculated for the revenue arrangement as a whole. Arrangement level adjustments to deferred revenue are posted to the deferred revenue account specified by the accounting preference Default Deferred Revenue Reclassification Account.  
  - **Sub-Arrangement Group** – The unbilled receivable adjustment is calculated for a group of revenue elements in an arrangement. The group is identified by the value of the Unbilled Receivable Group field on the revenue element. Revenue elements within the arrangement that have the same unbilled receivable group value are calculated together.  
  For details, see the help topic Groupings for Unbilled Receivable Adjustment Journal Entries. This preference is book specific. When multi-book accounting is enabled, the preference appears on the accounting book record. |
| Unbilled Contract Asset Account | Select the account to use for the unbilled receivable adjustment during reclassification. The default is the system unbilled receivable account. You may select any account with an account type of other asset or other current asset. |
| Enable Contingent Revenue Handling | Check this box to enable contingent revenue handling. When enabled, fields are added to item records and revenue elements for contingent revenue. For more information, see the help topic Contingent Revenue Handling. |
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create and Maintain Revenue Element upon Closed Order</td>
<td>This preference is checked by default. When you close a sales order or a line on an order after the revenue element has been created, NetSuite does not update the revenue element. You must create a journal entry to correct the deferred revenue. Clear this box to enable revenue element updates for closed sales orders. In multi-element arrangements, the revenue is reallocated as necessary with the update.</td>
</tr>
<tr>
<td>Number of Short-Term Revenue Periods</td>
<td>Enter the number of short-term revenue periods to include in the Deferred Revenue Waterfall report. Integers from 0 through 52 inclusive are valid values. The default is 12. Adjustment periods are included in the period count.</td>
</tr>
<tr>
<td>Enable Advanced Cost Amortization</td>
<td>Check this box to enable the accrual and amortization of eligible sales costs associated with the contract. When the box is checked, you record eligible sales costs on the revenue arrangement and revenue elements. Amortization of these costs is tracked on the revenue recognition plan. For more information, see the help topic Advanced Cost Amortization.</td>
</tr>
<tr>
<td>Contract Acquisition Expense Account</td>
<td>This list is available only when the Enable Advanced Cost Amortization box is checked. Select the account to use for the default contract acquisition expense in revenue arrangements.</td>
</tr>
<tr>
<td>Contract Acquisition Deferred Expense Account</td>
<td>This list is available only when the Enable Advanced Cost Amortization box is checked. Select the account to use for the default contract acquisition deferred expense in revenue arrangements.</td>
</tr>
<tr>
<td>Contract Acquisition Expense Source Account</td>
<td>This list is available only when the Enable Advanced Cost Amortization box is checked. Select the account to use for the default contract acquisition expense source in revenue arrangements. When a value for this account appears in a revenue arrangement, the deferred cost journal entry credits this account instead of the Contract Acquisition Expense Account.</td>
</tr>
</tbody>
</table>

### Amortization

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow Users to Modify Amortization Schedule</td>
<td>Check this box to be able to change the amortization schedule after it is initially created. The schedule amount must always equal the line amount. <strong>Note:</strong> The schedule amount must always equal the line amount.</td>
</tr>
<tr>
<td>Allow Foreign Currency Amortization Schedules</td>
<td>(Available only in NetSuite U.K. editions) Check this box to be able to create amortization schedules using the foreign currency amounts instead of base currency amounts. For information about foreign currency amortization, see the help topic Foreign Currency Amortization Overview.</td>
</tr>
</tbody>
</table>
| Default Amortization Journal Date to | Select the default transaction date of amortization journal entries when you open the Create Amortization Journal Entries page. The options are as follows:  
- **Last Day of Period** – The date defaults to the last day of the period you select in the Posting period field.  
- **Current Date** – The date defaults to the current date. |
## Accounting Preferences

### Default Amortization Journal Entry Form
Select the journal entry form to use for amortization journal entries. The options are Standard Journal Entry plus any custom journal entry forms created during implementation.

### Number of Short-Term Expense Periods
Enter the number of short-term expense periods to include in the Deferred Expense Waterfall report. Integers from 0 through 52 inclusive are valid values. The default is 12.

## OneWorld

The following preferences are available when the Intercompany Time and Expense feature is enabled:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercompany Time</td>
<td>Can be set to <strong>Allow</strong> (default) to permit time transactions where the employee and customer have different subsidiaries. Can be set to <strong>Disallow</strong> to prohibit these transactions.</td>
</tr>
<tr>
<td>Intercompany Expenses</td>
<td>Can be set to <strong>Allow</strong> (default) to permit expenses transactions where the employee and customer have different subsidiaries. Can be set to <strong>Disallow</strong> to prohibit these transactions. Can be set to <strong>Allow and Adjust</strong> to enable automated intercompany adjustments.</td>
</tr>
</tbody>
</table>

## Budget

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enable Budget with Elimination Subsidiaries</td>
<td>Check this box to be able to create budgets for elimination subsidiaries.</td>
</tr>
</tbody>
</table>

## Exchange Rate Integration

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Provider</td>
<td>Choose the integrated foreign exchange rate provider for this NetSuite account.</td>
</tr>
<tr>
<td><strong>Important:</strong> If you change your exchange rate provider, you must re-agree to the Notice at Setup &gt; Company &gt; Enable Features &gt; Company subtab.</td>
<td>For more information about the Currency Exchange Rate Integration feature, see Currency Exchange Rate Integration.</td>
</tr>
<tr>
<td>Use Triangulation Calculation by NetSuite</td>
<td>Check this box to permit NetSuite to use cross currency triangulation to calculate the exchange rate for a transaction where the two home currencies are not available from the selected rate provider. When you check this box, three anchor currency fields appear in which you can specify intermediate currencies to be used in the triangulated calculation. See the following field description for additional details. For details about cross currency triangulation and how it works, see Triangulation Calculation.</td>
</tr>
</tbody>
</table>
**Accounting Preferences**

**Fields**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Important:</strong></td>
<td>Agree to the Notice, as required. NetSuite stores the user id and time and date stamp of account changes in system notes. If you do not want to agree to the Notice, click I Disagree. The Currency Exchange Rate Integration feature provides only those rates received directly from the specified rate provider. For more information on methods for obtaining exchange rates, see Methods for Obtaining Exchange Rates.</td>
</tr>
<tr>
<td>Primary Anchor Currency</td>
<td>When you check the Use Triangulation Calculation by NetSuite box and agree to the Notice, three anchor currency fields appear. Use these fields to specify one, two, or three intermediate currencies for use in the triangulation calculation. When the two home currencies in a transaction are not available from the selected rate provider, anchor currencies, or intermediate currencies, are used to convert the source currency into the target currency. For example, CountryA wants to purchase items from CountryZ. CurrencyA and CurrencyZ are not available as standard currency pairs from the selected rate provider. However, both CurrencyA and CurrencyZ are available as standard pairs with CurrencyW. If you designate CurrencyW as your primary anchor currency, NetSuite sends a rate request to your provider for the pairs: CurrencyA/CurrencyW and CurrencyW/CurrencyZ. After NetSuite receives the exchange rates, cross currency triangulation produces the exchange rate to be used on the transaction between CountryA and CountryZ. When you designate three anchor currencies, you are instructing NetSuite to make three separate attempts to find exchange rates for currency pairs. For example, if the primary anchor currency is not available as a standard pair from the selected rate provider, NetSuite makes a second attempt to obtain exchange rates between the two home currencies and the secondary anchor currency. If there are no standard pairs using the second anchor currency, NetSuite makes a third attempt to obtain exchange rates using the tertiary anchor currency. You can specify any ISO standard currency as an anchor currency. When you choose a currency in one list, that currency is unavailable in the other two lists. If you do not choose an anchor currency, NetSuite provides only direct and inverse exchange rates. For information about direct and inverse exchange rates, see Methods for Obtaining Exchange Rates. For more information about anchor currencies, see Anchor Currencies.</td>
</tr>
<tr>
<td>Secondary Anchor Currency</td>
<td></td>
</tr>
<tr>
<td>Tertiary Anchor Currency</td>
<td></td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>Purchase Discount</td>
<td>Choose a default expense account for purchase discounts.</td>
</tr>
</tbody>
</table>

**Items/Transactions Accounting Preferences**

The following types of preferences are available on the Items/Transactions subtab of the Accounting Preferences page:

- **Accounts**
- **Sales and Pricing**
- **Charge-Based Billing**
- **Inventory**
- **Payment Processing**
- **Other Transaction Preferences**
- **Other Item Preferences**

**Accounts**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Discount</td>
<td>Choose a default expense account for purchase discounts.</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sales Discount Account</td>
<td>Choose a default expense account for sales discounts.</td>
</tr>
<tr>
<td>Default Expense Account</td>
<td>Choose your default expense account for non-inventory, service, and other charge items. Employees with permission can change the account on individual item records.</td>
</tr>
<tr>
<td>Default Income Account</td>
<td>Choose your default income account for inventory, non-inventory, service, and other charge items. Employees with permission can change the account on individual item records. For more information, see the help topic Permissions Documentation.</td>
</tr>
<tr>
<td>Default Receivables Account</td>
<td>Choose the A/R account you want selected by default on receivables transactions. You can set a default A/R account on customer records by editing the record, clicking the Financial subtab, and selecting an A/R account in the Default Receivables Account field.</td>
</tr>
<tr>
<td>Default COGS Account</td>
<td>Choose your default Cost Of Goods Sold (COGS) account for inventory, non-inventory, service, and other charge items. Employees with permission can change the account on individual item records.</td>
</tr>
<tr>
<td>Default Asset Account</td>
<td>Choose your default asset account for inventory items. Employees with permission can change the account on individual item records.</td>
</tr>
<tr>
<td>Default Payment Account</td>
<td>Choose a default bank account to appear in the Deposit To field on cash sales and customer payments.</td>
</tr>
<tr>
<td>Default Gain/Loss Account</td>
<td>When the Use Item Cost as Transfer Cost preference is disabled, the transfer price on a transfer order is used as the item cost on the item receipt. Any difference between the actual cost and the transfer price posts to a Gain/Loss account when the item is shipped.</td>
</tr>
<tr>
<td></td>
<td>In this field, select the default Gain/Loss account to use for posting transfer cost discrepancies. This account autofills the Gain/Loss Account field on item records you create.</td>
</tr>
<tr>
<td></td>
<td>The account you select must be different from the Asset or Cost of Goods Sold (COGS) account for the item.</td>
</tr>
<tr>
<td></td>
<td>You can choose an Income account, Other Income account, Expense account, or Other Expense account.</td>
</tr>
<tr>
<td>Note:</td>
<td>If you have enabled the Expand Account Lists preference, you can choose any account in this field.</td>
</tr>
<tr>
<td></td>
<td>If you leave this field blank or select Use Income Account, the income account for the item is used.</td>
</tr>
<tr>
<td>Default Bill Quantity</td>
<td>Select the default account for posting variances in billing quantities associated with this item. These variances occur when there is a difference in the quantity of an item showing on the receipt and the quantity of an item showing on the bill. The account you select defaults to show in the Bill Quantity Variance Account field on item records you create.</td>
</tr>
<tr>
<td>Variance Account</td>
<td>Note: After you select a variance account in this field, you can select another account at a later date if a change is necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.</td>
</tr>
<tr>
<td>Default Bill Price</td>
<td>Select the default account for posting variances in billing prices associated with this item. These variances occur when there is a difference in the price of an item showing on the purchase order and the price of an item showing on the bill. The account you select defaults to show in the Bill Price Variance Account field on item records you create.</td>
</tr>
<tr>
<td>Variance Account</td>
<td>Note: After you select a variance account in this field, you can select another account at a later date if a change is necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Default Bill Exchange Rate Variance Account</td>
<td>Select the default account for posting variances in exchange rates associated with this item. These variances occur when there are exchange rate differences between the receipt and the bill for an item. The account you select defaults to show in the Bill Price Variance Account field on item records you create. Note: After you select a variance account in this field, you can select another account at a later date if a change is necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.</td>
</tr>
<tr>
<td>Default Unbuild Variance</td>
<td>Select a default account for posting variances that result from unbuilding an assembly item. The account you select shows by default in the Unbuild Variance Account field on item records. If the Unbuild Variance Account field is left blank on item record, variance amounts for the item post to the Cost of Goods Sold (COGS) account. Note: In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.</td>
</tr>
<tr>
<td>Default Production Quantity Variance Account</td>
<td>Select a default account for posting production quantity variances for items using standard costing. The account you select here shows by default in the Production Quantity Variance Account field on item records. Note: In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.</td>
</tr>
<tr>
<td>Default Production Price Variance Account</td>
<td>Select a default account for posting production price variances for items using standard costing. The account you select here shows by default in the Production Price Variance Account field on item records. Note: In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.</td>
</tr>
<tr>
<td>Default Purchase Price Variance Account</td>
<td>Select a default account for posting purchase price variances for items using standard costing. The account you select here shows by default in the Purchase Price Variance Account field on item records. Note: In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.</td>
</tr>
<tr>
<td>Default Inventory Cost Revaluation Account</td>
<td>Select a default account for posting variances that result from standard costing inventory revaluation transactions. The account you select here shows by default in the Adjustment Account field on inventory revaluations. Note: After you select a variance account in this field, you can select another account at a later date if a change is necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.</td>
</tr>
</tbody>
</table>
### Accounting Preferences

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Note:</strong></td>
<td>In NetSuite OneWorld, even when a default is set, this account defaults to be blank if the default account is not available to the subsidiary on the form.</td>
</tr>
<tr>
<td>Default Inventory Count Account</td>
<td>Choose the default account to display in the Inventory Count Account field on item records. This account is used to post inventory count variances. This is typically an expense account.</td>
</tr>
<tr>
<td>Default WIP Cost Variance Account</td>
<td>Choose a default expense account for cost or average cost assemblies when the reconciliation amount cannot be returned to the asset account because the amount has been shipped. The account you select displays by default in the WIP Cost Variance Account field on assembly item records.</td>
</tr>
<tr>
<td>Default Scrap Account</td>
<td>Choose a default expense account for scrapping that occurs during the work order completion. The account you select displays by default in the Scrap Account field on assembly item records.</td>
</tr>
<tr>
<td>Default WIP Account</td>
<td>Choose a default asset account used when a work order component issue is entered. The account you select displays by default in the WIP Account field on assembly item records.</td>
</tr>
<tr>
<td>Anyone Can Set Item Accounts</td>
<td>Choose to permit any employee with access to item records to choose accounts on item records. For example, when you check this box, any employee with access can set expense, asset, income, and Cost Of Goods Sold (COGS) accounts on item records.</td>
</tr>
<tr>
<td>Default Project Cost Variance Account</td>
<td>Choose a default account used when posting project time for job costing.</td>
</tr>
<tr>
<td>Default Deferred Revenue Account</td>
<td>Select the deferred revenue account to use by default for sales transactions. This account appears by default on item records. The default option is the system-generated Deferred Revenue account. This preference is available only when advanced revenue management is enabled.</td>
</tr>
<tr>
<td>Default ICJE Auto Balance Receivables Account</td>
<td>Select the account for the Auto Balance button to use as the default value for the Receivables Account on Intercompany Journal Entries. Accounts available for selection are of account type Accounts Receivable or Other Current Asset with the Eliminate Intercompany Transactions box checked. For more information, see Making Advanced Intercompany Journal Entries.</td>
</tr>
<tr>
<td>Default ICJE Auto Balance Payables Account</td>
<td>Select the account for the Auto Balance button to use as the default value for the Payables Account on Intercompany Journal Entries. Accounts available for selection are of account type Accounts Payable or Other Current Liability with the Eliminate Intercompany Transactions box checked. For more information, see Making Advanced Intercompany Journal Entries.</td>
</tr>
</tbody>
</table>

### Sales and Pricing

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidate Projects on Sales Transactions</td>
<td>Check this box to consolidate projects on customer invoices. You can create invoices for one customer including multiple projects.</td>
</tr>
<tr>
<td></td>
<td>You are no longer able to issue invoices to a specific project. Instead, you issue the invoices to the customer.</td>
</tr>
<tr>
<td>Default Estimate Expiration (in days)</td>
<td>Enter the default number of days before you want quotes to expire.</td>
</tr>
<tr>
<td>Maximum # of Quantity-based Price Levels</td>
<td>Enter a number to set a limit for the most price levels allowed to be assigned to an item when using Quantity Pricing.</td>
</tr>
<tr>
<td>Allow Quantity Discounts per Price Level on Schedules</td>
<td>Check this box to enter different quantity discounts for each price level on quantity pricing schedules.</td>
</tr>
</tbody>
</table>
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Include Reimbursements in Sales and Forecast Reports</td>
<td>Choose to include billable expenses in sales and forecast reports. If this preference is enabled, transactions that affect expense accounts are included in sales and forecast reports.</td>
</tr>
<tr>
<td>Include Shipping in Sales and Forecast Reports</td>
<td>Choose to include shipping charge amounts in sales and forecast reports. If this preference is enabled, report calculations include shipping charges.</td>
</tr>
<tr>
<td>Transaction Types to Exclude From Sales and Forecast Reports</td>
<td>Select the transactions you do not want to include in forecast report calculations. Select multiple transaction types by pressing and holding CTRL as you make your selections.</td>
</tr>
<tr>
<td>Transaction Types to Exclude From Sales Reports</td>
<td>Select the transactions you do not want to include on sales report calculations. Select multiple transaction types by pressing and holding CTRL as you make your selections.</td>
</tr>
</tbody>
</table>

### Charge-Based Billing

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Fixed Date Charge Rule Stage</td>
<td>Select the default stage for fixed date charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.</td>
</tr>
<tr>
<td>Default Milestone Charge Rule Stage</td>
<td>Select the default stage for milestone charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.</td>
</tr>
<tr>
<td>Default Project Progress Charge Rule Stage</td>
<td>Select the default stage for project progress charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.</td>
</tr>
<tr>
<td>Default Time-Based Charge Rule Stage</td>
<td>Select the default stage for time-based charge rules. Charges created in the Ready stage are ready to be billed. Charges created in the Hold stage will not be billed until they are moved to the Ready stage. Select Hold if you have an approval process in place for new charges.</td>
</tr>
<tr>
<td>Consider Charges in “Hold” State as Revenue</td>
<td>If you use Project Revenue Recognition, check this box to allow generated charges in the Hold state to be recognized according to established project revenue recognition rules.</td>
</tr>
</tbody>
</table>

### Inventory

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scan Individual Items</td>
<td>Set your bar code scanning preference.</td>
</tr>
<tr>
<td>- Check this box to individually scan the bar code for each item when fulfilling or receiving orders.</td>
<td>For example, when you fulfill an order for 3 each of item XY123, scanning one bar code of item XY123 sets the fulfillment quantity to ONE. Then, you must scan the bar code of each of the remaining items to fulfill all three.</td>
</tr>
<tr>
<td>- Clear this box to scan an item bar code one time and set the fulfillment/receipt quantity to the total amount of the item on the order.</td>
<td></td>
</tr>
</tbody>
</table>
Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>For example, when you fulfill an order for 3 each of item XY123, scanning one bar code of item XY123 sets the fulfillment quantity to THREE.</td>
<td></td>
</tr>
</tbody>
</table>

| Centralize Purchasing in a Single Location | Check this box to consolidate inventory purchasing into one location, if you handle inventory in several locations. When this preference is enabled, you can order and receive all inventory in only one location and then transfer it to your other locations. For information about creating purchase orders, see the help topic Purchase Orders. For information about moving inventory to different locations after receipt, see the help topic Distributing Inventory. |

| Days Before Lot Expiration Warning | Enter the number of days in advance of a lot item's expiration that you would like to receive a warning. Then, you receive a warning when you sell a lot item that is close to its expiration date. |

| Require Bins on All Transactions Except Item Receipts | When enabled, any created transaction that changes inventory levels and includes an item that uses bins requires you to select a bin for the item to save the transaction. If there is no bin field on a transaction such as sales orders and purchase orders, bins are not required. Note that Item Receipts do not require a bin selection, even with this preference enabled. Disable this preference to permit transactions to be created that include items with no bin selected. Note that even with this preference disabled, NetSuite always requires bins on transactions where an item quantity is reduced such as on cash sales, item fulfillments, or negative inventory adjustments. Bins are not required on transactions where an item quantity is increased such as purchases and positive inventory adjustments. |

| Use Preferred Bin on Item Receipts | When you enable this preference, the Bin field on item receipts defaults to the preferred bin instead of leaving the field blank. Disable this preference if you prefer the Bin field to remain blank by default. |

| Include Landed Cost in Last Purchase Price | Enable this preference to always include the landed cost amount for the last purchase price. |
| Item costs displayed on item records include landed cost. |
| Gross Profit transactions apply the last purchase price including landed cost. |
| Purchase orders and other transactions default to use the last purchase price including landed cost when no default purchase price is found. Disable this preference to always exclude the landed cost from the last purchase price amount. |
| Item costs displayed on item records do not include landed cost. |
| Gross Profit transactions apply the last purchase price excluding landed cost. |
| Purchase orders and other transactions default to use the last purchase price excluding landed cost when no default purchase price is found. |

Cost Accounting

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Costing Method</td>
<td>Choose your inventory costing from Average, Group Average, First In First Out (FIFO), or Last In First Out (LIFO). The costing method you choose determines how you manage the costs associated with buying the same items at different purchase prices over a specified time period. For details about costing methods, read the help topic Costing Methods.</td>
</tr>
<tr>
<td>Default Cost Category</td>
<td>Select a default cost category to associate with new item records you create. The account you select displays by default in the Cost Category field on item records. View existing cost categories at Setup &gt; Accounting &gt; Accounting Lists &gt; Cost Category.</td>
</tr>
</tbody>
</table>
Accounting Preferences

### Average Cost Completion Unit Cost

Select one of the following:
- **Average Cost** – Select this cost calculation method to see deviations between the cost of component consumption and the average cost of assemblies. If these variances are valid, they are incorporated into the assembly cost using the Inventory Adjustment Worksheet.
- **Open WIP Amount** – Select this cost calculation method for calculating the completion cost based on the Open WIP amount.

### Include In-Transit Value in Group Average Cost Calculations

When you use the Multi-Location Inventory feature with the Group Average Costing feature, you can choose to include the account values for group average cost items that are in transit between locations. This allows in-transit inventory accounts to be balanced during the bulk process.

Enabling this preference helps produce more accurate costing calculations and financial statement reporting by ensuring the group average cost reflects the assets of both on-hand and in-transit inventory accounts.

- Clear this box to exclude the asset values of in-transit inventory accounts during the Balance Location Costing
- Check this box to include the asset values of in-transit inventory accounts during the Balance Location Costing Group Accounts bulk process.

Note the following when this preference is enabled:
- When this preference is enabled, the Create and Edit Inventory Transactions Dated in Closed Periods preference must be disabled.
- Transfer Orders and Intercompany Transfer Orders are required to enable the Use Item Cost as Transfer Cost preference. For details about this preference, read the help topic Transfer Order Preferences.
- Items set to use the Group Average costing method are not allowed to be added to intercompany purchases or sales. To transfer items between subsidiaries, they must be moved using an intercompany transfer order.
- Transfer Orders and Intercompany Transfer Orders cannot include both items that use Standard costing and items that use Group Average costing.

**Note:** NetSuite recommends that if you plan to enable the Include In-Transit in Group Average Cost Calculations preference, you should do so immediately after enabling the Group Average Costing feature. The setting for this preference cannot be changed after any item with a Group Average costing method has had costing calculations run.

---

## Payment Processing

### Field Description

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers Can Pay Online</td>
<td>Check this box to permit your customers to pay their invoices online. Online payments require you to have a merchant account with the ability to accept credit card payments. NetSuite offers merchant account services, or you can use your own. To use NetSuite’s merchant account services, go to Setup &gt; Accounting &gt; Payment Processing Profiles.</td>
</tr>
<tr>
<td>Get Authorization on Customer Center Sales Orders</td>
<td>Check this box to require authorization for customers' credit cards on sales orders placed by Customer Center users logged in to NetSuite. To use this feature, you must have an Internet Merchant Solutions (IMS) account and you must set up a credit card processing profile at Setup &gt; Accounting &gt; Payment Processing Profiles. When customers order from your Customer Center, IMS automatically processes their credit cards and Verisign validates the payments. Authorization numbers automatically appear on the appropriate sales orders.</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Accounting Preferences</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Use Card Security Code for Credit Card Transactions</strong></td>
<td>Choose to add a field for your customers’ Card Security Code (CSC) numbers on sales transactions. It also requires your customers to enter CSC numbers during the checkout process in your Customer Center or Web site. This feature can help prevent fraudulent orders.</td>
</tr>
</tbody>
</table>
| **Allow Adjusted Expiration Date to Improve Recurring Payments** | Clear this box if you do not want payments to be marked as recurring on the following transactions:  
- sales orders that use the Sales Order - Cash Sale form and have billing schedules  
- memorized cash sale sales orders                                                                                                                                                                      |
| **Enable “Sale” Payment Operations on a Sales Order by Automatically Creating a Customer Deposit** | Check this box to enable using payment processing profiles that do not support authorization and instead support the sales request. When you check this box and use this type of profiles on sales orders, funds are immediately captured from the shopper’s account and associated with the sales order as a customer deposit. For more information, see the help topic Alternative Non-Credit Card Payment Methods for Web Store Orders.  
To use this feature, you must have a merchant account provided by the gateway or the payment service provider. |
| **Use Strict Rules for the Selection of Payment Processing Profiles** | Check this box to display only payment processing profiles that support all of the following requirements:  
- The selected payment method  
- The customer’s currency  
- The customer’s subsidiary (NetSuite OneWorld only)  
If this preference is enabled, and there is no payment method supported by the shopper’s currency, no credit card payment method shows on the Payment Information page of your website. |
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>This preference takes precedence over the Restrict Payment Methods by Customer Currency preference on the Shopping subtab at Setup &gt; Site Builder &gt; Set Up Web Site. For more information, see the help topic Restricting Payment Processing Profiles by Customer Data.</td>
<td></td>
</tr>
<tr>
<td>Preserve Transactions When Payment is on Hold</td>
<td>If you check this box, cash sale and customer payment transactions are preserved if the payment fails due to a payment hold. Preserved transactions have the Unapproved Payment status and are non-posting.</td>
</tr>
</tbody>
</table>

### Other Transaction Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duplicate Number Warnings</strong></td>
<td>Choose to receive duplicate number warnings when transactions are submitted with the same numbers. Choose between the following:</td>
</tr>
<tr>
<td>■ <strong>No Warnings</strong></td>
<td>Users are not warned when the transaction they are saving will create a duplicate document number.</td>
</tr>
<tr>
<td>■ <strong>Warn</strong></td>
<td>Users receive a message when attempting to save a transaction record with the same document number as another record of the same type. When the warning is displayed, a user can enter a different number before attempting to save again. Prior to 2019.1, this is how the Duplicate Number Warnings preference worked.</td>
</tr>
<tr>
<td>■ <strong>Warn and Block</strong></td>
<td>Users receive a message when attempting to save a transaction record with the same number as another record of the same type. When the warning is displayed, the user must click Cancel and change the document number in the record.</td>
</tr>
<tr>
<td><strong>Sort Reconcile By</strong></td>
<td>Choose to sort reconciliations by Date or Check Number. You can change this setting on individual reconciliations.</td>
</tr>
<tr>
<td><strong>Recalculate Estimated Cost on Creation of Linked Transactions</strong></td>
<td>Choose a setting to recalculate estimated costs and the resulting gross profit as a transaction moves through the sales cycle. For example, to recalculate when a sales order is converted to an invoice.</td>
</tr>
</tbody>
</table>

### Other Item Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Matrix Item Name/Number Separator</strong></td>
<td>Choose the character you want to use in your matrix subitem names. This character appears between the item name and options for each subitem.</td>
</tr>
<tr>
<td><strong>Gift Certificate Auth Code Generation</strong></td>
<td>Choose between the following:</td>
</tr>
<tr>
<td>■ <strong>System Generated</strong></td>
<td>NetSuite generates an authorization code when a gift certificate is sold, requiring no manual tracking of codes. These codes can be long, but this is the preferred method unless you have pre-printed certificates or cards.</td>
</tr>
<tr>
<td>■ <strong>Enter on Order</strong></td>
<td>You can manually enter an authorization code on an order when a gift certificate is sold. This can be helpful if there are numbers printed on cards or certificates, or if you want to use your own numbering system. It can be difficult, however, to remember which number comes next.</td>
</tr>
<tr>
<td>■ <strong>Add on Item</strong></td>
<td>You can enter authorization codes on the gift certificate item record. This is helpful if you are tracking physical cards or certificates before they are sold. If you are using your own numbering system, it is helpful because you do not duplicate or skip over authorization codes. After the certificate is sold, you can then select the appropriate code.</td>
</tr>
</tbody>
</table>
### Field | Description
--- | ---
Enforce Minimum Quantity on Return Authorizations | Check this box to indicate that items can be returned only if the quantity returned is equal to or greater than the minimum quantity attribute on the item record. For example, to save a return authorization for an item that has a minimum quantity of five, you must enter a return quantity of five or more. See the help topic *Entering Sales/Pricing Information for Items* for more information about item minimum quantity.

### Order Management Accounting Preferences

The following types of preferences are available on the Order Management subtab of the Accounting Preferences page:

- Sales Orders
- Picking/Packing
- Fulfillment
- Invoicing
- Drop Shipment
- Purchasing
- Receiving
- Returns
- Transfer Orders
- Work Orders

### Sales Orders

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
</table>
| Default Sales Order Status | Choose your default status for sales orders:  
- Choose **Pending Approval** if your company uses the approval process for sales orders.  
- Choose **Pending Fulfillment** if your company does not use the approval process for sales orders. You can still choose a sales order status at the time you enter a transaction. |
| Require Re-approval on Edit of Sales Order | Choose to require re-approval when someone edits a sales order that was previously approved.  
Partial filled sales orders are not affected by this preference. When a sales order is partially fulfilled, the status cannot be changed back to pending approval.  
**Note:** If you edit a sales order when using a role with permission to approve sales orders, a sales order status is not set to the Pending Approval status. |
| Send Email Confirmation when Sales Order Canceled | Check this box if you want an email sent to the customer when a sales order is canceled. |
| Default Location for Sales Orders | Select a default location to associate with sales orders. You can change the location on sales orders you enter as needed. |
| Item Commitment Transaction Ordering | Select one of the following to determine which order has items committed to it when there is an open quantity. |
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Order by Expected Ship Date</strong></td>
<td>Commits only based on the latest expected ship date.</td>
</tr>
<tr>
<td><strong>Order by Order Priority</strong></td>
<td>Commits based on set customer priority regardless of transaction date or expected ship date. When the Item Commitment Transaction Ordering preference is set to Order by Order Priority, then an Order Priority column is displayed on forms for work orders, sales orders, and transfer orders. NetSuite uses this field to calculate the order priority for allocation.</td>
</tr>
<tr>
<td><strong>Order by Transaction Date</strong></td>
<td>Commits only based on the latest transaction date.</td>
</tr>
</tbody>
</table>

### Picking/Packing

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Always Print Kit Items on Picking Tickets</strong></td>
<td>Choose to print individual kit items on picking tickets. When you print kit items, each picking ticket shows individual items that make up a kit item. Showing each item in the kit item gives your employees more specific information to fulfill an order.</td>
</tr>
<tr>
<td><strong>Show Uncommitted Items on Picking Tickets</strong></td>
<td>Check this box if you prefer for picking tickets to include items that are not yet committed to the order. This means that the picking ticket can include items that are not yet available to be picked. Clear this box if you prefer that picking tickets include only committed items that are available to be picked.</td>
</tr>
<tr>
<td><strong>Show Non-Inventory Items on Printed Forms</strong></td>
<td>Check this box to show non-inventory items such as services or discounts on picking tickets and packing slips.</td>
</tr>
<tr>
<td><strong>Name for Picked Status</strong></td>
<td>Enter a name to rename the status for orders that have been picked. Picked orders are orders with some or all of the items pulled from inventory, but are not yet packed or shipped.</td>
</tr>
<tr>
<td><strong>Name for Packed Status</strong></td>
<td>Enter a name to rename the status for orders that have been packed. Packed orders have items that have been picked from inventory and packaged to be shipped to the customer.</td>
</tr>
<tr>
<td><strong>Name for Shipped Status</strong></td>
<td>Enter a name to rename the status for orders that have been shipped. Shipped orders have items that have been picked from inventory, packed, and sent to the customer.</td>
</tr>
<tr>
<td><strong>Show Additional Items on Packing Slips</strong></td>
<td>Make a selection for this preference to determine how items show on packing slips. Options available for this preference are as follows:</td>
</tr>
<tr>
<td>■ <strong>None</strong></td>
<td>Show only items being fulfilled in the shipment.</td>
</tr>
<tr>
<td>■ <strong>Unfulfilled Items on Order</strong></td>
<td>Show only unfulfilled and partially fulfilled items on the packing slip. Line items that are completely fulfilled do not show on the packing slip.</td>
</tr>
<tr>
<td>■ <strong>All Items on Order</strong></td>
<td>Show all ordered items. Any quantity yet to be fulfilled shows in the Remaining/Back Ordered column. Line items that are completely fulfilled show on the packing slip.</td>
</tr>
<tr>
<td><strong>Note:</strong> Choosing this option causes non-inventory items to show on packing slips even if the Show Non-Inventory Items on Printed Forms preference is <strong>not</strong> enabled.</td>
<td></td>
</tr>
<tr>
<td><strong>Show Drop Ship Items on Packing Slips</strong></td>
<td>Check this box to have packing slips include drop-ship items. Clear this box to leave drop-ship items off packing slips.</td>
</tr>
</tbody>
</table>
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow Cross-Docking at Locations Using Warehouse Management</td>
<td>Check this box to enable picking of released orders from inbound staging bins.</td>
</tr>
<tr>
<td>Use Pick to Clean Process at Locations Using Warehouse Management</td>
<td>Check this box to prioritize picking from bins that you can empty first, before bins with larger quantities.</td>
</tr>
</tbody>
</table>

### Fulfillment

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit Status on Packing Slip Queue</td>
<td>Select Picked or Packed to filter the packing slip list by order status.</td>
</tr>
<tr>
<td>Fulfill Based on Commitment</td>
<td>Select from the following to set item fulfillment restrictions:</td>
</tr>
</tbody>
</table>
| - **Limit to Committed** - This setting restricts fulfillment to a quantity not greater than the quantity committed.  
  Orders default to fulfill only the committed items and quantities and the fulfillment quantity and **cannot** be increased beyond the committed quantity.  
  Other items that are not committed do not show on the fulfillment and **cannot** be added.  
| - **Allow Uncommitted** - This setting enables you to fulfill a quantity greater than the quantity committed on an order.  
  This setting may cause your quantity on hand count of the item to be negative and make tracking item commitment and stock status more difficult.  
  Orders default to fulfill only the committed items and quantities. The fulfillment quantity, however, can be increased beyond the committed quantity and other items that are not committed can be added.  
| - **Ignore Commitment** - This setting places no restrictions on fulfillment that are based on commitment.  
  Orders default to fulfill all unfulfilled items and quantities without regard to commitment. |

**Note:** If you also enable the Allow Overage on Item Fulfillments preference, Fulfill Based on Commitment should be set to Ignore Commitment or Allow Uncommitted.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
</table>
| Default Items to Zero Received/Fulfilled | Enable this preference to default items to zero quantity when you open a fulfillment or receipt transaction. Then, you mark the items you want to fulfill or receive on the form.  
Disable this preference to default items to the full quantity when you open a fulfillment or receipt transaction. Then, you clear the items you do not want to fulfill or receive on the form. |
| Allow Overage on Item Fulfillments | Enable this preference to be able to enter a quantity larger than the quantity remaining for an item on a fulfillment.  
Disable this preference to limit the quantity fulfilled to the quantity remaining on the fulfillment.  
If you enable Allow Overage on Item Fulfillments, the Fulfill Based on Commitment preference should be set to Ignore Commitment or Allow Uncommitted, if enabled.
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filter Bulk Fulfillment Page by Location</td>
<td>Check this box to filter your fulfillment list by the location identified on the order. For example, if you select Atlanta in the location filter of the fulfillment page and click Mark All, NetSuite fulfills only items with the Atlanta location chosen. Note: If you disable this preference, all items on orders you mark for fulfillment are fulfilled from the location in the header of the bulk fulfillment, regardless of the location identified on the order.</td>
</tr>
<tr>
<td>Send Order Fulfilled Confirmation Emails</td>
<td>Enable this preference to send a confirmation email showing the total quantity shipped upon fulfillment. The email is sent to the customer email address identified on the sales order. If you use the Advanced Shipping feature, the email is sent when the order is fulfilled. If you do not use the Advanced Shipping feature, the email is sent when the order is billed. If you use the Pick, Pack, and Ship feature, the email is sent when the order is shipped.</td>
</tr>
<tr>
<td>Use Web Site Template for Fulfillment Emails</td>
<td>You can enable a preference to use the same template to generate confirmation email for both web store and non-web store orders. Enabling this preference gives your confirmation email a consistent appearance. Note: You must enable the Web Store and Advanced Site Customization features to use this preference. To enable these features, go to Setup &gt; Company &gt; Enable Features. On the Web Site subtab, check the Web Store box and the Advanced Site Customization box, then click Save. When you enable this preference, you can customize the email template.</td>
</tr>
</tbody>
</table>
| Manufacturing Issue Based on Commitment        | Select from the following to set assembly item build restrictions:  
  - **Limit to Committed** – This setting restricts the build to a quantity not greater than the quantity committed on the work order.  
  - **Allow Uncommitted** – This setting enables you to build a quantity greater than the quantity committed on the work order. In this case, when the build is saved, the items on the work order are still uncommitted.  
  - **Ignore Commitment** – This setting places no restrictions on the build that are based on commitment. |
| Allow Overage on Assembly Builds               | Check this box to be able to enter a quantity larger than the quantity remaining for an item on a work order. Clear this box to restrict the amount to a maximum of the amount on the work order.                                                                                                                                                                                                                                                                                                                                                                           |
| Update Transaction Date Upon Fulfillment Status Change | Enable this preference to pick items in one accounting period and ship in another accounting period. For more details, read the help topic Fulfilling Orders Across Multiple Accounting Periods. Note: You must enable the Pick, Pack and Ship feature to use this preference.                                                                                                                                                                                                                                                                                                                                 |
| Create Item Fulfillment at Locations Using Warehouse Management | Select your preference for item fulfillment creation:  
  - **Per Order** - Generate an item fulfillment for each released order
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Order Line</strong></td>
<td>Generate an item fulfillment for each line item of a released order</td>
</tr>
</tbody>
</table>

### Invoicing

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Show Unfulfilled Items on Invoices</strong></td>
<td>Check this box to have your invoices show items that have yet to be fulfilled.</td>
</tr>
<tr>
<td><strong>Invoice in Advance of Fulfillment</strong></td>
<td>Check this box to invoice your customers for the full amount prior to the complete fulfillment of an order. With this preference, you can invoice your customers in advance for an entire order that is shipped in parts. Clear this box to limit the quantity fulfilled to the quantity remaining on the fulfillment.</td>
</tr>
<tr>
<td><strong>Convert Absolute Discounts to Percentage</strong></td>
<td>Set this preference to convert currency-amount discounts into percentage discounts spread across several invoices. Using this preference, when a sales order that includes a currency-amount discount is billed on multiple invoices, the discount is applied evenly to all bills for that order instead of the entire discount being applied to the first bill. For example, you use Advanced Billing to enter a sales order for $1,000 that includes a line-item discount of $100. The sales order is billed in 10 monthly installments of $100. When you bill the order, the first invoice shows a 10% discount in the amount of $10.00 and each of the next nine bills show a 10% discount in the amount of $10.00. Enabling this feature may cause very small discrepancies due to percentage rounding.</td>
</tr>
</tbody>
</table>
| **Base Invoice Date on Billing Schedule Date** | This preference determines how the date and posting period are set on invoices and cash sales produced from billing schedules.  
- Check this box to generate the date and posting period of an invoice or cash sale from the date and posting period of the next billing schedule instance.  
  - For example:  
    - Today is 3/1/05.  
    - The next billing date for order #123456 is 6/1/05.  
    - Today, you click Next Bill on order #123456.  
    - The date of the bill is 6/1/05.  
  - Clear this box to define the date and posting period of invoices and cash sales when you bill them. You choose the date and posting period in the fields on the Bill Sales Order page. |

### Drop Shipment

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drop Ship P.O. Form</strong></td>
<td>Select the form you would like to use by default for drop-ship purchase orders.</td>
</tr>
<tr>
<td><strong>Automatically Email Drop Ship P.O.s</strong></td>
<td>Check this box to have purchase orders for drop-ship items automatically emailed to the preferred vendor. To use this preference, you must enter the preferred vendor’s email address on that vendor’s record.</td>
</tr>
<tr>
<td><strong>Queue Drop Ship P.O.s for Printing</strong></td>
<td>Check this box to have your drop-ship purchase orders queued for printing.</td>
</tr>
<tr>
<td><strong>Automatically Fax Drop Ship P.O.s</strong></td>
<td>Check this box to have your purchase orders for drop-ship items automatically faxed to the preferred vendor.</td>
</tr>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Limit Vendor List on Items</td>
<td>Set this preference to filter the vendors available on sales orders and the Order Items page. If you enable this preference, only vendors associated with an item show in the Vendor list. If this preference is disabled, the Vendor field shows all vendors.</td>
</tr>
<tr>
<td>Include Committed Quantities</td>
<td>When you need to drop ship or special order an inventory item and part of the ordered quantity is unavailable, the quantity ordered from the vendor depends on your setting for this preference.</td>
</tr>
<tr>
<td></td>
<td>■ When you disable this preference, clicking the Drop Ship/Special Order link creates a purchase order for only the backordered quantity.</td>
</tr>
<tr>
<td></td>
<td>■ When you enable this preference, clicking the Drop Ship/Special Order link creates a purchase order for the entire quantity ordered.</td>
</tr>
</tbody>
</table>
| Update Drop Ship Order Quantities Automatically Prior to Shipment | Enable this preference to automatically update the quantity of a drop-ship item on linked transactions when a sales order or purchase order quantity is changed. When a drop-ship item quantity is changed on an existing sales order or purchase order before it is shipped, NetSuite examines the quantity on the linked transaction. If the quantity on the linked transaction does not match, NetSuite adjusts the corresponding quantity to match. For example, a sales order you entered shows a quantity of 10 units of drop-ship item #AB1001. The purchase order generated from that sales order also shows 10 units of item #AB1001. The next day, the order is changed and you reduce the sales order quantity to 8 units of item #AB1001. With this preference enabled, after you save the new quantity on the sales order, NetSuite examines the linked purchase order to sync the quantity of items being ordered. The purchase order is automatically updated to show 8 units of drop-ship item #AB1001. This preference applies only to assembly items and inventory items. **Important:** This preference applies only if the following conditions are met:  
  - The sales order line has not been fulfilled.  
  - The purchase order line has not been received or marked shipped.  
  - Neither the sales order or purchase order line have been manually closed. Disable this preference if you do not want to update the quantity of a drop-ship item on linked transactions when a sales order or purchase order quantity is changed. Then, when the quantity on linked forms does not match, the quantity remains unchanged and is not updated to match. **Note:** When the sales order and purchase order quantities do not match, the item is no longer treated as a drop shipment and your inventory may be affected. **Note:** If you use the Multiple Units of Measure feature and enable the Update Special Order Quantities Automatically Prior to Shipment preference, note that you should use the same unit of measure on both the purchase order and sales order for an item. If you use different units of measure, it can cause errors due to rounding for differences greater than five decimal places. This preference defaults to be disabled. |
| Drop Ship Fulfillment Quantity Validation          | If you use the Advanced Shipping and Drop Shipments & Special Orders features, when you fulfill or receive orders you can receive a warning or prevent users from processing orders with unequal amounts.                                                                                                                                                                                                             |
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Description: Allow unequal quantities</td>
<td>This setting lets you fulfill without a warning even if linked transaction quantities are not equal.</td>
</tr>
<tr>
<td>Field Description: Warn only for unequal quantities</td>
<td>This setting causes a warning to be displayed when you fulfill orders for linked transactions that have unequal quantities. This setting does not prevent processing after the warning is shown.</td>
</tr>
<tr>
<td>Field Description: Do not allow unequal quantities</td>
<td>This setting prevents you from fulfilling and when linked transaction quantities are not equal.</td>
</tr>
<tr>
<td>If this preference is set either to warn or allow, then transactions with unequal quantities remaining are fulfilled from inventory.</td>
<td></td>
</tr>
<tr>
<td>This preference defaults to use the <strong>Warn only for unequal quantities</strong> setting.</td>
<td>This preference applies only to inventory and assembly items.</td>
</tr>
<tr>
<td>Allow Both Mark Shipped Fulfillments and Receipts on a Drop Shipment Line</td>
<td>If you use the Advanced Receiving, Advanced Shipping, and Drop Shipments &amp; Special Orders features, choose a setting for handling receipts and mark-shipped fulfillments with drop-ship orders:</td>
</tr>
<tr>
<td>Allow</td>
<td>This setting lets you do the following:</td>
</tr>
<tr>
<td>□ Create a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line without any warning.</td>
<td>□ Create a mark-shipped fulfillment against an order line that already has a receipt entered against it without any warning.</td>
</tr>
<tr>
<td>Warning: Drop shipment items that are received into inventory do have accounting impact and are committed to orders when they are received. Creating these transactions may cause imbalances in quantities and accounts.</td>
<td></td>
</tr>
<tr>
<td>Warn only</td>
<td>This setting does the following:</td>
</tr>
<tr>
<td>□ Warns you when you try to create a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line. The warning notes that creating these transactions does have an inventory impact.</td>
<td>□ Warns you when you try to create a fulfillment against an order line that already has an item receipt with inventory and accounting impact entered. The warning notes that creating a mark shipped fulfillment against this order line may cause imbalances in quantities and accounts.</td>
</tr>
<tr>
<td>Do not allow</td>
<td>This setting does the following:</td>
</tr>
<tr>
<td>□ Prevents you from creating a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line.</td>
<td>□ Prevents you from entering a fulfillment against an order line that already has an item receipt with inventory and accounting impact.</td>
</tr>
<tr>
<td>□ Prevents you from entering a fulfillment against an order line that already has an item receipt with inventory and accounting impact.</td>
<td>□ If an order is received as the first step after the purchase order for the drop ship sales order is created, you can no longer click Mark Shipped.</td>
</tr>
<tr>
<td>□ If an order is received as the first step after the purchase order for the drop ship sales order is created, you can no longer click Mark Shipped.</td>
<td>□ After drop-ship items on an order have been received, you can change the quantity but you can no longer mark items shipped on that order.</td>
</tr>
<tr>
<td>□ After drop-ship items on an order have been received, you can change the quantity but you can no longer mark items shipped on that order.</td>
<td>□ This preference defaults to use the <strong>Warn only</strong> setting. This preference applies only to inventory and assembly items.</td>
</tr>
<tr>
<td>Update Special Order Quantities Automatically Prior to Shipment</td>
<td>Enable this preference to automatically update the quantity of a special order item on linked transactions when a sales order or purchase order quantity is changed. When a special order item quantity is changed on an existing sales order or purchase order before it is shipped, NetSuite examines the quantity on the linked transaction. If the quantity on</td>
</tr>
</tbody>
</table>
For example, a sales order you entered shows a quantity of 10 units of special order item #AB1001. The purchase order generated from that sales order also shows 10 units of item #AB1001. The next day, the order is changed and you reduce the sales order quantity to 8 units of item #AB1001. With this preference enabled, after you save the new quantity on the sales order, NetSuite examines the linked purchase order to sync the quantity of items being ordered. The purchase order is automatically updated to show 8 units of special order item #AB1001.

This preference applies only to assembly items and inventory items.

**Important:** This preference applies only if the following conditions are met:
- The sales order line has not been fulfilled.
- The purchase order line has not been received or marked shipped.
- Neither the sales order or purchase order line have been manually closed.

Disable this preference if you do not want to update the quantity of a special order item on linked transactions when a sales order or purchase order quantity is changed. Then, when the quantity on linked forms does not match, the quantity remains unchanged and is not updated to match.

**Note:** When the sales order and purchase order quantities do not match, the item is no longer treated as a special order and your inventory may be affected.

This preference defaults to be disabled.

### Purchasing

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow Expenses on Purchases</td>
<td>Check this box to add expenses to purchases. This adds an Expenses subtab to your order pages. With this preference, you can add expenses for things like rental fees and delivery of drop-ship items to your purchase orders. You can then bill these expenses to a specific customer.</td>
</tr>
<tr>
<td>Default Location for Purchase Orders</td>
<td>Select a default location to associate with purchase orders. You can change the location on purchase orders you enter as needed.</td>
</tr>
</tbody>
</table>
| Maximum Purchase Lines to Consolidate| Enter a value in this field to define the maximum number of lines to consolidate on purchase orders. This definition applies in the following cases:  
- when you submit multiple orders on the Order Requisitions page and items from one or more requisitions are combined on a single purchase order.  
- when you submit multiple orders on the Order Items page and items from one or more planned orders are combined on a single purchase order.  
This value defaults to 10 but you can enter a number up to 250.  
If you leave this field blank, the following is true:  
- On the Order Requisitions page, all requisition lines for a vendor are consolidated into a single purchase order.  
- On the Order Items page, all planned order lines for a vendor are consolidated into a single purchase order. |
**Accounting Preferences**

### Allow Default Email on Purchase Orders using SuiteFlow Approval Routing

**Description:** Choose a setting to determine how NetSuite handles email generated when the To Be Emailed box is checked on a purchase order.

- **Do Not Allow** – Approval Routing is enabled for this transaction. Please contact your workflow administrator about enabling email processing within an approval routing workflow.
- **Warn Only** – NetSuite warns you before sending an email to the designated recipient in addition to email produced by the approval routing workflow. Email is generated upon saving the transaction.
- **Allow** – Upon saving the transaction, no warning is given before NetSuite sends an email to the designated recipient in addition to email produced by the approval routing workflow.

### Receiving

**Bill in Advance of Receipt**

Choose to bill purchase orders before you receive them.

**Allow Overage on Item Receipts**

Check this box to enter a quantity larger than the quantity remaining for an item on an item receipt.

Clear this box to limit the quantity received to the quantity remaining on the item receipt.

**Default Receiving Exchange Rate**

Select one of the following in this field:

- **Use Purchase Order Exchange Rate** – The default value of the exchange rate on the order line is the purchase order exchange rate.
- **Use Exchange Rate at the Time of the Receipt** – The default value of the exchange rate on the order line is the exchange rate based on the receipt date.

Then, based on your setting, the correct rate defaults to show in the Exchange Rate field on receipts.

**Use Purchase Order Rate on Bills**

When the purchase order has multiple item receipts, the Use Purchase Order Rate on Bills accounting setting determines the bill rate.

If the Use Purchase Order Rate on Bills preference is enabled, the vendor bill rate uses the highest item receipt rate. If the Use Purchase Order Rate on Bills preference is disabled, the vendor bill rate uses the purchase order rate.

You can find the Use Purchase Order Rate on Bills preference at Setup > Accounting > Preferences > Accounting Preferences > (Administrator).

**Note:** This preference applies to the Item Rate field, not the Exchange Rate field.

**Landed Cost Allocation per Line**

When enabled, you can specify landed cost allocation amounts on a per-line basis on transactions and receipts, rather than distributing the cost based on an allocation method at a transaction level basis. For every item received, a landed cost sub-record can store custom values, which are reflected in inventory valuation reports.

When this preference is enabled, all new item receipts, credit card charges, vendor bills, and checks default to use landed cost per line. You can change this default option by clearing the box to disable Landed Cost Allocation per Line when entering new transactions.
## Returns

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Return Auth. Status</td>
<td>Choose your default return authorization status. You can choose any return authorization status at the time you enter a transaction.</td>
</tr>
<tr>
<td></td>
<td>▪ Select <strong>Pending Approval</strong> if your company uses the approval process for return authorizations.</td>
</tr>
<tr>
<td></td>
<td>▪ Select <strong>Pending Fulfillment</strong> if your company does not use the approval process for return authorizations.</td>
</tr>
<tr>
<td>Refund in Advance of Return</td>
<td>Enable this preference to permit a purchase to be refunded before the item is returned.</td>
</tr>
<tr>
<td>Restock Returned Items</td>
<td>Enable this preference to check the Restock box on receipts by default. Clear this box to require the Restock box to be checked on each receipt.</td>
</tr>
<tr>
<td>Write-Off Account for Returns</td>
<td>Select the account to post to when you write off returned items.</td>
</tr>
<tr>
<td>Default Vendor Return Auth. Status</td>
<td>Choose the default status for vendor return transactions:</td>
</tr>
<tr>
<td></td>
<td>▪ Select <strong>Pending Approval</strong> if your company uses the approval process for vendor return authorizations.</td>
</tr>
<tr>
<td></td>
<td>▪ Select <strong>Pending Fulfillment</strong> if your company does not use the approval process for vendor return authorizations.</td>
</tr>
<tr>
<td></td>
<td>The status you select in this field shows by default in the status field of new vendor return authorizations you enter. You can choose another return authorization status at the time you enter a transaction.</td>
</tr>
<tr>
<td>Credit in Advance of Vendor Return</td>
<td>Check this box to enter vendor credit for the full amount of the return prior to the complete return of an order.</td>
</tr>
<tr>
<td></td>
<td>With this preference, you can enter vendor credit in advance for an entire order that is returned in parts.</td>
</tr>
</tbody>
</table>

## Transfer Orders

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Transfer Order Status</td>
<td>Select one of the following to default on manual orders:</td>
</tr>
<tr>
<td></td>
<td>▪ <strong>Pending Approval Firm</strong> – By default, require that someone with permission approves the order before it is processed. Firmed transfer orders are not available to be rescheduled or cancelled.</td>
</tr>
<tr>
<td></td>
<td>▪ <strong>Pending Approval Open</strong> – By default, require that someone with permission approves the order before it is processed. Transfer orders that are Open, not Firmed, are available to be rescheduled or cancelled. Recommendations for Open transfer orders are removed for each demand planning run.</td>
</tr>
<tr>
<td></td>
<td>▪ <strong>Pending Fulfillment</strong> – By default, send transfer orders directly to the fulfillment queue without requiring further approval.</td>
</tr>
<tr>
<td>Generate Transfer Orders in Supply Planning</td>
<td>Select one of the following to default on auto-generated transfer orders:</td>
</tr>
<tr>
<td></td>
<td>▪ <strong>Generate in Pending Approval Firm Status</strong> – By default, require that someone with permission approves the order before it is processed. Firmed transfer orders are not available to be rescheduled or cancelled.</td>
</tr>
</tbody>
</table>
### General Accounting

#### Field: Generate in Pending Approval Open Status
- **Description**: By default, require that someone with permission approves the order before it is processed. Transfer orders that are Open, not Firmed, are available to be rescheduled or cancelled. Recommendations for Open transfer orders are removed for each demand planning run.

#### Field: Generate in Pending Fulfillment Status
- **Description**: By default, send transfer orders directly to the fulfillment queue without requiring further approval.

### Work Orders

#### Field: Allow Purchase of Assembly Items
- **Description**: Enable this preference to add assembly items to purchase orders, vendor bills, checks, credit card transactions and vendor credits. You can also define purchase pricing on assembly item records.

#### Field: Allow Overage on Work Order Transactions
- **Description**: Check this box to be able to enter a quantity larger than the quantity remaining for an item on a work order. Clear this box to restrict the amount to a maximum of the amount on the work order.

#### Field: Default Work Order Status
- **Description**: Choose one of the following to define the default status of new work orders you manually create:
  - **Firm Planned** – Firmed planned work orders are **not** deleted before supply planning runs. No components are committed regardless of commit option settings.
  - **Open Planned** – Open planned work orders are deleted before supply planning runs. No components are committed regardless of commit option settings.
### Field | Description
--- | ---
- **Released** – No transaction has posted and no activities have been recorded. Components can be committed based on commit option settings. (Previously this status was called Pending Build.)

For details about work order statuses, read the help topic Assembly Work Orders.

### Create Work Orders in Supply Planning
Select one of the following to define the default for supply planning work orders:
- Do Not Generate
- Generate in Planned Firm Status
- Generate in Planned Open Status
- Generate in Released Status

For details about work order statuses, see the help topic Assembly Work Orders.

### Check Completed Quantity in Prior Operations During Operation Completion
Set this preference to validate that routing operation sequences are always followed in accordance with the work order. When the preference is enabled, NetSuite ensures that the correct quantity is completed for each operational step before permitting the work order to continue being processed.

For example, if Step #2 of your routing requires 5 widgets that are created during Step #1, you can enable this preference and NetSuite verifies that 5 widgets are completed during step #1 before Step #2 can begin. Such verification helps prevent problems due to out-of-sequence processing.

For orders completed across multiple days or shifts, partial quantities can be logged over time.

<table>
<thead>
<tr>
<th>Operation</th>
<th>Qty Day 1</th>
<th>Qty Day 2</th>
<th>Qty Day 3</th>
<th>Qty Day 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation 10</td>
<td>50</td>
<td>30</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Operation 20</td>
<td>40</td>
<td>40</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Operation 30</td>
<td>35</td>
<td>45</td>
<td>0</td>
<td>20</td>
</tr>
</tbody>
</table>

Choose from the following settings:
- **No Verification** – Choose this setting if you do not want to receive verification warnings.
- **Require Confirmation before Saving** – Choose this setting to receive verification warnings. NetSuite permits the completed quantity to be greater than the predecessor completed quantity after the warning is acknowledged.
- **Do Not Allow Saving** – Choose this setting to require that the completed quantity is not greater than the predecessor completed quantity.

This field defaults to the No Verification selection.

**Note:** Completion validation does not function when the completion transaction is edited or deleted.

### Show Planned Capacity on Work Orders
Use this preference to automatically create planned time entries when processing manufacturing work orders. This preference determines the default setting for the Show Planned Capacity field on new work orders being created. When this preference is enabled, work orders display a Planned Time subtab. NetSuite generates planned time entries showing the amount of time being allocated to each work center per day.
**Accounting Preferences**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update Intercompany Order Quantities</td>
<td>Enable this preference to automatically update the quantity of an intercompany purchase order item when the quantity is changed on the linked intercompany sales order. This preference applies only to assembly items and inventory items. When the quantity is changed on an intercompany sales order item before it is shipped, NetSuite examines the quantity on the linked intercompany purchase order. If the quantity on the linked intercompany purchase order does not match, NetSuite adjusts the corresponding quantity to match the sales order. For example, an intercompany sales order you entered shows a quantity of 10 units of item #AB1001. The intercompany purchase order generated from that sales order also shows 10 units of item #AB1001. The next day, the order is changed and you reduce the sales order quantity to 8 units of item #AB1001. With this preference enabled, after you save the new quantity on the sales order, NetSuite examines the linked purchase order to sync the quantity of items being ordered. The purchase order is automatically updated to show 8 units of item #AB1001.</td>
</tr>
<tr>
<td>Important</td>
<td>This preference applies only if the following conditions are met: The sales order line has not been fulfilled. The purchase order line has not been received or marked shipped. Neither the sales order or purchase order line have been manually closed.</td>
</tr>
<tr>
<td>Disable this preference if you do not want to update the quantity of an intercompany purchase order item when the quantity is changed on the linked intercompany sales order. Then, when the quantity on linked forms does not match, the quantity remains unchanged and is not updated to match.</td>
<td></td>
</tr>
<tr>
<td>Default Scheduling Method</td>
<td>Choose either <strong>Forward</strong> or <strong>Backward</strong> scheduling. Your selection here shows by default in the Scheduling Method field on new work orders you enter. For more details, read the help topic <strong>Production Scheduling Methods Overview</strong>.</td>
</tr>
<tr>
<td>Projects Accounting Preferences</td>
<td>The following preferences are available on the Projects subtab of the Accounting Preferences page:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Complete Denominator</td>
<td>If your company uses Planned Work, select how you want your denominator determined for project percent complete calculations. For more information, see the help topic <strong>Planned Work</strong>.</td>
</tr>
<tr>
<td>Budget Categories</td>
<td>These preferences affect the level of granularity available to set project budgets for Labor, Expenses and Suppliers. All 'Other' budget is grouped in one category which are all costs/billing categories that are not included in Labor, Expenses or Supplier.</td>
</tr>
<tr>
<td>Post Time</td>
<td>Check each box to set a company-wide preference for grouping journal entries by project, employee, class, department, or location when posting time for Job Costing.</td>
</tr>
<tr>
<td><strong>To set project budgeting preferences:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Under Labor, select how you want labor categories to appear on project budgets:</td>
<td></td>
</tr>
<tr>
<td>- <strong>Group all service items into one 'Labor' category</strong> – Select this option to group all costs and charges for work performed on projects in a single category.</td>
<td></td>
</tr>
</tbody>
</table>
- **Show all service items as individual categories** – Select this option to show each service item individually on project budgets. Each service item is shown on all project budgets regardless of value.

- **Show only selected service items as individual categories** – Select this option to choose which service items you want shown as labor categories for project budgets. Press and hold the Ctrl key when selecting items to select multiple service items. Any costs or charges for services items not selected are recorded in the Labor: Other category.

2. Under Expenses, select how you want expense categories to appear on project budgets:

- **Group all expense categories into one ‘Expenses’ category** – Select this option to group all costs and charges for expense on projects in a single category.

- **Show all expense categories as individual categories** – Select this option to show each expense category individually on project budgets. Each expense category is shown on all project budgets regardless of value.

- **Show only selected expense categories as individual categories** – Select this option to choose which expense categories you want shown as expenses for project budgets. Press and hold the Ctrl key when selecting items to select multiple expense categories. Any costs or charges for expense categories not selected are recorded in the Expenses: Other category.

3. Under Supplier, select how you want supplier categories to appear on project budgets:

- **Group all supplier items into one ‘Supplier’ category** – Select this option to group all costs and charges for vendor supplied expenses on projects in a single category.

- **Show all supplier items as individual categories** – Select this option to show each vendor supplied item individually on project budgets. Each supplier item is shown on all project budgets regardless of value.

- **Show only selected supplier items as individual categories** – Select this option to choose which vendor supplied items you want shown as supplier categories for project budgets. Press and hold the Ctrl key when selecting items to select multiple supplier items. Any costs or charges for supplier items not selected are recorded in the Supplier: Other category.

4. Click **Save**.

### Time & Expenses Accounting Preferences

The following types of preferences are available on the Time & Expenses subtab of the Accounting Preferences page:

- **General**
- **Time Tracking**
- **Expenses**

#### General

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Show Projects Only For Time and Expense Entry</td>
<td>Check this box to permit <strong>only projects</strong> to be selected in the Customer/Project field on time transactions and expense entry forms.</td>
</tr>
</tbody>
</table>

**Note:** Checking this box removes the ability to track time for customers on tasks, events, and cases not associated with a project.

Clear this box to permit **projects and customers** to be selected in the Customer/Project field on time transactions and expense entry forms.
### Time Tracking

**Important:** The following preferences apply to Time Tracking. For information on Timesheets preferences, see the help topic [Timesheets](#).

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
</table>
| Override Rates on Time Records             | Check this box if you want the option to change the billable rate for service items on time records. You can also choose to lock the rate so the billable rate is not affected by any rate changes that may happen before this customer is actually invoiced. If you also use Multiple Prices, you can select a new price level for service items on time entries. Clear this box if you want service items on time entries to be billed at the current item rate for each customer.  
  **Note:** If you use Charge-Based Billing, any time-based charge rules created override changes made directly on time transactions. |
<p>| Require Approvals on Time Records          | Check this box to require supervisors to approve their employees' time transactions. If you do not check this box, time transactions can be billed to customers or included in the payroll run without the approval of a supervisor.  When the Time-Off Management feature is enabled and this box is checked, time-off entries generated from approved time-off requests cannot be edited. To allow employees to make updates, leave this box unchecked. |
| Advanced Approvals on Time Records         | Check this box to enable advanced approval options for Time Tracking. After you have enabled the preference, the Supervisor Approval field on time entries and the weekly timesheet is replaced by an Approval Status field. This field is editable by administrators and any role without time and expense restrictions. This field enables you to set the status of time entries to Open, Pending Approval, Approved, or Rejected. Advanced approvals enables you to use SuiteFlow and Approval Routing to create custom approval workflows for your time entries.  For more information, see the help topic <a href="#">Approving or Rejecting a Time Transaction</a>. |
| Copy Service Item Description to Time Memo | Enable this preference to automatically copy item descriptions to the memo field on time transactions when a service item is selected. When this preference is enabled, item descriptions will replace any memo already entered on the time transaction. |
| Time Billable by Default                   | Enable this preference to check the Billable box by default on new time records after a customer is chosen. When this preference is enabled, the Billable box is checked on time transactions. The Billable box is also checked on the Time subtab on events, tasks, and cases. |</p>
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disable Billing</td>
<td>Disable this preference to clear the Billable box on new time records by default, even after a customer is chosen. If Project Management is enabled, the Billable box for time and materials and charge-based projects are always checked by default. The Billable box for fixed bid projects (of either type) are always cleared by default.</td>
</tr>
<tr>
<td>Copy Time Memos to Invoices</td>
<td>Check this box to have invoices include memos entered on billable time. Clear this box to leave the memo field empty. <em>Important:</em> When you enable this preference, the memos you have already entered on existing time records show on invoices you create.</td>
</tr>
<tr>
<td>Show Planned Time in Time Entry</td>
<td>Enable this preference to have planned time entries automatically display on time entry records.</td>
</tr>
<tr>
<td>Round Time Entry Duration</td>
<td>Select how you want time entries rounded when employees track time.</td>
</tr>
<tr>
<td>Copy From Week Options</td>
<td>Select how you want hours and memos copied when copying an entire week of time transactions. You can choose to always copy hours and memos, never copy hours and memos, or allow the user to select if hours and memos should be copied. If employees are allowed to choose, the Copy Hours box can be checked when copying time transactions.</td>
</tr>
<tr>
<td>Lock Timesheet Period</td>
<td>Select a specific time period to disable the ability for employees to submit, edit, or add a time entry. The Weekly Timesheets feature is required for timesheet locking. For more information, see the help topic <a href="#">Locking Timesheet Periods</a>.</td>
</tr>
<tr>
<td>Minimum Number of Hours Per Week</td>
<td>Select Enabled or Enabled (Work calendar) to impose a minimum number of hours an employee can track in a week. If you selected Enabled, in the Value field, enter the minimum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes minimums based on the number of weekly working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that are under the minimum value. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction with less than the required minimum. Note: Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing.</td>
</tr>
</tbody>
</table>
### Field | Description
--- | ---

**Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.

**Important:** Be aware when setting thresholds not based on the work calendar, NetSuite does not take into account non-working days when applying time thresholds. You must determine how your company handles these days. For example, if you set a minimum daily threshold of 8 hours, employees are not able to submit time for a holiday if the working time is less than 8 hours.

**Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Number of Hours Per Week</td>
<td>Select Enabled or Enabled (Work calendar) to impose a limit on the number of hours an employee can track in a single week. If you selected Enabled, in the Value field, enter the maximum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes limits based on the number of weekly working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that go over the weekly limit. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction outside the limit. <strong>Important:</strong> NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.</td>
</tr>
<tr>
<td>Minimum Number of Hours Per Working Day</td>
<td>Select Enabled or Enabled (Work calendar) to impose a minimum number of hours an employee can track in a single working day. If you selected Enabled, in the Value field, enter the minimum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes minimums based on the number of daily working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar. In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that are under the minimum value. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction with less than the required minimum. <strong>Note:</strong> Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing.</td>
</tr>
</tbody>
</table>
### Field: Maximum Number of Hours Allowed Per Working Day

**Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.

**Important:** Be aware when setting thresholds not based on the work calendar, NetSuite does not take into account non-working days when applying time thresholds. You must determine how your company handles these days. For example, if you set a minimum daily threshold of 8 hours, employees are not able to submit time for a holiday if the working time is less than 8 hours.

**Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing.

Select Enabled or Enabled (Work calendar) to impose a limit on the number of hours an employee can track in a single day. If you selected Enabled, in the Value field, enter the maximum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes limits based on the number of daily working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar.

In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that go over the daily limit. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction outside the limit.

### Field: Minimum Number of Hours Per Time Entry

**Important:** NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.

**Note:** Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing.

Select Enabled or Enabled (Work calendar) to impose a minimum number of hours an employee can track in a single time entry. If you selected Enabled, in the Value field, enter the minimum number of hours allowed. If you selected Enabled (Work calendar), NetSuite imposes minimums based on the number of daily working hours on the employee's work calendar. Holidays and non-working days are determined by the employee's work calendar.

In the Action field, select Do not allow time outside limit to prevent employees from saving time transactions that are under the minimum value. Select Warn but allow time outside limit to show a pop up warning and then save for employees attempting to enter time transaction with less than the required minimum.
### Accounting Preferences

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Important:</strong></td>
<td>NetSuite validates set time thresholds within the browser. When an entry is made for the duration of a time transaction, NetSuite validates that the entry fits within the set limits. If an entry is left blank, NetSuite will not validate for that entry. This can create a situation where time transactions are saved that do not meet set threshold limits.</td>
</tr>
<tr>
<td><strong>Important:</strong></td>
<td>Be aware when setting thresholds not based on the work calendar, NetSuite does not take into account non-working days when applying time thresholds. You must determine how your company handles these days. For example, if you set a minimum daily threshold of 8 hours, employees are not able to submit time for a holiday if the working time is less than 8 hours.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Require Time for Working Days</th>
<th><strong>Note:</strong> Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing.</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you have enabled the Advanced Approvals on Time Records preference, you can choose to require time be entered for each working day. Working days are determined by an employee's selected work calendar.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Apply Time Threshold to Vendor Time</th>
<th>Check this box to apply selected time threshold requirements to time entered by vendors.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Perform Limit Check on Approval Action</th>
<th><strong>Note:</strong> Time thresholds are not available when using SuiteScript, SuiteFlow, or custom approval routing.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check this box to check threshold limits when time entries are approved. Time approvers receive a pop up warning when approving time outside established limits.</td>
<td></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses Billable by Default</strong></td>
<td>Enable this preference to check the Billable box by default when you enter expenses on a purchase transaction. After you select a customer on an expenses line of a purchase transaction, the Billable box is automatically checked. Disable this preference to clear the Billable box by default when you enter expenses on a purchase transaction.</td>
</tr>
</tbody>
</table>

| Items Billable by Default | Enable this preference to check the Billable box by default when you are purchasing items. After you select a customer on an item line of a purchase transaction, the Billable box is automatically checked. Disable this preference to clear the Billable box by default when you are purchasing items. |

<p>| Combine Detail Items on Expense Reports | Check this box if you want to combine line items from the same category on a single expense report submitted by an employee. For example, if an employee enters a single expense report that contains two entries for entertainment costs, the total shows as one line item for entertainment costs on the invoice. |</p>
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Description</td>
</tr>
<tr>
<td>Copy Expense Memos to Invoices</td>
<td>Set this preference to have invoices include memos entered on expenses. Clear this box to leave the memo field empty.</td>
</tr>
<tr>
<td>Show Warning Message for Taxable Expense Lines Without Receipt</td>
<td>Check this box to show a warning message for any taxable expense line item added without attaching a receipt. Clearing the warning returns user to the line to attach a receipt. Clearing this box prevents any warnings when a receipt is not included.</td>
</tr>
<tr>
<td>Default Payable Account for Expense Reports</td>
<td>If you have multiple payable accounts, select the default account to be used on expense reports.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> If you have a single payable account, this preference does not appear.</td>
</tr>
<tr>
<td>Default Account for Corporate Card Expenses</td>
<td>If you have more than one credit card account defined in NetSuite, you can select a default account for expenses paid with a corporate card.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> This preference is hidden if you only have a single credit card account.</td>
</tr>
<tr>
<td>Default Advance to Apply Account for Expense Reports</td>
<td>Select a default general ledger account for applying advances on expense reports.</td>
</tr>
<tr>
<td></td>
<td><strong>Important:</strong> When setting a preferred account, any previously paid advances that have not yet been applied remain debited from the Advances Paid account. After the preference is set, any future expense reports credit the selected account. This can create a general ledger that is out of balance. Create manual journal entries to balance the accounts. Prior to setting this preference, consult your accounting department for the best practice.</td>
</tr>
<tr>
<td>Foreign Amount Change</td>
<td>Select the default recalculation method for expenses. You can recalculate the exchange rate between the base currency and foreign currencies, or recalculate the base currency.</td>
</tr>
</tbody>
</table>

**Approval Routing Accounting Preferences**

The following preferences are available on the Approval Routing subtab of the Accounting Preferences page:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Reports</td>
<td>Enable the Expense Reports preference for approval routing and set up an approval workflow to process expenses. If you enable this preference and use SuiteFlow, you can create your own custom workflow to process expense approvals. For more information, see the help topic Custom Workflow-based Approvals for Expense Reports.</td>
</tr>
<tr>
<td>Purchase Orders</td>
<td>Enable the Purchase Orders preference on the Approval Routing subtab of Accounting Preferences and set up an approval workflow to process purchases. If you enable this preference and use SuiteFlow, you can create your own custom workflow to process purchase</td>
</tr>
</tbody>
</table>
Accounting Preferences

### Field | Description
--- | ---
Vendor Bills | You can use SuiteFlow to create a custom workflow for handling your vendor bill approval routing. For more information, see the help topic Vendor Bill Approval Workflow.
Vendor Payments | You can use SuiteFlow to create a custom workflow for handling your vendor payment approval routing. For more information, read the help topic Custom Workflow-based Approvals for Vendor Payments.
Resource Allocations | You can use SuiteFlow to create a custom workflow for handling your resource allocation approval routing. For more information, see the help topic SuiteFlow Overview.
Revenue Arrangements | You can use SuiteFlow to create a custom workflow for approving revenue arrangements. If you use the Advanced Revenue Recognition SuiteApp, you must enable this preference. For more information, see the help topic Revenue Recognition Approval Workflow.
Time Bills | You can use SuiteFlow to create a custom workflow for handling your time entry approval routing. For more information, see the help topic SuiteFlow Overview.
Journal Entries | Enable the Journal Entries preference and use SuiteFlow to create a custom workflow for approving journal entries. For information, see Using SuiteFlow for Journal Entry Approvals.

### Balancing Segments Preferences

When the Balancing Segments feature is enabled, the Accounting Preferences page includes a Balancing Segments subtab with the following preferences:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Intersegment Due To Account</td>
<td>The general ledger account used by default as a clearing account for payables to balance transactions by segment.</td>
</tr>
<tr>
<td>Default Intersegment Due From Account</td>
<td>The general ledger account used by default as a clearing account for receivables to balance transactions by segment.</td>
</tr>
</tbody>
</table>

For more information about this subtab, see Configuring Intersegment Accounts.

### Setting Up Accounting Lists

NetSuite provides a number of predefined categories used to group records. These categories are called lists because each category can includes a list of values that can be set on records. Some lists have system-defined values, but you can add values to most lists as required by your business. System-defined values and the values you add to these lists, display as options in lists for related fields. The system displays a maximum of 10,000 records in these lists.

Accounting lists provide values for accounting-related groupings on a variety of records, including transactions, items, budgets, customers, projects, and vendors.

- To review existing values available for the various accounting lists, go to Setup > Accounting > Accounting Lists. Values are grouped alphabetically by list name, and within that, alphabetically by value description.
- To add a value to an accounting list, go to Setup > Accounting > Accounting Lists > New, and click on a list. Complete field(s) and click Save. You can click the New button to add another value.

General Accounting
### Setting Up Accounting Lists

Note: Changes made to accounting lists are captured in system notes. For more information, see the help topic Searching System Notes.

The following lists may be available in your account:

<table>
<thead>
<tr>
<th>List</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing Class</td>
<td>Billing class values are used on employee records to set billable time rates for service items. For more information, see the help topic Using Billing Classes.</td>
</tr>
<tr>
<td>Budget Category</td>
<td>This list is available if the Multiple Budgets feature is enabled. Budget category values are used on budget records to categorize types of budgets. In NetSuite OneWorld, budget category values are used to indicate whether budgeting is done at the local subsidiary level in local currency or globally using the root subsidiary's currency. Each budget category is associated with a budget category type of Local or Global. See Multiple Budgets and Budget Categories.</td>
</tr>
<tr>
<td>Charge Type</td>
<td>List for the type of service of the subscription plan items that use a specific charge plan.</td>
</tr>
<tr>
<td>Note:</td>
<td>If this object was installed as part of a bundle, the Bundle ID column displays the bundle that includes the Charge Type object. The Bundle ID column applies to only the Charge Type accounting list.</td>
</tr>
<tr>
<td>Cost Category</td>
<td>This list is available if the Landed Cost or Standard Costing feature is enabled. Cost categories have two purposes:</td>
</tr>
<tr>
<td></td>
<td>■ Material or Service Cost categories track standard costs for items. For more information, see the help topic Creating Cost Categories.</td>
</tr>
<tr>
<td></td>
<td>■ Landed Cost Category values are used for items on bills and item receipts to categorize the different kinds of expenses incurred when making purchases. For more information, see the help topic Landed Cost Categories.</td>
</tr>
<tr>
<td>Customer Category</td>
<td>Customer categories are used on customer records to categorize them. A common use is to define the source of each customer.</td>
</tr>
<tr>
<td>Customer Message</td>
<td>Customer message values can be selected on transaction records to include standardized messages to customers. For example, a message of &quot;Thank you for your order!&quot; can be selected on an invoice record to be displayed on the invoice sent to the customer.</td>
</tr>
<tr>
<td></td>
<td>To create a customer message, click the Customer Message link, complete the fields and save.</td>
</tr>
<tr>
<td>Distribution Category</td>
<td>This list is available if the Distribution Resource Planning feature is enabled. Distribution categories are used to set up a distribution network for supply planning. For more information, read the help topic Creating a Distribution Category.</td>
</tr>
<tr>
<td>Incoterm</td>
<td>This list is available if the Purchase Contracts feature or Blanket Purchase Orders feature is enabled. Incoterms are a standardized three-letter trade term used on transactions related to international commercial procurement practices that communicate the tasks, costs, and risks associated with the transportation and delivery of goods. Incoterms define where the customer takes ownership of the product and are typically used for international orders, such as when an item goes through customs or crosses a border. This is an expansion of a concept similar to FOB terms used in the United States. For more details, read the help topic Creating Purchase Contracts or Creating a Blanket Purchase Order.</td>
</tr>
<tr>
<td>Order Type</td>
<td>This list is available when the Warehouse Management feature is enabled. On order transactions, use order types to associate attributes to orders.</td>
</tr>
<tr>
<td>List</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Other Name Category</td>
<td>Other name category values are used on Other Name records to categorize them. The list of other name records is a collection of records for people or companies who are not vendors, customers or employees. You can use Other Name records to track other people or companies to whom you write checks or from whom you receive deposits. For example, your company might donate money to a favorite charity, so you can create an other name record for the charity. You might also list your owners and partners here if they contribute or withdraw equity.</td>
</tr>
<tr>
<td>Payment Method</td>
<td>Payment method values are used on transactions such as cash sales and customer payments, to specify how payment was received. Possible payment methods include cash, check, credit card, money order, or PayPal™. For more information, see the help topic Creating a Payment Method. For more information about setting up PayPal processing, see the help topic PayPal Integration and Express Checkout.</td>
</tr>
<tr>
<td>Price Level</td>
<td>This list is available when the Multiple Prices features is enabled. Price level values are used on item records to enable you to set up multiple prices for each item. When you create price level values, they automatically appear on item records with space for you to assign a price to each level. If the Quantity Pricing feature is enabled, you can assign quantity-based prices for each level. For more information, see the help topic Creating Price Levels.</td>
</tr>
<tr>
<td>Pricing Group</td>
<td>This list is available when the Multiple Prices feature is enabled. Pricing group values are used on customer and item records to enable the creation of customer-specific pricing for items. For more information, see the help topic Pricing Groups.</td>
</tr>
<tr>
<td>Project Status</td>
<td>This list is available when the Projects feature is enabled. Project status values are used on project records to indicate the progress of projects. For more information, see the help topic Creating a Basic Project Record.</td>
</tr>
<tr>
<td>Project Type</td>
<td>This list is available when the Projects feature is enabled. Project type values are used on project records to categorize them in whatever manner is needed. You can create a hierarchy of project types by identifying a subtype for each type value.</td>
</tr>
<tr>
<td>Revenue Allocation Group</td>
<td>This list is available when the Advanced Revenue Management feature is enabled. The revenue allocation group value is used in the GroupSum function in fair value formulas. For more information, see the help topics Fair Value Setup and GroupSum Formulas.</td>
</tr>
<tr>
<td>Term</td>
<td>Term values are used on invoice and customer records to specify when payment is due. You can select terms on a customer record to default on all invoices for that customer. You also can select terms on an invoice to apply to that transaction only. For more information, see the help topic Creating Terms of Payment.</td>
</tr>
<tr>
<td>Transaction Deletion Reason</td>
<td>This list is available when the Use Deletion Reason feature is enabled. You can create unique reasons why a transaction was deleted and choose the languages in which the reason should display. You can also inactivate specific deletion reasons if they no longer suit your needs. For more information, see the help topic Recording a Reason for Deleting a Transaction.</td>
</tr>
<tr>
<td>Vendor Category</td>
<td>Vendor categories are used on vendor records to categorize them.</td>
</tr>
<tr>
<td>1099-MISC Category</td>
<td>This list's values are used for 1099 forms that you issue to vendors. You cannot add values to this list.</td>
</tr>
</tbody>
</table>
Other lists in addition to Accounting Lists are available for use in categorizing other types of records:

- Employee related lists provide values to group employee records. See Setting Up Employee Related Lists.
- CRM lists provide customer relationship management values to group records such as contacts, sales representatives, partners, and campaigns. CRM Lists.
- Users with the Custom Lists permission can create additional, custom lists to categorize records, by going to .

### Setting Up Employee Related Lists

NetSuite provides a number of predefined categories used to group records. These categories are called lists because each category can includes a list of values that can be set on records. Some lists have system-defined values, but you can add values to most lists as required by your business. System-defined values and the values you add to these lists, display as options in drop-downs for related fields.

Employee related lists provide values used on employee records to categorize them.

- To review existing values available for the various accounting lists, go to Setup > Accounting > Employee Related Lists. Values are grouped alphabetically by list name, and within that, alphabetically by value description.
- To add a value to an accounting list, go to Setup > Accounting > Employee Related Lists > New, and click on a list. Complete field(s) and click Save. You can click the New button to add another value.

Use the links on the Setup > Accounting > Employee Related Lists page to create categories used to provide information about your employees on employee records. The values you add appear as options in lists for employees.

The following lists may be available in your account:

<table>
<thead>
<tr>
<th>List</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Education values are used to define employees' level of education. These values display on the Human Resources, Education subtab of employee records.</td>
</tr>
</tbody>
</table>
| Employee Status | Employee status values can be used to categorize employees' work status. Example values include Prehire, Actively Employed, Leave, and Terminated. These values display on the Human Resources subtab of employee records. You can define a category for an employee status. Employee status categories are used to track the lifecycle of an employee as they transition through the company. Employee status categories include the following: Prehire, Actively Employed, Leave, and Terminated. By default, there are eight inactive employee status values that are assigned to a category. They are as follows:  
  - Actively Employed — Actively Employed  
  - Medical Leave — Leave  
  - Parental Leave — Leave  
  - Prehire — Prehire  
  - Probation — Actively Employed  
  - Terminated — Terminated  
  - Terminated with Pay and Benefits — Terminated  
  - Unpaid Leave — Leave  
  The employee status category cannot be changed, however, if required, you can edit the employee status name. For the employee status value to appear on the Human Resources subtab of employee records, make sure the Inactive box is cleared. |

General Accounting
### Employee Type

Employee type values are used to categorize employees for descriptive or reporting purposes. These values display on the Human Resources subtab of employee records. System-defined values include the following: Contractor, Exempt (in the U.S., an employee not entitled to overtime pay), Officer, Owner, Regular Employee, and Statutory Employee.

**Note:** When you have the Effective Dating feature enabled, you can effective date employee status values. To view employee status transitions, select the Effective Date Log subtab on the employee record.

You can define a category for an employee type value. Employee type categories are used to classify the different types of workers in your company, and represent the legal relationship between your company and the employee.

By default, there are eight inactive employee type values that are assigned to a category. They are as follows:

- Casual — Contingent
- Consultant — Contractor
- Full-Time — Permanent
- Part-Time — Permanent
- Seasonal — Contingent
- System Bot — Non Worker
- Temporary — Contingent
- Volunteer — Non Worker

The employee type category cannot be changed, however, if required, you can edit the employee type name. For the employee type value to appear on the Human Resources subtab of employee records, make sure the **Inactive** box is cleared.

**Note:** You can include one or more types of employees in employee-related key performance indicators, and search results by checking the Include in KPI box.

### Ethnicity

Ethnicity values are used to categorize employees' ethnicity. These values display on the Human Resources, Personal subtab of employee records.

### Marital Status

Marital status values are used to categorize employees' marital status such as Single, Married, or Divorced. These values display on the Human Resources, Personal subtab of employee records.

### Project Resource Role

This list is available when the Project Management feature is enabled. Project resource role values are used to identify the roles of employees or vendors on project records.

For more information, read the help topic [Creating a Project Resource Role](#).

### Resident Status

Resident status values are used to identify employee status, based on Section 1 of their completed I-9 forms. These values display on the Human Resources, Work Status subtab of employee records.

### Visa Type

Visa type values are used to identify visa information on employee records. These values display on the Human Resources, Work Status subtab of employee records.

Other lists in addition to Employee Related Lists are available for use in categorizing other types of records:

### General Accounting
- Accounting lists provide values for accounting-related groupings on a variety of records including transactions, items, budgets, customers, projects, and vendors. See Setting Up Accounting Lists.
- CRM lists provide customer relationship management values to group records such as contacts, sales representatives, partners, and campaigns. See the help topic CRM Lists.
- Users with the Custom Lists permission can create additional, custom lists to categorize records, by going to Customization > Lists, Records, & Fields > Lists > New.
Currency Management

If you use the same currency for all of your business transaction, you set the Currency Locale during setup on your Company Information page. These topics about currency management do not apply to your account. For more about the Company Information page, see the help topic Configuring Company Information.

If your business uses more than one currency, you enable the Multiple Currencies feature. This feature provides support for transactions with customers and vendors that use currencies other than your primary currency.

If you conduct business in foreign currencies, your accountants or auditors should know the accounting principles and requirements of the countries in which you file reports. Using non-compliant accounting practices could, over time, materially affect the valuation of transactions and account balances originally recorded in foreign currencies.

Your company’s primary currency, its functional currency, is called the base currency in NetSuite. Subsidiaries in NetSuite OneWorld can have different base currencies from the parent subsidiary and from each other. The currencies used in transactions with customers and vendors, other than the base currency, are referred to as foreign currencies or transaction currencies.

After you enable the Multiple Currencies feature, you need to complete the following additional actions to set up currency records and assign them to entity records in NetSuite:

- Create currency records for the different currencies you want to use in your transactions and for your subsidiaries if you use NetSuite OneWorld.
- Select the base currency for your company. If you use NetSuite OneWorld, you select the base currency for each subsidiary. If you also use the Multi-Book Accounting feature, you select the base currency for each subsidiary and accounting book combination.
- Assign currencies to customers, vendors, and other entities. For NetSuite OneWorld, you assign subsidiaries to the entities, and the currency is assigned with the subsidiary.

For instructions, see Multiple Currencies and its subtopics.

After you set up currency records and assign them to entities, you need to establish the currency exchange rates to apply to transactions in your account. The Currency Exchange Rates list includes the exchange rates between each base currency and its foreign currencies. You can set and update exchange rates manually or automatically using the Currency Exchange Rate Integration feature.

For instructions, see Currency Exchange Rates and its subtopics.

If your account has subsidiaries with different base currencies, NetSuite maintains a list of consolidated exchange rates in addition to the Currency Exchange Rates list. The rates in the Consolidated Exchange Rates list translate between the base currency of a subsidiary and the base currency of its parent or grandparent subsidiary for a specified accounting period. You should update these rates before each period is closed.

For details and instructions, see Consolidated Exchange Rates and its subtopics.

Changes in exchange rates between your base currency and the foreign currencies used in transactions cause a corresponding change in the transactions’ base currency valuations. These changes in base currency valuations (foreign currency revaluation) impact the general ledger. NetSuite automatically revalues transactions that close during each accounting period and posts the variance to the realized gain/loss account. The month-end revaluation process posts variances open transactions, foreign-currency accounts, and non-denominated accounts to the unrealized gain/loss account. The Foreign Currency Variance Mapping feature enables you to create foreign currency variance posting rules that map foreign currency variances to other accounts if you prefer.

For details and instructions, see Foreign Currency Revaluation and its subtopics.
Multiple Currencies

If your business uses more than one currency, you must enable the Multiple Currencies feature at Setup > Company > Enable Features and then perform additional currency setup. This feature provides support for transactions with customers and vendors that use currencies other than your company’s base currency.

Note: The capabilities previously associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features have been combined in the Multiple Currencies feature. When you enable the Multiple Currencies feature, you gain access to support for multiple currency customers and vendors. You cannot disable this feature if there are associated transactions.

See the following topics for information about setting up multiple currencies:

■ Enabling the Multiple Currencies Feature
■ Creating Currency Records
■ Setting a Base Currency
■ Assigning Currencies to Entities

Enabling the Multiple Currencies Feature

A user with the Enable Features permission must enable the Multiple Currencies feature. This feature provides support for transactions with customers and vendors that use currencies other than the currency in which your company manages its financials.

To enable the Multiple Currencies feature:

1. Go to Setup > Company > Enable Features.
2. On the Company subtab, check the Multiple Currencies box.
3. You can also enable the Currency Exchange Rate Integration feature at this time if you want to automatically update exchange rates one time each day. For more information, see Currency Exchange Rate Integration.
4. Click Save.

After you enable Multiple Currencies, go to Lists > Accounting > Currencies. Ensure that the base currency for your company (or for NetSuite OneWorld, for each of your subsidiaries) is marked Yes in the Base Currency column. To use a base or foreign currency not included in the default list on the Currencies page, you must first define the new currency. NetSuite supports all ISO 4217 standard currencies. For more information, see Creating Currency Records.

You must define each foreign currency that you use on transactions with a name, default locale, ISO code, and default exchange rate.

Important: If you do not currently use accounting periods, you must enable the Accounting Periods feature in your account to effectively use the Multiple Currencies feature. Accounting periods are required to properly post open balance revaluation at the end of each accounting period. See Accounting Period Management.

Creating Currency Records

By default, NetSuite provides the following currencies with the Multiple Currencies feature:
<table>
<thead>
<tr>
<th>Country</th>
<th>Currency Name</th>
<th>Symbol/ Currency Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>dollar</td>
<td>CAD</td>
</tr>
<tr>
<td>European Union</td>
<td>euro</td>
<td>EUR</td>
</tr>
<tr>
<td>Great Britain</td>
<td>pound</td>
<td>GBP</td>
</tr>
<tr>
<td>United States</td>
<td>dollar</td>
<td>USD</td>
</tr>
</tbody>
</table>

Create additional currency records for any other currencies to be used for transactions. NetSuite supports all ISO 4217 standard currencies.

For instructions to view, edit, or delete existing currency records, see Viewing and Editing Currency Records.

**To create a currency record:**

1. Go to Lists > Accounting > Currencies > New.

2. In the Name field, enter a unique name for the currency.

   Use a name that combines the country name or abbreviation as well as the name of the currency. For example, pesos are the currency in the Philippines, Uruguay, and Mexico. For Mexico, you might enter Mexican peso.

   The currency name you enter here becomes an option for the currency on customer, vendor, and other records. For more information, see Assigning Currencies to Entities and Assigning a Foreign Currency Price to a Sales Item.

3. In the Default Locale field, select a country to determine the currency format.

   The ISO Code field displays the three-letter International Standards Organization (ISO) currency code for the Default Locale you select. You receive a warning if you change the value to an unsupported ISO code. Non-standard ISO codes significantly slow down the exchange rate update process. To use the Currency Exchange Rate Integration feature, the currency record must have a valid ISO code.

   The Format Sample field displays the default currency format for the currency of the Default Locale. The currency format is the combination of the symbol, thousands separator, level of decimal precision, and negative symbol used to display amounts on transactions.

4. In the Default Exchange Rate field, enter an exchange rate for this currency against the base currency of this company.

   If you use NetSuite OneWorld, enter the exchange rate for this currency against the base currency of the root parent subsidiary.

   If you use Multi-Book Accounting, enter the exchange rate for this currency against the base currency of the root subsidiary primary book currency.

   The exchange rate is equal to the base currency amount divided by the foreign currency amount.

   For example:

   - If your company is located in Canada and you are defining the U.S. dollar, and the current exchange rate is 1.02 Canadian dollars to 1.00 U.S. dollar, the Default Exchange Rate for the U.S. dollar is 1.02/1.00, or 1.02.
   - If your company is located in the U.S. and you are defining the Canadian dollar, and the current exchange rate is 1.02 Canadian dollars to 1.00 U.S. dollar, the Default Exchange Rate for the Canadian dollar is 1.00/1.02, or .98.
This rate is the basis for rates in the Currency Exchange Rates table that are used in foreign currency transactions. If you use OneWorld, this rate also is the basis for rates in the Consolidated Exchange Rates table that are used in consolidated financial reporting. For more information, see Currency Exchange Rates and Consolidated Exchange Rates.

5. Complete other fields as needed. Some fields are displayed only when the Currency Exchange Rate Integration is enabled in your account. For information about these fields, see Currency Record Fields for Currency Exchange Rate Integration.
   a. **Is Base Currency** is displayed only on existing currency records for currency designated as the base currency for a subsidiary or as the currency at company level. The box is always checked. You cannot edit this field on the currency record. For instructions to set a base currency, see Setting a Base Currency and, if you use NetSuite OneWorld, Creating Subsidiary Records.
   b. **Currency Precision** is populated when you save the currency record. The precision designates the number of digits to the right of the decimal point used in currency transactions. Precision can be zero or two. For more information, see Currency Decimal Precision.
   c. Clear the **Inactive** box to make the currency available, or check it to make the currency inactive. You cannot make a currency inactive if any open transactions exist in that currency.
   d. To customize the format for this currency, check the **Override Currency Format** box.
      - In the **Symbol** field, enter the text and currency symbol you want to use for this currency. Include spaces if you want to separate the symbol from the currency value.
      - In the **Symbol Placement** field, select to place the currency symbol before or after the number.

The **Format Sample** field shows how currency amounts display on screen and on printed transactions using your customized currency format and personal Number Format preference. For more information, see Customizing Currency Formats and Setting Personal Preferences.

6. Click **Save**.

After you create records for the currencies to be used in your transactions, you can set up exchange rates between currencies. See Currency Exchange Rates.

### Viewing and Editing Currency Records

To view or edit an existing currency record, go to Lists > Accounting > Currencies and click the Name link. The Currencies list page includes the following columns:

- Internal ID (if the Show Internal IDs personal preference is checked)
- Name
- ISO Code
- Base Currency
- Inactive

If the Currency Exchange Rate Integration feature is enabled, the following additional columns are displayed. For more information, see Currency Record Fields for Currency Exchange Rate Integration.

- Anchor Currency
- Automatic Update
- **Update Time Zone**

  To view or edit a currency, click the name of the currency. Currency records always open in edit mode. You can edit only the following fields on the currency record.

### Field | Description
--- | ---
Name | Use a name that combines the country name or abbreviation as well as the name of the currency. The currency name you enter here is shown as an option for the currency on customer, vendor, and other records.
Default Locale | If you change the Default Locale, the default currency format changes, but you must change the ISO Code.
ISO Code | Be sure to change ISO Code if you change the Default Locale. You receive a warning if you change the value to an unsupported ISO code. Non-standard ISO codes significantly slow down the exchange rate update process.
Automatic Update | This field is available only when the Currency Exchange Rate Integration feature is enabled in your account. By default, the box is checked. The check indicates that standard ISO exchange rates are automatically updated by the system. For more information, see Currency Exchange Rate Integration.
  
  Clear the box if you do not want an update to occur for a specific currency. When this box is cleared for a base currency, the automatic updates that occur with that currency are only those updates to other base currencies. For example, if the definition of GBP as a base currency does not have automatic update enabled, no updates occur except with other base currencies that consider the GBP a foreign currency.
Update Time Zone | This field is displayed only when the Currency Exchange Rate Integration feature is enabled and only for base currency records.
  
  Select the time zone to use to determine the time of daily exchange rate updates. The default is U.S. Eastern time. Rate updates occur at 6 a.m. in the time zone you select.
Currency Precision | To change this read-only field to a list through which you can change the precision from zero or two, contact NetSuite Customer Support. For more information, see Currency Decimal Precision.
Inactive | Clear the box to make the currency available, or check it to make the currency inactive. You cannot make a currency inactive if any open transactions exist in that currency.
Override Currency Format | Check this box to change the format for this currency. When you check the box, the following two fields are displayed:
  
  - **Symbol** - Enter the text and currency symbol you want to use for this currency. Include spaces if you want to separate the symbol from the currency value.
  - **Symbol Placement** - Select Before Number or After Number to determine whether the symbol precedes or follows the number.

  The Format Sample field shows how currency amounts display on screen and on printed transactions using your customized currency format and your personal Number Format preference. For more information, see Customizing Currency Formats.

### The following fields on the currency record cannot be changed by editing the record.

### Field | Description and Notes
--- | ---
Is Base Currency | This field is displayed and the box is checked only when the currency is a base currency. You cannot edit this field on the currency record.
  
  For instructions to set a base currency, see Setting a Base Currency and, if you use NetSuite OneWorld, Creating Subsidiary Records.
### Field Description and Notes

<table>
<thead>
<tr>
<th>Field</th>
<th>Description and Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is Anchor Currency</td>
<td>This field is displayed only when the Use Triangulation Calculation by NetSuite accounting preference is checked.</td>
</tr>
<tr>
<td></td>
<td>A check in this box indicates that the currency has been selected as an anchor currency in the accounting preferences. To clear the box, change the selection in the accounting preferences.</td>
</tr>
<tr>
<td></td>
<td>If this currency is a designated anchor currency and has been used in an exchange rate calculation, you cannot delete this currency.</td>
</tr>
<tr>
<td></td>
<td>For more information about triangulation and anchor currencies, see <a href="#">Methods for Obtaining Exchange Rates and Anchor Currencies</a>.</td>
</tr>
</tbody>
</table>

### Currency Decimal Precision

The **Currency Precision** field on the currency record is read-only. If you need to change this field to a list through which you can change the precision from zero or two, contact NetSuite Customer Support. To view or edit a currency record, go to Lists > Accounting > Currencies and click the Name link.

The decimal precision of a currency is displayed in the **Currency Precision** field on the Currency record. For example, the Currency Precision value for the Default Locale United States (English) is 2, for two decimal places. For the Japan (Japanese) local the Currency Precision value is 0. You cannot edit the Currency Precision. If you need a different decimal precision, contact NetSuite Customer Support for assistance. The only values supported are 0 and 2.

Some currencies require the use of integers, without decimal fractions. For example, Japanese yen are usually displayed as ¥123, but not as ¥123.45. For this reason, customer-facing documents must display currency amounts in yen using integers. The NetSuite user interface generally displays these currencies as integers. See **Currencies Usually Expressed as Integers**.

If the base currency of your company or subsidiary permits the use of decimal fractions, NetSuite displays amounts from foreign currency transactions in base currency amounts using two decimals places. Your customer can see the total amount of a transaction in a zero-precision foreign currency as an integer, but your company's records display the translated, base-currency amounts using two decimal places. For more information, see **Currency Management and Setting a Base Currency**.

For example, a company can use U.S. dollars as its base currency and price an item at $123.45 per unit. If the exchange rate is 93.4857 Japanese yen to the U.S. dollar, the line item amount displayed on an invoice to a Japanese customer for ten units of the item is ¥115,408, not ¥115,408.10. However, NetSuite displays the transaction amount for the ten units on the U.S. company's books, as $1,234.50. For more information, see the help topic **Setting Up Item Pricing**.

Values in report results are rounded to the base currency precision. This rounding applies to currency values and non-currency values including formula column values.

Currency decimal precision is used for inventory costing calculations to maintain consistency between inventory costing and reporting. Values in report results are rounded to the base currency precision. This rounding applies to currency values and non-currency values, including formula column values.

### Currencies Usually Expressed as Integers

NetSuite displays the following currencies as integers, without using decimal fractions.

<table>
<thead>
<tr>
<th>Country</th>
<th>Currency Name</th>
<th>Currency Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belarus</td>
<td>Ruble</td>
<td>BYR</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Riel</td>
<td>KHR</td>
</tr>
</tbody>
</table>
## Customizing Currency Formats

You can customize the formats for the currency or currencies you use in your account at the company level, per currency, and per customer record. To view or edit a currency record, go to Lists > Accounting > Currencies and click the Name link.

Customized currency formats apply to currency fields displayed on screen including viewing forms, editing and creating new forms, list pages, search results, and printed documents. Customized currency formats are not reflected in reports or CSV import and export results.

When customizing a currency format, you can set the symbol to use, include text and spaces, or use no symbol. You can also set whether to place the symbol before or after the number. The **Symbol** and **Symbol Placement** fields appear when you check the **Override Currency Format** box.

**Note:** The symbol position you select in the **Symbol Placement** field appears only on transaction records. It does not appear on reports.

You can customize currency formats if you have a single currency account and if you use the Multiple Currencies feature.

- **With Multiple Currencies:** customize the currency format on the currency record. Go to Lists > Accounting > Currencies.
- **Without Multiple Currencies:** customize the currency format on the Company Information page. Go to Setup > Company > Setup Tasks > Company Information.

To customize currency formats per customer, see Customizing Customer Currency Formats.

### Currency Record Fields for Currency Exchange Rate Integration

The following fields on the currency record may be displayed when the Currency Exchange Rate Integration feature is enabled in your account. To view or edit a currency record, go to Lists > Accounting > Currencies and click the Name link.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic Update</td>
<td>By default, the <strong>Automatic Update</strong> box is checked when the Currency Exchange Rate Integration feature is enabled in your account. The check indicates that standard ISO exchange rates are automatically updated by the system. For more information, see <a href="https://docs.oracle.com/en/netSuite/">Currency Exchange Rate Integration</a>.</td>
</tr>
</tbody>
</table>
Setting a Base Currency

When you enable the Multiple Currencies feature, your NetSuite country edition initially sets the base currency. Before you save any transactions, you can choose a different base currency.

If you use NetSuite OneWorld, your NetSuite country edition initially sets the base currency of your root parent subsidiary. Before you save any transactions, you can choose a different base currency for this subsidiary. When you create each additional subsidiary record you must choose a base currency for that subsidiary. For more information, see the help topics Creating Subsidiary Records and Multiple Currencies in OneWorld.

The currency record displays **Is Base Currency** when it has been selected as the base currency for a subsidiary in OneWorld accounts, or on the Company Information page for an account. You cannot edit this field on the currency record.

While transactions default to the currency of the customer or vendor involved in the transaction, transactions post to your general ledger in your base currency. All reports and registers then display currency amounts in your base currency.

For example, if a company in Hamilton, Ontario, Canada issues an invoice to a customer in Buffalo, New York, United States of America, the invoice could be denominated in U.S. dollars (USD), but an accounts receivable report for the Hamilton company would display the amount in the company’s base currency, Canadian dollars (CAD).

Be aware that you can define general ledger accounts that use foreign currencies. Typical foreign-denominated accounts include payable, receivable, and bank accounts. In addition, you can define accounts such as Foreign Currency Denominated Loans by assigning the appropriate Account Type to the Account. If you use OneWorld, you can share these accounts across subsidiaries. For information about denoting an account in a foreign currency, see Creating Accounts.
To change your initial base currency:

1. Go to Setup > Company > Company Information. In NetSuite OneWorld, go to Setup > Company > Subsidiaries, and click Edit for the subsidiary whose base currency you want to change.

2. In the Currency field, select the currency you want to set as your base currency.

   **Note:** If any user has saved a transaction that includes a currency amount, you cannot change the base currency unless you delete that transaction.

3. Click Save.

   If you are using the Currency Exchange Rate Integration feature to automatically update currency exchange rates, the time of these daily updates is 6 am in the selected Update Time Zone on the base currency record. The default selection is U.S. Eastern time. See Currency Exchange Rate Integration.

Assigning Currencies to Entities

If you use the Multiple Currencies feature, you can assign currencies to customer, vendor, and other entity records.

If you do business with customers who use multiple currencies in their business dealings with you, you can assign multiple currencies to a single customer record. You can add currencies to a customer record at any time and can also change the primary currency. You cannot, however, remove a transaction currency after a transaction in that currency has been created.

If you do not do business with customers using multiple currencies, best practice is to assign a currency to an entity when it is created or soon after. You cannot change the currency on a customer, vendor, or other entity after entering a transaction with that entity using a currency amount. For example, you cannot define a customer as using U.S. dollars (USD), create a USD invoice, and then change the same customer’s currency to Canadian dollars (CAD). You must define a new customer that uses CAD.

**Note:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.

When you enable the Multiple Currencies feature, you also gain access to support for multiple currency customers and vendors. You cannot disable this feature if there are associated transactions.

If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

You can set the currency format to be used on customer-facing documents such as invoices, bills, and payments. See Customizing Customer Currency Formats.

Assigning Currencies to a Record

If your NetSuite account displays the Multiple Currencies, Multiple Currencies Customers, and Multi-Currency Vendors boxes on the Company subtab of the Enable Features page, and the Multi-Currency Customers box is **not** checked, use the following procedure to assign currencies to a record.
The default or primary currency is set to the base currency of the company, or for NetSuite OneWorld, the base currency of the root parent subsidiary. For NetSuite OneWorld, when you select a subsidiary to associate with an entity, the currency changes to be the base currency of the selected subsidiary.

If the Multi-Currency Customers box is checked, or if your NetSuite account displays only the Multiple Currencies box rather than three check boxes, use the Assigning Currencies to Customers procedure.

**To assign a currency to a record:**

1. Go to Lists > Relationships > Customers > New (or to another new entity page) to create a new record, or go to Lists > Relationships > Customers (or to another entity list page) and click the Edit link.
2. If you use NetSuite OneWorld, select a subsidiary to associate with the entity, if one is not already selected.
3. Click the Financial subtab, and select a currency in the Currency field.
4. Check Override Currency Format if you want to change the currency format used on printed documents for the customer.
   - **Currency Symbol** - enter a symbol for the currency, including spaces if needed.
   - **Symbol Placement** - select Before Number or After Number to indicate where the currency symbol appears.
   The Format Sample field displays the currency format with your changes.
5. Click Save.

**Note:** An entity's assigned currency determines the currency used for transactions that involve the entity. A child entity uses the same default currency as its parent entity, for example a sub-customer and customer. Likewise, projects for a customer use the same currency as the customer.

You cannot change the currency on a customer record after a transaction has been entered for that customer.

**Assigning Currencies to Customers**

Although you can enter transactions in foreign currencies, NetSuite revalues these amounts to your base currency for financial reports and account registers.

If your NetSuite account displays the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors boxes on the Company subtab of the Enable Features page, and the Multi-Currency Customers box IS checked, or if your NetSuite account displays only the Multiple Currencies box rather than three check boxes, use the following procedure to assign multiple currencies to customers.

On a customer record, a customer's primary currency is selected in the Currency field. You can select additional transaction currencies on the Currencies subtab for the customer. You can also customize the format for each currency for a customer. For more information, see Customizing Customer Currency Formats.

**To assign currencies to a customer:**

1. Go to Lists > Relationships > Customers > New to create a new record, or go to Lists > Relationships > Customers and click the Edit link next to an existing record.
2. Click the Financial subtab.
3. In the Currency field, select the customer's primary currency. This currency is selected by default on transactions.
4. On the Currencies subtab, select another currency used by this customer.
5. Click **Add**.

6. To change the currency format to be used on screen and for printed documents, in the **Format** column for a currency, click the pencil icon.
   - Check **Override Currency Format**.
   - In the **Symbol** field, enter a symbol for the currency. Include spaces if you want to separate the symbol from the amount.
   - For **Symbol Placement**, select **Before Number** or **After Number** to indicate where the currency symbol appears.
     - The **Format Sample** field displays the currency format with your changes.

7. Repeat these steps for each currency used by this customer.

8. Click **Save**.

When you enter a transaction for the customer, the primary currency is selected by default on the transaction. You can change the currency on a transaction to any of the currencies you set on the Currencies subtab of the customer record.

You can change the primary currency at any time by choosing it in the Currency field. You cannot, however, remove a currency from the list of transaction currencies after you have entered transactions in that currency.

### Customers and Multiple Currencies

The Multiple Currencies feature enables you to do business with customers who use multiple currencies in their business dealings with you. This feature enables you to enter sales transactions in multiple currencies for individual customers, prospects, and leads. When you create a customer record, you set the primary currency and additional available currencies for transactions with that customer.

**Note:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.

When you enable the Multiple Currencies feature, you also gain access to support for multiple currency customers and vendors. You cannot disable this feature if there are associated transactions.

If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

Enabling the feature does the following:

- Adds a Currencies subtab to lead, prospect, and customer records under the Financial subtab
- Makes the Currency field on sales transactions an editable field
- Changes the Currency field on customer records to Primary Currency

The primary currency is the default currency selected on sales transactions. Aggregate balance information and credit limits are displayed in the primary currency.

Transaction currencies are set on the Currencies subtab under the Financial subtab. Transaction currencies can be used for sales transactions for a customer. When you save a new customer record, the primary currency is automatically added to the list of transaction currencies on the Currencies subtab. There is no limit to the number of transaction currencies a customer can use.
When you create a sales transaction for the customer, you can choose any of the transaction currencies associated with the customer. You cannot remove a currency from a customer if transactions have been entered in that currency.

**Note:** If you use NetSuite OneWorld, subcustomers can have primary currencies different from that of the top-level parent.

You can customize the currency symbol format that appears on screen and on printed transactions. See [Customizing Customer Currency Formats](#).

**Note:** Multiple currencies hierarchies (an organization of a top-level parent customer and a series of sub-customers) can be used in cases where multiple records provide a better method of accounting for distinct customer relationships with a single accounts receivable representation. An example would be a multi-national corporation with a shared service center.

### Currency on Customer Transactions

When you enter a transaction for a customer, the customer’s primary currency is selected by default. In the Currency field, you can select a different transaction currency from the customer's record before you save the transaction. The location of the Currency field varies depending on the transaction.
After a transaction has been saved, you cannot change the currency. If you need to re-enter the transaction in another currency, you must delete it or make a copy of the transaction and change the currency on the copy.

If you change the currency while you are entering the transaction (before it is saved), shipping rates, prices, gross profit, and other currency amounts on the transaction are converted to the new currency. There are exceptions to this automatic recalculation including the following:

- If you enter a custom price for a line item and then change the currency, the rate is not converted to the new currency.
- The forecast fields on opportunities are not recalculated when you change the currency.

Customers placing orders through the Customer Center or the My Account section of the Web store can select any transaction currency that is set on the customer record. Customers can place orders only in their primary currency through Web store checkout.

If you do business with customers who use multiple currencies in their business dealings with you, you can also enter journal entries and intercompany journal entries for a customer in any currency used by that customer. If you have a customer who is also a vendor, you can choose from the vendor currency or any of the customer transaction currencies to use for the journal entry.

When you apply a gift certificate to an order, the list of gift certificates is filtered to only show the available gift certificates in the currency you have set on the order.

See the following sections for additional information:
- Transaction Workflows
- Accepting Payments and Credit Card Processing
- Assessing Finance Charges in Multiple Currencies

Transaction Workflows

When you convert an estimate or sales order to another sales transaction, the currency from the original estimate or order is maintained throughout the process and cannot be changed.

This includes the following workflows:

- converted estimates and opportunities
- sales order to invoice
  - This includes the Bill Sales Orders page and the Invoice Billable Customers page. Invoices are created in the same currency as the sales order.
- invoice, order, cash sale to RMA to refund or credit
- deposit to refund

In other transaction workflows, it is possible to change the currency in subsequent transactions, including:

- making copies of transactions
  - You can change the currency on a copy of a transaction. All currency amounts (except for custom prices) are converted to the new currency.
- accepting payments
  - When you click Payment on an invoice, the invoice currency is selected by default on the ensuing payment. You can change the currency, but doing so filters out the original invoice from the list of invoices.
Accepting Payments and Credit Card Processing

When you record a customer payment, the customer’s primary currency is chosen by default, but you can choose any of the customer’s transaction currencies. The currency you select filters the list of invoices you can apply payment to and the lists of credits and deposits you can apply.

When accepting credit card payments, you can use only those credit card processing profiles that are set up for the base currency.

For information on using multiple currencies customers and the Consolidated Payments feature, see Consolidated Payments and Multiple Currency Customers.

Assessing Finance Charges in Multiple Currencies

With Multiple Currencies enabled, finance charges are accrued in the currency of the overdue transaction. The Assess Finance Charges page shows a line for each customer in each currency in which they have incurred a finance charge.

Billables and Multiple Currency Customers

Billable items, expenses, and time are also recalculated when you change the currency on a sales transaction. Also note that if you change the currency on a sales transaction, invoices created for that customer in a different currency do not display on the Billable Time subtab on the Items subtab of the invoice.

When using the Invoice Billable Customers page to generate invoices in bulk, you create invoices only in a customers' primary currency.

Item Pricing with Multiple Currency Customers

With the Multiple Currencies feature, item prices on transactions are determined through the following process:

1. If an item price is specified for the transaction currency, this price is used.
2. If no item price is specified for the transaction currency, the base currency item price is converted to the transaction currency based on the exchange rate on the transaction.
3. If neither base currency nor transaction currency price is available, the price field is left blank.

If you use absolute pricing for customers, you can enter absolute prices in any of a customer's transaction currencies. For more information, see the help topic Absolute Pricing for Customers.

When printing a price list for a single customer, you can choose any of the customer’s transaction currencies to use. For more information, see the help topic Generating an Individual Price List. To print price lists in bulk, you can select whether you want to print prices in each customer’s primary currency or print a price for every transaction currency.

Consolidated Payments and Multiple Currency Customers

You can use the Consolidated Payments feature with the Multiple Currencies feature, enabling you to accept payments for any open invoice in any currency used by any customer in the hierarchy.

**Note:** With the Consolidated Payments feature, unless you are using NetSuite OneWorld, each customer in the hierarchy must have the same primary currency.

When you record a payment and select a customer, you can choose any of the transaction currencies on the customer record. This filters the invoices, credits, and deposits to show only those entered for customers in the hierarchy in that currency.
If you are accepting payment through a top-level customer, you can make payments toward any invoices entered for a customer in the hierarchy as long as the invoice currency is set as a transaction currency for that top-level parent.

**Customer Balance Information with Multiple Currency Customers**

Customers viewing balance information in the Customer Center or in the My Account section of the Web store see their balance converted to the customer’s primary currency.

You can view the balance for each currency on the Currencies subtab under the Financial subtab of the customer record. If you use the Consolidated Payments feature, consolidated balance information is shown in each currency.

By default, A/R reports display the balance information in your base currency. If you want to show transaction amounts in the transaction currency, you can customize the report to include the transaction currency and currency amount.

Customer statements, printed both individually and in bulk, include separate statement pages for each currency the customer has a balance in. For more information, see the help topic Customer Statements.

If you use the Consolidated Payments feature and you print a consolidated statement, statement pages are printed for each currency that is used by any customer in the customer hierarchy.

**Multiple Currency Customers and KPIs and Reports**

KPIs and reports give A/R amounts in your company’s base currency. Foreign currency balances are converted based on the current exchange rates.

A/R reports by default show transaction amounts and balance data in your base currency, but you can customize these reports to show the foreign currency amounts as well. To add transaction currency information to a report, customize the report to include the transaction currency and amount.

**Multiple Currency Customers and Search**

You can retrieve balance information for each of a customer’s transaction currencies through a search. To do this, create a customer search and on the Results subtab, select Customer Currency Balance Fields. In the popup dialog in the Customer Currency Balance Field field, select from of the following:

- **Balance (Foreign Currency)** – This field displays the transaction currency balance amount for the currency in a line on the search results.
- **Currency** – Adding this field creates a line for each transaction currency for each customer in the search results.
- **Deposit Balance (Foreign Currency)** – This field displays the total deposit balance for each of a customer’s transaction currencies.
- **Last Financial Charge Date (Foreign Currency)** – This field displays the date of the last finance charge in each of a customer’s transaction currencies.
- **Unbilled Orders (Foreign Currency)** – This field shows the unbilled sales order total in each of a customer’s transaction currencies.

**Note:** Any fields you add to the results from the customer record are repeated on each row of your search results. Therefore, if you want to include only the balance in each currency for a customer, do not include customer record fields.

**Multiple Currencies and Customer Center**

Customers can enter orders through the Customer Center in any currency set as a transaction currency on their customer record.
Before a customer can place orders in more than one currency, a sales rep or someone with access to the customer record must first select the additional transaction currencies on the customer’s record.

**Website Customers with Multiple Currencies**

Shoppers can place orders through web store checkout only in their primary currency.

When a shopper places the first order and registers at that time through Web site registration, the currency of that first order is set as the customer’s primary currency on the customer record that is created.

Customers who register but do not order can select their primary currency during registration.

You can add transaction currencies for a customer, but those currencies are available for use only through the My Account section of the Web store or through the Customer Center.

**Multiple Currencies with Projects and Jobs**

Projects and associated transactions can be assigned only a single currency. When you select a customer on a new project record, you can select any of this customer's transaction currencies. This currency is used for any sales transaction associated with the project. If you create a sub-project record, the currency of the parent project is used.

When adding project items to sales transactions, the currency of the project must match the transaction currency.

When creating a job or project from a sales order line item, the currency of the sales order is used.

**Merging Customer Records with Different Primary Currencies**

If the Multiple Currencies feature is enabled, you can merge duplicate customers who have different primary currencies. When you merge two customers with the same primary currency, the following occurs:

- the lists of transaction currencies from both duplicate and master records are combined
- the primary currency of the master record is maintained
- the duplicate customer’s custom pricing level is not copied over the master
- the customer credit limit is not copied over the master

For more information on duplicate detection and merge, see the help topic Duplicate Record Detection.

If you use NetSuite OneWorld, you can merge records only within the same subsidiary. If you use a role with access to multiple subsidiaries, before merging records, you should restrict your view to see only records for a single subsidiary.

**To restrict your view:**

1. Go to Home > Set Preferences.
2. Click the Restrict View subtab.
3. In the Subsidiary field, select the subsidiary into which you want to merge records.
4. Click Save.

This restriction lasts for only your current session. You must reset the restriction each time you log in to your NetSuite account.
Customizing Customer Currency Formats

You can customize the currency format that appears on screen for transactions and on printed documents such as invoices and statements per customer. This enables you to format currency amounts by customer based on your business needs and on user preferences.

### Note:
If you do not use the Multiple Currencies feature, you can customize the format for a currency at the customer level. The formatting options are the same as for Multi-Currency Customers. See Assigning Currencies to a Record.

### Important:
In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.

When you enable this feature, you gain access to support for multiple currency customers and vendors.

You cannot disable this feature if there are associated transactions.

If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab.

Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

For each currency, you can customize the currency symbol and its placement in relationship to the currency amounts. You can add text to distinguish currencies that use the same currency symbol such as the dollar sign.

### To customize currency formats for a multiple currencies customer:

1. On a customer record, go to the Currencies subtab under the Financials subtab.
2. Select a currency or add a new currency.
3. In the Format column, select the pencil icon to open the formatting popup.
   - The Format Sample field shows the default format for this currency.
4. Check Override Currency Format to customize the currency format.
   - **Symbol** - enter a currency symbol and text such as USD. Include spaces if you want to separate the symbol from the currency amount.
   - **Symbol Placement** - select to place the currency symbol before or after the amount.
5. Click Done.

### Multiple Currencies and Vendors

The Multiple Currencies feature authorizes you to do business with vendors who use multiple currencies in their business dealings with you. This feature enables you to enter purchase transactions in multiple
Multiple Currencies

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currencies for individual vendors. With this feature, when you create a vendor record, you set a primary currency and additional currencies available for transactions with that vendor.

**Important:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page.

When you enable this feature, you gain access to support for multiple currency customers and vendors.

You cannot disable this feature if there are associated transactions.

If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

Enabling the feature does the following:

- adds a Currencies subtab to vendor records under the Financial subtab
- changes the Currency field on vendor records to Primary Currency
- makes the Currency field on purchase transactions editable
  The currency selected on existing vendors becomes the primary currency after you enable the feature. You can add transaction currencies for each vendor.
- enables you to define purchase prices in other currencies on item records
  This requires that you have enabled the Multiple Vendors feature.

The primary currency is set in the Primary Currency field on the vendor record. Primary currency is used for the following:

- default currency selected on purchase transactions
- aggregate balance information (shown in the Balance and Unbilled Orders fields on the vendor record)
- credit limits with vendors
- purchase order currency on drop-ship and special orders
- currency used for time entries created through the Vendor Center

Transaction currencies are set on the Currencies subtab under the Financial subtab on the vendor record. Transaction currencies are available to be used on purchase transactions for a vendor. (The primary currency is automatically added to the list of transaction currencies.) There is no limit to the number of transaction currencies you can use with a vendor.

When you create a purchase transaction for the vendor, you can choose any of the transaction currencies associated with the vendor. You cannot remove a currency from a vendor if transactions have been entered in that currency, but you can change a vendor's primary currency at any time. Changing a vendor's primary currency maintains the former primary currency as a transaction currency.

**Vendor Currency Assignment**

When you create a vendor record, you select the primary currency in the Currency field. This is the default currency used on transactions as well as the currency used to present balance information for this vendor.
You can add transaction currencies on the Currencies subtab. The primary currency is added to the list of transaction currencies automatically.

**Note:** If you change the currency on a vendor record, you must re-enter the credit limit you have with this vendor in the new primary currency.

If you have vendors who have other relationships with your company (for example, a vendor who is also a customer), when you first enable the Multiple Currencies feature, you cannot change the primary currency if you have existing transactions for the non-vendor relationship. You can still add other transaction currencies for these vendors.

**Currency on Vendor Transactions**

When you enter a transaction for a vendor, such as a purchase order, the vendor’s primary currency is selected by default. In the Currency field, you can select a different transaction currency from the vendor’s record before you save the transaction. The location of the Currency field varies depending on the transaction.

After a transaction has been saved, you cannot change the currency. If you need to re-enter the transaction in another currency, you must delete it or make a copy of the transaction and change the currency on the copy.

If you change the currency while you are entering the transaction (before it is saved) prices on the transaction are converted to the new currency. If a purchase price is defined for the items on the transaction, that price is used. If no purchase price for the item is defined in the currency of the vendor, the price is converted based on the exchange rate.

**Note:** If you enter a custom price for a line item and then change the currency, the rate is not converted to the new currency.

When vendors log in to the Vendor Center, they can see purchase requests and purchase orders in the currency in which the transactions were entered. Billable time entered through the Vendor Center uses the vendor’s primary currency.

See the following sections for additional information:

- Transaction Workflows
- Vendor Payments
- Order Items Transactions

**Transaction Workflows**

With Multiple Currencies, when you enter a vendor transaction you can choose from any of the vendor’s transaction currencies. As that transaction advances through the purchasing process, the currency from the original transaction is maintained and cannot be changed.

This includes the following workflows:

- purchase request to purchase order
- purchase order to item receipt
- purchase order to vendor bill
  - This includes purchase orders billed through the Bill Purchase Orders page.
- vendor bill to vendor payment
Multiple Currencies

Vendor return authorizations to vendor return item fulfillment

For example, if you create a purchase request using the British pound, the resulting purchase order, item receipt, and vendor bill all use the British pound.

Memorized purchase order transactions use the same currency as the original transaction. The cost of items on the generated purchase orders reflect this currency.

The Approve Bills transaction converts currency amounts on unapproved purchase orders and vendor bills into your company's base currency for the purpose of approval.

Drop-ship or special orders are purchased from an item's preferred vendor. The resulting purchase orders are in the preferred vendors' primary currency. The sales transactions can use any of your customer's transaction currencies.

Vendor Payments

When you record a payment made to a vendor, the vendor's primary currency is chosen by default, but you can choose any of the vendor's transaction currencies. The currency you select filters the list of bills or invoices as well as the lists of credits and deposits you can apply to display only those bills, credits, and deposits in the currency you chose.

Paying bills through the Pay Bills page can include payments in any number of vendor transaction currencies. Payment must be made in the same currency as the purchase order.

Order Items Transactions

Ordering items through the Order Items page displays all items with the purchase price of the items' preferred vendors. If you use this page and show items with no preferred vendor, when you select a vendor for a specific item, you must use that vendor's primary currency.

Vendor Currencies and Credit Limits

Your credit limit with a vendor is expressed in the vendor's primary currency, but it applies to all transactions regardless of the currency used. The current exchange rate is used to determine your current outstanding credit. Consequently, your available credit with a vendor can fluctuate with exchange rates.

Item Pricing with Multiple Currency Vendors

The Multiple Vendors feature enables you to enter pricing for multiple vendors on item records. If you also do business with vendors who use multiple currencies in their business dealings with you, you can enter purchase prices on item records for each currency used by your vendors.

To enter vendor prices for an item:

1. On the Item record, on the Purchasing/Inventory subtab, click the Vendors subtab.
2. In the Vendor column, select the Vendor for whom you are entering prices.
3. In the Code column, enter this vendor's code for this item.
4. Check the box in the Preferred column if this is the preferred vendor for this item.
5. In the Purchase Prices field, click the Set icon.
6. In the popup, select the vendor transaction currency for which you want to define a price.
7. Enter the purchase price in that currency.
8. Click **Add**.
9. Repeat steps 6 – 8 for each currency for which you want to list a price.
10. Click **OK**.
11. Repeat these steps for each vendor for whom you want to enter prices.

**Note:** When entering purchase prices for an item, you must enter a price in the vendor’s primary currency.

When you do business with vendors who use multiple currencies in their business dealings with you, item prices on transactions are determined through the following process:

1. If an item price is specified for the transaction currency, this price is used.
2. If no item price is specified for the transaction currency, the base currency item price is converted to the transaction currency based on the exchange rate on the transaction.
3. If neither base currency nor transaction currency price is available, the price field is left blank.

**Vendor Balance Information with Multiple Currency Customers**

On vendor records, your balance and unbilled order amounts are displayed for each vendor in both your base currency as well as in each vendor’s primary currency.

<table>
<thead>
<tr>
<th>Balance Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 1,216.22</td>
</tr>
<tr>
<td>Balance (Base) 1,216.22</td>
</tr>
<tr>
<td>Unbilled Orders 24,139.00</td>
</tr>
<tr>
<td>Unbilled Orders (Base) 24,139.00</td>
</tr>
</tbody>
</table>

The Balance and Unbilled Order fields display amounts in the vendor’s primary currency. The Balance (Base) and Unbilled Orders (Base) fields are displayed in your company’s base currency.

Credit limits for each vendor are displayed in the Credit Limit field in the vendor’s primary currency.
Multiple Currency Vendors and KPIs and Reports

KPIs and reports give A/P amounts in your company’s base currency. Other currency balances are converted based on current exchange rates.

A/P reports by default show transaction amounts and balance data in your base currency, but you can customize these reports to show the foreign currency amounts. To add transaction currency information to a report, customize the report to include the transaction currency and amount.

Multiple Currency Vendors and Search

You can retrieve balance information for each of a vendor’s transaction currencies through a search.

To do this, create a vendor search, and on the Results subtab, select Vendor Currency Balance Fields. In the popup dialog in the Vendor Currency Balance Field field, select from of the following:

- **Balance (Foreign Currency)** – This field displays the transaction currency balance amount for the currency in a line on the search results.
- **Currency** – Adding this field creates a line for each transaction currency for each vendor in the search results.
- **Unbilled Orders (Foreign Currency)** – This field displays the unbilled sales order total in each of a vendor’s transaction currencies.

**Note:** Any fields you add to the results from the vendor record are repeated on each row of your search results. If you want to include only the balance in each currency for a vendor, do not include vendor record fields.

Merging Vendor Records with Different Primary Currencies

With the Multiple Currencies feature enabled, you can merge duplicate vendors who have different primary currencies. When you merge two vendors with the same primary currency, the following occurs:

- the lists of transaction currencies from both duplicate and master records are combined
- the primary currency of the master record is maintained
- vendor-specific prices for each duplicate are merged into the master record

For more information on duplicate detection and merge, see the help topic Duplicate Record Detection.

If you use NetSuite OneWorld, you can merge only records within the same subsidiary. If you use a role with access to multiple subsidiaries, before merging records, you should restrict your view to see only records for a single subsidiary.

**To restrict your view:**

1. Go to Home > Set Preferences.
2. Click the Restrict View subtab.
3. In the Subsidiary field, select the subsidiary into which you want to merge records.
4. Click Save.

This restriction lasts for only your current session. You must reset the restriction each time you log in to your NetSuite account.
Currency Exchange Rates

After you have created currency records in NetSuite and defined a base currency, you need to set up exchange rates between the base currency and foreign currencies to apply to transactions. If you use NetSuite OneWorld and defined a different base currency per subsidiary, set up different exchange rates between each base currency and its foreign currencies. Exchange rates for a base currency apply to all subsidiaries that use the same base currency.

Currency exchange rates are used to convert foreign currencies to base currencies, providing default rates for transactions in currencies other than the base currency. Exchange rates are expressed in terms of base currency units per foreign currency (source) unit.

Exchange rates are stored in the Currency Exchange Rates list page at Lists > Accounting > Currency Exchange Rates. For information about this page, see Currency Exchange Rates List Page.

You can update to exchange rates four ways.

- You can manually update a rate between two currencies by adding a new rate for the same two currencies with a different effective date. See Updating Rates in the Currency Exchange Rates List.
- You can set a rate to be automatically updated one time each day by the Currency Exchange Rate Integration feature. Currency Exchange Rate Integration does not overwrite a rate if one is already stored for the same currency pair and effective date. See Currency Exchange Rate Integration.
- You can use the Import Assistant to import currency exchange rates from an external system. The exchange rate values must be in a CSV file to import them into NetSuite. See the help topic Currency Exchange Rates Import.
- You can set the exchange rate on the individual transactions. The default exchange rate for transactions is determined by one of the other methods of setting and updating exchange rates. See Setting Exchange Rates Directly on Transactions.

Currency Exchange Rates List Page

The Currency Exchange Rates page at Lists > Accounting > Currency Exchange Rates always displays the latest exchange rate for a currency pair and effective date for the date you select in the As Of filter. The default is today’s date. To display past rates, change the filter.

Use the export icons at the top of the list to export the complete list to a CSV file or a Microsoft Excel file.

The Currency Exchange Rates list page includes the following columns:

- **Base Currency** – The base currency of the company (or subsidiary if you have NetSuite OneWorld).
- **Source Currency** – The foreign currency to convert to base currency.
- **Exchange Rate** – The rate used to convert the source currency to the base currency. The calculation is Base Currency equals Source Currency multiplied by Exchange Rate.
- **Effective Date** – The date to begin using the exchange rate for conversions.

Additional Columns for Currency Exchange Rate Integration

If you use the Currency Exchange Rate Integration feature, this page displays two additional columns:

- **Rate Provider** – The name of your exchange rate provider.
Currency Exchange Rates

- **Method** – The method by which the rate was obtained.
  
The method options are:
  
  - **Direct** - Rate comes directly from the provider.
  - **Triangulation** – Rate calculated by NetSuite using triangulation.
  - **Inverse** – Rate based on the direct rate used by another NetSuite account.
  - **Manual** – Rate entered manually or by CSV file import. Rates of this method type are not updated by rate providers.
  - **N/A** – Rate automatically calculated when a new currency is added.

  If you click a link in the Method column, a window opens with specific details for how that exchange rate was derived. Details include the exchange rate ID, base or anchor currency, source currency, direct rate, source date, rate used, rate provider, and rate method. The ID is a link to the Exchange Rate record. For more information about the rate provider methods, see Methods for Obtaining Exchange Rates.

**Exchange Rate Field Limitations**

You can enter exchange rates with up to 15 digits before the decimal point, or up to 8 digits after the decimal point. The maximum number of digits that can be entered in this field in any combination of integers and decimal fractions is 17. Exchange rate numbers can range from 123,456,789,012,345.12 (15 digits to the left of the decimal point and 2 digits to the right of the decimal point), to 12,346,789.12345678 (9 digits to the left of the decimal point and 8 digits to the right of the decimal point) to accommodate exchange rates related to large currencies and currencies with high decimal precision.

**Note:** A different set of exchange rates is used for consolidated reporting in OneWorld accounts. These exchange rates are stored in the Consolidated Exchange Rates table. See Consolidated Exchange Rates.

To view historical currency rate updates for your account, go to Lists > Accounting > Currencies, and then click History. The Exchange Rate History page provides the date on which an update was recorded in the system, effective date of the update, and the date on which the update was changed at the source. This page also provides the name of the user who made the change and the rate before and after the change.

For instructions for adding and updating currency exchange rates, see the following topics:

- Adding Rates to the Currency Exchange Rates List
- Updating Rates in the Currency Exchange Rates List

**Adding Rates to the Currency Exchange Rates List**

In the Currency Exchange Rates list, you can specify an exchange rate between each base currency and each foreign currency. These exchange rates are applied to transactions.

This topic includes instructions to add the currency exchange rate manually. You can also integrate with rate providers to get automatic currency exchange rates. For information, see Currency Exchange Rate Integration.

**To set the exchange rate for two currencies manually:**

2. In the **Base Currency** field, select the base currency for this exchange rate.
If you use NetSuite OneWorld, you can select the base currency for any subsidiary that you can access. If you do not use NetSuite OneWorld, this field displays your base currency.

3. Select a foreign currency in the Currency field.

For example, if you are setting the exchange rate for the Euro to your base currency, the U.S. dollar, select the name of your base currency, USA in the Base Currency field and then select Euro in the Currency field.

If the Currency list does not include the currency that you need, you can define a new currency. For more information, see Creating Currency Records.

4. In the Exchange Rate field, enter the exchange rate compared to the base currency.

The exchange rate is the number of base currency units that equal one foreign currency unit. For example, if you want to set the value of a Euro to 1.357 U.S. dollar, enter 1.357 in the Exchange Rate field.

You can enter a number with up to 15 digits to the left of the decimal or up to 8 digits to the right of the decimal. For more information see Exchange Rate Field Limitations.

5. Set the date this exchange rate becomes effective in the Effective Date field.

6. Click Save or Save & New.

You can go to a transaction page (for example, an Invoice page) or the Currency Revaluations page to see the impact of an exchange rate change on the value of a transaction.

**Updating Rates in the Currency Exchange Rates List**

You can manually update rates in the Currency Exchange Rates list after they have been initially set up. If you prefer to have NetSuite update some or all exchange rates automatically one time each day, you can enable the Currency Exchange Rate Integration feature, then choose exchange rates to be updated automatically.

**Manually Updating Currency Exchange Rates**

To manually update an exchange rate between two currencies, you add a new exchange rate record with the same base currency and foreign currency. The effective date of the new exchange rate record must be later than the existing rate record.

**Note:** If you enable the Currency Exchange Rate Integration feature, manually entered rates for the same currency pair and effective date are not overwritten by rate providers. See Setting Exchange Rates to Be Automatically Updated

**To manually update an exchange rate:**

2. In the Base Currency field, select the base currency for this exchange rate update.
3. Select a foreign currency in the Currency field.
4. In the Exchange Rate field, enter the updated exchange rate.

The exchange rate is the number of base currency units that equal one foreign currency unit. For example, if you want to set the value of a Euro to 1.357 U.S. dollar, you would enter 1.357 in the Exchange Rate field.
You can enter a number with up to 15 digits to the left of the decimal or up to 8 digits to the right of the decimal. For more information, see Exchange Rate Field Limitations.

For comparison purposes, this page also displays the current (Previous Effective Rate) exchange rate and the date that rate became effective.

5. Enter the date that this exchange rate becomes effective in the Effective Date field.
6. Click Save.

**Setting Exchange Rates to Be Automatically Updated**

If the Currency Exchange Rate Integration feature is enabled, you can indicate on a currency record that its exchange rate with each base currency should be automatically updated each day. For information about enabling this feature and about automatic updates, see Currency Exchange Rate Integration.

**To automatically update exchange rates for a base currency:**

1. Go to Lists > Accounting > Currencies.
2. Click the name of a currency.
3. On the Currency page, if the Automatic Update box is checked, NetSuite updates the exchange rate between this foreign currency and the base currency (or for NetSuite OneWorld, the base currency of each subsidiary).

   If you do not want a foreign currency's rates to be automatically updated, clear the box.

4. On the record of a currency that has been defined as a base currency, the Update Time Zone field determines the time of the daily automatic exchange rate updates. These updates occur at 6 a.m. in the selected time zone.

   The default is U.S. Eastern time. You can select another time zone.

   If this currency is a base currency, the read-only Is Base Currency box is checked. If it is not a base currency, the box is clear.

   **Important:** If you have enabled the use of cross currency triangulation, the Currency page also displays a checked, read-only Is Anchor Currency box. You cannot delete a designated anchor currency that is used in an exchange rate calculation. For more information about anchor currencies, see Exchange Rate Integration.

5. Click Save.

**Currency Exchange Rate History**

The Currency Exchange Rate History page provides a historical list of currency exchange rate updates for your account.

To view the Currency Exchange Rate History page, go to Lists > Accounting > Currency Exchange Rates, and then click History.

The list header shows the total currency exchange rate records in your account. If you have more records than can be displayed on a single page, the header includes navigational arrows and a dropdown list of date ranges. The rows in the list display the following information:

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Currency</td>
<td>A company or subsidiary's functional currency. This is the currency that you use an exchange rate to convert to.</td>
</tr>
</tbody>
</table>
Currency Exchange Rates

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source Currency</td>
<td>A transaction or foreign currency. This is the currency you convert from. The exchange rate is the number of base currency units that equal one source currency unit.</td>
</tr>
<tr>
<td>Recorded Date</td>
<td>The date and time the Currency Exchange Rate record was created.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>The date to begin using the exchange rate in the After Change column.</td>
</tr>
<tr>
<td>Source Date</td>
<td>If you use the Currency Exchange Rate Integration feature, this is a timestamp for the automatic rate update. Xignite provides a full timestamp. For Thomson Reuters, the timestamp indicates when NetSuite sent the request to fetch the rates. For manually entered or imported exchange rates, this value is the same as the Recorded Date. This field is empty for the initial rates NetSuite provides, rates with an effective date of 1/1/1970.</td>
</tr>
<tr>
<td>User</td>
<td>For automatic rate updates, the user is -System-. For manually entered or imported exchange rates, the full name of the user is displayed. When rates are added in conjunction with the creation of a subsidiary, the name is the user who created the subsidiary.</td>
</tr>
<tr>
<td>Before Change</td>
<td>The currency exchange rate prior to the update.</td>
</tr>
<tr>
<td>After Change</td>
<td>The currency exchange rate after the update.</td>
</tr>
</tbody>
</table>

For information about automatic updates, see Currency Exchange Rate Integration.

**Currency Exchange Rate Integration**

The Currency Exchange Rate Integration feature automatically updates currency exchange rates by the specified provider one time each day for all accounts that use exchange rate integration. The automatic update occurs at approximately 6:00 a.m. in one of four available time zones. The time zones and representative cities in those time zones are as follows:

- GMT - 5 hours = Eastern Time (U.S. & Canada), New York City, Toronto
- GMT + 1 hour = Brussels, Copenhagen, Madrid, Paris
- GMT + 9 hours = Osaka, Sapporo, Tokyo
- GMT + 11 hours = Magadan, Solomon Is., New Caledonia

The Eastern Time (U.S. & Canada) time zone is the default. You can specify a different time zone on each base currency record to designate the time for updates to its foreign currency exchange rates.

The automatic update run time respects time zone changes for daylight savings time, and runs daily at approximately the same local system time. If you operate in a location that follows daylight savings time, the GMT time zone shown in the Recorded Date and Source Date columns on the Exchange Rate History page change. To open the Exchange Rate History page and view the currency rate updates for your account, go to Lists > Accounting > Currencies and then click History.

After you enable the feature you must specify your exchange rate provider and determine the method used to obtain currency exchange rates. You must also specify anchor currencies, if needed. The following topics include instructions and additional information.

- Enabling the Currency Exchange Rate Integration Feature
- Integrated Exchange Rate Providers
- Methods for Obtaining Exchange Rates
- Anchor Currencies
Enabling the Currency Exchange Rate Integration Feature

When you enable the Currency Exchange Rate Integration feature, all currency records are set to automatically update exchange rates at approximately 6:00 a.m. in your selected time zone. For details about currency records, see Creating Currency Records.

⚠️ **Important:** Rates may be affected by time intervals when they are captured and then uploaded to NetSuite. Real time exchange rates are never exact inverses because market rates for currency are directional. NetSuite loads rates specifically in the direction needed for the system and never auto calculates inverses. If you always want the exchange rate inverse to be \( 1 \div \) the direct rate, you can manually override the rate. For information about adding rates in this list, see Adding Rates to the Currency Exchange Rates List.

**To set up automatic currency updates:**

1. Enable the Currency Exchange Rate Integration feature:
   a. Go to Setup > Company > Enable Features.
   b. On the Company subtab, check the Currency Exchange Rate Integration box. (You must first check the Multiple Currencies box.)
   c. Read and accept the Notice, and click Save.
2. Select a rate provider in the Accounting Preferences:
   a. Go to Setup > Accounting > Preferences > Accounting Preferences.
   b. On the General subtab, scroll to the Exchange Rate Integration, and select a Rate Provider.
   c. Check the Use Triangulation Calculation by NetSuite box if desired. For more information, see Methods for Obtaining Exchange Rates.
   d. Click Save.
3. For any base currency for which you do not want rates automatically updated, go to the Currency record from Lists > Accounting > Currencies and clear the Automatic Update box.

⚠️ **Important:** Currency records where the Automatic Update box is dimmed cannot be set for automatic updates. Non-standard ISO base currency records must have a specified time zone and must have the Automatic Update box checked to be automatically updated. Non-standard ISO codes significantly slow down the exchange rate update process.

4. For any base currency for which you want rates updated at a time other than the default, go to the Currency record from Lists > Accounting > Currencies and select a different time zone in the Update Time Zone list.
5. If you change the currency record, click Save to accept changes.

**Note:** If you do not want the prices of some items to fluctuate based on automatic exchange rate updates, you can set up currency-based pricing on Item records. For more information, see the help topic Assigning a Foreign Currency Price to a Sales Item.

Integrated Exchange Rate Providers

You select your exchange rate provider from the Rate Integration section of General subtab on the Accounting Preferences page. Other choices that you make in this section determine the method by which your exchange rates are obtained.
The default exchange rate provider is Thomson Reuters, but you can choose Xignite. Changing from Thomson Reuters to Xignite has no impact on your daily operations. However, if you are currently using Thomson Reuters as your exchange rate provider and you change your provider to Xignite, you must re-agree to the Notice at Setup > Company > Enable Features > Company subtab.

At update time in your selected time zone, NetSuite uses a web services call to contact your specified integrated rate provider.

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**Important:** To automatically update exchange rates using the Currency Exchange Rate Integration feature, you must enter the appropriate three-letter International Standards Organization (ISO) currency code in the ISO Code field on the Currency page. NetSuite does not automatically update exchange rates if the currency is not listed in the Forex Data of your specified exchange rate provider. For information about creating currency records, see Creating Currency Records.


For Xignite Forex Data, go to [http://www.xignite.com](http://www.xignite.com).

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**Thomson Reuters**

Thomson Reuters sources its data from Datascope Select. Thomson Reuters has received awards from Waters Ranking in 2013 for Best Reference Data Provider and Best Low-Latency Data Feed Provider. This rate provider offers real-time, current market rates using the last transaction rate, rather than a computed midpoint of bid and ask rates. Thompson Reuters supports thousands of global and regional banks, institutional investors, and corporate clients around the world both in developed and emerging markets.

Thompson Reuters offers a four significant decimal exchange rate, which means that the leading zero displays but does not count as one of the four digits. For example, both 0.1234 and 0.0001234 represent four significant digits.

**Xignite**

Xignite offers the latest bid and ask exchange rates and the computed midpoint of these two quotes. If you choose this rate provider, NetSuite uses the midpoint rate to fill the Currency Exchange Rates list with data.

**Methods for Obtaining Exchange Rates**

After you choose your exchange rate provider, you specify the method NetSuite should use to obtain exchange rates. You have the option to permit NetSuite to use a triangulated calculation to obtain the exchange rate. This is used when the two home currencies in a transaction are not available as standard currency pairs from the selected rate provider. In this case, the exchange rate must be calculated. However, if you do not use this option, you are specifying that your method of obtaining exchange rates should be direct.

- **Triangulation Calculation**
- **Direct Rate**
- **Inverse Rate**

**Triangulation Calculation**

When you check the Use Triangulation Calculation by NetSuite box in accounting preferences, you permit NetSuite to use cross currency triangulation to calculate the exchange rate for a transaction. To use
Currency Exchange Rates

When your rate provider cannot provide a rate from Currency A to Currency B, then Currency A becomes Currency A ÷ Anchor Currency × (1 ÷ (Currency B ÷ Anchor Currency)).

For example, if

AED (United Arab Emirates Dirham) = Base Currency
RWF (Rwandan Franc) = Foreign Currency
USD = Anchor Currency

and RWF to AED is not available in your rate provider.

Then

RWF ÷ AED = RWF ÷ USD × (1 ÷ (AED ÷ USD))
RWF ÷ USD = 0.001451
AED ÷ USD = 0.2723
0.001451 × (1 ÷ 0.2723) = 0.005328
Important: If you check the Use Triangulation Calculation by NetSuite box but do not agree to the Notice, NetSuite clears the check box, and the Currency Exchange Rate Integration feature provides only those rates received directly from the specified rate provider.

If you agree to the Notice, NetSuite stores the user id and time and date stamp of account changes in system notes.

Direct Rate

Direct currency exchange rates are provided directly from your specified exchange rate provider.

Inverse Rate

Inverse rates are based on the direct rate. An inverse rate is \( 1 \div \) the direct rate. NetSuite uses the inverse rate only when a direct rate is not available from the exchange rate provider, a suitable currency pair is available, and you have enabled triangulation in your account.

For example, you have three currencies defined in your account:

- U.S. Dollar (USD) - base currency
- Turkish Lira (TRY) - base currency
- Indonesian Rupiah (IDR)

You can store the following source to base currency rates:

- TRY to USD
- IDR to USD
- IDR to TRY
- USD to TRY

Your rate provider does not provide a rate for IDR to TRY. However, you have enabled triangulation in your account, and the rates that NetSuite downloaded from the provider included TRY to IDR. NetSuite then stores the inverse of the TRY to IDR rate as the rate for the IDR to TRY pair.

The inverse rate that displays on the Currency Exchange Rates page at Lists > Accounting > Currency Exchange Rates is the most recent rate for that currency rate pair before the as-of-date. Note that if an as-of-date is not provided, today's date and the current time serve as the as-of-date.

The initial rate stored within NetSuite was obtained when the new currency was created in the system. Subsequent rate updates and as-of-dates were provided either from the rate provider or from a manually entered exchange rate.

For information about adding rates in this list, see Adding Rates to the Currency Exchange Rates List.

Note: If Xignite is your chosen rate provider and you use inverse rates, rates greater than 1 will round to the sixth digit after the decimal, and rates less than 1 will have a precision of 6 significant digits.

Anchor Currencies

When a transaction involves two currencies that are not available as standard pairs from the selected rate provider, an anchor (intermediate) currency is used to compute the transaction. The source currency is converted into the anchor currency, which is then converted into the target currency. You can specific
up to three anchor currencies in your accounting preferences when you check the Use Triangulation Calculation by NetSuite box.

NetSuite uses anchor currencies in the cross currency triangulation calculation. At update time in your selected time zone, NetSuite uses a web services call to contact your specified integrated rate provider. If your rate provider does not offer an exchange rate between a requested currency pair, NetSuite sends a second request to your rate provider. This request seeks exchange rates for two currency pairs: one exchange rate between the source currency and the currency specified in the Primary Anchor Currency field, and one exchange rate between the primary anchor currency and the target (base) currency. If your rate provider offers those two exchange rates, NetSuite calculates the triangulated exchange rate for the transaction.

If your rate provider does not offer exchange rates for the primary anchor currency and the two currencies in the transaction, NetSuite sends another rate request to your rate provider. This request seeks exchange rates between the source currency and the currency specified in the Secondary Anchor Currency field and between the secondary anchor currency and the target currency. If your provider offers those two exchange rates, NetSuite performs the triangulated rate calculation.

If your provider does not offer exchange rates using the secondary anchor currency, NetSuite sends a third and final request, substituting the anchor currency specified in the Tertiary Anchor Currency field.

**Note:** Rate conversions that are available impact the exchange rate calculation.

You can specify any ISO standard currency as an anchor currency.

When you choose a currency in one anchor field, that currency is unavailable in the other two anchor fields.

**Important:** If you do not choose an anchor currency, NetSuite provides only direct and inverse exchange rates. For information about these rates, see Direct Rate and Inverse Rate.

## Setting Exchange Rates Directly on Transactions

The default exchange rate for a transaction is based on the currency selected on the related entity (such as customer or vendor) record and the transaction date. This default is the rate in the Currency Exchange Rates list for the selected currency effective as of the transaction date. If you want to use an exchange rate other than the default, you may be able enter this other exchange rate directly on the transaction record.

**Note:** This capability may be more appropriate for purchase transactions than for sales transactions.

### To manually set the exchange rate on a transaction:

1. On the transaction form, in the **Exchange Rate** field on the **Items** subtab, enter a new exchange rate between this transaction’s base currency and foreign currency.
   
The exchange rate is the number of base currency units that equal one foreign currency unit. For example, if you want to set the value of a Japanese yen to 0.0093 U.S. dollar, you would enter **0.0093** in the **Exchange Rate** field, as noted in the screenshot below.
You can enter a number with up to 15 digits to the left of the decimal or up to 8 digits to the right of the decimal. For more information, see Exchange Rate Field Limitations.

If you do not have the Currency Exchange Rate Integration feature enabled, a popup window opens, asking if you want to change the exchange rate on the currency record. You can:

- Click **OK** to update the exchange rate for this currency on the currency record.
- Click **Cancel** to apply this exchange rate to only this transaction.

2. Complete the remaining fields.
3. Click **Save**.

If you do not set the exchange rate on a transaction, NetSuite uses the exchange rate in effect on the date that you selected on the transaction form.

### Exchange Rates on Reports

Exchange rates displayed on reports are rounded to 2 decimal places, but the complete exchange rate from the source transaction is used to calculate the currency conversion amounts. For most reports, you can drill down from the report to the source transaction to view the complete exchange rate.

### Consolidated Exchange Rates

If you use NetSuite OneWorld and have multiple base currencies, NetSuite maintains a page of consolidated exchange rates at Lists > Accounting > Consolidated Exchange Rates. Consolidated exchange rates ensure that currency amounts translate properly from child to parent subsidiaries for consolidated reports. The page includes consolidated exchange rates between the base currencies of each subsidiary and its parent or grandparent subsidiary for a specified accounting period.

NetSuite creates initial consolidated exchange rates when associated subsidiaries and accounting periods are created. The initial values are derived from currency exchange rates in effect at the time. You can view these currency exchange rates at Lists > Accounting > Currency Exchange Rates.

You should update consolidated exchange rates at the end of each accounting period, as part of period close tasks. Your user role must include the Currency permission at the Full level to work with consolidated exchange rates.

A separate list page enables you to maintain distinct budget exchange rates between child and parent subsidiaries for use in the budgeting process. See Budget Exchange Rates.

For more details about consolidated exchange rates, see the following help topics:

- Consolidated Exchange Rates vs. Currency Exchange Rates
- Consolidated Exchange Rate Types
- Viewing Consolidated Exchange Rates
- Editing Consolidated Exchange Rates
- Calculating Consolidated Exchange Rates Automatically

For information about how consolidated exchange rates are used in reports and searches, see:

- Consolidated Exchange Rates on Reports
- Search for Consolidated Exchange Rates
- Consolidated Exchange Rate Types for Transaction Searches
Consolidated Exchange Rates vs. Currency Exchange Rates

The following table summarizes the differences between consolidated exchange rates and currency exchange rates:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Exchange Rates</th>
<th>Currency Exchange Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applied to</td>
<td>Consolidated reports and transaction saved search</td>
<td>Transactions</td>
</tr>
<tr>
<td>Set per</td>
<td>Accounting period</td>
<td>As of effective date</td>
</tr>
<tr>
<td>Each rate translates between</td>
<td>Base currencies for one pair of related subsidiaries</td>
<td>Base currency and one foreign currency</td>
</tr>
<tr>
<td>Updated by</td>
<td>Manually editing, auto calculating rows, or both in the Consolidated Exchange Rates table. You should auto calculate consolidated rates for each accounting period before closing the period. See Using the Period Close Checklist.</td>
<td>Manually adding new rows with new effective dates to Currency Exchange Rates list, or using Currency Exchange Rate Integration feature for automatic daily updates.</td>
</tr>
</tbody>
</table>

Consolidated Exchange Rate Types

The Consolidated Exchange Rates table includes three consolidated exchange rate types. Current, Average, and Historical. Each accounting period, accounting book (when Multi-Book Accounting is enabled) and subsidiary pair has its own set of three consolidated exchange rate types. The value of a subsidiary account multiplied by its consolidated exchange rate provides the account value in consolidated financial statements.

The consolidated exchange rate types and the types of accounts that use them are as follows:

- **Average** – The weighted average of the currency exchange rates for all transactions posted during the period to accounts with a rate type of Average. This rate is used to translate accounts in the income statement and to build retained earnings.
- **Current** – Also referred to as ending rate. This rate is the currency exchange rate that is effective at the end of the reported upon period. This rate is used for most asset and liability accounts in the balance sheet.
- **Historical** – Same as Average rates, except for accounts with a rate type of Historical. This rate is used for equity accounts and owners' investments.

You cannot select the transactions that are included in the weighted averages NetSuite uses to calculate average and historical rates. High volumes of transactions posted at the end of a period may skew these weighted averages. For an example of how NetSuite calculates the weighted averages, see Consolidated Exchange Rate Automatic Calculation Example.
Each account has two consolidated exchange rate type values: a general rate type and a cash flow rate type. The general rate type is used for the income statement, balance sheet, and other general purposes. The cash flow rate type is used for cash flow statements.

Following are the default rate types for accounts:

- **General Rate Type:**
  - Current - for all balance sheet accounts other than equity accounts
  - Average - for all income statement accounts
  - Historical - for all equity accounts
- **Cash Flow Rate Type:** Average - for all accounts except equity

**Important:** Setting different exchange rate types for different accounts can result in balance sheet discrepancies, particularly discrepancies in consolidated reports.

For information about setting up accounts, see **Creating Accounts**.

The difference between values of consolidated exchange rates types results in a balance in the line for Cumulative Translation Adjustment (CTA) on some financial statements. This account line is used in consolidated balance sheet and trial balance reports. The CTA represents the cumulative foreign currency gain or loss resulting from the net investment in the subsidiary. A related line called Effect of Exchange Rate on Cash is used for cash flow statements. For more information, see the help topic **Cumulative Translation Adjustment (CTA) Overview**.

### Viewing Consolidated Exchange Rates

You can access the Consolidated Exchange Rates list at Lists > Accounting > Consolidated Exchange Rates. Your user role must have the Currency permission with Full permission level to work with consolidated exchange rates.

You also can access this list from the Period Close Checklist. See **Using the Period Close Checklist**.

Filters for the list include accounting Period, Accounting Book (when Multi-Book Accounting is enabled), From Subsidiary, and To Subsidiary. When you access this page from the Period Close Checklist, NetSuite automatically filters the list to show only the checklist period.

The Consolidated Exchange Rates list stores three consolidated rate type values for each period, accounting book, and subsidiary pair. You can see only those subsidiaries and accounting books to which you have access. List columns include the accounting period, whether the period is closed, From (child) subsidiary, To (parent) subsidiary, and consolidated exchange rates for each. Rate values are displayed up to seven decimal places. In the System Notes column, click the History link to open a page with an audit trail of changes for each line.

Rates in this table are either direct or indirect (derived).

- **Direct rates** are set between a child and parent subsidiary. You can edit these rates or auto calculate them.
- **Indirect rates** are calculated between subsidiaries more than one hierarchical level removed from each other, such as between a parent and grandchild. Indirect rates are always calculated by the system. You cannot edit them. When the direct rates change, NetSuite updates the indirect rates.

To derive consolidated exchange rates between grandchild and parent in a parent-child-grandchild hierarchy, get the rates from child to parent and from grandchild to child. Those rates multiplied by each other equal the rate from grandchild to parent.
To change the filters or results column in this table, click **Customize View**. For more information, see the help topic **Customizing List Views**. When you access this page from the Period Close Checklist, the Customize View function is not available.

Click **Calculate** to update multiple rates for a single period. When you click this button, all rates for the subsidiaries to which you have access are updated.

The Calculate button is always available when you go to this page from the Period Close Checklist because only a single period is displayed. When multiple periods are shown, this button is dimmed.

To print the table of consolidated exchange rates, click the print icon 📓.

To export consolidated exchange rates to a file, click one of the export icons:

- Export - CSV
- Export - Microsoft Excel
- Export - PDF

**Editing Consolidated Exchange Rates**

You can edit direct consolidated exchange rates for periods that are not closed. Direct rates are those between child and parent subsidiaries. Indirect rates, also known as implied rates, between subsidiaries more than one hierarchical level removed from each other cannot be edited.

You cannot edit rates for elimination subsidiaries.

Your user role must have the Currency permission with Full permission level to work with consolidated exchange rates.

If the Calculate column has a calculator icon 📐, the consolidated exchange rates can be modified. To change the values yourself, click the Edit link. (If you click the calculator icon, NetSuite automatically calculates the values.) On the Consolidated Exchange Rate page, you can change the following values:

- Average Exchange Rate
- Current Exchange Rate
- Historical Exchange Rate

The Consolidated Exchange Rates page also supports inline editing. For information, see the help topic **Using Inline Editing**.

The following portion of the Consolidated Exchange Rates page shows the calculator icons and pencil icons for the rates you can edit.

In the account shown above, the rates from the European and Japanese subsidiaries to the US Parent Company subsidiary are indirect rates. The US Parent Elimination subsidiary and the US Parent Company have the same currency. You cannot edit the rates for elimination subsidiaries, even if the currencies differ.
You can edit a consolidated exchange rate between two subsidiaries only if you have access to both subsidiaries.

Calculating Consolidated Exchange Rates Automatically

If you can edit a consolidated exchange rate, you can choose to have NetSuite calculate the rate for you. NetSuite can check the transactions and currency exchange rates from which consolidated rates are derived and automatically update the consolidated exchange rates.

Your user role must have the Currency permission with the Full permission level to work with consolidated exchange rates.

When NetSuite calculates consolidated exchange rates, the results are derived from the currency exchange rates and transaction history in your account as follows:

- **Current Rate** - The currency exchange rate in effect at the end of the period.
- **Average Rate** - Weighted average based on transaction amounts for the period for all accounts with a General Rate Type of Average. The transaction amounts are multiplied by the currency exchange rates on the dates of the transactions. The weighted average equals the total of the transaction amounts multiple by the currency exchange rates divided by the total transaction amount.
- **Historical Rate** - Weighted average based on transaction amounts for the period for all accounts with a General Rate Type of Historical. The transaction amounts are multiplied by the currency exchange rates on the dates of the transactions. The weighted average equals the total of the transaction amounts multiple by the currency exchange rates divided by the total transaction amount.

For examples of the calculations, see Consolidated Exchange Rate Automatic Calculation Example.

**To have NetSuite calculate consolidated exchange rates automatically:**

- Go to Lists > Accounting > Consolidated Exchange Rates. Rows for open periods that have direct rates include an Auto Calculate Rates icon in the **Calculate** column. Click the icon to update rates in that row only, or click **Calculate** to update the rates for all subsidiaries to which you have access.

or

1. From the Period Close Checklist, for the Calculate Consolidated Exchange Rates task, click Calculate Consolidated Exchange Rates.
2. On the Consolidated Exchange Rates page, click **Calculate** to update rates for the period.
   NetSuite automatically calculates the rates for all the subsidiaries to which you have access but only those subsidiaries. Rates for other subsidiaries are not updated.
   For information about closing accounting periods, see Using the Period Close Checklist.

Consolidated Exchange Rate Automatic Calculation Example

The following is an example of the calculation that NetSuite uses to determine the consolidated exchange rates for subsidiaries with the following hierarchy:

- U.S. Subsidiary is parent subsidiary, base currency is USD
- U.K. Subsidiary is child subsidiary, base currency is GBP

The transactions during the period of January for the U.K. subsidiary are listed in the following table:
When you click Calculate at the top of the Consolidated Exchange Rates page, the consolidated exchange rates from the U.K. subsidiary to the U.S. Subsidiary are derived as follows:

- **Current rate** uses the GBP to USD rate from the Currency Exchange Rates list as of the end of the period (January 31).
  
  Current rate = 3

- **Average rate** is a weighted average based on transactions amounts posted to all accounts with a general rate type of Average. The currency exchange rate for each transaction is the GBP to USD rate in effect on the transaction date.
  
  Average rate = \( \frac{2 \times 100 + 2.5 \times 200 + 3 \times 300}{600} = 2.6666667 \)

- **Historical rate** is a weighted average based on transactions amounts posted to all accounts with a general rate type of Historical. As for the average rate, the currency exchange rate for each transaction is the GBP to USD rate in effect on the transaction date.
  
  Historical rate = \( \frac{2 \times 300 + 2.5 \times 200 + 3 \times 100}{600} = 2.3333333 \)

The results are the same if you click the calculate icon for each subsidiary pair.

**Note:** In a Transaction saved search that includes consolidated exchange rates values, the values may not match the general ledger impact of these same transactions. The difference is because currency exchange rates are used to determine the general ledger impact of transactions, not consolidated exchange rates. For more information, see **Consolidated Exchange Rate Types for Transaction Searches.**

### Consolidated Exchange Rates on Reports

The value you select in the Subsidiary Context list for a report determines the data and currency to be used for amounts. The currency is the base currency of the subsidiary you select.

For consolidated reports that include data from multiple subsidiaries, NetSuite uses consolidated rates to convert from child subsidiary base currency to parent subsidiary base currency. For information about subsidiary context, see the help topics **Subsidiary Context for Reports** and **Subsidiary Context for a Financial Statement.**

If you use Multi-Book Accounting, you can run consolidated reports for any accounting book for which consolidation is enabled. Use the Accounting Book list to choose the primary accounting book or a secondary accounting book that corresponds to the selected subsidiary context.

For reports that include both budgeted and actual amounts, you can use two sets of exchange rates: budget and consolidated. You can set budget exchange rates from the Budget Exchange Rates list page at Lists > Accounting > Budget Exchange Rates. For information, see **Budget Exchange Rates and Subsidiary-Specific Budget Reports.**
The following example describes how consolidated exchange rates are applied to a report.

**Scenario:**
- A company headquartered in the U.S. has a subsidiary in the United Kingdom. The U.K. subsidiary has a child subsidiary in Germany. In this case, there are two parents. Both parents require rates from the German subsidiary to consolidate balances. Rates are also needed between the U.K. and U.S. subsidiaries.
- The rates specified between the U.K. and U.S. are direct. The rates between Germany and the U.S. are indirect. To derive the indirect rate for the Euro (the German subsidiary's base currency) to the U.S. dollar, you would multiply the exchange rate for Euros to British pounds (GBP) by the rate for the GBP to the U.S. dollar.
- The global controller runs a Purchases by Vendor Summary report for the consolidated U.S. subsidiary. The following purchases were made so far this year:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Period</th>
<th>Subsidiary</th>
<th>Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor 1</td>
<td>Period 1</td>
<td>U.S.</td>
<td>100 USD</td>
</tr>
<tr>
<td>Vendor 2</td>
<td>Period 1</td>
<td>U.K.</td>
<td>50 GBP</td>
</tr>
<tr>
<td>Vendor 2</td>
<td>Period 2</td>
<td>U.K.</td>
<td>50 GBP</td>
</tr>
<tr>
<td>Vendor 3</td>
<td>Period 1</td>
<td>German</td>
<td>200 EU</td>
</tr>
<tr>
<td>Vendor 3</td>
<td>Period 2</td>
<td>German</td>
<td>200 EU</td>
</tr>
<tr>
<td>Vendor 3</td>
<td>Period 3</td>
<td>German</td>
<td>200 EU</td>
</tr>
</tbody>
</table>

The following consolidated exchange rates apply:

<table>
<thead>
<tr>
<th>Period</th>
<th>From Subsidiary</th>
<th>To Subsidiary</th>
<th>Current Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period 1</td>
<td>U.K.</td>
<td>U.S.</td>
<td>2.00</td>
</tr>
<tr>
<td>Period 1</td>
<td>German</td>
<td>U.S.</td>
<td>3.00</td>
</tr>
<tr>
<td>Period 2</td>
<td>U.K.</td>
<td>U.S.</td>
<td>2.00</td>
</tr>
<tr>
<td>Period 2</td>
<td>German</td>
<td>U.S.</td>
<td>2.40</td>
</tr>
<tr>
<td>Period 3</td>
<td>German</td>
<td>U.S.</td>
<td>2.10</td>
</tr>
</tbody>
</table>

**Results:**
The report for the global controller is generated in U.S. dollars. The vendors have the following totals:
- Vendor 1: $100
- Vendor 2: $200 = 50 × 2 + 50 × 2
- Vendor 3: $1,500 = 200 × 3 + 200 × 2.4 + 200 × 2.1

**Consolidated Report Amounts vs. Subsidiary Report Amounts**

Because consolidated exchange rates are different from currency exchange rates, amounts from subsidiary-level reports often do not match consolidated reports. When you calculate the adjustment on a per-transaction basis, differences between orders of magnitude affect the results.

A reasonable average exchange rate usually does not result, for example, from consolidating all income statements across multiple periods. Thus, the net income in a yearly consolidated income statement may not match the net incomes in yearly subsidiary-level reports.
To get clarity on these differing amounts, you can:

- Add the **Amount (Current Rate)** field to the report to see the values as calculated with only the
  current exchange rate across all transactions. You can then see a direct conversion of any item in the
  report from one exchange rate to another.
- Add the **Translation Adjustment** field to the report to see the amount adjusted in a certain total.

**Note:** Transaction saved searches that include values calculated based on consolidated
exchange rates may not match the general ledger impact of these same transactions. The values
in the saved search are translated to the base currency using the appropriate consolidated rate
type for the account. The impact in the general ledger is posted using the currency exchange rate
at the time of the transaction.

### Search for Consolidated Exchange Rates

You can search consolidated exchange rates to pinpoint rates for specific periods. You can create saved
searches, and custom KPIs based on saved searches to monitor exchange rate changes over time.

The Consolidated Exchange Rates search is available at Lists > Accounting > Consolidated Exchange Rates
> Search.

By default, search results include the same columns as the Consolidated Exchange Rates page, but you
can add and remove columns to customize your search. In a saved search, you can filter the criteria and
add filters to the results.

For general information about searches, see the help topic Running Searches. For information about
saved searches, see the help topic Saved Searches. For information about custom KPIs, see the help topic
Custom KPIs.

**Note:** Transaction saved searches that include values calculated based on consolidated
exchange rates may not match the general ledger impact of these same transactions. The values
in the saved search are translated to the base currency using the appropriate consolidated rate
type for the account. The impact in the general ledger is posted using the currency exchange rate
at the time of the transaction.

### Consolidated Exchange Rate Types for Transaction Searches

You can select the type of consolidated exchange rate to apply to results for each transaction search. The
consolidated exchange rate type you select applies to amount fields that use the transaction subsidiary's
base currency. By selecting the rate type for each search context, you can maintain consistency between
search results and consolidated report data. This ensures that any custom KPIs and KPI scorecards based
on transaction save searches align with financial reports.

**Note:** Rate type selections apply only to custom KPIs based on saved searches, not to standard
KPIs that are based on reports.

You can select the consolidated exchange rate type for transaction advanced searches and saved
searches. The **Results** subtab for these searches includes a **Consolidated Exchange Rate** field with the
following options:

- **Average** - Uses the average consolidated exchange rate for the period in which the transaction
  occurred.
- **Current** - Uses the current consolidated exchange rate for the date range/period selected to filter the search or custom KPI results, if any. If no period or date is selected, the current rate for the date you run the search or custom KPI is used.
- **Historical** - Uses the historical consolidated exchange rate for the period in which the transaction occurred.
- **Per-Account** - Uses the general rate type selected for each transaction's account, either average, current, or historical. When this option is selected, different consolidated exchange rate types may be used within each set of search results. This option is the default.
- **None** - Uses the transaction subsidiary's base currency. The exchange rate is not consolidated. Translation to the subsidiary's base currency uses the transaction currency exchange rate.

**Note:** Transaction saved searches that include values calculated based on consolidated exchange rates may not match the general ledger impact of these same transactions. The values in the saved search are translated to the base currency using the selected consolidated rate type. The impact in the general ledger is posted using the currency exchange rate on the transaction.

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### Foreign Currency Revaluation

Changes in exchange rates between a company or subsidiary's base currency and the foreign currencies used in transactions can cause these transactions' base currency valuations to change over time, impacting general ledger accounts. As the value of a foreign currency changes relative to a company's base currency, so does the base currency value of transactions recorded in a company's general ledger accounts.

When you enable the Multiple Currencies feature, the following accounts are added to your chart of accounts after qualifying transactions:

<table>
<thead>
<tr>
<th>Account</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized Gain/Loss</td>
<td>Realized gains and losses resulting from payment application</td>
</tr>
<tr>
<td>Unrealized Gain/Loss</td>
<td>Unrealized gains and losses resulting from month-end open balance revaluation</td>
</tr>
<tr>
<td>Unrealized Matching Gain/Loss</td>
<td>Matching unrealized gains and losses from funds deposited</td>
</tr>
<tr>
<td></td>
<td>This type of gain or loss is shown on the GL Impact subtab of certain foreign currency transactions, such as the bank deposit for a customer payment. NetSuite creates a gain or loss as part of the bank deposit, regardless of the dates of the customer payment and bank deposit.</td>
</tr>
<tr>
<td></td>
<td>Base currency adjustments</td>
</tr>
<tr>
<td></td>
<td>For information about base currency adjustments, see <a href="#">Residual Base Currency Balances and Base Currency Adjustments</a></td>
</tr>
<tr>
<td>Rounding Gain/Loss</td>
<td>Gains and losses resulting from rounding differences</td>
</tr>
<tr>
<td></td>
<td>This type of gain or loss is initiated when a payment transaction is applied to a source document transaction and a difference occurs due to the rounding of amounts.</td>
</tr>
</tbody>
</table>

These accounts track the values for exchange rate fluctuations separately from the values of initial transactions. Use the account registers to see how fluctuations in exchange rates affect the financial position of your business. To view the account register for any of these accounts, click the account name link on the Chart of Accounts page at Lists > Accounting > Accounts. You also can obtain this data from the Realized Exchange Rate Gains and Losses and Unrealized Exchange Rate Gains and Loss reports.
NetSuite automatically calculates and posts exchange rate gain or loss when users apply a payment or credit memo to an invoice. Gain or loss amounts are posted if the exchange rate has changed between the initial transaction (invoice) and the current transaction (payment or credit memo). The gain or loss resulting from changes to the exchange rate posts by default to the Realized Gain/Loss account. For more information about this type of revaluation, see Accounting for Fluctuation in Exchange Rates for Closed Transactions.

Revaluation for transactions that remain open and balances in foreign currency accounts is a separate process. The process is usually run at the end of the period as part of the period close checklist and requires the Currency Revaluation permission. For more information about this type of revaluation and instructions for running the process, see Revaluation of Open Currency Balances.

You can define rules to specify which accounts the different types of foreign currency variances post to. If your NetSuite account has no variance posting rules, NetSuite posts the gains and losses from fluctuations in foreign exchange rates to the default system-generated accounts described earlier. For more information, see Foreign Currency Variance Mapping.

Currency Revaluation Transactions

Currency revaluation is a system-generated transaction that records the impact to base currency valuation due to exchange rate fluctuations. NetSuite generates several types of currency revaluation transactions. The type is displayed in parentheses at the top of the transaction record.

- **Unrealized Gain/Loss** – These currency revaluation transactions result from the Month End Currency Revaluation process. This process revalues open currency transactions and foreign currency denominated balance sheet account balances and requires the Currency Revaluation permission. If you run revaluation again in the same period, these transactions are not deleted. Instead, additional currency revaluation transactions are created as needed to reflect any changes. For details, see Revaluation of Open Currency Balances.

- **Reversal of Unrealized Gain/Loss** – These currency revaluation transactions reverse the Unrealized Gain/Loss transaction from the previous month-end process. They post the first day of the period after the Unrealized Gain/Loss transaction. These transactions cannot be edited or deleted. However, if you edit or delete the associated month–end revaluation, the reversal is automatically updated or deleted.

- **Realized Gain/Loss** – These currency revaluation transactions record the variance due to exchange rate changes between the initial values of transactions (source transactions) and their values upon closure or payment. Not all closed transactions result in separate current revaluation transactions unless the Foreign Currency Variance Mapping feature is enabled. For example, when you apply a payment in an open period after the date of the source transaction, the realized gain or loss is not a separate transaction. The gain or loss is recorded with the payment and is shown on the record’s GL Impact page. You cannot delete currency revaluation transactions for realized gain/loss. For more information, see Applied Payments and Realized Gain/Loss.

- **Rounding Gain/Loss** – This type of currency revaluation transaction is created when a payment or credit is applied to a source transaction and a difference occurs due to the rounding of amounts. You cannot delete these transactions. For more information, see Rounding Gain/Loss.

- **Base Currency Adjustment** – This type of currency revaluation transaction is created as part of the Month End Currency Revaluation process. The base currency adjustment equalizes foreign currency and base currency account balances and eliminates the continuous revaluation and reversal of residual amounts. If you run revaluation again in the same period, these transactions are automatically
Foreign Currency Revaluation

deleted and created again if appropriate. For more information, see Residual Base Currency Balances and Base Currency Adjustments.

To view currency revaluation transactions, go to Transactions > Financial > Revalue Open Currency Balances > List. Currency revaluation transactions have two subtabs: Details and GL Impact. The Details subtab for unrealized gain/loss transactions includes additional subtabs. For details, see Revaluation Record Details.

You can edit currency revaluation transactions only when the transaction period is open. Editing for most currency revaluation transactions is limited to the Memo field and fields in the Classification group. For rounding and realized gain/loss, however, you can also edit the Posting Period. You can search for currency revaluation transactions by Memo field and classification values.

The currency revaluation fields are described in the following table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posting Period</td>
<td>The accounting period in which the revaluation is posted.</td>
</tr>
<tr>
<td>Transaction Number</td>
<td>The system-generated number for this currency revaluation.</td>
</tr>
<tr>
<td>Ref No.</td>
<td>The reference number for this currency revaluation.</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>The subsidiary for the revaluation.</td>
</tr>
<tr>
<td>Accounting Book</td>
<td>The accounting book for the revaluation. This field is included only when the Multi-Book Accounting feature is enabled.</td>
</tr>
<tr>
<td>Memo</td>
<td>Enter a description of the revaluation transaction. You can search for transactions by Memo field values.</td>
</tr>
<tr>
<td>Currency</td>
<td>The base currency of the subsidiary.</td>
</tr>
<tr>
<td>Total Variance</td>
<td>The net gain or loss amount resulting from the revaluation. The amount is calculated from the values shown in the Details subtab. The accounts affected are shown in the GL Impact subtab with amounts.</td>
</tr>
<tr>
<td>Created From</td>
<td>A link to the transaction which triggered the currency revaluation. This field is included only in currency revaluations of the Realized Gain/Loss and Rounding Gain/Loss types.</td>
</tr>
<tr>
<td>Source Transaction</td>
<td>A link to the original posting transaction. This field is included only in currency revaluations of the Realized Gain/Loss type.</td>
</tr>
</tbody>
</table>

The default accounts for posting currency revaluation transactions are listed in Foreign Currency Revaluation. If you use the Foreign Currency Variance Mapping feature, the posting accounts may be different. For more information, see Foreign Currency Variance Mapping and its subtopics.

Accounting for Fluctuation in Exchange Rates for Closed Transactions

Changes in exchange rates between base currencies and foreign currencies used in transactions cause foreign currency transactions' base currency valuations to change over time. As exchange rates change, a variance occurs between the initial values of transactions and their values upon closure or payment. This variance is recorded in the general ledger as a gain or loss. (For a definition of base currency, see Currency Management.)

NetSuite automatically calculates and posts the exchange rate gain or loss when a payment is applied to a source transaction. The variance posts by default to the Realized Gain/Loss account. If your company
uses the Foreign Currency Variance Mapping feature, your realized gains and losses may post to different accounts.

Various transactions can be applied as payments including customer payments, credit memos, vendor bill payments, vendor credits, customer deposits, and journal entries. The source transaction may be a vendor bill, customer invoice, or a journal entry. A variance (gain or loss) is posted if the exchange rate has changed between the source transaction date and the date the payment is applied.

For details about how variances are calculated and posted, see Applied Payments and Realized Gain/Loss. For sample variance calculations for different types of transactions, see Examples for the Realized Exchange Rate Gains and Losses Report.

**Note:** The exchange rates shown in the Realized Exchange Rate Gains and Losses report are rounded to 2 decimal places. To view the complete exchange rate used to calculate the base currency amounts, drill down to the source transaction.

When foreign currency transactions remain open or unpaid at the end of an accounting period, you must generate revaluations for them before closing the period. You must also revalue balances in foreign currency denominated accounts. This revaluation process is separate from realized gains and losses that are automatically calculated for paid transactions. See Revaluation of Open Currency Balances.

**Applied Payments and Realized Gain/Loss**

NetSuite calculates and posts exchange rate gain or loss (variance) when you apply a payment or credit to an invoice, vendor bill, or journal entry that functions as a bill or invoice. The invoice, vendor bill, or journal entry is the source transaction. The variance occurs when the exchange rate on the source transaction differs from the exchange rate on the payment. The payment can be a payment transaction, credit memo, customer deposit, or journal entry.

The variance resulting from changes to the exchange rate for payments applied to source transactions posts to the Realized Gain/Loss account by default. However, you can create rules to post these variances to different accounts. For information, see Foreign Currency Variance Mapping.

When foreign currency transactions remain open or unpaid at the end of an accounting period, you need to generate revaluations for them before closing the period. You also need to revalue balances in foreign currency denominated accounts. This revaluation process is separate from realized gains and losses that are automatically calculated for paid transactions. For information, see Revaluation of Open Currency Balances.

Foreign-currency-denominated source transactions remain open until the invoice balance equals zero in both the foreign currency and the base currency.

For details about the types of transactions used to post variances, variance calculations, and posting periods for realized gain and loss, see the following subsections:

- Transactions That Post to Realized Gain/Loss
- Variance Calculations for Realized Gain and Loss
- Posting Periods for Realized Gain and Loss
- Effect of Voiding Applied Payments

**Transactions That Post to Realized Gain/Loss**

Variances for closed transactions are posted to Realized Gain/Loss using either the payment transaction or a separate currency revaluation transaction. Which transaction posts the variance is determined as follows:
When you apply a payment in an open period after the date of the source transaction, the realized gain or loss posting appears on the GL Impact page for the payment transaction.

When you apply a payment on a date earlier than the source transaction date, the realized gain or loss appears on the GL Impact page for a separate currency revaluation transaction. The currency revaluation and payment transactions are linked as related records on the source transaction.

When you apply a payment transaction whose posting period is closed, the realized gain or loss posting appears on the GL Impact page for a separate currency revaluation transaction. The currency revaluation and payment are linked as a related records to the source transaction.

When the Foreign Currency Variance Mapping feature is enabled, a separate currency revaluation transaction posts the variance. The currency revaluation is linked to the invoice as a related record.

### Variance Calculations for Realized Gain and Loss

Exchange rates for realized gain and loss come from the source and payment transactions. An invoice, vendor bill, or journal entry is the source transaction. The payment transaction can be a payment, credit memo, customer deposit, or journal entry.

When the exchange rates on the source and payment transactions are different, a realized gain or loss is posted. NetSuite automatically calculates the variance amounts for realized gain and loss as the difference between the two exchange rates multiplied by the payment amount. Expressed as a formula where FX Rate is the exchange rate, the calculation looks like this:

\[
\text{Variance} = (\text{Payment FX Rate} – \text{Source FX Rate}) \times \text{Payment}
\]

The variance is rounded to the base currency decimal precision. The exchange rates are not rounded, and the payment is in the transaction currency.

For payments or credits applied to multiple transactions, NetSuite calculates and records a gain or loss for each transaction.

The posted source transaction amount should equal the posted payment transaction amount plus variance. Amounts posted are in base currency. If the source transaction amount does not exactly equal the payment transaction amount plus variance, a rounding transaction is created. For details, see Rounding Gain/Loss.

For example, your U.S. subsidiary sent a European customer two invoices for €1,000 each. The euro to dollar exchange rate (FX rate) for the first invoice is 1.1. For the second invoice, the rate is 1.2. The customer pays €1,500 on account with a euro to dollar exchange rate of 1.3. You apply €1,000 to pay the first invoice in full and €500 as a partial payment on the second invoice. The base currency total for the invoice equals the base currency total for the payments plus the variance. The calculations when the €1,500 is applied are as follows:

<table>
<thead>
<tr>
<th>Transaction Currency</th>
<th>Payment FX Rate</th>
<th>Base Currency</th>
<th>Invoice FX Rate</th>
<th>Base Currency</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applied to Invoice 1</td>
<td>€1,000</td>
<td>1.3</td>
<td>$1,300</td>
<td>1.1</td>
<td>$1,100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>= (1.3 – 1.1) × €1,000</td>
<td></td>
</tr>
<tr>
<td>Applied to Invoice 2</td>
<td>€500</td>
<td>1.3</td>
<td>$650</td>
<td>1.2</td>
<td>$600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>= (1.3 – 1.2) × €500</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>€1,500</td>
<td>$1,950</td>
<td>$1,700</td>
<td>$250</td>
<td></td>
</tr>
</tbody>
</table>
Foreign Currency Revaluation

Posting Periods for Realized Gain and Loss

When a payment is applied, the currency revaluation posts in the later of the source transaction or the payment transaction period, provided that period is open. An invoice, vendor bill, or journal entry is the source transaction. The payment transaction can be a payment, credit memo, customer deposit, or journal entry.

If the source and payment transactions are both in closed periods when the payment is applied, the accounting preference **Default Posting Period When Transaction Date in Closed Period** determines the currency revaluation posting period. The posting is in either the current period or the first open period, depending on the value selected in the accounting preference.

A realized gain or loss can post in an adjustment period **only** if the journal for the later of the payment or source transaction is posted to **that same** adjustment period.

Effect of Voiding Applied Payments

When you void a payment transaction, the link that applies the payment to the source transaction is removed immediately and the source transaction is reopened, effective retroactively. Depending on your accounting preferences, the reversal of the payment and realized gain or loss may post in a later period. For information on these accounting preferences, see **Void Transactions Using Reversing Journals Preference** and **Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period**.

Regardless of the posting period of the voiding transaction, the reopened source transaction is eligible for revaluation until another payment transaction is applied to it.

For example, you posted a vendor bill in November. In December, you made full payment and applied it to the bill. A voiding journal for the payment is created in January and posted in March. The revaluation when you close each period is as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Revaluation</th>
<th>Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>Revalue vendor bill only</td>
<td>Payment does not yet exist.</td>
</tr>
<tr>
<td>December</td>
<td>No revaluation</td>
<td>Realized gain/loss posted when payment was applied.</td>
</tr>
<tr>
<td>January</td>
<td>Revalue both vendor bill and payment</td>
<td>Both transactions exist but are not linked.</td>
</tr>
<tr>
<td>February</td>
<td>Revenue both vendor bill and payment</td>
<td>Both transactions exist but are not linked.</td>
</tr>
<tr>
<td>March</td>
<td>Revalue vendor bill only</td>
<td>Payment has been voided.</td>
</tr>
</tbody>
</table>

Rounding Gain/Loss

After realized gain or loss calculation, a small difference sometimes remains between the posted base currency source transaction amount and the posted payment transaction amount plus variance. This small difference is due to rounding of the variance or adding together base currency amounts that were calculated separately. In a currency with a decimal precision of 2, for example, a difference of 0.04 or less is considered small.

To remove the small difference in the accounts payable or accounts receivable account between the source and the payment, NetSuite creates another currency revaluation transaction. This currency revaluation transaction record is called **Currency Revaluation (Rounding Gain/Loss)**. These transactions post to the Rounding Gain/Loss account and either an accounts payable or an accounts receivable account.

General Accounting
You can edit rounding revaluation transactions if the period is open. The fields you can change are Posting Period, Memo, and any fields in the Classification section. You cannot delete rounding revaluation transactions. Foreign Currency Variance Mapping is not available for rounding variance types.

To view currency revaluation transactions for rounding, go to Transactions > Financial > Revalue Open Currency Balances > List. In the default list view, you can identify rounding transactions by the account (Rounding Gain/Loss) and amount (very small).

Two situations may cause the base currency amount for the source transaction to differ slightly from the base currency for the payment plus the variance. First, different exchange rates for the source and payment may cause rounding differences.

Second, even when the exchange rate is the same, multi-line source transactions may not exactly match payments when both are converted to base currency. Multi-line transactions are converted to base currency line by line for posting to income or expense accounts (or deferred revenue or deferred expense). The base currency amount posted to accounts receivable or accounts payable is the sum of the base currency lines. Applied payments convert the total to base currency and post to accounts receivable or accounts payable.

The following topics include examples of rounding gain/loss:

- Rounding Gain/Loss Using Different Exchange Rates
- Rounding Gain/Loss Using the Same Exchange Rate

### Rounding Gain/Loss Using Different Exchange Rates

In this example, your U.S. subsidiary receives a vendor bill of $19,028.88 (Canadian). When you enter the bill, the exchange rate from Canadian to U.S. dollars is 0.76374051, and $14,533.13 (U.S.) is credited to accounts payable. The amount posted was rounded to two decimal places from the calculated amount of $14,533.1265159288.

**GL Impact of the Bill**

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>14,533.13</td>
<td></td>
</tr>
<tr>
<td>Lumber Expense</td>
<td>14,533.13</td>
<td></td>
</tr>
</tbody>
</table>

When you pay the bill in full in Canadian dollars, the exchange rate is 0.76295. The $19,028.88 (Canadian) converted to base currency is $14,518.083996, or $14,518.08 (U.S.) rounded to two decimal places.

The realized gain on the payment is equal to the payment rate less the source transaction rate multiplied by the payment amount. The variance is (0.76374051 – 0.76295) × $19,028.88 (Canadian), which is –$15.04251993 or –$15.04 (U.S.) rounded to two decimal places.

Because NetSuite posts the rounded amount, the GL Impact pages for the bill and the bill payment are different.

**GL Impact of the Bill Payment**

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>14,518.08</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>14,518.08</td>
<td></td>
</tr>
</tbody>
</table>

Foreign Currency Variance Mapping is enabled in your account, so a separate currency revaluation is created and linked to the vendor bill.
GL Impact of the Currency Revaluation

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized Gain/Loss</td>
<td>15.04</td>
<td></td>
</tr>
<tr>
<td>2000 Accounts Payable</td>
<td>15.04</td>
<td></td>
</tr>
</tbody>
</table>

At this point, the accounts payable account is unbalanced.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor Bill</td>
<td>14,533.13</td>
<td></td>
</tr>
<tr>
<td>Bill Payment</td>
<td>14,518.08</td>
<td>14,533.13</td>
</tr>
<tr>
<td>Realized Gain/Loss</td>
<td>15.04</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14,533.12</td>
<td>14,533.13</td>
</tr>
</tbody>
</table>

Another currency revaluation transaction is created to balance accounts payable.

GL Impact of the Currency Revaluation (Rounding Gain/Loss)

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rounding Gain/Loss</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>2000 Accounts Payable</td>
<td>0.01</td>
<td></td>
</tr>
</tbody>
</table>

Rounding Gain/Loss Using the Same Exchange Rate

In this example, a foreign currency customer’s invoice contains three line items, and the exchange rate is 24.537. The line item amounts are 4,475.00, 2,400.00, and 627.00. The invoice total is 7,502.00. At the time of payment the exchange rate is 24.537, the same as when the invoice was created. When the payment is applied a rounding gain/loss is created.

GL Impact of the Invoice

The general ledger impact for the Income lines are the amounts in foreign currency multiplied by the exchange rate, rounded to two places after the decimal point.

<table>
<thead>
<tr>
<th>Transaction Line</th>
<th>× Rate</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,475.00</td>
<td>24.537</td>
<td>109,803.08</td>
</tr>
<tr>
<td>2,400.00</td>
<td>24.537</td>
<td>58,888.80</td>
</tr>
<tr>
<td>627.00</td>
<td>24.537</td>
<td>15,384.70</td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td></td>
<td>184,076.58</td>
</tr>
</tbody>
</table>

The transaction lines in this example each post to a different account. However, the lines post separately even when they post to the same account.

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>184,076.58</td>
<td></td>
</tr>
</tbody>
</table>
The exchange rate when you accept and apply the payment is 24.537, the same as when the invoice was created.

**GL Impact of the Payment**

To calculate the base currency for the foreign currency payment, the total 7,502.00 is multiplied by the exchange rate: 7,502.00 × 24.537 = 184,076.574. The total is rounded down to 184,076.57.

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undeposited Funds</td>
<td>184,076.57</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>184,076.57</td>
<td></td>
</tr>
</tbody>
</table>

A currency revaluation transaction is created to balance accounts receivable.

**GL Impact of the Currency Revaluation (Rounding Gain/Loss)**

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rounding Gain/Loss</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>0.01</td>
<td></td>
</tr>
</tbody>
</table>

**Realized Exchange Rate Gains and Losses Report**

Use the Realized Exchange Rate Gains and Losses report to view the realized gain and loss by transaction for a period of time. The report presents each source transaction, the associated payment transaction, and the realized gain or loss for the transaction reported in the base currency. From the report you can drill down to the source invoice or vendor bill and the applied payment. From the transaction detail you can drill down to view the general ledger impact.

Use this report in your month end process to provide an audit trail of the transactions with realized gain or loss for the period. The Realized Gain/Loss account is included as Other Expense on the Income Statement.

**Note:** The exchange rates shown in this report are rounded to 2 decimal places. To view the complete exchange rate used to calculate the base currency amounts, drill down to the source transaction.

The Realized Exchange Rate Gains and Losses report lists transactions that have been closed and that posted a difference to the Realized Gain/Loss account. Only revaluation of currency amounts on paid transactions is reflected in this report.

This report groups transactions by Accounts Payable and Accounts Receivable, and then by entity name in alphabetical order. The transaction order within each entity name group is chronological by posting date for the realized gain/loss. The following columns are standard:

- **Name** – Name of the entity (customer, vendor, or project)
Foreign Currency Revaluation

- **Subsidiary** – Subsidiary for the transaction
- **Source Trans Number** – The number of the source transaction (invoice, vendor bill, or journal that functions as a bill or invoice). For vendor bills, the number shown is the reference number if the bill has one. If the bill does not have a reference number, the internal ID is displayed.
- **Source Accounting Period** – Period in which the source transaction was posted
- **Source Trans Date** – Date of the source transaction
- **Source Trans Type** – Invoice, vendor bill, or journal that functions as a bill or invoice
- **Source Account** – The account to which the source transaction posted
- **Source Exchange Rate** – The exchange rate on the source transaction
- **Pmt Trans Number** – The number of the payment transaction (bill payment, payment, credit memo, customer deposit, or journal applied as a payment)
- **Pmt Accounting Period** – Period in which the payment transaction posted
- **Pmt Trans Date** – Date of the payment transaction
- **Pmt Trans Type** – Bill payment, payment, credit memo, customer deposit, or journal applied as a payment
- **Pmt Exchange Rate** – The exchange rate on the payment transaction
- **Transaction Currency** – The currency of the source and payment transactions
- **Applied Amount** – The payment amount applied to the source transaction in the transaction currency
- **Applied Amount (Base)** – The payment amount applied to the source transaction converted to the base currency using the payment exchange rate
- **Realized Gain/Loss Trans Number** – The number of the transaction that includes the posting for realized gain or loss. The transaction may be a payment transaction or a currency revaluation transaction. For more information, see Transactions That Post to Realized Gain/Loss.
- **Realized Gain/Loss Posting Period** – Period in which the realized gain or loss posted
- **Realized Gain/Loss Posting Date** – Date of the realized gain/loss transaction
- **Realized Gain/Loss** – Amount of the realized gain or (loss) in the base currency

To see the Realized Exchange Rate Gains and Losses report:

2. Adjust the values for **Period**, **From**, and **To** as needed.
3. Use the following additional filters as needed:
   - Use the **Subsidiary Context** filter if you want to filter the report by subsidiary.
   - Use the **Accounting Book** filter if you are using multi-book accounting and have access to multiple accounting books.
4. Click **Refresh** to apply your filters.

A message appears indicating that your report is loading. The status bar indicates the progress as your report loads. Click **Cancel Report** to stop the report from loading.

Examples for the Realized Exchange Rate Gains and Losses Report

The following examples illustrate the Realized Exchange Rate Gains and Losses Report. The examples involve a U.K. based company that sells to a U.S. customer. Currency revaluation transactions are
recorded in the local currency (U.S. dollar) using the exchange rate in effect on the date the transaction occurs.

Each example includes a transaction scenario, the general ledger impact of the transactions, and the transaction and realized gain or loss information as it displays on the report.

- Example with Same Period but Different Rates
- Example with Different Periods and Different Rates
- Example of Credit Memo in a Different Period with a Different Rate

**Note:** The exchange rates shown in the Realized Exchange Rate Gains and Losses report are rounded to 2 decimal places. To view the complete exchange rate used to calculate the base currency amounts, drill down to the source transaction.

### Example with Same Period but Different Rates

In this example of the Realized Exchange Rate Gains and Losses Report, a customer invoice and payment are recorded in a single accounting period, but the exchange rates on the transaction dates are different.

**Scenario**

The U.K. subsidiary records a customer invoice dated February 15 for $300 U.S. dollars (USD). The U.S. dollar to pound sterling exchange rate on February 15 is 0.6379, and dollars are converted to pounds as follows: $300 × 0.6379 = £191.37.

On February 25, the invoice is paid. The dollar to pound exchange rate is 0.653733, and the conversion to pounds is $300 × 0.653733 = £196.12).

**General Ledger Impact on February 15**

<table>
<thead>
<tr>
<th>Rate = 0.6379</th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$300</td>
<td>£191.37</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td>$300</td>
</tr>
</tbody>
</table>

**General Ledger Impact on February 25**

<table>
<thead>
<tr>
<th>Rate = 0.653733</th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Bank Account</td>
<td>$300</td>
<td>£196.12</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td>$300</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$0</td>
<td>£4.75</td>
</tr>
<tr>
<td>Realized Gain/Loss</td>
<td>$0</td>
<td>£4.75</td>
</tr>
</tbody>
</table>

**February Report**

A portion of the Realized Exchange Rate Gains and Losses report for February is shown in the following table. Transaction numbers and type, source account, transaction currency, and transaction dates are omitted here. The transactions and associated realized gain/loss are in the Accounts Receivable section...
of the report, and the source account is Accounts Receivable. Although the transaction currency is U.S. dollars, the currency symbol for the British pound (£), the base currency, appears in the report because the U.K. subsidiary has been selected in the Subsidiary Context footer.

<table>
<thead>
<tr>
<th>Name</th>
<th>Subsidiary</th>
<th>Source Accounting Period</th>
<th>Source Exchange Rate</th>
<th>Pmt Accounting Period</th>
<th>Pmt Exchange Rate</th>
<th>Applied Amount</th>
<th>Applied Amount (Base)</th>
<th>Realized Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Cust USD</td>
<td>U.K.</td>
<td>Feb</td>
<td>0.64</td>
<td>Feb</td>
<td>0.65</td>
<td>300.00</td>
<td>£196.12</td>
<td>£4.75</td>
</tr>
</tbody>
</table>

**Note:** The exchange rates shown in the Realized Exchange Rate Gains and Losses report are rounded to 2 decimal places. To view the complete exchange rate used to calculate the base currency amounts, you must drill down to the source transaction.

**Example with Different Periods and Different Rates**

In this example of the Realized Exchange Rate Gains and Losses Report, a customer invoice is recorded in one accounting period and paid in a subsequent accounting period when the exchange rates are different.

The U.K. subsidiary records a customer invoice dated February 15 for $400 U.S. dollars (USD). The U.S. dollar to pound sterling exchange rate on February 15 is 0.6379, and dollars are converted to pounds as follows: $400 × 0.6379 = £255.16.

When the month end currency revaluation is run for February, the exchange rate is 0.61. The unrealized gain/loss for the open receivable is recorded using that exchange rate and reversed in the subsequent period.

On March 26, when the invoice is paid, the dollar to pound exchange rate is 0.67305. The conversion to pounds is $400 × 0.67305 = £269.22).

**General Ledger Impact on February 15**

<table>
<thead>
<tr>
<th>Rate = 0.6379</th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$400</td>
<td>£255.16</td>
</tr>
<tr>
<td>Revenue</td>
<td>$400</td>
<td>£255.16</td>
</tr>
</tbody>
</table>

**General Ledger Impact on March 26**

The payment has the following general ledger impact:

<table>
<thead>
<tr>
<th>Rate = 0.67305</th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Bank Account</td>
<td>$400</td>
<td>£269.22</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$400</td>
<td>£269.22</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$0</td>
<td>£14.06</td>
</tr>
<tr>
<td>Realized Gain/Loss</td>
<td>$0</td>
<td>£14.06</td>
</tr>
</tbody>
</table>
A portion of the Realized Exchange Rate Gains and Losses report for March is shown in the following table. Transaction numbers and type, source account, transaction currency, and transaction dates are omitted here. The transactions and associated realized gain/loss are in the Accounts Receivable section of the report, and the source account is Accounts Receivable. Although the transaction currency is U.S. dollars, the currency symbol for the British pound (£), the base currency, appears in the report because the U.K. subsidiary has been selected in the Subsidiary Context footer.

<table>
<thead>
<tr>
<th>Name</th>
<th>Subsidiary</th>
<th>Source Accounting Period</th>
<th>Source Exchange Rate</th>
<th>Pmt Accounting Period</th>
<th>Pmt Exchange Rate</th>
<th>Applied Amount</th>
<th>Applied Amount (Base)</th>
<th>Realized Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Cust USD</td>
<td>U.K.</td>
<td>Feb</td>
<td>0.64</td>
<td>Mar</td>
<td>0.67</td>
<td>400.00</td>
<td>£269.22</td>
<td>£14.06</td>
</tr>
</tbody>
</table>

**Example of Credit Memo in a Different Period with a Different Rate**

In this example of the Realized Exchange Rate Gains and Losses Report, a credit memo is issued to a customer and applied to an open invoice. The transactions are in different periods with different exchange rates.

**Note:** When you create a credit memo from an invoice, the credit memo inherits the exchange rate from the invoice, and no gain or loss is generated. If you create a standalone credit memo, not associated with an invoice, and apply it to an invoice with a different exchange rate, realized gain or loss is generated as described in the example below.

The U.K. subsidiary records a customer invoice dated January 15 for $800 U.S. dollars (USD). The U.S. dollar to pound sterling exchange rate on January 15 is 0.6140, and dollars are converted to pounds as follows: $800 × 0.6140 = £491.20.

The invoice remains open until March 16, when a standalone credit memo is issued for $800 U.S. dollars, and the credit memo is applied to the invoice. The exchange rate on March 16 is 0.6617375.

**General Ledger Impact for Invoice on January 15**

<table>
<thead>
<tr>
<th>Rate = 0.6140</th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$800</td>
<td>£491.20</td>
</tr>
<tr>
<td>Revenue</td>
<td>$800</td>
<td>£491.20</td>
</tr>
</tbody>
</table>

**General Ledger Impact for Credit Memo on March 16**

<table>
<thead>
<tr>
<th>Rate = 0.6617375</th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Revenue</td>
<td>$800</td>
<td>£529.39</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$800</td>
<td>£529.39</td>
</tr>
</tbody>
</table>

**General Ledger Impact for Applying the Credit Memo on March 16**

<table>
<thead>
<tr>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>Debit</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$0</td>
</tr>
</tbody>
</table>
March Report

A portion of the Realized Exchange Rate Gains and Losses report for March is shown in the following table. Transaction numbers and type, source account, transaction currency, and transaction dates are omitted here. The transactions and associated realized gain/loss are in the Accounts Receivable section of the report, and the source account is Accounts Receivable. Although the transaction currency is U.S. dollars, the currency symbol for the British pound (£), the base currency, appears in the report because the U.K. subsidiary has been selected in the Subsidiary Context footer.

<table>
<thead>
<tr>
<th>Name</th>
<th>Subsidiary</th>
<th>Source Accounting Period</th>
<th>Source Exchange Rate</th>
<th>Pmt Accounting Period</th>
<th>Pmt Exchange Rate</th>
<th>Applied Amount</th>
<th>Applied Amount (Base)</th>
<th>Realized Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Cust USD</td>
<td>U.K.</td>
<td>Jan</td>
<td>0.61</td>
<td>Mar</td>
<td>0.66</td>
<td>800.00</td>
<td>£529.39</td>
<td>£38.19</td>
</tr>
</tbody>
</table>

Revaluation of Open Currency Balances

As exchange rates between a base currency and foreign currencies change over time, the base currency value of foreign currency denominated transactions and accounts also change.

When a payment is applied to close a transaction, NetSuite automatically calculates and posts the realized gain or loss due to exchange rate fluctuation. See Accounting for Fluctuation in Exchange Rates for Closed Transactions.

You must run a revaluation process to calculate the unrealized gain or loss due to exchange rate fluctuation. To run this process, you must have a role with the Currency Revaluation permission at Create level or higher. Unrealized gain or loss applies to open customer and vendor transactions, foreign-currency-denominated accounts, and other non-equity balance sheet accounts. Currency revaluation should be part of your month-end close process. If you do not run revaluation at the end of the period, your monthly financial statements may be inaccurate due to missing currency revaluation transactions.

Note: You must enable the Accounting Periods feature in your account before you attempt to generate revaluations. Accounting periods are required to properly post open balance revaluations at the end of each accounting period. See Accounting Period Management.

You can generate revaluations as part of the Period Close Checklist or at any time, and for any reason, from Transactions > Financial > Revalue Open Currency Balances. You should lock the period before you generate revaluations. Revaluations apply exchange rates as of the last day of the accounting period to calculate gain or loss. If you generate revaluations from the menu prior to the end of the period, the exchange rate for the current date is used.

If you use Multi-Book Accounting, you can run month-end currency revaluation in both pending and active secondary accounting books.

A revaluation calculates the effects of exchange rate fluctuations on open balances for a selected period. Only transactions whose transaction period matches the selected period are evaluated. Related transactions that occur in a period later than the selected period are ignored. An exception to this rule may occur when you void an applied payment. For more about voided payments, see Effect of Voiding Applied Payments.
For example, an invoice recorded in January is paid in July. The variance due to exchange rate fluctuation is calculated on the open balance each period from January through June and posted as unrealized gain or loss. When the payment is made in July, the realized gain or loss is posted in that period.

**Important:** If you intend to match the source classification when you revalue open receivables and open payables, all source transactions must include values for all required classification. Classification includes department, class, location, and custom segment with GL impact. See Classifications and Currency Revaluation.

For instructions and additional information about the revaluation of open currency balances, see the following topics:

- **Types of Accounts That Can Be Revalued** - for more information about accounts that can be revalued
- **Generating Revaluations** - for instructions for revaluing open currency balances before closing a period
- **Revaluation Record Details** - for information about the Details subtab of the currency revaluation transaction
- **Unrealized Exchange Rate Gains and Losses Report** - for information about reporting for unrealized exchange rate gains and losses

### Types of Accounts That Can Be Revalued

You can generate currency revaluations for any non-equity balance sheet account. This includes foreign currency accounts and accounts that are not denominated by a currency. Revaluing non-denominated accounts provides information about potential future realized gains and losses introduced by currency fluctuations in accounts that contribute to your company's balance sheet. When you run revaluation for accounts without a currency denomination, the revaluation process revalues all transactions posted to the account. Revaluations that are not automatically generated by NetSuite, such as month-end revaluations, usually post their variances to the Unrealized Gain/Loss account. Base currency adjustments, which post to the Unrealized Matching Gain/Loss account, are the exception.

For additional information about base currency adjustments, see the following topics:

- **Residual Base Currency Balances and Base Currency Adjustments**
- **Base Currency Adjustment Example**

**Note:** Foreign currency transactions against base currency bank accounts are converted to base currency at the time the transaction is recorded.

The **Revalue Open Balance for Foreign Currency Transactions** box on the account record indicates whether you can select the account for revaluation on the Month End Currency Revaluation page. Check this box to make a balance sheet account available for revaluation regardless of whether it has a designated currency. For information about creating or editing accounts, see **Creating Accounts**.

Accounts Receivable, Accounts Payable, and Unbilled Receivable accounts are always included on the Month End Currency Revaluation page. For these and other balance sheet accounts, the following table shows the default values for the Revalue Open Balance for Foreign Currency Transactions box by account type:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Revaluable</th>
<th>Editable</th>
<th>Default Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable, Accounts Payable, Unbilled Receivable</td>
<td>Yes</td>
<td>No</td>
<td>Checked</td>
</tr>
</tbody>
</table>
Foreign Currency Revaluation

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Revaluable</th>
<th>Editable</th>
<th>Default Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Asset, Other Current Asset, Other Asset,</td>
<td>Yes</td>
<td>Yes</td>
<td>Clear</td>
</tr>
<tr>
<td>Deferred Revenue, Deferred Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank, Credit Card, Long Term Liability, Other</td>
<td>Yes</td>
<td>Yes</td>
<td>Checked</td>
</tr>
<tr>
<td>Current Liability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** You cannot revalue open balances for equity and income statement accounts: COGS, Expense, Income, Other Expense, and Other Income.

For instructions for running currency revaluation, see Generating Revaluations.

## Residual Base Currency Balances and Base Currency Adjustments

Running currency revaluation can produce residual base currency amounts in balance sheet accounts. Residual base currency account balances occur when the exchange rate at the time of payment (or zeroing the account) differs from the exchange rate of the initial transaction. Non-equity balance sheet accounts with base currency balances are subject to currency revaluation at the end of the period.

Base currency adjustments, a type of currency revaluation transaction, equalize foreign currency and base currency account balances and eliminate the continuous revaluation and reversal of residual amounts. Base currency adjustments apply to non-equity balance sheet accounts other than Accounts Receivable and Accounts Payable.

When you run currency revaluation at the end of a period, the steps of the revaluation process are as follows:

- The process first checks account balances subject to revaluation, comparing the foreign currency (transaction currency) balances with their base currency balances.

  If the transaction currency balance for an account is 0 but the base currency balance is not 0 (residual base currency balance):
  - If this is the first time in the period that you have run revaluation, the process creates a base currency adjustment to clear the residual base currency amount. The base currency adjustment posts to the base currency account and to the Unrealized Matching Gain/Loss account.
    A base currency adjustment is created during revaluation whenever the process finds a residual base currency balance and no previous unrealized gain/loss in the period.
  - If you are rerunning revaluation and the account already has unrealized gain/loss posted in the period, the process creates another unrealized gain/loss transaction to clear the residual base currency balance.

- Next, the revaluation process creates currency revaluation transactions for all selected accounts if needed. Because the transaction currency balance and base currency balance are both 0 for accounts with the new base currency adjustments, currency revaluation is not triggered again for those accounts.

If you rerun currency revaluation in the same period, the base currency adjustments created earlier in the period are deleted and then re-created if appropriate. If additional transactions have caused accounts to have a non-zero transaction currency balance, unrealized gain/loss is posted instead of a base currency adjustment.

**Key points for base currency adjustments:**

- Base currency adjustments apply to non-equity balance sheet accounts subject to revaluation. Base currency adjustments are not required for Accounts Receivable and Accounts Payable accounts.
- Base currency adjustment is a separate currency revaluation transaction record called Currency Revaluation (Base Currency Adjustment). Values used to calculate the adjustment are shown on the Details subtab of the record.
- The revaluation process checks account balances as of the end of an accounting period.
- Base currency adjustments are created based on account balances. They are not tied to individual transactions.
- Base currency adjustments are created only if no unrealized gain or loss has been posted in the period for the account/currency pair. Additional unrealized gain or loss is posted if needed.
- You cannot change the posting period for a base currency adjustment.
- If you rerun currency revaluation in the period, any base currency adjustments for the period are deleted. Depending on new account balances, base currency adjustments or unrealized gain/loss transactions are created.
- Base currency adjustments are shown on the Unrealized Exchange Rate Gains and Losses report.

For information about running currency revaluation, see Generating Revaluations.

**Base Currency Adjustment Example**

On March 20, a Canadian company issues a payroll advance to an employee in the United States. The Canadian to U.S. dollar exchange rate is 0.998.

**General Ledger Impact for Employee Advance on March 20**

<table>
<thead>
<tr>
<th></th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S. Dollars</td>
<td>Canadian Dollars</td>
</tr>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Employee Advance</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>2,000</td>
</tr>
</tbody>
</table>

On April 1, the employee advance account is reduced to 0 when payroll is recorded. The Canadian to U.S. dollar exchange rate is 0.992.

**General Ledger Impact for Employee Advance on April 1**

<table>
<thead>
<tr>
<th></th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S. Dollars</td>
<td>Canadian Dollars</td>
</tr>
<tr>
<td>Account</td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Payroll Expense</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Employee Advance</td>
<td></td>
<td>2,000</td>
</tr>
</tbody>
</table>

At the end of April, the transaction currency balance for Employee Advance is 0. However, due to the difference in exchange rates, the base currency account has a residual balance of 12.

Running currency revaluation at the end of April produces a base currency adjustment to clear the residual balance in the Employee Advance account.

**General Ledger Impact for Employee Advance at End of April**

<table>
<thead>
<tr>
<th></th>
<th>Transaction Currency</th>
<th>Base Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S. Dollars</td>
<td>Canadian Dollars</td>
</tr>
</tbody>
</table>
At this point, the transaction currency and base currency balances for the Employee Advance account are 0, and further currency revaluation is not triggered for this account.

### Generating Revaluations

At the end of each accounting period, you generate currency revaluation transactions for open customer and vendor transactions, foreign-currency-denominated accounts, and other non-equity balance sheet accounts. Revaluations apply exchange rates as of the last day of the accounting period to calculate gain or loss.

NetSuite automatically calculates and posts exchange rate gain or loss when users apply a payment or credit memo to an invoice. For more information about the automatic process, see Accounting for Fluctuation in Exchange Rates for Closed Transactions.

Generating revaluations requires the Create level for the Transaction permission Currency Revaluation. To access the revaluation task from the Period Close Checklist, you must have the Manage Accounting Periods permission. To complete this task for a locked period, you must have the Override Period Restrictions permission.

The revaluation process sometimes needs to delete previous revaluation transactions to complete the current revaluation. Deletion requires the Currency Revaluation transaction permission at the Full level. If you do not have Full level access, you receive a message that lists the revaluation transactions that need to be deleted. Another user with Full level access must delete the transactions so you can rerun the process. Alternatively, you can have a user with Full level access rerun the process for you.

The Accounting Periods feature must be enabled in your account before you generate revaluations. Accounting periods are required to properly post open balance revaluations at the end of each accounting period. See Accounting Period Management.

**Important:** Running revaluation can impact the revaluation calculations in subsequent periods. If you reopen a period, post changes, and rerun its revaluation after later periods have been closed, you must rerun revaluation for all the later periods. For an example, see Revaluation in Reopened Periods.

To generate period close revaluations:

   
   You can also access this page from the Revalue Open Foreign Currency Balances task on the Period Close Checklist. For information about required tasks for closing periods, see Accounting Period Close.

2. Select a Posting Period.
   
   Transactions to be revalued are determined by the transaction period. If you open this page from the Period Close checklist, you cannot change the posting period. When you use the menu link, this field defaults to the current period, but you can change it to any other open period.

3. If you use Multi-Book Accounting, select an Accounting Book from the list.
Month-end currency revaluation is book specific. The accounting book you select determines which subsidiaries are available in the Subsidiary list.

4. If you have a OneWorld account, select a Subsidiary.
   If you want to run month end currency revaluation for multiple subsidiaries at one time, check the Include Children box. For more information, see Foreign Currency Revaluation for Multiple Subsidiaries.

5. Enter a Memo (optional).

6. Use the Class, Department, Location, and custom segment lists to filter the list of accounts that are displayed for selection for revaluation.
   For example, if you select Class A in the Class filter, only accounts that are restricted to this class are displayed in the list. For more information about restricting accounts, see Creating Accounts.
   If you check the Include Children box, Class, Department, Location, and custom segment filters are disabled.

7. Check Match Source Classification to generate a currency revaluation for each combination of classifications (class, department, location, and custom segment with GL impact).
   The classification grouping applies only to Open Receivables and Open Payables revaluations. The classification values are copied to the GL Impact lines for each currency revaluation transaction. For more information, see Classifications and Currency Revaluation.

   **Note:** When classifications are mandatory and the box is checked, a missing classification value in a source transaction causes an error that ends the revaluation process.

8. For Account Type, select the type of account you want to revalue. Select All to list all accounts.
   When the Include Children box is checked, Account Type is called Account Category.

9. Check the box in the Include column for the accounts you want to revalue.
   Alternatively, click Mark All to include all accounts, or click Unmark All to clear the check boxes for all accounts.
   If you check the Include Children box, this step does not apply because individual accounts are not listed. All the accounts in the selected Account Category are included.

10. Click Save to run the revaluation process for the selected period and accounts.
    You must wait for the process to finish or submit a different combination of posting period, subsidiary, accounting book, and account. If you resubmit the same combination of criteria before the first process finishes, you receive an error.
    The maximum number of lines in a currency revaluation is 2,000. Open Receivables and Open Payables are included in a separate currency revaluation transaction from Other Accounts.
    The total variance amount for each currency revaluation transaction created is posted to the Unrealized Gain/Loss account.

To review completed revaluations, go to Transactions > Financial > Revalue Open Currency Balances > List or from Period Close Checklist, use the Results subtab of the Task: Revalue Open Currency Balances page. See Viewing Revaluation Results.

### Foreign Currency Revaluation for Multiple Subsidiaries

You can run period-end foreign currency revaluation for a large number of subsidiaries at one time, even when your foreign currency transaction volume is high. When you select the subsidiary for foreign currency revaluation, check the Include Children box, and then select the account categories to include in the revaluation.
When you run the foreign currency revaluation process for multiple subsidiaries at one time, the following changes appear on the Month End Currency Revaluation page (Transactions > Financial > Revalue Open Currency Balances):

- The **Account Type** field becomes the **Account Category** field and includes the following options:
  - **All**
  - **Other** - includes the balance sheet account types not listed as options, such as Other Current Liability, Long Term Liability, Credit Card, Other Current Assets, Other Asset, and so on.
  - **Accounts Payable**
  - **Accounts Receivable**
  - **Bank**
- The **Currency** field is not displayed.
- **Class**, **Department**, and **Location** are disabled and contain no selection
- Individual accounts are not listed

**Classifications and Currency Revaluation**

Classifications are often referred to as segments. Class, department, and location are standard segments. You can also have custom segments that impact the general ledger. For more information, see the help topic **Classifications Overview**.

The Month End Currency Revaluation page has two areas in which classifications are considered: the classification filters and the Match Source Classifications check box.

1 **Classification filters** – In addition to the standard segments shown, each custom segment with GL impact automatically adds a filter.

2 **Match Source Classifications** – This check box only affects the revaluation of open receivables and open payables.

**Classification Filters**

The filters for standard segments (Class, Department, and Location) behave differently from any custom segment filters. You can use the standard segment filters to limit the accounts list to accounts that are restricted to the classification values you select. Accounts cannot be restricted by custom segment, so custom segment filters on this page do not filter the account list.

All selected filter values, including those for custom segments, are copied to the lines in revaluation in the GL Impact subtab. For more information about restricting accounts, see **Creating Accounts**.
If you use the classification filters, as a best practice you should generate revaluations without filters as a last step before marking the task complete. This last step ensures that you do not accidentally miss accounts that you intended to revalue.

**Match Source Classifications**

The Match Source Classifications check box only affects revaluation of open receivables and open payables. Other accounts are unaffected by this check box. This field determines whether classifications are copied to the currency revaluation transactions for open receivables and open payables. The classification values, when copied, appear on the GL Impact subtab of the currency revaluation transaction.

When the Match Source Classification box is checked:

- If the source transaction has values for **all required** classifications, the classifications from the source transactions are copied to **all** lines in the currency revaluation. One currency revaluation transaction is created for each classification combination.
- If a source transaction **does not** include a value for a **required** segment, revaluation fails and you receive an error. Whether standard classifications are required is determined by the accounting preferences Make Departments Mandatory, Make Classes Mandatory, and Make Locations Mandatory. Custom segments also have a Mandatory option.
- If a source transaction is missing a value for a segment that **is not** required, any other classification values the transaction has are copied to the currency revaluation. Currency revaluation transactions are **not** created for each classification combination.

When the Match Source Classification box is clear, classification values are not copied from the source transactions to the currency revaluation transactions unless a classification filter is applied.

**Tip:** To revalue currencies when required segments do not have values, ensure the **Match Source Classification** box is clear.

The following diagram illustrates how classifications are applied to currency revaluations.
Viewing Revaluation Results

Use the Task: Revalue Open Currency Balances page on the Period Close Checklist to view information about the status and results of each currency revaluation run.

The **Results** subtab displays the currency revaluations created for each run in addition to the currency and the total variance amount for the transaction. If a revaluation run produces four currency revaluation transactions, you see four lines for that run number, each with a link to the revaluation results details.

Click the **Transaction** number to open the Currency Revaluation (Unrealized Gain/Loss) page.

You can also go to Transactions > Financial > Revalue Open Currency Balances > List to view currency revaluation results.

The **Status** subtab displays the status of the currency revaluation. The Percent Complete column provides how much of the process has run.

You can also view the Foreign Currency Revaluation: Status page at Transactions > Financial > Revalue Open Currency Balances > Status.

The Currency Revaluation (Unrealized Gain/Loss) page displays the detailed results for each currency revaluation. You can open this page from the link in the Results subtab or from the Currency Revaluations list at Transactions > Financial > Revalue Open Currency Balances > List.
Review the amount in the Total Variance field.

NetSuite calculates the total impact of exchange rate fluctuations for the selected accounts and displays the amount in the Total Variance field.

A negative number indicates that overall, open foreign currency transactions and account balances have decreased in base currency value, resulting in a debit for the posting period. A positive number indicates an overall increase in base-currency value, resulting in a credit for the posting period.

Click the available Details subtabs to view the details of the revaluation calculation. For unrealized gain/loss, these subtabs include Open Receivables, Open Payables, and Other Accounts. Drill down to view the source transactions for each revaluation amount. For more information, see Revaluation Record Details.

The GL Impact subtab shows the accounts affected by the revaluation with debit and credit amounts.

In some cases, NetSuite creates a Currency Revaluation (Base Currency Adjustment) transaction instead of an Unrealized Gain/Loss transaction. For details, see Residual Base Currency Balances and Base Currency Adjustments.

Revaluation Record Details

The following information is available in the Details subtab for each unrealized gain/loss currency revaluation transaction at Transactions > Financial > Revalue Open Currency Balances > List (Administrator). You can also view this information from Transactions > Financial > Revalue Open Currency Balances (Administrator) after you run revaluation for a period. Click View in the Results column to view the information from last time revaluation was run for an account.

For transactions included on the Open Receivables and Open Payables subtabs:

- **Type** – Type of transaction to be revalued, such as invoice or bill
- **Date** – Date of transaction
- **Payee** – Entity to receive payment or credit for the invoice
Foreign Currency Revaluation

- **Currency** – Foreign currency used for the transaction
- **Transaction Exchange Rate** – Rate of the foreign currency to the base currency used on the transaction
- **Ending Exchange Rate** – Rate of the foreign currency to the base currency as of the last day of the posting period
- **Balance** – Foreign currency balance for open receivables or open payables as of the last day of the posting period. Any payments applied in the future periods are ignored.
- **Gain/Loss** – Difference in the base currency amount calculated as (Ending Exchange Rate minus Transaction Exchange Rate) multiplied by Balance. A positive number indicates a gain.
- **Prior Gain/Loss** – Accumulated gain/loss amount (in base currency) resulting from prior revaluations, as of the last day of the posting period
- **Net Gain/Loss** – Difference between Gain/Loss and Prior Gain/Loss (Net Gain/Loss equals Gain/Loss minus Prior Gain/Loss)

For lines shown on the Other Accounts subtab:
- **Account** – Name of the foreign currency account
- **Currency** – Foreign currency used for the account
- **Foreign Currency Balance** – Account balance denominated in foreign currency
- **Base Currency Balance** – Accumulated account balance in base currency based on historical transactions
- **Exchange Rate** – Rate of the foreign currency to the base currency as of the last day of the posting period
- **Net Gain/Loss** – Difference between the Base Currency Balance and Foreign Currency Balance (Net Gain/Loss equals Base Currency Balance minus Foreign Currency Balance)

Unrealized Exchange Rate Gains and Losses Report

Use the Unrealized Exchange Rate Gains and Losses report to view the unrealized gain and loss by transaction for a period of time. The report displays each source transaction and the unrealized gain or loss for the transaction reported in the base currency. From the report you can drill down to the source invoice or vendor bill. From the transaction detail you can drill down to view the general ledger impact.

Use this report in your month end process to provide an audit trail of the transactions with unrealized gain or loss for the period. The Unrealized Gain/Loss account is included as Other Expense on the Income Statement.

The Unrealized Exchange Rate Gains and Losses report lists open receivables and open payables that post a change in value to the Unrealized Gain/Loss account. Currency revaluation transactions generated for any non-equity balance sheet account with a foreign currency balance are also reflected in this report.

This report groups transactions by account beginning with Accounts Payable and Accounts Receivable, followed by other non-equity balance sheet accounts with transactions subject to revaluation. Within the accounts, transactions are grouped by entity name. The entity names are in alphabetical order, and the transactions within each entity group are in chronological order. The following columns are standard:

- **Name** – Name of the entity (customer, vendor, or project) for Accounts Payable and Accounts Receivable. Unassigned is displayed for other accounts.
- **Subsidiary** – Subsidiary from the transaction.
- **Source Trans Number** – (Accounts Payable and Accounts Receivable only) The number of the source transaction (invoice, vendor bill, or journal that functions as a bill or invoice). For vendor bills, the
number shown is the reference number if the bill has one. If the bill does not have a reference number, the internal ID is displayed.

- **Source Trans Date** – (Accounts Payable and Accounts Receivable only) Date of the source transaction.
- **Source Trans Type** – (Accounts Payable and Accounts Receivable only) Invoice, vendor bill, or journal that functions as a bill or invoice.
- **Unrealized Gain/Loss Posting Period** - Period in which the currency revaluation transaction posted.
- **Source Exchange Rate** – This column is used differently depending on the type of account. All numbers are rounded to two decimal places.
  - For Accounts Payable and Accounts Receivable, this number is the exchange rate on the source transaction.
  - For other non-denominated accounts and foreign currency accounts, for reversal lines, this number is the exchange rate at the end of the previous period. For lines that are not reversals, the placeholder 1.00 is used.
- **Ending Exchange Rate** - This column is used differently depending on the type of account. All numbers are rounded to two decimal places.
  - For Accounts Payable and Accounts Receivable, this number is the exchange rate at the end of the period. If the revaluation is run prior to the end of a period, the exchange rate with the latest effective date in the period is used.
  - For other non-denominated accounts and foreign currency accounts, for reversal lines, the placeholder 1.00 is used. For lines that are not reversals, this number is the exchange rate at the end of the period. If the revaluation is run prior to the end of a period, the exchange rate with the latest effective date in the period is used.
- **Currency** – (Accounts Payable and Accounts Receivable only) The currency of the source transaction.
- **Foreign Currency Balance** - The foreign currency balance used to determine the net gain or loss.
- **Net Gain/Loss** - The calculation is different depending on the type of account and transaction. The exchange rates for the calculation are prior to rounding.
  - For reversals, this number is the amount required to reversal the currency revaluation transaction from the previous period. No calculation is performed.
  - For Accounts Payable and Accounts Receivable other than reversals, Net Gain/Loss equals (Ending Exchange Rate – Source Exchange Rate) × Foreign Currency Balance.
  - For other non-denominated accounts and foreign currency accounts, Net Gain/Loss equals (Ending Exchange Rate – previous period's ending rate) × Foreign Currency Balance.
- **Unrealized Gain/Loss Trans Number** – The number of the currency revaluation transaction
- **Base Amount (Opening)** - This column is used differently depending on the type of account.
  - For Accounts Payable and Accounts Receivable, this number ties to the balance for the transaction prior to the Net Gain/Loss for the row.
  - For reversals for other non-denominated accounts and foreign currency accounts, this number ties to the account balance at the end of the previous period. For rows other than reversals, this number is the same as the Foreign Currency Balance.
- **Base Amount (Adjusted)** – This column is used differently depending on the type of account.
  - For Accounts Payable and Accounts Receivable, this number equals Base Amount (Opening) + Net Gain/Loss.
  - For reversals for other non-denominated accounts and foreign currency accounts, this number is the same as the Foreign Currency Balance. For rows other than reversals, this number equals Foreign Currency Balance × Ending Exchange Rate.
- **Reversal** – Reversal is displayed when the transaction line is the reversal of the prior period's currency revaluation transaction.
To see the Unrealized Exchange Rate Gains and Losses report:

1. Go to Reports > Financial > Unrealized Exchange Rate Gains and Losses (Administrator).
2. Adjust the values for Period, From, and To as needed.
3. Use the following additional filters as needed:
   - Use the Subsidiary Context filter if you want to filter the report by subsidiary.
   - Use the Accounting Book filter if you are using multi-book accounting and have access to multiple accounting books.
4. Click Refresh to apply your filters.

A message appears indicating that your report is loading. The status bar indicates the progress as your report loads. Click Cancel Report to stop the report from loading.

Revaluation Examples

The following examples illustrate the revaluation of open balances using the revaluation process. Most of the examples involve a U.S. based subsidiary that sells to a British customer.

- Revaluation of Invoice with No Payments
- Revaluation of Invoice with Partial Payment
- Revaluation in Reopened Periods
- Revaluation of Advanced Intercompany Journal Entry

Revaluation of Invoice with No Payments

In this example, you are revaluing open balances for January. The Open Receivables list includes the following transactions between your U.S. based subsidiary and a British customer:

- Invoice 1 = 100 British Pounds (GBP)
- Invoice 2 = 50 British Pounds (GBP)

The currency revaluation transaction includes the following columns in the Details subtab under Open Receivables. These columns follow Type, Date, Payee, and Currency. Currency symbols do not appear in the transaction record but are included here to distinguish the transaction currency from the base currency.

<table>
<thead>
<tr>
<th>Transaction Exchange Rate</th>
<th>Ending Exchange Rate</th>
<th>Balance</th>
<th>Gain/Loss</th>
<th>Prior Gain/Loss</th>
<th>Net Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.00</td>
<td>2.50</td>
<td>£100.00</td>
<td>$50.00</td>
<td>0.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>2.00</td>
<td>2.50</td>
<td>£50.00</td>
<td>$25.00</td>
<td>0.00</td>
<td>$25.00</td>
</tr>
</tbody>
</table>

On the GL Impact subtab, you see a credit of $75 is posted to the Unrealized Gain/Loss account. This amount is the total of the Net Gain/Loss variance for the two invoices.

The Balance column lists the transaction currency balances as of the last day of the period, January 31. These amounts remain the same even if payments are applied to invoices in a later period, regardless of the date of the payment. Any amounts related to future payments are posted in the period when the payments are made.
Revaluation of Invoice with Partial Payment

In this example, you are revaluing open balances for January between your U.S. based subsidiary and a British customer. Transactions include the following:

- **January 7 Invoice for 100 GBP**
  - Rate is 2 USD to 1 GBP
  - Base currency value = 200 USD

- **January 9 Payment for 40 GBP**
  - Rate is 2.5 USD to 1 GBP
  - Base currency value = 100 USD
  - 100 USD credited to Accounts Receivable account
  - 20 USD credited to Realized Gain/Loss account

- **February 15 Payment for 60 GBP**
  - Rate is 3 USD to 1 GBP
  - Base currency value = 180 USD
  - 180 USD credited to Accounts Receivable account
  - 60 USD credited to Realized Gain/Loss account

- **January Period Close Revaluation**
  - Revalues the open balance amount of the invoice (60 GBP) at the end of the month
  - Rate on January 31 is 2.5 USD to 1 GBP
  - Variance = \((\text{Ending Rate} - \text{Transaction Rate}) \times \text{Balance}\)
  - 30 USD posts to Unrealized Gain/Loss account

The currency revaluation transaction includes the following columns in the Details subtab under Open Receivables. These columns follow Type, Date, Payee, and Currency. Currency symbols do not appear in the transaction record but are included here to distinguish the transaction currency from the base currency.

<table>
<thead>
<tr>
<th>Transaction Exchange Rate</th>
<th>Ending Exchange Rate</th>
<th>Balance</th>
<th>Gain/Loss</th>
<th>Prior Gain/Loss</th>
<th>Net Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.00</td>
<td>2.50</td>
<td>£60.00</td>
<td>$30.00</td>
<td>0.00</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

When you run revaluation in February, this transaction is closed by the payment of the balance on February 15 and not subject to revaluation.

**Revaluation in Reopened Periods**

In this example, after you have revalued and closed January, February, and March, you reopen January. You then post a journal that increases the balance of a British pounds foreign currency account for a U.S. based subsidiary. When you reopen January, the accounting periods of February and March are automatically reopened.

After posting the change to January, you must complete the revaluation for all three periods again to be able to re-close them. Revaluations for February and March take into account the posting change and the revaluation of previous periods. These revaluations adjust accounts accordingly, as if the new posting had been originally made before the first set of revaluations.
This example for foreign currency accounts includes the following details:

### Initial transactions:

<table>
<thead>
<tr>
<th></th>
<th>Foreign Currency Amount</th>
<th>Base Currency Amount</th>
<th>Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>January Journal</td>
<td>£50</td>
<td>$75</td>
<td>1.5</td>
</tr>
<tr>
<td>February Journal</td>
<td>£50</td>
<td>$100</td>
<td>2.0</td>
</tr>
<tr>
<td>March Journal</td>
<td>£50</td>
<td>$150</td>
<td>3.0</td>
</tr>
</tbody>
</table>

### Initial period close revaluations:

<table>
<thead>
<tr>
<th>Period</th>
<th>Foreign Currency Balance</th>
<th>Base Currency Balance</th>
<th>Exchange Rate</th>
<th>Net Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>£50</td>
<td>$75</td>
<td>2.0</td>
<td>$25</td>
</tr>
<tr>
<td>February</td>
<td>£100</td>
<td>$175</td>
<td>3.0</td>
<td>$125</td>
</tr>
<tr>
<td>March</td>
<td>£150</td>
<td>$325</td>
<td>4.0</td>
<td>$275</td>
</tr>
</tbody>
</table>

### Account balances in foreign currency and base currency (cumulative), plus ending exchange rate, after period close:

<table>
<thead>
<tr>
<th>Period</th>
<th>Foreign Currency Balance</th>
<th>Base Currency Balance</th>
<th>Ending Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>£50</td>
<td>$100</td>
<td>2.0</td>
</tr>
<tr>
<td>February</td>
<td>£100</td>
<td>$300</td>
<td>3.0</td>
</tr>
<tr>
<td>March</td>
<td>£150</td>
<td>$600</td>
<td>4.0</td>
</tr>
</tbody>
</table>

### New transaction after reopening January, February, and March:

<table>
<thead>
<tr>
<th></th>
<th>Foreign Currency Amount</th>
<th>Base Currency Amount</th>
<th>Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>January Journal 2</td>
<td>£50</td>
<td>$100</td>
<td>2.0</td>
</tr>
</tbody>
</table>

### Rerun Period Close Revaluations for all three periods.

No new currency revaluation is created for January because the new journal has the same exchange rate as the period end. For the other periods, new currency revaluation transactions are created to account for the changed foreign currency balance.

<table>
<thead>
<tr>
<th>Period</th>
<th>Foreign Currency Balance</th>
<th>Base Currency Balance</th>
<th>Exchange Rate</th>
<th>Net Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>(initial only)</td>
<td>£50</td>
<td>$75</td>
<td>2.0</td>
</tr>
<tr>
<td>February</td>
<td>(initial)</td>
<td>£100</td>
<td>$175</td>
<td>3.0</td>
</tr>
<tr>
<td>February</td>
<td>(rerun)</td>
<td>£150</td>
<td>$400</td>
<td>3.0</td>
</tr>
<tr>
<td>March</td>
<td>(initial)</td>
<td>£150</td>
<td>$325</td>
<td>4.0</td>
</tr>
<tr>
<td>March</td>
<td>(rerun)</td>
<td>£200</td>
<td>$700</td>
<td>4.0</td>
</tr>
</tbody>
</table>

### Foreign currency account balance (cumulative) with new transaction and after revaluation is rerun:

<table>
<thead>
<tr>
<th>Period</th>
<th>Foreign Currency Balance</th>
<th>Base Currency Balance</th>
<th>Ending Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>£100</td>
<td>$200</td>
<td>2.0</td>
</tr>
</tbody>
</table>
Revaluation of Advanced Intercompany Journal Entry

In this example, you revalue open balances for January to account for an expense report for a U.K. subsidiary employee with a line for a U.S. subsidiary expense.

Advanced Intercompany Journal Entry

In this example, the intercompany transaction has been recorded by the U.S. subsidiary using an advanced intercompany journal in January. The currency used for the journal is British pounds. The lines of the journal include the following additional information:

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
<th>Due To/From Subsidiary</th>
<th>Exchange Rate</th>
<th>Base Currency</th>
<th>Total Amount (Base Currency)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>Expense</td>
<td>100.00</td>
<td></td>
<td>U.K.</td>
<td>2.0</td>
<td>US dollar</td>
<td>200.00</td>
</tr>
<tr>
<td>U.S.</td>
<td>Intercompany Payables</td>
<td>100.00</td>
<td></td>
<td>U.K.</td>
<td>2.0</td>
<td>US dollar</td>
<td>200.00</td>
</tr>
<tr>
<td>U.K.</td>
<td>Intercompany Receivables</td>
<td>100.00</td>
<td></td>
<td>U.S.</td>
<td>1.0</td>
<td>British pound</td>
<td>100.00</td>
</tr>
<tr>
<td>U.K.</td>
<td>Expense</td>
<td>100.00</td>
<td></td>
<td></td>
<td>1.0</td>
<td>British pound</td>
<td>100.00</td>
</tr>
</tbody>
</table>

The exchange rate of 2.0 to convert pounds to dollars is shown in the lines for the U.S. subsidiary with the base currency total.

For the U.K. subsidiary, the exchange rate is 1.0 because the transaction currency and base currency are the same.

January Month End Revaluation

At the end of January, the exchange rate to convert from the transaction currency to the base currency for the U.S. subsidiary has changed to 2.5. For the U.K. subsidiary, the transaction currency is the same as the base currency. A currency revaluation transaction is create for the U.S. subsidiary, but not the U.K. subsidiary.

The January currency revaluation details are in the Open Payables subtab and include the following information. The –50.00 is posted as a debit to Unrealized Gain/Loss for the U.S. subsidiary.

<table>
<thead>
<tr>
<th>Type</th>
<th>Currency</th>
<th>Transaction Exchange Rate</th>
<th>Ending Exchange Rate</th>
<th>Balance</th>
<th>Gain/Loss</th>
<th>Prior Gain/Loss</th>
<th>Net Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journal</td>
<td>British pound</td>
<td>2.00</td>
<td>2.50</td>
<td>£–100.00</td>
<td>–50.00</td>
<td>0.00</td>
<td>–50.00</td>
</tr>
</tbody>
</table>

Foreign Currency Variance Mapping

The Foreign Currency Variance Mapping feature enables you to create foreign currency variance posting rules that determine the accounts into which foreign currency variances are posted. If your NetSuite implementation has no variance posting rules, NetSuite posts the gains and losses from fluctuations in foreign exchange rates to default system-generated accounts. For a listing of the default system-generated accounts, see Foreign Currency Revaluation.

Some cases in which you might want to create a foreign currency variance posting rule are as follows:
You want to have a realized or unrealized gain posted to an account different from a realized or unrealized loss.

You want to use a subsidiary-specific foreign exchange variance account.

You want to use a separate account for intercompany receivable and intercompany payable foreign exchange variances.

You want to use different foreign exchange variance accounts based on the Class, Department, and Location values.

You want to use separate foreign exchange variance posting accounts based on the source account type (for example, a bank account rather than an accounts receivable account).

**Important:** When the Foreign Currency Variance Mapping feature is enabled, all realized gain and loss is posted using a foreign exchange revaluation record. The foreign exchange revaluation record is attached on the Related Record subtab for the associated transaction. When this feature is enabled, realized gain and loss are not included in the GL Impact for the payment.

To enable the Foreign Currency Variance Mapping feature, go to Setup > Company > Enable Features. Foreign Currency Variance Mapping is on the Accounting subtab under Advanced Features. Check the feature box and click Save.

Access to variance posting rules requires the Foreign Currency Variance Mapping permission at the Full level. This permission is included in the standard Administrator and CFO roles and can be added to custom roles. The permission is on the Permissions subtab of the role record under Setup.

Users with Full level access to the Foreign Currency Variance Mapping permission can create and view all rules for all subsidiaries and classifications regardless of subsidiary restrictions.

For more information about foreign currency variance posting rules, see the following topics:

- Defining Foreign Currency Variance Posting Rules
- Foreign Currency Variance Posting Rules List
- Prioritizing Foreign Currency Variance Posting Rules
- Transactions Voided After Posting Rules Change
- Impact of Foreign Currency Variance Posting Rules on Foreign Exchange Revaluation Reports

### Defining Foreign Currency Variance Posting Rules

You define foreign currency variance posting rules on the Foreign Currency Variance Posting Rule page. Each rule specifies the account into which gain or loss resulting from foreign currency variances is posted. This account is the Destination Account. The rules consist of a set of source or revaluation transaction criteria that determine the posting account.

If your NetSuite implementation has no variance posting rules, NetSuite posts the gains and losses from fluctuations in foreign exchange rates to default system-generated accounts. The default system-generated accounts are also used if no rules match the transaction. For information about the default accounts, see Foreign Currency Revaluation.

Each variance posting rule must have a unique set of criteria. Each transaction is compared to the foreign currency variance posting rules in the order of rule priority. When a matching rule is found, that rule is used and evaluation ends. Key fields, custom segments, and custom fields that apply to Purchase, Sale, Journal, Customer Payment, Vendor Payment, or Deposit are available as criteria. Custom fields are limited to the following types:

- Check Box
Adding, modifying, and removing rules does not affect transactions for which the foreign currency variances have already been posted.

You must create the posting accounts you want to set as the destination accounts before you create the rules. The destination accounts must be account types Other Income or Other Expense.

**To define a foreign currency variance posting rule:**

1. Go to Setup > Accounting > Foreign Currency Variance Posting Rules > New.

2. In the **Rule Name** field, enter a unique name for the rule.
   
   Your rule name should include enough information for you to identify it in a list if you need to change the priority of your rules. You can include symbols in addition to letters and numbers.

3. In the **Description** field, enter a short description of the rule. The description is optional.

4. Select the **Destination Account** for the foreign currency variance posting rule.
   
   Foreign currency variances post to this destination account when the source or revaluation transaction matches the rule. Multiple rules can have the same destination account.
   
   The **Destination Account** list includes all accounts of the Other Income and Other Expense account types.
   
   If you include **Subsidiary** in your criteria, the **Destination Account** should be associated with the subsidiary you select.

5. Check the **Inactive** box if you want to disable the rule.

   When the **Inactive** box is checked, you can inactivate a rule you no longer want or save rules that would be invalid if they were active. For example, you could save a copy of an existing rule as inactive for later editing.

   Inactive rules are included on the Foreign Currency Variance Posting Rules page. However, they are ignored during revaluation processing.
6. In the **Criteria** subtab, select the fields and values for your rule.
   Unless you include a field and value, the field is not considered for matching.

   Custom fields and segments appear at the bottom of the Field list with the suffix (Custom). Criteria with custom fields or custom segments apply to source transactions only.

   The other available fields are as follows:
   - **Account** – Multi-select list, searchable by account name. This field refers to the posting account on the source transaction. Use this field, for example, to add criteria to match specific accounts payable accounts on vendor bills.
   - **Account Type** – Multi-select list. The field refers to the account type of the posting account on the source transaction. Use this field, for example, to add criteria to match all accounts of the account type Accounts Receivable.
   - **Accounting Book** – Multi-select list. This field refers to the accounting book of revaluation transactions. This field is available only when the Multi-Book Accounting feature is enabled. For information, see the help topic Using Multi-Book Accounting.
   - **Class** – Multi-select list. This field refers to the Class field of source transactions.
   - **Country** - Multi-select list. This field refers to the Country field of the subsidiary of the source transaction and is available only in NetSuite OneWorld implementations.
   - **Currency – Source Transaction** – Multi-select list. This field refers to the Currency field of source transactions.
   - **Date – Revaluation** – Date or date range field. This field refers to the Date field of revaluation transactions.
   - **Date – Source Transaction** – Date or date range field. This field refers to the Date field of source transactions.
   - **Department** – Multi-select list. This field refers to the Department field of source transactions.
   - **Gain/Loss** – Select Gain or Loss. This field indicates whether the revaluation transaction is a gain or a loss.
   - **Is Intercompany** – Yes or No only. When you select Yes as the value for the field, source transactions match the rule only when the line to be revalued is marked for elimination. This field does not apply to revaluation transactions. This field is available only when the Automated Intercompany Management feature is enabled. For information, see the help topic Automated Intercompany Management Overview.
   - **Location** – Multi-select list. This field refers to the Location field of source transactions.
   - **Memo** – Text entry field. This field refers to the Memo field of source transactions.
   - **Nexus** – Multi-select list. This field refers to the Nexus field of source transactions.
   - **Posting Period** – Multi-select list. This field refers to the posting period of payments or credit memos for realized gains. For unrealized gains, this field refers to the posting period of customer invoices or vendor bills. For invoices against revenue commitments, this field refers to the invoice posting period.
   - **Subsidiary** – Multi-select list. If you use this field, make sure the subsidiaries you select are associated with the **Destination Account**. This field refers to the Subsidiary field of the source transaction and is available only in NetSuite OneWorld implementations. Full subsidiary access is provided for rule creation.
   - **Variance Type** – Multi-select list. The options for variance type are Matching, Realized, and Unrealized. For information about the variance types, see Foreign Currency Revaluation.

7. When you have added the criteria necessary to direct posting to the destination account, click **Save**.

   If your rules post to an unexpected account, verify that all of the following are true:
Foreign Currency Revaluation

- Destination accounts are all active.
- Accounts included as criteria are all active.
- Subsidiaries included as criteria are all associated with the destination accounts for the rules in which they are included.
- All the rules you want to use are active (the Inactive box is clear).
- Your rules are prioritized correctly. For information, see Prioritizing Foreign Currency Variance Posting Rules.

### Foreign Currency Variance Posting Rules List

When foreign currency variance posting rules exist in your system, you can view the list of rules on the Foreign Currency Variance Posting Rules list page at Setup > Accounting > Foreign Currency Variance Posting Rules.

The Foreign Currency Variance Posting Rules list page provides access to all foreign currency variance posting rule actions. On this page you have the following options:

- Click **New Rule** to create new foreign currency variance posting rules. For information, see Defining Foreign Currency Variance Posting Rules.
- Click **Prioritize Rules** to reorder the list and change the priority of the rules. For information, see Prioritizing Foreign Currency Variance Posting Rules.
- Click **Edit** for an existing rule to make changes or delete the rule. Deleted rules are listed in Deleted Record searches when the Record Type filter includes Foreign Currency Variance Posting Rule.
- Click the link for a rule in the **Rule Name** column to open the rule for viewing. The Foreign Currency Variance Posting Rule page also includes a Copy command on the Action menu and a System Notes subtab.

When the Multi-Book Accounting feature is enabled, an Accounting Book column is included. An Intercompany column is included when the Automated Intercompany Management feature is enabled. For more information about these features, see the help topics Using Multi-Book Accounting and Automated Intercompany Management Overview.

### Prioritizing Foreign Currency Variance Posting Rules

The priority numbers of the foreign currency variance posting rules determine which destination account the variance posts to if more than one rule matches the transaction. The rule with the lower priority number has the higher priority and is the one that determines the posting account.

To be considered, a rule that is an exception to a general rule must have a higher priority than the general rule. For example, if you have a general rule for realized gains, and also have a subsidiary-specific rules for realized gains, make the subsidiary-specific rules higher priority.

**To change the priority of variance posting rules:**

1. Go to Setup > Accounting > Foreign Currency Variance Posting Rules and click **Prioritize Rules**.
2. On the Foreign Currency Variance Rule Priority page, use the buttons for each row to adjust the position of the row in the list. On this page, the rules are listed in order of their priority.

   For example, to move the Realized Loss - UK rule in the following screenshot to a higher priority than the Realized Loss rule, click **Move Up**. The Realized Loss — UK rule then becomes Priority 3, and Realized Loss becomes Priority 4.
You can also drag and drop to change the order. To drag and drop, click the row handle (the six dots before the rule name) and drag the row to the position you want.

3. When you are satisfied with the order, click Save.

**Transactions Voided After Posting Rules Change**

When you void a transaction, amounts from the original transaction are reversed from the original general ledger accounts. Any change to foreign currency variance posting rules between the time of the original transaction and the voided transaction are ignored for purposes of the reversal.

For example, you have a vendor bill for $100 in the transaction currency. The exchange rate to base currency is 1.1. The general ledger impact from the vendor bill in base currency is as follows:

<table>
<thead>
<tr>
<th>Vendor Bill</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>110</td>
<td></td>
</tr>
</tbody>
</table>

When you pay the vendor bill, the exchange rate is 1.2. No foreign currency variance posting rule applies to the payment. The general ledger impact in base currency for the payment and the currency revaluation is as follows:

<table>
<thead>
<tr>
<th>Payment</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Bank Account</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency Revaluation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized Gain/Loss (default account)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>
You close the periods that the bill and payment are in, and you create a foreign currency variance posting rule. The new rule posts all revaluations to a new revaluation account.

You void the payment you made in the previous period. The new foreign currency variance posting rule is ignored in this case. The exchange rate for voiding the payment is the same as the original payment. The general ledger impact in base currency for the voiding journal and currency revaluation reversal is as follows:

<table>
<thead>
<tr>
<th>Voiding Journal</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Account</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency Revaluation Reversal</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Realized Gain/Loss (default account)</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

**Impact of Foreign Currency Variance Posting Rules on Foreign Exchange Revaluation Reports**

No changes to the Unrealized Exchange Rate Gains and Losses and Realized Exchange Rate Gains and Losses reports are included with the Foreign Currency Variance Mapping feature.

However, you can customize these reports to add columns and filters.

For example, you can include a **Variance Account** column. This column provides the posting account of foreign exchange variance lines. This field is also available as a report filter.

For details about report customization, see the help topic [Report Customization](#).

For information about the foreign exchange revaluation reports, see [Unrealized Exchange Rate Gains and Losses Report](#) and [Realized Exchange Rate Gains and Losses Report](#).
Chart of Accounts Management

One of the first tasks you must complete before you can begin managing accounting in NetSuite is to set up a chart of accounts (COA). You can use the CSV Import Assistant to import account information from another system, or you can manually create account records in NetSuite. Your chart of accounts provides a set of destinations for posting transactions, and categorizes these transactions for tracking and reporting purposes.

If you use NetSuite OneWorld and have an administrator role or have the Set Up Company permission, you can set up accounting contexts at Setup > Company > General Preferences. An accounting context can be a one-to-one relationship between a country’s local GAAP (Generally Accepted Accounting Principles) reporting requirements and a statutory chart of accounts (COA). It can also be a unique relationship that meets your company’s specific needs. Accounting contexts are useful when users prefer to work in a local GAAP context, rather than in the consolidated context with one centralized COA. Accounting contexts are also useful if you have Multi-Book Accounting provisioned in your account. You can set an accounting context specific for your secondary book and use it for your secondary book reports. For more information, see the help topic Accounting Contexts. When one accounting context exists, users can select their preferred accounting context at Home > Set Preferences. When users select an accounting context, all transactions including system-generated transactions post to the defined COA account name and number. For information about user preferences, see the help topic General Personal Preferences.


Account types are used to organize data in account registers and other financial reports.

- Income statement account types include Cost of Goods Sold, Expense, Income, Other Expense, and Other Income.
- Balance sheet account types include Accounts Payable, Accounts Receivable, Bank, Credit Card, Deferred Expense, Deferred Revenue, Equity, Fixed Asset, Long Term Liability, Other Asset, Other Current Asset, Other Current Liability, and Unbilled Receivable.
- Cash flow statement account types include the net of Income and Other Income, Accounts Payable, Accounts Receivable, Equity, Fixed Asset, Long Term Liability, Other Asset, Other Current Asset, Other Current Liability, and Unbilled Receivable.
- Statistical accounts, part of the Advanced Financial module, enable your financial team to track non-monetary data and then use that information on reports and income statements. Financial users can examine the non-monetary data to view its relationship with the financial activity of your organization. For more information, see the help topic Using Statistical Accounts.

**Note:** When you enable some accounting features, the system automatically generates an account specific to those features. If your chart of accounts already contains an account by the same name as that of a system-generated account created through feature enablement, the system-generated account name is appended with "(system)" and the default account type is selected. For example, you have created an A/R account type named Unbilled Receivable. You enable the Advanced Revenue Management feature. The system automatically generates the Unbilled Receivable (System) account under the account type Unbilled Receivable and uses this system account for unbilled receivable reclassification. For a list of feature-specific, system-generated accounts, see Feature-Specific, System-Generated Accounts.

You can create a hierarchy of accounts within each account type by defining subaccount relationships on account records. Careful attention to account typing, naming, and numbering when you set up your chart...
of accounts results in more useful reports. In addition, organize your account hierarchies, naming, and numbering to simplify the future addition of new accounts.

NetSuite enables you to create an account record solely for reporting purposes. These accounts are called summary accounts and are useful when you want to create a non-posting, inactive parent account that has active child accounts. New summary accounts that are not in NetSuite OneWorld cannot have an opening balance, but you can convert an existing account with a transaction balance into a summary account. In this case, you cannot post additional transactions to the account. Summary accounts appear with their children in the chart of accounts list. You cannot merge a summary account into another account.

For financial statements such as income statements (profit and loss statements) and balance sheets, you can also use account names or numbers to further customize your data presentation.

**Important:** If you want to use numbers as well as names to identify accounts, enable the related accounting preference in your account at Setup > Accounting > Accounting Preferences. For more information, see Chart of Account Numbering.

To set up your chart of accounts, perform the following steps.

1. Create NetSuite account records.

   - **Note:** Your user role must have both ADMI_ACCOUNTING and LIST_ACCOUNT permissions to access Setup > Accounting > Manage G/L > Chart of Accounts.

   - If you want to import account information from another system, see:
     - Chart of Accounts Import
     - Importing CSV Files with the Import Assistant
   
   - If you want to create new accounts in NetSuite, see Creating Accounts.

2. Enter opening balances for new accounts. For more information, see Entering Opening Balances.

The system automatically adds default Japanese accounts to your chart of accounts upon creation of a Japanese subsidiary in NetSuite OneWorld. The Japanese accounts are based on the Japanese Industrial Standard (JIS) X 0406:1984. These default accounts are also already included in NetSuite Japan edition.

You can review your chart of accounts at any point. For more information, see Viewing the Chart of Accounts.

After you have created a chart of accounts, you can make changes as necessary. For more information, see Making Changes to Accounts.

For information about financial tracking and reporting, see the following help topics:

- Account Registers
- Accounting-Related Reports
- Financial Statements Overview

**Feature-Specific, System-Generated Accounts**

When you enable some features, the system automatically generates an account specific to those features. Most system-generated accounts can only be activated and inactivated by the system.

If your chart of accounts already includes an account named the same as a system-generated account, “(system)” is added to the system-generated account name. For example, you have created an account...
with the account type Accounts Receivable. Your account is named Unbilled Receivable. Then you enable the Advanced Revenue Management feature, which generates a system account. The system account is named Unbilled Receivable (System) and has the account type Unbilled Receivable. The system-generated account is used for unbilled receivable reclassification.

This topic includes two tables:

- Features and Their System-Generated Accounts
- Accounts Whose Activation Is Controlled by the System

## Features and Their System-Generated Accounts

The following table lists features and their respective system-generated accounts.

<table>
<thead>
<tr>
<th>Feature</th>
<th>System-Generated Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/P (Payable)</td>
<td>Accounts Payable</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> Depending on your NetSuite Edition, the account may be named Acct Pay.</td>
</tr>
<tr>
<td></td>
<td>When this feature is enabled for the first time, the Accounts Payable (AcctPay) account is created. However, this account is not inactivated or reactivated if the feature check box is cleared and then checked again.</td>
</tr>
<tr>
<td>A/R (Receivable)</td>
<td>Accounts Receivable</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> Depending on your NetSuite Edition, the account may be named Acct Rec.</td>
</tr>
<tr>
<td></td>
<td>When this feature is enabled for the first time, the Accounts Receivable (AcctRec) account is created. However, this account is not inactivated or reactivated if the feature check box is cleared and then checked again.</td>
</tr>
<tr>
<td></td>
<td>Customer Deposits (CustDep)</td>
</tr>
<tr>
<td></td>
<td>Customer Deposits is not activated by the A/R (Receivable) or any other feature.</td>
</tr>
<tr>
<td>Accounting</td>
<td>Undeposited Funds</td>
</tr>
<tr>
<td></td>
<td>Refunds Payable</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> If you are using NetSuite Canadian Edition, you also have Payable and Expenses accounts. In addition, the Tax (Tax) account is activated or inactivated when this feature is enabled or when the feature check box is cleared.</td>
</tr>
<tr>
<td></td>
<td>If you are using NetSuite (U.S.), you have the additional Sales Tax Payable account.</td>
</tr>
<tr>
<td>Advanced Receiving</td>
<td>Accrued Purchases</td>
</tr>
<tr>
<td>Advanced Revenue Management</td>
<td>Deferred Revenue</td>
</tr>
<tr>
<td></td>
<td>Deferred Revenue Clearing</td>
</tr>
<tr>
<td></td>
<td>Revenue Arrangement (non-posting)</td>
</tr>
<tr>
<td></td>
<td>Unbilled Receivable</td>
</tr>
<tr>
<td>Feature-Specific, System-Generated Accounts</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>

### General Accounting

<table>
<thead>
<tr>
<th>Feature</th>
<th>Account Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Expense</td>
<td>Deferred Expense</td>
</tr>
<tr>
<td>Amortization</td>
<td>Deferred Expense</td>
</tr>
<tr>
<td>Automated Intercompany Management</td>
<td>Deferred Expense</td>
</tr>
<tr>
<td></td>
<td>Accumulated Depreciation</td>
</tr>
<tr>
<td></td>
<td>CTA Elimination</td>
</tr>
<tr>
<td>Credit Card Payments and Customer Access</td>
<td>Unapproved Customer Payments</td>
</tr>
<tr>
<td>Direct Deposit</td>
<td>Failed ACH Transactions (FailedACH)</td>
</tr>
<tr>
<td>Electronic Funds Transfer</td>
<td>Failed ACH Transactions (FailedACH)</td>
</tr>
<tr>
<td>Employee Commissions, Partner Commissions/Royalties</td>
<td>Commissions Payable</td>
</tr>
<tr>
<td>Estimates</td>
<td>Estimates</td>
</tr>
<tr>
<td>Expense Reports</td>
<td>Unapproved Expense Reports</td>
</tr>
<tr>
<td></td>
<td>Advances Paid</td>
</tr>
<tr>
<td></td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Estimates</td>
<td>When this feature is enabled for the first time, the Accounts Payable (AcctPay) account is created. However, this account is not inactivated or reactivated if the feature check box is cleared and then checked again.</td>
</tr>
<tr>
<td>Intercompany Time and Expense</td>
<td>If you enabled this feature after April 2014, when you created a qualifying journal entry the system created a single Intercompany Clearing Account of the Type: Other Current Asset. The account was set to the Root Subsidiary and included all child subsidiaries. Adjustment journal entries correctly posted to this new account, and no other currency-locked Intercompany Clearing Accounts were created. If you enabled this feature prior to April 2014, when you created a new adjustment journal entry the system created a new Intercompany Clearing Account (no currency), which became the parent of all other existing clearing accounts. New adjustment journal entries use this parent account, and the existing currency-locked Intercompany Clearing Account remained intact.</td>
</tr>
<tr>
<td></td>
<td>Note: If you edit a transaction that originally posted to the existing currency-locked Intercompany Clearing Account, the GL Impact of that transaction affects that account.</td>
</tr>
<tr>
<td>Inbound Shipment Management</td>
<td>External Inventory In Transit (InvInTransitExt)</td>
</tr>
<tr>
<td></td>
<td>This account is activated or inactivated when the feature is enabled, or when the feature check box is cleared.</td>
</tr>
<tr>
<td>Inventory</td>
<td>Inventory Asset</td>
</tr>
</tbody>
</table>

---

**Note:** When the Expand Account Lists accounting preference is enabled, these accounts may appear in other account lists. Do not select the Unbilled Receivable or the Deferred Revenue Clearing account from lists. All debits and credits to these account must be system-generated.

Deferred Expense is generated when the accounting preference Enable Advanced Cost Amortization is checked.

**Note:** This account is system-generated after a qualifying transaction. For example, a user must first run the Elimination process so that an Elimination Journal Entry is created that uses this account.
### Feature-Specific, System-Generated Accounts

<table>
<thead>
<tr>
<th><strong>Job Costing and Project Budgeting</strong></th>
<th><strong>Multi-Location Inventory</strong></th>
<th><strong>Multi-Currencies</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Of Goods Sold</td>
<td>Transfer Orders</td>
<td>After qualifying revaluation transactions, the system generates the Realized Gain/Loss, Unrealized Gain/Loss, Unrealized Matching Gain/Loss, Rounding Gain/Loss accounts.</td>
</tr>
<tr>
<td>Direct Labor (DirectLabor)</td>
<td>Inventory In Transit</td>
<td></td>
</tr>
<tr>
<td>Indirect Labor (IndirectLabor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Cost Variance (JobCostVariance)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>These accounts are activated or inactivated when these features are enabled, or when the respective feature check boxes are cleared.</td>
<td></td>
<td>Note: Depending on the year in which your NetSuite account was established, you may also have the Exchange Rate Variance account.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Opportunities</th>
<th>Payroll</th>
<th>Payroll Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Service</td>
<td>Failed ACH Transactions (FailedACH)</td>
<td>This account is activated or inactivated when the feature is enabled, or when the feature check box is cleared.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase Orders</th>
<th>Purchase Orders</th>
<th>Requisitions</th>
<th>Requisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requisitions</td>
<td>Return Authorizations</td>
<td>Unbilled Receivables</td>
<td></td>
</tr>
<tr>
<td>Return Authorizations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Commitments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: When the Expand Account Lists account preference is enabled, this account may appear in other account lists. Do not select the Unbilled Receivable account from lists. All debits and credits to this account must be system-generated.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Orders</th>
<th>Sales Orders</th>
<th>Split Tender</th>
<th>Customer Payment Authorizations (CustAuth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor Return Authorizations</td>
<td>Vendor Return Authorizations</td>
<td>Purchases Returned Not Credited</td>
<td></td>
</tr>
<tr>
<td>Work Orders</td>
<td>Work Orders</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Accounts Whose Activation Is Controlled by the System

Activation and inactivation of system-generated accounts is handled automatically by the NetSuite system. The following accounts cannot be inactivated from the Account page:
<table>
<thead>
<tr>
<th>Account Name</th>
<th>Special Account Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Depreciation</td>
<td>AccumDeprec</td>
</tr>
<tr>
<td>Advances Paid</td>
<td>AdvPaid</td>
</tr>
<tr>
<td>Commissions Payable</td>
<td>CommPay</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>COGS</td>
</tr>
<tr>
<td>Cumulative Translation Adjustment-Elimination</td>
<td>CTA-E</td>
</tr>
<tr>
<td>Customer Payment Authorizations</td>
<td>CustAuth</td>
</tr>
<tr>
<td>Deferred Expense</td>
<td>DeferExpense</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>DeferRevenue</td>
</tr>
<tr>
<td>Deferred Revenue Clearing</td>
<td>DefRevClearing</td>
</tr>
<tr>
<td>Direct Labor</td>
<td>DirectLabor</td>
</tr>
<tr>
<td>Estimates</td>
<td>Estimate</td>
</tr>
<tr>
<td>Exchange Rate Variance</td>
<td>FxRateVariance</td>
</tr>
<tr>
<td>External Inventory in Transit</td>
<td>InvInTransitExt</td>
</tr>
<tr>
<td>Failed ACH Transactions</td>
<td>FailedACH</td>
</tr>
<tr>
<td>Indirect Labor</td>
<td>IndirectLabor</td>
</tr>
<tr>
<td>Inventory</td>
<td>InvtAsset</td>
</tr>
<tr>
<td>Inventory In Transit</td>
<td>InvInTransit</td>
</tr>
<tr>
<td>Inventory Received Not Billed</td>
<td>RecvNotBill</td>
</tr>
<tr>
<td>Inventory Returned Not Credited</td>
<td>RtnNotCredit</td>
</tr>
<tr>
<td>Job Cost Variance</td>
<td>JobCostVariance</td>
</tr>
<tr>
<td>Opportunities</td>
<td>Opprntnty</td>
</tr>
<tr>
<td>Payroll Adjustments</td>
<td>PayAdjst</td>
</tr>
<tr>
<td>PST Expenses ON</td>
<td>PSTExp</td>
</tr>
<tr>
<td>PST Payable ON</td>
<td>PSTPay</td>
</tr>
<tr>
<td>Purchase Orders</td>
<td>PurchOrd</td>
</tr>
<tr>
<td>Realized Gain/Loss</td>
<td>RealizedERV</td>
</tr>
<tr>
<td>Refunds Payable</td>
<td>RefundPay</td>
</tr>
<tr>
<td>Requisitions</td>
<td>PurchReq</td>
</tr>
<tr>
<td>Return Authorizations</td>
<td>RtnAuth</td>
</tr>
<tr>
<td>Revenue Arrangement</td>
<td>RevArrng</td>
</tr>
<tr>
<td>Rounding Gain/Loss</td>
<td>RndERV</td>
</tr>
<tr>
<td>Sales Orders</td>
<td>SalesOrd</td>
</tr>
<tr>
<td>Account Name</td>
<td>Special Account Type</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Sales Taxes Payable</td>
<td>SalesTaxPay</td>
</tr>
<tr>
<td>tax accounts - various names</td>
<td>Tax</td>
</tr>
<tr>
<td>Transfer Orders</td>
<td>TrnfrOrd</td>
</tr>
<tr>
<td>Unapproved Customer Payments</td>
<td>UnappvPymt</td>
</tr>
<tr>
<td>Unapproved Expense Reports</td>
<td>UnappvExpRept</td>
</tr>
<tr>
<td>Unbilled Receivable</td>
<td>UnbilledRec</td>
</tr>
<tr>
<td>Undeposited Funds</td>
<td>UndepFunds</td>
</tr>
<tr>
<td>Unrealized Gain/Loss</td>
<td>UnrERV</td>
</tr>
<tr>
<td>Unrealized Matching Gain/Loss</td>
<td>MatchingUnrERV</td>
</tr>
<tr>
<td>Vendor Return Authorizations</td>
<td>VendAuth</td>
</tr>
<tr>
<td>Work Orders</td>
<td>WorkOrd</td>
</tr>
</tbody>
</table>

**Chart of Account Numbering**

Many businesses use standard account numbers and the names of those accounts on their general ledger. You can set up account numbers that appear in your chart of accounts, transactions, and on most financial reports.

When you start to work with NetSuite, account numbers are not enabled. An administrator must enable the preference on the Accounting Preferences page.

**To enable account numbers:**

1. Go to Setup > Accounting > Accounting Preferences.
2. Click the General subtab, check the Use Account Numbers box.
3. Click Save.

When you enable the account numbers preference, NetSuite inserts standard account numbers before most existing account names, and enables you to enter account numbers for new accounts. Standard account numbering is described below.

For information on how to change these numbers or add numbers to other accounts, see Adding or Changing Account Numbers. For information about creating accounts, see Creating Accounts.

**Standard Numbering for Chart of Accounts**

When the Use Account Numbers preference is enabled, four-digit account numbers are automatically associated with existing accounts as follows:

- 1xxx - Asset accounts
- 2xxx - Liability accounts
- 3xxx - Equity accounts
4xxx - Income accounts  
5xxx - Cost of Goods Sold (COGS) accounts  
6xxx - Expense accounts  
8xxx - Other Income accounts  

Account numbers can be alphanumeric with a maximum of 60 characters.

**Note:** If you are importing account data and must map CSV fields to NetSuite fields, see the help topic Importing CSV Files with the Import Assistant.

## Creating Accounts

You can choose whether to use the CSV Import Assistant to import accounts information or to create new account records in NetSuite.

Your user role must have the Accounts permissions to access Setup > Accounting > Manage G/L > Chart of Accounts. Accounts is a Lists permission.

Consider the following questions before you first begin creating accounts:

- **How do you want to organize the hierarchy for each account type?**
  
  You can define a parent account on each account record. A parent account must have the same type as the subaccount.

  You cannot change the account type for an account that has associated posting and non-posting transactions such as sales order and revenue commit.

- **What naming conventions do you want to use for accounts?**

- **Do you want to use account numbering?**

  If you want to use numbers as well as names to identify accounts, ensure that the related accounting preference is enabled in your account at Setup > Accounting > Accounting Preferences. See Chart of Account Numbering.

- **Do you want to limit the availability of some accounts to a single department, class, or location?**

  For information, see the help topic Classifications in NetSuite.

- **NetSuite OneWorld only:**

  - Do you want to limit the availability of some accounts to a subset of your subsidiaries? For information, see the help topics Subsidiaries in OneWorld and Account Setup in OneWorld.

  - If you have an administrator role or have the Set Up Company permission, you can set up accounting contexts at Setup > Company > General Preferences. An accounting context can be a one-to-one relationship between a country's local GAAP (Generally Accepted Accounting Principles) reporting requirements and a statutory chart of accounts (COA). It can also be a unique relationship that meets your company's specific needs. Accounting contexts are useful when users prefer to work in a local GAAP context, rather than in the consolidated context with one centralized COA. Accounting contexts are also useful if you have Multi-Book Accounting provisioned in your account. You can set an accounting context specific for your secondary book and use it for your secondary book reports. For more information, see the help topic Accounting Contexts. When one accounting context exists, users can select their preferred accounting context at Home > Set Preferences. When users select an accounting context, all transactions including system-generated transactions post to the defined COA account name and number. For information about user preferences, see the help topic General Personal Preferences.

Be aware that you cannot create an intercompany clearing account. This account is automatically generated by the system when the Intercompany Time and Expense feature is enabled. When this feature is enabled, you cannot edit the subsidiaries associated with any existing account type except Bank. For more information, see Intercompany Clearing Account.

(Multiple Currencies only) What currency and what types of exchange rates do you want to associate with each account? For information, see Currency Management.

Do you want to track non-monetary data and then use that information on reports and income statements to view its relationship with the financial activity of your organization? For more information, see Using Statistical Accounts.

Do you want to create a summary account record solely for reporting purposes? Summary accounts are useful when you want to create a non-posting, inactive parent account that has active child accounts. New summary accounts that are not in NetSuite OneWorld cannot have an opening balance, but you can convert an existing account with a transaction balance into a summary account. In this case, you cannot post additional transactions to the account. Summary accounts appear with their children in the chart of accounts list. You cannot merge a summary account into another account.

The chart of accounts for your company lists all of the accounts set up to use in the general ledger for your NetSuite account. You cannot customize the chart of accounts list. For more information, see Viewing the Chart of Accounts

To create a new account:

1. Go to Lists > Accounting > Accounts > New.
2. Enter general account information:
   a. If you are using account numbering, enter an account number. Account numbers can be alphanumeric with a maximum of 60 characters.
   b. Enter a name for this account. This name appears in the chart of accounts list, on transactions lists, and on reports.
   c. If the Use Legal Name in Account accounting preference is enabled at Setup > Accounting > Accounting Preferences, the Legal Name field appears. You can enter up to 400 characters in this field including special characters such as colon and semi colon. You can also enter characters such as Êé,Çç, and 2 byte characters such as ######.
      This field is useful in countries where the legal name of an entity is required by law.
      The Legal Name field can be added to financial reports where account is an available component. It is also available in advanced searches, SuiteScript, and ODBC. System notes maintains an audit trail specific to the activity on the Legal Name field.
      Note: If the Multi-Language feature is enabled, the Legal Name field appears on the Localization subtab when the account record is in edit mode. The restrictions that apply to the Legal Name field in the header apply to the Legal Name field on the subtab.
   d. To make this account the subaccount of another, select the parent account in the Subaccount of field.
When you create a child account, it must be of the same type as the parent account. For example, you cannot choose Accounts Payable (a liability) as the parent of an expense account.

e. Select the type of account you want to create.
   i. If you are creating a Bank type account, enter the bank account number.
   ii. If the new account is an account for which you want to include associated vendor transactions’ amounts on 1099-MISC forms, select a 1099-MISC Category.
      ▫ These categories correspond to the boxes on the 1099-MISC form and cannot be added to or deleted.
      ▫ An amount for a category is not reported on the 1099-MISC form until the threshold for that category is met. As soon as the amount per vendor is greater than or equal to the threshold amount, the total amount is shown on the form.
      ▫ You can view and change the threshold amounts for each category at Setup > Accounting > Accounting Lists. Select 1099-MISC Category in the Type filter.
      ▫ This field is not available on certain types of account records, where it is not relevant.
   iii. If you are creating an Other Current Asset type account and want the balance of this account included in the total balance of the Inventory KPI, check the Inventory box.
   iv. If you are creating a statistical account, see the help topic Creating Statistical Accounts.

3. If the Multiple Currencies feature is enabled and the Account Type is Bank, select a currency to associate with the account. (For other types of accounts, this field defaults to the base currency.)

4. For NetSuite OneWorld, select rate types for exchange rates used to value financials:
   a. Select a General Rate Type that is used to translate amounts for accounts in the income statement, balance sheet, and other general purposes.
   b. Select a Cash Flow Rate Type that is used to translate amounts for accounts in the cash flow statement.

   The Current rate is the effective rate at the end of a selected period.

   The Average rate is a weighted average of rates used for transactions posted during a selected period to accounts with an average general rate type.

   The Historical rate is a weighted average of rates used for transactions posted during a selected period to accounts with a historical general rate type.

Following are the default rate types for accounts:

- **General Rate Type:**
  □ Current - for all balance sheet accounts other than equity accounts.
  □ Average - for all income statement accounts.
  □ Historical - for all equity accounts.

- **Cash Flow Rate Type:** Average - for all accounts.

For more details about rate types, see Consolidated Exchange Rate Types.

**Note:** By default, Fixed Asset type accounts have a general rate type of Current. If you want to this an account of this type to use a historical rate, you need to change its general rate type to Historical.

5. If you use the Multiple Currencies feature and want to be able to select this account for revaluation, check the Revalue Open Balance for Foreign Currency Transactions box.
Creating Accounts

You cannot select this option for COGS, Equity, Expense, Income, Non Posting, Other Expense, and Other Income accounts.

6. Check the Eliminate Intercompany Transactions box if this is an intercompany account used only to record transactions between subsidiaries. Amounts posted to intercompany accounts are eliminated when you run the intercompany elimination process at the end of an accounting period.

7. Enter a description of the account.

8. The Date field indicates the date for the account’s opening balance. It defaults to the current date. You can modify it as necessary.

9. If you are not using NetSuite OneWorld, enter an opening balance for this account. If this account is a summary account, you cannot provide an opening balance. If you are using NetSuite OneWorld, you can enter opening balances only after you have created accounts. See Entering Opening Balances.

10. Check the Summary box to make this a reporting account record. Summary accounts are useful when you want to create a non-posting, inactive parent account that has active child accounts.

   **Important:** Checking the Summary box automatically inactivates the account.

   Checking the Summary box does not modify the state of the Inventory and Revalue Open Balance for Foreign Currency Transactions boxes.

11. To make an account inactive, check the Inactive box.

12. Enter classification information:
   a. If the Departments feature is enabled and you want to restrict the use of this account to a single department, select the department.
   b. If the Classes feature is enabled, and you want to restrict the use of this account to a single class, select the class.
   c. If the Locations feature is enabled, and you want to restrict the use of this account to a single location, select the location.

   **Important:** After you select a class, department, location, or a combination of segments, this account can be selected only on transactions where those segments are also selected.

   d. If you are using NetSuite OneWorld and you want to limit the use of this account to a subset of subsidiaries:
      i. Select one or more subsidiaries.
      ii. Check the Include Children box to make the account available to all of the child subsidiaries of selected subsidiaries.

   **Important:** Inactivating and activating accounts may limit access to subsidiaries for users assigned custom roles.

   e. If Multi-Book Accounting is provisioned in your account, select the secondary accounting books to which this account is restricted when you make book specific secondary book transactions. Accounts restricted to only secondary accounting books are not available at book generic transactions.
Creating Accounts

Note: The **Restrict to Accounting Book** field displays Active and Pending accounting books. Inactive accounting books are listed only if selected before the accounting book was deactivated.

If you do not select a secondary accounting book, the account is available in all accounting books.

In addition to secondary accounting books, the **Restrict to Accounting Book** field lists the primary accounting book. If you select the primary accounting book, the account is not available at book specific secondary book transactions. If you select the account at primary accounting book generic transactions and mapping is not defined, the transactions are posted to the same account in the secondary accounting books. For information on mapping, see the help topic **Chart of Accounts Mapping**.

Important: Secondary accounting book restricted accounts are not available for budgeting. Budgeting is available only in the primary accounting book.

Every page where you can select an accounting book and an account adheres to the defined restrictions. For example, for Amortization and Revenue Recognition journal entries, the **Original Account**, **Target Account**, and **Deferral Account** fields display the restricted accounting books. For Allocation Schedules and Intercompany Allocation Schedules, the **Source Account**, **Destination Account**, **Credit Account**, and **Intercompany Account** fields display the restricted accounting books. If the account is not restricted to an accounting book, journal entries are posted to the same accounts in the secondary accounting books. For Account Mappings, the **Source Account** field lists all accounts that are available in the primary accounting book and the **Destination Account** field lists accounts that are available in the restricted secondary accounting books.

Statistical accounts do not have accounting book restrictions because these accounts do not appear at book specific transactions.

You can restrict an account to additional accounting books after transactions are posted to previously restricted accounting books.

A restricted account displays in reports.

13. If you have the GL Matching SuiteApp installed, check the **Include in GL Matching** box if you want to include this account for GL Matching or account reconciliation. Including an account in GL Matching enables you to select this account type from the Account dropdown filter in the GL Matching Dashboard. For more information, see the help topic **GL Matching**.

Note: You cannot include the following account types in GL Matching: Cost of Goods Sold, Expense, Income, Non–Posting, Other Expense, and Other Income.

14. Click **Save**.
**Important:** Activation and inactivation of system-generated accounts is handled automatically by the NetSuite system.

The following accounts cannot be inactivated from the Account page:

* AccumDeprec
* AdvPaid
* COGS
* CommPay
* CTA-E
* CustAuth
* DeferExpense
* DeferRevenue
* DefRevClearing
* DirectLabor
* Estimate
* FailedACH
* FxRateVariance
* IndirectLabor
* InvInTransit
* InvInTransitExt
* InvAsset
* JobCostVariance
* Opprnty
* PayAdjst
* PSTExp
* PSTPay
* PurchOrd
* PurchReq
* RecvNotBill
* RefundPay
* RevArrng
* RtnAuth
* RtnNotCredit
* SalesOrd
* SalesTaxPay
* Tax
* TrnfrOrd
* UnappvExpRept
* UnappvPymt

If the account is a bank type, additional fields are now available in edit mode. See Editing an Account.
Creating Accounts

Note: If you are using the CAMT.053.001.06–formatted or BAI2-formatted files import feature, you must complete additional fields.

To review account information, see Setting Up Historical Balances in OneWorld.

To edit account names or account numbers, or to merge, inactivate, or delete accounts, see Making Changes to Accounts.

Editing an Account

Depending on the features enabled in your account, multiple subtabs appear at the bottom of the Account page when an account is in edit mode. For example, if you use the Multi-Language feature, the Localization subtab appears. Use it to edit the account name or legal name for the languages defined in your system. For information, see the help topic Configuring Multiple Languages. The System Notes and Bank Import Mapping subtabs always appear. It provides an audit trail of changes made to an account.

If you use NetSuite OneWorld and accounting contexts have been set up, the Localization subtab enables you to enter different account names, languages, and numbers for a single account. An accounting context can be a one-to-one relationship between a country's local GAAP (Generally Accepted Accounting Principles) reporting requirements and a statutory chart of accounts (COA). It can also be a unique relationship that meets your company's specific needs.

The account name that displays is based on the order of the following conditions:

1. If any line on the Localization subtab represents both the accounting context language and the user's preferred language, the account name displays in this language.
2. If there is a line only for the user's preferred language, the account name displays in this language.
3. If there is a line only for the accounting context language, the account name displays in this language.
4. If none of these conditions exist, the account name displays as defined on the account record.

The account number that displays is based on the order of the following conditions:

1. If any line on the Localization subtab represents both the accounting context language and the user's preferred language, the account number displays in this language.
2. If this condition does not exist, the account number displays as defined on the account record.

For more information, see the help topic Accounting Contexts.

To modify an existing account:

1. Go to Lists > Accounting > Accounts.
2. Click the Edit link to the left of the account you want to modify.
3. On the Account page, modify the account as needed.
   
   If the Intercompany Time and Expense feature is enabled, you cannot edit the subsidiaries associated with any existing account type except Bank. This is because the system-generated intercompany clearing account locks the Subsidiaries field.
**Important:** If you check the Summary box on an existing account, the account maintains its posted transactions, but you cannot post additional transactions to the account. The account also becomes inactive, but its children accounts maintain their current state.

If you clear the Summary box on an inactive, parent summary account and then save the record, the account is not automatically reactivated nor are its children automatically inactivated. To automatically inactivate the children accounts, first edit the account record to clear the Inactive box and then save the record. Second, edit the account record again to check the Inactive box and then save the record. All children accounts are updated to inactive status.

For more information, see Changing Names of General Ledger Accounts, Adding or Changing Account Numbers, Merging Accounts, and Deleting Accounts and Making Accounts Inactive.

4. If you want to use the Confirm Transaction Matches and Reconcile Account Statement pages for this account, select the Use Confirm Transaction Matches and Reconcile Account Statement Pages box.

If you want to reconcile the account without using the imported statement, in the original Reconcile Bank Statement or Reconcile Credit Card Statement page, clear the box.

**Note:** When the Use Confirm Transaction Matches and Reconcile Account Statement Pages box is selected, this Account is only available in the Account list of the Confirm Transaction Matches and Reconcile Account Statement pages, not in the Reconcile Bank Statement or Reconcile Credit Card Statement pages.

5. On the Bank Import Mapping subtab, for a Bank type account, enter the following:

**Note:** The fields in this subtab are required for importing CAMT.053.001.06-formatted or BAI2-formatted files.

- **02 Record - Originator Identification Field**
  **Note:** If you are using the BAI2-formatted bank statement import feature, enter the Originator Identification from the 02 Record of the BAI2 file. This is typically the ABA/FRB routing and transit number for Domestic Financial Institutions, or SWIFT, CHIPS, or another mutually agreed on number for Foreign Financial Institutions. To ensure you have the correct number to enable successful BAI2 file imports, contact your bank.

- **03 Record - Customer Account Number**
  **Note:** If you are using the BAI2-formatted bank statement import feature, enter the Customer Account Number from the 03 Record of the BAI2 file. This is typically the Customer account number at the originator financial institution. To ensure you have the correct number to enable successful BAI2 file imports, contact your bank.

- **IBAN Identifier / Tag 25 Account Identification**
6. If you are editing a Bank type account, you can also enter:
   - Next Check Number
   - Maximum Amount Per Transaction
   - Bank Name
   - Bank Routing Number

7. If required, select the default Language for the account from the list.

8. If you use the Electronic Funds Transfer (EFT), and ACH Vendor Payments features:
   a. Check the Use ACH box.
   b. Enter an ACH Message.

   **Note:** For details on how to enable ACH processing, see the help topic ACH Processing.

9. Click Save.

For information about creating accounts, see Creating Accounts.

**Account Types**

Each account in NetSuite must have a Type assigned. Each of these account types belongs to a broader category in the general accounting equation: Assets + Expenses = Equity + Liabilities + Income.

Each account type has a normal balance type of debit or credit. NetSuite uses negative notation for debit accounts and positive notation for credit accounts. For information about creating accounts, see Creating Accounts.

The relationship between type, category, balance type, and notation in NetSuite is shown in the following table:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Category</th>
<th>Balance Type</th>
<th>Notation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>Asset</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Bank</td>
<td>Asset</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Expense</td>
<td>Asset</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Asset</td>
<td>Asset</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Other Asset</td>
<td>Asset</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Other Current Asset</td>
<td>Asset</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Unbilled Receivable</td>
<td>Asset</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Equity</td>
<td>Equity</td>
<td>Credit</td>
<td>+</td>
</tr>
</tbody>
</table>
### Account Types

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Category</th>
<th>Balance Type</th>
<th>Notation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Goods Sold</td>
<td>Expense</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Expense</td>
<td>Expense</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Other Expense</td>
<td>Expense</td>
<td>Debit</td>
<td>-</td>
</tr>
<tr>
<td>Income</td>
<td>Income</td>
<td>Credit</td>
<td>+</td>
</tr>
<tr>
<td>Other Income</td>
<td>Income</td>
<td>Credit</td>
<td>+</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>Liability</td>
<td>Credit</td>
<td>+</td>
</tr>
<tr>
<td>Credit Card</td>
<td>Liability</td>
<td>Credit</td>
<td>+</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>Liability</td>
<td>Credit</td>
<td>+</td>
</tr>
<tr>
<td>Long Term Liability</td>
<td>Liability</td>
<td>Credit</td>
<td>+</td>
</tr>
<tr>
<td>Other Current Liability</td>
<td>Liability</td>
<td>Credit</td>
<td>+</td>
</tr>
</tbody>
</table>

**Note:** You cannot create new or modify existing account types.

NetSuite also includes a non-monetary account type called Statistical. For more information, see the help topic Using Statistical Accounts.

Accounts that belong to the asset, liability, and equity categories are included in the balance sheet. Income and expense accounts are in the income statement.

## Entering Opening Balances

The opening balance for each general ledger account is the amount in the account when you first start using it in NetSuite. The date of the opening balance is included on each account record. After an opening balance has been entered for an account, that account can be used in NetSuite transactions.

- If you do not use NetSuite OneWorld:
  - For accounts included in your initial NetSuite chart of accounts, you can enter opening balances for your go-live date on each account record as you create the account. See Creating Accounts.
  - You may want to obtain a trial balance report in debit/credit format, from your accountant or from your previous accounting management system, to use as a worksheet for entering opening balances in NetSuite.
  - For accounts added later, you can enter opening balances after account records have been created in NetSuite on the Opening Balances page. For example, you created a new petty cash account. Use the Opening Balance page to enter the amount of starting cash in that account.
- If you use NetSuite OneWorld, you must create and save accounts, then enter opening balances from the Opening Balances page.

You enter opening balances for the first time on the Opening Balances page. See Entering Opening Balances for the First Time.

If necessary, you can go back and change opening balances later. You make changes through a transaction search. See Changing Opening Balances.

### Entering Opening Balances for the First Time

The Opening Balances page enables you to enter balances for multiple accounts at one time.
To enter opening balances for the first time:

1. Go to Setup > Accounting > Setup Tasks > Enter Opening Balances (Administrator).
   You can enter an opening balance for any account for the first time on this page.
   You cannot enter an opening balance for a new summary account.
   Accounts that already have opening balances are not available on this page. See Changing Opening Balances.
2. Select the correct posting period.
3. If you are using NetSuite OneWorld, select a subsidiary.
4. If necessary, modify the date.
5. For each account, enter a debit or credit according to the starting balance, then save.
   You can enter either a debit or a credit. If you enter a debit, the credit field disables. If you enter a credit, the debit field disables.

When you save the Opening Balances page, NetSuite generates journal entries to create opening balances.

NetSuite tracks the difference between the opening balances’ debits and credits in the Out of Balance By field.

Changing Opening Balances

When you save an account’s opening balance, NetSuite generates a journal transaction. To change the balance, you must run a transaction search to find the journal transaction and then directly edit that transaction record.

To find a transaction and change its opening balance:

1. Go to Transactions > Management > Search Transactions.
2. When the Transaction Search page appears, select the following filters, and click Submit:
   - Account – select the account with the opening balance you need to change
   - Transaction Type – select Journal
3. From the list of search results, locate the journal entry for that opening balance and click Edit next to that entry.
   Opening balance journals usually have text flagging them in the Memo field.
4. On the lower half of the Journal page, you can make changes to transaction lines as necessary.
   Click Done after each line change.
5. When you have completed your edits, click Save.

After you have created accounts and entered opening balances, you can review the chart of accounts. See Setting Up Historical Balances in OneWorld.

Setting Up Historical Balances in OneWorld

It is recommended that you do not load a complete transaction history to set up or upgrade to NetSuite OneWorld. Instead, to bring in the general ledger, best practice is to journal in the balances of all balance sheet accounts as of a period end.
Exchange rate issues can cause complications for journal entries representing child subsidiary equity accounts, if these accounts' amounts are translated into the parent subsidiary's currency for consolidated financials. You may require more than one historical rate to translate different equity accounts such as capital stock and retained earnings for the consolidated balance sheet.

The Consolidated Exchange Rates table stores one historical rate per time period. Extra steps are necessary to use a different historical rate for a particular equity account such as capital stock. These steps include the following:

- Setting up a historical rate used for most equity accounts in the most recently completed period
- Setting up an additional historical rate used for the capital stock account in a previous period
- Creating journal entries to ensure that the earlier rate is used to translate capital stock accounts for the consolidated balance sheet

The following example illustrates this process. In this example:

- The intent is to journal in balances to result in an accurate balance sheet as of 12/31/13, for a U.S. child subsidiary of a U.K. parent subsidiary.
- An Opening Balance equity account starts with a zero balance.
- The balance in the Retained Earnings equity account is 1,500 GBP and needs to be translated at a rate of .5 USD/1 GBP.
- The balance in the Capital Stock equity account is 1,000 GBP and needs to be translated at a rate of .6 USD/1 GBP.

**To ensure that capital stock amounts are translated at the correct rate:**

1. Ensure the **Opening Balance** equity account has a **General Rate Type** value of **Current**.
   
   Because the default general rate type for equity accounts is **Historical**, you may be required to edit this value. You can edit an account record at Lists > Accounting > Accounts.

2. In the example above, ensure that the November 2013 period has a status of open.
   
   If this period has been closed, you need to reopen it. See Reopening a Closed Period. Opening this period causes all later periods to be reopened as necessary.

3. In the Consolidated Exchange Rates table, set the following historical exchange rates from the U.S. subsidiary to the U.K. subsidiary:
   
   - For the period of November 2013, set a historical rate of .6. This rate is used for capital stock.
   - For the period of December 2013, set a historical rate of .5. This rate is used for retained earnings and other equity accounts.

   For instructions for adding or editing these rates, see Consolidated Exchange Rates.

4. Post the following journal entries:
   
   - For December 2013:
     
     DEBIT Capital Stock 1,000 GBP
     CREDIT Opening Balance account 1,000 GBP
   - For November 2013:
     
     DEBIT Opening Balance account 1,000 GBP
     CREDIT Capital Stock 1,000 GBP

5. Close November 2013, December 2013, and any other periods as necessary. See Accounting Period Close.

After these steps are completed, the balance in the Capital Stock account is translated at the .6 rate, for any Balance Sheet as of December 2013 or a later period.
Viewing the Chart of Accounts

The chart of accounts for your company lists all of the accounts set up to use in the general ledger for your NetSuite account. The chart of accounts page displays the account number, account name, account type, description, and balance for each account. It also indicates whether an account is a summary account. Summary accounts display a read-only state in the Inactive column.

If you use the Multiple Currencies feature, this page adds columns displaying the base currency and foreign currency balance and displays the base currency balance in the balance column. If no foreign currency amount affects an account balance, the base currency amount is displayed in both the balance and foreign currency balance columns.

**Important:** In a past release, the capabilities associated with the Multiple Currencies, Multi-Currency Customers, and Multi-Currency Vendors features were combined in the Multiple Currencies feature. If you are new to NetSuite, already using all three features, or not using all three features, only the Multiple Currencies box appears on the Company subtab of the Enable Features page. You can enable or disable this feature. When you enable this feature, you gain access to support for multiple currency customers and vendors. If you are already using Multiple Currencies and Multi-Currency Customers or Multi-Currency Vendors but not all three features, all three check boxes appear on the Company subtab. Regardless of the number of check boxes visible in your account, the purpose associated with these three features remains the same.

**Note:** You cannot customize the account list on the Chart of Accounts page. For example, you cannot display a list of accounts grouped by their parent account. You can, however, create a search display a list of account-specific values such as the Internal ID of an account. For an overview topic about searching in NetSuite and references to defining various searches, see the help topic Search Overview.

To view the chart of accounts:

1. Go to Lists > Accounting > Accounts.
2. Click any of the following:
   - **Edit** next to an account to edit that account record. (if available)
   - An account name to view the account register.
   - **Show Inactives** to view a list of both active and inactive accounts.
   - **New** to create a new account.
   - **Print** icon to print the chart of accounts.
   - **Export - CSV** or **Export - Microsoft Excel** icons to export the chart of accounts to a file.

For information about editing accounts, see Making Changes to Accounts.

Making Changes to Accounts

Review the following help topics for information about editing accounts:

- Changing Names of General Ledger Accounts
- Adding or Changing Account Numbers
- Merging Accounts

General Accounting
Making Changes to Accounts

Deleting Accounts and Making Accounts Inactive

Note: Your user role must have both ADMI_ACCOUNTING and LIST_ACCOUNT permissions to access Setup > Accounting > Manage G/L > Chart of Accounts.

For information about changing account types, see Creating Accounts.

Note: You cannot change the account type for an account that has associated posting and non-posting transactions such as sales order and revenue commit.

Changing Names of General Ledger Accounts

You can change the name of an account by clicking its Edit link on the Chart of Accounts page. NetSuite automatically updates existing records when you change an account name.

To change general ledger account names:

1. Go to Lists > Accounting > Accounts.
2. Click Edit next to the account to rename.
3. Enter up to 31 characters in the Name field.
   Text entered in the Name field appears on the income statement and in lists.
4. Enter up to 30 characters in the Description field.
   Text entered in the Description field shows only on your list of accounts. This is helpful for internal accounting use.
5. Click Save.

Adding or Changing Account Numbers

An account number is another method, in addition to a name, to refer to one of your general ledger accounts. These numbers can save you time by providing quick reference to your accounts. You should assign account numbers in ranges corresponding to their different types. The standard account numbers in NetSuite are four digits, but your account numbers can be as long as 60 alphanumeric characters. NetSuite automatically updates existing records when you change an account number.

To enter or change an account number:

1. Go to Lists > Accounting > Accounts.
2. Click Edit next to the account you want to change.
3. On the Edit Account page, enter the number you want to use in the Number field.
4. Click Save.

Merging Accounts

Merging accounts enables you to combine all the information and transactions from one account into another.
Important: Merging bank and credit card accounts automatically un-reconciles the reconciled transactions in the Merge From account. You must re-reconcile these transactions in the register of the Merge To account.

You can merge one account into another if they are the same account type and the account you want to merge has no attached subaccounts. You can combine an account with a parent account or with a subaccount. For example, a store owner has a bank account for petty cash and a bank account for cash-on-hand. The owner has decided to keep all the cash in one place. Because the petty cash account does not have any subaccounts, the owner can merge that account into the cash-on-hand account.

Important: You cannot merge summary accounts.

The following accounts cannot be merged:

- Accounts Payable
- Accounts Receivable
- Advances Paid
- Inventory Asset
- Undeposited Funds
- Failed ACH Transactions
- Intercompany Clearing
- Intercompany Payable/Receivable
- Accrued Purchases
- Payroll Liabilities
- Refunds Payable
- Sales Taxes Payable
- Opening Balances
- Cost of Goods Sold
- Uncategorized Income
- Uncategorized Expense
- ALL non-posting registers

Important: When NetSuite released the Intercompany Time and Expenses feature, the first set of accounts created were named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In 2013.1, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. In 2014.1, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

To merge accounts:

1. Go to Lists > Accounting > Accounts.
Making Changes to Accounts

1. **Note:** Your user role must have both ADMI_ACCOUNTING and LIST_ACCOUNT permissions to access Setup > Accounting > Manage G/L > Chart of Accounts.

2. Click the **Edit** link to the left of the account you want to merge into another account.

3. On the Account page, from the **Actions** list, select **Merge**.

4. On the Merge Accounts page, select the account into which you want to merge this account.

   Only similar account types show in the **Merge Into** list.

5. Click **Save**.

6. At the prompt to confirm the merge, click **OK**.

   The chart of accounts displays the combined accounts.

The information and transactions for this account are combined with those of the account into which you merged. In the example above, the transactions for petty cash now appear on reports as cash-on-hand transactions.

Deleting Accounts and Making Accounts Inactive

An account is a category of transactions related to a specific type of asset, liability, equity, income, or expense. Your accounts are listed in your chart of accounts. You can customize your chart of accounts to make it more useful. You can delete accounts that are never used, inactivate accounts that are not currently being used, or both.

- Accounts that are inactive appear in your chart of accounts only when the Show Inactives box is checked. If you do not want to see inactive accounts, clear the Show Inactives box on the chart of accounts. Marking an account inactive **does not** alter the amount in that account. You must move any amount to another account to reduce the amount to zero.

- Accounts that have been deleted no longer show in your chart of accounts.
Many accounts cannot be deleted. You can delete an account if there is no activity in the account and if the account is not required by NetSuite. For example, the non-posting Sales Order account cannot be deleted because NetSuite uses this account for sales orders. Also, certain accounts cannot be deleted because they are required for reporting purposes. Reports are hard-coded with these accounts, therefore, NetSuite does not permit you to delete them. You can, however, make them inactive.

You can delete or make accounts inactive from individual account records, or directly on the chart of accounts list.

**To delete or make accounts inactive from account records:**

1. Go to Lists > Accounting > Accounts.
2. Click the **Edit** link for an account that you want to delete or mark inactive.
3. On the Edit Account page, from the **Actions** list, select **Delete**.
   
   If **Delete** is not available in the **Actions** list, this account cannot be deleted.

4. To make an account inactive, check the **Inactive** box.

   Summary accounts are inactive by default. To automatically inactivate its children accounts, first edit the account record to clear the **Summary** box and then save the record. Second, edit the account record to clear the **Inactive** box and then save the record. Third, edit the account record to check the **Inactive** box and then save the record. All children accounts are updated to inactive status.

   **Important:** Inactivating and activating accounts may limit access to subsidiaries for users assigned custom roles.

5. Click **Save**.

**To delete or make accounts inactive from the chart of accounts list:**

1. Go to Lists > Accounting > Accounts.
2. Check the **Show Inactives** box.

   Your chart of accounts refreshes and an **Inactive** column and a **Delete** column are added.

3. For the accounts you want to delete or make inactive, check the boxes in the appropriate columns.

   Accounts that have the word **No** in the **Delete** column cannot be deleted from your chart of accounts.

4. Click **Submit**.

   **Important:** If you receive a warning that an account cannot be deleted because it is associated to a child entity or transaction, you must delete all transactions associated with the account before you can delete the account. You can do a transaction search filtered by the account to review the associated transactions. If you cannot delete these transactions, you can mark the account inactive.
Accounting Period Management

The Accounting Periods feature supports general ledger management. If accounting periods are not used, NetSuite transactions post in real time. When accounting periods are enabled, users can select a past or future posting period for each transaction, and accounting personnel can more effectively monitor and control the status of accounts.

**Note:** If your system has historical transaction data and you want to use the Accounting Periods feature, enable the feature and then create an accounting period for a past quarter or month. NetSuite automatically assigns that accounting period to the transactions dated within the period’s date range.

A user with the Enable Features permission can enable the Accounting Periods feature at Setup > Company > Enable Features, on the Accounting subtab. After the feature is enabled, periods can be set up at Setup > Accounting > Manage G/L > Manage Accounting Periods. See Accounting Period Setup.

**Important:** If you do not use NetSuite OneWorld, you cannot disable the Accounting Periods feature if an accounting period exists. To disable the feature you must delete all created accounting periods.

NetSuite OneWorld supports using fiscal calendars to define fiscal years with different start and end dates per subsidiary. See Fiscal Calendars.

If your international auditing requirements include gapless numbering sequences to all general ledger posting transactions, enable the GL Audit Numbering feature. When this feature is enabled, numbering general ledger posting transactions is a required task when closing the last month in an accounting period. For more information see, GL Audit Numbering. If your country requires that corrections are made as adjustment transactions posted to the same accounts as the original transactions, see GL Impact Locking.

If you use Multi-Book Accounting, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

For information about managing tax periods, see the help topic Working with Tax Periods.

Periods can be locked to prevent the posting of transactions that affect the general ledger. The locking of a period to A/P, A/R, and Payroll transactions provides a pre-closed state that permits the balancing of a period’s financials before closing. These locking tasks are the first steps in a Period Close Checklist of tasks available in the NetSuite user interface. After these tasks are completed, the period can be closed. After a period is closed, it is unavailable for adding new posting transactions or making edits that impact the general ledger. For more information, see Accounting Period Close.

You can automatically maintain a number of unlocked current and future periods to facilitate your monthly business and accounting processes while preventing erroneous data entry in future periods. See Rules for Future Accounting Periods.

The Accounting Periods feature permits organization of report, search, and key performance indicator data by periods to simplify financial review and analysis. For information about sorting and filtering report data by period, see Reporting by Accounting Period. For information about filtering and displaying search data by period, see Searching by Accounting Period.
Permissions Related to Accounting Periods

Be aware of the following permissions requirements for accounting periods:

- **Edit** or **Full** level of the **Manage Accounting Periods** permission is required to set up, edit, lock transactions for period close, or reopen accounting periods.

  Users with the **View** level of this permission can see the Manage Accounting Periods page but cannot make changes to periods.

  **Important:** When a journal entry, intercompany journal entry, statistical journal entry, or commission transaction has no defined posting period, users with **View** level of the **Manage Accounting Periods** permission see a suggested accounting period in the Posting Period field on the transaction. For example, if January is a locked accounting period, an A/R Clerk with **View** level of the permission would see the suggested posting period as February. An administrator with **Full** level of the permission would see the suggested posting period as January.

  For the following transactions, users with **View** level of the **Manage Accounting Periods** permission do not see a suggested posting period when there is no defined accounting period: Cash Sale, Check, Credit Card Charge, Credit Card Refund, Customer Refund, Credit Memo, Customer Payment, Deposit, Expense Report, Inventory Adjustment, Invoice, Item Fulfillment, Item Receipt, Transfer, Vendor Bill, and Vendor Payment.

- The **Override Period Restrictions** permission is required to add and make general ledger impacting changes to posting transactions in periods that have been locked to transactions.

- Users must have both of the above permissions in addition to task-specific permissions to complete Period Close Checklist tasks such as automated intercompany adjustments, open currency balance revaluations, and calculation of consolidated exchange rates.

- The Setup permission **Allow Non G/L Changes** permits changes to posting transactions in locked or closed periods under the following conditions:
  - The **Allow Non-G/L Changes** box is checked on the period record.
  - The change does not impact the general ledger.

- No one can make changes to posting transactions in a closed period if the changes would impact the general ledger. The period must be reopened before these changes can be posted.

- These permission restrictions do not apply to the addition or editing of non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

Accounting Period Setup

A user with at least **Edit** level of the **Manage Accounting Periods** permission can set up fiscal periods one period at a time or one fiscal year at a time. For more information, see:

- Manage Accounting Periods Page
- Setting Up Accounting Periods for a Year
- Setting Up Single Accounting Periods
- Editing an Accounting Period
- Accounting Period Deletion Restrictions

Users with custom Accounting Center roles must have the **Posting Period on Transactions** permission to set up accounting periods.
Important: If you do not use NetSuite OneWorld, you cannot disable the Accounting Periods feature if an accounting period exists. To disable the feature you must delete all created accounting periods.

In NetSuite OneWorld, if you enable the Multiple Calendars feature you can create fiscal calendars and use different accounting period rollups for your subsidiaries. The base accounting periods that roll up into these hierarchies are common to all subsidiaries.

If you use fiscal calendars and are creating an Accounting Period search (Lists > Search > Saved Search > New > Accounting Period), you can filter your search based on the fiscal calendar. For information about defining a saved search, see the help topic Defining a Saved Search. For information about fiscal calendars, see Fiscal Calendars.

For information about managing tax periods, see the help topic Working with Tax Periods.

For more information about accounting periods, see the following help topics:

- Setting Up Accounting Periods for a Full Year for Subsidiaries
- Setting Up Single Accounting Periods for Subsidiaries

Important: Each day must belong to an accounting period to ensure accuracy in reporting.

Accounting periods cannot be set up until the Accounting Periods feature has been enabled. See Accounting Period Management.

Note: If your system has historical transaction data and you want to use the Accounting Periods feature, enable the feature and then create an accounting period for a past quarter or month. NetSuite automatically assigns that accounting period to the transactions dated within the period's date range.

If you create an accounting period that precedes a locked period, the new period you create is locked upon creation. For example, you have created an accounting period for fiscal year 2013. The period is closed and locked. You have transactions to enter for fiscal year 2012, so you create an accounting period for that fiscal year. When you save the new period, it is saved locked to prevent mismatches and accidental general ledger impact in the periods that follow. You must manually unlock A/R and A/P in each period to enter the transactions.

When you set up or make changes to accounting periods, a batch process runs to align transactions with the appropriate accounting period. See Viewing the Status of Accounting Period Changes.

Users with View level of the Manage Accounting Periods permission can view the Manage Accounting Periods page but cannot add or edit periods.

Note: If the Accounting Periods feature has been enabled, users can set a personal preference to view report data by period. See Reporting by Accounting Period. After this preference has been set for a user's reports, these reports cannot display results to the user until accounting periods for the entire fiscal year have been set up.

Manage Accounting Periods Page

The Manage Accounting Periods page is a list of all of the accounting periods set up in your account, and rolled up in the accounting period hierarchy to which they belong. Use this page to set up, view, and edit
periods. You can also access the Period Close Checklist to lock, unlock, and close accounting periods. To see this page, go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

**Note:** This page is available if you have the View level or higher of the Manage Accounting Periods permission. You must have at least the Edit level of this permission to set up or edit accounting periods.

If your user role has the Period Closing Management permission and the Allow Quick Close of Accounting Periods preference is enabled, you can close one or more accounting periods with a single click. For more information, see Using Quick Close to Close Periods.

If you use Multi-Book Accounting, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the filters section at the top of this page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

You can filter accounting periods by fiscal calendar. For more information, see Fiscal Calendars.

For information about managing tax periods, see the help topic Working with Tax Periods.

**Note:** If your system has historical transaction data and you want to use the Accounting Periods feature, enable the feature and then create an accounting period for a past quarter or month. NetSuite automatically assigns that accounting period to the transactions dated within the period’s date range.

This page includes the following columns:

- **Period Name** - name you defined for the accounting period, such as FY 2012 (Fiscal Year 2012), Q1 2014 (First Quarter 2014). Periods are grouped into fiscal years, quarters, and months. Use the + or – icon to expand or collapse the list of periods for a fiscal year.
- **Expand All/Collapse All** - Expand or collapse all periods.
- **Checklist** - Click the Checklist icon to view a list of tasks to be completed to close the period. You also lock and unlock transaction modules and periods from the Checklist.

**Note:** The first time that any task is viewed, System Notes logs a Create entry.

- **Period Close** - A green check mark in this column indicates that all items on the Period Close Checklist have been completed and the accounting period is closed to all transactions and entry.

**Note:** If Multi-Book Accounting is provisioned in NetSuite OneWorld and you have enabled the Extended Accounting Period Close Process feature, when you close all of your accounting books at the same time you can point to the Period Close icon to view information about which books are already closed and which are still opened.

- **A/P Transactions** - a lock indicates that ordinary users cannot post A/P transactions in this period.
- **A/R Transactions** - a lock indicates that ordinary users cannot post A/R transactions in this period.
- **Payroll Transactions** - (if Payroll feature enabled) a lock indicates that ordinary users cannot post payroll transactions in this period.
- **All G/L Transactions** - a lock indicates ordinary users cannot post any transaction that has general ledger impact in this period.
- **Allow Non-G/L Changes** - a check indicates that users with the Allow Non G/L Changes permission can post changes to transactions that do not affect the general ledger.

On this page, you can:

- Click a **Period Name** to make changes to edit the period. See Editing an Accounting Period.
- Click a **Checklist** icon to review the status of tasks to complete for period close, to go through this close process, and lock or unlock the period or transaction modules. See Accounting Period Close.
- Click **Set Up Full Year** to set up an entire year of accounting periods. See Setting Up Accounting Periods for a Year.
- Click **Create Single Period** to set up a new accounting period. See Setting Up Single Accounting Periods.
- Click **Print** to print the list of Accounting Periods.
- Check the **Show Inactives** box to display inactive periods in the list and also mark periods inactive. By default, only active periods are displayed.

After you check the **Show Inactives** box, an **Inactive** column is added to the page with check boxes for each period.

**Note:** You cannot create new transactions in inactive periods, but you can run reports for inactive periods.

### Setting Up Accounting Periods for a Year

You have the option of setting up a single accounting period at a time or generating all periods for a full year using the Set Up Full Year button. Best practice recommendation is to use Set Up Full Year to generate all periods and the rollup hierarchy for a full year. You must have at least **Edit** level of the **Manage Accounting Periods** permission to set up accounting periods.

**Important:** Each day must belong to an accounting period to ensure accuracy in reporting.

**To set up periods for a full year at a time:**

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. On the Manage Accounting Periods page, click **Set Up Full Year**.
   - The Accounting Periods for Full Year page appears.
3. In the **Fiscal Year Start** field, select the month your fiscal year starts.
   - Example: **July**
4. In the **Fiscal Year End** field, enter or accept the four-digit fiscal year for which you want to generate accounting periods.
   - For example, if you were generating periods for 2013 you would enter 2013 in this field.
5. Select the format you want to use for your accounting periods:
   - **Calendar Months** – This sets up 12 periods, one for each calendar month in the fiscal year.
   - **4 Weeks** – This sets up 13 periods, each for every 4 weeks in the fiscal year.
   - **4–4–5 Weeks** – This sets up a fiscal year so that you have two 4-week periods followed by one 5-week period, repeating this cycle four times for a total of 13 periods in a fiscal year. The first accounting period of the year is from January 1 to January 28, regardless of the day of the week.
on which January 1 falls. The last accounting period of the year ends on December 31. The behavior is similar when the first period of the year is a different month. For example, when the year begins April 1, the first period ends April 28, and the year ends March 31. Used this way, the 4-4-5 periods shift the ending day of the week from year to year.

6. In the **Year in Period Name** field, select the starting or ending year to include in the period name. For example, if a fiscal year starts in 2014 and ends in 2015, selecting **Ending Year of Period** would include 2015 in the name of the period.

7. Check **One-Day Year-End Adj. Period** if you want to include a standalone adjustment period for last day of this fiscal year.

8. Click **Save**.

For information about managing tax periods, see the help topic [Working with Tax Periods](#).

### Note: If you create an accounting period that precedes a locked period, the new period you create is locked upon creation. For example, you have created an accounting period for fiscal year 2013. The period is closed and locked. You have transactions to enter for fiscal year 2012, so you create an accounting period for that fiscal year. When you save the new period, it is saved locked to prevent mismatches and accidental general ledger impact in the periods that follow. You must manually unlock A/R and A/P in each period to enter the transactions.

The Manage Accounting Periods page shows the fiscal period created for the year. To edit a period, click the period name in the list of periods. See [Editing an Accounting Period](#).

### Setting Up Single Accounting Periods

Best practice is to use the Set Up Full Year option to generate all the periods for a year, but you can manually set up your periods, if you prefer. If you manually set up periods you must set up a year period first, which is the highest level period in the accounting period rollup. Then set up the subperiods that belong to that fiscal year. Typically a fiscal year consists of a year, quarters, and months. You can, if needed, set up base periods with other date ranges such as weeks, but it is not recommended.

### Important: Each day must belong to an accounting period to ensure accuracy in reporting.

Use caution when setting up individual accounting periods to avoid creating incomplete or incorrect period rollups. In general, it is always best to set up all subperiods for a year.

### Important: You must set up all subperiods for a year for reports to display results by period. Remember to review all rollups on the Manage Accounting Page to verify each fiscal year is complete and correct.

Remember that an adjustment period is a base period. All base periods must roll up to a parent period across all fiscal calendars. If you have an adjustment period without a parent in one fiscal calendar, it is an orphan period. When you run your financial reports in that fiscal calendar, all adjustment journal entries in that adjustment period are not included in your report.

You must have at least **Edit** level of the **Manage Accounting Periods** permission to set up accounting periods.

#### To set up periods one at a time:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select the **New Year Only**, **New Quarter Only**, or **Base Period** option.

**To set up a new year:**

1. On the Manage Accounting Periods page, click **New Year Only**.
2. In the **Period Name** field, enter a short, descriptive name such as **FY 2014**. You can enter up to 40 characters, but because these names appear in lists on all transaction forms it is better to enter a short name.
3. In **Start Date**, enter or pick the first date for the fiscal year such as **1/1/2014**.
4. In **End Date**, enter or select the last date for the year such as **12/31/2014**.
5. Click **Save**.

**To set up a new quarter:**

1. On the Manage Accounting Periods page, click **New Quarter Only**.
2. Enter a name in the **Period Name** field such as **Q1 2014**.
3. In the **Start Date** field, enter or pick the first date of the period such as **1/1/2014**.
4. In the **End Date** field, enter or pick the last date of the period such as **3/31/2014**.
5. In **Sub-period of**, select the parent period such as **FY 2014**.
6. Click **Save**.
7. Continue setting up the remaining periods for the quarter.

**To set up a new period:**

1. On the Manage Accounting Periods page, click **Base Period**.
2. Enter a name in the **Period Name** field such as **Jan 2014**.
3. In the **Start Date** field, enter or pick the first date of the period such as **1/1/2014**.
4. In the **End Date** field, enter or pick the last date of the period such as **1/31/2014**.
5. In **Sub-period of**, select the parent period such as **Q1 2014**.
6. Check **Period is Adjustment** if this is an adjustment period.
   
   You can set up a standalone adjustment period or an adjustment period that overlaps the dates of a base period.
7. The **Allow Non-G/L Changes** box is not available until after a period has been locked to transactions. When checked, this option enables users with the **Allow Non G/L Changes** permission to make non-general ledger changes to posting transactions after the period has been locked to transactions.

   **Note:** If you allow non-general ledger changes to posting transactions after the period has been locked to transactions, these changes may trigger inventory costing recalculations even if the change made does not directly impact the general ledger. For details, please read Limiting Inventory Costing Triggers under Inventory Costing Recalculations.

8. Click **Save**.
9. Continue setting up the remaining base periods.

To edit a period, click the period name in the list of periods on the Manage Accounting Periods page. See **Editing an Accounting Period**.
Editing an Accounting Period

You can edit or delete an accounting period after it has been set up. You cannot delete an accounting period after it has been closed.

**Note:** For instructions for setting up a period for the first time, see Setting Up Single Accounting Periods and Setting Up Single Accounting Periods for Subsidiaries.

To edit a period:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. On the Manage Accounting Periods page, click the link for the period that you want to edit.
3. To delete the period, from the Actions list, select **Delete**.
   - If the Delete option is not available, you cannot delete the period. The following types of periods cannot be deleted:
     - Closed periods
     - Periods with sub-periods
   - You must first delete all sub-periods before you can delete a period. For example, before you can delete a quarter you must first delete all of the months included in the quarter.
4. On the Accounting Period page, edit any of the following fields:
   - **Period Name**
   - **Start Date**
   - **End Date**
   - **Allow Non-G/L Changes** – You can check this box only while a period is locked or closed. For more information, see Permissions Related to Accounting Periods.
   - **Sub-period of**
   - **Period is Adjustment**
5. With the **Multiple Calendars** feature enabled, you can also edit the **Fiscal Calendar** field or add or remove a fiscal calendar assigned to a base accounting period.
6. Click **Save**.

Accounting Period Deletion Restrictions

You can delete an accounting period, depending on the type of period and its relationship in the accounting period hierarchy. If you use fiscal calendars, additional restrictions apply. The general rules for deleting a period are shown in the following table.

<table>
<thead>
<tr>
<th>Period Type</th>
<th>Restriction</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Period</td>
<td>Allowed only if the period has no transactions</td>
<td>Deletes the period. With Multiple Calendars enabled, deletes the period from all fiscal calendars.</td>
</tr>
<tr>
<td>Quarter</td>
<td>Allowed</td>
<td>With Multiple Calendars disabled, deletes the quarter only if the base periods attached to the quarter have no transactions. If true, deletes the quarter and all its base periods.</td>
</tr>
</tbody>
</table>
### Viewing the Status of Accounting Period Changes

When you add, edit, or delete accounting periods, a batch process runs in the background to align existing transactions with the appropriate accounting period. You cannot make additional changes to accounting periods until this process finishes. With changes such as adding a single accounting period, the process completes quickly. For other changes such as modifying the date range for a period, setting up a full year, or enabling the Accounting Periods feature and creating accounting periods, the process can require more time to complete. If you attempt to make changes to accounting periods before the batch process completes, you are prompted to wait until the process completes before making any more changes to accounting periods.

To view the status of changes to accounting periods, go to Setup > Accounting > Manage GL > Manage Accounting Periods > Status.

The batch job status can be Complete, Processing, Pending, Deferred, or Failed.

### Fiscal Calendars

Fiscal calendars apply to accounting periods and tax periods. To use fiscal calendars, the Multiple Calendars feature must be enabled. This feature is available only for NetSuite OneWorld and by default, is not enabled. The Multiple Calendars feature also determines the rollup structure for tax periods. For more information, see the help topic Setting Up Tax Periods Using a Fiscal Calendar.

If you create different accounting period rollups for subsidiaries, the accounting period rollup is defined within the context of fiscal calendar. Each accounting period rollup groups transaction data from a common set of base periods into fiscal years. This enables you to report transaction activity using different fiscal year start and end dates, as needed, to meet statutory and organizational reporting requirements.

A fiscal calendar determines the start date for a fiscal year and rolls up the accounting periods to build a fiscal year. The lowest level accounting periods that make up a fiscal year are shared across all fiscal calendars. Aggregate periods within a fiscal year, such as quarters and years, are unique to a fiscal calendar. Base period names are shared across all fiscal calendars, and base period names in a fiscal calendar must be unique.

You then assign a fiscal calendar to a subsidiary to determine how to roll up accounting periods for reporting activity in that subsidiary. A subsidiary can have only one fiscal calendar in effect at a time. You can change the fiscal calendar assigned to a subsidiary as needed.
The diagram above shows a subsidiary hierarchy with three fiscal calendars. The Standard Fiscal Calendar starts January 1 and is assigned to the U.S., APAC, and Japan subsidiaries. The accounting period rollup for these subsidiaries organizes fiscal years to start January 1 and end December 31. The July Fiscal Calendar is assigned to the U.K. subsidiary to create fiscal years beginning July 1 and ending June 30. The India subsidiary fiscal year runs April 1 through March 31, so the April Fiscal Calendar is assigned to the India subsidiary.

Default Fiscal Calendar

NetSuite creates a default Standard Fiscal Calendar when you enable the Multiple Calendars feature. Your existing fiscal year structure determines the start date and period rollup structure for the Standard Fiscal Calendar.
**Note:** For new implementations or if you enable the Multiple Calendars feature before creating any accounting periods, the Standard Fiscal Calendar does not have a start date or accounting period rollup structure until you set up accounting periods.

The Standard Fiscal Calendar is assigned to all existing subsidiaries and to any new subsidiaries you create. It remains the default fiscal calendar until you designate a different calendar as the default. When you change the default fiscal calendar, only subsidiaries created after that point are assigned the new default fiscal calendar. Existing subsidiaries continue to use the Standard Fiscal Calendar. The fiscal calendar for subsidiaries previously assigned does not change.

**Note:** Rename the Standard Fiscal Calendar when it is no longer the default fiscal calendar.

### Accounting Period Rollups

An accounting period rollup provides the structure to organize the base accounting periods for reporting. The base accounting period is typically a month. Month periods can be calendar months, 4 week months, or months of 4-4-5 weeks. The **Set Up Full Year** function creates fiscal years based on calendar months. If you want to use periods other than months, you must use manually set up accounting periods and fiscal years using **New Year Only**, **New Quarter Only**, and **Base Period** buttons. Best practice is to use Set Up Full Year to generate your accounting periods.

On the Manage Accounting Period page, select a fiscal calendar to display accounting periods using the period rollup for that calendar. The fiscal calendar determines the rollup hierarchy for the accounting periods. You must set up a fiscal year in order for the Manage Accounting Periods page to display a fiscal period rollup.

Existing base accounting periods that are not included in the accounting period rollups for a fiscal calendar display on the Manage Accounting Periods page under **Unassigned**. For complete consolidated reporting, you must define a complete rollup hierarchy for a base period by assigning its sub-period of relationship for each fiscal calendar.

To add unassigned periods to accounting rollups:

1. On the Manage Accounting Periods page, select a fiscal calendar and check for unassigned periods.
2. Click an unassigned period to edit.
3. On the Edit Accounting Period page, assign the period to a sub-period for each fiscal calendar that exists.
4. Click Save.

For more information about fiscal calendars and multiple calendars, see the following topics:

- Enabling Multiple Calendars
- Creating a Fiscal Calendar
- Setting Up Accounting Periods for a Full Year for Subsidiaries
- Setting Up Single Accounting Periods for Subsidiaries
- Adjustment Periods
- Restriction and Automation Rules Governing Accounting Period Changes
- Multiple Calendars with Other NetSuite Features
- Searching Fiscal Calendars

Enabling Multiple Calendars

The Multiple Calendars feature applies to accounting periods and tax periods. This feature is available only in NetSuite OneWorld and is not enabled by default. The Multiple Calendars feature determines the rollup structure for tax periods. For more information, see the help topic Setting Up Tax Periods Using a Fiscal Calendar.

When the Multiple Calendars feature is enabled, you can filter accounting and tax period searches by fiscal calendar.

Before you enable Multiple Calendars, if you have any open, standalone adjustment periods you must change them to overlap existing non-adjustment periods. For more information, see Adjustment Periods.

Review the guidelines below to determine whether you should make changes to other standalone adjustment periods:

- future adjustment periods - recommended
- open adjustment periods - required
- historical, closed adjustment periods - optional

You can disable this feature only if you have not assigned any new fiscal calendars to subsidiaries.

**To enable the Multiple Calendars feature:**

1. Go to Setup > Company > Enable Features.
2. On the Accounting subtab, under Advanced Features, check Multiple Calendars.
3. Click Save.

Creating a Fiscal Calendar

A fiscal calendar identifies the month that begins a fiscal year. When assigned to a subsidiary, the fiscal calendar determines the accounting period rollup structure used to build fiscal years for reporting purposes.

When you create a fiscal calendar, you identify the first month for the fiscal years created for this calendar. New fiscal years generated using Set Up Full Year always begin on the first day of the month selected in the Fiscal Calendar record, as do the quarters and months created.

When you set up individual accounting periods using the New Year Only, New Quarter Only, or Base Period button instead of Set Up Full Year, you can begin a fiscal year on any day of first month of the fiscal calendar, if needed.
To create a fiscal calendar:

1. Go to Setup > Accounting > Manage G/L > Fiscal Calendars > New.
2. Click **New Fiscal Calendar**.
3. Enter a name for the fiscal calendar.
4. In the **First Fiscal Month** field, enter the month the fiscal year begins.
   
   This month determines when to begin fiscal years created using this fiscal calendar.
5. Check **Default Fiscal Calendar** to assign this fiscal calendar to any new subsidiaries you create.

   The fiscal calendar for existing subsidiaries assigned the Standard Fiscal Calendar or other default fiscal calendar does not change.
6. Click **Save**.

Other information about working with fiscal calendars is included in the following topics:

- Editing a Fiscal Calendar
- Assigning Fiscal Calendars
- Moving Subsidiaries to a New Fiscal Year

**Editing a Fiscal Calendar**

You can change the name and first month for a fiscal calendar. Changing the first month does not change any existing accounting period rollups created for the fiscal calendar. This means you can edit a fiscal calendar record to create tax years and accounting years for a subsidiary that begin on different dates. For example, the fiscal year for a Subsidiary A runs from July 1 to June 30, but tax report filings are filed based on the calendar year, January to December. Because you can assign only one fiscal calendar to a subsidiary, you can set up the accounting period hierarchy first with the First Fiscal Month of the fiscal calendar set to July. Then edit the fiscal calendar and set the First Fiscal Month to January. Use Set Up Full Year to generate tax periods and their rollup as needed. Remember to change the fiscal calendar record accordingly before you use Set Up Full Year. For information about tax periods, see the help topics Setting Up Tax Periods Using a Fiscal Calendar and Setting Up Historical and Transitional Tax Periods Using a Fiscal Calendar.

To edit a fiscal calendar:

1. Go to Setup > Accounting > Manage G/L > Fiscal Calendars.
2. On the Fiscal Calendars page, select the calendar you want to change.
3. Click **Edit** and make your changes.

**Note:** The **Subsidiaries** field lists the subsidiaries that use this fiscal calendar to roll up accounting periods and tax periods. The **Tax Calendar Subsidiaries** field lists the subsidiaries that share this tax calendar.

If you change the setting for **Default Fiscal Calendar**, the change applies only to the new subsidiaries you create.

4. Click **Save**.

**Assigning Fiscal Calendars**

When you can assign a fiscal calendar to a subsidiary, that fiscal calendar rolls up accounting periods for the subsidiary. To use fiscal calendars, the Multiple Calendars feature must be enabled. This feature is available only for NetSuite OneWorld and by default, is not enabled. The Multiple Calendars feature also
determines the rollup structure for tax periods. For more information, see the help topic Setting Up Tax Periods Using a Fiscal Calendar.

To assign a fiscal calendar to a subsidiary:

1. Go to Setup > Company > Classifications > Subsidiaries.
2. Select a subsidiary to edit.
3. In the Fiscal Calendar field, select the fiscal calendar to roll up accounting periods for this subsidiary.
4. Click Save.

On the fiscal calendar record, the Subsidiaries field displays a list of the subsidiaries that roll up accounting periods using that calendar.

Moving Subsidiaries to a New Fiscal Year

When you add new fiscal calendars, you can introduce a gap in reporting coverage in the accounting rollup for the subsidiaries associated with a new fiscal calendar. For example, your organization previously used a calendar year, January through December, for reporting across all subsidiaries. With the Multiple Calendars feature enabled, you add a fiscal calendar, FC April, that runs April through March and assign it to Subsidiary B. The first fiscal year for this subsidiary begins April 1, which leaves a reporting gap for January, February, and March of that year.

To provide full reporting coverage:

1. Create a new fiscal calendar and set the start date to be the same as Standard Fiscal Calendar. Assign subsidiaries to the new calendar.
2. Use Set Up Full Year to generate accounting period rollups for the new fiscal calendar to provide reporting coverage for all historical, closed, or existing fiscal years.
3. Set up the accounting period rollup for the short year or transition period that falls before the first day the new fiscal calendar starts. Set up the base periods and rollup hierarchy manually using the New Year Only, New Quarter Only, and Base Period buttons.
4. Change the Start Date for the new fiscal calendar to the date you want to use for the calendar going forward.
5. Use Set Up Full Year and generate accounting period rollups for future fiscal years.

For the above example, add fiscal calendar, FC April, with a start date of January 1. Generate fiscal years for FC April for all periods before April of the first year you want to use FC April. Then change the start date of FC April to April 1 and use Set Up Full Year to generate accounting period rollups using the new calendar.

Setting Up Accounting Periods for a Full Year for Subsidiaries

For NetSuite OneWorld with the Multiple Calendars feature enabled, best practice is to use Set Up Full Year to generate accounting periods and its associated accounting period rollup.

⚠️ Important: Each day must belong to an accounting period to ensure accuracy in reporting.

When you set up a new year, the base accounting periods may already exist if they were previously generated for a rollup for another fiscal calendar. In this case, NetSuite generates the fiscal year and quarters for the new calendar, but only generates new months if they were not created for another fiscal year.
calendar. For example, you select a fiscal calendar FC India on the Manage Accounting Periods page and click Set Up Full Year to set up FY 2015. FY 2015 spans April 2014 through March 2015. Base periods for the months April through December 2014 have already been created using the Standard Fiscal Calendar. NetSuite creates new base periods only for January 2015, February 2015, and March 2015 and assigns the existing base periods for 2014 to FY 2015. These new periods are Unassigned periods on the Manage Accounting Periods page for the Standard Fiscal Calendar.

In addition, you cannot set up overlapping fiscal years that have different base period formats such as 4 week months and calendar months, even if the years belong to different fiscal calendars.

To set up periods for a full year:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select a fiscal calendar.
3. Click Set Up Full Year.
4. On the Accounting Periods for a Full Year page, verify that the Fiscal Calendar is correct.
5. The first fiscal month for the fiscal calendar displays, defaulting from the fiscal calendar selected.
6. Select the format you want to use for your accounting periods: Calendar Months, 4 Weeks, or 4-4-5 Weeks.
7. In the Year in Period Name field, select the starting or ending year to include in the period name.
8. Optionally, check the One-Day Year-End Adj. Period box to include an adjustment period at the end of this fiscal year.
   The adjustment period always overlaps the last day of the month. For example if the last month in a fiscal year is December and the year includes an adjustment period, the date span for December period is 12/1 through 12/31. The adjustment period is one day: 12/31.
9. Click Save.

Setting Up Single Accounting Periods for Subsidiaries

Setting up accounting periods individually can create incomplete or incorrect period rollups. Make sure to review the accounting period rollups on the Manage Accounting page and verify each fiscal year is complete and correct. Do this for each fiscal calendar.

**Important:** Each day must belong to an accounting period to ensure accuracy in reporting.

To set up accounting periods individually for a fiscal year:

- first set up a year
- set up quarters if desired
- set up base periods

To set up a new fiscal year:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select the fiscal calendar.
3. Click New Year Only.
4. Enter Period Name.
5. Enter a start date and end date for the period.
6. Verify the fiscal calendar selected is correct.
7. Click Save.
To set up a new quarter:
1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select the fiscal calendar.
3. Click New Quarter Only.
4. Enter the Period Name.
5. Enter a start date and end date for the quarter.
6. Verify the fiscal calendar selected is correct.
7. For Sub-period of, select the fiscal year to which this quarter belongs.
8. Click Save.

To set up a new period:
1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Select the fiscal calendar.
3. Click Base Period and then enter the Period Name.
4. Enter a Start Date and End Date for the period.
   The Allow Non-G/L Changes box is read-only unless the period is locked or closed.
5. Verify the fiscal calendar is correct.
6. Check Period is Adjustment to mark this period only for adjustment journal entries.
   The date range for adjustment period must overlap an existing accounting period.
7. In the Fiscal Calendar column, if the period is for the Standard Fiscal Calendar, in Sub-period of
   column, select a period to be its parent period.
   You can also add a new row and select the fiscal calendar to use for the accounting rollup and the
   parent period. For example, when creating a period for June 2015, you can select Q2 2015 for the
   Sub-period of field.
8. Click Save.

Adjustment Periods

Adjustment periods must overlap existing base (non-adjustment) accounting periods when the Multiple
Calendars feature enabled.

You can set up new adjustment periods two ways:
- Use Set Up Full Year to generate a one-day adjustment period at the end of a new fiscal year. You
  must check the One-day Year-End Adj. Period box.
- Manually create a period using the Create Single Period button and check the Period is Adjustment
  box. Manually created adjustment periods can be more than one day in length.

You can post only journal entries to an adjustment period. Adjustment periods are not available in the
posting period list for other posting transactions. An adjustment period is never the default posting
period, even for a journal.

**Note:** If you want an approved journal to post in an adjustment period, you must edit the
journal, approve it, and select the adjustment period as the posting period. For more information,
see Approving Journal Entries.

If you use Multiple Calendars and include adjustment periods in your fiscal years, you can have more than
one adjustment period in the same calendar year. Journal entries posted to an adjustment period roll up
in the fiscal year to which they belong and are included in consolidated reports accordingly.
Fiscal Calendars

<table>
<thead>
<tr>
<th>Period</th>
<th>Standalone Periods</th>
<th>Overlapping Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Start Date</td>
<td>End Date</td>
</tr>
</tbody>
</table>

As best practice, you should lock accounting periods as part of your month-end process. After the period is locked, only users with the Override Period Restrictions permission can post transactions in the period. User with this permission can make adjusting journal entries in locked periods, which serves the same purpose many adjustment period journal entries. If you have more than one fiscal calendar, you may be able to avoid having multiple adjustment periods in the same calendar year by using adjusting journal entries. See Locking and Unlocking Accounting Periods and Locking Accounting Periods in NetSuite OneWorld.

**Note:** Before you can enable the Multiple Calendars feature, all adjustment periods must be overlapping periods.

To modify an accounting period date ranges:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the accounting period you want to change.
3. Set the **End Date** for the period to include adjustment period date.
4. Click **Save**.

Adjustment Periods without Multiple Calendars

If you are not using the Multiple Calendars feature, you can create standalone or overlapping adjustment periods. See Setting Up Accounting Periods for a Year and Setting Up Single Accounting Periods.

Restriction and Automation Rules Governing Accounting Period Changes

When you add, delete, or modify accounting periods, NetSuite attempts to adjust the rollup hierarchy across all fiscal calendars and prevent creating standalone periods. Restriction and automation rules run in the background to simplify managing accounting periods though preserving the integrity of the accounting period structure.

Modifying an accounting period is generally prohibited if doing so removes an existing parent/child without reestablishing a new one.

When you create, update, or delete base or aggregate periods, NetSuite automatically attempts to find the logical parent for a period in the accounting period rollup and across all existing fiscal calendars to prevent creating a standalone period.

- If one or more aggregate periods exist for the date range, NetSuite assigns the new period to the lowest level aggregate period available, unless you specify a parent.
- You can make changes in a hierarchy such deleting a period, as long as a suitable parent exists for all periods in the hierarchy. If no logical parent exists, you cannot make the change.

You are restricted from making a change if the change disrupts the accounting period rollup. The general rules that affect rollups are:
Fiscal Calendars

- A base period must have at least one aggregate level period or parent
- Aggregate periods are the parents for subperiods
- A base period has multiple parents, one in each fiscal calendar context
- A subperiod can be a base period or another aggregate period
- All base periods must have at least one parent
- Parent and child periods roll up into fiscal years for each fiscal calendar

Multiple Calendars with Other NetSuite Features

When you enable the Multiple Calendars feature, you can use subsidiary-specific calendars with the following features in NetSuite. Assigning a fiscal calendar to a subsidiary determines the calendar used to set up and manage the following:

- Budgets
- Forecasts
- Quotas
- Commission

With Multiple Calendars enabled, the fiscal calendar assigned to a subsidiary determines when the calendar begins for these features. The Standard Fiscal Calendar is assigned to all subsidiaries when you enable Multiple Calendars. As you create new calendars and assign them to subsidiaries, the monthly organization for following features changes as noted in the following subtopics. These changes apply only for NetSuite OneWorld with the Multiple Calendars feature enabled.

Note: NetSuite automatically adjusts the quotas of sales representatives in subsidiaries and the parent company when changes are made to the respective fiscal calendar.

Without Multiple Calendars enabled, when you set up a budget or quotas, the calendars of months are based on the First Fiscal Month identified in Company Settings. See the help topic Configuring Company Information.

Using Quotas Per Subsidiary, Multiple Calendars with Quotas

When you assign a calendar other than the Standard Fiscal Calendar to a subsidiary, NetSuite modifies the organization (monthly quotas and years) of all existing quotas in that subsidiary to begin with the first fiscal month of that calendar. For example, before enabling Multiple Calendars, your fiscal year was based on a calendar year, January to December. You set up quotas for three years - 2012, 2013, and 2014. All quotas were set up for the year periods, January through December. You then enable the Multiple Calendars feature and create a new fiscal calendar that runs April 1 through March 31. You assign the new fiscal calendar to the India Subsidiary. NetSuite adjusts existing quotas for sales reps in the India Subsidiary to be grouped by years that run for the period April to March. It creates 4 years of quotas as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Start Month</th>
<th>End Month</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 - 2013</td>
<td>April 2012</td>
<td>March 2013</td>
<td>April - March</td>
</tr>
<tr>
<td>2013 - 2014</td>
<td>April 2013</td>
<td>March 2014</td>
<td>April - March</td>
</tr>
</tbody>
</table>
Fiscal Calendars

<table>
<thead>
<tr>
<th>Year</th>
<th>Start Month</th>
<th>End Month</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 - 2015</td>
<td>April 2014</td>
<td>December 2014</td>
<td>April, May, June, July, August, September, October, November, December (9 months)</td>
</tr>
</tbody>
</table>

The first and last years are not full years because only existing quota months can be reorganized for the new fiscal calendar. New months are not created automatically.

To complete the quotas for Year 2014-2015, edit the quota records and add quota amounts for January, February, and March 2015.

Searching Fiscal Calendars

There are several searches that you can use to capture fiscal calendar and tax fiscal calendar data.

**Fiscal Calendar as a searchable entity** – You can search for a specific fiscal calendar. You can specify name criteria that does or does not contain specific letters, starts or does not start with specific letters, or is or is not empty. If you know the exact name of the fiscal calendar, you can enter it as criteria, and if you do not know any part of the name, you can leave the name criteria blank and retrieve all fiscal calendars in your system. To perform this search, navigate to Setup > Accounting > Fiscal Calendars > Search.

**Fiscal Calendar and Tax Fiscal Calendar in Subsidiary Search** – You can search and produce results for Fiscal Calendar and Tax Fiscal Calendar in the subsidiary search at Setup > Company > Subsidiaries > Search. This search returns the fiscal and tax fiscal calendars associated with specific subsidiaries.

**Tax Fiscal Calendar in Tax Period Search** – You can search and produce results for Tax Fiscal Calendar in the Tax Period Search. You can access this search at Setup > Accounting > Manage Tax Periods and then click Search in the top right corner of the page. Select the tax fiscal calendar from the Fiscal Calendar list. This search returns the tax fiscal calendars within a specified tax period.

**Fiscal Calendar in Accounting Period Search** – You can search and produce results for Fiscal Calendar in the Accounting Period Search. This search returns the fiscal calendars within a specified accounting period. You can access the Accounting Period Search at the following locations:

- Lists > Search > Saved Search > New > Accounting Period

  On the Criteria subtab, select Fiscal Calendar in the Filter field. For information about defining a saved search, see the help topic Defining a Saved Search.

- Setup > Accounting > Manage G/L > Manage Accounting Periods and then click Search in the top right corner of the page

For general information about searches and links to multiple search related topics, see the help topic Search Overview.

GL Audit Numbering

The GL Audit Numbering feature applies gapless numbering sequences to all general ledger posting transactions. Gapless GL audit numbering enables companies to meet international compliance requirements.

**Note:** GL Audit Numbering is independent of other auto generated numbering you have set up at Setup > Company > Auto-Generated Numbers.

When this feature is enabled, GL Audit Numbering is listed as a required task on the period close checklist when you close the last month in an accounting period (fiscal year, period, or quarter). The GL Audit Numbering task appears only in an open period, and must be closed prior to year-end. When you run GL
audit numbering by quarter or year, transactions in closed periods are numbered for the purposes of GL auditing. The GL Audit Numbering task on the period close checklist opens the GL Audit Numbering page. If GL audit numbering sequences have been set up, you can run them from this page. You can also set up new GL audit numbering sequences from the GL Audit Numbering page.

The GL Audit Numbering feature also enables you to run GL audit numbering sequences on demand at Transactions > Management > GL Audit Numbering Sequences > Run. From the GL Audit Numbering page, you can set up new GL audit numbering sequences. You can also set up new sequences from Transactions > Management > GL Audit Numbering Sequences > New.

From the Transactions > Management > GL Audit Numbering Sequences menu, you can perform a variety of GL audit numbering tasks.

**Important:** You must have View level of the Manage Accounting Periods permission to see the GL Audit Numbering menu option. View level permits you to review the GL impacting transactions to be numbered, view the history of GL audit numbered transactions, and verify the status of GL audit numbered transactions. You must have Full level of the Manage Accounting Periods permission to set up and run GL audit numbering sequences.

### Types of GL Audit Numbering Sequences

There are two types of GL audit numbering sequences: permanent and repeatable. When you run a permanent GL audit numbering sequence, the number assigned to a general ledger impacting transaction cannot be changed. When you run a repeatable GL audit numbering sequence, you can re-run the numbering sequence on general ledger impacting transactions as often as required. However, re-running a repeatable numbering sequence renumbers transactions and may assign a number different from the previously assigned number.

### Locking GL Audit Numbers

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a GL numbered impacting transaction automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the original GL impacted transaction. For more information, see GL Impact Locking.

### Transactions Numbered by the GL Audit Numbering Feature

Transactions that do not have general ledger lines are not included in GL audit numbering. Voided transactions with zero amounts are included in GL audit numbering.

The following transactions are numbered through the period close task or on demand at Transactions > Management > GL Audit Numbering Sequences > Run:

- All transactions that post to the general ledger
- Voided transactions
- Assembly build, assembly unbuild, and item fulfillment transactions with zero amounts (These transactions also have document and transaction numbers.)
- Transactions that have been voided through reversal transactions
- Transactions that do not post until they are approved including commission, journal entries, expense reports, and vendor bills
(These transactions are included in GL audit numbering only after they are approved.)

- Canceled vendor bills

**Note:** You must have View level or above of the Make Journal Entry permission to see the GL impact of any transaction.

## Voided Transactions

There are two methods for addressing voided transactions. The standard void method changes the transaction amount to zero (0) and marks the transaction voided. These transactions are GL numbered. If you use GL Impact Locking, GL impact adjustment copy and reversal transactions are created to change the amount. However, if you use the Void Transactions Using Reversing Journals accounting preference, the GL impact adjustment copy reversal transactions are not created. Instead, both the original transaction and the reversal journal entry are GL numbered.

## Excluding Transactions with Zero Amount Lines from GL Audit Numbering

Transactions which only contain only zero amount lines can be excluded from general ledger audit numbering. These transactions include:

- Voided transactions
- Cancelled bills
- Item fulfillments for zero-amount items

**Tip:** This can be used for companies in jurisdictions which require that all transactions be numbered for audit purposes, regardless of value.

**Note:** To use this preference, you must have the GL Audit Numbering feature enabled.

To exclude these transactions from GL Audit numbering, select the Exclude Zero Amount Transactions box on the GL Audit Numbering Sequence form at Transactions > Management > GL Audit Numbering Sequences.

## Best Practices for Using the GL Audit Numbering Feature

Following are best practices for using the GL Audit Numbering feature:

- Run permanent GL audit numbering sequences.
- In NetSuite OneWorld, use one subsidiary per GL audit numbering sequence.
- When setting up a GL audit numbering sequence on demand at Transactions > Management > GL Audit Numbering Sequences > Run > New Sequence button, select Period Type - Year, then run the sequence.
- When scheduling a recurring value for a permanent GL audit numbering sequence, use values that represent days such as one day or 24 hours.
- To stop a recurring, permanent GL audit numbering sequence, delete the value in the Recurring Unit field, or mark the task complete from the period close checklist. You can also mark the sequence inactive to stop a recurring, permanent GL audit numbering sequence.

More information about GL Audit Numbering is included in the following topics:
GL Audit Numbering

GL Audit Numbering and Other Features

The following information describes how the GL Audit Numbering feature interacts with other NetSuite features.

GL Audit Numbering and Multiple Calendars

If you use the Multiple Calendars feature and have multiple fiscal calendars with different start and end periods, or that are structured differently, you can run GL audit numbering for only those calendars in which you are in the last month of the period. For example, you run GL audit numbering every quarter. You have two fiscal calendars for two subsidiaries. One calendar begins its fiscal year in March and the first quarter ends in May. The second calendar begins its fiscal year in January and the first quarter ends in March. If you view the Manage Accounting Periods page in March, you can run GL audit numbering for only the second calendar that began its fiscal year in January. You cannot run GL audit numbering for the subsidiary that uses the first calendar until it ends its first quarter in May.

GL Audit Numbering and Multi-Book Accounting

If you use the Multi-Book Accounting feature and maintain multiple accounting books, you can assign book-specific GL audit numbering sequences. You can also perform the GL audit numbering period close process across multiple accounting books.

**Important:** Transactions that have general ledger lines in one accounting book but not in another accounting book are numbered in the first book and ignored in the other book. Transactions that do not have general ledger lines in any accounting book are ignored in all accounting books. Transactions that have general ledger lines in multiple accounting books are numbered relative to the specific general ledger lines in each book.

GL Audit Numbering and Intercompany Journal Entries

Intercompany journal entries are associated with different subsidiaries. When you run GL audit numbering for intercompany journal entries, a unique GL audit number is assigned for each subsidiary in the journal entry.

Enabling GL Audit Numbering and Setting Preferences

Administrators can enable GL Audit Numbering by going to Setup > Company > Enable Features > Accounting under Basic Features. The Accounting Periods feature is a requirement for using the GL Audit Numbering feature.
Choose the frequency of GL audit numbering by going to Setup > Accounting > Preferences > Accounting Preferences. On the General subtab under General Ledger, in the GL Audit Numbering Method list, select Base Accounting Period, Quarter, or Year to specify when the GL audit numbering task is available to be processed as part of closing a period. If you change the numbering method, existing numbers assigned through a repeatable GL audit numbering sequence may be renumbered.

Set the reporting and search preference by going to Home > Set Preferences. On the Analytics subtab under Reporting, in the Report by Period list, select Financials Only or All Reports. Selecting Financials Only filters the GL Audit Numbering Report by accounting period.

Reviewing Transactions Before Running a Numbering Sequence

The GL Audit Numbering Review page lists the transactions available for numbering in a GL audit numbering sequence. This page is useful when you want to verify that the transactions are accurate before assigning a GL audit number.

**Important:** If your company uses a transaction approval process, general ledger impacting transactions are not assigned a GL audit number until they are approved or reviewed. Then, these transactions are available for GL audit numbering and posting. If you use GL Impact Locking for your company or any subsidiary, the general ledger impact of the transaction is locked when the transaction is assigned the GL audit number, regardless of approval requirement.

**Note:** You must have View level or above of the Make Journal Entry permission to see the GL impact of any transaction.

You can access the GL Audit Numbering Review page at Transactions > Management > GL Audit Numbering Sequences > Review.

The default GL Audit Numbering Review page provides an Edit and View, or View links depending on the transaction's edit state.

If you edit a general ledger impacting transaction that was numbered through a permanent GL audit numbering sequence and you use GL Impact Locking for a company or subsidiary, NetSuite generates a GL impact adjustment copy and a GL impact adjustment reversal transaction to preserve the original transaction general ledger impact before the change under the same GL audit number. The original (source) transaction after the general ledger change represents the real values in the system.

Other line-level transaction details provided include the following:

- Document number
- Transaction type
- Transaction date
- Accounting period
- Account against which the transaction posted or will post
- Amount of the transaction
- Currency of the transaction
- Subsidiary, if any, against which the transaction posted or will post
- Creation date of the transaction
- User who created the transaction
Note: The entity (name) is stored on the GL impact adjustment copy and GL impact adjustment reversal transaction. However, changing the entity on a transaction numbered through a GL audit numbering sequence typically does not automatically generate the GL impact adjustment copy and GL impact adjustment reversal transactions. If the transaction includes a line that references an A/R or A/P account type, GL impact adjustment copy and GL impact adjustment reversal transactions are automatically generated.

Running GL Audit Numbering Sequences

The GL Audit Numbering feature enables you to set up and run two types of GL audit numbering sequences: permanent and repeatable. When you run a permanent GL audit numbering sequence, the number assigned to a GL impacting transaction cannot be changed. You can, however, modify the details of the original GL impacting transaction. When you run a repeatable GL audit numbering sequence, you can re-run the numbering sequence on GL impacting transactions as often as required to address gaps in numbering that might occur due to adjustments made to your GL.

Note: Re-running a repeatable numbering sequence renumbers transactions and may assign a number different from the previously assigned number.

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a GL impacted field or entity field on a GL numbered impacting transaction after running a GL audit numbering sequence automatically generates copy and reversal transactions.

These transactions display on the GL Impact subtab on the standard form of the original general ledger impacted transaction. For more information, see GL Impact Locking.

Both permanent and repeatable GL audit numbering sequences are run from the GL Audit Numbering page. You can access this page from the GL Audit Numbering task on the period close checklist and on demand at Transactions > Management > GL Audit Numbering Sequences > Run.

Information that appears on this page includes the sequence name and type. Subsidiaries and accounting books defined in the sequence set up display on this page. Prefixes, suffixes, number length, starting number, and recurring information display on this page. This page also provides how a sequence is ordered, the last number assigned in a previous run, last run date and by who, and the status of the run. If the status is Invalid—see details, click the link to access a GL audit numbering review of the invalid run. Finally, whether the sequence is copied to the next period for an available run. The next period is a link for access to the details of the next period run.

Note: You can view only those subsidiaries to which you have been granted access.

To run GL numbering sequences:

1. If you accessed the GL Audit Numbering page from the period close checklist, the available GL audit numbering sequences are specific to the accounting period that you are closing. If you accessed the GL Audit Numbering page from Transactions > Management > GL Audit Numbering Sequences > Run, select the type of accounting period and the available open period for which you want to run numbering sequences.

In NetSuite OneWorld, you can select a different period type based on the subsidiary for which you are setting up the GL audit numbering sequence.

The default period type is the type specified at Setup > Accounting > Preferences > Accounting Preferences > General subtab in the GL Audit Numbering Method list. For more information, see Enabling GL Audit Numbering and Setting Preferences.
2. To set up a new GL audit numbering sequence, click **New Sequence**. For details on setting up a GL audit numbering sequence, see **Setting Up a GL Audit Numbering Sequence**.

3. Check the box next to each GL audit numbering sequence that you want to run.

4. Click **Validate** to verify that the existing GL audit numbering sequence is gapless. The validation process provides the status of the GL audit numbering sequence: Valid, Invalid Re-Run, or Running. Any unnumbered transaction included in the GL audit numbering sequence returns the status Invalid or Re-Run.

   Click **Run** to run the GL audit numbering sequence.

   **Important:** If you use the Multi-Book Accounting feature, clicking **Validate** and **Run** processes all of the selected GL audit numbering sequences in all of the selected accounting books.

   **Note:** If you use year end closing and year end journal entries exist, running a GL audit numbering sequence sequentially numbers the journal entries.

5. If you accessed the GL Audit Numbering page from the period close checklist, click **Back to Period Close** to return to the period close checklist.

   If you accessed the GL Audit Numbering page from Transactions > Management > GL Audit Numbering Sequences > Run, click **Edit** or **View** next to a specific GL audit numbering sequence to access the GL Audit Numbering Sequence page and details for that sequence.

**Setting Up a GL Audit Numbering Sequence**

When you are in the last month of an accounting period, you can set up a GL audit numbering sequence for that period from the GL Audit Numbering page. This page is accessible from the GL Audit Numbering task on the period close checklist. You can also set up a GL audit numbering sequence for any period type and accounting period on demand from the following two menu paths:

- Transactions > Management > GL Audit Numbering Sequences > New
- Transactions > Management > GL Audit Numbering Sequences > Run > New Sequence button

There are two types of numbering sequences that you can set up: permanent and repeatable. When you run a permanent numbering sequence, the number assigned to a general ledger impacting transaction cannot be changed. When you run a repeatable numbering sequence, you can re-run the numbering sequence on general ledger impacting transactions as often as required.

**Warning:** When using a permanent numbering sequence, the number assigned to a general ledger impacting transaction cannot be changed, even if transactions are deleted. To avoid gaps in GL audit numbering due to deleted transactions when using a permanent numbering sequence, enable the GL Impact Locking feature. For more information, see **GL Impact Locking**.

**Note:** Re-running a repeatable numbering sequence renumbers transactions and may assign a number different from the previously assigned number.

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a GL numbered impacting transaction **after running a GL audit numbering sequence** automatically generates copy and reversal...
transactions. These transactions display on the GL Impact subtab on the standard form of the original general ledger impacted transaction. For more information, see GL Impact Locking.

If you use the Multi-Book Accounting feature and maintain multiple accounting books, you can assign book-specific GL audit numbering sequences.

**Note:** The same sequence of numbers you assign to a period's transactions could be assigned to the transactions in another period if you define the sequence in the same way. To avoid this, ensure that the sequences you assign to each period are unique.

### Setting up a GL Audit Numbering Sequence

The following procedure explains how to set up a GL audit numbering sequence from the period close checklist and on demand from the two Transactions > Management > GL Audit Numbering Sequences menu path options.

**To set up a GL audit numbering sequence:**

1. From the period close checklist, complete the tasks that precede **GL Audit Numbering**. For more information, see Using the Period Close Checklist. The GL Audit Numbering task is the last task in the period close checklist. It appears only in the last month of an accounting period (fiscal year, period, or quarter).

   Click the **GL Audit Numbering** icon to open the Task: GL Audit Numbering page, then click **GL Audit Numbering**. The GL audit numbering sequence you set up is specific to the accounting period that you are closing.

   From the menu, go to Transactions > Management > GL Audit Numbering Sequences > Run. On the GL Audit Numbering page, click **New Sequence**. You can also set up new sequences from Transactions > Management > GL Audit Numbering Sequences > New.

2. In the Primary Information section, provide the following information.

   **Note:** When you create GL audit numbering sequences by base accounting periods, the name, prefix, and suffix from the previous period are automatically set for the next period's sequence. The first number in the sequence is set to one higher than the last number of the previous period's sequence, providing consistency in numbering between periods.

   a. Enter the name of the GL audit numbering sequence.
   b. Select the open period for the GL audit numbering sequence.
   c. If you use NetSuite OneWorld, select the subsidiaries whose transactions you want to include in the GL audit numbering sequence. You can select multiple subsidiaries or a single GL audit numbering sequence by holding Ctrl and clicking the name of those subsidiaries in the Subsidiaries column. A subsidiary can be assigned to only one GL audit numbering sequence.
   
   **Note:** You can view only those subsidiaries to which you have been granted access. In addition, when a subsidiary (including a parent subsidiary) has been assigned to a GL audit numbering sequence for a specific period, if you create a new sequence for that same period, that assigned subsidiary will not appear in the Subsidiaries column.
   d. Select the numbering type for the GL audit numbering sequence.
- **Repeatable** – When you select this option, you can run the GL Audit Numbering task as often as required for the same period. All transactions (including future-dated transactions) in the sequence are renumbered each time you run the numbering sequence.

- **Permanent** – When you select this option, you can run GL audit numbering as often as required on demand from the menu option and as a recurring run. Numbers assigned to general ledger impacting transactions cannot be changed, although the transaction details can be modified, as required. When you create this GL audit numbering sequence, NetSuite validates that there is no other existing sequence for this accounting period type and open accounting period. GL audit numbering numbers transactions until the numbering run date. Future-dated transactions are not numbered.

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record. When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a GL numbered impacting transaction after running a GL audit numbering sequence automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the standard form of the original general ledger impacted transaction. For more information, see **GL Impact Locking**.

**Warning:** When using a permanent numbering sequence, the number assigned to a general ledger impacting transaction cannot be changed, even if transactions are deleted. To avoid gaps in GL audit numbering due to deleted transactions when using a permanent numbering sequence, enable the GL Impact Locking feature. For more information, see **GL Impact Locking**.

e. If you use the Multi-Book Accounting feature, select the accounting book for which you want to set up the GL audit numbering sequence. Only those subsidiaries that are enabled for the selected accounting book display in the list.

3. In the Numbering section, provide the following information.
   a. Enter a prefix, suffix, or both for the GL audit numbering sequence.
   b. Enter the minimum number of digits for the numbers in this GL audit numbering sequence.
   c. Enter the starting number for this GL audit numbering sequence.
   d. Choose how you want to order the transactions for GL audit numbering.
      You can order transactions by transaction date or transaction entry date.

4. In the Recurring section, provide the following information.
   a. Choose the recurring unit type for the GL audit numbering sequence.
      This field is available only when **Numbering Type** is **Permanent**.
      Recurring runs are useful when you want to run the GL audit numbering sequence at a scheduled time rather than manually.
      Based on your recurring type selection, choose the recurring option for hourly or daily.
      The range is from one to 999, but Best Practice is one day or 24 hours.
   b. Enter the time of the first run.
   c. The **Next Run** read-only field displays the next scheduled run, based on the recurring type and unit.

5. Click **Save**.
Viewing the GL Audit Numbering Status

The GL Audit Numbering Status page provides information specific to the date and time the GL audit numbering sequence was run. This page provides the sequence name, numbers assigned, and percent complete. It also provides the status of the run, date range, and number of records found.

Following are the standard NetSuite work queue values for status:

- Pending
- Processing
- Deferred
- Complete
- Failed
- Retry
- Canceled

To access this page go to Transactions > Management > GL Audit Numbering Sequences > Status.

Viewing GL Audit Numbering Sequences

The GL Audit Numbering Sequences page provides a list of GL audit numbering sequences that were run for an accounting period, even if the period is closed.

You can filter the data that displays on the page as well as choose to show inactive sequences. You can also click the Edit and View links to access a sequence record.

You can also create a new sequence by clicking the New Sequence button.

The information provided includes the following:

- name of the sequence
- any subsidiaries on which the numbering sequence was run
- type of GL audit numbering sequence
- accounting period for which the sequence was run
- whether the accounting period was closed when the sequence was run
- last number of the previous period’s sequence
- date on which the sequence was last run
- user who ran the last sequence
- status of the sequence run

You can access this page at Transactions > Management > GL Audit Numbering Sequences.

**Note:** If you run a recurring, permanent GL audit numbering sequence from the GL Audit Numbering task in the period close checklist, when you close the task the recurring value is removed. However, details are tracked in system notes.

Reports and Saved Searches

You can customize financial reports including the General Ledger, Balance Sheet, and Income Statement to include or exclude GL audit numbered transactions. You can also filter transactions on reports through the GL Audit Number field.
Reports include all posting transactions with or without a GL audit number. Reports can be customized with a GL audit number filter to only show validated transactions with a GL audit number.

In an advanced Transaction search and a customized Transactions report, select the GL# date filter to return the date a GL audit number was assigned to a transaction. Select the GL# Set By filter to return who assigned a GL audit number to a transaction. For information about advanced searches, see the help topic Defining an Advanced Search. For information about using Report Builder to customize a report, Report Customization.

If you use GL Impact Locking, you can customize standard, posting transaction types to include the Exclude GL Audit Numbering box. For posting transaction types that are not customizable, you can access this field only through SuiteScript. For information about GL Impact Locking, see GL Impact Locking.

If you use SuiteFlow or SuiteScript, you can add GL Audit Numbering Excluded to your workflow or script. Then you can search for posting transactions that were excluded from GL audit numbering. In an advanced Transaction search, choose the filter GL Audit Numbering Excluded to return excluded posting transactions.

The GL Audit Numbering feature provides a specific report. For information, see GL Audit Numbering Report.

If you use GL Impact Locking for your company or any subsidiary, the general ledger impact of the original transaction is locked to the general ledger and cannot be changed. When changes to the original general ledger impacting transaction are required, NetSuite automatically generates GL impact adjustment copy and GL impact adjustment reversal transactions to preserve the original general ledger impact of the original transaction before the general ledger impacting change under the same GL audit number. You can create saved searches to include or exclude the copy and adjustment transactions that corrected the original general ledger impacting transactions. To include these transactions in a saved search, from the Type list, select GL Impact Adjustment. For instructions about defining a saved search, see the help topic Defining a Saved Search.

**GL Impact Locking**

If your company is located in a country where the general ledger impact of a transaction must be locked to the general ledger and must not be changed, an administrator can check the GL Impact Locking box on the Company Information page. If you use NetSuite OneWorld, an administrator can check the GL Impact Locking box on any subsidiary record.

When you use GL Impact Locking for a company or a subsidiary, any change to a general ledger impacted field or entity field on a GL numbered impacting transaction automatically generates copy and reversal transactions. These transactions display on the GL Impact subtab on the original general ledger impacted transaction.

**Tip:** The GL Impact subtab is visible only on standard forms. If you use customized forms (Customization > Forms > Transaction Forms), check the GL Impact Show box during form customization to make this subtab visible.

The GL Impact subtab provides the history of GL impact adjustment copy and GL impact adjustment reversal transactions. From each line, a link is provided to access the transaction details.

For information about the GL Impact Locking box, see the help topics Configuring Company Information and Creating Subsidiary Records.
Note: The GL Audit Numbering feature is required for GL Impact Locking.

Important: The GL audit numbering sequence must be run before editing the original transaction. Running the GL audit number sequence is a prerequisite for the GL impact adjustment copy and GL impact adjustment reversal transactions if the general ledger impact of the transaction changes due to the edit.

From the GL impact adjustment copy and a GL impact adjustment reversal transactions, the Lines subtab provides the account affected, the debit and credit amounts, any memo, and the name of the entity affected by the transaction. The account value is a link to the account register, and the name of the entity is a link to the entity record.

The affected entities and transaction reversal dates appear in reports and system notes.

Important: You can modify a transaction if it is in an open accounting period.

Any modification that changes the entity, amount, account, class, department, location, currency, or accounting period creates two new transactions. One transaction is a copy (adjustment) of the original transaction and has the same general ledger impact as the original transaction. The GL audit number on the original transaction is removed from the transaction and assigned to the copied transaction. The second transaction is a reversal (adjustment) of the original transaction. The effective date is the same date as the original general ledger impacting transaction.

All transaction modifications are tracked in system notes on the original general ledger impacting transaction. Any modification that generated copy and adjustment journal entries include a View link. Clicking the link displays the GL Impact page, which displays the copy and adjustment journal entries.

Following are fields that impact the general ledger:

- account
- amount
- subsidiary
- accounting period
- department, class, location, and custom segment
- name (entity) on A/P and A/R accounts

Following are fields that do not impact the general ledger:

- name (entity) on non-A/P and A/R general ledger lines
- memo
- date
- custom fields
- all other fields
GL Impact Example

GL Impact Locking provides a complete audit trail for external reviewers such as tax reviewers. GL Impact Locking ensures that your accounting books contain only accurate and approved information. You should regularly review transactions and make corrections in a timely manner.

Consider the following GL Impact Locking example. Your company assigns GL audit numbers at the time of approval. You recorded a cash sale for $5,000 on February 20, 2017. The company accountant was on vacation until February 22, at which time the transaction was approved and assigned GL audit number 20,053. The approved transaction was Debit Cash $5,000 and Credit Sales $5,000. During the end-of-week cash reconciliation process it was discovered that the cash sale was for $500, not $5,000. The accountant corrected the cash sale to $500, then NetSuite automatically created the following new transactions:

- The GL impact adjustment copy transaction with the same original GL impact Debit Cash $5,000 and Credit Sales $5,000 using GL audit number 20,053.
- The GL impact adjustment reversal transaction for Debit Sales $5,000 and Credit Cash $5,000 without assigning a GL audit number.

If you do not use GL Impact Locking, the accountant could perform one of the following two tasks:

- Modify transaction 20,053 using Debit $500 Cash and Credit $500 Sales without any visible correction in GL.
- Delete transaction 20,053, creating a gap in GL audit numbering, and then create a new transaction for the proper amount.

Rules for Future Accounting Periods

Use the Enable Accounting Period Window accounting preference to both maintain a minimum number of unlocked accounting periods and prevent entries in locked future periods. When you check the box for this preference, you must set the minimum number of current and future accounting periods available for transactions. All other future periods are locked for posting. NetSuite unlocks the next future period for the window as needed on the first day of each period.

Locking future periods prevents users from entering transaction data and journal entries by mistake. The period window ensures that most users post transactions only within the window of unlocked periods. A user whose role includes the Override Period Restrictions permission, however, can post in either locked or unlocked periods.

The size of the accounting period window is determined by the number you enter in the Minimum Period Window Size field below the Enable Accounting Period Window preference. The value in this field is the number of unlocked current and future periods. The accounting period window applies to accounting periods as a whole and individually to accounting transactions for accounts receivable, accounts payable, and payroll. See Setting the Enable Accounting Period Window Preference.

Note: You can lock future periods and types of transactions without checking the Enable Accounting Period Window accounting preference. However, doing so locks all periods or types of transactions prior to that point including the current period. In addition, future locked accounting periods do not display the lock icon.

Period Window

The accounting period window is the minimum number of current and future accounting periods that are open and unlocked. You can configure the size of the window to any number of periods from 1 to 1,000.
The accounting period window ensures that a specific number of open periods are unlocked and available for posting transactions. When you close a period or lock a set of transactions, NetSuite unlocks the next period or set of transactions. This prevents accounting period starvation and eliminates the accounting cycle task of opening the next period for data entry.

The minimum period window uses the system date to determine the current and future open periods. For example, if the system date is June 15 and the Minimum Period Window Size is 3, June, July, and August are all open. However, if the Minimum Period Window Size is 1, only June (the current period) is open.

**Period Wall**

The period wall is the end of the current accounting period. If today’s date is January 7, the period wall is January 31. Accounting periods to the right of the period wall are future periods. Periods to the left of the wall are the current period and past periods. The period wall concept is useful for determining which periods are past, current, and future for purposes of the period window.

**Locking Accounting Period Window Rules**

Locking accounting periods follows four basic rules. These rules use the period wall to determine whether locking or unlocking affects other accounting periods. Use the diagram below to understand the impact of each rule. Accounting period window rules apply to both accounting periods and to accounting transactions, such as A/R Transactions.

- Locking a future period automatically locks all future periods after the locking point (to the right of the locking point).
- Locking a past period automatically locks all past periods prior to the locking point (to the left of the locking point).
- Unlocking a future period automatically unlocks all periods between the period wall and the unlocking point.
- Unlocking a past period automatically unlocks all periods between the period wall and the unlocking point.

You can manually unlock more periods than the number set in the Minimum Period Window Size preference. Locked future or past periods must be continuous and without gaps from the locking or unlocking point.

You cannot lock a period that is within the current minimum period window. For example, if your window size is 3 and your current accounting period is January, you cannot lock February or March.

For instructions on how to lock and unlock accounting periods, see [Locking and Unlocking Accounting Periods](#) and [Locking Accounting Periods in NetSuite OneWorld](#).
Setting the Enable Accounting Period Window Preference

Accounting periods and modules are locked or unlocked when you save changes made to the Enable Accounting Period Window accounting preference. If you check the Enable Accounting Period Window box and then later clear it, all future accounting periods are unlocked when you save your preference changes. For more information, see Rules for Future Accounting Periods.

To set the Enable Accounting Period Window preference

1. Go to Setup > Accounting > Preferences > Accounting Preferences.
2. On the General subtab, check the Enable Accounting Period Window box.
3. In the Minimum Period Window Size field, enter the minimum number of current and future accounting periods that you want to be unlocked at all times. You can unlock more than this number of periods manually.

   The minimum period window uses the system date as the baseline period to determine the future open periods. For example, if the system date is June 15 and the Minimum Period Window Size is 3, June, July, and August are all open. However, if the Minimum Period Window Size is 1, only June is open.
4. Click Save.

When you set the Enable Accounting Period Window preference, NetSuite automatically sets the Allow Transaction Date Outside of Posting Period to Disallow. You can reset this preference to Warn or Allow if you want. For more information about this preference, see General Accounting Preferences.

In addition, when you enable this preference, future locked accounting periods display a lock icon.

For instructions on how to lock and unlock accounting periods, see Locking and Unlocking Accounting Periods.

Locking and Unlocking Accounting Periods

You can lock accounting periods or transaction modules for a period to prevent users from posting transactions that affect the general ledger. Locking is part of the period close process.

If you check the Enable Accounting Period Window accounting preference, you can also lock future periods to provide greater control for your accounting process. When this preference is checked, lock icons are displayed for future accounting periods. See Rules for Future Accounting Periods for information about how locking and unlocking periods performs with this preference.

To lock an accounting period:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. Click the Checklist icon for the period.
3. Click the Go To Task icon for Lock All.
4. If you are a NetSuite OneWorld user, select which parent or subsidiary to lock the accounting period for.
5. On the Task: Lock Accounting Period (All) page, click Submit.

To lock a transaction module:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. Click the Checklist icon for the period.
3. On the Period Close Checklist page, do one of the following:
   1. To lock A/R transactions in the period, click the **Lock A/R** icon, then click **Lock**.
   2. To lock A/P transactions in the period, click the **Lock A/P** icon, then click **Lock**.
   3. To lock Payroll transactions in the period, click the **Lock Payroll** icon, then click **Lock**.

   **Note:** If you are a NetSuite OneWorld user, select which parent or subsidiary to lock the accounting period for before you click Lock.

**To unlock an accounting period:**

To unlock an accounting period, you must unlock each transaction module in the period.

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. On the Manage Accounting Periods page, click the **Checklist** icon for the period.
3. On the Period Close Checklist page, click the **Lock A/R** icon, then click **Unlock**.
   Repeat this step for **Lock A/P**, **Lock Payroll**, and **Lock All** tasks.

   **Note:** If you are a NetSuite OneWorld user, select which parent or subsidiary to unlock the accounting period for before you click Unlock.

**To unlock a transaction module:**

For information about how to unlock a transaction module for a period, see Unlocking Period Transactions.

When you unlock a transaction module such as A/R Transactions, All GL Transactions is also unlocked.

**Locking Accounting Periods in NetSuite OneWorld**

In NetSuite OneWorld, you can lock or unlock accounting periods at the subsidiary level. You can manage your period close process based on the workflow needs of your organization. Only controllers and administrators with the permission to perform period close tasks at the parent subsidiary level can select subsidiaries to lock or unlock.

For information about locking and unlocking accounting periods in NetSuite if you are not using OneWorld, see Locking and Unlocking Accounting Periods.

When an accounting period is locked for a subsidiary, users cannot enter transactions for the subsidiary in that period. The locked period is not available in the Posting Period list in transactions. If a user selects a transaction date that falls within a locked period, the Posting Period is set to the current open period for the subsidiary. This happens only if the Allow Transaction Date Outside of Posting Period preference is set to Disallow or Warn.

**Note:** Users with the Override Period Restrictions permission can select a locked period for the Posting Period on a transaction.

If the Enable Accounting Period Window accounting preference is checked, NetSuite maintains a minimum number of unlocked current and future accounting periods. In this case, locking a transaction module or a period for a subsidiary can trigger automatic opening of the next future period, based on the defined minimum period window size. NetSuite opens the next future period for all subsidiaries to maintain the same period window across your organization.
Use the Lock Accounting Period page, available from the Period Close Checklist, to select subsidiaries to lock.

The Subsidiaries subtab on the Lock Accounting Period page displays the subsidiary hierarchy for your organization.

**Important:** The Subsidiaries subtab displays only those subsidiaries that your role has permission to access. If your role does not have permission to access all of the subsidiaries, you cannot see the complete subsidiary hierarchy.

A Lock icon in the Current Value column indicates the subsidiaries that are locked for transactions. Mark or unmark the box in the Lock column for each subsidiary, as needed.

On the Notes subtab, the System Notes subtab displays each change made to the lock status including the subsidiary information. You can include subsidiary information in any searches that include system notes to search and report on period locking history by subsidiary. For information on how to set up a search, see the help topic Creating Saved Searches for System Notes.

**Note:** The first time that any task is viewed, System Notes logs a Create entry.

On the Period Close Checklist, icons in the Status column indicate whether a task is completed, partially done, or not started. The status for a Lock task shows as partially done when you lock at least one subsidiary for the task.

The Manage Accounting Periods page displays accounting period status at a glance using the following icons:

- **Unlocked** - All subsidiaries are unlocked
- **Partially Locked** - One or more subsidiaries are locked. Point to the icon to see the number of locked subsidiaries. This number reflects the complete subsidiary hierarchy, not only the subsidiaries you have permission to access.
- **Locked** - All subsidiaries are locked.

**To lock or unlock accounting periods in NetSuite OneWorld:**

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. On the Manage Accounting Periods page, click the Checklist icon for the period.
3. On the Period Close Checklist, click the Go To Task icon for Lock AR, Lock AP, Lock Payroll, or Lock All.
4. On the **Subsidiaries** subtab, mark the **Lock** box for each subsidiary you want to lock.
   You can also **Mark All** or **Unmark All** to change the value of the lock for all subsidiaries.

   ![Important: Mark All or Unmark All locks or unlocks only those subsidiaries that display on this subtab, which depending on your permissions, may not include the complete subsidiary hierarchy.]

   To unlock a subsidiary, clear the **Lock** box.

5. Click **Submit**.

**Accounting Period Close**

Closing an accounting period means changing its status from Open to Closed. A status of Closed indicates that posting transactions for the period have been completed. This status prevents posting to the general ledger for any dates included in the period, by anyone. Closing a period should be a final step, after a process of accounts review and reconciliation to ensure correctness and balance. To close an accounting period, go to Setup > Accounting > Manage GL > Manage Accounting Periods.

For information about closing accounting periods, see the following topics:

- Period Close Checklist
- Using Quick Close to Close Periods
- Making Changes to Locked and Closed Periods
- Approving Transactions from Closed Periods

If you use Multi-Book Accounting, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

**Period Close Checklist**

A Period Close Checklist for each period is available from the Manage Accounting Periods page. From this checklist, you can complete required tasks in sequence, and then close the period.

- The **Override Period Restrictions** permission is required to access this checklist.

  ![Note: To assign a user the Override Period Restrictions permission, go to Setup > Users/Roles > Manage Users and select a user. In the user record’s Access subtab, click the Global Permissions subtab. In the Permission field, select Override Period Restrictions and click Add. Then, click Save.]

- Preliminary tasks lock the period to limit posting transactions. Locking tasks include **Lock A/P**, **Lock A/R**, **Lock Payroll** (if the Payroll feature is enabled), and **Lock All**.

- Other tasks such as Create Intercompany Adjustments, Revalue Open Foreign Currency Balances, and Calculate Consolidated Exchange Rates, provide necessary adjustments. To complete these tasks, users require related permissions. For example, the Revalue Open Foreign Currency Balances task requires Create level Currency Revaluation permission.

- If you have enabled the GL Audit Numbering feature, GL Audit Numbering is listed as a task required as part of the period close process. Assign the number sequence for the period and then verify that

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General Accounting

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the GL audit numbering is gapless. If you use NetSuite OneWorld, you can create sequences for each subsidiary. If you use Multi-Book Accounting, you can define book-specific numbering sequences. For more information, see GL Audit Numbering.

- The final task is to close the period.
- The Period Close Checklist provides access to related system and user notes.

For more information, including the procedure for closing the period, see Using the Period Close Checklist and Inventory Tasks on the Period Close Checklist.

**Using Quick Close to Close Periods**

The Quick Close preference enables you to close one or more accounting periods with a single click. This time-saving preference is useful when you have reopened one or more closed accounting periods to make a change. With Quick Close, NetSuite marks complete all tasks in all reopened accounting periods, eliminating the requirement to close them one-by-one. For example, I must make a change in the January 2016 accounting period. I reopen the period, which reopens all of the subsequent closed periods. I make my change. With Quick Close, I can close the January 2016 period and all subsequent periods at the same time.

The Quick Close preference is also useful when you prefer a one-click method for closing accounting periods. For example, I am the sole proprietor of my business. I process all accounting transactions. I do not want to step through each task on the period close checklist to close my accounting periods. With Quick Close, I can close each period with a single click.

**Warning:** The Period Close Checklist helps you with your financial closing workflow. Quick Close does not run period closing tasks. It only marks the tasks as completed. Use Quick Close only when you are certain that there is no requirement to run period closing tasks.

- Granting Permission to Use Quick Close
- Enabling the Quick Close Preference
- Closing Accounting Periods with Quick Close

**Granting Permission to Use Quick Close**

Quick Close is automatically granted to administrators. The Setup permission, Period Closing Management, must be added to other roles for users to use the feature. For information about NetSuite permissions, see the help topics NetSuite Permissions Overview and Permissions Documentation.

**Enabling the Quick Close Preference**

If your user role is granted both the Set Up Accounting and Period Closing Management permissions and you want to use Quick Close, you must enable the Allow Quick Close of Accounting Periods preference. Go to Setup > Accounting > Accounting Preferences. On the General subtab under the General Ledger section, click the Allow Quick Close of Accounting Periods box and then save.

This preference does not appear in user roles that do not have the Period Closing Management permission.

For information about general accounting preferences, see General Accounting Preferences.

**Closing Accounting Periods with Quick Close**

If you have the appropriate permissions and the Allow Quick Close of Accounting Periods preference is enabled, the Manage Accounting Periods page displays the Close Multiple Periods button.
To close one or more periods, click Close Multiple Periods. From the Periods to Close list, select the accounting period you want to close. If you are closing multiple periods, this period should be the last in the series of open periods. For example, I want to close January 2016, February 2016, March 2016, and April 2016. I select April 2016 from the Periods to Close list.

If Multi-Book Accounting is provisioned in NetSuite OneWorld, select the accounting book associated with the periods you are closing.

Click Submit. At the prompt, click OK. The Period Close Checklist updates to reflect the closed periods.

NetSuite maintains an audit trail of every changed task in every closed accounting period through system notes. For information about System Notes Overview.

**Making Changes to Locked and Closed Periods**

Users with the Override Period Restrictions permission can add and edit posting transactions even if the transaction type has been locked for a period. To allow other users to add or edit posting transactions, transactions must be unlocked for the period. See Unlocking Period Transactions.

**Note:** Changes to addresses are not permitted in a closed accounting period. Changing the address on a transaction could alter the tax rate, and have an impact on the general ledger.

No one can make general ledger impacting changes to posting transactions in a closed period. The period must be reopened before these changes can be posted. See Reopening a Closed Period.

If the Allow Non-G/L Changes box is checked on a period record, you can make changes to posting transactions that do not affect the general ledger. You must have the Setup permission Allow Non G/L Changes to make these changes.

These permission restrictions do not apply to the addition or editing of non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

**Note:** Account administrators have both the Override Period Restrictions and Allow Non-G/L Changes permissions. To assign a user these permissions, go to Setup > Users/Roles > Manage Users and select a user. In the user record’s Access subtab, click the Global Permissions subtab. In the Permission field, select a permission and click Add. Then, click Save.

**Approving Transactions from Closed Periods**

Transactions that are subject to approval must be approved before posting. Their posting periods are determined upon approval. The actual posting period may vary from the period displayed on transaction entry forms and unapproved records.

If the originally displayed period is closed at the time of approval, the posting period is determined by the accounting preference Default Posting Period When Transaction Date in Closed Period. If the period that matches the transaction date is locked and the approver does not have the Override Period Restrictions permission, the system behaves as if the period is closed.

When you approve a posting transaction, you can select a different Posting Period than the one initially displayed. You cannot select a closed period. You may be able to select an open and locked period if your role includes the Override Period Restrictions permission.

**Non-Posting Transactions in Locked and Closed Periods**

Permissions restrictions for locked and closed accounting periods do not apply to non-posting transactions such as sales orders and return authorizations. Users do not need any specialized
permissions to add or edit non-posting transactions in any period, even if the period has been locked to transactions or closed.

The following transaction types are always non-posting:

- Estimate
- Liability Adjustment
- Opportunity
- Payroll Adjustment
- Purchase Order
- Return Authorization
- Revenue Arrangement
- Sales Order
- Transfer Order
- Vendor Return Authorization
- Work Order

If approval is required for transactions, the transactions are non-posting until they are approved. The posting period for such transactions is determined upon approval. The transaction posting periods may vary from the periods displayed on transaction entry forms and unapproved records.

Commissions always require authorization before they post. Other transactions may also require approval, depending on your accounting preferences. For more information, see the following topics:

- Authorizing Employee Commission
- Approving Journal Entries
- Approval Routing

For information about transactions' impact on the general ledger, see General Ledger Impact of Transactions.

Using the Period Close Checklist

To close a period, you must first lock out transactions that post to A/P, A/R, and Payroll if applicable, and then review accounts and perform any necessary adjustments. These adjustments can include transactions generated by the system such as intercompany adjustments and foreign currency balance revaluations in NetSuite OneWorld. Also, if you use NetSuite OneWorld, you must update consolidated exchange rates to ensure that consolidated financials are accurate, and eliminate intercompany transactions if you use the Intercompany Auto Elimination feature.

You might also be required to reconcile negative inventory, correct transaction/period date mismatches, or validate gapless GL audit numbering.

If your user role has the Period Closing Management permission and the Allow Quick Close of Accounting Periods preference is enabled, you can omit closing the tasks one-by-one and close one or more accounting periods with a single click. For more information, see Using Quick Close to Close Periods.

If you use Multi-Book Accounting, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and
associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

After you have completed these tasks, you can close the period to exclude all posting transactions. Later, if additional postings are required, you can reopen the period. While the period was closed, if you enabled features that add tasks to the checklist, those tasks do not appear on the checklist for the reopened period.

All tasks are completed from the Period Close Checklist page. This page also provides access to system notes and user notes related to period close. You must have Edit or Full level of the Manage Accounting Periods permission as well as the Override Period Restrictions permission to complete all tasks in this page.

![Note:](image1) The first time that any task is viewed, System Notes logs a Create entry.

If previous periods are still open, you can complete tasks to lock transactions for a period. You cannot, however, complete any other checklist tasks including closing the period until all previous periods have been closed.

To use the Period Close Checklist to close a period:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. Click the Checklist icon for a period.
3. Review the tasks in the checklist. Tasks are listed in the order in which they should be completed. Status icons indicate whether each task is completed, partially done, or not started. Icons in the Go To Task column provide links to individual task pages where you can review details about and take action to complete each task. Note that some task actions may be inaccessible until prerequisite tasks are completed. These actions display lock icons. You can point to these icons for information about prerequisites.

![Note:](image2) The Modified By column displays the name of the user responsible for changing the status of that particular task. For example, if user A is the person responsible for first locking the Lock A/R task for a particular subsidiary, user A's name displays on the System Notes of the accounting period for which the field's status changed from Unlocked to In Progress. If user B locks the A/R task for another subsidiary but there are subsidiaries that remain unlocked, the accounting period retains the In Progress status for A/R, and the Modified By field continues to display user A's name. The Modified By field changes only when all of the subsidiaries have been locked, or changed back to unlocked.

The first time that any task is viewed, System Notes logs a Create entry.

4. To complete a task, click the Go To Task icon for the task.
   - a. To prevent A/R transactions in the period, click for Lock A/R, then click Submit.
   - b. To prevent A/P transactions in the period, click for Lock A/P, then click Submit.
   - c. To prevent Payroll transactions in the period, click for Lock Payroll, then click Submit.
   - d. To prevent A/R, A/P, and Payroll (if applicable) transactions in the period, click for Lock All, then click Submit.

In NetSuite OneWorld, you can lock periods by subsidiary. For instructions, see Locking Accounting Periods in NetSuite OneWorld.

5. If you use the Inventory feature, the checklist may include these inventory tasks:
   - Resolve Date/Period Mismatches
   - Review Negative Inventory
- Review Inventory Cost Accounting
- Review Inventory Activity (NetSuite OneWorld)

For details about completing these tasks, see Inventory Tasks on the Period Close Checklist.

6. If you use the Custom GL Lines Plug-in and have some accounts running asynchronously, click the icon for **Review Custom GL Plug-ins Executions**.
   - You must have the **Review Custom GL Plug-ins Executions** permission as well as the **Override Period Restrictions** permission to complete this task for the subsidiaries you can access.
   - Click **Review Custom GL Plug-ins Executions** to go to the Reviewing Custom GL Lines Plug-in Executions page.
   - If your review is finished, click **Mark Task Complete**.
   - If you have previously marked this task complete but must do more work, click **Mark Task In Progress**.
   - To go back to the checklist page, click **Cancel**.

7. If you use NetSuite OneWorld and have automated adjustments for intercompany expenses enabled, click the icon for **Create Intercompany Adjustments**.
   - You must have the **Journal Entry** permission as well as the **Override Period Restrictions** permission to complete this task for the subsidiaries to which you have access.
   - Click **Create Intercompany Adjustments** to go to the Create Intercompany Adjustments page and complete this process. See Creating Intercompany Adjustments for Time and Expenses.

   The Period Close Checklist requires that you review the Create Intercompany Adjustments page. After you have reviewed this page it is possible to return to the Period Close Checklist, mark the task complete without performing it, and proceed with the close. However, it is strongly recommended that you complete intercompany adjustments before closing a period.

   The recommended way to eliminate this requirement from the checklist is to change the Intercompany Expenses preference from **Allow and Auto Adjust** to **Allow**. This preference is available at Setup > Accounting > Preferences > Accounting Preferences. See General Accounting Preferences.

   **Note:** If you also use Job Costing in NetSuite OneWorld, this item is required for resolving any project time that has posted in this period. For more information, see the help topic **Job Costing and OneWorld**.
   - If your intercompany adjustments are finished, click **Mark Task Complete**.
   - If you have previously marked this task complete but now need to do more work, click **Mark Task In Progress**.
   - To go back to the checklist page, click **Cancel**.

8. If multiple currencies is enabled, click the icon for **Revalue Open Foreign Currency Balances**.
   - You must have the **Currency Revaluation** permission at the **Create** level, as well as the **Override Period Restrictions** permission, to complete this task for the subsidiaries you can access.

   The revaluation process sometimes needs to delete previous revaluation transactions to complete the current revaluation. Deletion requires **Full** access for **Currency Revaluation**. If you do not have **Full** access, an error message lists the revaluation transactions that need to be deleted. Another user with **Full** access must delete the transactions so you can complete the process.
   - Click **Currency Revaluation** to go to the Select Accounts to Revalue page and complete this process. See Revaluation of Open Currency Balances.
In NetSuite OneWorld, you must complete revaluation for each subsidiary. Go to the Select Accounts to Revalue page to select each subsidiary and complete the task. Depending on your account, you may revisit this page multiple times.

The Period Close Checklist requires that you review the Select Accounts to Revalue page. After you have reviewed this page it is possible to return to the Period Close Checklist, mark the task complete without performing it, and proceed with the close. However, it is strongly recommended that you complete revaluation before closing a period.

- If your revaluation is finished, click **Mark Task Complete**.
- If you have previously marked this task complete but must do more work, click **Mark Task In Progress**.
- To go back to the checklist page, click **Cancel**.

9. If you use NetSuite OneWorld and have multiple currencies enabled, click the icon for Calculate Consolidated Exchange Rates.

   If the Multi-Book Accounting feature is provisioned in NetSuite OneWorld, this task is accounting book specific. On the Consolidated Exchange Rates page, from the Accounting Book filter, choose the accounting book for which you want to calculate exchange rates.

   - You must have the **Currency** permission as well as the **Override Period Restrictions** permission to complete this task for the subsidiaries and accounting books you can access.

   - Go to the Consolidated Exchange Rates page, click **Calculate Consolidated Exchange Rates**.

     By default, this page lists consolidated exchange rates for the period for all subsidiaries and accounting books to which you have access.

     Click **Calculate** to update consolidated exchange rates. If you do not have access to all subsidiaries or accounting books, rates are updated for only those subsidiaries and accounting books to which you have access. For more information, see **Calculating Consolidated Exchange Rates Automatically**.

   - If consolidated exchange rate updates are complete, click **Mark Task Complete**.

     **Important:** After you mark this task complete, the consolidated exchange rates for the selected period CANNOT BE CHANGED.

   - If you previously marked this task complete but are required to do more work, click **Mark Task In Progress**.

   - To go back to the checklist page, click **Cancel**.

10. If you use NetSuite OneWorld and have intercompany elimination enabled, click the icon for Eliminate Intercompany Transactions.

    If the Multi-Book Accounting feature is provisioned in NetSuite OneWorld, this task is accounting book specific.

    For instructions on running intercompany elimination, see the help topics **Run Intercompany Elimination** and **Using Automated Intercompany Management for Elimination**.

11. If you have enabled the Period End Journal Entries feature, **Create Period End Journals** is a required task for the period close process. For instructions, see **Creating Period End Journals from the Period Close Checklist**.

12. If you have enabled the GL Audit Numbering feature, **GL Audit Numbering** is listed as a task required as part of the period close process in the last month of the period. Click the icon to assign the number sequence for the period and verify that the GL audit numbering is gapless. If you use NetSuite OneWorld, you can create sequences for each subsidiary. If you use Multi-Book Accounting, you can define book-specific numbering sequences. For more information, see **GL Audit Numbering**.
13. If you completed all other tasks on the list, you are ready to close the period. Click the icon for Close, and then click Close Period.

After the period is closed, all other task icons are no longer accessible and no further actions can be completed in the period.

Note: If Multi-Book Accounting is provisioned in NetSuite OneWorld and you have enabled the Extended Accounting Period Close Process feature, when you close all of your accounting books at the same time you can point to the Period Close icon to view information about which books are already closed and which are still opened.

If changes are later required for a closed period, you must reopen the period. See Reopening a Closed Period.

14. To review system notes, review user notes, or add a user note, click the Notes link in the header. You can also view notes on the System Notes subtab on a checklist task page.

Inventory Tasks on the Period Close Checklist

When you close an accounting period and use the Inventory feature, the Period Close checklist includes checks for inventory cost and quantity inconsistencies. You can correct inventory with a negative count and run an inventory costing calculation.

When you go to the Manage Accounting Periods page at Setup > Accounting > Manage GL > Manage Accounting Periods and open the checklist for a period, the checklist shows these inventory tasks:

1. Resolve Date/Period Mismatches
2. Review Negative Inventory
3. Review Inventory Cost Accounting
4. Review Inventory Activity

You must mark these inventory tasks complete to close the period.

Resolve Date/Period Mismatches

You can reconcile transactions that are not dated within the corresponding financial period. For example, the selected posting period could be January 2014 while the transaction date was December 2013. Having mismatched transaction dates can cause inventory issues.

Warning: It is strongly recommended that all inventory posting transactions have the correct alignment of the transaction date and the accounting period. A misaligned date and accounting period on a transaction may lead to inconsistent asset and inventory costing values in the accounting period.

The Transactions with Date/Period Mismatch page enables you to resolve issues for mismatched transactions that are dated outside of the selected posting period. This helps ensure that transaction and period dates are properly aligned.

To open this task on the checklist, you must have already completed the Lock All task.

To resolve mismatched dates:

1. Go to Setup > Accounting > Manage GL > Manage Accounting Periods.
2. Click the Checklist icon for a period.
3. Click the Go To Task arrow icon next to Resolve Date/Period Mismatches.

4. The Resolve Date/Period Mismatch page shows your progress for this task. The System Notes subtab displays a record of each change and the name of the user that entered it. The first time that any task is viewed, System Notes logs a Create entry.

5. Click Resolve Date/Period Mismatches.

6. On the Resolve Date/Period Mismatches page in the Period field, select a period for which you want to resolve mismatches. For example, if you select the period January 2014, the list shows any transactions that have a posting period during January 2014 but are dated outside of the period range, from January 1 through January 31.

7. After you select a period, the page shows a list of transactions that have a mismatched posting period and transaction date. For each transaction, the following data shows:
   - Transaction Type
   - Transaction Number
   - Transaction Date
   - Period Name
   - Period Start
   - Period End

8. Click Edit next to a transaction to modify. After the transaction opens, edit it to amend either the posting period or the transaction date so that the two correctly match.

9. Save the transaction. Repeat all steps for any remaining mismatched transactions.

After you have matched the transaction date and posting period for all transactions on the Resolve Date/Period Mismatch page, you can mark the task complete.

Completing the Task

To mark the task complete, go to Setup > Accounting > Manage GL > Manage Accounting Periods and click the Go To Task arrow icon next to Resolve Date/Period Mismatches. On the Task: Resolve Date/Period Mismatches page, click Mark Task Complete.

**Note:** NetSuite permits you to mark the task complete even if transactions remain mismatched and are not dated within the corresponding financial period. If the task is marked complete when mismatched dates are left unreconciled, the Close Period Checklist logs the date and the user who marked the task complete.

Mismatched Transaction Handling Preference

To establish preventive measures to avoid transactions with mismatched dates, you can set a preference for handling mismatched transaction entry. Set the preference at Setup > Accounting> Preferences > Accounting Preferences on the General subtab.

Select one of the following for Allow Transaction Date Outside of Posting Period:

- **Disallow** – When you choose this setting, users are not allowed to save a transaction unless the transaction date is within the date range for the posting period selected.
**Accounting Period Close**

- **Warn** – When you choose this setting, users are warned when a transaction date is not within the date range for the posting period selected, but they can click **OK** on the warning and save it anyway.
- **Allow** – When you choose this setting, users can enter a transaction even if the date is not within the date range for the posting period selected. No warning is given to the user before the transaction is saved.

**Review Negative Inventory**

When closing a period, you must identify any negative inventory values that can be corrected by a positive adjustment. Reviewing negative inventory items is a required task for the period closing checklist.

This task does not create a physical count. A physical count should already be completed before you begin this task.

To open this task on the checklist, you must have completed the **Resolve Date/Period Mismatches** task.

To reconcile negative inventory:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for a period.
3. Click the **Go To Task** arrow icon next to **Review Negative Inventory**.
   - The Review Negative Inventory page opens. This page shows your progress for this task. The **System Notes** subtab displays a record of each change and the name of the user that entered the change.
   - The first time that any task is viewed, System Notes logs a Create entry.
4. Click **Review Negative Inventory**.
5. On the Review Negative Inventory page, in the **As of Date** field, enter the date through which you want to review inventory. For example, if you enter January 1, 2014, the list shows inventory that has a negative count as of January 1, 2014.
6. If you use the **Multi-Location Inventory** feature, you can filter the list by location in the **Location** field.
7. The list of inventory items that shows identifies any items that have negative inventory.
   - Use the list to adjust the amounts for those items so they are no longer negative. For details about entering an inventory adjustment, see the help topic **Adjusting Inventory**.

After you have reviewed the negative inventory items and entered the necessary adjustments, you can mark the task complete.

**Completing the Task**

To mark the task as complete, go to Setup > Accounting > Manage G/L > Manage Accounting Periods and click the **Go To Task** arrow icon next to **Review Negative Inventory**. On the Task: Review Negative Inventory page, click **Mark Task Complete**.

**Note:** NetSuite permits you to mark the task as complete even if some inventory counts remain negative. If the task is marked complete when inventory counts remain negative, the Close Period Checklist logs the date and the user who marked the task as complete.

You can also access the Review Negative Inventory page at Transactions > Inventory > ReviewNegative Inventory.
Review Inventory Cost Accounting

When closing a period, you must run the costing accounting process for the period close. To complete this task, ensure that there are no costing items to be corrected and that inventory costing calculations are not already currently running.

To open this task on the checklist, you must have already completed the Review Negative Inventory task.

To review inventory cost accounting:

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the Checklist icon for a period.
3. Click the Go To Task arrow icon next to Review Inventory Cost Accounting.
4. Click Review Inventory Cost Accounting.

Please note the following:

- To run inventory costing calculations, there must be no items on the Review Inventory Cost Accounting page in the list of outstanding items to be corrected. If any items show on the list, you must wait until they are resolved. If an item on the list cannot be resolved, you are prompted to contact customer support.
- If inventory costing calculations are currently running or are deferred, you cannot click the Review Inventory Cost Accounting button.
- If inventory costing calculations are currently deferred, you must wait until the scheduler runs inventory costing calculations.
- If inventory costing calculations are disabled, you are prompted to contact customer support.
5. After the inventory costing calculations have finished running, click Mark Task Complete.

You can also reconcile transactions that are not dated within the corresponding financial period and set a preference for handling mismatched transaction entry. For details about this checklist requirement, read Using the Period Close Checklist.

Inventory Costing and Closed Accounting Periods

Be aware that if you open a previously closed period and then edit an inventory transaction from that previously closed period, the costing changes you enter for items on the changed transaction do propagate to all subsequent related transactions. This requires an inventory costing recalculation to run and be completed.

Note: Before you go back and close the accounting period again, verify that the recalculation is complete. If you close the period while inventory costing is being calculated, it can affect the accuracy of your costing and potentially cause errors.

For more information, read the help topic Inventory Costing Recalculations

Review Inventory Activity

If you use NetSuite OneWorld, this task opens a customizable version of the Inventory Activity Detail report. This report provides a view of specific inventory values. The report details are based on the item level total inventory value in a specific subsidiary context.

Reviewing inventory activity is a required task for the period closing checklist.
To open this task on the checklist, you must have already completed the **Review Inventory Cost Accounting** task.

**To review inventory activity:**

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the **Checklist** icon for a period.
3. Click the **Go To Task** arrow icon next to **Review Inventory Activity**.
4. Click **Review Inventory Activities**.
5. Review the Inventory Activity Detail report, filtering and customizing the report, as needed. For information about using Report Builder to customize this report, see the help topic **Report Customization**. Filter the report by subsidiary context, location, and From and To date. By default, the dates reflect the accounting period that is being closed.

The standard report includes the following columns:
- Item
- Transaction Type
- Date (of transaction)
- Document Number
- Description
- Qty. (item quantity remaining)

The report rows are grouped first by inventory activity under the Item column. For example, you have an inventory activity group for Inventory Items. When you expand the Inventory Items group, you see the #10 Envelopes subgroup. Beneath this subgroup are rows for a variety of number 10 envelopes. The last row of the subgroup provides the total of #10 Envelopes you hold in inventory.

Click **Refresh** to update the report.

6. When you have completed your inventory review, exit the report and then complete the task.

**Completing the Task**

To mark the task as complete, go to Setup > Accounting > Manage G/L > Manage Accounting Periods and click the **Go To Task** arrow icon next to **Review Inventory Activity**. On the Task: Review Inventory Activity page, click **Mark Task Complete**.

**Unlocking Period Transactions**

Locking out transactions, including custom transactions that post to Accounts Payable, Accounts Receivable, and Payroll (if applicable) are prerequisite tasks for closing a period. These locks enable accounting personnel to review stable accounts and enter adjustments, as necessary.

Locking does not lock the entire transaction. It locks the general ledger impacting changes to posting transactions on the locked account. To make general ledger impacting changes to posting transactions on a locked account, the specific type of lock must be released. For example, releasing Lock A/P.

Locking transactions applies to all transactions including general journals and intercompany journals whether they are generated from the user interface, CSV imports, WebServices, SuiteScript, and ODBC.

When a period that has been locked has the Allow Non-G/L Changes box checked, users can make changes to posting transactions if the changes do not affect the general ledger. Users must have the
Setup permission **Allow Non G/L Changes** to make such changes. Users with the **Override Period Restrictions** permission can make changes to posting transaction, whether the changes impact the general ledger or not, in a period that has been locked to transactions.

If users who do not have the Override Period Restrictions permission must make changes to posting transactions that impact the general ledger, transactions must be unlocked for the period. You cannot unlock transactions for a closed period. You must first reopen the period. See Reopening a Closed Period.

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**Note:** These permission restrictions do not apply to non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

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**To unlock transactions for a period:**

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the Checklist icon for the period.
3. On the Period Close Checklist page, do one of the following
   a. To unlock A/R transactions in the period, click the Lock A/R icon, then click Unlock.
   b. To unlock A/P transactions in the period, click the Lock A/P icon, then click Unlock.
   c. To unlock Payroll transactions in the period, click the Lock Payroll icon, then click Unlock.
   d. To unlock other transactions in the period, click the Lock All icon, then click Unlock.

After all transactions are unlocked for a period with Allow Non-G/L Changes box checked, the box is cleared. If transactions are later locked, you can check the box again.

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**Reopening a Closed Period**

When a period is closed, it is considered complete and no one can add or make general ledger impacting changes to posting transactions for the period. If a period that has been closed requires later changes, you must reopen the period before these changes can be completed.

You must have the **Override Period Restrictions** permission to reopen a period.

If your user role has the Period Closing Management permission and the Allow Quick Close of Accounting Periods preference is enabled, you can close one or more accounting periods with a single click. For more information, see Using Quick Close to Close Periods.

If you use Multi-Book Accounting, you can individually close and reopen accounting periods associated with any accounting book, without impacting your other accounting books. You choose the accounting book for which you want to close a period through the Filters section at the top of the Manage Accounting Periods page. The accounting books available for selection depend upon your user role and associated permissions. For more information about the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.

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**Note:** These restrictions do not apply to non-posting transactions such as sales orders and return authorizations. See Non-Posting Transactions in Locked and Closed Periods.

---

**To reopen a closed period:**

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods.
2. Click the Checklist icon for the period.
3. On the Period Close Checklist page, click the arrow icon for the Close task.

---
4. On the Close Accounting Period page, click **Reopen Period**.

5. Enter text in the **Justification** field to explain why you are reopening the period, click **Reopen Period** again, and review the warning text to make sure you understand the following:
   
   If you reopen the period, you may need to redo checklist tasks to close the period. Also, any later closed periods are automatically reopened and you may need to redo checklist tasks for those periods as well before you can close them.

6. If you want to continue, click **OK** in the warning dialog.

   The justification text is saved in a user note.

   **Note:** If the **Allow Non-G/L Changes** box is checked on a period record, you can make changes to posting transactions that do not affect the general ledger. You must have the Setup permission **Allow Non G/L Changes** to make these changes.

---

**Year-End Closing**

Closing the books for a year ends the opportunity to post entries to the sub-ledgers and general ledger to transfer net income to retained earnings (for a corporation) or to owner’s equity (for an individual proprietorship).

To perform year-end closing, go to Setup > Accounting > Manage G/L > Manage Accounting Periods.

Using NetSuite financials, you are **not required** to make journal entries to close out the income statement to retained earnings. You can choose to do one of the following:

- **Automatic Close** – Allow NetSuite to automatically close year end so that your books reflect the correct balance in retained earnings based on the dates you select on the balance sheet. This method is **strongly** recommended. For more information, see Automatic Close.

- **Manual Close** – Manually close income statement accounts to the balance sheet by making journal entries to close accounts. For more information, see Manual Close.

---

**Preparing for Year-End Closing**

Be aware of the following as you prepare for year-end closing:

- **Before year-end close, you should close all of the periods included in the year.**
  
  - A checklist of required tasks is provided to guide you through the closing process for each period. See Using the Period Close Checklist.
  
  - If you use multiple currencies, you should revalue open currency balances for each period before you close it. See Generating Revaluations.
  
  - It is important to understand the difference between closing a period and locking transactions for a period.
    
    - Closing a period prevents postings for any dates included in the period, by anyone, and should be the final step after a process of accounts review and reconciliation.
    
    - Locking transactions for a period prevents users without override permission from posting to the period, and is a preliminary task before closing occurs.

    For more information, see Accounting Period Close.

- **If you use NetSuite for payroll processing, you must complete additional payroll tasks before year-end close.** See the help topic Performing Quarterly or Yearly Payroll Tasks.
Important: It is recommended that you consult with your accountant to ensure that your books fulfill all legal requirements.

Automatic Close

When you permit NetSuite to automatically close year end, financial statement figures display as if the accounts had been closed, based on the period or periods you select for reports. **You are not required to perform a formal year-end closing. NetSuite automatically closes year-end after you close all of the periods in your year.**

To permit NetSuite to automatically perform year-end closing, go to Setup > Accounting > Manage G/L > Manage Accounting Periods. Perform the required tasks noted in Preparing for Year-End Closing, referring to the noted topics for specific details.

By using this method, your general ledger ties to financials for the same periods run for all accounts, with the exception of the retained earnings account. The system posts a placeholder entry to the retained earnings account on the balance sheet to reflect the income for the period run.

For example, if you want to see a balance sheet for the fiscal year 2013, NetSuite assesses the cumulative net income though 2013 and displays that value in the retained earnings account for reporting purposes. Similarly, if you run a balance sheet for fiscal year 2012, NetSuite assesses the cumulative net income from 2011 and 2012 to determine the retained earnings balance.

NetSuite does not post the balance to retained earnings because doing so would zero the past income statements and prevent them from being viewed.

On your balance sheet, the retained earnings account and the net income account together make up your cumulative retained earnings balance at any point in time.

Net income from prior fiscal year is displayed in the retained earnings account.

Net income from the current fiscal year-to-date is displayed in the net income account.

The retained earnings account is a system account and cannot be deleted or substituted with another account. If you must adjust retained earnings or allocate the balance to other equity accounts, you can post a journal entry and it is reflected on the balance sheet.

Adjustments to the retained earnings account are combined on the balance sheet along with other account figures. For example, if your net income for 2013 was $100,000 and you made a journal entry that debited retained earnings $10,000 in 2013, your fiscal year 2013 balance sheet displays a $90,000 credit, assuming it was your first year in business.

Manual Close

If you want to start the new fiscal year with a zero net income, go to Transactions > Financial > Make Journal Entries to create journal entries that zero out your income and expense accounts, and transfer the balance to a retained earnings account.

Warning: Be aware that the manual close method is not recommended. If you must record entries in the general ledger at year end, consider using the Period End Journal Entries feature. For information, see Period End Journal Entries.

Reporting by Accounting Period

When you enable the Accounting Periods feature and set up accounting periods, you have the option of organizing report data by fiscal period instead of by date range. This capability is especially important for
financial statements. The use of accounting periods also enables you to filter and calculate KPI scorecard figures by fiscal period.

To set up your reports to be organized by period, set the Report by Period preference, at Home > Set Preferences > Analytics > Reporting section. You can choose to sort and filter all reports by period, or only financial reports like income statements and balance sheets. For more information, see the help topic Choosing a Date or Period Range for a Report.

**Note:** After the Report by Period preference has been set for a user's reports, these reports cannot display results to the user until accounting periods for the entire fiscal year have been set up.

In NetSuite OneWorld, if you use the Multiple Calendars feature, the subsidiary's fiscal calendar determines the date ranges for the period selected for a report. For information about running reports for subsidiaries, see Running Reports for Subsidiaries with Different Accounting Periods.

To set up a KPI scorecard's data to be organized by period, check the Use Periods option on the scorecard record. For more information, see the help topics Defining KPI Scorecard Date Ranges or Periods and Period Ranges for KPI Scorecards.

### Running Reports for Subsidiaries with Different Accounting Periods

#### Running Reports for Subsidiaries without Multiple Calendars

In NetSuite OneWorld, different subsidiaries may use different fiscal periods. In these cases, accounting periods are usually set up to map to the root parent subsidiary's calendar, so that consolidated reports that report by period fit the internal management reporting calendar.

These default reporting periods may not meet the fiscal reporting requirements for lower level subsidiaries that use different fiscal periods from the root parent subsidiary. When you run these subsidiaries' reports, you can select Custom in the Period list, and select beginning and ending periods that correspond to the range you need, or for reports such as the Balance Sheet, the As of period you need.

If none of the listed periods fit a subsidiary's date requirements, you can change the Report by Period preference, at Home > Set Preferences on the Analytics subtab, to Never. Rerun the report, select Custom in the Date list, and enter the exact beginning and ending dates, or As of date that you need.

If further modifications are needed to meet reporting requirements for a subsidiary, you can use the Financial Report Builder to create customized financial statements for individual subsidiaries. For more information, see the help topic Financial Report Builder. For reports other than financial statements, you can use the Report Builder for customization. For more information, see the help topic Report Customization.

**Note:** By default, each report displays data for the top-level, or root-parent, subsidiary. Select from the Subsidiary Context list to display data for the subsidiary you want. See the help topic Subsidiary Context for a Financial Statement.

#### Running Reports for Subsidiaries with Multiple Calendars

With Multiple Calendars feature enabled, you can have more than one fiscal calendar to roll up accounting periods for reporting purposes.
To view a report using the accounting period rollup for a subsidiary:

1. Select a subsidiary on the footer for a report.
2. Select an option for Period or Date, depending on the type of report you are running and your Report by Period preference.

The dates for the report range selected are based on the accounting period rollup in the context the fiscal calendar assigned to the subsidiary.

For consolidated reporting, when you run reports for a single subsidiary, the associated fiscal calendar applies. When you run a report at the consolidated level, the fiscal calendar associated with the highest level consolidated subsidiary determines the accounting period hierarchy.

Searching by Accounting Period

You can filter and display transaction search data based on related accounting period field values. You can use the following fields as filter criteria and results for advanced searches and saved searches of transactions:

- AP Locked - whether A/P transactions have been locked for the period
- AR Locked - whether A/R transactions have been locked for the period
- Adjust - whether the period is an adjustment period
- All Locked - whether all transactions are locked for the period
- Allow Non G/L Changes - whether changes that do not impact the general ledger are allowed for the period after its transactions have been locked.
- Closed - whether the period is closed
- Date Closed On - date when the period was closed
- End Date - last day of the period
- Inactive - whether the period is inactive
- Internal ID - internal ID of the period
- Payroll Locked - whether payroll transactions have been locked for the period
- Period Name - name of the period
- Quarter - whether the period is a quarter
- Start Date - first day of the period
- Sub-Period Of - parent of the period
- Year - whether the period is a year

Note: Fiscal Calendar is not available as a filter for search criteria and results. You can however restrict your view to a single subsidiary at Home > Set Preferences > Restrict View. Search results are limited to the accounting periods for the fiscal calendar assigned to that subsidiary.

Transaction search is available at Transactions > Management > Search Transactions, and from Search options at Lists > Search > Saved Search > New.

To enter an advanced search, check the Use Advanced Search box. To create a saved search, click Create Saved Search.

To filter by an accounting period field's value, on the Criteria subtab, from the Filter list, select Accounting Period Fields. In the Accounting Period Filter popup window, select a field.
To display an account period field's values in search results, on the Results subtab, from the Columns list, select **Accounting Period Fields**. In the Accounting Period Filter popup window, select a field.

For general information about searches, see the help topic [Running Searches](#). For information about saved searches, see the help topic [Saved Searches](#).

## Locking Transactions

![Important:](#) The following text applies only if the Accounting Periods feature has not been enabled. This feature provides different, more complex functionality for locking transactions and closing periods. See [Accounting Period Management](#).

The Lock Transactions link and page are available only if you have chosen not to use the Accounting Periods feature at Setup > Accounting > Preferences > Accounting Preferences.

**To verify that the Accounting Periods feature is not enabled:**

1. Go to Setup > Company > Setup Tasks > Enable Features. Click the **Accounting** subtab.
2. Clear the **Accounting Periods** box.
3. Click **Save**.

**To lock transactions if you do not use accounting periods:**

1. Navigate to Setup > Accounting > Lock Transactions.
2. Enter a date when all transactions should be locked.
3. Click **Save**.

## Editing a Locked Transaction without Accounting Periods

Locking transactions prevents unauthorized users from entering or changing transactions on or before the ending date of that time period.

To edit a locked transaction, you must be logged in as an Administrator or the standard, System Accountant. If you are logged in with these roles, find the transaction you want to change and access the record in edit mode. A warning appears before you enter or change a locked transaction. Agree to the warning, and continue.
General Ledger Impact of Transactions

Transactions in NetSuite include a GL Impact page or subtab. For more information, see GL Impact Page.

The following topics explain the general ledger (GL) impact of some common NetSuite transactions. Review them to get a high-level understanding of these transactions. For more detail, see help topics specific to these transactions.

- Sales Transaction GL Impact
- Customer Transaction GL Impact
- Vendor/Purchase Transaction GL Impact
- Cost of Goods Sold (COGS) GL Impact
- Bank Transaction GL Impact

**Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

GL Impact Page

You can access the GL Impact page from most transaction records by clicking GL Impact in the Actions list. Most posting transactions also include a GL Impact subtab.

If a custom GL plug-in execution is scheduled or in progress, a message is displayed at the top of the GL Impact page to indicate that the GL impact might change.

**Note:** For advanced intercompany journal entries, the permissions set for your user role determine what you are able to view and edit. If you do not have access to all the subsidiaries on a record, you can only view data for the subsidiaries to which you have access. In addition, you cannot edit or copy the record.

The GL Impact page lists the general ledger or journal impact of lines on the originating transaction. For each transaction line, the following details are displayed, as applicable:

- Accounting Book (when the Multi-Book Accounting feature is enabled)
- Account affected
- Debited amount
- Credited amount
- Whether the amount posts to the account
- Memo text
- Name of related entity (for example, employee, customer, or vendor)
- (OneWorld only) Hierarchical name of the subsidiary affected by the transaction
- Department
- Class
Location
Custom segment

For example, the GL Impact page for an invoice could show a debit amount posting to an Accounts Receivable account and a credit amount posting to a merchandise sales account.

Non-posting transactions list debits to the related non-posting registers. Opportunity records do include the GL Impact link.

To return to the source transaction, click the crosslink at the top of the page, for example, Go to Sales Order #SORD1001.

Click the Export button to export GL impact details to a CSV or Excel file.

If the Advanced PDF/HTML Templates feature is enabled, click the Print button to create a PDF file containing the GL Impact for the transaction. This PDF can be saved or printed. For more information, see Printing a Transaction's GL Impact.

For intercompany journal entries, the GL Impact page always uses the class, department, and location used by the subsidiary at the last transaction line that has tax. For information about enabling line-level selection for class, department, and location, see the help topic Using Per-Line Classifications.

Note: For automated intercompany adjustments in a OneWorld account, this page displays amounts debited and credited to accounts in both the originating subsidiary (employee's subsidiary) and the related subsidiary (customer's subsidiary). General ledger impact to the originating subsidiary is in its base currency, the same currency recorded for the adjustment. General ledger impact to the related subsidiary is translated from the originating subsidiary base currency to the related subsidiary base currency, using the exchange rate indicated on the adjustment record. This rate is based on the last day of the period when the adjustment occurred.

SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique GL capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

Printing a Transaction’s GL Impact

NetSuite includes the ability to print general ledger impact statements for posting and non-posting transactions. The printing template can also be customized. GL Impact statements can only be printed for the primary accounting book. They respect user permissions and restrictions related to the general ledger, and users can only print GL impact statements which they have access to.

GL Impact statements can be generated as either PDF or HTML files and is controlled by user preference. The default setting is to generate PDF files. To generate HTML files, go to Home > Set Preferences, select the Transactions subtab, and select the Print Using HTML option.

Note: To print a GL Impact statement, the Advanced PDF/HTML Templates feature at Setup > Company > Enable Features in the SuiteCloud subtab must be enabled.

To customize the GL Impact statement template:

When the Advanced PDF/HTML Templates feature is enabled, a Standard GL Impact PDF/HTML Template is added to the Advanced PDF/HTML Templates list at Customization > Forms > Advanced PDF/HTML Templates. Click the Customize link next to the template's name to customize the template.
For more information on customizing Advanced PDF/HTML Templates, see the help topic Advanced PDF/HTML Templates.

**To print the GL Impact statement for one transaction:**

1. Open a supported transaction and from the **Actions** list, select **GL Impact**.
2. Click **Print** to create a PDF or HTML file containing the GL Impact for the transaction. This file can be saved or printed.

**To print the GL Impact statement for multiple transactions:**

1. Go to Transactions > Management > Print Checks and Forms and click the **GL Impact** link.
2. Select the Printing Template to use. This dropdown list will default to the template marked **Preferred**, and also includes any other GL Impact printing templates you have created and have access to at Customization > Forms > Advanced PDF/HTML Templates.
3. Select which transaction types you want to print the GL impact for.
4. Select whether you want to print the GL impact for posting, non-posting, or all transactions of the selected types.
5. Enter a date or date range for transactions to include.
6. Select **Allow Reprinting** to be able to print the GL impact for these transactions again in the future.
7. The list of transactions at the bottom of the form will adjust based on your selections. Select which transactions from this list to print by selecting the **Print** checkbox next to each transaction.
   - Click the **Customize** button to add or remove columns to the list of transactions.
8. Click **Print** to create a PDF file containing the GL Impact for the transactions. This PDF can be saved or printed.

**Tax Lines on the GL Impact Page**

If a transaction has values for class, department, and location at the header level, those same values are displayed at the tax line on the transaction’s GL Impact page. If the transaction record displays no values for class, department, and location at the header level, the GL Impact page displays the class, department, and location of the last transaction line that has tax.

**Sales Transaction GL Impact**

Sales transactions are entered to process sales you make and can affect your general ledger. These transactions are used to record and fulfill orders as well as bill customers for orders they have received. As sales transactions are entered, NetSuite records the value of items shipped to customers and the prices charged for them.

**Sales Orders**

Entering sales orders enables you to track the items you need to fulfill and ship to customers. Sales orders, however, are non-posting transactions. They **do not** post an amount to your ledger accounts.

Enter sales orders at Transactions > Sales > Enter Sales Orders.
After you fulfill a sales order, the costs and asset values of the items post to your ledger.

Order Fulfillments

Fulfilling a sales order ships items to a customer to complete a sale. When you fulfill an order, you pull the items from inventory, package them, and send them to your customer.

After you physically fulfill an order, record an item fulfillment in NetSuite to specify which parts of an order you fulfilled. For example, Maple Street School buys copy paper from you to use in their office. Yesterday, they placed an order for three cases of paper. This morning, you fulfilled the order by getting three cases out of inventory, boxing them, and delivering them to the school. Now you need to record the fulfillment in NetSuite.

When you record a fulfillment, it posts to the journal accounts affected by the fulfillment. Because you are removing items of value from your inventory, fulfilling items lowers the total value of your assets on hand. That is why a fulfillment posts a decrease to an asset account.

The amount of the decrease that posts is based on your cost for the item. For example, if you paid $10 for each of the three cases, the value of your assets on hand decreases by $30. This posts as a decrease in the Inventory Asset account. Fulfilling items also increases the total amount you have spent on items sold, which is tracked in the Cost of Goods Sold (COGS) account. You paid $10 for each of the three cases, so this posts as a $30 increase to your COGS account.

These journal lines are posted by this fulfillment:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Goods Sold (COGS)</td>
<td>$30</td>
<td></td>
</tr>
<tr>
<td>Inventory Asset</td>
<td></td>
<td>$30</td>
</tr>
</tbody>
</table>

Record your item fulfillments at Transactions > Sales > Fulfill Orders.

After an order is fulfilled, bill the customer that received the order. Customers can be billed using cash sales, invoices, or statement charges.

Cash Sales

Cash sales should be used to bill customers only if you receive assured payment at the time of the sale in the form of credit card, check, or cash. If you provide terms for your customers and let them pay within a certain period, issue invoices and track how much each customer owes you. For example, you enter a cash sale for three cases of copy paper at $25 each. The total of $75 is paid upon receipt in cash. When you record a cash sale, the cash sale posts to the journal accounts affected by the sale. Accepting the cash from your customer increases the total amount of money you have yet to deposit in the bank. The cash sale posts this as $75 added to the Undeposited Funds account. Accepting the cash from your customer also increases the total amount of funds you have received as income. The cash sale posts this as $75 added to the Sales Income account.

These journal lines are posted by this cash sale:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undeposited Funds</td>
<td>$75</td>
<td></td>
</tr>
<tr>
<td>Sales Income</td>
<td></td>
<td>$75</td>
</tr>
</tbody>
</table>

Record cash sales at Transactions > Sales > Enter Cash Sales.
Invoices

Invoices record income you expect to receive in the future for goods or services that you have provided. For example, you enter an invoice for three cases of copy paper at $25 each, totaling $75 due. When you record an invoice, it posts to the journal accounts affected by the invoice. The invoice increases the total amount of funds you need to collect as payments from customers. The invoice posts this as $75 added to the Accounts Receivable account. The invoice also increases the total amount of funds you have received as income. The invoice posts this as $75 added to the total amount in the Sales Income account.

These journal lines are posted by this invoice:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable (AR)</td>
<td>$75</td>
<td></td>
</tr>
<tr>
<td>Sales Income</td>
<td></td>
<td>$75</td>
</tr>
</tbody>
</table>

Invoice your orders at Transactions > Sales > Bill Sales Orders or at Transactions > Sales > Create Invoices.

Statement Charges

Statement charges are similar to invoices because they track payments you expect from customers. Use statement charges instead of invoices when you want to enter several charges that accumulate before you send a billing statement to the customer. For example, a landscaping company offers weekly lawn service to its customers. Each weekly service incurs a $50 charge. A $50 statement charge is entered each week that the lawn service is performed. Then, one time each month a statement is sent to the customer showing the total due for services performed.

Statement charges increase expected receivables and increase income like invoices do. These journal lines are posted by this statement charge:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable (AR)</td>
<td>$200</td>
<td></td>
</tr>
<tr>
<td>Sales Income</td>
<td></td>
<td>$200</td>
</tr>
</tbody>
</table>

Record Statement Charges at Transactions > Sales > Create Statement Charges.

Customer Transaction GL Impact

After customers are billed, you must process payments you receive. Customer transactions you enter in NetSuite include customer payments and deposits, return authorizations, receipts of item returns, credit memos, and customer refunds. As you enter customer transactions, NetSuite records the effects with journal entries in the general ledger.

Customer Payments

Enter customer payments to record payments you receive from customers. By recording payments, you can track how much money customers owe you. For example, Maple Street School has a $75 invoice due. They send you a check and you record the $75 payment. When you record a payment, it posts to the journal accounts affected by the payment. Recording a payment increases the total amount of funds you have yet to deposit in the bank. The payment posts this as $75 added to the Undeposited Funds account.
Recording a payment also decreases the total amount of funds you expect to receive from customers. The payment posts this as $75 reduced from the Accounts Receivable account.

These journal lines are posted by the payment:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undeposited Funds</td>
<td>$75</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td>$75</td>
</tr>
</tbody>
</table>

Record customer payments at Transactions > Customers > Accept Customer Payments.

Customer Deposits

Sometimes a customer pays a deposit or pre-payment before an order is complete. Record this payment as a deposit that can later be applied on the invoice for the order. Then, the total amount due is decreased by the amount of the deposit. For example, Maple Street School wants to buy new computers for their library. After they place the order, they pay a $1,000 deposit. When you record the customer deposit, the payment posts to the journal accounts affected by the deposit. Recording a deposit increases the total funds you are holding to apply to invoices later. The deposit posts this as a $1,000 increase in the Customer Deposits account. The deposit also increases the total amount of money due to be deposited in your bank account. The deposit posts this as a $1,000 increase in the Undeposited Funds account.

These journal lines are posted by the deposit:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undeposited Funds</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Customer Deposits</td>
<td></td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Record customer deposits at Transactions > Customers > Record Customer Deposits.

Return Authorizations

Customers that want to return an item for a refund or credit can be issued a return authorization. A return authorization enables you to track items you expect to be returned, but is not a posting transaction. Items on return authorizations have no accounting impact until you receive those items back into inventory. When you receive the items back into your inventory, the costs and asset values of the items post to your ledger.

Return Receipts

When your warehouse gets an authorized return from a customer, you need to record that you have received it. Then, you can track which items you have already received and which ones you expect to receive later. For example, Maple Street School returns a keyboard they previously purchased. Your warehouse manager puts the keyboard back in stock to sell again at a later time, and you record that the keyboard is added back into inventory.

When you receive a return, it posts to the journal accounts affected by the receipt. Because you are adding items of value to your inventory, receiving items increases the total value of your assets on hand. A return receipt posts an increase to an asset account. The amount of the increase that posts is based on the amount you paid for the item. You originally paid $10 for the keyboard, so the value of your assets on hand increases by $10. This posts as an increase in the Inventory Asset account. Receiving a return
also decreases the total amount you have spent on items sold, which is tracked in the Cost of Goods Sold (COGS) account. You paid $10 for the keyboard, so this posts as a $10 decrease from the total amount in the COGS account.

These journal lines are posted by the deposit:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Asset</td>
<td>$10</td>
<td></td>
</tr>
<tr>
<td>Cost of Goods Sold (COGS)</td>
<td></td>
<td>$10</td>
</tr>
</tbody>
</table>

Record return receipts at Transactions > Customers > Receive Returned Order.

When a return has been received, you can issue a refund or credit to the customer.

Credit Memos

A credit memo decreases the amount a customer owes you. You can use a credit memo to reverse a charge billed to a customer. For example, last week you billed Maple Street School for 10 keyboards at $20 each. Upon realizing they had one keyboard too many, the school returned the extra keyboard. When the returned keyboard is received, you issue a credit memo to decrease the total amount the school owes. Issuing a credit memo posts to the journal accounts affected by the credit memo.

Because crediting an item reduces the amount you expect this customer to pay, it reduces the total funds you are expecting to receive. This posts as a $20 decrease to the Accounts Receivable account. Crediting the item decreases the total amount of your income from sales. This posts as a $20 decrease to the Sales Income account.

These journal lines are posted by the credit memo:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Income</td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable (AR)</td>
<td></td>
<td>$20</td>
</tr>
</tbody>
</table>

Issue Credit Memos at Transactions > Customers > Issue Credit Memos.

When a credit memo has been issued, you can issue the customer a refund.

Customer Refunds

Customer refunds give money back to the customer in the amount that they originally paid. Refunds are often made using checks but may also credit the customer’s credit card. You can refund money to customers by generating a refund from a credit memo or by generating an individual refund.

Refunding from a Credit Memo

For customers that are billed with invoices instead of cash sales, refund returns by first generating a credit memo and then clicking Refund on the credit memo. When you click Refund, a customer refund opens in the amount credited on the credit memo. For example, Maple Street School wants to be refunded the amount showing on the credit memo you issued for the returned keyboard. To process the refund, view the credit memo and click the Refund button.

Refund from a credit memo by going to Transactions > Customers > Issue Credit Memos > List and clicking View next to the credit memo.
Refunding a Cash Sale

If you originally entered a cash sale and now need to refund money to a customer, enter an individual cash refund. A cash sale refund is a transaction that gives money back to a customer who paid for goods or services at the time of the sale using cash, a check, or a credit card.

Cash refunds are not generated from a credit memo, but instead issue a payment to the customer in the amount you enter on the cash refund. For example, a teacher at Maple Street School purchased three staplers for the classroom. The teacher bought the staplers with cash and you entered a cash sale. Later, the teacher realized that only two staplers were needed and returned one of them. To refund the money for the stapler, you enter a cash refund.

Enter a cash refund at Transactions > Customers > Refund Cash Sales.

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Income</td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>Checking Account (or Undeposited Funds Account)</td>
<td></td>
<td>$20</td>
</tr>
</tbody>
</table>

Refund Journal Entries

Refunding a return posts to the journal accounts affected by the refund.

Refunding a sale decreases the income generated from the original sale. When you refund the sale, the amount of income generated by the sale posts as a decrease to your sales income account. Refunding a sale takes money out of your checking account in the amount of the refund. This posts as a decrease to your checking account.

These journal lines are posted by the refund:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Income</td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>Checking Account</td>
<td></td>
<td>$20</td>
</tr>
</tbody>
</table>

Refund a return at Transactions > Customers > Refund Returns.

Vendor/Purchase Transaction GL Impact

Purchase transactions you enter in NetSuite include purchase orders, item receipts, vendor bills, vendor payments, and vendor credits.

As you enter these transactions, NetSuite records the costs and value of items. These transaction forms appear on the Transactions tab under the Sales Transaction heading when you are logged in using your Administrator role.

Purchase Orders

Entering purchase orders enables you to track the items you expect to receive from vendors and the costs associated with those purchases. Purchase orders, however, are non-posting transactions. They do not post an amount to your ledger accounts.

Record purchase orders at Transactions > Purchases > Enter Purchase Orders.
When you receive the purchase order, the costs and asset values of the items post to your ledger.

**Item Receipts**

As shipments arrive at your business, match them against open purchase orders to receive them into inventory. Record an item receipt to detail the items you are receiving into your inventory. For example, the Jones Paper Company ships you 10 cases of paper at a purchase price of $10 each. After you verify that the shipment contains all 10 cases, you record that you received them into your inventory. When you record an item receipt, it posts to the journal accounts affected by the receipt.

Receiving items increases the total value of your assets on hand. The receipt posts this as $100 added to the Inventory Asset account. Receiving items also increases the total amount owed to your vendor. The item receipt posts a $100 increase in the total amount of the Accounts Payable account.

These journal lines are posted by the receipt:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Asset</td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>$100</td>
</tr>
</tbody>
</table>

Record item receipts at Transactions > Purchases > Receive Orders.

If you use the Advanced Receiving feature, item receipts can post to other ledger accounts. For detailed information about the Advanced Receiving feature and tracking Cost of Goods Sold (COGS), see the help topic [Inventory Costing and the Advanced Receiving Feature](#).

**Vendor Bills**

Entering vendor bills enables you to record invoices you receive from vendors. Then, you can pay bills from the payable list as they are due. By recording vendor bills rather than writing a check to the vendor, you can track how much money your business owes at any point during the billing cycle. For example, you enter a bill from the Jones Paper Company showing $100 due for 10 cases of paper. When you record a bill, the bill posts to the journal accounts affected by the bill.

Billing items decreases the total amount you must schedule for payment to a vendor. The bill posts this as a $100 decrease from the account Accrued Purchases. Billing items also increases the money you are due to pay out. The bill posts this as a $100 increase in the Accounts Payable account.

These journal lines are posted by the bill:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Purchases</td>
<td></td>
<td>$100</td>
</tr>
<tr>
<td>Accounts Payable (AP)</td>
<td>$100</td>
<td></td>
</tr>
</tbody>
</table>

Record vendor bills at Transactions > Payables > Enter Bills.

**Vendor Payments**

Enter vendor payments to record when you pay a vendor bill. The payment records the payment date and the amount paid. By tracking payments you make to vendors, you know how much money you owe
to specific vendors. For example, you pay the $100 bill from Jones Paper Company. When you record a vendor payment, the payment posts to the journal accounts affected by the payment.

Paying bills reduces the total amount of money you owe to vendors. The vendor payment posts a $100 decrease of the amount in the Accounts Payable account. The bill payment also decreases the total amount of money in the bank account you pay from. The vendor payment posts a $100 decrease of the total amount of funds in the Checking account.

These journal lines are posted by the payment:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable (AP)</td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>Checking</td>
<td></td>
<td>$100</td>
</tr>
</tbody>
</table>

Record a vendor payment at Transactions > Payables > Pay Bills or Transactions > Payables > Pay Single Vendor.

Vendor Credits

Enter a vendor credit to record credit from a vendor that you can apply to your payable account. Vendors may credit your account if you return merchandise to them or negotiate a discount after receiving an invoice. For example, after you paid the bill to Jones Paper Company, you discover that one case of paper you received is damaged. You send the paper back and they fax you a credit memo for $10. You record the $10 credit so you can apply it against another Jones bill the next time you make a payment.

When you enter a vendor credit, the credit posts to the journal accounts affected by the credit. Crediting items decreases the total amount of money you are due to pay out to the vendor. The credit posts a $10 decrease of the amount in the Accounts Payable account. Vendor credit decreases the total value of your inventory. The vendor credit posts a $10 decrease of the total amount in the Inventory Asset account.

These journal lines are posted by the credit:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable (AP)</td>
<td>$10</td>
<td></td>
</tr>
<tr>
<td>Inventory Asset</td>
<td></td>
<td>$10</td>
</tr>
</tbody>
</table>

There are two ways to enter a vendor credit:

- Create a credit from an original vendor bill.
  - Go to Transactions > Payables > Enter Bills > List and click the date next to the bill you want to credit.
- Manually create a credit that is not necessarily associated with an existing bill.

To manually enter a vendor credit, go to Transactions > Payables > Enter Vendor Credits.

Cost of Goods Sold (COGS) GL Impact

If you use both the Accounting and Inventory features, you must know the cost of each item in inventory to track the total value of your assets and to calculate profits. You can use NetSuite to track the costs associated with goods and services you sell, or Cost of Goods Sold (COGS). The cost of an item you buy or sell affects accounts in your general ledger.
A COGS account is not an expense account, but it functions like an expense account. When calculating your company’s gross profit, the COGS total is subtracted from the income total before expenses. While the cost of an item can be directly associated with income, expenses (such as rent and utilities) are normally considered overhead and are not directly associated with the sale of an item.

For example, you buy calculators from a vendor to sell in your retail store. Each time you buy a calculator and add it to inventory, you need to account for two changes:

- increase of assets on hand
- increase of payments you need to make

The amount that posts to your ledger for these changes is the value, or cost of the item. If the vendor charges $10 for each calculator, these changes are recorded when you receive a calculator into inventory:

- $10 increase in Inventory Asset account
- $10 increase in Accounts Payable account

Each time you sell a calculator you must account for two changes:

- decrease of assets on hand
- increase of costs you incurred to make this sale

When you fulfill the item, the item cost posts to your ledger to record the appropriate changes:

- $10 decrease in Inventory Asset account
- $10 increase in COGS account

In this way, you keep track of the value of your inventory on hand and you also track the total amount of money spent on inventory that you have sold.

The cost of an item is determined at the time you receive it into inventory through a purchase or an inventory adjustment. Item cost is determined by the price of the item that shows on the purchase order. The exact cost assigned to an item depends on the costing method you choose. Standard costing methods are First In First Out (FIFO), Last In First Out (LIFO), or Average.

- **First-In, First-Out (FIFO)** – Using FIFO, the first goods purchased are assumed to be the first goods sold so that the ending inventory consists of the most recently purchased goods.
- **Last-In, First-Out (LIFO)** – Using LIFO, the last goods purchased are assumed to be the first goods sold so that the ending inventory consists of the first goods purchased.
- **Average costing** (moving average method) – In NetSuite, this is the default costing method. COGS are calculated as the total units available during a period divided by the beginning inventory cost plus the cost of additions to inventory.

### Bank Transaction GL Impact

You must regularly examine your bank account balances. Account balances are determined by bank transactions that affect these accounts such as deposits you make and checks that you write.

### Bank Deposits

When you make a deposit with your bank, the deposit increases the total amount of money in a bank account. For example, you have checks from customers that paid invoices this week. The total of all the
checks is $2,500. When you take the checks to the bank and deposit them into your checking account, record the $2,500 deposit in NetSuite to track the balance in your checking account.

When you record the deposit, the payment posts to the journal accounts affected by the deposit. Recording a deposit increases the total amount of money you have in your Checking account. The deposit also decreases the total amount of money due to be deposited in your bank account. The deposit posts a $2,500 decrease in the Undeposited Funds account.

These journal lines are posted by the deposit:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking Account</td>
<td>$2,500</td>
<td></td>
</tr>
<tr>
<td>Undeposited Funds</td>
<td></td>
<td>$2,500</td>
</tr>
</tbody>
</table>

Record bank deposits at Transactions > Bank > Make Deposits.

**Recording Deposits from Transactions**

When entering customer payments, customer deposits, or cash sales, you can specify that the transaction amount directly post into a bank account instead of into your Undeposited Funds account. NetSuite does not track each deposit made into a bank account when you choose to directly post transactions.

To set the account to which a transaction posts, click the Account button and select a bank account in the list. After you save the transaction, NetSuite remembers the account you selected the next time you open that type of form.

**Recording Deposits on Payment Method Records**

You can set the account to which payments post based on the type of payment method used. For example, you can set all payments made by credit card to automatically records funds deposited in your checking account.

To set an account to deposit to on payment method records, go to Setup > Accounting > Accounting Lists and click Edit next to the payment method. On the payment method record, click Deposit To and select an account into which the funds should be deposited. Click Save. Now when you select the payment method on a transaction, the funds deposit to the account you indicated.

To create a new payment method record, go to Setup > Accounting > Accounting Lists > New and then click Payment Method.

**Writing Checks**

When you spend money by writing a check, recording the check in NetSuite shows how much money you spent by decreasing the total amount of money in a bank account. If you record expenses on the check, the check shows how you spent the money.

**Note:** There is an important difference between entering checks and entering other transactions. Many transactions default to automatically post into certain ledger accounts. When you write a check, however, you choose the journal account affected by the payment and the check amount posts into that account.

For example, you pay $30 to buy a case of paper for the printer in your office. When you write the check, you record how much you spend and why the money was spent. The check posts a $30 decrease in the
total amount of funds in the checking account, and $30 is added to the account to which the expense should be posted such as the Office Expense account.

These journal lines are posted by the payment:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Expense</td>
<td>$30</td>
<td></td>
</tr>
<tr>
<td>Checking Account</td>
<td></td>
<td>$30</td>
</tr>
</tbody>
</table>

Checks you write can post to more than one expense account, if needed. For example, each month you write a check to your phone company for monthly expenses. Your monthly phone bill shows charges for land-line phones in your office as well as cell phones and pagers your employees use. This month your office phone charges are $175, cell phone charges are $300, and pager charges are $50. Your total bill from the phone company is $525. Because you previously set up expense accounts to track each type of phone expense, you can enter the exact amount for each expense when you write the check.

These journal lines are posted by the check:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone: Office</td>
<td>$175</td>
<td></td>
</tr>
<tr>
<td>Telephone: Cell</td>
<td>$300</td>
<td></td>
</tr>
<tr>
<td>Telephone: Pager</td>
<td>$50</td>
<td></td>
</tr>
<tr>
<td>Checking Account</td>
<td></td>
<td>$525</td>
</tr>
</tbody>
</table>

**Note:** To keep your accounts in balance, the total amount of the debit lines must be equal to the credit amount to save the check and post the entries.

Write checks at Transactions > Bank > Write Checks.

### Entering Checks to Record Non-Check Debits

You can enter a check to record other purchase methods that decrease funds from bank accounts. For example, you can enter a check to track cash purchases, debit card transactions, ATM (automated teller machine) transactions, and EFT (electronic funds transfer) payments.

To record non-check debits, go to Transactions > Bank > Write Checks. Enter the payee and the amount you spent. Verify the account you are debiting. In the Check # field, enter CASH, ATM, DEBIT or EFT to identify the transaction. On the Expenses and Items subtabs, enter line items for the expenses or items associated with this cash transaction. Click Save.

### General Ledger Tracking in Transaction System Notes

When you use the Accounting feature, the system notes logged for transactions include tracking general ledger impact. Each time a change is made to a transaction that affects the general ledger, a system note is created so you can reference the change that occurred. For example, if an invoice originally sells five widgets and then you edit it to sell ten widgets, the system notes track the general ledger impact of increasing the number of widgets sold.
On the System Information subtab of transactions, the System Notes subtab shows ledger changes with the term **Impact** in the Field column. Click the **View** links to see details of debits and credits posting to the ledger, both before the change and after:

- Click View under Old Value to see the previous ledger impact.
- Click View under New Value to see the ledger impact after the change was entered.

Accessing the details of general ledger posting changes for each transaction enables you to audit accounting data using the newest addition to system notes.

You also can search transaction system notes for changes made within a particular date, time, or both range. Tracking these changes helps you monitor user activity and avoid unexpected postings to closed periods. NetSuite provides two methods for these searches: the transaction audit trail and system notes searches. For more information, see the help topics **Using the Transaction Audit Trail** and **Searching System Notes**.

**Note:** The setting for Log System Notes on Updates Only at Setup > Company > General Preferences determines whether system notes are generated when a transaction is created. By default, it is enabled for new accounts as of that release or later, and disabled for accounts that existed before that release.
Journal Entries

Any transaction that changes the balance in a ledger account does so by posting a journal entry. Transactions that post to ledger accounts are called posting transactions. For example, a bank check is a posting transaction. NetSuite automatically generates journal entries when you record posting transactions.

Journal entry transactions are not posted until they are approved. A journal entry is posted in a period to which the journal entry approver has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date. If this period is locked or closed, the period determined by the accounting preference Default Posting Period When Transaction Date in Closed Period. For an introduction to NetSuite journal entries, see Journal Entries Overview.

**Important:** If you have enabled the Statistical Accounts feature (Setup > Company > Enable Features > Accounting under Advanced Features) and have defined a saved search for general journal entries, to avoid unexpected results, update the search criteria to filter out statistical journal entries. For more information, see the help topic Using Statistical Accounts.

If you must adjust the balances in your ledger accounts without entering a specific posting transaction, make a manual journal entry. Automated and manual journal entries move amounts between accounts, representing the flow of funds through your company.

NetSuite enforces double-entry bookkeeping. Therefore, journal entries post changes to accounts using offsetting debits and credits. Each posting transaction in NetSuite posts to at least two accounts, and each journal entry includes at least one debit amount and at least one credit amount.

For instructions for completing journal entry tasks, see the following topics:

- Journal Entry Preferences
- Making Journal Entries
- Approving Journal Entries
- Using SuiteFlow for Journal Entry Approvals
- Reversing Journal Entries
- Deleting Journal Entries
- Viewing Journal Entries
- Printing Journal Entries
- Importing a Journal Entry

Other information related to journal entries is included in the following topics:

- Journal Entries in OneWorld
- GL Impact Page
- Bad Debt Overview
- Writing Off Customer Overpayments
- Expense Allocation Overview
- Period End Journal Entries
- Balancing Segments and Journals
- Working with Statistical Journal Entries
Note: SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features you can modify the line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

Journal Entries Overview

A general journal entry records debits and credits to be posted to ledger accounts. General journal entries adjust the value of any set of accounts without entering transactions such as invoices or bills.

For example, journal entries can be used to do the following:

- Specify the opening balances for your accounts if you chose not to do it when you first created your NetSuite account for your company
- Edit your opening balances if you find the amounts were in error
- Enter an adjustment such as for depreciation, that is not possible as a standard transaction
- Transfer amounts from one ledger account to another
- Consolidate multiple subsidiary accounts into a single account for the purposes of consolidated reporting

Journal entry transactions are not posted until they are approved. A journal entry is posted in a period to which the journal entry approver has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date, or, if this period is locked/closed, the first open period. The actual posting period is determined by the accounting preference Default Posting Period When Transaction Date in Closed Periods.

To keep your books in balance, remember the principles of double-entry bookkeeping when you make journal entries. You can enter as many lines as needed in the journal entry if the total amount of debit lines equals the total amount of credit lines.

Note: Because lines in journal entries can post to almost any account you choose, ensure that the accounts you select accurately reflect the transaction you are recording.

Specialized Types of Journal Entries

The following are specialized types of journal entries:

- **Journal Entries in OneWorld** - Most journal entries in OneWorld must be associated with a single subsidiary and are made in the same manner as journal entries in accounts that are not OneWorld. See [Journal Entries in OneWorld](#).

  The following types of journal entries are available to maintain balance among subsidiaries in OneWorld accounts:

  - **System Generated Journals** - NetSuite provides a system-generated, read-only journal to represent the general ledger impact of transactions that are at varying states of completeness in your system. See [System-Generated Journals for Payments](#).

  - **Advanced Intercompany Journal Entries** - Advanced intercompany journal entries record the impact of transactions between two or more subsidiaries. These advanced intercompany journal entries are created through a user interface that differs from both regular journal entries and
Journal Entries Overview

legacy intercompany journal entries. Advanced intercompany journal entries identify both a from (originating) subsidiary and one or more to (receiving) subsidiaries. These journal entries cause the ledger of each subsidiary to be appropriately debited and credited.

As of 2018.1, advanced intercompany journal entries replace legacy intercompany journal entries in new OneWorld accounts, except when the Intercompany Time and Expense feature is enabled. See Making Advanced Intercompany Journal Entries.

- **Intercompany Journal Entries** - Prior to 2017.1, these intercompany journal entries, now called legacy intercompany journal entries, were the only journal entries that recorded the impact of transactions between subsidiaries. These legacy intercompany journal entries are created through a user interface that differs from both regular journal entries and advanced intercompany journal entries. Legacy intercompany journal entries are limited to an originating subsidiary and a single receiving subsidiary. See Making Intercompany Journal Entries.

- **Elimination Journal Entries** - Elimination journal entries are regular journal entries that are associated with elimination subsidiaries. Elimination journal entries can be created to reverse the effect of intercompany transactions, thereby maintaining balance in the consolidated books. An elimination journal entry must be associated with a single elimination subsidiary. See Elimination Journal Entries. Use the Automated Intercompany Management feature to automatically generate elimination journal entries when closing a period. See the help topic Automated Intercompany Management Overview.

- **Automated Intercompany Adjustments** - The Intercompany Time and Expense feature enables entry of intercompany time and expense transactions. It also enables creation of adjusting intercompany journal entries to transfer time, expense, or both charges from one subsidiary to another. Adjustments for intercompany expenses can be automated. Intercompany adjustments for time cannot be automated. Users with the Intercompany Adjustments permission and access to all subsidiaries can configure the system to generate all required adjustments for a selected posting period. See Creating Intercompany Adjustments for Time and Expenses.

- **Expense Allocation Journal Entries** – If the Expense Allocation feature is enabled, you can set up allocation schedules to automate journal entries that transfer balances from expense accounts into other accounts. For information about scheduling expense allocation journal entries, see Expense Allocation Overview.

- **Revenue Recognition Journal Entries** – If the Revenue Recognition feature is enabled, you can set up revenue recognition schedules and create specialized journal entries that recognize revenue over a period of time rather than all at one time. See the help topics Revenue and Expense Recognition Overview and Working with Revenue Recognition Journal Entries.

- **Amortization Journal Entries** – If the Expense Amortization feature is enabled, you can set up amortization schedules and create journal entries that amortize expenses across a range of time and recognize expenses in increments. See the help topics Amortization Feature Overview and Generating Amortization Journal Entries.

- **Statistical Journal Entries** – If the Statistical Accounts feature is enabled, you can make single-sided transactions by class, department, location, or custom segment. Statistical journals appear as a positive, debit amount. For more information, see the help topic Making Statistical Journal Entries.

- **Book Specific Journal Entries** – If the Multi-Book Accounting feature is provisioned in your account, you can make book specific journal entries and book specific intercompany journal entries. For more information, see the help topic Journal Entries in Multi-Book Accounting.

- **Period End Journal Entries** – If the Period End Journal Entries feature is enabled, you can post period end journals to record consolidation and income statement closing to the general ledger. Creation of period end journals is part of the Period Close Checklist. For information, see Period End Journal Entries.

- **Balancing Journals** – When the Balancing Segments feature is enabled, the transactions created by the process that balances transactions by segment are called balancing journals. For information, see Balancing Segments and Journals.
Manual Journal Entry Creation

You record manual journal entries at Transactions > Financial > Make Journal Entries. When you have finished entering line items on the Journal page, the Out of Balance fields at the top should be empty. If either field contains an amount, your line items are out of balance and you cannot save the journal entry.

For more information, see Making Journal Entries and Reversing Journal Entries.

**Note:** Intercompany journal entries, statistical journal entries, revenue recognition journal entries, and amortization journal entries are made on their own specialized pages, available from separate menu options.

Journal Entry Approval

You can set up an approval process for journal entries before they post to your general ledger. When you enable the Require Approvals on Journal Entries accounting preference, you require that journal entries are approved by employees with Administrator before they are posted to your ledger accounts. After you enable the preference for journal entry approval, journal entries entered by employees without approval permission must be approved before they post to your general ledger. Employees with approval permission can mark their own journal entries approved when entering them. For information about setting this preference, see Journal Entry Preferences.

You can also use SuiteFlow to create a custom journal entry approval routing workflow. For details, see Using SuiteFlow for Journal Entry Approvals.

You can approve journal entries at Transactions > Financial > Approve Journal Entries. After journal entries are approved, they post to your general ledger. For more information, see Approving Journal Entries.

Posting Period for Journal Entries Subject to Approval

The posting period is set upon approval of the journal entry. The Posting Period value shown for journal entries that are pending approval is subject to change.

The Posting Period value you see when a journal entry is **pending approval** depends on your role, accounting preferences, and the status of the period as follows:

- If the period that maps to the journal entry date is open and not locked, you see that period in the Posting Period field.
- If the period that maps to the date is open but locked and you have the Override Period Restrictions permission, that is the posting period you see.
- If the matching period is open but locked and your role does not include the override permission, the system behaves as if the period is closed.
- If the matching period is closed, the value you see for Posting Period is either the first open period or the current period. The accounting preference Default Posting Period When Transaction Date in Closed Periods determines which period is displayed.

When you approve a journal entry, you can select a different Posting Period than the one initially displayed. You cannot select a closed period. You may be able to select an open and locked period if your role includes the Override Period Restrictions permission.

When you save the approved journal entry, you may see warnings or errors, depending on the settings of other accounting preferences Allow Transaction Date Outside of Posting Period. For details, see General Accounting Preferences.
Journal Entry Reversal

Journal entries can also be used to reverse ledger entries that have already posted to accounts. These are known as reversing journal entries.

You may want to set up a journal entry to automatically reverse itself. These reversing journal entries do not require you to manually track the transaction. For example, you enter an accrual transaction for revenue earned but not yet received. Next month, you must make a journal entry to reverse that accrual entry.

A reversing journal entry is an exact opposite of the original journal entry. For example, the original journal entry debits Accounts Receivable $100, credits a revenue account $100, and has an exchange rate of 1.5. The reversing entry credits Accounts Receivable $100, debits the revenue account $100, and has an exchange rate of 1.5 regardless of the current exchange rate.

A reversing journal entry is also permanently linked to the original entry. Any change you make to the original entry affects the reversing transaction. You cannot directly edit a reversing journal entry.

To create a reversing journal entry, go to the Journal entry page. In the Reversal Date field, enter the date on which you want the reversing entry to be posted. Complete the remaining information as required, and click Save. For more information, see Reversing Journal Entries.

Journal Entry Preferences

The following preferences relating to journal entries are available under Accounting Preferences:

- Void Transactions Using Reversing Journals Preference
- Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period
- Summarized Intercompany Elimination Journal Entries
- Require Approvals on Journal Entries Preference
- Use Journal Entry Approval Routing
- Class, Department, Location Journal Entry Preferences
- Revenue Recognition Journal Entry Preference

For preferences related to period end journals, see the help topic Defining Subsidiary Settings for the Period End Journal Entries Feature.

Void Transactions Using Reversing Journals Preference

Enable the Void Transactions Using Reversing Journals preference to permit the creation of journal entries that void transactions on days or periods different from the original transaction dates.

To enable this preference, go to Setup > Accounting > Accounting Preferences. On the General subtab in the General Ledger section, check the Void Transactions Using Reversing Journals box. After you enable this preference, a reversing journal entry is created when you click the Void button on the following transactions:

- Bill Payment
- Payroll Liability Payment
Journal Entry Preferences

- Customer Refund
- Tax Payment
- Tax Liability Check

**Warning:** Check transaction cannot be voided by reversing Journal Entry with Canadian taxes.

Clicking Void on the transaction opens a Voiding Journal form. The journal entry lines autofill to show the reverse of the original transaction. The Void Of field provides a link to the original transaction.

Saving the Voiding Journal form sets the status of the original transaction to Voided. Then, when you view the original transaction, the Voided On date provides a link to the voiding journal entry.

Be aware of the following conditions:

- After you void a transaction, you cannot make any changes that have general ledger impact to the original transaction including changing the posting period.
- Checking and clearing the Void Transactions Using Reversing Journals box results in different entries on reconciliations. For example, you check the box and then void a bill payment with a journal entry. You then clear the box. The reversing journal entry appears in reconciliations, but the bill payment does not. If the box had been checked, both the bill payment and the journal entry would have appeared in reconciliations.
- For bill payments, customer refunds, or payroll liability checks you void, any linked transactions are reopened. For example, if you void a bill payment, the bill it paid would have an Open status.

**Important:** When you enable the Void Transactions Using Reversing Journals preference, you can no longer void the following transactions: sales order, estimate, cash sale, invoice, return authorization, cash refund, and credit memo.

Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period

When the Void Transactions Using Reversing Journals preference is enabled, the Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period preference is available. Check this box to require NetSuite to use the date specified in a reversing foreign currency gain and loss variances on voided transactions. If this box is not checked, NetSuite uses the current date for variance and reversal lines, rather than the date of the reversing journal entry.

To enable the Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period preference, go to Setup > Accounting > Accounting Preferences. On the General subtab in the General Ledger section, check the Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period box.

Require Approvals on Journal Entries Preference

You can require approval for journal entries before they are posted. Requiring approval establishes control over the accuracy and materiality of the journal entries in your ledgers.

To enable the Require Approvals on Journal Entries preference, go to Setup > Accounting > Accounting Preferences. On the General subtab in the General Ledger section, check the Require Approvals on Journal Entries box.

General Accounting
**Note:** If you have enabled the **Journal Entries** approval routing preference and are using SuiteFlow for journal approval, the Require Approvals on Journal Entries preference will not appear.

For information about other journal entry approval options, see Approving Journal Entries.

After you enable this preference, a user with the Journal Approval permission (Edit level or higher) must approve each journal entry before it is posted. In addition, journal entry reversals will be approved when their corresponding journal entry is approved. A reversal will not be approved if its corresponding journal entry is also not approved.

By default, only Administrators have this permission. Administrators can add this permission to a customized role, permitting users with that role to approve journal entries. See the help topic Customizing or Creating NetSuite Roles.

The following permission levels are required to perform actions with approved journals:

- Users must have the **Edit** level of the Journal Approval permission to edit an approved journal.
- Users must have the **Full** level of the Journal Approval permission to delete an approved journal.

### Use Journal Entry Approval Routing

You can use SuiteFlow to create a custom journal entry approval routing workflow. First you enable the SuiteFlow feature at Setup > Company > Setup Tasks > Enable Features. Then you enable the Journal Entries approval routing accounting preference at Setup > Accounting > Accounting Preferences.

If you have been using the Require Approvals on Journal Entries accounting preference, you must approve all existing journal entries before you can enable the Journal Entries approval routing preference. For information about creating a custom journal entry approval routing workflow, see Using SuiteFlow for Journal Entry Approvals.

For information about other journal entry approval options, see Approving Journal Entries.

If you use the Advanced Revenue Management feature, create a custom form for your system-generated revenue recognition and reclassification journal entries and exclude it from your workflows. Select the custom form in the accounting preferences Default Revenue Recognition Journal Entry Form and Default Reclassification Journal Entry Form.

### Class, Department, Location Journal Entry Preferences

If you use classes, departments, locations, or a combination of segments to categorize records, you can specify how these categories are set on journal entry forms:

- **Always Allow Per-line Classifications on Journals** – Set this preference to enter classes, departments, and locations on individual journal entry line-items, rather than for the journal entry as a whole. For journal entries, this preference overrides any Allow Per Line Class, Department, Location preferences you have set for other transactions.
- **Allow Non-balancing Classifications on Journals** – Set this preference to enable creation of journal entries with line-item amounts that do not balance by department, class, and location.
- **Allow Empty Classifications on Journals** – Set this preference to enable creation of journal entries with line-items that do not have classes, departments, and locations, even if you require them on other forms.
Important: If you have enabled the Intercompany Time and Expense feature and you have made classes, departments, and locations mandatory, it is recommended that you enable the Allow Empty Classifications on Journal accounting preference. For more information, see Enabling Intercompany Time and Expenses.

To set these preferences, go to Setup > Accounting > Accounting Preferences, on the General subtab under Classifications.

Revenue Recognition Journal Entry Preference

If you use the Revenue Recognition feature, you can choose to post either detailed or summarized revenue recognition journal entries by setting this preference:

- **Create Revenue Recognition Journals in GL** - Provides a choice for posting revenue recognition journal entries:
  - **Detail** - A separate journal entry is created for each revenue recognition schedule.
  - **Summary** - Revenue recognition schedules are summarized for posting. The summaries are based on matching attributes. For details, see the help topic Using Summarized Revenue Recognition Journal Entries.

To set this preference, go to Setup > Accounting > Accounting Preferences. It is on the General subtab under Revenue Recognition.

Making Journal Entries

Use journal entries to adjust the balances in your general ledger accounts without entering a posting transaction. For more information, see Journal Entries, Journal Entries Overview, and Journal Entry Preferences.

Journal entry transactions are not posted until they are approved. A journal entry is posted in a period to which the journal entry approver has access. Until a journal entry is approved, NetSuite tentatively displays the posting period based on the transaction date. If the transaction period is closed or locked when the journal entry is approved, the posting period is determined by the accounting preference Default Posting Period When Transaction Date in Closed Period. You can, however, select a different open period as the posting period manually when you approve the journal entry.

Copy an existing journal entry to automatically complete header and line-level data on a new journal entry. To copy a journal entry, go to Transactions > Financial > Make Journal Entries > List. Click the View link next to the journal entry that you want to copy. On the journal record, click Make Copy.

You can create memorized transactions for journal entries that recur or to create and use memorized journal entry templates. For more information, see the help topic Memorized Transactions.

You can also import journal entry data from a CSV file. See Importing a Journal Entry.

Note: The limit for journal entries submitted through the user interface or synchronous SOAP web services is 1,000 lines. For transactions submitted through SuiteScript, CSV import, or through asynchronous SOAP web services, the limit is 10,000 lines per transaction.

For information about making journal entries for statistical accounts, see the help topic Making Statistical Journal Entries.

Users with the Custom Transaction Forms permission can click Customize on the Journal page to create a custom journal entry form with fields different from the standard journal entry form. See the help topic Creating Custom Entry and Transaction Forms.
To enter a general journal transaction:

2. Complete the fields in the top of the form as follows:
   a. In the Entry No. field, accept the default or enter a different number.
      If journal entries are assigned autogenerated numbers in your account, To Be Generated is displayed in this field. For more information, see the help topic Set Auto-Generated Numbers.
   b. Select a Subsidiary if you use NetSuite OneWorld. Subsidiary is in the Classification section. You must select the subsidiary before you can accept or select the currency. The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.
      You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, make an intercompany journal entry. See Making Intercompany Journal Entries.
      If the subsidiary you select is assigned to one or more shared vendor or customer records, you can make journal entries for any of the vendors or customers to which the selected subsidiary is assigned. For more information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.
   c. If you use the Multiple Currencies feature, in the Primary Information section, accept the default Currency or select the currency used for all amounts in this journal entry.
      - If you use NetSuite OneWorld, the Currency field displays the base currency of the subsidiary selected in the Subsidiary field.
      - For general journal entries, the currency defaults to the base currency of your company or root parent subsidiary. You can select any other currency available in your account.
      - For intercompany journal entries in OneWorld, the currency defaults to the base currency of the selected subsidiary, but can be changed to the currency of the To Subsidiary.
      - If you do not use NetSuite OneWorld, the Currency field defaults to the base currency of the company.
   d. The Exchange Rate field displays the default exchange rate of the selected subsidiary.
      For intercompany journal entries in OneWorld, this field displays the To Subsidiary's currency to the Subsidiary's currency. You can edit the exchange rate for this transaction only, or you can update the currency exchange rates list.
   e. If you have journal approval permission, check the Approved box to approve your journal entry. If you do not check this box, this entry does not post until it is approved.
      The Approved box displays only if the Require Approvals on Journal Entries accounting preference is enabled at Setup > Accounting > Accounting Preferences > General subtab. See Require Approvals on Journal Entries Preference.
      The Approved box is not displayed if you have enabled the Journal Entries approval routing accounting preference. This preference enables you to use SuiteFlow to create a custom journal entry approval routing workflow. See Use Journal Entry Approval Routing.
   f. In the Date field, accept today's date or enter a new date for the journal entry.
   g. If you use fiscal periods, you see a Posting Period field.
      When you approve a journal entry, you can select a different Posting Period than the one initially displayed. You cannot select a closed period. You may be able to select an open and locked period if your role includes the Override Period Restrictions permission.
   h. Leave the Reversal Date field blank and Defer Entry box blank, unless you want to create a reversing entry at the same time.
If you check the **Defer Entry** box, the **Reversal Date** field is mandatory. For information about reversing entries, see [Reversing Journal Entries](#).

i. In the **Memo** field, enter information to help you identify this journal entry in a list of other journal entries. The value in this field displays on the List page.

3. In the Classification section, if you have enabled **Departments**, **Classes**, or both and you classify at the transaction-level rather than the line-level, select the appropriate classification to associate with this journal entry. For information about Departments and Classes, see the help topic [Departments and Classes Overview](#).

If the Approval Routing **Journal Entries** accounting preference box is checked, the **Approval Status** and **Next Approver** lists appear in this section. You may also see custom buttons for commands, depending on your workflow configuration. For information about a custom journal entry approval workflow, see [Using SuiteFlow for Journal Entry Approvals](#).

4. On the **Lines** subtab, enter the detail information for the journal lines.

The columns that appear are based upon the permissions set for your user role.

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**Tip:** You can navigate down the lines by pressing the **Enter** key on your keyboard. You cannot navigate up the lines.

a. In the **Account** field, select the ledger account to be affected by this journal entry. The list of available accounts is filtered according to any class, department, and location restrictions set for your role. Accounts that are associated with classes, departments, and locations to which your role does not have access are not available in the **Account** list.

b. Enter the **Debit** or **Credit** amount for the line. Review the **Out of Balance By** fields at the top of the form as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

c. Select a tax code, if needed.

d. Complete any of the following optional fields:
   - **Memo** – Enter a memo to help you recognize this journal entry in a register for this account.
   - **Name** – Select an entity to associate with this journal entry. Click the double down arrows to select **List** or **Search** options for your selection.

![List and Search options](#)

The **List** option opens a popup list that includes a dropdown list at the top where you can filter the entities by type, such as **Customer**, **Vendor**, **Employee**, or **Other Name**. If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned.

e. If you have enabled **Locations** on the **Company** subtab of the Enable Features page and you specify classifications at the line-level, select the appropriate location to associate with this line.

For information about Locations, see the help topic [Locations Overview](#).
f. If you use the Revenue Recognition or Amortization features:
   i. In the Schedule column list, select the appropriate template.

   Revenue recognition templates display when the Revenue Recognition feature is enabled. Amortization templates display when the Amortization feature is enabled.
   
   ii. If you select a variable template, you must also select the associated project in the Customer column list.
   
   iii. Enter a start and end date, if needed.
   
   iv. Enter the residual amount not to be recognized, if needed.

   g. For OneWorld subsidiaries or accounts with value-added tax (VAT), enter the VAT amount, gross amount, and tax account, if needed.

   h. Click Add.

   i. Repeat these steps for each line item.

5. On the Communication subtab, you can attach files and notes to this transaction.
   a. On the User Notes subtab, enter a title and note for any comments you want to add to this transaction. Click Add after each note

   b. On the Files subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select New from the list in the Attach Files column.

   c. Use the Events, Tasks, and Phone Calls subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

6. If you use NetSuite OneWorld and the Multi-Book Accounting feature is provisioned in your account, the Accounting Books subtab appears. This subtab shows the secondary books associated with the selected check, if any, and their respective base currencies and exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

7. Click Save.

When you finish entering line items, verify that the Out of Balance by Debit and Credit fields are blank. If either field contains an amount, your line items are out of balance. Your line items must balance to save the journal.

Note: To make a journal entry for undeposited funds, create a line item with an account of undeposited funds. Enter a credit in the amount of the transfer and a debit in the amount of the funds. The funds you can deposit appear on the Deposit page. This journal entry appears on the registers for the Income, Asset, or Undeposited Funds accounts. To enter a deposit, go to Transactions > Bank >Make Deposits.

Modifying Journal Entries

You can modify an existing journal entry that has not been approved for posting or has not been posted.
Warning: If you edit any type of journal entry that has been applied as a payment to an invoice or vendor bill, the relationship between the journal entry and payment is removed and the payment is no longer applied. You must edit the invoice or bill payment and reapply the payment.

Note: If the Require Approvals on Journal Entries accounting preference is enabled, users must have the Full level of the Journal Approval permission to delete approved journal entries. Users must have the Edit level of the Journal Approval permission to edit approved journal entries.

To modify an existing journal entry:

2. If available, click Edit next to the journal entry you want to modify.
   - The Edit link is not available for journals that already have been approved for posting or have been posted.
3. On the Journal page, modify the account as needed. For information about each field, see Making Journal Entries.
   - For information about deleting and memorizing journals, see Deleting Journal Entries and Memorized Transactions.
4. Click Save.

Deleting Journal Entries

At any time you can delete an existing journal entry that has not been approved for posting or has not been posted.

To delete an existing journal entry:

2. If available, click Edit next to the journal entry you want to modify.
3. On the Journal page, from the Actions list, select Delete.
4. At the prompt to confirm the action, click OK.

Important: Special conditions exist to delete a currency revaluation journal entry in an open period. For details, see Generating Revaluations.

Note: If the Require Approvals on Journal Entries accounting preference is enabled, users must have the Full level of the Journal Approval permission to delete approved journal entries. Users must have the Edit level of the Journal Approval permission to edit approved journal entries.

Approving Journal Entries

NetSuite provides two journal entry approval accounting preferences.

- Journal Entries – This accounting preference is on the Approval Routing subtab of the Accounting Preferences page. When the Journal Entries box is checked, a workflow for journal entry approval handles approval routing. The workflow may be a custom SuiteFlow or a SuiteApproval workflow. Workflows for journal entry approval do not use the Journal Approval permission to determine who
can approve the journal entries. For more information about these options, see Using SuiteFlow for Journal Entry Approvals and SuiteApprovals Version 2019.2.

**Note:** If you enable Approval Routing for journal entries, you can only approve 25 journal entries at a time.

If you use the Advanced Revenue Management feature, create a custom form for your system-generated revenue recognition and reclassification journal entries and exclude it from your workflows. Select the custom form in the accounting preferences Default Revenue Recognition Journal Entry Form and Default Reclassification Journal Entry Form.

- **Require Approvals on Journal Entries** – This accounting preference is on the **General** subtab of the Accounting Preferences page in the General Ledger section. When this preference is checked, journal entry approval is required before posting to your general ledger account. Someone with Journal Approval (Edit or Full) permission must approve a journal entry before the entry posts to your general ledger. If you have this Journal Approval permission, you can approve your own journal entries when entering them. For more information this preference, see Require Approvals on Journal Entries Preference.

The following permission levels are required to create, edit, or delete approved journals:

- Users must have the **Edit** level of the Journal Approval permission to edit an approved journal.
- Users must have the **Full** level of the Journal Approval permission to delete an approved journal.

**Note:** With this preference enabled, journal entry reversals are approved when their corresponding journal entry is approved. A reversal will not be approved if its corresponding journal entry is also not approved. For more on approving reversals and their journal entries, see Reversing Journal Entries.

A journal entry is posted in a period to which the journal entry **approver** has access. Until a journal entry is approved, NetSuite displays the posting period based on the transaction date. If this period is locked or closed, the posting period is determined by the accounting preference Default Posting Period When Transaction Date in Closed Periods.

You can unapprove an approved journal entry by editing the journal record and clearing the Approved box. Do not clear the Approved box if the journal entry is linked to a payment transaction. You must unapply the payment before you clear the Approved box.

**To approve a journal entry:**

2. Optionally, click **Customize** to filter the journals awaiting approval or to select the columns to display on the Approve Journals page. On the Customize Sublist page:
   a. Click the **Additional Columns** subtab and check each field you want to add as a column. For example, if you use OneWorld, you can add a **Subsidiary** column.
   b. Click the **Additional Filters** subtab and check each field for which you want to allow filtering. For each checked field, a filter list is added on the Approve Journals page. For example, you can add a **Created By** filter.
   c. Click **Save** to return to the Approve Journals page.
3. If you have added any filters, select from lists to limit the listed entries.
4. Check the boxes in the **Approve** column next to the entries you want to approve.
   Click **Mark All** to approve all the journal entries.
   If you are using a custom workflow for journal entry approval routing, two lists appear at the top of the page: **Action** and **View**. The **Action** list enables you to approve or reject journal entries. The
Approving Journal Entries

View list enables you to filter the journal entries by their status. Depending on the configuration of your approval routing workflow, various buttons that perform workflow steps may appear.

5. Click Save.

**Note:** If you use NetSuite OneWorld, the Approve Journals page lists only journal entries for subsidiaries to which you have access.

Using SuiteFlow for Journal Entry Approvals

This topic describes using SuiteFlow to create a custom workflow for journal entry approvals. For information about using a SuiteApp that also includes workflows for journal entry approval, see SuiteApprovals Version 2019.2.

With SuiteFlow you can create a custom workflow for journal entry approval routing. You can create a workflow that routes a journal entry to as many as three different approvers before the journal entry is approved for posting. Your workflow can be configured to send email to specific recipients when a journal entry is rejected. Workflows for journal approval do not use the Journal Approval permission to determine who can approve the journal entries.

If you have permission to approve journal entries, a new Reminders portlet appears on your Dashboard when you have journal entries to approve. The portlet contains the link, Journals to approve by you, and provides a count of journal entries where you are the next approver and the approval status is not approved. Click the link to display the Approve Journals page for your approval workflow.

**Note:** If the journal approval workflow does not restrict who can approve journal entries, the Reminders portlet could display a count of zero journal entries to approve when there are journal entries ready for approval. To ensure that the Reminders portlet counter matches the number of journal entries ready for approval, the user who should approve the journal must be defined as the next approver, and the workflow should be defined so that only the Next Approver can approve the journal.

To use SuiteFlow for journal entry approvals you must complete these steps:

2. Enable workflows for journal entry approval
3. Design and deploy a workflow using SuiteFlow

For detailed information about the posting period, see Posting Period for Journal Entries Subject to Approval.

Enable workflows for journal entry approval

To enable workflows for journal entry approval, you check the Journal Entries box on the Approval Routing subtab of the Accounting Preferences page.

If you have been using the Require Approvals on Journal Entries preference, you must perform the following tasks before you set the Journal Entries preference.

1. Approve all existing journal entries in your system.
2. Optionally, disable the Require Approvals on Journal Entries accounting preference.

NetSuite hides this approval method after the Journal Entries approval routing accounting preference is checked. If you later clear the Journal Entries preference and Require Approvals on Journal Entries is still checked, NetSuite defaults to this approval method.

To set the accounting preference:

1. Go to Setup > Accounting > Accounting Preferences.
2. Click the Approval Routing subtab.
3. Check the Journal Entries box.
4. Click Save.

Two new lists appear on the Journal, Intercompany Journal, Advanced Intercompany Journal, and Statistical Journal pages: Next Approver and Approval Status. If you do not want these lists to appear you must customize the form to hide them. In the top right corner of the page, select Customize > Customize Form.

Design and deploy a workflow using SuiteFlow

Create a SuiteFlow workflow that incorporates rules for approval processes, criteria, and tolerances for variances. For details about setting up an approval routing workflow, see the help topic Creating Your First Workflow.

Your approval routing workflow can be created for general journal entry approval, intercompany journal entry approval, statistical journal entry approval, or a custom workflow for the three transaction record types. You should not create more than one approval workflow for either of these transaction record types.

For specifics about creating an approval routing workflow for journal entries, see the following:

- **Record Type** – Select the Transaction Record Type, and then select Advanced Intercompany Journal Entry, Intercompany Journal Entry, Journal Entry, Statistical Journal, or a combination thereof.
- **Trigger Type** – NetSuite automatically generates a variety of journal entries when you use various features. To ensure that only journal entries subject to approval are included in your approval workflow, you must set the Trigger Type to All or After Record Submit.
- **Other Configuration** – Set the Condition field to Custom Approval = T. This condition filters journal entries that should not be subject to approval from initializing a workflow when created. Journal entries not subject to approval include system-generated journal entries, journal entries created because of another journal entry, and so on.

**Important:** The Condition equals Custom Approval = T is not intended to represent whether or not a journal entry was system-generated. It is used to filter journal entries that have been historically auto-approved from initializing an approval workflow when created. Any scripts written to execute on journal entry creation user events should also be configure to only execute if Condition equals Custom Approval = T.

Example Workflow

Name = Journal Workflow
Record Type = Transaction
Sub Types = Journal Entry, Intercompany Journal Entry, Advanced Intercompany Journal Entry
Release Status = Released
Enable Logging = T
On Create = T
Approving Journal Entries

Trigger Type = After Record Submit
Set Condition to Custom Approval = T
Save

SuiteApprovals Version 2019.2


SuiteApprovals provides standard capabilities for managing approval of the following record types:

- Journal Entry
- Engineering Change Order
- Expense Report
- Purchase Order
- Requisition
- Sales Order
- Vendor Bill

With the customizable properties of SuiteApprovals, you can ensure that only authorized individuals can edit, approve, reject, and resubmit records for approval. You can create approval rules, each consisting of a set of criteria and approval hierarchy, to implement the validation and approval routing of these records.

SuiteApprovals enables you to set up employee and general amount limits to determine if a transaction record requires approval. You can choose to route records through hierarchical approval or custom approval, with the option to delegate approval authority.

Review the following concepts before installing SuiteApprovals:

- **Approval Routing** — When you use approval routing, transactions that are entered are not processed until they are approved. This gives a measure of oversight to persons of authority who can choose to reject some transactions if they do not want them to continue being processed.
  For more information, see the help topic Approval Routing.
- **Journal Entries** — Any transaction that changes the balance in a ledger account does so by posting a journal entry. Transactions that post to ledger accounts are called posting transactions. Journal entry transactions are not posted until they are approved.
  For more information, read Journal Entries.
- **Engineering Change Order** — This is a feature of the Supply Chain Management SuiteApp. You can generate engineering change order (ECO) records to document changes to your Bills of Materials (BOMs) and authorize the implementation of those changes using the SuiteApprovals workflow.
  For more information, see the help topic Engineering Change Order.
- **Expense Reports** — An expense report transaction records an employee’s expenses for approval and conversion into a bill. The expense total remains in an unapproved expense account and has no accounting impact until the expense is approved by someone with accounting authority. After the expense report is approved, a bill is created and the expense amount is reflected in the books.
  For more information, read the help topic Expense Reporting.

Currently, you can require approval for expense report processing and enforce approval processes in two ways: using the Approval Routing feature and using SuiteFlow. For more information, read the help topic Approving an Expense Report.
- **Purchase Orders** — Purchase orders authorize vendors to provide items, materials or services to your company. When you enter purchase orders, you can track items that you expect to receive, items you do receive, and items yet to be received.

  For more information, read the help topic *Purchase Orders*.

- **Purchase Order Approval Workflow** — The Purchase Order (PO) Approval Workflow SuiteApp combines the features of the standard NetSuite approval routing and the flexibility of the NetSuite workflow manager.

  For more information, read the help topic *Purchase Order Approval Workflow*.

- **Requisitions** — When an employee needs something that must be purchased using company funds, they can use a requisition to initiate the purchasing process. The person requesting the purchase (requestor) specifies which items, services or expenses they need a buyer to purchase. Buyers can then use requisitions to create the purchase orders necessary to fulfill the requisition requests.

  For more information about the Requisitions feature, read the help topic *Requisitions*.

- **Sales Orders** — A sales order is a transaction that records a commitment to sell items or services to a customer. Sales orders have no accounting impact until items are shipped or services are completed.

  For more information, read the help topic *Sales Orders*.

- **Vendor Bills** — Track your payables by entering bills as they arrive from vendors and pay them from the payables list as they are due. For more information, read the help topic *Vendor Bills*.

  Currently, you can require approval for vendor bill processing and enforce approval processes in two ways: using Standard Vendor Bill Approval and using SuiteFlow. For more information, read the help topic *Vendor Bill Approvals*.

Detailed information for SuiteApprovals version 2019.2 are in the following topics:

- Installing the SuiteApprovals SuiteApp
- Setting Up SuiteApprovals
- Using SuiteApprovals

### Installing the SuiteApprovals SuiteApp

#### Prerequisites

Before installing SuiteApprovals, be sure to enable the required features and preferences in your account.

Go to Setup > Company > Setup Tasks > Enable Features.

- On the **Accounting** tab, check the box for **Accounting**.
- On the **Employees** tab, check the box for **Approval Routing**.
- On the **SuiteCloud** tab, check the box for each of the following features:
  - Custom Records
  - Client SuiteScript
  - Server SuiteScript
  - SuiteFlow

**Important:** SuiteApprovals supports **Departments** and **Multiple Currencies** features. If you want to create Department Approver records, enable the **Departments** feature. If your business uses more than one currency, enable the **Multiple Currencies** feature. For more information, see the help topics **Departments and Classes Overview** and **Multiple Currencies**.

For more information, see the help topic *Enabling Features*. 
Prerequisites for Supported Record Types

Depending on the record types you want SuiteApprovals to support, set the corresponding preferences.

- For engineering change order, see the help topic Prerequisite for Engineering Change Order.
- For Journal Entry, Expense Report, Purchase Order, or Vendor Bill:
  
  Go to Setup > Accounting > Accounting Preferences.
  
  - On the General tab, check the box for Require Approvals on Journal Entries.
  
  - On the Approval Routing tab, check the box for:
    
    ▶ Journal Entries
    ▶ Expense Reports
    ▶ Purchase Orders
    ▶ Requisitions
    ▶ Vendor Bills
  
  - Additional requirement for Expense Report:
    
    Go to Setup > Company > Setup Tasks > Enable Features. On the Employees subtab, in the Time & Expense section, check the box for Expense Reports.
  
  - Additional requirement for Sales Order:
    
    Go to Setup > Accounting > Accounting Preferences. On the Order Management subtab, in the Sales Orders section, set the value of the Default Sales Order Status to Pending Approval.

For engineering change order prerequisites and preferences, see the help topic Engineering Change Order.

⚠️ Important: If you want to use SuiteApprovals for any of the supported record types, review any running approval workflows for the record in your account. The workflows must be set to Inactive before you use SuiteApprovals.

Installation

⚠️ Important: If you already have SuiteApprovals installed in your NetSuite account, an administrator needs only to update the version in your account. After the update, read Roles and Permissions for instructions about any new custom roles you want to have access to the SuiteApp. You must also perform the additional script deployment procedures for record types you want SuiteApprovals to support. Refer to Script Deployment for Record Types.

To install SuiteApprovals, go to Customization > SuiteBundler > Search & Install Bundles.

Use the following information to search for the SuiteApp:

- Bundle Name: SuiteApprovals
- Location: Production Account
- Account ID: 4921599
- Bundle ID: 203059
- Availability: Public

The SuiteApprovals SuiteApp is a managed bundle and is automatically updated. Issue fixes and enhancements are available after the SuiteApp is updated in your account.

For more information about installing SuiteApps, see the help topic Installing a Bundle.
Roles and Permissions

By default, the following roles are given full access to the SuiteApprovals SuiteApp:

- Accountant
- Accounting Manager
- Administrators

**Note:** The Administrator role is not available for selection in approval matrices.

**Important:** If you are using the Engineering Change Order feature of the Supply Chain Management SuiteApp, prebuilt Engineering Change Order custom forms and records are enabled for a different set of roles. Additional permissions for non-default roles and script deployments are also required. To view the roles list, additional permissions for custom roles, and script deployment instructions, see the help topics Script Deployment and Roles and Permissions for Engineering Change Order.

Other roles for SuiteApprovals need additional permissions to use the SuiteApp. The table below outlines the permissions required to use SuiteApprovals. For information about customizing roles, see the help topic Customizing or Creating NetSuite Roles.

<table>
<thead>
<tr>
<th>Permission</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>To allow a custom role to set up approval rules:</td>
<td></td>
</tr>
<tr>
<td>Approval Rule record</td>
<td>Full</td>
</tr>
<tr>
<td>Approval Matrix record</td>
<td>Full</td>
</tr>
<tr>
<td>To allow a custom role to set up approval information and delegation:</td>
<td></td>
</tr>
<tr>
<td>Lists &gt; Employees</td>
<td>Edit</td>
</tr>
<tr>
<td>To allow a custom role to set up roles, departments, or groups:</td>
<td></td>
</tr>
<tr>
<td>Setup &gt; Bulk Manage Roles</td>
<td>Full</td>
</tr>
<tr>
<td>Lists &gt; Departments</td>
<td>Full</td>
</tr>
<tr>
<td>Lists &gt; CRM Groups</td>
<td>Full</td>
</tr>
<tr>
<td>To allow a custom role to set up Department Approvers:</td>
<td></td>
</tr>
<tr>
<td>Department Approver record</td>
<td>Full</td>
</tr>
<tr>
<td>Lists &gt; Custom Record Entries</td>
<td>Full</td>
</tr>
<tr>
<td>Lists &gt; Departments</td>
<td>Full</td>
</tr>
<tr>
<td>Lists &gt; Subsidiaries</td>
<td>Full</td>
</tr>
<tr>
<td>Lists &gt; Employees</td>
<td>Full</td>
</tr>
</tbody>
</table>

After you have customized a role to access SuiteApprovals lists and records, an administrator must also add this new role to the corresponding script deployment.

**To add access to approval rule records for a custom role:**

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Rule SU**.

3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Rule records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.

   **Note:** Make sure that the **Execute as Role** field is set to Administrator.

4. When you have finished, click **Save**.

**To add access to the approval rule list for a custom role:**

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Rule List SU**.
3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Rule list records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.

   **Note:** Make sure that the **Execute as Role** field is set to Administrator.

4. Optionally, under the **Links** subtab, add a menu link for the center of the custom role.
5. When you have finished, click **Save**.

**To add access to the approval rule assistant for a custom role:**

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Rule Assistant**.
3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Rule Assistant records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.
4. When you have finished, click **Save**.

**To add access to approval delegation for a custom role:**

1. Go to Customization > Scripting > Script Deployments.
2. Click **Edit** next to **SAS Approval Delegation SU**.
3. On the **Audience** subtab, in the **Roles** field, select the roles you want to have access to Approval Delegation records.

   You can select multiple roles by holding down the Ctrl button while selecting each role.
4. When you have finished, click **Save**.

**Important:** Additional script deployment procedures are required if you only updated to the new version of SuiteApprovals in your NetSuite account. These procedures **are not required** if you only now have installed the SuiteApprovals bundle (Release Preview or Production). For the procedures, see **Script Deployment for Record Types**.

Additionally, you must also complete the following requirements for all users and approvers:

- Assign the Employee Center role to approvers.
- Set the corresponding employee limits for each record creator or submitter.
- Keep email addresses up to date to be sure that users and approvers receive the notifications.
For more information about assigning roles, see the help topic Assigning Roles to an Employee. For more information about setting approval limits, see the help topic Supervisors, Approvers, and Approval Limits.

**Script Deployment for Record Types**

After the SuiteApprovals SuiteApp has been updated, deploy the required script for each record type you want SuiteApprovals to support.

**Note:** Only Purchase Order and Vendor Bill record types require script deployments.

**To deploy the required script for purchase orders:**

1. Go to Customization > Scripting > Scripts.
2. Click the View link for the SAS Supported Records UE script.
3. Click the Deploy Script button.
4. In the Applies To field, select Purchase Order.
5. In the ID field, enter a unique ID for the deployment.
6. In the Status field, select Released.
7. In the Execute as Role field, select Administrator.
8. On the Audience subtab, check the Select All box for Roles.
9. Click Save.

**To deploy the required script for vendor bills:**

1. Go to Customization > Scripting > Scripts.
2. Click the View link for the SAS Supported Records UE script.
3. Click the Deploy Script button.
4. In the Applies To field, select Vendor Bill.
5. In the ID field, enter a unique ID for the deployment.
6. In the Status field, select Released.
7. In the Execute as Role field, select Administrator.
8. On the Audience subtab, check the Select All box for Roles.
9. Click Save.

**Multi-Language Support for the SuiteApprovals SuiteApp**

SuiteApprovals supports the following languages:

- Chinese (Simplified)
- Chinese (Traditional)
- Czech
- Danish
- Dutch
- Finnish
- French (France)
- French (Canada)
To set the language preference for SuiteApprovals:

1. Go to Setup > Company > Setup Tasks > Enable Features.
   b. Click Save.
2. Go to Home > Set Preferences.
   a. On the General subtab, in the Language field, select your preferred language.
   b. Click Save.

Setting Up SuiteApprovals

Before setting up SuiteApprovals, consider how your company currently manages approval of the following record types:

- Journal Entry
- Engineering Change Order
- Expense Report
- Purchase Order
- Requisition
- Sales Order
- Vendor Bill

Review the business requirements that define how you design and enforce approval processes for these records. You can create multiple approval rules to reflect these business requirements, including iterations based on variable criteria.

An approval rule contains a unique set of criteria and approval hierarchy that collectively define validation and approval of records. Before you create approval rules, read the descriptions of the fields and settings in the approval rule record. The values and settings you set on the record together create a unique approval rule.
## Approval Rule Record Fields and Settings

<table>
<thead>
<tr>
<th>Approval Rule Record Field/Setting</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>The approval rule's name must be unique.</td>
</tr>
<tr>
<td>Description</td>
<td>Additional information about the approval rule.</td>
</tr>
<tr>
<td>Record Name</td>
<td>Lists the record types that SuiteApprovals supports.</td>
</tr>
<tr>
<td>Status</td>
<td>This is set to <strong>Not Running</strong> by default. When the approval rule is created and used, the value is set to <strong>Running</strong>.</td>
</tr>
<tr>
<td>Start Date</td>
<td>An approval rule becomes active on the date it starts. The start date can be before the current date, today's date, or a future date.</td>
</tr>
<tr>
<td>End Date</td>
<td>The end date can be the same as the start date or a future date. It should not be earlier than the start date.</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>You specify the subsidiary for which the approval rule applies.</td>
</tr>
<tr>
<td>Saved Search Condition</td>
<td>You can specify a saved search to filter records that will be routed for approval using the approval rule. For more information on creating and using saved searches, see the help topic <strong>Saved Searches</strong>.</td>
</tr>
<tr>
<td>Priority</td>
<td>The priority you assign to the approval rule determines its rank. When a record is submitted for approval, the workflow first finds the applicable approval rule with the highest priority. The highest priority is always 1.</td>
</tr>
</tbody>
</table>

### Important:
SuiteApprovals V1.0 did not include this field. Active approval rules that have no assigned priority is evaluated first by default.

### Approval Routing

| Route Approvals Based on Amount | When the box for this setting is checked, approval routing ends when the amount criterion is met. In other words, the record's status is set to **Approved** (or **Rejected**) when the approver or approvers with the required approval limit act on the record. This applies to both approval routing types: standard employee hierarchy and custom approval chain. When clear, the workflow automatically uses the custom approval chain you define. See the row for **Approval Routing: Define Custom Approval Chain**. The affected record is routed to all specified approvers regardless of the transaction amount. |

### Note:
For NetSuite OneWorld accounts, the transaction amount is based on the base currency of the subsidiary. For single instance accounts, the amount is based on the account's base currency.

<p>| Record Amount Limit (Require Approval for Amounts Over) | A record with amount that is less than or equal to the Record Amount Limit you specify is automatically approved. |
| Amount Field Mapping | The record amount field you select will be used to validate records for approval. All searchable Currency, Decimal, and Integer fields (including custom fields) in the record are available for selection. |</p>
<table>
<thead>
<tr>
<th>Approval Rule Record Field/ Setting</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Currency</em></td>
<td>Select the currency for the amount, as needed.</td>
</tr>
<tr>
<td><em>Use Employee Limit (Apply if Higher than Record Amount Limit)</em></td>
<td>When the box for this setting is checked, a record with amount that is less than or equal to the corresponding approval limit of the submitter's is automatically approved.</td>
</tr>
<tr>
<td><strong>Approval Routing:</strong> Use Standard Employee Hierarchy</td>
<td>This is the default routing type. Approval routing is based on the approval hierarchy of the employee or submitter of the record.</td>
</tr>
<tr>
<td><strong>Note:</strong></td>
<td>If you are using SuiteApprovals for vendor bills, the approval hierarchy follows that of the employee if one is specified in the Employee field of the record. If none, the rule uses the submitter's hierarchy.</td>
</tr>
<tr>
<td><strong>Approval Routing:</strong> Define Custom Approval Chain</td>
<td>If you want to create your own approval chain, select this routing type. You define the approval chain by adding approvers and setting the sequence of approval routing. The submitter's supervisor is added as first approver by default. You can remove the supervisor from the chain, or move the supervisor to a different place in the approval sequence. You can add approvers of the following types:</td>
</tr>
<tr>
<td>• <strong>Employee Supervisor</strong></td>
<td>The direct supervisor of the employee or user who submits the record.</td>
</tr>
<tr>
<td>• <strong>Specific Approver</strong></td>
<td>Any employee who belongs to the same subsidiary as the rule. Or, any employee from another subsidiary but assigned a role with access to the rule's subsidiary.</td>
</tr>
<tr>
<td><strong>Note:</strong></td>
<td>Journal Entry Approver, Expense Approver, Sales Order Approver, Vendor Bill Approver, or Purchase Order Approver can also be selected under this type.</td>
</tr>
<tr>
<td>• <strong>Department Approver</strong></td>
<td>You can only select a department approver if a record for one is already set up. For more information, see Setting Up Department Approvers.</td>
</tr>
<tr>
<td>• <strong>Group (Any)</strong></td>
<td>Select a group to require that at least one of its members takes action on the record. For more information, see Setting Up Group Approvers.</td>
</tr>
<tr>
<td>• <strong>Group (All)</strong></td>
<td>Select a group to require that all its members take action on the record.</td>
</tr>
<tr>
<td>• <strong>Role (Any)</strong></td>
<td>Select a role to require that at least one employee with the role takes action on the record. For more information, see Setting Up Role Approvers.</td>
</tr>
<tr>
<td>• <strong>Role (All)</strong></td>
<td>Select a role to require that all employees with the role take action on the record.</td>
</tr>
<tr>
<td><strong>Note:</strong></td>
<td>Employees who are set up as Super Approver are not available for selection. For more information, see Setting Up Super Approvers and Super Approval.</td>
</tr>
<tr>
<td><strong>Require Approval By (Custom Approval Routing)</strong></td>
<td>This field is enabled when the Record Amount Limit (Require Approval for Amounts Over) box is checked. It provides two options to set your approval requirement, one of which enables Skip approval.</td>
</tr>
</tbody>
</table>
### Approval Rule Record Field/Setting

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refer to the next two rows.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Require Approval By (Custom Approval Routing): All Levels of Approval</td>
<td>Select this option if you want the workflow to go through all levels of approval until the rule's amount requirements are met.</td>
</tr>
<tr>
<td>Require Approval By (Custom Approval Routing): Require One Level of Approval Based on Approver’s Approval Limit</td>
<td>Select this option if you want the workflow to automatically send the record to the approver that has the sufficient approval limits. By selecting this option, you are enabling the workflow to skip approvers who have insufficient approval limits.</td>
</tr>
</tbody>
</table>

**Note:** If the list of approvers does not include an approver with sufficient approval limits, the record is automatically rejected. You may then edit the record and resubmit for approval. See Resubmitting Records for Approval Using SuiteApprovals.

---

The following topics must be completed to set up SuiteApprovals:

- Setting Employee Approval Information
- Setting Approvers' Access to Subsidiaries for SuiteApprovals
- Setting Up Department Approvers
- Setting Up Group Approvers
- Setting Up Role Approvers
- Setting Up Super Approvers
- Creating Approval Rules Using SuiteApprovals

**Important:** If you are using SuiteApprovals for engineering change order, first refer to and complete the feature-specific procedures under Setup Requirements for Engineering Change Order.

---

### Setting Employee Approval Information

When you create an approval rule, you can set approval routing to use the approval hierarchy of the submitter of the record. The approval chain is determined by the amount of the Amount Field Mapping value selected in the approval rule.

You should set up approval information for all your employees who create, submit, edit, or approve transaction records.

**To set employee approval information:**

1. Go to Lists > Employees > Employees.
2. Click **Edit** next to the name of the employee.
3. Click the **Human Resources** tab.
   - For Expense Reports:
     - Under the Expense and Purchasing section:
       - In the **Expense Limit** field, enter the amount this employee can expense without approval from a supervisor or approver.
In the Expense Approver field, select the person that approves the employee's expense reports. If no approver is selected, the employee's supervisor approves expense reports. If an expense approver is selected, the supervisor is no longer part of the approval hierarchy.

In the Expense Approval Limit field, enter the maximum expense report amount that this employee can approve when selected as another employee's approver.

4. Click the Approval Information subtab.

   □ For Journal Entries:
   - In the Journal Entry Limit field, enter the maximum journal entry amount that this employee can submit without requiring approval.
     
     Note that this amount will be used if you check the Use Employee Limit (Apply if Higher Than Record Amount Limit) box in the approval rule. For more information, see Creating Approval Rules Using SuiteApprovals.
   - In the Journal Entry Approver field, select the name of the employee authorized to approve journal entries submitted by this employee. For more information, see the help topic Supervisors, Approvers, and Approval Limits.
   - In the Journal Entry Approval Limit field, enter the maximum journal entry amount that this employee can approve when specified as another employee's approver.

   □ For Vendor Bills:
   - In the Vendor Bill Approver field, select the name of the employee who will approve vendor bills submitted by this employee.
   - In the Vendor Bill Approval Limit field, enter the maximum vendor bill amount that this employee can approve when specified as another employee's approver.
   - In the Vendor Bill Entry Limit field, enter the maximum vendor bill amount that this employee can submit without requiring approval.

   □ For Sales Orders:
   - In the Sales Order Approver field, select the name of the employee authorized to approve sales orders submitted by this employee.
   - In the Sales Order Approval Limit field, enter the maximum Sales Order amount that this employee can approve when selected as another employee's approver.
   - In the Sales Order Entry Limit field, enter the maximum Sales Order amount that this employee can submit without requiring approval.

   □ For Purchase Orders, refer to Supervisors, Approvers, and Approval Limits.

5. When you have finished, click Save.

For more information, read the help topic Human Resources Information for an Employee.

Note: To set up approval delegation, see Delegating Approval.

Setting Approvers’ Access to Subsidiaries for SuiteApprovals

Note: Applicable to NetSuite OneWorld only.

Within the SuiteApprovals workflow, an approval rule's custom approval chain can only have approvers who belong to its subsidiary. Hence, an employee from a parent subsidiary cannot be an approver in an approval rule created for a child subsidiary. However, if the same employee is assigned a role that has access to the rule's subsidiary, then that employee can be added as approver.
By default, role access to subsidiaries is set to **User Subsidiary**. This means that the role’s access is restricted to the user’s subsidiary only.

**To set an approver’s access to subsidiaries:**

1. Review the approver’s assigned role or roles.
   - Go to Lists > Employees > Employees.
   - Click the **View** link for the employee record.
   - Click the **Access** tab.
   - The employee’s assigned role or roles are under the **Roles** subtab.
2. Customize the employee’s role or roles to set role access to subsidiaries.
   For guidelines and procedures, refer to Customizing or Creating NetSuite Roles and Restrict Role Access to Subsidiaries (OneWorld Only).
3. Assign each of the custom roles to the employee. Refer to Assigning Roles to an Employee.

**Setting Up Department Approvers**

**Important:** Only administrators or roles with custom permissions can set up Department Approver records. For more information, see Roles and Permissions. Additionally, make sure that the Departments feature is enabled. To enable the feature, go to Setup > Accounting > Accounting Preferences and check the box for **Departments** under the **Company** subtab.

When you create an approval rule for transaction records, you can require approval from an employee who is authorized to approve records for a department. To be able to select an employee as department approver, you must first set up a record for that employee. You can set up only one department approver per department, or combination of department and subsidiary.

**To set up a department approver record:**

1. Go to Setup > Workflow Manager > Set Up Department Approver > New.
2. Select a department and a subsidiary. For OneWorld accounts, the combination or department and subsidiary must be unique.
3. In the **Approver** field, select the employee you want to assign as department approver.
4. When you have finished, click **Save** or **Save & New** to create another record.

**Note:** Setting up of department approver records in web services or through CSV is not currently supported.

**To edit a department approver record:**

1. Go to Setup > Workflow Manager > Set Up Department Approver.
2. Click **Edit** next to the record you want to edit, inactivate, or delete.
3. On the Department Approver page:
   - Update the record — Select new values and then click **Save**.
   - Inactivate the record — If you do not want this approver record to be used in any approval rule for the time being, check the **Inactive** box and then save the record.
   - Delete the record — If you want to permanently remove the record from the system, under Actions, select **Delete** and then click **OK** in the confirmation dialogue.
Setting Up Group Approvers

Important: Only administrators or roles with custom permissions can set up group approver records. For more information, see Roles and Permissions.

When you create an approval rule for transaction records, you can require approval from one or all members of a specific group of employees. To be able to add approvers of the types Group (Any) and Group (All) to an approval matrix, you must first set up group records.

For guidelines and procedures for creating group records, read the help topic Working with Groups.

To avoid errors when adding these approver types to approval chains, make sure that employee records of group members are active.

Note: Inactive employees, employees from different subsidiaries, or those without login access are considered invalid members. These employees will not be added as approvers when the group they belong to is selected as group approver.

Note: You do not need to create groups based on roles. For more information, see Setting Up Role Approvers.

Setting Up Role Approvers

When you create an approval rule, you can require approval of transaction records from one or all employees of a specific role. You can add approvers with standard and custom roles by selecting the approver types Role (Any) and Role (All) in the approval matrix.

For more information, see the help topic Assigning Roles to an Employee.

To avoid errors when adding these approver types to approval chains, take note of the following:

- Make sure that role records are active.
- Make sure that the role has access to relevant transaction records.

Note: Only active employees in the same subsidiary of the approval rule will be added as approver for any of the Role approver types.

Setting Up Super Approvers

A Super Approver is an employee who can approve or reject specific records when requested. Employees who are set up as Super Approver are not available for selection in approval matrices.

If you want a Super Approver to act on a record, you must contact the employee directly with details and link to the record. When a Super Approver accesses a record for approval, the record would include the Approve & Finalize, Approve, and Reject buttons.

A Super Approver's action on a record using Approve & Finalize is final. Any approval hierarchy or matrix within the rule that is running against the record is bypassed.

To set up a super approver record:

1. Go to Lists > Employees > Employees.
2. Click Edit next to the name of the employee.
3. Click the Human Resources tab.
4. Click the Approval Information subtab.
5. In the Record Type to Approve and Finalize field, select the record type or types that this employee can approve and finalize.
6. Click Save.

**Note:** The general rule that a record submitter cannot be an approver applies to Super Approvers.

## Creating Approval Rules Using SuiteApprovals

**Important:** Only administrators or roles with custom permissions can create approval rules. For more information, see Roles and Permissions.

You can create approval rules using the Approval Rule page or the Approval Rule Assistant. Both options contain the same fields and settings except that the latter lets you create approval rules in steps.

### Guidelines for creating approval rules:

- The combination of Subsidiary (if OneWorld account), Priority, Record Name, and Saved Search (if any) must be unique.
- If you want to use saved searches in approval rules, create saved searches of transaction records before you create rules. For guidelines and instructions for defining saved searches, read the help topic Saved Searches.

**Tip:** Take note of the titles of your saved searches when you define or redefine them. You can save time when creating approval rules if you remember the title of the saved searches you want to use.

- By default, an approval rule locks records when in the Approved or Pending Approval status. A record may only be edited and resubmitted for approval if its status is Rejected. For more information, see Resubmitting Records for Approval Using SuiteApprovals.

**Important:** If you are using SuiteApprovals for engineering change orders, make sure that you have already set up ECO types before creating approval rules. For more information, see the help topic Setting Up Engineering Change Order Types.

### How approval rules work:

1. The system checks the record name, and then the subsidiary (if any).
2. The system checks for running approval rules. If there are multiple, the rules are evaluated by priority. The one with the highest priority is activated. However, if an active approval rule with no assigned priority is found, then that rule is used first by default.
3. The rule checks if the record passes any saved search criteria.
   - If the rule matches, then the workflow proceeds.
   - If the rule does not match, the system runs the rule with the next highest priority and the next until a match is found.
   - If no rule is found, the record exits the approval workflow. Approve the record manually.

**Note:** To review descriptions for the approval rule fields and settings, refer to Approval Rule Record Fields and Settings.

### To create an approval rule using the Approval Rule page:

1. Go to Setup > Workflow Manager > Approval Rule List.
2. On the Approval Rule List page, click **New Approval Rule**.
3. In the New Approval Rule window, click **Use the New Approval Rule page**.
4. On the Approval Rule page:
   - **Under Primary Information:**
     - In the **Name** field, enter a unique name for the rule.
     - Optionally, enter a description for the rule in the **Description** field.
     - In the **Record Name** field, select the record type the rule applies to:
       - Engineering Change Order
       - Expense Report
       - Journal Entry
       - Purchase Order
       - Requisition
       - Sales Order
       - Vendor Bill
     - Select start and end dates for this approval rule.
     - Select a subsidiary.
     - If you want to use a saved search in the rule, select it in the **Saved Search Condition** field. You can alternately scroll through the list to look for the saved search or enter the title of the saved search to filter the list.
       - If you do not use one, the workflow will filter records for this approval rule based on the transaction amount or employee limit, depending on the **Approval Routing** settings you use.
     - Enter the approval rule's priority in the **Priority** field. Use an integer. The highest priority is always 1.

   - **Tip:** This approval rule setting is typically used for Journal Entry, Expense Report, Purchase Order, Sales Order, and Vendor Bill records.

   - **Note:** The following section, **Exception Criteria**, only applies to vendor bill approval rules. This is not used in approval rules for other supported record types.

   - **Under Exception Criteria**
     - When a vendor bill record enters the SuiteApprovals workflow, it is validated against a specific set of exceptions to determine if it requires approval.
     - Select the box for each exception you want to use, or select **Mark All** if you want to use all listed exceptions.

   - **Under Approval Routing:**
     - Leave the **Route Approvals Based on Amount** box checked if you want approval routing to end when the rule's amount criterion is met. In other words, until the approver with the required approval limit acts on the record, the routing continues unless the record is rejected.
       - **Tip:** This approval rule setting is typically used for Journal Entry, Expense Report, Purchase Order, Sales Order, and Vendor Bill records.
     - Clear the box if you want the record to be routed to all approvers regardless of the record amount.
     - If **Route Approvals Based on Amount** is checked, in the **Amount Field Mapping** field, select the amount field you want to use for validating records for approval. Default values differ depending on the record type.
     - Select a currency.
Approving Journal Entries

Note: If the currencies of the record for approval and the approval rule are different, the record amount is first converted to the rule's currency before the approval evaluation.

- In the Record Amount Limit (Require Approval for Amounts Over) field, enter the value of the record amount limit that you want to apply to records that are routed through this approval rule.
  
  Records with amount that is less than or equal to the limit will be automatically approved.
  
  For more information, see Automatic Approvals.

- Check the Use Employee Limit (Apply if Higher than Record Amount Limit) box if you want to apply the corresponding approval limit of the submitter of the record.
  
  Records with amount that is less than or equal to the employee limit will be automatically approved.
  
  For more information, see Automatic Approvals.

- Select the Approval Routing type for this rule:
  
  □ Use Standard Employee Hierarchy — This is the default routing type. Approval routing is based on the approval hierarchy of the submitter of the record.

  Note: If you are using SuiteApprovals for vendor bills, the approval hierarchy follows that of the employee if one is specified in the Employee field of the record. If none, the rule uses the submitter’s hierarchy.

  If you want to use this routing type, leave the button selected and proceed to Step 6.

  □ Define Custom Approval Chain — Select this type if you want to build a custom approval matrix instead.

    ▪ The employee's or user's supervisor is selected as first approver by default. Click the Delete icon if you want to remove the supervisor from the approval chain, or to add back in another place in the sequence later.

    Note: For purchase orders, the supervisor (and department approver, if one is added later) follows the hierarchy of the employee specified in the record's Employee field. If no employee is specified, the submitter's hierarchy is used.

    ▪ Click Add Approver, and select the Approver Type, Approver, and Approval Limit. Repeat to add more approvers.

    You can add up to 20 approvers.

    Note: For purchase orders, if an employee is specified in the Employee field on the record, that employee may not be selected as Specific Approver. Additionally, any Group or Role approver types that include the employee may not be added to the approval matrix.

    Tip: Take careful note of the required approvers for expense reports. Review the guidelines for supervisor and expense approver approvals in Approving an Expense Report.

    ▪ Make sure that you have added all the required approvers, and that the sequence is correct.
Important: When you add approvers, consider the sequence by which you add each one. Make sure that the hierarchy you build meets your approval process and requirements. To review the approver types, see Setting Up SuiteApprovals.

5. Perform this step only if the Route Approvals Based on Amount setting is checked.
   Select your approval requirement under Require Approval By (Custom Approval Routing):
   - All Levels of Approval – The record will be routed to all approvers in the hierarchy or matrix until the amount criterion is met, or the record is rejected.
   - Require One Level of Approval Based on Approver's Approval Limit – The record is automatically routed to the approver who has the required approval limit relative to the record's amount. All other approvers with insufficient approval limits are skipped. That approver’s action determines final approval or rejection of the record.
     
     In SuiteApprovals, this capability is referred to as Skip approval.

   Note: If the list of approvers does not include an approver with sufficient approval limits, the record is automatically rejected. You may then edit the record and resubmit for approval. See Resubmitting Records for Approval Using SuiteApprovals.

6. When you have finished, click Save.

To create an approval rule using the Approval Rule Assistant:

1. Go to Setup > Workflow Manager > Approval Rule List.
2. On the Approval Rule List page, click New Approval Rule.
3. In the New Approval Rule window, click Use the Approval Rule Assistant.
4. Under Step 1 Enter Basic Information:
   - In the Name field, enter a unique name for the rule.
   - In the Record Name field, select the record type the rule applies to:
     - Engineering Change Order
     - Expense Report
     - Journal Entry
     - Purchase Order
     - Requisition
     - Sales Order
     - Vendor Bill
   - Select a subsidiary.
   - Optionally, enter a description for the rule in the Description field.
   - Select start and end dates for this approval rule.
   - If you want to use a saved search to apply to the approval rule, select it in the Saved Search Condition field. You can alternately scroll through the list to look for the saved search or enter the title of the saved search to filter the list.
   - Enter the approval rule's priority in the Priority field. Use an integer. The highest priority is always 1.
Approving Journal Entries

The following section, Exception Criteria, only applies to approval rules for vendor bills. This is not used in approval rules for other supported record types.

Under Exception Criteria:
When a vendor bill record enters the SuiteApprovals workflow, it is validated against a specific set of exceptions to determine if it requires approval.

Select the box for each of the exception you want to use, or select Mark All if you want to use all listed exceptions.

When you have finished, click Next.

5. Under Step 2 Define Approval Routing:

- Leave the Route Approvals Based on Amount box checked if you want approval routing to end when the rule's amount criterion is met. In other words, until the approver with the required approval limit acts on the record, the routing continues unless the record is rejected.

  Tip: This approval rule setting is typically used for Journal Entry, Expense Report, Purchase Order, Sales Order, and Vendor Bill records.

Clear the box if you want the record to go through all specified approvers regardless of the record amount.

- If Route Approvals Based on Amount is checked, in the Amount Field Mapping field, select the amount field you want to use for validating records for approval. Default values differ depending on the record type.

- In the Record Amount Limit (Require Approval for Amounts Over) field, enter the value of the general limit that you want to apply to records that are routed through this approval rule.

- Check the Use Employee Limit (Apply if Higher than Record Amount Limit) box if you want to apply the corresponding approval limit of the submitter of the record.

  Note: If you are using SuiteApprovals for vendor bills, the employee’s approval hierarchy is followed when one is specified in the Employee field of the record. If none, the rule uses the submitter’s hierarchy.

- Select the Approval Routing type for this rule:
  - Use Standard Employee Hierarchy – This is the default routing type. Approval routing is based on the approval hierarchy of the employee or submitter of the record.
    If you want to use this routing type, leave the button selected and proceed to Step 7.
  - Define Custom Approval Chain – Select this type if you want to build a custom approval matrix instead.
    - The employee's or user's supervisor is selected as first approver by default. Click the Delete icon if you want to remove the supervisor from the approval chain, or to add back in another place in the sequence later.
    - Click Add Approver, and select the Approver Type, Approver, and Approval Limit. Repeat to add more approvers.
      You can add up to 20 approvers.
Approving Journal Entries

Note: For purchase orders, if an employee is specified in the Employee field on the record, that employee may not be selected as Specific Approver. Additionally, any Group or Role approver types that include the employee may not be added to the approval matrix.

Tip: Take careful note of the required approvers for expense reports. Review the guidelines for supervisor and expense approver approvals in Approving an Expense Report.

- Make sure that you have added all the required approvers, and that the sequence is correct.

Important: When you add approvers, consider the sequence by which you add each one. Make sure that the hierarchy you build meets your approval process and requirements. To review the approver types, see Setting Up SuiteApprovals.

Note: If later on you decide to use the standard employee hierarchy instead, any approval matrix entries you have made are removed.

When you have finished, click Next.

6. Perform this step only if the Route Approvals Based on Amount setting is checked.

Select your approval requirement under Require Approval By (Custom Approval Routing):

- All Levels of Approval – The record will be routed through all approvers in the hierarchy or matrix until the amount criterion is met, or the record is rejected.
- Require One Level of Approval Based on Approver's Approval Limit – The record is automatically routed to the approver who has the required approval limit relative to the record's amount. All other approvers with insufficient approval limits are skipped. That approver's action determines final approval or rejection of the record.

In SuiteApprovals, this capability is referred to as Skip approval.

Note: If the list of approvers does not include an approver with sufficient approval limits, the record is automatically rejected. You may then edit the record and resubmit for approval. See Resubmitting Records for Approval Using SuiteApprovals.

When you have finished, click Next.

7. Under Step 3 Review Approval Rule, review the details of your approval rule. Go back to the previous pages to make changes as needed.

Click Finish to create the approval rule.

You can copy, edit, or inactivate approval rules. You can also re-activate rules with lapsed end dates.

To copy an approval rule:

1. Go to Setup > Workflow Manager > Approval Rule List.
2. Click View next to the approval rule record you want to copy.
3. Click Make Copy.
4. In the Name field, enter a unique name for the rule.
5. By default, the start date is the current date. Select another date from the picker as needed.
6. Select an end date.
7. Select a subsidiary if other than the default value.
8. Optionally, select a saved search. You can alternately scroll through the list to look for the saved search or enter the title of the saved search to filter the list.
9. Enter the approval rule's priority in the **Priority** field. Use an integer. The highest priority is always 1.
10. Click **Save**.

⚠ **Important:** You can edit an approval rule only if it is not currently running. If currently running, you can only change the rule's end date.

**To edit an approval rule:**

1. Go to Setup > Workflow Manager > Approval Rule List.
2. Click **Edit** next to the approval rule record you want to edit.
3. On the Approval Rule page:
   - Update the record — Make the changes to the approval rule. For more information, refer to the procedures for creating approval rules. When you have finished, save the record.
   - Inactivate the record — If you do not want this approval rule to be used in any workflow for the time being, check the **Inactive** box and save the record.
   - Re-activate an inactive rule — Clear the **Inactive** box. Update the required fields such as start and end dates. Select a saved search if you want to use one. For more information, refer to the procedures for creating approval rules. When you have finished, save the record.
   - Delete the record — If you want to permanently remove the record from the system, click **Delete** and then click **OK** in the confirmation dialogue. Note that the system will prevent you from deleting any rule that is currently running.

⚠ **Important:** You cannot delete an approval matrix of an approval rule if there is a transaction in Pending Approval that is using the approval matrix.

**Using SuiteApprovals**

When you have SuiteApprovals correctly set up, the SuiteApp's workflow for approval routing of supported record types is operative in your system.

Approval validation is initiated when a record is created or resubmitted. The transaction record goes through the following states depending on the result of amount validation, approver validation, or approver actions.

**Entry**

The record goes through the **Entry** state upon creation or resubmission. If there is no active rule found for the record, the record exits the SuiteApprovals workflow. If an active rule is found, the SuiteApprovals workflow is initiated.

⚠ **Important:** If you are using SuiteApprovals for Sales Orders, you should have already set the **Default Sales Order Status** field value to Pending Approval (Setup > Accounting > Preferences > Accounting Preferences > Order Management subtab).

**Pending Approval**

Records that require initial or further approval are sent to the **Pending Approval** state. The current or next approver, and delegate approver if any, are sent email notifications regarding the transaction for
review and action. Only the current approver is given access to the Approve and Reject buttons, which are enabled on the record. However, the current approver is not allowed to edit the record.

You can only edit rejected records. See the Rejected section for details. To resubmit a record, see Resubmitting Records for Approval Using SuiteApprovals.

Approved

Depending on the approval rule that is running against transactions, records are transferred to the Approved state when any of the following conditions is met per record type:

<table>
<thead>
<tr>
<th>Record Type</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journal Entry</td>
<td>■ The transaction amount is less than or equal to the Record Amount Limit specified in the approval rule.</td>
</tr>
<tr>
<td></td>
<td>■ The transaction amount is less than or equal to the employee’s journal entry limit.</td>
</tr>
<tr>
<td></td>
<td>■ The transaction is approved by the final supervisor (employee hierarchy) or Journal Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).</td>
</tr>
<tr>
<td></td>
<td>■ The transaction is approved by all approvers (custom approval matrix).</td>
</tr>
<tr>
<td></td>
<td>Refer also to Automatic Approvals for additional conditions.</td>
</tr>
<tr>
<td>Engineering Change Order</td>
<td>The ECO record is approved by the final supervisor (employee hierarchy), final approver, or Super Approver.</td>
</tr>
<tr>
<td>Expense Report</td>
<td>■ The record amount is less than or equal to the Record Amount Limit specified in the approval rule.</td>
</tr>
<tr>
<td></td>
<td>■ The record amount is less than or equal to the employee’s expense limit.</td>
</tr>
<tr>
<td></td>
<td>■ The record is approved by the final supervisor (employee hierarchy) or Expense Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).</td>
</tr>
<tr>
<td></td>
<td>■ The record is approved by all approvers (custom approval matrix).</td>
</tr>
<tr>
<td></td>
<td>Refer also to Automatic Approvals for additional conditions.</td>
</tr>
<tr>
<td>Purchase Order</td>
<td>■ The transaction amount is less than or equal to the Record Amount Limit specified in the approval rule.</td>
</tr>
<tr>
<td></td>
<td>■ The transaction amount is less than or equal to the submitter’s purchase limit.</td>
</tr>
<tr>
<td></td>
<td>■ The transaction is approved by the supervisor or Purchase Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).</td>
</tr>
<tr>
<td></td>
<td>■ The transaction is approved by all approvers (custom approval matrix).</td>
</tr>
<tr>
<td></td>
<td>Refer also to Automatic Approvals for additional conditions.</td>
</tr>
<tr>
<td>Requisition</td>
<td>The record is approved for processing by the submitter’s supervisor, specified approver, or all approvers.</td>
</tr>
<tr>
<td>Sales Order</td>
<td>■ The transaction amount is less than or equal to the Record Amount Limit specified in the approval rule.</td>
</tr>
<tr>
<td></td>
<td>■ The transaction amount is less than or equal to the submitter’s sales order entry limit.</td>
</tr>
<tr>
<td></td>
<td>■ The transaction is approved by the final supervisor (employee hierarchy) or Sales Order Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).</td>
</tr>
<tr>
<td></td>
<td>■ The transaction is approved by all approvers (custom approval matrix).</td>
</tr>
</tbody>
</table>
Approving Journal Entries

Record Type | Condition
---|---
Vendor Bill | The transaction amount is less than or equal to the **Record Amount Limit** specified in the approval rule.  
| The transaction amount is less than or equal to the submitter's vendor bill entry limit.  
| The transaction is approved by the final supervisor (employee hierarchy) or Vendor Bill Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).  
| The transaction is approved by all approvers (custom approval matrix).

Refer also to **Automatic Approvals** for additional conditions.

**Note:** In approval rules that use custom approval matrix with the same employee listed as approver of two or more approver types—for example, Employee A is both Supervisor and Department Approver—that approver’s higher approval limit applies. Hence, the record is routed back to the employee as Department Approver after approving as Supervisor.

Rejected

Disapproved records are sent to the Rejected state. The submitter is notified through email and the Approval Status on the record is changed to **Rejected**.

Depending on the approval rule running against transactions, records are transferred to the **Rejected** state due to any of the following conditions per record type:

<table>
<thead>
<tr>
<th>Record Type</th>
<th>Condition</th>
</tr>
</thead>
</table>
| Journal Entry | The employee who submits the journal entry is the first or next approver in the chain.  
| Employee supervisor is selected in the approval chain but the employee or submitter has no supervisor on record.  
| A department approver is selected in the approval chain but at least one of the following conditions is true:  
  □ There is no department approver set up, or the specified department approver is inactive or has no login access.  
  □ No department is specified on the journal.  
| No valid approver is available. For example, the approver type **Role (Any)** or **Role (All)** is selected in the approval chain but at least one of the following conditions is true:  
  □ The employee or employees with the selected role are inactive.  
  □ The employee who created the journal entry is the only employee with the selected role.  
  □ The selected role is inactive.  
  □ No employee with the selected role has access to the transaction.  
| The approver type **Group (Any)** or **Group (All)** is selected in the approval chain but the specified group has no valid members.  
  Invalid members include the employee who created the journal entry, and employees who are either Inactive, without login access, or from different subsidiaries.  
| The transaction is rejected by the current approver, Journal Entry Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).  

Note: In approval rules that use custom approval matrix with the same employee listed as approver of two or more approver types—for example, Employee A is both Supervisor and Department Approver—that approver’s higher approval limit applies. Hence, the record is routed back to the employee as Department Approver after approving as Supervisor.
<table>
<thead>
<tr>
<th>Record Type</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engineering Change</strong></td>
<td>No one in the approval hierarchy has sufficient approval limits to approve the transaction.</td>
</tr>
<tr>
<td><strong>Order</strong></td>
<td>The ECO record is rejected by the current approver (employee hierarchy or approval matrix) or Super Approver.</td>
</tr>
</tbody>
</table>
| **Expense Report**   | - Employee supervisor is selected in the approval chain but the employee or submitter has no supervisor on record.  
                      |  
                      | - A department approver is selected in the approval chain but at least one of the following conditions is true:  
                        |   □ There is no department approver set up, or the specified department approver is inactive or has no login access.  
                        |   □ No department is specified on the expense report record.  
                      |  
                      | - No valid approver is available. For example, the approver type **Role (Any)** or **Role (All)** is selected in the approval chain but at least one of the following conditions is true:  
                        |   □ The employee or employees with the selected role are inactive.  
                        |   □ The employee who submitted the expense report is the only employee with the selected role.  
                        |   □ The selected role is inactive.  
                        |   □ No employee with the selected role has access to the transaction.  
                      |  
                      | - The approver type **Group (Any)** or **Group (All)** is selected in the approval chain but the specified group has no valid members.  
                        |   Invalid members include the employee who submitted the expense report, and employees who are either Inactive, without login access, or from different subsidiaries.  
                      |  
                      | - The transaction is rejected by the Supervisor or Expense Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).  
                      |  
                      | - No one in the approval hierarchy has sufficient approval limits to approve the transaction.  
| **Purchase Order**   | - The employee who submits the purchase order is the first or next approver in the chain.  
                      |  
                      | - Employee supervisor is selected in the approval chain but the employee or submitter has no supervisor on record.  
                      |  
                      | - A department approver is selected in the approval chain but at least one of the following conditions is true:  
                        |   □ There is no department approver set up, or the specified department approver is inactive or has no login access.  
                        |   □ No department is specified on the purchase order.  
                      |  
                      | - No valid approver is available. For example, the approver type **Role (Any)** or **Role (All)** is selected in the approval chain but at least one of the following conditions is true:  
                        |   □ The employee or employees with the selected role are inactive.  
                        |   □ The employee who created the purchase order is the only employee with the selected role.  
                        |   □ The selected role is inactive.  
                        |   □ No employee with the selected role has access to the transaction.  
                      |  

General Accounting
## Approving Journal Entries

<table>
<thead>
<tr>
<th>Record Type</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requisition</td>
<td>The record is rejected by the submitter’s supervisor, or current approver.</td>
</tr>
<tr>
<td>Sales Order</td>
<td>The employee who submits the sales order is the first or next approver in the chain.</td>
</tr>
<tr>
<td></td>
<td>Employee supervisor is selected in the approval chain but the employee or submitter has no supervisor on record.</td>
</tr>
<tr>
<td></td>
<td>A department approver is selected in the approval chain but at least one of the following conditions is true:</td>
</tr>
<tr>
<td></td>
<td>□ There is no department approver set up, or the specified department approver is inactive or has no login access.</td>
</tr>
<tr>
<td></td>
<td>□ No department is specified on the sales order.</td>
</tr>
<tr>
<td></td>
<td>No valid approver is available. For example, the approver type <strong>Role (Any)</strong> or <strong>Role (All)</strong> is selected in the approval chain but at least one of the following conditions is true:</td>
</tr>
<tr>
<td></td>
<td>□ The employee or employees with the selected role are inactive.</td>
</tr>
<tr>
<td></td>
<td>□ The employee who created the sales order is the only employee with the selected role.</td>
</tr>
<tr>
<td></td>
<td>□ The selected role is inactive.</td>
</tr>
<tr>
<td></td>
<td>□ No employee with the selected role has access to the transaction.</td>
</tr>
<tr>
<td></td>
<td>The approver type <strong>Group (Any)</strong> or <strong>Group (All)</strong> is selected in the approval chain but the specified group has no valid members.</td>
</tr>
<tr>
<td></td>
<td>Invalid members include the employee who created the sales order, and employees who are either Inactive, without login access, or from different subsidiaries.</td>
</tr>
<tr>
<td></td>
<td>The transaction is rejected by the current approver, Sales Order Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).</td>
</tr>
<tr>
<td></td>
<td>No one in the approval hierarchy has sufficient approval limits to approve the transaction.</td>
</tr>
<tr>
<td>Vendor Bill</td>
<td>The submitter of the vendor bill is the first or next approver in the chain.</td>
</tr>
<tr>
<td></td>
<td>Employee supervisor is selected in the approval chain but the employee or submitter has no supervisor on record.</td>
</tr>
<tr>
<td></td>
<td>A department approver is selected in the approval chain but at least one of the following conditions is true:</td>
</tr>
<tr>
<td></td>
<td>□ There is no department approver set up, or the specified department approver is inactive or has no login access.</td>
</tr>
<tr>
<td></td>
<td>□ No department is specified on the vendor bill.</td>
</tr>
</tbody>
</table>
### Approving Journal Entries

<table>
<thead>
<tr>
<th>Record Type</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>- No valid approver is available. For example, the approver type <strong>Role (Any)</strong> or <strong>Role (All)</strong> is selected in the approval chain but at least one of the following conditions is true:</td>
<td></td>
</tr>
<tr>
<td>- The employee or employees with the selected role are inactive.</td>
<td></td>
</tr>
<tr>
<td>- The employee who created the vendor bill is the only employee with the selected role.</td>
<td></td>
</tr>
<tr>
<td>- The selected role is inactive.</td>
<td></td>
</tr>
<tr>
<td>- No employee with the selected role has access to the transaction.</td>
<td></td>
</tr>
<tr>
<td>- The approver type <strong>Group (Any)</strong> or <strong>Group (All)</strong> is selected in the approval chain but the specified group has no valid members. Invalid members include the employee who created the vendor bill, and employees who are either Inactive, without login access, or from different subsidiaries.</td>
<td></td>
</tr>
<tr>
<td>- The transaction is rejected by the current approver, Vendor Bill Approver, Super Approver, or the approver with the required approval limit (when Skip approval is used).</td>
<td></td>
</tr>
<tr>
<td>- No one in the approval hierarchy has sufficient approval limits to approve the transaction.</td>
<td></td>
</tr>
</tbody>
</table>

---

**Resubmitted**

Transaction records in **Rejected** status can be edited and resubmitted for approval.

The **Resubmit** button is enabled on the transaction record in **View** mode. Any user with access to the transaction can edit and resubmit the record for approval.

For more information, see [Resubmitting Records for Approval Using SuiteApprovals](#).

**Note:** For ECO records, refer to [Resubmitting Engineering Change Orders for Approval](#).

---

**Cancelled**

Cancelled Sales Order records automatically exit the workflow.

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### Approving or Rejecting Records Using SuiteApprovals

You can use the email notifications generated by SuiteApprovals to view and take action on records for your approval.

**Important:** SuiteApprovals processes auto-generated regular journal entries that utilize custom approval.

The following procedure applies to all approver types other than Super Approver.

**To approve or reject a record:**

1. Open the email message.
2. Click **View Record** in the email body.
3. On the record for approval, click the corresponding button for the action you want to take.
   - **Approve** — The record is routed to the next approver, if any, or the record is approved (see **Approved**). Your action is logged on the record's Approval History subtab.
     When a record is approved, the Approval Status on the record is set to **Approved**. Additionally:
Approving Journal Entries

- Sales Orders – Approved sales order records are set to Pending Fulfillment.
- Expense Reports – The Accounting Approval box is automatically checked in approved expense report records.

- **Reject** — You must enter a reason in the Reject Reason field. Your action is logged on the record’s Approval History subtab.

4. Click Submit.

**Note:** If an employee is a delegate of one or more approvers for the same record, the delegate approver only needs to take action once. When a delegate approves the record, both the delegate and original approver or approvers are removed from the next approver’s list.

**Super Approval**

The Super Approval capability adds a unique Approve & Finalize button on records accessed by users who are set up as Super Approver.

If you are set up as a Super Approver and receives a request to take action on a record, your action by Approve & Finalize is final and bypasses any approval chain in the running approval rule.

However, if you opt to click Approve instead, the record is approved only if you are the final approver. If not, the workflow continues and routes the record to the next approver.

**Note:** Users requiring super approval of records are tasked to communicate their request to super approvers in writing.

**To approve or reject a record as a super approver:**

1. Access the record for approval using the record’s details or link.
2. To approve the record and bypass any more approvers, click Approve & Finalize. To reject the record, click Reject.
3. Enter a reason or comment for your approval or rejection of the record.
4. Click Submit.

Email notifications are sent to the record creator and approvers who are no longer required to take action on the record.

**Automatic Approvals**

- When an approval rule has the Use Employee Limit (Apply if Higher than Record Amount Limit) setting checked, automatic approval is enforced when:
  - Journal Entries:
    - The submitter’s journal entry limit is higher than the journal amount.
  - Purchase Orders:
    - The purchase limit of the employee, if one is specified in the Employee field, is higher than the transaction amount.
    - If no value is specified in the Employee field, the submitter’s purchase limit is higher than the transaction amount.
  - Requisitions:
    - The submitter’s purchase limit is higher than the estimated total requisition amount.
    - The estimated total requisition amount is within the Record Amount Limit.
  - Sales Orders:
The submitter's sales order entry limit is higher than the transaction amount.

- **Vendor Bills:**
  - The vendor entry limit of the user or record submitter is equal to or greater than the transaction amount.
  - Additionally, a vendor bill record is automatically approved if validated as not requiring approval based on the set of exceptions ran by the workflow.

- When an approval rule has the box for the **Record Amount Limit (Require Approval for Amounts Over)** setting checked, any record is automatically approved when the transaction amount is less than the Record Amount Limit.

For journal entries, a record with amount that is greater than the Record Amount Limit is routed for approval. However, if the **Use Employee Limit (Apply if Higher than Record Amount Limit)** setting is also checked and the employee's journal entry limit is higher than the record amount, then the journal is automatically approved.

### Resubmitting Records for Approval Using SuiteApprovals

Within the SuiteApprovals workflow, records in **Approved** or **Pending Approval** status cannot be edited. You can only update and resubmit a **Rejected** record. Note the following when resubmitting records for approval:

- The transaction creator and users with access to the transaction, except the current approver, can update and resubmit the record.
- The user who originally submitted the record cannot be an approver.

**To resubmit a record for approval:**

**Journal Entry**

2. Click the **View** link for the journal entry you want to resubmit for approval.
3. Enter changes and click the **Resubmit** button.

**Purchase Order**

1. Go to Transactions > Purchases > Enter Purchase Orders > List.
2. Click the **View** link for the purchase order you want to resubmit for approval.
3. Enter changes and click **Resubmit**.

**Requisition**

1. Go to Transactions > Purchases > Enter Requisitions > List
2. Click the **View** link for the requisition you want to resubmit for approval.
3. Enter changes as needed.
4. Click **Resubmit**.

**Sales Order**

1. Go to Transactions > Sales > Enter Sales Orders > List.
2. Click the **View** link for the sales order record you want to edit and resubmit.
3. Enter changes and click **Resubmit**.

**Vendor Bill**

1. Go to Transactions > Payables > Enter Bills > List.
2. Click the **Edit** link for the vendor bill you want to resubmit for approval.
3. Enter changes and click **Resubmit**.

**Engineering Change Order**

For the procedure, refer to [Resubmittning Engineering Change Orders for Approval](#).

The resubmitted record is validated anew and either exits the workflow or is routed for approval. Email notifications are sent to specific recipients depending on the changes applied to the record and the workflow state. For more information, see [Email Notifications for SuiteApprovals](#).

**Delegating Approval**

You can delegate your approval to another employee within your subsidiary indefinitely or for a period of time, specified by start and end dates.

- If you are a supervisor, records requiring your approval are routed to your delegate when employee hierarchy is specified in the approval rule.
- If you are selected as approver of a specific approver type, records requiring your approval are routed to your delegate when the approval rule deployed uses a custom approval chain.
- Journal Entry, Sales Order, Vendor Bill, Expense, and Purchase Approvers can also delegate approval authority.

When you delegate approval, your approval limits apply.

**To delegate approval:**

1. Go to Lists > Employees > Employees.
2. Click **Edit** next to your name in the Employees list.
3. Click the **Human Resources** tab.
4. Click the **Approval Delegation** subtab.
5. Check the **Delegate Approval** box.
6. In the **Delegate To** field, select the employee you want to delegate your approval to.
7. Select start and end dates. Do not select a date range if you want your delegate to approve on your behalf indefinitely.
8. Click **Save**.

You can return to your record anytime to change your approval delegation details.

**Note:** Email notification is sent to both approver and delegate approver. For more information, see [Email Notifications for SuiteApprovals](#).

**To delegate approval using your Employee Center role:**

1. Log in to NetSuite using your Employee Center role.
2. Under **My Information**, click **Approval Delegation**.
3. In the **Delegate To** field, select the employee you want to delegate your approval to.
4. Select start and end dates. Do not select a date range if you want your delegate to approve on your behalf indefinitely.
5. Click **Save**.

**Viewing Approval History**

Approval details are tracked for records that are routed for approval using the SuiteApprovals workflow. Supported records using SuiteApprovals include an **Approval History** subtab that contains the following:
To view approval history for a record:

1. Open the corresponding list page for the record you want to view:
   - Expense Report — Go to Transactions > Employees > Enter Expense Reports > List.
   - Purchase Order — Go to Transactions > Purchases > Enter Purchase Orders > List.
   - Requisition — Go to Transactions > Purchases > Enter Requisitions > List.
   - Sales Order — Go to Transactions > Sales > Enter Sales Orders > List.
   - Vendor Bill — Go to Transactions > Payables > Enter Bills > List.
   - For engineering change orders, refer to Viewing Approval History.

2. Click the View link for the record you want to view.

3. Click the Approval History subtab.

**Note:** Journals that are Approved for Posting or Pending Approval cannot be edited.

### Email Notifications for SuiteApprovals

When an approval rule is running against a record, the system sends email notifications to specific recipients of actions taken on the record.

- **Submission**
  - When a record is submitted, email notification is sent to the next approver if one is required by the approval rule.

- **Approval Routing**
  - Each time an approver takes action on the record, email notifications are sent to the following:
    - The next approver (and the next approver’s delegate approver), if any
    - Approvers of the type Role (Any) or Group (Any), if any, when at least one valid approver takes action on the record
    - Employee who submitted the record, if the transaction has been approved

- **Resubmission**
  - Depending on the changes applied to the transaction, email notifications are sent to the following:
    - Employee who resubmitted the record
    - Employee who previously submitted the record
    - Current next approver, or delegate approver
    - Previous approver
  - When a previously approved record is edited, resubmitted, and approved, no email notifications are sent. The same is true when a previously rejected record is edited, resubmitted, and then rejected.

- **Delegation**
Approving Journal Entries

- The employee who delegated approval
- The delegated approver

When an employee has a delegate approver, the system sends email notification to both. Delegate approvers are also notified when employees change their delegation details, including cancellation of the approval delegation.

Reversing Journal Entries

Journal entries can also be used to reverse ledger entries that have already posted to accounts. These are known as reversing journal entries.

You may want to set up a journal entry to automatically reverse itself. Reversing journal entries do not require you to manually track the transaction. For example, you enter an accrual transaction for revenue earned but not yet received. Next month, you must make a journal entry to reverse that accrual entry.

A reversing journal entry is an exact opposite of the original journal entry. For example, the original journal entry debits Accounts Receivable $100, credits a revenue account $100, and has an exchange rate of 1.5. The reversing entry credits Accounts Receivable $100, debits the revenue account $100, and has an exchange rate of 1.5 regardless of the current exchange rate.

A reversing journal entry is also permanently linked to the original entry. Any change you make to the original entry affects the reversing transaction. You cannot directly edit a reversing journal entry.

The date of the reversing journal entry is tracked in system notes.

To create a saved search for reversing journal entries, include Reversal Date, Reversal Number, or Is Reversal in the criteria or results as needed.

Note: Users with the Custom Transaction Forms permission can create a custom journal entry form with fields different from the standard journal entry form. See the help topic Creating Custom Entry and Transaction Forms.

To create a reversing journal entry:

2. In the Primary Information section:
   a. In the Entry No. field, accept the default or enter a different number.

   Note: If journal entries are assigned autogenerated numbers in your account, you cannot change the default number unless the override permission is enabled for Journal. Go to Setup > Company > Auto-Generated Numbers > Document Numbers subtab. Check the Allow Override box on the Journal line. For more information, see the help topic Set Auto-Generated Numbers.

   b. Review the Out of Balance By fields as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

   c. If you use NetSuite OneWorld, in the Classification section, select a subsidiary to associate with this journal entry. You must select the subsidiary before you can accept or select the currency.

The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.

You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, make an intercompany journal entry. See Making Intercompany Journal Entries.
Reversing Journal Entries

Note: If the subsidiary you select is assigned to one or more shared vendor records, you can make journal entries for any of the vendors to which the selected subsidiary is assigned. To do this, on the Lines subtab, select the shared vendor from the Name field. For more information about shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

Note: If the subsidiary you select is assigned to one or more shared vendor or customer records, you can make journal entries for any of the vendors or customers to which the selected subsidiary is assigned. For more information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.

d. If you use the Multiple Currencies feature, in the Primary Information section, accept the default Currency or select the currency used for all amounts in this journal entry.

■ If you use NetSuite OneWorld, the Currency field displays the base currency of the subsidiary selected in the Subsidiary field.

For general journal entries, the currency defaults to the base currency of your company or root parent subsidiary. You can select any other currency available in your account.

For intercompany journal entries in OneWorld, the currency defaults to the base currency of the selected subsidiary, but can be changed to the currency of the To Subsidiary.

■ If you do not use NetSuite OneWorld, the Currency field defaults to the base currency of the company.

e. The Exchange Rate field displays the default exchange rate of the selected subsidiary.

For intercompany journal entries in OneWorld, this field displays the To Subsidiary's currency to the Subsidiary's currency. You can edit the exchange rate for this transaction only, or you can update the currency exchange rates list.

f. If you have journal approval permission, check the Approved box to approve your journal entry.

If you do not check this box, this entry does not post until it is approved.

Important: The Approved box displays only if the Require Approvals on Journal Entries preference is enabled. Go to Setup > Accounting > Accounting Preferences > General subtab. See Require Approvals on Journal Entries Preference.

The Approved box does not display if you have enabled the Journal Entries approval routing preference to use SuiteFlow to create a custom journal entry approval routing. See Use Journal Entry Approval Routing.

g. In the Date field, accept today's date or enter a new date for the journal entry.

h. If you use fiscal periods, you see a Posting Period field.

When you approve a journal entry, you can select a different Posting Period than the one initially displayed. You cannot select a closed period. You may be able to select an open and locked period if your role includes the Override Period Restrictions permission.

The posting period is determined when the journal entry is approved. If approval occurs after the selected posting period has closed, the journal entry is posted in the period...
designated by the accounting preference Default Posting Period When Transaction Date in Closed Periods.

i. In the Reversal Date field, enter the date on which you want the reversing entry to be posted.

j. Check or clear the Defer Entry box using the following two options:
   - Check this box to make the reversal a memorized transaction that is automatically created on the reversal date.
     If you check the Defer Entry box, the Reversal Date field is mandatory.
   - Clear this box to immediately enter the reversal transaction with a transaction date that matches the date you entered in the Reversal Date field.

k. In the Memo field, enter information to help you identify this journal entry in a list of other journal entries.
   The value in this field displays on the List page.

3. In the Classification section, if you have enabled Departments, Classes, or both and you classify at the transaction-level rather than the line-level, select the appropriate classification to associate with this journal entry.
   For information about Departments and Classes, see the help topic Departments and Classes Overview.

4. On the Lines subtab, enter the detail information for the journal lines.
   The columns that appear are based upon the permissions set for your user role.

   **Tip:** You can navigate down the lines by pressing the Enter key on your keyboard. You cannot navigate up the lines.

   a. In the Account field, select the ledger account to be affected by this journal entry.
      The list of available accounts is filtered according to any class, department, and location restrictions set for your role. Accounts that are associated with classes, departments, and locations to which your role does not have access are not available in the Account list.

   b. Enter the debit or credit amount for the line.

   c. Select a tax code, if needed.

   d. Optionally, enter a memo to help you recognize this entry in a register for this account.

   e. Optionally, select a name of a person, vendor, project, or company to associate with this entry.

   If you use the Customers and Multiple Currencies feature, you can make journal entries in any currency used by an entity.

   **Note:** If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned. To do this, select the shared vendor or customer from the Name field.

   f. If you have enabled Locations on the Company subtab of the Enable Features page and you specify classifications at the line-level, select the appropriate location to associate with this line.
   For information about Locations, see the help topic Locations Overview.

   g. If you use the Revenue Recognition or Amortization features:
      - i. In the Schedule column list, select the appropriate template.
Revenue recognition templates display when the Revenue Recognition feature is enabled. Amortization templates display when the Amortization feature is enabled.

ii. If you select a variable template, you must also select the associated project in the Customer column list.

iii. Enter a start and end date, if needed.

iv. Enter the residual amount not to be recognized, if needed.

h. For OneWorld subsidiaries or accounts with value-added tax (VAT), enter the VAT amount, gross amount, and tax account, if needed.

i. Click Add.

Tip: When line details are similar, click Copy Previous and then make modifications as required.

j. Repeat these steps for each line item.

5. On the Communication subtab, you can attach files and notes to this transaction.
   a. On the User Notes subtab, enter a title and note for any comments you want to add to this transaction. Click Add after each note.
   b. On the Files subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select New from the list in the Attach Files column.
   c. Use the Events, Tasks, and Phone Calls subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

6. If you use NetSuite OneWorld and the Multi-Book Accounting feature is provisioned in your account, the Accounting Books subtab appears. This subtab shows the secondary books associated with the selected check, if any, and their respective base currencies and exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

7. Click Save.

When you finish entering line items, verify that the Out of Balance by Debit and Credit fields are blank. If either field contains an amount, your line items are out of balance. Your line items must balance to save the journal.

Viewing Journal Entries

Note: For transactions from advanced intercompany journal entries, the permissions set for your user role determines what you are able to view and edit. If you do not have access to all the subsidiaries on a record, you can only view data for the subsidiaries to which you have access. In addition, you cannot edit or copy the record.

To view a list of journal entries:

2. You can do the following:
   - Click View next to a journal entry to view the individual record.

   The journal entry record displays header field values, journal lines, and history information that includes any activities, user notes, system notes, or files associated with the journal entry.

   For more information about journal history, see the help topics Reviewing Transaction History, Viewing Transaction System Notes, and Line-Level Audit Trail for Transactions.
Click an account name to view the account register.
- If available, click an Edit link next to a journal entry to edit that record.
  The Edit link is not available for journals that have been approved for posting or have been posted.
- Select from lists to filter the displayed data.
- Click New to create a new journal entry.

**Important:** Copy an existing journal entry to complete the header and line-level data on a new journal entry. To copy a journal, go to Transactions > Financial > Make Journal Entries > List. Click the View link next to the journal you want to copy. On the journal record, click Make Copy.

You also may be able to create memorized transactions for journal entries that are required to recur. See the help topic Memorized Transactions.

- Click the print icon to print the list of journals.
- Click Customize View to base the filters and displayed results for the journals list on a saved search. See the help topic Customizing List Views.
- Click the Export - CSV, Export - Microsoft Excel, or Export - PDF icons to export the list of journals to a file.

## Printing Journal Entries

NetSuite enables you to print a single journal entry as well as a list of all of your journal entries. The following printing options are available:

- Standard Journal Entry PDF/HTML Template for Printing Journal Entries
- Printing a List of Journal Entries

### Standard Journal Entry PDF/HTML Template for Printing Journal Entries

The Advanced PDF/HTML Templates feature must be enabled to use the Standard Journal Entry PDF/HTML Template for printing journal entries. When Advanced PDF/HTML Templates is enabled, the Standard Journal Entry PDF/HTML Template is enabled by default on the Advanced PDF/HTML Templates page. This page is located at Customization > Forms > Advanced PDF/HTML Templates. The script ID for Journal type is STDTMPLJOURNAL.

**Note:** Printing journal entries using advanced PDF/HTML printing retrieves the same lines that are available in the GL Impact, but does not support GL Impact printing. Advanced PDF/HTML printing for journal entries is useful when transaction records have the tax information on the same line with one or more accounts but would prefer to have the tax information appear as an additional line.

The following journal entry types are supported:

- Journal Entries (Book Generic and Book Specific)
- Intercompany Journal Entries (Book Generic and Book Specific)
- Advanced Intercompany Journal Entries (Book Generic and Book Specific)
- Period End Journals
If you use the Standard Journal Entry PDF/HTML Template without customization, it is suitable for printing general Journal Entries (Book Generic). Oracle recommends that you customize the standard template and save the customizations for the other journal entry types.

**Note:** In NetSuite OneWorld, the standard template includes a Subsidiary column.

**Important:** If you stop using the Advanced PDF/HTML Templates feature and then enable the feature again, associations between a customized or standard journal entry PDF/HTML template and a customized journal entry form may be removed. For example, you customize the standard journal entry PDF/HTML template and associate it with a customized journal entry form. Then you stop using the Advanced PDF/HTML Templates feature. You then update the customized journal entry form, and enable the feature again. In this example, the association between the customized journal entry PDF/HTML template and the customized journal entry form is removed because you updated the customized form during the period of time that the feature was not enabled. To resolve this example, you must reassociate the template to the form.

### Data Sources

There are two data sources that you can use with advanced PDF/HTML journal entry printing: General Journal Entry SuiteScript Record and GL Impact. You can use a single data source to retrieve data for the template, or you can use both data sources to retrieve data. For example, you can use the SuiteScript record to retrieve data for the header of the template and use GL Impact to retrieve data for the lines.

### General Journal Entry SuiteScript Record

The data source for the fields on the Standard Journal Entry PDF/HTML Template is the general journal entry SuiteScript record. The general journal entry SuiteScript record has all of the fields that are accessible using dot-notation, such as record.subsidiary.

If you use the general journal entry SuiteScript record as your data source, advanced PDF/HTML journal entry printing creates a SuiteScript record and passes it to the templating engine using the "record" alias.

When you customize a template for a specific journal entry type and then use the general journal entry SuiteScript record as your data source, your template will have access to only those fields that are available to the general journal entry SuiteScript record. Your template will not have access to specific fields that are available on a specific journal entry, such as Advanced Intercompany Journal.

For a list of fields available to the general journal entry SuiteScript record, see the Journal Entry reference page in the Records Browser.

Following is a code example when the general journal entry SuiteScript record is the data source:

```html
<table>
  <tr>
    <th>${record.title}</th> <th>${record.transaction}</th>
  </tr>
  <#list record.line as line>
    <tr>
      <td>${record.subsidiary}</td>
      <td>${line.account}</td>
      <td>${line.debit}</td>
      <td>${line.credit}</td>
      <td>${line.memo}</td>
    </tr>
  </#list>
</table>
```
GL Impact

The GL Impact data source uses the results of a saved search constructed to retrieve the same lines that are available in the GL Impact of a specific journal entry transaction. For example, this data source creates a line for tax, which is not available when you use the general journal entry SuiteScript record as your data source.

The GL Impact data source is available only for advanced PDF/HTML journal entry printing. It is not accessible in any other printing.

⚠️ Important: The GL Impact data source is available only for the primary accounting book.

When you use the GL Impact as your data source, advanced PDF/HTML journal entry printing retrieves the results from the saved search and passes the results to the templating engine using the "gllines" alias. This data source has the following fields for each row:

- account
- debitamount
- creditamount
- posting
- memo
- entity
- subsidiary
- department
- class
- location
- fxamount
- lowercased alias of custom segments that appear on the GL impact such as custcol_cseg1

Following is a code example when both the general journal entry SuiteScript record and the GL Impact are used as the data source:

```
<table>
<tr>
    <th>${record@title}</th> <th>${record.trandate}</th>
</tr>

#list gllines as glline
<tr>
    <td>${record.subsidiary}</td>
    <td>${glline.account}</td>
    <td>${glline.debitamount}</td>
    <td>${glline.creditamount}</td>
    <td>${glline.memo}</td>
</tr>
</#list>
</table>
```

Enabling the Advanced PDF/HTML Templates Feature

The Advanced PDF/HTML Templates feature must be enabled to use the Standard Journal Entry PDF/HTML Template for printing journal entries.
To enable the Advanced PDF/HTML Templates feature:

1. Go to Setup > Company > Enable Features.
2. Click the SuiteCloud subtab.
3. Under SuiteBuilder, check the Advanced PDF/HTML Templates box.
4. If required, agree to the SuiteCloud Terms of Service, and click Save.

Standard Journal Entry PDF/HTML Template Customization

The Standard Journal Entry PDF/HTML Template at Customization > Forms > Advanced PDF/HTML Templates includes the following fields:

- Title
- Journal no. (Entry No)
- Date
- Posting Period
- System ID (Internal ID)
- Currency
- Subsidiary (OneWorld)
- Account
- Debit (amount)
- Credit (amount)
- Memo

These fields are available in the general journal entry SuiteScript record.

When you customize the Standard Journal Entry PDF/HTML Template you can use two data sources to retrieve data for the template. For details about the available data sources, see Data Sources.

To customize the Standard Journal Entry PDF/HTML Template, go to Customization > Forms > Advanced PDF/HTML Templates and click the Customize link. For detailed information about customizing a template, see the help topic Customizing Advanced Templates in the Template Editor.

Printing a Single Journal Entry or Multiple Journal Entries

When the Advanced PDF/HTML Templates feature is enabled, you can print a single journal entry or multiple journal entries at the same time.

Important: You must have the Make Journal Entry permission to see and print journal entries.

When you want to print a single journal entry, a Print link appears on each journal line on the List view of the specific journal entry type you want to print. In addition, a print icon appears on the following journal entry pages:

- Journal
- Intercompany Journal
- Advanced Intercompany Journal
- Book Specific Journal
- Book Specific Intercompany Journal

General Accounting
To print an individual journal entry:

1. Go to the List view of the specific journal entry type you want to print.
   For example, if you want to print general journal entries, go to Transactions > Financial > Make Journal Entries > List.
2. Click the Print link on the line for the journal entry you want to print.
   You can also click the print icon on a journal record to print an individual journal entry.
   The journal entry appears in a new browser tab.
3. Right-click the browser tab to display a menu, choose the print option, then complete the printing process.

To print multiple journal entries at the same time:

1. Go to Transactions > Management > Print Checks and Forms.
2. Click the Journals link to access the Print Journals page.
3. Select the type of journal record you want to print from the Journals list. Your selection filters the unprinted journal entries that appear on the page.
   Note: A maximum of 100 journals can appear on the page and be selected for printing.
   You can further filter the unprinted journal entries by selecting the location, the transaction template from the Form list, or both.
   The Documents in Queue field provides the number of journal entries queued for printing.
4. To view and reprint journal entries that have already been printed, check the Allow Reprinting box.
   Reprinting journal entries is useful if you have had printer problems or require more than one copy of the printed document.
5. Click Customize to customize the journal entry list view to include additional filters that impact the journal entries that appear on the Print Journals page.
6. Click the Print box next to the journal entries you want to print.
   You can also click Mark All to print all of the journal entries that appear in the list. Click Unmark All to clear the Print boxes.
7. Click Print to print the selected journal entries.

Printing a List of Journal Entries

You print a list of journal entries from the specific journal entry type page. For example, if you want to print a list of general journal entries, go to Transactions > Financial > Make Journal Entries > List.

To print a list of journal entries:

1. Go to the List view of the specific journal entry type you want to print.
2. Click the print icon to print the list of journal entries.
Importing a Journal Entry

If you have the Make Journal Entry and Posting Period on Transactions permissions, you can import a single journal entry from an external system into NetSuite.

If you use NetSuite OneWorld, you can also import a single intercompany journal entry.

Import is supported for journal entries with up to 10,000 lines. You may notice a performance impact during import and in the user interface for journal entries with over 1000 lines. In addition, these large journal entries may not be editable in the user interface.

Note: Journal entry and intercompany journal entry records include a Memo body field and a Journal Entry Line : Memo field. When mapping:

- If you include only a Line Memo or Memo field in your CSV file, it is mapped to the Journal Entry Line : Memo field.
- If you include both a Line Memo and Memo field in your CSV file, Line Memo is mapped to Journal Entry Line : Memo and Memo is mapped to the Memo body field.

Auto-mapping works differently if you are using the CSV Import Assistant. For details on that method, see the help topic Journal Entry Import and Intercompany Journal Entry Import.

To import a journal entry:

   (To import an intercompany journal entry, go to Transactions > Financial > Make Intercompany Journal Entries > Import.)
2. On the Import Assistant’s Scan & Upload CSV File page, select the type of character encoding for imported data.
   For information about available options, see the help topic Choose Import Character Encoding.
   For more information about the Import Assistant, see the help topic Single Journal Entry Import.
3. Click the Single Journal Entry Template File link to download a CSV template file.
4. Save the file to your system and then populate the saved file with your journal entry data. Note the following conditions:
   - Each imported journal entry must include at least two lines and have balancing debits and credits.
   - Each imported intercompany journal entry must include at four lines with one debit and credit for both the originating and receiving subsidiary.
   - You can add columns to the file to import data for additional journal entry fields.
   - For more information about supported CSV file values, see the help topic Supported Values for Journal Entry Import CSV Files.
5. Click Select, choose the CSV file you have populated and then click Open.
6. Click Next.
7. On the View Mapping / Start Import page, review the automappings of CSV file fields to NetSuite fields.
   Accept the default mappings and start the import, or make changes by dragging and dropping fields. You can also click the pencil icon to open a popup and set default values.
   If you do not map or set defaults for the Date and Entry No. fields, the import process provides default values.
Importing a Journal Entry

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Note: If you want to know what the defaulted number is going to be for an imported statistical journal, you can check this value prior to the import by going to Setup > Company > Auto-Generated Numbers > Document Numbers subtab > Journal field > Current Number column. For details about field mapping, see the help topics CSV Field Mapping Tasks and General CSV Field Mapping Tips.

8. Click Run to immediately start the import.

When the import process successfully completes, the record created by the journal entry import displays. This page enables you to immediately review import results.

If an import does not successfully complete, a Job Status page appears. Click the CSV Response link to view a results.csv file that contains your CSV file data and the error message. Correct the error in your CSV file and then retry the import. For information about import errors, see the help topic Journal Entry Import Errors.

Note: Users who have the Import CSV File permission can import multiple journal entries at one time and take advantage of additional import options. For details about this more complex capability, see the help topic Journal Entry Import and Intercompany Journal Entry Import. For details about importing advanced intercompany journal entries, see the help topic Advanced Intercompany Journal Entry Import.

Journal Entries in OneWorld

You create most OneWorld journal entries at Transactions > Financial > Make Journal Entries. On the Journal record, you associate the journal with a single subsidiary. Revenue recognition journal entries must also be associated with a single subsidiary. For general information about journal entries in NetSuite, see Journal Entries.

Intercompany journal entries are a specialized type of journal, specifically for OneWorld accounts. Use intercompany journal entries to post transactions between subsidiaries.

When you create an advanced intercompany journal entry, you select the originating subsidiary and can then define multiple receiving subsidiaries. Your current role determines which options are available in the Account fields, based on the selected subsidiaries, classes, departments, locations, and custom segments. The Currency field displays the base currency of the originating subsidiary, but you can change it to any currency set up in your system. When you save the journal entry, the ledger of each subsidiary is appropriately debited and credited. Create advanced intercompany journals at Transactions > Financial > Make Advanced Intercompany Journal Entries. For details, see Making Advanced Intercompany Journal Entries.

Elimination journal entries are regular journal entries that are associated with elimination subsidiaries. You can create elimination journal entries to reverse the effect of intercompany transactions, maintaining balance in the consolidated books. You must associate an elimination journal with a single elimination subsidiary. You create elimination journal entries at Transactions > Financial > Make Journal Entries. On the Journal record, you select an elimination subsidiary. See Elimination Journal Entries. You can also automatically generate elimination journal entries if you enable the Automated Intercompany Management feature. See the help topic Automated Intercompany Management Overview.

You can import journal entry and advanced intercompany journal entry data from a CSV file. See Importing a Journal Entry.

If you enable the Intercompany Time and Expense feature, you can create intercompany time entries and expense transactions. You can create intercompany adjustment journal entries to transfer time, expense, or both charges from one subsidiary to another. You can also automate adjustments for intercompany expenses. See Enabling Intercompany Time and Expenses.
You can set preferences to require approval for journal entries before they are posted, and to determine how classes, departments, and locations are shown on journal entry forms. To set these preferences, go to Setup > Accounting > Accounting Preferences > General subtab.

System-Generated Journals for Payments

NetSuite provides a system-generated, read-only journal to represent the general ledger impact of payments that are at varying states of completeness in your system. In some countries, in-transit payments are not considered received until the payment is deposited in the payee’s bank account.

To view system journals, on the bill payment record, click the Related Records subtab. Click the number link associated with the system journal you want to view.

You must have at least View level of the Make Journal Entry permission to view the following details provided by these system journals:

- Entry Number (generated by system)
- Posting Period
- Reversal # (This is a hyperlink to the journal.)
- Date
- Reversal date (generated by system)
- Source Transaction # (This is a hyperlink to the bill payment for which this system journal was generated.)
- Currency
- Subsidiary
- Memo
- Lines subtab
  - Account
  - Entity
  - Amount
  - Location, Department, Class, Custom Segment
  - Subsidiary
- System Notes subtab
- GL Impact subtab
  - Account
  - Amount Debit
  - Amount Credit
  - Posting Yes/No
  - Memo
  - Name of the entity
  - Location, Department, Class, Custom Segment

Elimination Journal Entries

Many business transactions between a parent company and its subsidiary involve a profit or a loss. Among these transactions are intercompany sales of merchandise and intercompany sales of fixed assets. Consolidated financial statements compute the financial position and the results of operations of two or more subsidiaries (affiliated companies), as if they were one company. The unrealized profits or losses
in these intercompany transactions must be eliminated until intercompany profits or losses are realized through the sale of the assets to outsiders.

Failure to eliminate unrealized profits and losses result in consolidated income statements reporting not only the results of transactions to outsiders, but also the results of related party transactions within the affiliated group. Similarly, non-recognition of realized profits and losses would misstate consolidated net income in the consolidated financial statements.

Elimination journal entries are regular journal entries, except that they are associated with elimination subsidiaries. You must associate each elimination journal with a single elimination subsidiary. You create elimination journal entries at Transactions > Financial > Make Journal Entries. On the Journal record, select an elimination subsidiary. For details about how to set up elimination subsidiaries, see the help topic Elimination Subsidiaries.

| Note: If you are reviewing reports when the elimination process is running, the reports may change as the process runs. If the elimination process fails, some of the elimination journal entries are not created. It is recommended that you re-run the elimination process. Running the elimination process again deletes all of the elimination journal entries created on the previous run to ensure no duplication. |

Making Advanced Intercompany Journal Entries

Using an advanced intercompany journal entry, you can specify the originating subsidiary and multiple receiving subsidiaries for the journal entry. You can also change the transaction currency to any currency set up in your system. Other behavior of advanced intercompany journal entries is similar to regular intercompany journal entries. For information about regular intercompany journals, see Making Intercompany Journal Entries.

Scripts and workflows for regular intercompany journal entries do not work with advanced intercompany journal entries. You must create separate scripts and workflows for advanced intercompany journal entries.

To create advanced intercompany journal entries, your role must include at least edit-level access for the Make Journal Entry permission. Advanced intercompany journal entries respect subsidiary and account restrictions.

If you use the Automated Intercompany Management feature, advanced intercompany journal entries include an Auto Balance button. This button automatically adds elimination lines to balance the transaction. For example, if the net amount of a To subsidiary is a credit, an offsetting debit line with a receivables account is automatically added.

You cannot use a default intercompany journal entry auto balance account if that account has a currency or subsidiary restriction that makes the line invalid. For example, if the default auto balance account currency is restricted to the Japanese Yen, you cannot use it with a journal in which the currency is set to CAD.

| Important: When the Intercompany Time and Expenses feature was released, accounts were created named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In 2013.1, the Intercompany Clearing XXX account was introduced. This account replaced the Intercompany Payable/Receivable Account for new NetSuite implementations. Existing implementations kept the original accounts. In 2014.1, intercompany clearing accounts were introduced for payable and receivable that were not currency locked. These clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the clearing account. For more information, see the help topic Intercompany Elimination Overview. |

The following topics include information related to journal entries and advanced journal entries:
■ **Journal Entries in OneWorld**
  - general information about journal entries in OneWorld
■ **Example Intercompany Journal Entries** – an example of an intercompany journal entry
■ **Creating Intercompany Allocation Schedules** – information about automatically creating journal entries from allocation schedules
■ **Advanced Intercompany Journal Entry Import** – information about importing advanced intercompany journal entries

To make an advanced intercompany journal entry:

2. In the Primary Information section:
   
a. In the Classification section, select the **Subsidiary** initiating the journal entry.
   
   You must select the **Subsidiary** before you can select the **Currency**.
   
   The first line of this journal entry must post to the Subsidiary you select.

   **Note:** If you select a subsidiary in the **Subsidiary** field that is assigned to one or more shared vendor or customer records, you can make advanced intercompany journal entries for any of the vendors or customers to which the selected subsidiary is assigned. To do this, on the **Lines** subtab, select the shared vendor or customer from the **Name** field. For more information about shared records, see the help topics **Assigning Subsidiaries to a Vendor** and **Assigning Subsidiaries to a Customer**.

   b. In the **Entry No.** field, accept the default or enter a different number.

   If journal entries are assigned autogenerated numbers in your account, you cannot change the default number unless the override permission is enabled for Journal. For more information, see the help topic **Set Auto-Generated Numbers**.

c. Review the **Out of Balance By** fields as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

d. By default, the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

   You can change this value to any currency set up in your system.

   If one of the subsidiaries uses a base currency different from the selected currency, the **Line** subtab also displays the transaction amount translated into the subsidiary's base currency. This translation is based on the exchange rate entered on the intercompany journal line.

e. If you have journal approval permission, check the **Approved** box to approve your journal entry when you save it.

   The **Approved** box displays only if the **Require Approvals on Journal Entries** accounting preference is checked. For information, see **Require Approvals on Journal Entries Preference**.

   When you check the **Journal Entries** box on the **Approval Routing** subtab on the Accounting Preferences page, the Approved box is not added to the journal entry page. Approval routing for journal entries uses SuiteFlow to create journal entry approval routing. For information, see **Use Journal Entry Approval Routing**.

   If the **Approved** box is displayed and you do not check it, the journal entry does not post until it is approved.

   f. In the **Date** field, accept today's date or enter a new date for the journal entry.

g. If you use fiscal periods, you see a **Posting Period** field.

   The posting period is determined when the journal entry is approved. When you approve a journal entry, you can select a different value than the one initially displayed. You cannot
select a closed period. You may be able to select an open and locked period if your role includes the Override Period Restrictions permission.

h. Leave the Reversal Date field blank and Defer Entry box blank, unless you want to create a reversing entry at the same time.
   If you check the Defer Entry box, the Reversal Date field is mandatory.
   For information about reversing entries, see Reversing Journal Entries.

i. In the Memo field, enter information to help you identify this journal entry in a list of other journal entries.
   The value in this field displays on the List page.

3. On the Lines subtab, enter the detail information for the journal lines.
   The columns that appear are based upon the permissions set for your user role.

   **Tip:** You can navigate down the lines by pressing the Enter key on your keyboard. Use your mouse to navigate up the lines.

   a. In the Subsidiary field, select the subsidiary to associate with this journal line.
      The first line must be the same as the subsidiary selected in the Subsidiary field in the Classification section of the journal entry. Lines after the first may be any of the other subsidiaries.
      The subsidiaries that appear in the list are based upon the permissions set for your user role. You must have access to all the subsidiaries on the record.

   b. In the Account field, select the general ledger account for posting this journal line.
      The list of available accounts is filtered according to any class, department, location, and subsidiary restrictions set for your role. Accounts that are associated with classes, departments, locations, or subsidiaries to which your role does not have access are not available in the Account list.
      If you use the Automated Intercompany Management feature, you can select an intercompany account. The Eliminate box is checked to flag the line for elimination at period end. See the help topic Using Automated Intercompany Management for Elimination.
      If you enabled the Intercompany Time and Expense feature, you can use the subsidiaries' intercompany clearing account for entries that transfer charges for time or expenses. See Intercompany Clearing Account.

   c. In the Debit or Credit field as appropriate, enter the amount to post to the account.

   d. If required, select a Tax Code to determine the tax rate for the line.

   e. Optionally, enter a Memo to help you recognize this entry in a register for this account.

   f. Optionally, in the Name field, select a customer, employee, project, or vendor to associate with this entry.
      NetSuite filters the list of options in this field and includes only entities that support the selected base currency. If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned. To do this, select the shared vendor or customer in this field. More information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.
      If you use the Customers and Multiple Currencies feature, you can create a journal entry for an entity in any of that entity's currencies.
      If you use Automated Intercompany Management, select an intercompany customer or intercompany vendor, as appropriate.
g. If you have enabled Departments, Classes, or both on the Company subtab of the Enable Features page, select the appropriate classification to associate with this line entry.

For information about Departments and Classes, see the help topic Departments and Classes Overview.

h. If you have enabled Locations on the Company subtab of the Enable Features page, select the appropriate location to associate with this line.

For information about Locations, see the help topic Locations Overview.

i. If you use the Revenue Recognition or Amortization features:
   i. In the Schedule column list, select the appropriate template.
      Revenue recognition templates display when the Revenue Recognition feature is enabled. Amortization templates display when the Amortization feature is enabled.
   ii. If you select a variable template, you must also select the associated project in the Name column list.
   iii. Enter a Start Date and End Date, if needed.
   iv. Enter the Residual amount not to be amortized, if appropriate for amortization.

j. If you are using the Automated Intercompany Management feature and the Eliminate box is checked, in the Due To/From Subsidiary column, select a subsidiary that is not the Subsidiary.

The Due To/From Subsidiary defaults to the subsidiary that the intercompany entity in the Name field represents. You receive a warning if the Represents Subsidiary of an entity in the Name field does not match the Due To/From Subsidiary. The values must match if you want to run intercompany elimination for the line.

If this line is the From Subsidiary, the selected subsidiary must be added as one of the To Subsidiaries in the transaction before saving.

If this line is the To Subsidiary line, this column value must be the From Subsidiary.

k. In VAT AMT, enter the VAT tax amount for the line, if any.

l. In the Tax Account field, select the account for the tax.

m. The Exchange Rate field is the current exchange rate between the selected currency and the base currency of the Subsidiary in the line.

You can edit the exchange rate on this line for only this transaction. To affect additional future transactions, you can also update the currency record with the entered exchange rate.

If you have multiple rows on the Lines subtab that specify the same subsidiary, they must share the same Exchange Rate. If you have multiple subsidiaries with the same base currency, it is recommended that you keep their Exchange Rate values the same.

If you use the Multi-Book Accounting Overview feature, you can set exchange rates per subsidiary for the primary book on the Lines subtab. Set the exchange rates per subsidiary for the secondary books on the Accounting Book subtab. If a secondary book uses the same base currency as the primary book for a certain subsidiary, their exchange rates do not have to be the same. However, if within the same accounting book you have two
subsidiaries that share the same base currency, it is recommended that you keep their exchange rates the same.

Note: If you use the Customers and Multiple Currencies feature, the Base Currency column is populated by the subsidiary’s base currency (book-specific) definition.

n. Click Add.

Tip: When line details are similar, click Copy Previous and then make modifications as required.

o. Repeat these steps for each line item.

When you finish entering line items, the Debit and Credit out of balance fields at the top of the page should be blank. If either field contains an amount, your line items are out of balance and you cannot save this entry. The net debit and credit amount on the From subsidiary must be the same as the total net credit and debit of all To subsidiaries combined.

If you have the Automated Intercompany Management feature enabled, you can use the Auto Balance functionality. To automatically add elimination lines and balance the transaction, click Auto Balance. NetSuite automatically populates the balancing lines. For example, if the net amount of a To subsidiary is a credit, NetSuite auto-populates an offsetting debit line with a Receivable type of account.

Note: You cannot use a default intercompany journal entry Auto Balance account if that account has a currency or subsidiary restriction that makes the line invalid. For example, if the default Auto Balance account is restricted to the JPY currency, you cannot use it with a journal where the Base Currency (or Transaction Currency) is set to US.

To remove the automatic lines, click Undo Auto Balancing.

Note: To use Auto Balancing, go to Accounting > Accounting Preferences > Items/Transactions, then set your preferences for Default ICJE Auto Balance Receivables Account and Default ICJE Auto Balance Payables Account. For details, see Items/Transactions Accounting Preferences.

To post an intercompany journal entry, the total debits and credits must balance by subsidiary for every transaction. Debit and credit amounts between subsidiaries can be different. Upon saving the intercompany journal entry in this case, NetSuite alerts you that the journal entry does not balance between subsidiaries. To save the journal entry, click OK.

4. On the Communication subtab, you can attach files and notes to this transaction.
   a. On the User Notes subtab, enter a title and note for any comments you want to add to this transaction. Click Add after each note
   b. On the Files subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select New from the list in the Attach Files column.
   c. Use the Events, Tasks, and Phone Calls subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

5. If the Multi-Book Accounting feature is provisioned in your account, the Accounting Books subtab appears. This subtab shows the secondary books, if any, and their respective base currencies and
exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

6. Click Save.

7. To view the general ledger impact of the created transaction, from the Actions list, select GL Impact.

**Important:** When you create an intercompany journal entry for subsidiaries with different base currencies, the general ledger impact reflects the balance in the base currency of the subsidiary.

**Note:** When viewing transactions from advanced intercompany journal entries, the permissions set for your user role determines what you are able to view and edit. If you do not have access to all the subsidiaries on a record, you can only view data for the subsidiaries to which you have access. In addition, you cannot edit or copy the record.

### Making Intercompany Journal Entries

**Note:** As of 2018.1, advanced intercompany journal entries replace legacy intercompany journal entries in new OneWorld accounts.

Intercompany journal entries are a specialized type of journal available specifically for OneWorld. An intercompany journal entry records debits and credits to be posted to ledger accounts for transactions between two subsidiaries. Intercompany journal entries adjust the value of any set of accounts without entering transactions such as invoices or bills.

An advanced version of intercompany journal entries is now available, which enables you to define multiple receiving subsidiaries, change the base currency to any currency set up in your system, and use the Auto Balance functionality. For information, see Making Advanced Intercompany Journal Entries.

The Automated Intercompany Management feature automatically generates intercompany elimination journal entries during the period close process. If you use this feature, the intercompany journal form includes an Eliminate box to identify lines to be eliminated. For more information, see the help topic Automated Intercompany Management Overview.

If you enable the Intercompany Time and Expense feature, you can create intercompany time entries and expense transactions. You can create intercompany adjustment journal entries to transfer time, expense, or both charges from one subsidiary to another. For these journals, you have the option of using the intercompany clearing account that is automatically created when this feature is enabled and their associated transactions such as journal entries. For expense charges, you can generate automated adjustments instead of creating intercompany journal entries. See Enabling Intercompany Time and Expenses.

**Important:** When NetSuite released the Intercompany Time and Expenses feature, the first set of accounts created were named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In 2013.1, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. In 2014.1, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see the help topic Intercompany Elimination Overview.

You also have the option of importing intercompany journal entry data from a CSV file. For more information, see Importing a Journal Entry.
For general information about making journal entries in OneWorld, see Journal Entries in OneWorld. For examples, see Example Intercompany Journal Entries. For information about automatically creating journal entries from allocation schedules, see Creating Intercompany Allocation Schedules.

**To make an intercompany journal entry:**

2. In the Primary Information section:
   a. In the **Entry No.** field, accept the default or enter a different number.

   **Note:** If journal entries are assigned autogenerated numbers in your account, you cannot change the default number unless the override permission is enabled for Journal. Go to Setup > Company > Auto-Generated Numbers > Document Numbers subtab. Check the **Allow Override** box on the **Journal** line. For more information, see the help topic Set Auto-Generated Numbers.

   b. Review the **Out of Balance By** fields as you enter journal lines. They indicate whether the debits and credits in the journal entry balance.

   c. In the Classification section, select the subsidiary initiating the ledger transaction. You must select the subsidiary before you can accept or select the currency.

   The first line of this journal entry must post to the selected subsidiary.

   **Important:** All lines of this journal entry must post to either the **Subsidiary** or the **To Subsidiary**. No other subsidiaries can be associated with lines on this journal entry.

   d. In the **To Subsidiary** field, choose the second subsidiary for this ledger transaction.

   **Note:** If one or both of the subsidiaries selected in the **Subsidiary** or **To Subsidiary** field is assigned to one or more shared vendor or customer records, you can make intercompany journal entries for any of the vendors or customers to which the selected subsidiaries are assigned. To do this, on the **Lines** subtab, select the shared vendor or customer from the **Name** field. For more information about shared records, see the help topics Assigning Subsidiaries to a Vendor and Assigning Subsidiaries to a Customer.

   e. By default, the **Currency** field displays the base currency of the subsidiary selected in the **Subsidiary** field.

   You can change this value to the base currency of the subsidiary selected in the **To Subsidiary** field.

   If one of the subsidiaries uses a base currency different from the selected currency, the journal entry is translated into that subsidiary's base currency before it posts to that subsidiary's ledger. This translation is based on the exchange rate entered on the intercompany journal form.

   f. The **Exchange Rate** field is the current exchange rate between the selected currency and the base currency of the other subsidiary in the transaction.

   You can edit the exchange rate on this form for only this transaction. To affect additional future transactions, you can also update the currency record with the entered exchange rate.

   g. If you have journal approval permission, check the **Approved** box to approve your journal entry.

   If you do not check this box, this entry does not post until it is approved.
h. In the Date field, accept today's date or enter a new date for the journal entry.

i. If you use fiscal periods, you see a Posting Period field.

   The posting period is determined when the journal entry is approved. When you approve
   a journal entry, you can select a different value than the one initially displayed. You cannot
   select a closed period. You may be able to select an open and locked period if your role
   includes the Override Period Restrictions permission.

j. Leave the Reversal Date field blank and Defer Entry box blank, unless you want to create a
   reversing entry at the same time.

   If you check the Defer Entry box, the Reversal Date field is mandatory.

   For information about reversing entries, see Reversing Journal Entries.

k. In the Memo field, enter information to help you identify this journal entry in a list of other
   journal entries.

   The value in this field displays on the List page.

3. If you have enabled Departments, Classes, or both on the Company subtab of the Enable
   Features page, select the appropriate classification to associate with this journal entry.

   For information about Departments and Classes, see the help topic Departments and Classes
   Overview.

4. On the Lines subtab, enter the detail information for the journal lines.

   The columns that appear are based upon the permissions set for your user role.

   ![Tip: You can navigate down the lines by pressing the Enter key on your keyboard. You
cannot navigate up the lines.](image)

   a. In the Subsidiary field, select the subsidiary to associate with this journal line. Only the
      Subsidiary or To Subsidiary can be selected.

      The first line of this journal entry must post to the subsidiary selected in the Subsidiary field.
      Lines subsequent to the first may post to either the Subsidiary or To Subsidiary field.

   ![Note: If the selected subsidiary is assigned to one or more shared vendor
or customer records, you can make this journal entry for any of the vendors or
customers to which the subsidiary is assigned. To do this, select the shared vendor or
customer from the Name field.](image)

   b. In the Account field, select the ledger account to be affected by this journal line.

      If you use the Automated Intercompany Management feature, you can select an
      intercompany account. The Eliminate box is checked to flag the line for elimination at
      period end. See the help topic Using Automated Intercompany Management for Elimination.

      If you enabled the Intercompany Time and Expense feature, you can use the subsidiaries'
      intercompany clearing account for entries that transfer charges for time or expenses. See
      Intercompany Clearing Account.
The list of available accounts is filtered according to any class/department/location restrictions set for your role. Accounts that are associated with classes, departments, and locations to which your role does not have access are not available in the Account list.

c. In the Debit or Credit field as appropriate, enter the amount of the line item.
d. Optionally, enter a memo to help you recognize this entry in a register for this account.
e. Optionally, in the Name field, select a customer, employee, project, or vendor to associate with this entry.

If you use the Customers and Multiple Currencies feature, you can create a journal entry for an entity in any of that entity’s currencies.

If you use Automated Intercompany Management, select an intercompany customer or intercompany vendor, as appropriate.

**Note:** NetSuite filters the list of options in this field and includes only entities that support the selected base currency. If the subsidiary you selected is assigned to one or more shared vendor or customer records, you can make this journal entry for any of the vendors or customers to which the selected subsidiary is assigned. To do this, select the shared vendor or customer from the Name field.

f. If you have enabled Locations on the Company subtab of the Enable Features page and you specify classifications at the line-level, select the appropriate location to associate with this line.

For information about Locations, see the help topic Locations Overview.

g. If you use the Revenue Recognition or Amortization features:
   i. In the Schedule column list, select the appropriate template.

   Revenue recognition templates display when the Revenue Recognition feature is enabled. Amortization templates display when the Amortization feature is enabled.
   
   ii. If you select a variable template, you must also select the associated project in the Customer column list.
   iii. Enter a start and end date, if needed.
   iv. Enter the residual amount not to be recognized, if needed.

h. If this journal entry was created by an intercompany allocation schedule and the selected subsidiary was an elimination subsidiary and the intercompany elimination accounts used the same elimination algorithm and the accounts were in balance, NetSuite automatically
marked the intercompany journal lines as elimination. You can manually unmark the lines as elimination by clearing the Eliminate box.

i. If required, select a tax code to default the tax rate for the line. Only tax codes with VAT and GST appear in the Tax code list.

j. Enter the VAT or GST tax amount for the line, if any.

k. In the Tax Account field, select the account for the tax.

l. Click Add.

Tip: When line details are similar, click Copy Previous and then make modifications as required.

m. Repeat these steps for each line item.

When you finish entering line items, the Debit and Credit out of balance fields at the top of the page should be blank. If either field contains an amount, your line items are out of balance and you cannot save this entry.

To post an intercompany journal entry, the total debits and credits must balance by subsidiary for every transaction. Debit and credit amounts between subsidiaries can be different. Upon saving the intercompany journal entry in this case, NetSuite alerts you that the journal entry does not balance between subsidiaries. To save the journal entry, click OK.

5. On the Communication subtab, you can attach files and notes to this transaction.

a. On the User Notes subtab, enter a title and note for any comments you want to add to this transaction. Click Add after each note.

b. On the Files subtab, select and attach files from the File Cabinet related to this transaction. To upload a new file to the File Cabinet, select New from the list in the Attach Files column.

c. Use the Events, Tasks, and Phone Calls subtabs to add to attach activities, such as events, phone calls, and tasks to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

6. If the Multi-Book Accounting feature is provisioned in your account, the Accounting Books subtab appears. This subtab shows the secondary books, if any, and their respective base currencies and exchange rates. For information about Multi-Book Accounting, see the help topic Using Multi-Book Accounting.

7. Click Save.

Important: When you create an intercompany journal entry for two subsidiaries with different base currencies, the general ledger impact may be different for each subsidiary, due to revaluation.

VAT/GST for Intercompany Journal Entries

When you create an intercompany journal entry, include VAT/GST information in the VAT and VAT Amt fields on the Lines subtab. These fields are available for subsidiaries with a tax nexus set up and a reporting requirement for VAT or GST.

Example Intercompany Journal Entries

Note: As of 2018.1, advanced intercompany journal entries replace legacy intercompany journal entries in new OneWorld accounts. For information, see Making Advanced Intercompany Journal Entries. This example is valid for both advanced and legacy intercompany journal entries.

The following journal entry records revenue for a sale from a U.S. subsidiary to a U.K. subsidiary:
Because the U.K. subsidiary uses British pounds (GBP) as its base currency, NetSuite revalues the transaction before posting it to the U.K. subsidiary’s ledger. For this reason, from the perspective of the U.K. subsidiary, the general ledger impact of this transaction would show the revalued transaction in GBP, not U.S. dollars. This means the general ledger impact for Wolfe U.S. and Wolfe U.K. can differ.

To post an intercompany journal entry, the total debits and credits must balance by subsidiary for every transaction. Debit and credit amounts between subsidiaries can be different. When saving the intercompany journal entry in this case, NetSuite alerts you that the journal entry does not balance between subsidiaries. Click OK to save the journal entry.

In addition, to maintain balance in consolidated financials, you need to create elimination journal entries to reverse the effects of the intercompany transactions. With the Automated Intercompany Elimination feature enabled, elimination journal entries are automatically generated as part of the period close process. See the help topic Automated Intercompany Management Overview.

For instructions for making an intercompany journal entry, see Making Intercompany Journal Entries. For general information about OneWorld journal entries, see Journal Entries in OneWorld.

Enabling Intercompany Time and Expenses

In OneWorld accounts, before you can enter transactions for an entity such as a customer, a vendor, or an employee, you must assign a single subsidiary to that entity. Transactions involving a customer or vendor generally impact the accounts of the subsidiary assigned to that customer or vendor. Time and expenses entered for an employee generally impact the subsidiary assigned to that employee.

In a multi-subsidiary environment, some transactions may involve more than one subsidiary, impacting the accounts of more than one subsidiary. For example, employees assigned to one subsidiary may be required to enter time or expenses for customers assigned to a different subsidiary. The Intercompany Time and Expense feature enables entry of intercompany time and expenses, and the transfer of time, expense, or both charges from one subsidiary to another.

You can enable the Intercompany Time and Expense feature at Setup > Company > EnableFeatures., on the Accounting subtab.

**Note:** If you enabled this feature after April 2014, when you created a qualifying journal entry the system created a single Intercompany Clearing Account of the Type: Other Current Asset. The account was set to the Root Subsidiary and included all child subsidiaries. Adjustment journal entries correctly posted to this new account, and no other currency-locked Intercompany Clearing Accounts were created.

If you enabled this feature prior to April 2014, when you created a new adjustment journal entry the system created a new Intercompany Clearing Account (no currency), which became the parent of all other existing clearing accounts. New adjustment journal entries use this parent account, and the existing currency-locked Intercompany Clearing Account remained intact. If you edit a transaction that originally posted to the existing currency-locked Intercompany Clearing Account, the GL Impact of that transaction affects that account.

After this feature is enabled, you can set the following OneWorld preferences at Setup > Accounting > Accounting Preferences > General subtab:
- **Intercompany Time** – Set to **Allow** (default) to permit time entries where the employee and customer have different subsidiaries. Set to **Disallow** to prohibit these transactions.

- **Intercompany Expenses** – Set to **Allow** to permit expenses transactions where the employee and customer have different subsidiaries. Set to **Disallow** to prohibit these transactions. Set to **Allow and Auto Adjust** (default) to enable automated intercompany adjustments.

When time and expenses are entered, their impact on employee subsidiary accounts is recorded. For customers that have a subsidiary different from employees, create adjusting journal entries to reverse the impact on employee subsidiary accounts and register the impact on customer subsidiary accounts. You can manually adjust for intercompany time by creating intercompany journal entries. Adjustments for expense transactions can be created manually, or they can be automated by generating specialized transactions called intercompany adjustments.

For information about manually creating journal entries to adjust for intercompany transactions, see [Making Advanced Intercompany Journal Entries](#).

For information about generating automated intercompany adjustments, see [Creating Intercompany Adjustments for Time and Expenses](#).

For a sample scenario, see [Example Intercompany Adjustment Scenario](#).

If you plan to enable the Intercompany Time and Expense feature, consider the following:

- **Expense Accounts and Categories** - It is recommended that you set up expense categories linked to expense accounts that are available to all subsidiaries. In intercompany expense transactions, users cannot save expense lines unless they contain expense categories available to both the employee subsidiary and customer subsidiary. See the help topics [Account Setup in OneWorld](#) and [Creating an Expense Category](#).

- **Service Items** - It is recommended that you set up service items that are available to all subsidiaries. In intercompany time entries, users cannot save lines unless they contain service items available to both the employee subsidiary and customer subsidiary. See the help topic [Associate Subsidiaries with Items](#).

- **Classes, Departments, and Locations** - You must determine a strategy for handling classification segments on intercompany time and expenses.
  - If you do not need to use classes, departments, and locations, you should omit them on intercompany time and expenses. You can set your accounting preferences to make this omission possible. Go to Setup > Accounting > Preferences > Accounting Preferences. On the General subtab, do one of the following:
    - Disable the **Make Classes Mandatory**, **Make Departments Mandatory**, and **Make Locations Mandatory** options,
    - or
    - Enable the **Allow Empty Classifications on Journals** option.
  - If you must use classifications on these transactions, it is recommended that you set up global classifications that are available to all subsidiaries.
  - If classifications are required for journals, set up global classifications available to all subsidiaries. Without global classifications, errors may occur for automated intercompany adjustments. These errors are caused by expense lines that include a class, department, or location that is not available to the subsidiary associated with the selected customer.
  - For more information about using classes, departments, and locations, see the help topic [Classifications in NetSuite](#).

When you enable this feature, the system creates an intercompany clearing account. This clearing account prevents you from modifying the subsidiaries associated with all account types except Bank. For more information, see [Intercompany Clearing Account](#).
Warning: If the Intercompany Time and Expense feature is not enabled, users cannot enter time or expenses where the employee and customer have different subsidiaries.

Intercompany Clearing Account

The Intercompany Time and Expense feature enables the transfer of time, expense, or both charges from one subsidiary to another. If this feature is enabled in your account, an intercompany clearing account is automatically created when the first intercompany transaction occurs. The intercompany clearing account is used to offset the transfer of expenses from the originating subsidiary (employee's subsidiary) to the related subsidiary (customer's subsidiary). This system-generated account enables the balancing of debits and credits in each subsidiary.

Note that when you enable this feature, the intercompany clearing account prevents you from modifying the subsidiaries associated with all account types except Bank.

This is an account of the Other Current Asset type. By default, it does not have an account number. You can change the name. You cannot make other changes, merge, delete, or inactivate the intercompany clearing account. You cannot create other accounts of this type.

Important: When NetSuite released the Intercompany Time and Expenses feature, the first set of accounts created were named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

The intercompany account associated with a subsidiary is used for transactions where that subsidiary is the originating subsidiary. This ensures that adjusting journal entries are all in the base currency of the originating subsidiary. For example, the following intercompany adjustment journal entries illustrate the transfer of expenses entered by a Canadian employee working for a U.K. customer, to be charged to the U.K. subsidiary:

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Subsidiary</td>
<td>Intercompany Clearing CA Dollars</td>
<td>3,395.24</td>
<td></td>
</tr>
<tr>
<td>Canadian Subsidiary</td>
<td>Expense Account</td>
<td></td>
<td>3,395.24</td>
</tr>
<tr>
<td>U.K. Subsidiary</td>
<td>Intercompany Clearing CA Dollars</td>
<td></td>
<td>3,395.24</td>
</tr>
</tbody>
</table>

Automated intercompany adjustments use Intercompany Clearing accounts. See Creating Intercompany Adjustments for Time and Expenses.

You also can use Intercompany Clearing accounts in journal entries you create to manually adjust for intercompany time and/or expenses.

If an account already exists with the default name used by a system-generated intercompany payable/receivable account, the system generates the account with a number appended so that its name is unique.
Creating Intercompany Adjustments for Time and Expenses

If the Intercompany Time and Expense feature has been enabled, and the Intercompany Expenses preference has been set to Allow and Adjust, you can create automated intercompany expense adjustments. If you also use Job Costing, you can create intercompany adjustments to account for posted project time transactions. See Enabling Intercompany Time and Expenses.

**Important:** When NetSuite released the Intercompany Time and Expenses feature, the first set of accounts created were named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see the help topic Intercompany Elimination Overview.

Users with the Intercompany Adjustments permission and access to all subsidiaries, can generate all required adjustments for a selected posting period. You should complete this task as part of the period close process, but it can be done at any time. To access this task from the Period Close Checklist, users need the Manage Accounting Periods permission. To complete this task for a locked period, users need the Override Period Restrictions permission.

**Note:** To have the required permission and access, users must be administrators or have a custom role. The standard CFO role has the Intercompany Adjustments permission but needs to be customized to be granted access to all subsidiaries. See the help topic Control Employee Access to Subsidiaries.

To create intercompany adjustments:

1. Go to Transactions > Financial > Create Intercompany Adjustments.
   (You can reach this page either from the Period Close Checklist page or from its own task link.)
   You cannot access this page unless you have the Intercompany Adjustments permission and access to all active subsidiaries. The Intercompany Time and Expense feature must be enabled and the Intercompany Expenses preference must be set to Allow and Adjust.
   If you also use Job Costing, the Intercompany Time preference must be set to Allow.

2. Select a posting period, if necessary.
   (If you accessed this page from the period close checklist, the posting period is preselected.)
   The journal entry date is set to the last day of the selected period.
   A list of adjustments displays expense and posted time amounts to be transferred from the subsidiary of the employee (Originating Subsidiary) to the subsidiary of the customer or project (Related Subsidiary). One adjustment is listed for each subsidiary pair.
   Each adjustment line displays the base currency of the originating subsidiary. It also displays the amount required to adjust for expenses entered by employees in the originating subsidiary that must be charged to the related subsidiary.
Important: For posted time transactions using Job Costing, multiple currencies is not allowed. The employee and project customer must have the same base currency.

This currency may not reflect the currency used on the expense report, which is used primarily for receipt matching. Only approved expense transactions are used to calculate the amount of each adjustment.

3. To view a detailed list of expense and time transactions covered by an adjustment, click an adjustment line’s Amount field. The list displays in a separate Required Subsidiary Adjustments window.

Note: Only approved expense transactions and posted time transactions are included in this list. Currency values may not match the currency used in the transaction.

* To view an expense report record, click its Date link.
* To edit an expense report record, click its Edit link.
* To customize the view, click the Customize View button. For more information, see the help topic Customizing Sublist Views.
* To view a job costing journal entry, click its View link.

4. To automatically generate journal entries that implement the listed adjustments, click Submit. The intercompany clearing account is created if one does not exist. For more information, see Intercompany Clearing Account.

If generation of journal entries takes an extended period of time, a status page displays. After the adjusting journal entries are generated, the Processed Adjustments page displays.

5. After journal entries have been created, you can see journal entry detail for each adjustment by clicking a Journal field on the Processed Adjustments page.

- Journal date is the last day of the selected posting period.
- The intercompany clearing account is used to balance debits and credits in each subsidiary.
- All journal amounts are in the base currency of the originating subsidiary, for accounts in both the originating subsidiary and the related subsidiary. General ledger impact to each subsidiary is in its own base currency.
- Each journal entry includes an exchange rate used to translate general ledger impact from the originating subsidiary’s base currency to the related subsidiary’s base currency. This exchange rate is based on the last day of the period when the adjustment occurred.
- To review the general ledger impact of an adjustment, click the link in the header of the adjustment record.

Amounts for originating subsidiary accounts remain in that base currency. Amounts for the related subsidiary are converted using the exchange rate on the adjustment record.

To review previously processed adjustments, you can:

- Go to Transactions > Financial > Create Intercompany Adjustments > Status. Click a COMPLETE link in the Status column to view the list of adjustments processed as part of each job.
- Do a transaction search, specifying a value of Yes for the newly added search field Is Intercompany Adjustment. For an example, see Example Intercompany Adjustment Scenario.
**Example Intercompany Adjustment Scenario**

This example occurs in an account where the Intercompany Time and Expense feature is enabled and the Intercompany Expenses accounting preference is set to Allow and Adjust.

**Important:** When NetSuite released the Intercompany Time and Expenses feature, the first set of accounts created were named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

**Background**

Sara Peters, an employee assigned to the U.S. based subsidiary of this account provides consulting services to FinCo. Finco is a U.K. based customer associated with the U.K. subsidiary.

**Original Expense Report**

Sara Peters incurs the following billable expenses recorded in U.S. dollars and records them in an expense report transaction. These expenses are cross-subsidiary. They were incurred by an employee of the U.S. subsidiary during the time in which the employee worked for a customer of the U.K. subsidiary.

<table>
<thead>
<tr>
<th>Employee</th>
<th>Employee Subsidiary</th>
<th>Expense Category</th>
<th>Memo</th>
<th>Amount</th>
<th>Currency</th>
<th>Customer</th>
<th>Customer Subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sara Peters</td>
<td>U.S.</td>
<td>Travel</td>
<td>RT Airfare NY-London</td>
<td>1,600.00</td>
<td>USD</td>
<td>FinCo</td>
<td>U.K.</td>
</tr>
<tr>
<td>Sara Peters</td>
<td>U.S.</td>
<td>Lodging</td>
<td>2 nts Hyatt</td>
<td>800.00</td>
<td>USD</td>
<td>FinCo</td>
<td>U.K.</td>
</tr>
<tr>
<td>Sara Peters</td>
<td>U.S.</td>
<td>Meals</td>
<td>3 days</td>
<td>600.00</td>
<td>USD</td>
<td>FinCo</td>
<td>U.K.</td>
</tr>
</tbody>
</table>

**Expense Report GL Impact**

After the expense report is approved by Accounting, the following amounts are posted to U.S. subsidiary accounts:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount (Debited)</th>
<th>Amount (Credited)</th>
<th>Name</th>
<th>Subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>3,000.00</td>
<td></td>
<td>Sarah Peters</td>
<td>U.S.</td>
</tr>
<tr>
<td>Travel</td>
<td>1,600.00</td>
<td></td>
<td>FinCo</td>
<td>U.S.</td>
</tr>
<tr>
<td>Lodging</td>
<td>800.00</td>
<td></td>
<td>FinCo</td>
<td>U.S.</td>
</tr>
<tr>
<td>Meals</td>
<td>600.00</td>
<td></td>
<td>FinCo</td>
<td>U.S.</td>
</tr>
</tbody>
</table>
Automated Intercompany Adjustment

As part of the period close process in which the expenses occurred, the controller generates automated adjustments to transfer the impact of intercompany expenses. An adjustment with the following lines is generated, all amounts in U.S. dollars:

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Account</th>
<th>Amount (Debited)</th>
<th>Amount (Credited)</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>Intercompany Clearing USD</td>
<td>1,600.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>Travel</td>
<td>1,600.00</td>
<td></td>
<td>FinCo</td>
</tr>
<tr>
<td>U.K.</td>
<td>Travel</td>
<td>1,600.00</td>
<td></td>
<td>FinCo</td>
</tr>
<tr>
<td>U.K.</td>
<td>Intercompany Clearing USD</td>
<td>1,600.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>Intercompany Clearing USD</td>
<td>800.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>Lodging</td>
<td></td>
<td>800.00</td>
<td>FinCo</td>
</tr>
<tr>
<td>U.K.</td>
<td>Lodging</td>
<td>800.00</td>
<td></td>
<td>FinCo</td>
</tr>
<tr>
<td>U.K.</td>
<td>Intercompany Clearing USD</td>
<td>800.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>Intercompany Clearing USD</td>
<td>600.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>Meals</td>
<td>600.00</td>
<td></td>
<td>FinCo</td>
</tr>
<tr>
<td>U.K.</td>
<td>Meals</td>
<td>600.00</td>
<td></td>
<td>FinCo</td>
</tr>
<tr>
<td>U.K.</td>
<td>Intercompany Clearing USD</td>
<td>600.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Automated Adjustment GL Impact

The following lines illustrate the automated adjustment's general ledger impact on U.S. and U.K. subsidiary accounts:

An exchange rate specified on the adjustment record translates the general ledger impact for the U.K. subsidiary from the U.S. subsidiary base currency (USD) to the U.K. subsidiary base currency (GBP). This rate is based on the last day of the period in which the adjustment occurred. In this example it is 0.51056877.

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount (Debited)</th>
<th>Amount (Credited)</th>
<th>Name</th>
<th>Subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercompany Clearing USD</td>
<td>1,600.00</td>
<td></td>
<td></td>
<td>U.S.</td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td>1,600.00</td>
<td>FinCo</td>
<td>U.S.</td>
</tr>
<tr>
<td>Travel</td>
<td>816.91</td>
<td></td>
<td>FinCo</td>
<td>U.K.</td>
</tr>
<tr>
<td>Intercompany Clearing USD</td>
<td>816.91</td>
<td></td>
<td></td>
<td>U.K.</td>
</tr>
<tr>
<td>Intercompany Clearing USD</td>
<td>800.00</td>
<td></td>
<td></td>
<td>U.S.</td>
</tr>
<tr>
<td>Lodging</td>
<td>800.00</td>
<td></td>
<td>FinCo</td>
<td>U.S.</td>
</tr>
<tr>
<td>Lodging</td>
<td>408.46</td>
<td></td>
<td>FinCo</td>
<td>U.K.</td>
</tr>
<tr>
<td>Intercompany Clearing USD</td>
<td>408.46</td>
<td></td>
<td></td>
<td>U.K.</td>
</tr>
<tr>
<td>Intercompany Clearing USD</td>
<td>600.00</td>
<td></td>
<td></td>
<td>U.S.</td>
</tr>
<tr>
<td>Meals</td>
<td>600.00</td>
<td></td>
<td></td>
<td>U.S.</td>
</tr>
</tbody>
</table>
Bad Debt Overview

A bad debt is an amount owed that is written off as a loss. It is classified as an expense because the debt cannot be collected and all reasonable efforts to collect it have been exhausted. This usually occurs when the debtor has declared bankruptcy or the cost of pursuing further action in an attempt to collect the debt exceeds the debt itself.

Writing off bad debt reduces your accounts receivable balance and gives you an accurate estimate of the payments your company expects to receive. The write-off incurs an expense for the amount of the unpaid debt.

For more information about writing off bad debt, see the following topics:
- Allowance for Bad Debts
- Creating a Journal Entry to Write Off Bad Debt
- Accepting a Customer Payment to Write Off Bad Debt

Allowance for Bad Debts

Allowance for bad debts are amounts expected to be uncollected, but still with possibilities of being collected. When there is no other possibility for them to be collected, they are considered as uncollectible accounts. For example, if gross receivables are $100,000 and the amount that is expected to remain uncollected is $5,000, the net current asset section of the balance sheet is:

<table>
<thead>
<tr>
<th>Gross accounts receivable</th>
<th>$100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Allowance for bad debts</td>
<td>$5,000</td>
</tr>
<tr>
<td>Net receivables</td>
<td>$95,000</td>
</tr>
</tbody>
</table>

In financial accounting and finance, bad debt is the portion of receivables that can no longer be collected, typically from accounts receivable or loans. There are two methods to account for bad debt. Both methods credit the accounts receivable account.

- **Direct write off method (Non-GAAP)** – A receivable that is not considered collectible, charged directly to the income statement. With this method, the journal entry is a debit to the bad debt expense account.

- **Allowance method (GAAP)** – An estimate is made at the end of each fiscal year of the amount of bad debt. This estimate is accumulated in a provision, which is then used to reduce specific receivable accounts as and when necessary. With this method, the journal entry is a debit to the allowance for bad or doubtful debts account.

Because of the matching principle of accounting, revenues and expenses should be recorded in the period in which they are incurred. When a sale is made on account, revenue is recorded with account receivable. Because there is an inherent risk that clients might default on payment, accounts receivable have to be recorded at net realizable value. The portion of the account receivable that is estimated to not be collectible is set aside in a contra-asset account, called Allowance for Doubtful Accounts. At the end
of each accounting cycle, adjusting entries are made to charge uncollectible receivable as expense. The amount of uncollectible receivable is written off as an expense from Allowance for Doubtful Accounts.

Creating a Journal Entry to Write Off Bad Debt

To accurately write off bad debt for an invoice, you must do the following:

1. **Create a journal entry** to credit the amount of the unpaid invoice to your accounts receivable account. The balancing debit is to your bad debt expense account, or your allowance for bad debts account if you are using that method.

   If the unpaid invoice includes an amount for VAT (sales tax in the U.K.), bad debt relief can only be claimed on a VAT return when **all** of the following conditions are met:
   - The sales invoice is more than six months overdue for payment.
   - The invoice has been written off in the business records and accounts.
   - Output VAT on the invoice must have been declared and paid to HMRC on a VAT return.
   - The debt must not have been sold, factored, or paid under a valid legal assignment.

   If **all of the above conditions are met**, you should split the debit amount. Debit the VAT amount to a sales account and the remaining amount to the Bad Debt expense account.

2. **Accept a customer payment of a zero amount** to remove the uncollectible invoice amount from open invoices and aging reports. For more information, see Accepting a Customer Payment to Write Off Bad Debt.

To create a journal entry for writing off bad debt:


2. In the **Entry No.** field, accept the default or enter a different number.

   If journal entries are assigned autogenerated numbers in your account, you cannot change the defaults unless the Allow Override box is checked for Journal. Go to Setup > Company > Auto-Generated Numbers > Document Numbers subtab. For more information, see the help topic Set Auto-Generated Numbers.

3. If you use NetSuite OneWorld, select a subsidiary to associate with this journal entry.

   The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.

   You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, you must make an intercompany journal entry. For more information, see Journal Entries in OneWorld.

4. If the Multiple Currencies feature is enabled, review the value in the **Currency** and **Exchange Rate** fields and edit as necessary.

   If you use NetSuite OneWorld, by default the Currency field displays the base currency of the subsidiary selected in the Subsidiary field.

5. If you have journal approval permission, check the **Approved** box to approve your journal entry. If you do not check this box, this entry does not post until it is approved.

   The Approved box displays only if the Require Approvals on Journal Entries accounting preference is checked at Setup > Accounting > Accounting Preferences > General subtab. See Require Approvals on Journal Entries Preference.

   The Approved box does not display if you have checked the Journal Entries approval routing accounting preference. This preference enables you to use SuiteFlow to create a custom journal entry approval routing workflow. See Use Journal Entry Approval Routing.
6. Accept or enter a date in the **Date** field.

7. If you use fiscal periods, you see a **Posting Period** field. The posting period is determined when the journal entry is approved. When you approve a journal entry, you can select a different value than the one initially displayed. You cannot select a closed period. You may be able to select an open and locked period if your role includes the Override Period Restrictions permission.

8. On the Lines subtab:
   a. Enter a credit to A/R:
      - In the **Account** field, select your Accounts Receivable account.
      - In the **Credit** field, enter the amount of the invoice for which you do not expect to receive payment.
      - In the **Name** field, select the name of the customer with whom this invoice is associated.
      - **Note:** When you enter the customer name on both the credit and bad debt debit lines, the journal entry is listed twice on the Transactions subtab of the customer record. The customer balance, however, remains outstanding. You should enter the customer name for the debit so the bad debt expense is included in the Customer Profitability report.
      - Enter other information on this line item as necessary.
      - Click Add.
   b. Enter a debit to a bad debt account:
      - **Tip:** You can navigate down the lines by pressing the Enter key on your keyboard. You cannot navigate up the lines. When line details are similar, click Copy Previous and then make modifications as required.
      - In the **Account** field, enter or select your Bad Debt Expense account.
      - In the **Debit** field, enter the amount of the invoice for which you do not expect to receive payment.
      - If the invoice includes a VAT amount, enter the amount of the invoice minus the VAT amount.
      - Enter other information on this line item as necessary.
      - Click Add.
   c. (For invoices with VAT amounts only) Enter a debit for VAT to a sales account:
      - In the **Account** field, enter or select a sales account.
      - In the **Debit** field, enter the VAT amount.
      - Enter other information on this line item as necessary.
      - Click Add.

9. Verify that the **Out of Balance By** Debit and Credit fields are empty, and then click **Save**.

### Accepting a Customer Payment to Write Off Bad Debt

After you have entered a journal entry to write off bad debt, the next task is to accept a customer payment.

After this payment record is saved, the invoice is no longer included in the Open Invoices report or in A/R Aging reports. You are not required to void the invoice.
To accept a zero customer payment amount:

1. Go to Transactions > Customers > Accept Customer Payment.
2. Select the customer with the unpaid invoice.
   You can change the Date if appropriate, but accept the default choice of Undep. Funds.
3. In the A/R Account field, select a posting account for this transaction.
   Only invoices charged to this account show in the list.
4. Click the Apply subtab.
5. Click the Credit subtab and then check the Apply box for the journal entry you created.
6. Click the Invoices subtab and then check the Apply box for the unpaid invoice.
   The Payment Amount is automatically set to 0.00.
7. Click Save.

The payment is not included in the customer payments list page because the payment amount is 0.

Because the payment amount is 0.00, the general ledger is not affected by this transaction. For information about the general ledger impact of other customer payment transactions, see Customer Transaction GL Impact.

Writing Off Customer Overpayments

You can make journal entries to write off small amounts related to customer overpayments.

**Note:** You may prefer to apply a customer overpayment against an outstanding invoice.

To write off small amounts from customer overpayment:

2. In the Primary Information section:
   a. In the Entry No. field, accept the default or enter a different number.
      If journal entries are assigned autogenerated numbers in your account, you cannot change the defaults unless the Allow Override box is checked for Journal. Go to Setup > Company > Auto-Generated Numbers > Document Numbers subtab. For more information, see the help topic Set Auto-Generated Numbers.
   b. If you use NetSuite OneWorld, select a subsidiary to associate with this journal entry.
      The journal posts to this subsidiary and only entities associated with the subsidiary can view the entry.
      You cannot associate a regular journal entry with more than one subsidiary. For journal entries between two subsidiaries, you must make an intercompany journal entry. For more information, see Journal Entries in OneWorld.
   c. If the Multiple Currencies feature is enabled, review the value in the Currency and Exchange Rate fields and edit as necessary.
      If you use NetSuite OneWorld, by default the Currency field displays the base currency of the subsidiary selected in the Subsidiary field.
   d. If you have journal approval permission, check the Approved box to approve your journal entry. If you do not check this box, this entry does not post until it is approved.
Writing Off Customer Overpayments

**Important:** The Approved box displays only if the Require Approvals on Journal Entries accounting preference is enabled at Setup > Accounting > Accounting Preferences > General subtab. See Require Approvals on Journal Entries Preference.

The Approved box does not display if you have enabled the Journal Entries approval routing accounting preference. This preference enables you to use SuiteFlow to create a custom journal entry approval routing workflow. See Use Journal Entry Approval Routing.

e. Accept or enter a date in the Date field.

f. If you use fiscal periods, you see a Posting Period field.

The posting period is determined when the journal entry is approved. When you approve a journal entry, you can select a different value than the one initially displayed. You cannot select a closed period. You may be able to select an open and locked period if your role includes the Override Period Restrictions permission.

3. On the Lines subtab:
   a. In the Account field, enter or select your Accounts Receivable account.
   b. In the Debit field, enter the amount of the overpayment from the invoice.
   c. In the Name field, select the name of the customer with whom this overpayment is associated.
   d. Enter other information on this line item as necessary.
   e. Click Add.

   **Tip:** When line details are similar, click Copy Previous and then make modifications as required.

f. In the Account field, enter or select your Miscellaneous Income account or your preferred income account.

g. In the Credit field, enter the amount of the overpayment from the invoice.

   Note that this amount must match the amount you entered on the previous line.

h. Enter other information on this line item as necessary.

i. Click Add.

4. Verify that the Out of Balance By field shows 0.00.

   You cannot save a journal entry that is out of balance.

5. Verify that the amounts entered in the Debit and Credit fields are the exact amount of the invoice.

6. Click Save.

The final results are:

- Your accounts receivable account is increased by the overpayment amount.
- Your miscellaneous income account is increased by the same amount.

**To apply the journal entry to the overpayment:**

1. Go to Transactions > Customers > Accept Customer Payment.
2. In the Customer field, enter or select the customer to which the journal entry should be applied.
3. In the A/R Account field, enter or select the appropriate settlement account.
Writing Off Customer Overpayments

4. Complete the remaining fields as required.
5. On the Credit subtab of the Apply subtab, check the Apply box for the customer overpayment.
6. On the Invoices subtab of the Apply subtab, check the Apply box for the journal entry you created for this overpayment.

**Note:** The Payment Amount is set to 0.00.

7. Click Save.

**Expense Allocation Overview**

The Expense Allocation feature enables you to account for fixed expenses without having to split them among individual departments or locations in advance of incurring the expenses. Later, you can transfer expenses into different accounts and assign the expenses to specific departments, classes, or locations. An administrator can enable the Expense Allocation feature at Setup > Company > EnableFeatures > Accounting subtab.

The Accounting Periods feature must be enabled to use Expense Allocation.

**Important:** Your user role must have Full level of the Create Allocation Schedules permission to use Expense Allocation.

Expense allocation is managed by allocation schedules. You set up allocation schedules to allocate, or transfer, balances from expense accounts into one or more other accounts. You can choose the date and frequency with which expenses are allocated on an ongoing basis. You create an allocation schedule at Transactions > Financial > Create Allocation Schedules. For more information, see Creating Expense Allocation Schedules.

**Note:** When you use NetSuite OneWorld in conjunction with the Expense Allocation feature, you can create an intercompany allocation schedule. Intercompany schedules allocate a balance from one source subsidiary to multiple destination subsidiaries for costs that are shared between subsidiaries on a regular basis such as rent utilities. For more information, read Creating Intercompany Allocation Schedules.

For each scheduled allocation, a journal entry is automatically created. For more information, see Creating Expense Allocation Journal Entries.

You can be reminded when allocations are due in the Reminders portlet on your dashboard. To set a reminder for allocation schedules that are due, go to the Home tab and click Customize this Page. In the Add Content panel, click or drag and drop the Reminders Item. In the Reminders portlet, click the Set Up link. In the Set Up Reminders dialog, check the Allocation Schedules Due box, and click Save. Click the reminder in the portlet to view and approve allocation journal entries.

If you have enabled both the Statistical Accounts and the Dynamic Allocation features (Setup > Company > EnableFeatures > Accounting under Advanced Features), you can assign any statistical account to any allocation schedule. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. To calculate statistical weight, NetSuite uses the flat amount for each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines.
Note: You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through the Next Date field. This end date can be the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the Next Date field. This is useful when you want an allocation schedule to calculate a statistical account balance for a period of time prior to or after the run date. For example, you want to run your allocation schedule on March 3, 2015 (system date) for the February previous period, February 1 through 28, 2015. You also specify the Next Date field as February 28, 2015 to synchronize the source and weight basis timeline to February 1 – 28, 2015. With the new synchronized weight enhancement, the source timeline, created journals, and the weight timeline are driven by the value in the Next Date field. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account.

Creating Expense Allocation Schedules

You create allocation schedules to manage the allocation of expenses after they are incurred. Allocation schedules distribute expenses across departments, locations, classes, and custom segments, saving you the time required to enter complex journal entries.

Important: Your user role must have Edit or Full level of the Create Allocation Schedules permission to use Expense Allocation.

With Expense Allocation, you can allocate:

- from one account or from multiple accounts
- to specific department class or locations within expense accounts
- from one account to multiple accounts

The Dynamic Allocation feature (Setup > Company > EnableFeatures > Accounting under Advanced Features) extends the existing fixed rate revenue and cost allocation capability. With fixed rate allocation, you must specify the fixed allocation weight for the entire life cycle of any allocation schedule. Dependent upon the Statistical Accounts feature (Setup > Company > EnableFeatures > Accounting under Advanced Features), Dynamic Allocation enables you to assign any statistical account to any Single or Intercompany Allocation Schedule. Statistical account assignment is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. To calculate statistical weight, NetSuite uses the flat amount for each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines.
**Note:** You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through the Next Date field. This end date can be the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the Next Date field. This is useful when you want an allocation schedule to calculate a statistical account balance for a period of time prior to or after the run date. For example, you want to run your allocation schedule on March 3, 2015 (system date) for the February previous period, February 1 through 28, 2015. You also specify the Next Date field as February 28, 2015 to synchronize the source and weight basis timeline to February 1 – 28, 2015. With the new synchronized weight enhancement, the source timeline, created journals, and the weight timeline are driven by the value in the Next Date field. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account.

**Important:** If you intend to create dynamic allocation schedules based on a statistical account, the segments you define in the statistical account are the only segments that can be used in the allocation schedule. For example, if you want to allocate cost by subsidiary and department, the statistical account must also be segmented by subsidiary and department.

When you are creating an expense allocation schedule, keep in mind the following questions to set up a schedule to best meet your needs:

- **Is the amount being allocated from one account or several accounts?**
  
  On the Source subtab, you can choose one or more accounts from which to take an amount.

- **When you allocate the amount from this source, do you want to move the amount or allocate for reporting purposes?**
  
  - To add the amount to the destination account and **zero the balance in the source account**, only select an account in the Account field on the Source subtab. **Do not** choose a Credit Account.

    When you do not select a credit account, an offsetting credit is **not** created, so the amount is transferred out of the source account.

  - To add the amount to the destination account and **leave the balance in the source account**, select an account in the Account field on the Source subtab and **choose** a Credit Account.

    Selecting a credit account creates an offsetting credit so the amount is not transferred out of the source. Doing so enables you to look at the expense multiple ways on the Income Statement. For example, you can allocate portions of one rent expense (source) account into several departments (destination). This enables you to view expense reports by department for budget planning, but leaves the actual expense amount in the source account. For example, to allocate $10,000 from the Rent Expense account to several departments.

    Whether you choose a credit account determines what happens to the amount you allocate from the source account:

    - When you **do** choose a credit account, $10,000 is allocated to the appropriate destination accounts and the $10,000 balance remains in the Rent Expense account because an offsetting credit is created.

    - When you **do not** choose a credit account, $10,000 is allocated to the appropriate destination accounts to credit the rent expense and the source account balance is reduced to zero.

- **Is the amount being allocated into one account or several accounts?**

  On the Destination subtab, you can choose one or more accounts into which to add an amount.

  - If the Multi-Book Accounting feature is provisioned in your account, you can create an expense allocation schedule for a secondary accounting book. NetSuite first calculates the source balance to obtain the destination balance in the secondary book. Then, after the allocation schedule runs,

- If you enable the **Values are percentages** option, you can enter a percentage as a Weight value for each destination account or custom segment, department, class, location, and custom segment.

- If you enable the **Use source/credit account** option, the destination lines should be custom segments, departments, classes, locations, and custom segments within accounts specified on the Source subtab.

**Note:** If you are creating a dynamic allocation schedule for a statistical account, the Destination subtab includes the Update Sample Weights button. Clicking this button calculates and displays the Sample Weight and Balance values for each destination line.

After you know the answer to these questions, follow the steps below to set up your allocation schedule.

When you use NetSuite OneWorld in conjunction with the Expense Allocation feature, you can create an intercompany allocation schedule. Intercompany schedules allocate a balance from one source subsidiary to multiple destination subsidiaries for costs that are shared between subsidiaries on a regular basis such as rent utilities. For more information, see Creating Intercompany Allocation Schedules.

**To create an expense allocation schedule:**

1. Go to Transactions > Financial > Create Allocation Schedules.
2. In the Primary Information section:
   a. Enter a name for this allocation schedule.
   b. If you use NetSuite OneWorld, select the subsidiary with which this expense allocation schedule should be associated.
   c. If you use Multi-Book Accounting, select an accounting book from the list.
      You may select the primary book or any secondary book to which you have access.
   d. In the Frequency field, choose how often you want to reallocate expenses from this account.
      You are not required to enter a date in the Next Date field if you choose End of Period as the allocation frequency.
      Only those allocation schedules where the selected Frequency is Run by Batch can be included in an allocation batch. For more information, see Creating an Allocation Batch.
   e. In the Next Date field, enter the date of the next scheduled allocation.
      You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through this field. This end date can be the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the Next Date field.
   f. In the Subsequent Date field, enter the date of the following allocation.
g. If you chose **Twice a Month** in the **Frequency** field, enter the day of the month that the second allocation occurs.

h. Choose one of the following:
   - **Remind Forever** – Choose this option if you want to indefinitely reallocate based on this schedule.
   - **Number Remaining** – Choose this option if you want to limit the number of times this schedule reallocates expenses. Enter the number of reallocations you want this schedule to make.

i. Select or clear the **Inactive** box to enable or deactivate the allocation. This option does not delete the allocation schedule.

j. In the **Allocation Mode** field, choose whether the schedule is a fixed rate or dynamic allocation.

   If you choose **Dynamic Allocation**, complete the following fields:

   1. In the **Weight Source** field, choose the statistical account upon which this dynamic allocation schedule is based.
      
      The **Unit Type** field displays the unit of measure type associated with the selected statistical account.
      
      The **Unit of Measure** field displays the base unit assigned to the **Unit Type**.

   2. In the **Date Basis** field, choose the method by which the system should sum the statistical journals for weight calculation.

      Available options include:
      - **As of Date** – The system sums all statistical journals from the beginning date to the day before the date you enter in the **Next Date** field.
      - **Period to Date** – The system sums all statistical journals from the first day of the Accounting Period to the day before the date you enter in the **Next Date** field.
      - **Quarter to Date** – The system sums all statistical journals from the first day of the quarter to the day before the date you enter in the **Next Date** field.
      - **Year to Date** – The system sums all statistical journals from the first day of the year to the day before the date you enter in the **Next Date** field.

   3. Complete the **Source** subtab:
      
      a. If you want to create an offsetting credit for the amount you are allocating, select the account for the offsetting credit to post to in the **Credit Account** field.
         
         - If you do choose a Credit Account:
            
            The schedule creates an offsetting credit to balance the allocation so the amount remains in the source account and is not transferred out of the source account by the allocation journal entry. The schedule adds the amount to the destination account for reporting purposes and leaves the actual balance in the source account.
         
         - If you do not choose a Credit Account:
            
            The schedule zeroes the balance in the source account when the amount is transferred into the destination account by the allocation journal entry because an offsetting credit is not created.

      b. If you are creating an offsetting credit for the credit account selected, associate the offsetting credit with a project or entity by selecting them in the **Credit Name** field.

      c. If you are creating an offsetting credit for the credit account selected, associate the offsetting credit with a department, class, and location by selecting them in the **Credit Location**, **Credit Class**, and **Credit Department** fields.
To associate an offsetting credit with a department, class, and location, the **Allow Per-Line Classifications on Journals** preference must be enabled. See **Class, Department, Location Journal Entry Preferences**.

d. In the **Account** column, choose the account or the type of account you are allocating with this schedule.

   If you choose an account type instead of a specific account, all accounts of this type are allocated with this schedule.

e. In the **Name** column, select a customer, employee, project, or vendor to associate the allocation from the chosen account (d).

f. Choose the department, class, location, or custom segment to associate with allocation from the chosen account (d).

g. Click **Add**.

h. Repeat these steps for each account that you want to allocate with this schedule.

4. Complete the **Destination** subtab:

   a. If you want to allocate expenses into custom segments, departments, classes, and locations by percentage, check the **Values are percentages** box.

   b. If you want to allocate to custom segments, departments, classes, and locations within the source account, check the **Use source/credit accounts** box. If you check this box, you cannot choose destination accounts because the allocation distributes the expenses among custom segments, departments, classes, and locations rather than different accounts.

   If you are creating a dynamic allocation schedule for a statistical account, the **Destination** subtab includes **Update Sample Weights**. Clicking this button calculates and displays the sample weight and balance for each destination line.

   From the **Name**, **custom segment**, **Department**, **Location**, and **Class** fields you can select **—Auto Populate—**. Rather than entering a fixed value, NetSuite searches all existing values at the time the allocation journal is generated and completes these fields according to the gathered information, resulting in one allocation journal destination line for each value in the field.

   For fixed allocations, if more than one field is set to **—Auto Populate—**, NetSuite will generate a destination line for every possible combination of values for each segment, filtered by subsidiary restrictions and any other restrictions at the segment level. For example, if you select an account and select **—Auto Populate—** for Name, Department, and Location, NetSuite will generate destination lines for every possible valid combination of values from the Name, Department, Location fields. This could potentially create a number of destination lines which exceeds NetSuite's 10,000 line limit, producing an error.

   For dynamic allocations, destination lines are created only for all existing combinations in the statistical account. Selecting **—Auto Populate—** for more than one field can still produce more than 10,000 destination lines; however, it is less likely than with fixed allocations.

   **Note:** If **Name**, **custom segment**, **Department**, **Location**, and **Class** are not defined at the line level on the field set to **—Auto Populate—**, NetSuite does not display the line because there is no assignment.

c. If you are entering values as percentages, you can use the following buttons to distribute the allocated amounts:

   - **Normalize** – This button makes total weight add up to 100%.
   - **Even Spread** – This button makes all the weights equal.

d. If you are allocating to other accounts, select an account in the **Account** column.
e. In the **Name** column, select a customer, employee, project, or vendor to associate the allocation to the account on this line.

f. Choose the location, department, class, or custom segment to which you want to allocate expenses.

g. In the **Weight** column, enter:
   - a percentage, if you checked the **Values are percentages** box
   - a flat amount that is divided by the total amount of all entered lines to determine allocation

For example, if you enter 100, 300, 400 on three lines, the system would allocate the source amount to the destination lines based on the calculated percentage: 12.5% (100/800), 37.5% (300/800), 50% (400/800).

**Note:** If you are creating a dynamic allocation schedule for a statistical account, NetSuite calculates the statistical weight using the flat amount for each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines. The statistical weight is calculated when the allocation schedule is running and then used in allocation journal generation.

5. Click **Save**.

After you create an expense allocation schedule, journal entries are created whenever you have a scheduled allocation. For more information, read Creating Expense Allocation Journal Entries.

### Creating Expense Allocation Journal Entries

Allocation schedules are used to generate journal entries that distribute expenses to the appropriate accounts, departments, classes, and locations.

Dynamic allocation schedules calculate the weight of a statistical account through statistical journal entries or as an absolute value at the time the allocation journal is created. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account

**Important:** Your user role must have Edit or Full level of the Create Allocation Schedules permission to use Expense Allocation.

### To create an allocation journal entry from an allocation schedule:

1. Go to Transactions > Financial > Create Allocation Schedules > List.
2. Click **View** next to an allocation that is due.
3. On the allocation schedule, click **Create Journal Entry**.

The Journal Entry record opens in View mode.
   - If the **Require Approvals on Journal Entries** accounting preference has not been enabled, you can click **Edit**, then **Save**, to post the journal entry.
   - If the **Require Approvals on Journal Entries** accounting preference has been enabled, and you have journal approval permission, you can click **Approve** to post the journal entry. If you do not have this permission, you can view the journal entry.
   - If you have enabled the **Journal Entries** accounting preference, the **Approval Status** and **Next Approver** lists appear. Custom buttons that perform various commands may also appear...
enabled or unavailable, depending on your workflow configuration. For information about a custom journal entry approval workflow, see Using SuiteFlow for Journal Entry Approvals.

- This preference is available at Setup > Accounting > Preferences > Accounting Preferences, on the General subtab, under General Ledger.

**Note:** If the allocation schedule creates more than 10,000 allocation detail destination lines, the expense allocation process is stopped and an error message appears indicating that the limit was exceeded.

This situation can occur by selecting the —Auto Populate— option for combinations of the Name, custom segment, Department, Location, or Class fields when creating Expense Allocation Schedules. In particular, for fixed allocations, when —Auto Populate— is selected for more than one field, NetSuite creates destination lines for each possible combination of values in the fields, potentially resulting in a very large number of destination lines.

When the error message appears, no information is captured and nothing is posted, so there is no need to fix the posting. To run the allocation schedule, revise it and carefully consider using the Auto Populate option on the Destination subtab. For more information, see Creating Expense Allocation Schedules.

If you have enabled the Allocation Schedules Due reminder on your dashboard, you can click the reminder to view a list of allocations that are due.

**To enable the Allocation Schedules Due reminder:**

1. Go to the Home tab and click Personalize Dashboard.
2. In the Add Content panel, click or drag and drop the Reminders Item.
3. In the Reminders portlet, click the Set Up link.
4. In the Set Up Reminders dialog, check the Allocation Schedules Due box.
5. Click Save.

If you need to alter an individual allocation, click Add Custom Allocation on the History subtab.

### Creating Intercompany Allocation Schedules

If you have enabled the Expense Allocation feature in your NetSuite OneWorld account, expense allocations can be made within a single subsidiary. When you create an allocation schedule, the subsidiary you select applies to both the source and the destination of the allocation.

**Important:** Your user role must have Edit or Full level of the Create Allocation Schedules permission to use Expense Allocation.

**Note:** If the subsidiary you select is an elimination subsidiary and the intercompany elimination accounts use the same elimination algorithm and the accounts are in balance, NetSuite automatically marks the intercompany journal lines as elimination. You can manually unmark the lines as elimination on the respective intercompany journal entry.

If the subsidiary you select is an elimination subsidiary and the intercompany elimination accounts do not use the same elimination algorithm and the accounts are not in balance, NetSuite does not automatically mark the intercompany journal lines as elimination. You can manually mark the lines as elimination on the respective intercompany journal entry.

Intercompany allocation schedules distribute a balance from one source subsidiary to multiple destination subsidiaries for costs that are shared between subsidiaries on a regular basis such as rent. If the source subsidiary or any destination subsidiary is assigned to one or more shared vendor records,
you can specify that the source and destination belong to any of the vendors to which the selected subsidiaries are assigned. On the Source and Destination subtabs respectively, select the shared vendor from the Name field. For more information about shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

If you have enabled both the Statistical Accounts and Dynamic Allocation features (Setup > Company > EnableFeatures > Accounting under Advanced Features), you can assign any statistical account to any allocation schedule. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers. To calculate statistical weight, NetSuite uses the flat amount for each destination line in the allocation schedule, rather than dividing by the total amount entered in all of the destination lines.

**Note:** You can control the period of time that NetSuite uses to calculate the balance (weight timeline) by specifying the timeline end date through the Next Date field. This end date can be the date on which the schedule runs (system date), or a past or future date. When you select the weight basis (specific date, period to date, quarter to date, or year to date), your weight timeline is relative to the date you enter in the Next Date field. This is useful when you want an allocation schedule to calculate a statistical account balance for a period of time prior to or after the run date. For example, you want to run your allocation schedule on March 3, 2015 (system date) for the February previous period, February 1 through 28, 2015. You also specify the Next Date field as February 28, 2015 to synchronize the source and weight basis timeline to February 1 – 28, 2015.

With the new synchronized weight enhancement, the source timeline, created journals, and the weight timeline are driven by the value in the Next Date field. For more information, see the help topic Working with Allocation Schedules Weighted by the Balance of a Statistical Account.

You can streamline your month-end close process by using allocation schedules to automatically create advanced intercompany journal entries that allocate shared costs or revenues.

For example, Subsidiary A must allocate part of a $1,000 rent expense to two other subsidiaries that are separate legal entities who share space and are responsible for their portion of the rent. For an allocation based on a percentage of square footage, an intercompany schedule can be set up to keep 50% of the $1,000 rent expense for Subsidiary A, allocate 25% to Subsidiary B, and allocate 25% to Subsidiary C.

The following are intercompany allocation schedule details:

Rent Bill Received and Paid by Subsidiary A:
- Rent Expense $1,000
- Cash $1,000

You enter the following intercompany allocation schedule:
- Values are percentages = True
- Use Source/credit Accounts = True
- Source Account: Rent Expense
- Source Subsidiary: Subsidiary A
- Intercompany Clearing Account
- Destination Account: Same as source
- Destination Subsidiary: Subsidiary A, Weighting: 50%
- Destination Subsidiary: Subsidiary B, Weighting: 25%
- Destination Subsidiary: Subsidiary C, Weighting: 25%
- Intercompany Clearing Account: same as source

**Important:** When NetSuite released the Intercompany Time and Expenses feature, the first set of accounts created were named Intercompany Payable/Receivable XXX, where XXX denoted the currency ISO code. In a later release, NetSuite OneWorld introduced the Intercompany Clearing XXX account. This new account replaced the Intercompany Payable/Receivable Account for new accounts because the existing accounts were being used by the Intercompany Elimination feature. The change applied to only new accounts. Existing accounts were not renamed. Still later, NetSuite OneWorld introduced new intercompany clearing accounts for payable and receivable that are not currency locked. These new clearing accounts are used for intercompany transactions. All existing currency-locked intercompany clearing accounts (the Intercompany Payable/Receivable accounts) are now child accounts of the new clearing account. For more information, see Enabling Intercompany Time and Expenses and Intercompany Elimination Overview.

The allocation would be created as below to ensure that the books for each subsidiary reflect the correct rent expense posting:

**Journal 1: Regular Journal, only one subsidiary**

<table>
<thead>
<tr>
<th>Account</th>
<th>Subsidiary</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Expense</td>
<td>Subsidiary A</td>
<td>$500</td>
</tr>
<tr>
<td>Rent Expense</td>
<td>Subsidiary A</td>
<td>$500</td>
</tr>
</tbody>
</table>

**Advanced Intercompany Journal 1: Allocates to Subsidiary B**

<table>
<thead>
<tr>
<th>Account</th>
<th>Subsidiary</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercompany Clearing Account</td>
<td>Subsidiary A</td>
<td>$250</td>
</tr>
<tr>
<td>Rent Expense</td>
<td>Subsidiary A</td>
<td>$250</td>
</tr>
<tr>
<td>Rent Expense</td>
<td>Subsidiary B</td>
<td>$250</td>
</tr>
</tbody>
</table>

**Advanced Intercompany Journal 2: Allocates to Subsidiary C**

<table>
<thead>
<tr>
<th>Account</th>
<th>Subsidiary</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercompany Clearing Account</td>
<td>Subsidiary A</td>
<td>$250</td>
</tr>
<tr>
<td>Rent Expense</td>
<td>Subsidiary A</td>
<td>$250</td>
</tr>
<tr>
<td>Rent Expense</td>
<td>Subsidiary C</td>
<td>$250</td>
</tr>
</tbody>
</table>

Create a new schedule at Transactions > Financial > Create Allocation Schedules. For important details about creating allocation schedules, see Creating Expense Allocation Schedules.
On the schedule, select a subsidiary to indicate the source from which the amounts are taken. Then, enter details on the Source subtab.

Please note the following about the source:

- You can identify source credits in the account, name, department, class, and location fields or specify accounts in the account list.
- The Intercompany Account is the clearing account used.
- Only accounts and segments/classifications available to the source subsidiary can be selected.
- The currency of the source subsidiary is the currency used on resulting journals and intercompany journals created from the schedule.

On the Destination subtab, select one or more destination subsidiaries into which you want the amount allocated.

Please note the following about the Destination subtab:

- If you have checked the **Values are percentages** box, then the total must be less than or equal to 100%.
  - If the Values are percentage box is clear, NetSuite calculates the percentages based on the values supplied.
    - For example, if you enter 100, 300, 400 on three lines, NetSuite calculates 12.5% (100/800), 37.5% (300/800), 50% (400/800), where 800 is the sum of 100+300+400.
- If the total is less than 100%, an amount remains in the account and the allocation can be run again.
- If you have checked the **Use source/credit account(s)** box, the account and intercompany account are used on all lines.

**Note:** All destination subsidiaries must have access to the accounts to use this selection. Subsidiaries are given access when selected on the account record.

- Only accounts and classifications available to the destination subsidiaries can be selected.

At each scheduled allocation, NetSuite automatically creates an advanced intercompany journal entry for each destination subsidiary and the appropriate amount posts to the specified account.

Please note the following about journal entries created for intercompany allocation:

- A regular journal is created for lines with the same source and destination subsidiary.
- An advanced intercompany journal is created for each destination subsidiary: one journal per subsidiary. This is the case even if there are multiple lines on the allocation schedule for the same subsidiary.
- Each advanced intercompany journal entry posts at least four lines, two lines for the source and two for the destination.
- The journal shows a **Created from** link to the allocation schedule detail.

**Warning:** Journals created from allocation schedules cannot be directly deleted. You must first open the allocation detail and delete it, which deletes all journal entries to which it is associated.

Viewing the Details of Allocation Schedules

At any time you can view the list of allocation schedules and their respective details. Information provided about each allocation schedule includes the next day on which the schedule is run and name. It also provides the frequency of execution of the allocation schedule, duration of the schedule, and whether it is an Intercompany allocation schedule.
For allocation schedules based on monetary accounts, you can enter expenses associated with the schedule's source and destination accounts for the specified period. Details about a particular allocation schedule are accessible through the record.

**To view a list of allocation schedules and their respective details:**

1. Go to Transactions > Financial > Create Allocation Schedules > List (Administrator).
2. From the Allocation Schedules page, you can do the following:
   - Click **New** to create a new allocation schedule.
   - Click **Edit** next to the allocation schedule you want to modify or delete.
   - Click **View** next to an allocation schedule to view details about the record.

   From the record you can do the following:
   - **Edit** the allocation schedule.
   - From the **Actions** list, select **New** or **New Intercompany Allocation Schedule/New Allocation Schedule**.
   - On the **Source** subtab, click the name of the source account to view its Register.
     - On the **Destination** subtab, click the name of a destination account to view its Register.
   - On the **History** subtab, you can access the journal created from the schedule including any historical transactions, and any details specific to the allocation schedule. In the **Detail** column, click the link to access the Allocation Detail page, from which you can view the record that created the allocation, created journal, and related Register.
   - Define filters to control the allocation schedules that display in the list including those allocation schedules with remaining scheduled occurrences.
   - Click the **Show Inactives** box to refresh the allocation schedule list and display inactive schedules.
   - Click **Style** to view the displayed allocation schedules as a report or in a grid.

   **Note:** Edit links are not available when the **Report** option is selected.

   - Click the print icon to print the list of allocation schedules.
   - Click **Customize View** to base the filters and displayed results for the allocation schedule list on a saved search.
     For more information, see the help topic **Customizing List Views**.
   - Click the Export - CSV, Export - Microsoft Excel, or Export - PDF icons to export the list of allocation schedules to a file.

**Expense Allocation Assignment to Projects and Entities**

You can account for expenses by allocating costs into accounts and assigning the expenses to specific projects, customers, vendors, or employees. You can also transfer costs by entering an allocation from one project or customer to another.

When you create an allocation schedule, set up schedules to transfer balances from expense accounts into one or more other accounts.

- On the **Source** subtab, in the Name field, associate a project or entity with the account from which the allocation sources.
- On the **Destination** subtab, in the Name field, associate a project or entity with a destination account.

For more details about creating allocation schedules, see **Creating Expense Allocation Schedules**.
Creating an Allocation Batch

If you have enabled the Expense Allocation and Accounting Periods features (Setup > Company > Enable Features > Accounting under Advanced Features and Basic Features, respectively), you can manually run multiple fixed allocation schedules in a specific sequence. An allocation batch, commonly referred to as the step-down allocation method in cost accounting, enables you to define a sequence where the result of the first allocation is the source pool of the second allocation and so on. You can include up to ten allocation schedules in a batch.

**Note:** Allocation batches generate non-approved, non-posted journal entries. You can reuse these journals within the same allocation batch, however, to use them from external sources the journals must be approved and posted. External sources include other journals, other batch journals, and journals which are generated by other allocation schedules.

If you have enabled both the Statistical Accounts and Dynamic Allocation features (Setup > Company > Enable Features > Accounting under Advanced Features), you can assign any statistical account to any allocation schedule. The weight for the allocation, based on the balance of that statistical account through statistical journals or as an absolute value, is dynamically calculated when the allocation journal is generated. This is useful in advanced costing such as Activity Based Costing and Usage Based Costing, and when you are running cost centers and profit centers.

If you do not enable the Statistical Accounts and Dynamic Allocation features, your allocation batch can include only allocation schedules based on percentages.

For example, you want to create an allocation batch that includes three allocation schedules. The first schedule allocates the IT department costs by headcount to the Manufacturing, Sales, and Marketing departments. From the results of the first allocation schedule, the second schedule then allocates facility costs by office space to the Manufacturing, Sales, and Marketing departments. Finally, from the results of the second allocation schedule, the third schedule then allocates marketing costs based on number of units sold to the Manufacturing department.

**Note:** Allocation schedules included in an allocation batch cannot be run outside of the batch.

To create an allocation batch:

1. Go to Transactions > Financial > Create Allocation Batches.
2. Enter a name for this allocation batch. The system date displays in the Creation Date field.
3. Enter the date on which the journal entries should post. You cannot save the allocation batch without specifying a posting date. The read-only Created By field displays the user's name created the batch.
4. Select or clear the Inactive box to enable or deactivate this allocation batch. This option does not delete the allocation batch.
5. Enter any notes about this allocation batch.
6. In the Allocation Schedule column, select an allocation schedule to include in this batch. **Important:** Only those allocation schedules where the Frequency is set to Run by Batch can be included in a batch. After you include an allocation schedule in a batch, you cannot inactivate or delete that allocation schedule. In addition, you cannot change the frequency of the schedule unless you first remove the allocation schedule from all of the batches in which it is included.
7. Click Add.
8. Repeat these steps for each allocation schedule that you want to include in this batch. You can use the mover buttons to reorganize the batch sequence. You can also drag and drop schedules to reorganize the sequence.

9. Click Save.

Modifying Allocation Batches

At any time you can modify the attributes of an allocation batch.

To modify an existing allocation batch:

1. Go to Transactions > Financial > Create Allocation Batches > List.
2. Click Edit next to the allocation batch you want to modify.
3. On the Edit Allocation Batch page, modify the record as needed.

   To view or edit the details associated with an allocation schedule in this batch, in the Allocation Schedule column, click Open next to the name of the schedule.

4. Click Save.

Deleting Allocation Batches

At any time you can delete an existing allocation batch.

To delete an existing allocation batch:

1. Go to Transactions > Financial > Create Allocation Batches > List.
2. Click Edit next to the allocation batch you want to delete.
3. On the Edit Allocation Batch page, from the Actions list, select Delete.
4. At the prompt to confirm the action, click OK.

Viewing the Details of Allocation Batches

At any time you can view the list of allocation batches. Information provided includes the name of the batch, last date on which the batch was executed, and the number of allocation schedules included in the batch.

When you view an allocation schedule within the batch, you have access to the history of the schedule including the journal entries it creates. You can also delete all journal entries created in the last execution of the batch.

To view a list of allocation batches and their respective details:

1. Go to Transactions > Financial > Create Allocation Batches > List.
2. From the Allocation Batches page, you can do the following:
   - Click Edit next to the allocation batch you want to modify or delete. For more information, see Modifying Allocation Batches and Deleting Allocation Batches.
   - Click View next to an allocation batch to view details about the record.
     - From the record you can do the following:
       - Edit the allocation batch.
       - Click Execute to immediately run the allocation batch and create journal entries.
From the Actions list, select New to create a new allocation batch. For more information, see Creating an Allocation Batch.

On the Tasks subtab, in the Allocation Schedule column, click the name of an allocation schedule to view or edit its details.

On the Allocation Schedule page, Destination subtab, you can access the account record on which the schedule is based. On the History subtab, you can access the journal created from the schedule including any historical transactions, and any details specific to the allocation schedule.

On the History subtab, click Delete Last Run to delete all journal entries created by the last execution of the allocation batch.

In the Allocation Batch Details column, click Link to access the Allocation Batch Run page. In the Allocation Schedule Details column, click Link to access the Allocation Detail page and view the details of the schedule.

- Click Run to immediately run the allocation batch and create journal entries.
- Click the Show Inactives box to refresh the allocation batch list and display inactive batches.
- Click New to create a new allocation batch.

Viewing the Status of an Allocation Batch

At any time you can view the status of an allocation batch at Transactions > Financial > Create Allocation Batches > Status.

The Allocation Batch Execution Status page displays the name of the batch, last user to manually execute the batch, and the date and time stamp of the last execution. It also displays the name of an allocation schedule within the batch, any message, execution completion percentage of the allocation schedule, and success status of executed schedule.

From this page you can access the allocation batch, define the period during which you want to view batch execution, and refresh the page.

Period End Journal Entries

The standard NetSuite behavior of calculating, but not posting, consolidation adjustments and income statement closing meets the requirements of many companies and their subsidiaries. Some subsidiaries, however, may have statutory requirements to record entries in the general ledger for these period end transactions. The Period End Journal Entries feature is designed to meet these statutory requirements. To accommodate the limited need for the feature, the feature is enabled separately at the subsidiary level after it is enabled for the company. When the Multi-Book Accounting feature is also enabled, you can enable this feature for specific subsidiary and accounting book combinations. For details, see Setup for Period End Journal Entries.

The Period End Journal Entries feature processes and posts subsidiary consolidation and income statement closing using a transaction type called Period End Journal. Period end journals are generated automatically when you complete the Create Period End Journals task on the Period Close Checklist. The primary types of period end journals are:

- **Income Statement Closing Journal** - This type of period end journal moves net income into retained earnings. Income statement closing journals are created at the end of the last period of an enabled subsidiary's fiscal year. In the year end calculations, the fiscal year end is determined by the fiscal calendar of the subsidiary for which the process is run. The fiscal calendars of any child subsidiaries are ignored. A child subsidiary's fiscal calendar impacts the income statement closing journal only when you run the process for that child subsidiary.
A subsidiary preference, Create Income Summary Journals, lets you post your income statement balances to specific profit or loss account before closing them to retained earnings.

- **Consolidation Journal** - This type of period end journal represents the change since the beginning of the period of a child subsidiary consolidated into its parent and includes the cumulative translation adjustment. The period end task includes creating consolidation journals each period for each parent subsidiary that has the feature enabled. The period end journal posts translated amounts for each child subsidiary account to the parent using the consolidated exchange rate type for the account. The posting to the cumulative translation adjustment account corrects any imbalance that results from variances in the rates for the different rate types. For more information, see the help topics Cumulative Translation Adjustment (CTA) Overview and Consolidated Exchange Rate Types.

A consolidated journal posts to the parent subsidiary that has the feature enabled for each child subsidiary below the parent in the hierarchy. For example, in a hierarchy with a parent, children, and grandchildren, consolidation journals are created for each parent-child and each parent-grandchild pair.

- **Balance Sheet Closing and Opening Journals** - This type of period end journal zeroes out balance sheet accounts and posts any necessary balancing amount to the account you specify. This balance sheet closing journal is the last period end journal in the fiscal year. In the year end calculations, the fiscal year end is determined by the fiscal calendar of the subsidiary for which the process is run. The fiscal calendars of any child subsidiaries are ignored. A child subsidiary’s fiscal calendar impacts the balance sheet closing journal only when you run the process for that child subsidiary.

To begin the next fiscal year, a reversal of the balance sheet closing journal posts on the first day of the new year.

**Note:** Period end journals do not support approvals. All period end journals are approved and posted automatically when you create them.

Another type of period end journal, a **Historical Balances Journal**, is created as needed the first time you run the period end journal process for a subsidiary. These period end journals post transactions to represent the historical consolidated balances and income statement closing balances for the subsidiary. For details, see Historical Balances Journals.

The process of creating period end journals is automated as a task on the Period Close Checklist. The task prompts you to create the period end journals before you close the period for any subsidiaries for which the feature is enabled. For details, see Period End Journal Creation Process.

Period end mode on the General Ledger and Account Register reports lets you review the effects of the period end journals without affecting the standard reports. A special Post Closing Trial Balance shows the balance of each account, including period end journals, as of a specified period. For details, see Financial Reports with Period End Journals.

You can search for period end journals using a Transaction search with the criteria Type set to Period End Journal. You must also check the Include Period End Transactions box on the search Results subtab. For more information, see Search for Period End Journals.

You can use the Period End Journal Entries feature in conjunction with the GL Audit Numbering feature to provide sequential numbering for all transactions that affect the general ledger. For information about the GL Audit Numbering feature, see GL Audit Numbering.

**Setup for Period End Journal Entries**

The Period End Journal Entry feature is available only on NetSuite OneWorld accounts. You must enable the Accounting Periods feature to enable this feature. For help with accounting periods, see Accounting Period Management.
After you have enabled the feature, you can enable subsidiary and set preferences. The following is general information about enabling the feature for subsidiaries and feature-related preferences:

- For consolidation journals, enable the parent subsidiary. You do not need to enable each child and grandchild. Consolidation journals are controlled by an accounting preference.
- For income statement closing journals, enable each subsidiary for which you want to post income statement closing journals.
- You cannot enable the feature for elimination subsidiaries.
- If the Multi-Book Accounting feature is enabled in your account, you can enable the Period End Journal Entries feature for specific subsidiaries in specific accounting books.
- You cannot disable the Period End Journal Entries feature for a subsidiary if any period end transactions have posted to that subsidiary. You can delete period end journals in open accounting periods. However, you may not be able to delete other period end transactions, such as GL adjustment transactions.
- The Use Consolidation with Period End Journal Entries accounting preference is on the General subtab of the Accounting Preferences page at Setup > Accounting > Preferences > Accounting Preferences.
- The Subsidiary Settings Manager includes all the other settings you need to enable and configure Period End Journal Entries for your account. For detailed instructions, see the help topic Defining Subsidiary Settings for the Period End Journal Entries Feature.

The following topics contain other setup information:

- Enabling the Period End Journal Entries Feature
- Custom Fields and Segments on Period End Journals
- Roles and Permissions for Period End Journal Entries
- Configuring Auto-Numbering for Period End Journals

### Enabling the Period End Journal Entries Feature

To use the Period End Journal Entries feature, you must enable the feature for your account and then for specific subsidiaries.

**To enable the Period End Journal Entries feature:**

1. Go to Setup > Company > Enable Features.
2. Click the **Accounting** subtab, and in the Advanced Features section, check **Period End Journal Entries**.
   - A warning reminds you that the feature must also be enabled at the subsidiary level.
   - If you do not see the Period End Journal Entries feature, you are not using a NetSuite OneWorld account.
3. Click **Save**.
4. Enable the feature for the desired subsidiaries. See the help topic Defining Subsidiary Settings for the Period End Journal Entries Feature.

To disable the Period End Journal Entries feature for the account, you must first disable the feature for all subsidiaries.

### Custom Fields and Segments on Period End Journals

You can add custom transaction body fields and transaction line fields to period end journals. The Applies To subtab on the custom field page includes a check box called Period End Journal. You can add a custom
transaction field to the standard period end journal transaction form by checking the Period End Journal box. For help, see the help topics Creating a Custom Field and Assigning Custom Fields to Specific Record Types.

To include a custom segment with general ledger impact on period end journals, check the Period End Journal box on the Application & Sourcing subtab under Transactions. If the GL Impact box is checked on the custom segment, the Period End Journal box is unavailable under Transaction Lines.

When the custom segment is used on a source transaction, the custom segment label appears in the Classification field group of the period end journal body. The custom segment value shows on period end journals created for a segment when that segment type is selected in the Group by These Segments list in the subsidiary preferences.

Roles and Permissions for Period End Journal Entries

The permissions Manage Accounting Periods (Full) and Override Period Restrictions are required for the Create Period End Journals task on the Period Close Checklist. Only the Administrator role includes these permissions by default, but an administrator can add the permissions to custom roles. Both permissions are on the Setup subtab.

To view the Create Period End Journals task from the Period Close Checklist, you also need permission to access all subsidiaries. Access only to the subsidiaries that have the feature enabled is insufficient because the consolidation journal consolidates child subsidiaries that may not have the feature enabled.

Viewing period end journals requires the Transactions permission Period End Journals. Financial statements that include period end journals require the Reports permission Period End Financial Statements. Standard roles include these permissions at the access levels shown in the following table. An administrator can add the permissions to custom roles.

<table>
<thead>
<tr>
<th>Roles</th>
<th>Period End Journals</th>
<th>Period End Financial Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant</td>
<td>Edit</td>
<td>View</td>
</tr>
<tr>
<td>Accountant (Reviewer)</td>
<td>View</td>
<td>View</td>
</tr>
<tr>
<td>CFO</td>
<td>Full</td>
<td>View</td>
</tr>
</tbody>
</table>

For information about access levels, see the help topic Access Levels for Permissions.

Configuring Auto-Numbering for Period End Journals

Period end journals are numbered automatically when you create them. You can configure numbering, but you cannot turn it off.

To configure auto-numbering for period end journals:

1. Go to Setup > Company > Auto-Generated Numbers.
2. Click the Document Numbers subtab.
3. Enter your configuration information in any or all of the following columns:
   - Prefix
   - Suffix
   - Minimum Digits
4. Click Save.

For more information about auto-numbering in NetSuite, see the help topic Set Auto-Generated Numbers.
Period End Journal Creation Process

After the Period End Journal Entries feature is enabled, the Period Close Checklist for open periods includes a task called Create Period End Journals. The Create Period End Journals task is not included for periods that were closed before the feature was enabled.

The Create Period End Journals task is the last task in the checklist before Close, unless the GL Audit Numbering feature is enabled. If GL Audit Numbering is enabled, that task is the last before Close. For more information, see GL Audit Numbering.

The Task: Create Period End Journals page is a task status page. You must create period end journals for each subsidiary with a blue circle. The journals for each subsidiary are created in the order that the circles are displayed, from left to right.

To begin the process, if you want to start all period end journal processes shown on the Task: Create Period End Journals page, click Create All Journals. If you have already successfully completed some processes for this period, those processes are skipped. If the Require Memo on Period End Journals box is checked in the preferences for any subsidiary, an error is logged for the first process for that subsidiary. The processes for other subsidiaries continue to run.

Alternatively, click Create Journals to open the Create Period End Journals page. This page lets you select specific subsidiaries, accounting books, or journal types for which to create period end journals. For example, you can select a subsidiary that requires memos, add the memos, and then create the journals. The page is divided into a maximum of four subtabs: Historical Balances, Consolidation, Income Statement Closing, and Balance Sheet Closing. The subtabs that are available depend on the preferences you have selected for period end journals and when you run the process. The page automatically opens to the subtab for the type of period end journal to be created first. For a description of the journal types, see Period End Journal Entries.

The subtabs available are shown as columns on the subsidiary list of the Task: Create Period End Journals page. For each subsidiary, you create the types of period end journals from left to right. The period end journals to the right are dependent on those to the left.

The Historical Balances subtab is displayed only if you have a subsidiary with the feature enabled that has not yet run this step.

The Consolidation subtab is displayed only when consolidation is set up for the listed subsidiaries. In an account with Multi-Book Accounting enabled, whether you see the Consolidation subtab can depend on the accounting books you select in the filter. An accounting preference controls consolidation for the primary book, but consolidation for secondary accounting books is set on the accounting book record.
For more information about configuring consolidation for period end journal entries, see the help topic
Defining Subsidiary Settings for the Period End Journal Entries Feature.

The **Income Statement Closing** subtab is always shown, even when the process does not need to be run. When the process does not need to be run, no blue circles appear in the Income Statement Closing column on the task status page.

The **Balance Sheet Closing** subtab is controlled by the subsidiary preference **Create Balance Sheet Closing and Opening Journals**. Balance Sheet Closing appears only at fiscal year end and only when one of the subsidiaries has the preference checked. For information about subsidiary preferences, see the help topic Defining Subsidiary Settings for the Period End Journal Entries Feature.

When the Multi-Book Accounting feature is also enabled, fields and controls for accounting books are provided:

- The **Accounting Book field** in the task header (shown in the previous screenshot) appears when the Extended Accounting Period Close Process for multi-book accounting is enabled. This field displays the option selected for the Accounting Book filter on the Period Close Checklist. For information on other effects of the Extended Accounting Period Close Process feature, see the help topic Accounting Book Period Close Management.
- A **Subsidiary filter** is added to the top of the subsidiary list.
- An **Accounting Book filter** is added to the right of the Subsidiary filter at the top of the subsidiary list. An **Accounting Book column** also appears to the right of the Subsidiary column in this area. If the Extended Accounting Period Close Process is enabled, you can specify an accounting book for the Period Close Checklist. When an accounting book is selected for the checklist, the Subsidiary and Accounting Book filters and the Accounting Book column of the list are hidden.

This section includes the following topics that guide you through the process and provide additional details:

- Creating Period End Journals from the Period Close Checklist
- Viewing Period End Journals
- Editing Period End Journals
- Deleting Period End Journals
- Field Reference for Period End Journals
- Historical Balances Journals

**Creating Period End Journals from the Period Close Checklist**

Creating period end journals is one of the last tasks on the Period Close checklist. For information about the other tasks on the checklist, see Using the Period Close Checklist.

If you add or edit transactions after you create period end journals, you must rerun the process so that your period end journals reflect the changes. For information about what happens when you rerun the process, see Rerunning Create Period End Journals Steps.

**To complete the period end journal creation process:**

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods, and click the Checklist icon for the period you want to process.
   
   If you use adjustment periods, the order in which you create period end journals for adjustment periods and base periods is important. For details, see Adjustment Periods and Period End Journals.
2. Complete the tasks in the checklist above the Create Period End Journals task, and then click the Go To Task icon for Create Period End Journals.

The Task: Create Period End Journals page lists all subsidiaries for which the feature is enabled. The parent of an enabled subsidiary is also listed, even when the parent subsidiary does not have the feature enabled, to display the subsidiary hierarchy. This task page displays blue circles for the period end journals that need to be created before you close the period.

3. Run the period end journal creation processes. You can do this two ways:
   - Create All Journals
   - Select Period End Journal Processes

4. When the task page displays result links for all types of period end journals and no errors, click Mark Task Complete.

NetSuite provides several ways to access and view completed period end journals. For information, see Viewing Period End Journals.

Create All Journals

When you use the Create All Journals method, all period end journal processes shown on the task page are started. If you have already successfully completed any processes for this period, those processes are skipped.

This method results in an error for any subsidiary that has the box checked for the Require Memo on Period End Journals subsidiary preference. The error is logged for the first process for each subsidiary that requires memos, and processing stops for that subsidiary. The processes for other subsidiaries continue to run. If you use multi-book accounting, the error is logged for the first subsidiary and accounting book combination.

To use the Create All Journals method:

1. Click Create All Journals.
2. Click OK on the warning message.
3. After you see the confirmation message that processes have started, click Refresh and repeat as needed.
   As processes are completed, a link to the Processed Records is displayed with a count of the results. If errors occurred, a link to the error results page is displayed with a count of the errors.
4. If your results include errors, correct the problems and use the steps in Select Period End Journal Processes to process the period end journals for the corrections.
Select Period End Journal Processes

This method lets you select specific subsidiaries, accounting books, or journal types for which to create period end journals.

If any of the journal processes you select have already successfully completed for this period, those processes are rerun. For more information, see Rerunning Create Period End Journals Steps.

To select the period end journals to process:

1. Click Create Journals.
   A Create Period End Journals page opens to the subtab with the first type of period end journals that need to be created. The subtab lists the subsidiaries for which each type of period end journal is needed. For more information about the subtabs, see Period End Journal Creation Process.
   If you have not yet run the historical balances process for an enabled subsidiary, the first subtab is Historical Balances. The process to create historical balance journals for a subsidiary must run successfully before you can create other period end journals for that subsidiary. For more information, see Historical Balances Journals.
   The following screenshot shows the Balance Sheet Closing subtab, for a specific accounting book. Balance Sheet Closing is the last step of the task at fiscal year end when the subsidiary preference Create Balance Sheet Closing and Opening Journals is checked.

2. Use the filters above the list of subsidiaries as desired. For example, the preceding screenshot is filtered by Accounting Book.
3. Add text in the field in the Memo field as desired or required.
   The text you enter in the Memo field here is copied to the header and lines of the period end journal.
   When the subsidiary preference Require Memo on Period End Journals is checked, this field is marked as required.
4. Check the Subsidiary box in the list header to select all subsidiaries, or check the boxes for individual subsidiaries in the list.
   You can run the process for one or more subsidiaries on the subtab, in any order, regardless of the position of the subsidiary in the subsidiary hierarchy.

   Note: You can check any box on any of the subtabs that have journals ready to process. If you check boxes for processes that are dependent on other processes, the required processes run automatically, even if you have not selected them. Previously completed processes are skipped.
5. Click Submit.
The task page reopens with a confirmation that the process has been submitted and displays a Processing icon.

6. **Click Refresh** and repeat as needed.
   
   When the process is complete, a link to the Processed Records is displayed with a count of the results.
   
   If errors occurred, a message alerts you of the errors. A link to the error results page is displayed with a count of the errors for each process.

7. Repeat this procedure or the **Create All Journals** method until no blue circles or errors remain on the task page.

---

### Rerunning Create Period End Journals Steps

Before you close the period, you can rerun the steps of the Create Period End Journals task. Rerunning the steps deletes the previously generated period end journals and recreates them for that period.

**Note:** If you add or edit transactions after you create period end journals, you must rerun the process so that your period end journals reflect the changes.

If you have previously completed the GL Audit Numbering period closing task, you need to rerun that task also. For more information, see [GL Audit Numbering](#).

When you rerun a step in the process, only the selected period end journals are re-created automatically. Dependent period end journals are deleted, but you must run their steps again manually:

- If you rerun the Historical Balances step after other types of period end journals have been generated for the period, all period end journals in the period are deleted. Only the Historical Balances journals are created again. You must run the steps for Consolidation and Income Statement Closing (and Balance Sheet Closing if applicable) again to create those journals.
- If you rerun Consolidation for a subsidiary that has Income Statement Closing journals in the same period, all period end journals beginning with Consolidation are deleted. Only the Consolidation journals are created again. You must run the step for Income Statement Closing, and Balance Sheet Closing if applicable, for that subsidiary again.
- If you rerun Income Statement Closing and are also using Balance Sheet Closing, you must run the Balance Sheet Closing step again.
If you rerun an early step, such as Historical Balances, and memos are not required, you can click Create All Journals to recreate the later steps.

**To rerun the period end journal creation steps:**

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods, and click the Checklist icon for the open period you want to rerun.
2. Click the Go To Task icon for Create Period End Journals.
3. Click Create Journals.
   
   The Create Period End Journals page opens.
4. Click the subtab for the type of period end journal you want to rerun.
5. Check the box for the subsidiary you want to run, and click Submit.
   
   The task page reopens and displays a Processing icon.
6. Click Refresh.

   When the process is complete, a link to the Processed Records is displayed with a count of the results. If errors occurred, a link to the error results page is displayed with a count of the errors.

**Adjustment Periods and Period End Journals**

The Create Period End Journals task appears in adjustment periods, as well as base periods. The order in which you run the Create Period End Journals task for adjustment periods and base periods is important. For information about the order, see Task Order for Adjustment Periods and Base Periods.

You must run the Consolidation steps each period, when consolidation is enabled, even if the period has no activity. The step is required because adjustment periods have consolidated exchange rates, and changes in consolidated account balances for current rate type accounts need to be recorded.

The Income Statement Closing step (and the Balance Sheet Closing step if included) must be run in the last period of the fiscal year for a subsidiary. The last period of the fiscal year is determined according to the rules of the task order.

**Task Order for Adjustment Periods and Base Periods**

The basic rules for adjustment periods and period end journals are the same whether the adjustment period overlaps a base period or not.

- If an adjustment period ends on or after the last day of a base period, you must run the period end journal creation task for the adjustment period after you run the process for the base period.
- If an adjustment period ends before the last day of a base period, you must run the period end journal creation task for the adjustment period before you run the process for the base period.

For general information about adjustment periods, see Adjustment Periods.

**Viewing Period End Journals**

To view period end journals, you must have the transaction permission Period End Journals. You must also have access to both the Subsidiary and the Source Subsidiary for the period end journal.

NetSuite offers several methods to view period end journals:

- You can view period end journals immediately after they are created by clicking the results link on the Task: Create Period End Journals page. The link opens a Processed Records page that has links to the specific type of period end journals created for the subsidiary. The links are in the Result Record column.
For consolidation journals, if the result count is not zero and no links appear in the Result Record column, check your consolidated exchange rates for the period. If rates do not change from one period to the next and no transactions are posted, no consolidation journals are created. If the rates on your account did not change and you think they should have, contact NetSuite Customer Support.

- You can click the Execution Log icon on the Task: Create Period End Journals page. The icon opens a Period End Journal Execution Log page. By default, the log lists the period end journal processes you have submitted for the subsidiary in the current period. However, you can use the filters to select different accounting periods, subsidiaries, accounting books (if you use multi-book accounting), and creation dates.

- Go to the Period End Journal list page, and click the View link for the journal you want to open.

  If you use the classic interface, the path to the Period End Journals list page is Transactions > Financial > Period End Journal Entries.

  If you use the Accounting Center, the path is Financial > Other > Period End Journal Entries.

- You can search for period end journals. For information, see Search for Period End Journals.

For a description of the fields in a period end journal, see Field Reference for Period End Journals.

### Editing Period End Journals

To edit period end journals, you must have the permission Period End Journals, Edit level or higher. You must also have access to both the Subsidiary and the Source Subsidiary for the period end journal entry.

The only period end journal fields you can edit are the Memo fields and any custom fields or segments that do not affect the general ledger. Editing is permitted either when the period is open or when the
Allow Non-G/L Changes box is checked on the period record. When Allow Non-G/L Changes is checked, users with the Setup permission Allow Non G/L Changes can make edits that do not affect the general ledger.

**Note:** If the Period End Journal form has been customized, additional permissions may be required to edit the added fields.

Memo fields are included on each journal line as well as in the header.

**To edit a period end journal:**

1. Go to Transactions > Financial > Period End Journal Entries, and click the **Edit** link for the period end journal you want to edit.
2. Edit the fields you want.
   - If the fields you edited are in the journal lines, click **OK** after you complete each line.
3. When you have completed your edits, click **Save**.
   - All required fields on the period end journal must have valid values to save your edits.

**Deleting Period End Journals**

When a period is closed, you cannot delete period end journals.

To delete period end journals, you must have the Period End Journals permission, Full level.

When you delete one type of period end journal for a subsidiary, or subsidiary and accounting book combination, all dependent period end journals are also deleted. You cannot delete individual period end journals.

**To delete a period end journal:**

1. Go to Setup > Accounting > Manage G/L > Manage Accounting Periods, and click the Checklist icon for the open period.
2. Click the Go To Task icon for Create Period End Journals.
3. From the **Actions** list on the Task: Create Period End Journals page, select **Delete Journals**.
4. On the Delete Period End Journals page, go to the subtab for the period end journal type you want to delete.
5. Check the boxes for the subsidiaries whose journals you want to delete.
6. Click **Submit**.
   - A popup message warns you that any dependent period end journals will also be deleted and provides an option to cancel the action.
7. When prompted to confirm the deletion, click **OK**.
   - The task page reopens and displays a Processing icon.
8. Click **Refresh**.
When the process is complete, a blue circle appears for the subsidiary and period end journal type you deleted. Blue circles also appear for any dependent period end journals that were deleted during the process.

Field Reference for Period End Journals

The document titles and main accounts for period end journals are listed in the following table. All possible titles are included, but preferences in your account determine which are created. For more information, see the help topic Defining Subsidiary Settings for the Period End Journal Entries Feature.

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Main Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical Consolidation *</td>
<td>Cumulative Translation Adjustment</td>
</tr>
<tr>
<td>Historical Income Statement Closing</td>
<td>Retained Earnings</td>
</tr>
<tr>
<td>Consolidation *</td>
<td>Cumulative Translation Adjustment</td>
</tr>
<tr>
<td>Income Statement Closing</td>
<td>Retained Earnings</td>
</tr>
<tr>
<td></td>
<td>When the subsidiary preference Create Income Summary Journals is checked, two income statement closing journals are created instead of one. Retained Earning is also the main account for the second income summary closing journal when this subsidiary preference is checked. If the subsidiary has a net profit for the period, the first income summary closing journal uses the profit account selected with the subsidiary preference as the main account. If the subsidiary has a net loss, the first journal uses the selected loss account as the main account.</td>
</tr>
<tr>
<td>Balance Sheet Closing</td>
<td>This type of period end journal is created only when the subsidiary preference Create Balance Sheet Closing and Opening Journals is checked. The main account is the selected Balance Sheet Closing Account.</td>
</tr>
<tr>
<td>Balance Sheet Closing</td>
<td>This reversal journal is the balance sheet opening journal that posts on the first day of the period following the fiscal year end. The main account is the selected Balance Sheet Opening Account.</td>
</tr>
</tbody>
</table>

* Consolidation journals are created only when the Period End Journal Entry feature is enabled for a parent subsidiary and the accounting preference Use Consolidation with Period End Journal Entries is checked.

The tables in the following topics list and describe the fields on period end journals. The only fields you can edit are the Memo fields and any custom fields or segments that do not affect the general ledger. None of the fields on the Balance Sheet Closing Reversal are editable.

- Period End Journal Header Fields
- Period End Journal Line Fields
- Period End Journal Detail Pages

Period End Journal Header Fields

The top of each Period End Journal page displays the document number and the type of period end journal.
If the Edit button is visible, you can edit the period end journal. For more information, see Editing Period End Journals.

To open the GL Impact page for the journal, select GL Impact from the Actions list.

All the fields that may appear in a period end journal header are shown in the following table. Some of these fields appear only in specific types of period end journals, as noted in the descriptions.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry No.</td>
<td>The Entry No. is the document number. It is automatically generated when the record is saved.</td>
</tr>
<tr>
<td>Accounting Book</td>
<td>This field is included only when the Multi-Book Accounting feature is enabled. Period end journals are book-specific, and this field shows the accounting book for the period end journal.</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>The Subsidiary is the subsidiary to which the period end journal posts. The subsidiary must have the Enable Period End Journal Entries box checked.</td>
</tr>
<tr>
<td>Date</td>
<td>The Date is the last day of the accounting period, with one exception. For the Balance Sheet Closing Reversal, if applicable, the date is the first day of the period following the fiscal year end.</td>
</tr>
<tr>
<td>Posting Period</td>
<td>The Posting Period is the period for which you ran the Create Period End Journal Entries task.</td>
</tr>
<tr>
<td>Source Subsidiary</td>
<td>The Source Subsidiary is the child subsidiary when posting consolidation journals and when posting income statement closing and balance sheet closing journals for the child subsidiary in the parent subsidiary. The child subsidiary does not need to have the Period End Journal Entries feature enabled.</td>
</tr>
<tr>
<td></td>
<td>The Subsidiary is the same as the Source Subsidiary only when posting non-consolidated income statement closing and balance sheet closing journals for each subsidiary's year end.</td>
</tr>
<tr>
<td>Memo</td>
<td>Enter information to help you identify this journal in a list of other period end journal entries. The value in this field is displayed on the Period End Journal Entries list page. If you enter a value in the Memo field when you create period end journals, that value is copied to this field.</td>
</tr>
<tr>
<td>Paired Period End Journal</td>
<td>This field is included only on income statement closing journals and only when the subsidiary preference Create Income Summary Journals is checked. The field contains a link to the other income statement closing journal in the pair.</td>
</tr>
<tr>
<td>Reversal #</td>
<td>Reversal # appears only on balance sheet closing journals. The field contains a link to the reversal journal that re-opens the balance sheet at the beginning of the next period.</td>
</tr>
<tr>
<td>Reversal Of</td>
<td>Reversal Of appears only on balance sheet closing reversal journals. The field contains a link to the balance sheet closing journal it reverses.</td>
</tr>
<tr>
<td>Classification</td>
<td>The fields included in this field group depend on the features enabled in your environment. Classification fields are Class, Department, Location, and custom segments. If the subsidiary preference Create Period End Journals by Segment is checked, a separate period end journal is generated for each classification combination included in the source transactions for that period. Custom segments that do not affect the general ledger are not considered.</td>
</tr>
</tbody>
</table>

**Period End Journal Line Fields**

All the fields that may appear in period end journal lines are shown in the following table. Some of these fields appear only in specific types of period end journals, as noted in the descriptions.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Account</td>
<td>This account is the account for the Subsidiary that all the following lines post to. In a search of period end journals, this is Account (Main). Depending on the type of period end journal, the main account may be one of the following:</td>
</tr>
<tr>
<td></td>
<td>■ Cumulative Translation Adjustment</td>
</tr>
</tbody>
</table>
## Period End Journal Entries

### Field Description

- **Retained Earnings**
- **an income summary profit or loss account**
- **a balance sheet closing or opening account**

Which income summary and balance sheet accounts are used is determined by your subsidiary preferences. For information about these preferences, see the help topic [Defining Subsidiary Settings for the Period End Journal Entries Feature](#).

This line includes the total, either **Debit** or **Credit**, required to balance the lines in the list below it.

The **Currency** field on this line is the Subsidiary's base currency. All lines use the same currency.

<table>
<thead>
<tr>
<th>Account</th>
<th>This account is the account for the line as shown on the GL Impact page.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit</td>
<td>Each account line has a debit or a credit amount. Debits and credits for the same account are entered on separate lines. Two lines for the same account occurs only for current rate type accounts as a result of changes in the consolidated exchange rate.</td>
</tr>
<tr>
<td>Credit</td>
<td>This field appears only on consolidation journals. The values are Activity or Rate Change. Activity indicates that the line is the result of transactions during the period. Rate Change indicates that the line is the result of changes in the consolidated exchange rate and appears only for current rate type accounts. For more information, see <a href="#">Consolidated Activity Detail</a> and <a href="#">Consolidated Rate Change Detail</a>.</td>
</tr>
<tr>
<td>Memo</td>
<td>Enter information to help you identify this line. For example, you might include key information from the detail pages. If you enter a value in the Memo field when you create period end journals, that value is copied to this field.</td>
</tr>
<tr>
<td>Detail</td>
<td>This link icon opens one of several detail pages with additional information about the line. For more information, see <a href="#">Period End Journal Detail Pages</a>.</td>
</tr>
</tbody>
</table>

### Period End Journal Detail Pages

Period end journal detail pages open when you click the Detail icon in the period end journal line.

All period end journal detail pages include the following fields in their headers. The values for these fields are derived from the period end journal.

- **Accounting Book** (only when the Multi-Book Accounting feature is enabled)
- **Subsidiary**
- **Source Subsidiary**
- **Posting Period.**

The following are the detail pages for the period end journal types:

- **Consolidated Activity Detail**
- **Consolidated Rate Change Detail**
- **Income Statement Closing Detail**
- **Balance Sheet Closing Detail**

### Consolidated Activity Detail

The Consolidated Activity Detail includes links to the source transactions for the period end journal line and other summary information. You open this detail page from consolidation journal lines whose **Detail Type** is **Activity**.

This detail page is also provided for **Historical Consolidated Balances Journals**.

The fields on the Consolidated Activity Detail page are as follows:
Period End Journal Entries

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Rate Type</td>
<td>The value of this field is the general rate type for the account on the associated period end journal line. When the value is Current, a separate line in the period end journal includes a Detail link to the Consolidated Rate Change Detail. For details, see Consolidated Rate Change Detail. For information about rate types, see Consolidated Exchange Rate Types.</td>
</tr>
<tr>
<td>Source Currency</td>
<td>This field displays the base currency of the Source Subsidiary.</td>
</tr>
<tr>
<td>Total Consolidated Amount</td>
<td>This group of fields includes Debit or Credit and Currency. The Total Consolidated Amount is a debit or credit depending on the total of the Consolidated Amount columns in the detail lines. If the total of the of the lines is a debit, the Total Consolidated Amount is a debit. The Currency field is the Subsidiary's base currency.</td>
</tr>
<tr>
<td>Detail Lines</td>
<td>The detail lines include the following columns:</td>
</tr>
<tr>
<td>■ Source Transaction</td>
<td>This column includes a link to the source transaction. For Historical Consolidated Activity Detail pages, this column is called Source Period, and no link is provided.</td>
</tr>
<tr>
<td>■ Source Amount (Debit)</td>
<td></td>
</tr>
<tr>
<td>■ Source Amount (Credit)</td>
<td></td>
</tr>
<tr>
<td>■ Consolidated Exchange Rate</td>
<td></td>
</tr>
<tr>
<td>■ Consolidated Amount (Debit)</td>
<td></td>
</tr>
<tr>
<td>■ Consolidated Amount (Credit)</td>
<td></td>
</tr>
</tbody>
</table>

When you read across the line, the Source Amount multiplied by the Consolidated Exchange Rate equals the Consolidated Amount.

Consolidated Rate Change Detail

When the General Rate Type for an account is Current, a separate line displays the adjustment due to changes in the consolidated exchange rate between periods. This detail page shows how the adjustment is calculated. For information about rate types, see Consolidated Exchange Rate Types.

This detail page is not provided for Historical Consolidated Balances Journals. The rate change is part of the overall calculation for Historical Consolidated Balances Journals.

The fields on the Consolidated Rate Change Detail page are as follows:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source Currency</td>
<td>This field displays the base currency of the Source Subsidiary.</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>The fields include Debit, Credit, and Exchange Rate (current consolidated exchange rate between Subsidiary and Source Subsidiary as of the end of the prior period). The Debit or Credit amount is the account balance at the end of the prior period in the Source Currency multiplied by the Exchange Rate to translate the amount to the Currency.</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>The fields include Debit, Credit, and Exchange Rate (current consolidated exchange rate between Subsidiary and Source Subsidiary at the end of the current period). The Debit or Credit amount is the account balance at the end of the prior period in the Source Currency multiplied by the Exchange Rate to translate the amount to the Currency.</td>
</tr>
<tr>
<td>Total Amount</td>
<td>The fields include Debit, Credit, and Currency (Subsidiary base currency).</td>
</tr>
</tbody>
</table>
### Income Statement Closing Detail

This detail page is also provided for Historical Income Statement Closing Journals. If you create income summary journals, no detail is provided for the second income statement closing journal, the one whose Main Account is Retained Earnings.

The fields on the Income Statement Closing Detail page are as follows:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount</td>
<td>This group of fields includes Debit or Credit and Currency. The total amount is a debit or credit depending on the total of the source transactions. If the total of the source transaction lines is a debit, the total amount is a credit. Conversely, if the total of the source transaction lines is a credit, the total amount is a debit. The exception to this rule is the Total Amount on the detail for the second income statement journal when you use income summary journals. The detail for the journal from the income summary profit or loss account to retained earnings has only one detail line, and it is the total amount. The Currency field is the subsidiary’s base currency.</td>
</tr>
<tr>
<td>Detail Lines</td>
<td>The detail lines include the following columns:</td>
</tr>
<tr>
<td></td>
<td>- Source Transaction - This column includes a link to the source transaction. For Historical Income Statement Closing Detail pages, this column is called Source Period, and no link is provided.</td>
</tr>
<tr>
<td></td>
<td>- Amount (Debit)</td>
</tr>
<tr>
<td></td>
<td>- Amount (Credit)</td>
</tr>
</tbody>
</table>

### Balance Sheet Closing Detail

This detail is available for lines in the balance sheet closing journal. The balance sheet closing reversal does not provide detail pages.

The fields on the Balance Sheet Closing Detail page are as follows:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount</td>
<td>This group of fields includes Debit or Credit and Currency. The total amount is a debit or credit depending on the total of the detail lines. If the total of the detail lines is a debit, the total amount is a credit. Conversely, if the total of the source transaction lines is a credit, the total amount is a debit. The Currency field is the subsidiary’s base currency.</td>
</tr>
<tr>
<td>Detail Lines</td>
<td>The detail lines include the following columns:</td>
</tr>
<tr>
<td></td>
<td>- Source Period - This column shows periods of the source transactions.</td>
</tr>
<tr>
<td></td>
<td>- Amount (Debit)</td>
</tr>
<tr>
<td></td>
<td>- Amount (Credit)</td>
</tr>
</tbody>
</table>

### Historical Balances Journals

For each subsidiary that has the Period End Journal Entries feature enabled, you must run the Historical Balances process. Creating historical balances journals is a one-time process to update account balances.
for correct reporting in period end mode. You must complete this step, even if you have no historical data, before you can create consolidation and income statement closing journals. If you have no historical data, 0 Results is displayed at the end of the process.

The Historical Balances step shows on the Task: Create Period End Journals page when historical balances journals have not yet been created for a subsidiary with the feature enabled. If the step has not yet been run for a specific Subsidiary-Source Subsidiary pair, then the step shows for the parent subsidiary that has the feature enabled.

**Historical Consolidation Journals**

Historical consolidation journals are created only if the subsidiary is a parent and the applicable settings are checked. One setting is the accounting preference Use Consolidation with Period End Journal Entries. If you use multi-book accounting, this preference applies only to subsidiaries in the primary accounting book. The Enable Consolidation option on the accounting book record controls whether consolidation journals are created for secondary accounting books. For more information, see the help topic Defining Subsidiary Settings for the Period End Journal Entries Feature.

These historical journals consolidate transactions in child subsidiaries to the parent from the first transactions to the end of the accounting period before you run the process. One historical consolidation journal consolidates transactions for each subsidiary and child subsidiary pair for the current fiscal year from the first period through the period before the journal is created. If the subsidiary pair has transactions before the current fiscal year, another historical consolidation journal is created for all prior fiscal years.

The calculation for historical consolidation journals uses the consolidated exchange rate type associated with each account included in the journal. For accounts that use the current rate type, the consolidated exchange rate is the rate for the period in which the Historical Balances step is run. This exchange rate is the same as the rate for the Consolidation step if you run both steps in the same period. Consequently, a consolidation journal created in the same period as the subsidiary's historical consolidation journal does not include Rate Change lines for current rate type accounts.

A consolidated journal posts to the parent subsidiary that has the feature enabled for each child subsidiary below the parent in the hierarchy. For example, in a hierarchy with a parent, children, and grandchildren, consolidation journals are created for each parent-child and each parent-grandchild pair.

When the subsidiary preference Create Period End Journals by Segment is checked, separate historical consolidation journals are created for each distinct classification segment represented in the transactions for each accounting period. A classification segment is a combination of class, department, location, and custom segments with general ledger impact.

**Historical Income Statement Closing Journals**

Historical income statement closing journals are created for each subsidiary that has a fiscal year end prior to the period in which you run the process. If the subsidiary has no transactions as of the fiscal year end, no journal is created. In the year end calculations, the fiscal year end is determined by the fiscal calendar of the subsidiary for which the process is run. The fiscal calendars of any child subsidiaries are ignored. A child subsidiary's fiscal calendar impacts the historical income statement closing journal only when you run the process for that child subsidiary.

The process creates a single historical income statement closing journal that calculates the total retained earnings amounts from all historical year ends for the selected subsidiary. For example, consider a subsidiary with a January through December fiscal calendar and history beginning with January 2015. If you run the process in February 2017, you get one historical income statement closing journal covering retained earnings through the end of fiscal year 2016.

When the subsidiary preference Create Period End Journals by Segment is checked, separate historical income statement closing journals are created for each distinct classification segment represented in the
transactions for each accounting period. A classification segment is a combination of class, department, location, and custom segments with general ledger impact.

Financial Reports with Period End Journals

Period end journals do not appear on standard financial statements because consolidation and year end are dynamically calculated, as needed, on standard reports. Period end journals have no impact on standard reports.

When reports show period end journals, consolidated amounts, including the balances for the Cumulative Translation Adjustment and Retained Earnings accounts, are based on posted period end journals. Consolidated child subsidiary data comes only from the period end journals generated during the consolidation step and posted to the parent subsidiary. To ensure your report is correct, run reports that show period end journals only for periods on or after you complete the historical balances task.

If the accounting preference Use Consolidation with Period End Journal Entries is not checked, the consolidated subsidiary context is not available when reports include period end journals. If you use multi-book accounting, consolidation must be enabled in the secondary accounting book to see a consolidated subsidiary context in that secondary accounting book.

To see period end journals, the Post Closing Trial Balance report is available when the Period End Journal Entries feature is enabled. In addition, a Period End Mode switch is provided for account registers (except bank account registers) and the General Ledger report.

For more information about these reporting options, see the following topics:

- Period End Mode for Reports
- Post Closing Trial Balance Report

To view period end journals in the supported reports, you need the Period End Financial Statements permission. The standard roles with this permission and the permission level are as follows:

<table>
<thead>
<tr>
<th>Standard Role</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant</td>
<td>View</td>
</tr>
<tr>
<td>Accountant (Reviewer)</td>
<td>View</td>
</tr>
<tr>
<td>CFO</td>
<td>View</td>
</tr>
</tbody>
</table>

You must have access to at least one subsidiary that has the feature enabled to run the reports in period end mode.

Period End Mode for Reports

In the standard reporting mode, you see only the standard transactions posted to an account. Period end transactions are not shown. A Period End Mode switch is added to general ledger and account register reports (except bank account registers) to let you see both standard and period end transactions. The switch appears to the left of the export buttons at the bottom of these reports. When you turn the switch on and off, the view refreshes automatically. If you change other report settings, such as the period range or subsidiary context, you must click Refresh to refresh the report.

If the Period End Journal Entries feature is enabled only for some subsidiaries in your account, you must select an enabled subsidiary in the Subsidiary Context and click Refresh to see the switch. To
enable the Period End Mode switch in a consolidated subsidiary context, the accounting preference
Use Consolidation with Period End Journal Entries must be checked. For more information about using
consolidation with period end journal entries, see the help topic Defining Subsidiary Settings for the
Period End Journal Entries Feature.

When Period End Mode is on, “– (Period End)” is added to the report title. The Subsidiary Context and
Accounting Book filters have the following restrictions:

- The Subsidiary Context filter options are limited to subsidiaries for which the feature is enabled and
  their parent subsidiaries.
- If consolidation is enabled but the feature is not enabled for a parent subsidiary, (Disabled) appears
  to the right of the subsidiary name in the Subsidiary Context filter. This behavior applies only when
  the Primary Accounting Book is selected in the Accounting Book filter when you use multi-book
  accounting.
- If the feature is not enabled for a subsidiary in a secondary accounting book, the Accounting Book
  filter does not include that book when the subsidiary is selected in the Subsidiary Context filter.
- If consolidation is not enabled for a secondary accounting book and that book is selected in the
  Accounting Book filter, only subsidiaries that have the feature enabled are included in the Subsidiary
  Context filter.

When you open an account register from a period end journal, Period End Mode is automatically turned
on. Similarly, when you drill down from the Post Closing Trial Balance, the General Ledger report is in
period end mode.

For more information about account registers and the General Ledger report, see Account Registers and
General Ledger Report.

Post Closing Trial Balance Report

The Post Closing Trial Balance shows the balance of each active account for the period. This report can
only be run by period. Rather than the Debit and Credit columns of the standard Trial Balance, a single
total amount column is provided labeled Debit/(Credit). Therefore, the sum of the account rows should
always be zero. This report does not have a detail version.

All account balances, including the balances for the Cumulative Translation Adjustment and Retained
Earnings accounts, represent actual posted period end transactions in this report.

You can click on an account name in this report to open a General Ledger — (Period End) report for the
account.

You need the Report Customization permission to customize this report in the Financial Report Builder or
to change the layouts assigned to them. For information, see the help topics Financial Report Builder and
Financial Statement Layouts.

For information about the standard trial balance, see Trial Balance Report.

To see the Post Closing Trial Balance:

1. Go to Reports > Financial > Post Closing Trial Balance, and wait for the report to load.
2. Change the report filters as needed.
   The Subsidiary Context and Accounting Book filters have the following restrictions:
   - The Subsidiary Context filter options are limited to subsidiaries for which the feature is enabled and
     their parent subsidiaries.
   - If consolidation is enabled but the feature is not enabled for a parent subsidiary, (Disabled)
     appears to the right of the subsidiary name in the Subsidiary Context filter. This behavior
applies only when the **Primary Accounting Book** is selected in the **Accounting Book** filter when you use multi-book accounting.

- If the feature is not enabled for a subsidiary in a secondary accounting book, the **Accounting Book** filter does not include that book when the subsidiary is selected in the **Subsidiary Context** filter.
- If consolidation is not enabled for a secondary accounting book and that book is selected in the **Accounting Book** filter, only subsidiaries that have the feature enabled are included in the **Subsidiary Context** filter.

3. Click **Refresh**.
   
   If you have not run the historical balances process for all the subsidiaries included in the report as of the end of the report date range, a warning appears at the topic of the report.

For information about other report options, see the help topic **Setting Report Footer Options**.

**Search for Period End Journals**

You can search for period end journals from the navigation menu at Transactions > Financial > Period End Journal Entries > Search. Check the **Use Advanced Search** box if it is not already checked. For more information about advanced searches, see the help topic **Defining an Advanced Search**.

To search for period end journals from Reports > New Search, use the Transaction Search, add the filter **Type**, and select **Period End Journal**. When the Multi-Book Accounting feature is enabled, use the Multi-Book Accounting Transaction Search instead of the Transaction Search. On the **Results** subtab, check the **Include Period End Transactions** box.

Criteria filters and result fields of special interest with period end journals are as follows:

- **Type** - Include **Period End Journal** in the multi-select list to include period end journal entries.
- **Account (Main)** - This account is the **Main Account** field on the period end journal transaction document. For period end journals, the account value is **Retained Earnings**, **Cumulative Translation Adjustment**, or one of the accounts you select for income summary and balance sheet closing. You can use Account (Main) as either a criteria filter or a results field.
- **Source Subsidiary** - This field is the Source Subsidiary field on the period end journal transaction document. For results, you can add this field with or without the hierarchy.
- **Amount (Foreign Currency)** - This results field always displays 0 for period end journal entries.
- **Accounting Book** - This filter or field is available only when the Multi-Book Accounting feature is enabled.
The following searches include the Transaction Fields join. These searches also display period end transactions when you check the Include Period End Transactions box on the Results tab.

- Activity
- Event
- Multi-Book Accounting Transaction
- Phone Call
- Task
- Transaction
- Transaction Numbering Audit Log - This search always shows period end transactions.
- User Note
- Workflow Instance

Balancing Segments and Journals

In NetSuite, accounting entries are always balanced for the company (subsidiary). For each entry, debits equal credits. Some organizations also need to balance entries for other dimensions or categories, such as funds or business units. This requirement is common for non-profit organizations, advertising, media, and publishing firms. The Balancing Segments feature lets you use custom segments to balance accounting entries by other dimensions automatically.

The Balancing Segments feature depends on custom segments, and you must have the Custom Segments feature to use balancing segments. For information, see the help topic Custom Segments.

Note: The Balancing Segments feature does not provide balancing by the standard class, department, or location categories in NetSuite. You can, however, create balancing custom segments that use dimensions with these names.

You can have a maximum of two active balancing segments.

Balancing Segments Definitions

- **Segment** - A custom classification field used to classify records, similar to class, department, and location. You can define possible values for each segment and add the segments to specific record types.
- **Balancing segment** - a segment within which you can balance debits and credits. Examples of balancing segments that you might create include business units, product lines, or funds.
- **Header segment value** - A value within the segment that you select in the transaction header.
- **Column or Line segment value** - The value or values within the segment that you select in transaction lines.
- **Intersegment account** - A general ledger account used as a clearing account to balance transactions by segment.

For transactions balanced by segment, the header segment value debits or credits balance with the column or line segment values' debits and credits.

See the following topics for more information about the Balancing Segments feature:

- Setup for Balancing Segments
- Adding a Balancing Segment Value to a Transaction
- Balancing Transactions by Segment
- Viewing Balancing Journals
Setup for Balancing Segments

The setup for the Balancing Segments feature requires the following three steps:

- Enabling the Balancing Segments Feature
- Creating a Balancing Segment
- Configuring Intersegment Accounts

During setup, you should also review the permissions that are required for the records and processes associated with the Balancing Segments feature. For information, see Roles and Permissions for Balancing Segments.

Enabling the Balancing Segments Feature

To enable features in NetSuite, you must have the Administrator role or another role that includes the Enable Features permission.

To enable the Balancing Segments feature:

1. Go to Setup > Company > Enable Features > Accounting > Advanced Features, and click the Accounting subtab.
2. In the Advanced Features section, check the Balancing Segments box.
   You must also enable the Custom Segments feature. A message prompts you to enable Custom Segments if it is not already enabled.
3. Click Save.

After you enable the feature, your account includes two new permissions: Balancing Journals and Balance Transactions by Segments. For more information, see Roles and Permissions for Balancing Segments.

Creating a Balancing Segment

After you have enabled the Balancing Segment feature, you can create a balancing segment from a new or existing custom segment.

Balancing segments must have general ledger impact. You can have only two active balancing segments at one time. For instructions to make balancing segments inactive or to delete them, see the help topic Inactivating a Custom Segment or Deleting a Custom Segment Definition.

You need the Balancing Journals permission with access at the Create level to make a custom segment a balancing segment. You also need the Custom Segments permission at Edit level or higher.
After you create a balancing segment, you cannot clear the GL Impact box for the custom segment. For details about GL impact for custom segments, see the help topic Configuring GL Impact for a Custom Segment.

**To create a balancing segment:**

To create a balancing segment, follow the general instructions in Creating a Custom Segment. Those instructions include a description of all fields in the custom segment. This procedure includes the fields that are required for balancing segments.

1. Go to Customization > List, Record, & Fields > Custom Segments.
2. Click New Custom Segment.
   
   You can also edit an existing custom segment to make it a balancing segment.
3. Keep the Type field set to its default value of List/Record.
   
   Balancing segments must have GL impact, and custom segments with GL impact must be of the List/Record type.
4. Check the GL Impact box. This box must be checked for balancing segments. For more details about GL impact, see the help topic Configure a Segment to Appear on the GL Impact Page.
5. Check the Balancing box. Checking this box makes the custom segment with GL impact a balancing segment.
6. Enter additional configuration settings on the segment’s subtabs, as follows:
   - **Values** – Create values for the balancing segment by adding lines to the sublist. These values are the options that are available in transactions from the list for the balancing segment field. For details about each column in the Values sublist, see the help topic Creating Values Within the Segment Definition.
   - **Application & Sourcing** – This subtab does not relate specifically to balancing segments. For information, see the help topics Applying a Custom Segment to Record Types and Dynamic Default Value Sourcing for Custom Segments.
   - **Validation & Defaulting** – This subtab does not relate specifically to balancing segments. For information, see the help topics Making a Custom Segment Mandatory and Configuring Static Defaults for Custom Segments.
   - **Permissions** – Complete this subtab as follows:
     1. Add the roles that can run the balancing by segments process to the sublist.
     2. Set the Record Access Level to Edit for each role.
     3. Set the Search/Reporting Access Level to a value other than – Default –.
   
   For more information about this subtab, see the help topics Granting a Role Permission to Manage Custom Segment Values and Granting Roles Permission to Use Segments in Searches and Reports.
   - **Dependent Segments** – This subtab does not relate specifically to balancing segments.
   - **Display Order** – This subtab does not relate specifically to balancing segments. For details see the help topic Setting Display Order of All Custom Segments.
   - **Translation** – This subtab does not relate specifically to balancing segments. This subtab shows only when the Multi-Language feature is enabled.
7. Click Save.
   
   Upon save, NetSuite creates the balancing segment and an associated custom record type. The custom record type has the same name as the balancing segment and is available on the Custom Record Types list page. You can edit the custom record type directly to add values to the custom segment.
Configuring Intersegment Accounts

Intersegment accounts enable you to balance by segment without changing the general ledger impact to your regular transaction posting accounts. The intersegment accounts are those to which offsetting debits and credits are posted when balancing journals are generated. You must configure your intersegment accounts to complete the feature setup.

Create your intersegment accounts before you begin this procedure. For instructions, see Creating Accounts. You can use accounts of any of the following account types for intersegment accounts:

- Accounts Payable
- Accounts Receivable
- Bank
- Long Term Liability
- Other Asset
- Other Current Asset
- Other Current Liability

Select your default intersegment accounts on the Balancing Segments subtab of the Accounting Preferences page. Your role must include the Accounting Preferences permission.

To configure intersegment accounts:

1. Go to Setup > Accounting > Accounting Preferences.
2. Click the Balancing Segments subtab.
3. In the Accounts section, select values for the following fields:
   - Default Intersegment Due To Account
   - Default Intersegment Due From Account

You can use different accounts for the Default Intersegment Due To and Default Intersegment Due From accounts. If you prefer, you can use the same account for both.

Tip: If you use the same account for both Default Intersegment Due To and Default Intersegment Due From accounts, the consolidated balancing lines automatically zero out in the general ledger.
4. (Optional) To set up due to and due from accounts for specific transactions types, add lines in the table below the Accounts section as follows:
   a. Select a **Transaction Type** from the list.
   b. Select a **Due To Account** or **Due From Account**.
      - You can select **Transaction Posting Account** as the value for these fields. In that case, the offsetting debits and credits for the balancing journals post to the default account for the transaction type.
   c. Click **Add**.
   d. Repeat these steps needed.

For the following transaction types, you can also select a **Transaction Posting Account** as additional criteria to determine the **Due To Account** and **Due From Account**:
- Bill
- Bill Credit
- Bill Payment
- Credit Memo
- Customer Deposit
- Deposit
- Expense Report
- Item Receipt
- Invoice
- Payment
- Sales Tax Payment

5. Click **Save**.

## Roles and Permissions for Balancing Segments

Two permissions control access for the Balancing Segments feature: Balancing Journals and Balance Transactions by Segments. These permissions are included in NetSuite standard roles as shown in the following table.

<table>
<thead>
<tr>
<th>Role</th>
<th>Permission</th>
<th>Access Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant</td>
<td>Balance Transactions by Segments</td>
<td>Create</td>
</tr>
<tr>
<td></td>
<td>Balancing Journals</td>
<td>Create</td>
</tr>
<tr>
<td>Accountant (Reviewer)</td>
<td>Balance Transactions by Segments</td>
<td>View</td>
</tr>
<tr>
<td></td>
<td>Balancing Journals</td>
<td>View</td>
</tr>
<tr>
<td>CFO</td>
<td>Balance Transactions by Segments</td>
<td>Create</td>
</tr>
<tr>
<td></td>
<td>Balancing Journals</td>
<td>Full</td>
</tr>
</tbody>
</table>

You can add these permissions to custom roles as needed for the following purposes:

- **Balance Transactions by Segments** - Controls access to the Balance Transactions by Segments page at Transactions > Financial > Balance Transactions by Segments. This permission is on the Setup subtab of the Permissions subtab of role records. You need View level permission to see the page, and
Create level to run the process. To run the process, you also need the Balancing Journals permission at Create level or higher.

To run the balancing by segments process you must also have Record Access Level of Edit for all active balancing segments. For information, see the help topic Granting Roles Permission to Set Segment Values on Records.

- **Balancing Journals** - Controls access to balancing journal records and the Balancing by Segments Details subtab on the GL Impact subtab of transactions. This permission is on the Transactions subtab of the Permissions subtab of role records. Balancing journals are created by the balancing by segments process. You need View level permission to see the record, and Create level or higher to run the balancing by segments process. To delete balancing journals or rerun the process to create them, you need Full level permission.

### Workflow for Balancing Segments

After you have set up the Balancing Segments feature, the typical workflow is as follows:

1. Enter transactions in NetSuite, selecting segment values in the transaction header and lines as appropriate. Segment fields that are not mandatory can be left empty. These transactions are your source transactions for the next step. See Adding a Balancing Segment Value to a Transaction.
2. At period end, run the Balancing by Segments process to generate journal entries that balance your source transactions by segment as well as by subsidiary. See Balancing Transactions by Segment.
   
   **Note:** You can run the Balancing by Segments process any time, not only at period end.
3. (Optional) Review balancing journal entries.
4. (Optional) Run financial statements with the balancing segment as the Column value. See Reports That Display Balanced Segments.

### Adding a Balancing Segment Value to a Transaction

The configuration of your balancing segment determines which transactions it appears on and whether the segment is available in the header, transaction lines, or both. Most transaction types support custom segments.

**To add a balancing segment value to a transaction:**

1. Complete the other transaction information as usual.
2. Select header and line segment values as required.
   - Header segments are in the Classifications section of the transaction header.
   - Line segments are columns in the transaction lines.
3. Save the transaction.

You can view the balancing segment value in the transaction after you save. However, you must run the Balancing Transactions by Segment process to complete the balancing. The transaction is a source for the process.

Balancing Transactions by Segment

After you set up a balancing segment, NetSuite can use the values assigned to those segments in transaction headers and lines to create balancing journals. To create the balancing journals, you run a process to balance transactions by segments. You can run this process any time. When the Accounting Periods feature is enabled in your account, this process is part of the Period Close Checklist.

To run the process to balance transactions by segment:

1. Go to Transactions > Financial > Balance Transactions by Segments.
   You need the Balance Transactions by Segments permission to access this page. To run the process, you need the Balancing Journal permission (create level or higher) and the Edit Record Access Level permission for all active balancing segments.

2. In the Posting Period field, select the posting period to balance by segments.

3. In the Accounting Books field, select the accounting books to include in the balancing journal. This field appears only when the Multi-Book Accounting feature is enabled.

4. In the Subsidiaries field, select the subsidiaries to include in the balancing journal. This field appears only in NetSuite OneWorld accounts.

5. Check the Include Children box if you also want to balance the children of the subsidiary by segments. This field appears only in NetSuite OneWorld accounts.

   **Note:** The process deletes existing balancing journals for a period when you rerun the process for an overlapping combination of accounting books and subsidiaries. You receive a warning with a link to the balancing journal that the process will delete. You need the Full level Balancing Journal permission to rerun a process that deletes an existing journal. Alternatively, adjust the parameters until the message disappears.

6. (Optional) In the Memo field, type a memo for the balancing journal.

7. Click Run.
   When the process starts, the Balancing by Segments Process page opens with a message confirming that the process has started. This page includes the following information in addition to the fields on the Balance Transactions by Segments page.
   - Date/Time
   - Status
   - Percent Complete

8. Click Refresh to obtain the latest process status, or click New Process to start a new balancing by segments process.

Balancing journals are specific to the posting period, subsidiary, and accounting book. If you run one process for multiple subsidiaries and accounting books, NetSuite creates a balancing journal for each posting period, subsidiary, and accounting book combination.

NetSuite limits the number of lines per balancing journal to 1,000. If a balancing journal for a single period-subsidiary-accounting book combination exceeds this limit, additional balancing journals are
created. For example, if a balance journal would have 2,500 lines, NetSuite creates 3 balancing journals, none of which exceed the 1,000-line limit.

After the Balancing by Segments process has finished, source transactions include Balanced by Segments in the record status. In addition, the GL Impact subtab includes another subtab called Balancing by Segments Details. For details, see Transactions Balanced by Segments

**Example of Balancing Segments**

In this example, an organization wants to balance their accounting entries and general ledger impact by fund as well as by subsidiary. The Fund segment they have created has the following values:

- Operating
- A
- B

The company creates a vendor bill for expenses of $100.00. The general ledger impact of this vendor bill balances debits and credits by Parent Company (subsidiary) but not by any of the segment values:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount (Debit)</th>
<th>Amount (Credit)</th>
<th>Posting</th>
<th>Memo</th>
<th>Name</th>
<th>Subsidiary</th>
<th>Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$100.00</td>
<td></td>
<td>Yes</td>
<td>US Vendor</td>
<td>Parent Company</td>
<td>Operating</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>$40.00</td>
<td></td>
<td>Yes</td>
<td></td>
<td>Parent Company</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>$60.00</td>
<td></td>
<td>Yes</td>
<td></td>
<td>Parent Company</td>
<td>B</td>
<td></td>
</tr>
</tbody>
</table>

The company runs the balancing segments process. This process balances the accounting entries by segment within the subsidiary by automatically generating a balancing journal. The balancing journal posts to the intersegment accounts selected when setting up the feature. The balancing journal is as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount (Debit)</th>
<th>Amount (Credit)</th>
<th>Posting</th>
<th>Memo</th>
<th>Name</th>
<th>Subsidiary</th>
<th>Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intersegment Due From</td>
<td>$100.00</td>
<td></td>
<td>Yes</td>
<td>Balancing Line</td>
<td>Parent Company</td>
<td>Operating</td>
<td></td>
</tr>
<tr>
<td>Intersegment Due To</td>
<td>$40.00</td>
<td></td>
<td>Yes</td>
<td>Balancing Line</td>
<td>Parent Company</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>Intersegment Due To</td>
<td>$60.00</td>
<td></td>
<td>Yes</td>
<td>Balancing Line</td>
<td>Parent Company</td>
<td>B</td>
<td></td>
</tr>
</tbody>
</table>

**Viewing Balancing Journals**

NetSuite provides several ways to view balancing journals:

- You can view balancing journals immediately after they are created. Click the link in Transactions subtab of the Balancing by Segments Process page.
You can go to the Balancing Journals list page at Transactions > Financial > Balancing Segments and click the View link for the journal you want to see.

You can view the balancing journal from the source transaction. Go to the Balancing by Segments Details subtab of the GL Impact subtab. Then click the link in the Transaction column.

You cannot edit balancing journals, but if you have the necessary permissions, you can delete them. For information, see Deleting Balancing Journals.

The header of the Balancing Journal page includes the fields from the Balance Transactions by Segments page, plus the following fields:

- **Entry Number** – The balancing journal number
- **Created From** – A link to the balancing by segments process that generated the balancing journal
- **Internal ID** – The internal ID of the balancing journal

Balancing journal lines include a Details link that opens a Balancing Link Default View page from which you can access the source transaction.

Deleting Balancing Journals

You cannot edit balancing journals, but if you have the Full level Balancing Journal permission, you can delete them. When you delete one balancing journal entry for a period, subsidiary, and accounting book combination, all balancing journal entries created from the same parameters are deleted.

If you rerun the Balancing by Segments process with the same parameters, the process automatically deletes the existing balancing journal before creating the new one. You receive a warning with a link to the record or records that will be deleted.

To delete balancing journals:

2. Click the View link for the journal you want to delete.
3. From the Actions list, select Delete.
4. To confirm the deletion, click OK.
Transactions Balanced by Segments

After the Balancing by Segments process has finished, source transactions include Balanced by Segments in the record status.

Information about the balancing lines for balancing segments appears in the GL Impact subtab for the transaction under Balancing by Segments Details.

Reports That Display Balanced Segments

On reports, you can select your balancing segment in the Column list in the report footer options. For help, in the Report Footer Options topic, see the help topic Column.

You can also or add the column when you customize a report. For help, see the help topic Adding Persistent Matrix Columns to Financial Statements.

Some major financial reports that support custom segments in the report footer or as persistent matrix columns are as follows:

- Balance Sheet – For help, see the help topic Balance Sheet Report.
- Income Statement – For help, see the help topic Income Statement Report.
- Cash Flow Statement – For help, see the help topic Cash Flow Statement Report.
Budgets in NetSuite

Budgets provide estimates of income and expense for a specified period of time for financial planning purposes. In NetSuite, each budget covers a year and permits the entry of an amount per account for each accounting period in the year. You can select the types of accounts and many other options for your budgets.

You can create budgets for specific customers or projects, items, departments, classes, locations, or any combination of these criteria. If you use NetSuite OneWorld, you also can create budgets for subsidiaries.

You can set up budgets within NetSuite or use the CSV Import Assistant to import budgets from external systems. See Setting Up a Budget and Importing a Budget.

If you want to base a budget on a previous budget or on a previous year's financial results, you can copy a budget to save time. See Copying a Budget.

If you want to create multiple budgets for the same time period and combination of criteria, use the Multiple Budget feature. See Multiple Budgets and Budget Categories.

When the Multiple Currencies feature is enabled, budgets are defined in your base currency. In NetSuite OneWorld, you can choose to use the subsidiary's base currency or the currency of the root parent subsidiary for each subsidiary budget. See Subsidiary Budgets in OneWorld.

You can also enter budgets for statistical accounts. For example, you can add a budget for the headcount statistical account. In that budget, you can specify the number of new employee requisitions for the Sales Department in the upcoming financial year. You can then compare the budgeted amount against the number of new employees by customizing the Budget vs. Actual report. For information, see the help topics Using Statistical Accounts and Budget vs. Actual Report.

Note: Because budgets are set up by period, budget data is not displayed in reports if the Report by Period preference is set to Never. If your report's budget columns are displaying zeros, go to Home > Set Preferences, and on the Analytics subtab, set the Report by Period preference to All Reports or to Financials Only.

You can create separate budgets for secondary accounting books and set independent Budget Exchange Rates for those accounting books. For information, see Budgets for Secondary Accounting Books.

Setting Up a Budget

Each budget in NetSuite covers a fiscal year, for which you can enter an amount, per account, for each period. In NetSuite OneWorld, budgets are specific to a subsidiary and fiscal year. If the Multi-Book Accounting feature is enabled, each budget is for an accounting book and subsidiary pair for a year.

You can create specific budgets for the following:

- Customers or Projects
- Items
- Classes
- Departments
- Locations

Note: If you use NetSuite OneWorld, you should also see Subsidiary Budget Overview.

To set up a budget:

1. Go to Transactions > Financial > Set Up Budgets.
2. Select the Accounting Book for the budget if applicable.
   The Accounting Book field appears only when you use the Multi-Book Accounting feature. For more information on creating budgets for secondary accounting books, see Budgets for Secondary Accounting Books.

3. Select a Subsidiary for the budget, if applicable.
   The Subsidiary field appears only in NetSuite OneWorld accounts. For more information, see Subsidiary Budgets in OneWorld.

   **Note:** If you use the Multi Subsidiary Customer feature, you can create this budget for any of the customers’ assigned secondary subsidiaries.

4. In the Year field, select the fiscal year for which you want to create a budget.

5. In the Budget Category field, select the category for this budget or create a new one.
   The Budget Category field appears only when the Multiple Budgets feature is enabled. For more information, see Multiple Budgets and Budget Categories.

   When the Multiple Budgets feature is enabled, the following fields are also displayed:
   - **Budget Category Type** – Displays the value Global or Local. Global indicates that the budget is defined in the base currency of the root parent subsidiary. Local is an option only for OneWorld accounts. Local indicates that the budget is defined in the base currency of the selected subsidiary.
   - **Currency** – Displays the currency in which the budget is defined. This field appears only in OneWorld accounts. The value depends on the Subsidiary selected and Budget Category Type for the Budget Category.

6. To create a budget for specific criteria, select options for one or more of the following fields:
   - Customers or Projects
   - Items
   - Classes
   - Departments
   - Locations

7. To filter the accounts that are listed for the budget, select an Account Type. The options are:
   - **Income and Expense** - accounts included in both income and expense sections of Income Statement reports.
   - **Income** - accounts included in income sections of Income Statement reports.
   - **Expense** - accounts included in expense sections of Income Statement reports.
   - **Balance Sheet** - accounts included in Balance Sheet reports, assets, liabilities, and equities.
   - **All** - accounts included in Income Statement, Balance Sheet reports, and statistical accounts.

   The Budget page displays the accounts in your system specific to the selected account type. It also displays an Apply box, which includes or excludes a specific account in the budget as well as the months of the year.

8. Enter budget amounts for the year using one or a combination of the following options. (For tips on entering data and completing forms, see the help topic Using Keyboard Shortcuts.)
   - Enter individual values for the account for each month (or accounting period).
   - Enter amounts in the first period, and use the buttons at the top of the account list to populate the other periods as follows:
To copy the amount in the first month to all months, check the box in the Apply column for the account, and click Fill.

In the example in the screenshot, the 12,000.00 in Jan 2019 for the 4000 Sales account would be copied to the other months. The total budget for the account line for the year would be $144,000.

To divide the amount in the first month across all months, check the box in the Apply column for the account, and click Distribute.

In the example in the screenshot, the 12,000.00 in Jan 2019 for the 4000 Sales account would be divided by 12. Each period would have a budgeted amount of 1,000.00.

- To check all the boxes in the Apply column, click Mark All.
- To clear all boxes in the Apply column, click Unmark All.
- Click Clear to delete all the existing budget amounts.

9. When you have finished entering budget details, click Save.

Use the Budget Income Statement at Reports > Banking/Budgeting > Budget Income Statement to view the budget. For information about this report, see the help topic Budget Income Statement Report.

Because budgets are set up by period, budget data is not displayed in reports if the Report by Period preference is set to Never. If your report's budget columns are displaying zeros, go to Home > Set Preferences, and on the Analytics subtab, set the Report by Period preference to All Reports or to Financials Only.

Editing an Existing Budget in NetSuite

You can manually edit an existing budget in NetSuite.

To edit an existing budget:

1. Go to Transactions > Financial > Set Up Budgets > List.
2. Click the Edit link next to the budget you want to modify.
3. Modify the fields and each budget record as required.
   - To delete this budget, from the Actions list, select Delete. Click OK to confirm the deletion.
4. Click Save.

If you want to modify existing NetSuite budget data in an external application, you can export the data, make changes, then re-import the changed data. To export NetSuite budget data, create a budget search at Transactions > Financial > Set Up Budgets > Search, then click Export for the search.
Warning: Using a CSV file to update an existing budget record overwrites all existing budget data. The CSV file you use to update an existing budget MUST contain values in each field or your existing budget data is lost through the import process.

Copying a Budget

You can save time when creating a budget by copying a previous year's budget or by having NetSuite create your budget based on last year's actuals. Budgets provide an estimate of revenues and expenses for an account for a fiscal year. A previous year's actuals reflect how much revenue an account has generated or how much money an account has paid out in expenditures at a given point in time during a fiscal year.

For information, see the following subtopics:

- Copying a Previous Year's Budget
- Basing a Budget on a Previous Year's Actuals

Copying a Previous Year's Budget

The Copy Budget feature creates a new budget record by copying a budget from different year. For example, you want this year's budget to be the same as last year's budget, so you copy last year's budget to create a new budget for this year.

If the Accounting Periods feature is enabled, you can create a new budget by copying a budget from any fiscal year where a budget exists. Only those fiscal years where a budget exists can be selected as a source budget year. The process copies the values associated with the specified account types and budget categories to the new budget. If you are replacing the budget, the existing budget is deleted before the process copies the new budget.

If the Accounting Periods feature is not enabled, you can create a new budget by copying a budget from any year. The process verifies that a budget exists for the specified year, then the values associated with the specified account types and budget categories are copied from the source budget to the new budget. If you are replacing the budget, the existing budget is deleted before the process copies the new budget.

If the source budget does not exist for the specified year, the process leaves the new budget unchanged.

If the source budget does not contain data in a specific period, the new budget does not contain data for that period.

Note: NetSuite limits you to one budget per category per fiscal year. Copying a budget from one year and category to create a budget for the same year and category DOUBLES the budgeted amount.

To copy a previous year's budget:

1. Go to Transactions > Financial > Copy Budgets.
2. Select From Budget Year, and then select the year's budget from which you want to copy data.
3. If the Multiple Budgets feature is enabled, in the From Budget Category field, select the budget category from which you want to copy.

In NetSuite OneWorld, with the Multiple Budgets and Multiple Currencies features enabled, each budget category has a type of global or local. This type determines the currency NetSuite uses for a subsidiary's budget and actual amounts.
4. In the **To** fields, select the year and category (if applicable) you want the copied budget to represent.

5. To retain detail information from the source budget into the copy, check the **Keep Detail** box for **Customers, Items, Departments, Classes**, or **Locations**.

6. In the **Account Type** field, choose the types of accounts you want to copy into the new budget:
   - **Income** - accounts included in income sections of Income Statement reports.
   - **Expense** - accounts included in expense sections of Income Statement reports.
   - **Balance Sheet** - accounts included in Balance Sheet reports, assets, liabilities, and equities.
   - **Income and Expense** - accounts included in both income and expense sections of Income Statement reports.
   - **All** - accounts included in Income Statement, Balance Sheet reports, and statistical accounts.

7. In the **Modify** field, enter a percentage you would like to increase or decrease the budget amounts.
   Enter a positive percentage to increase the budget amounts. Enter a negative percentage to decrease the budget amounts.

8. If you are copying a budget onto an existing budget that has amounts already entered, check the **Replace** box to replace the amounts on the copied budget. Keep this box clear to add the amounts to the budget.

9. Click **Save**.

---

**Basing a Budget on a Previous Year's Actuals**

When you create a new budget based on the actuals from a previous fiscal year, the process copies the values associated with the specified account types and budget categories to the new budget. If you are replacing the budget, the process deletes the existing budget before copying values to the new budget. This copying ensures that the new budget is identical to the actuals from a previous fiscal year.

**To base a budget on a previous year's actuals:**

1. Go to Transactions > Financial > Copy Budgets.

2. Select **Actuals From Year**, and then choose the year's budget that you want to copy.

3. In the **To Budget Year** field, select the year of the budget you are creating.

4. If the Multiple Budgets feature is enabled, in the **Budget Category** field, select the category for the budget, or create a new one if necessary.
   
   In NetSuite OneWorld, with the Multiple Budgets and Multiple Currencies features enabled, each budget category has a a type of global or local. This type determines the currency NetSuite uses for a subsidiary's budget and actual amounts.

5. In the **Account Type** field, choose the types of accounts you want to copy into the new budget:
   - **Income** - accounts included in income sections of Income Statement reports.
   - **Expense** - accounts included in expense sections of Income Statement reports.
   - **Balance Sheet** - accounts included in Balance Sheet reports, assets, liabilities, and equities.
   - **Income and Expense** - accounts included in both income and expense sections of Income Statement reports.
   - **All** - accounts included in Income Statement, Balance Sheet reports, and statistical accounts.

6. In the **Modify** field, enter a percentage you would like to increase or decrease the budget amounts.
Enter a positive percentage to increase the budget amounts. Enter a negative percentage to decrease the budget amounts.

7. If you are copying a budget onto an existing budget that has amounts already entered, check the **Replace** box to replace the amounts on the copied budget. Keep this box clear to add the amounts to the budget.

8. If you want to maintain the budget criteria in the new budget, check the **Keep Detail** box next to each detail you want to maintain in the new budget.

   If you clear all of these boxes, the budget created has no customer, item, department, class, or location criteria.

9. Click **Save**.

---

**Importing a Budget**

You can import external applications’ budget data as CSV files to create NetSuite budget records.

You can use the Import Assistant to import budget data directly into the database. For information, see the help topics **Budget Import** and **Budget Template File**.

Before you begin the import process, ensure that the values in the CSV file are properly formatted.

- The account name in the CSV file must exactly match the account name in the chart of accounts.
- If there is a subaccount, the account field must include the parent account name and subaccount name, separated by a colon (:). The format should be, Parent: Child Account. The format for subsidiaries should be the same as the format for subaccounts.
- The account name should not contain account numbers.
- If multiple budgets are enabled, category is mandatory.
- The year format in the CSV file must exactly match the year format of the accounting period in Setup > Accounting > Manage G/L > Manage Accounting Periods.
- Numbers/amounts must not contain the separator (,) or the Currency character ($).

⚠️ **Important:** Any field in the CSV file that does not contain a value appears in the created budget record as blank.

You need the Set Up Budget permission to import budget data. You do not need the Import CSV File permission. For questions about permissions, contact your administrator.

**To import a budget:**

1. Go to Transactions > Financial > Set Up Budgets > Import.
2. On the Import Assistant page, in the Scan & Upload CSV File section, select the type of character encoding for imported data.

   For information about available options, see the help topic **Choose Import Character Encoding**.
3. Click the **Budgets Template File** link to download a template file.
4. Save the file to your system, and then populate the saved file with your budget data. Be aware of the following limitations for CSV file fields:
   - **Year** – Year values should be for years with accounting periods set up at Setup > Accounting > Manage Accounting Periods.
   - **Category** – If the Multiple Budgets feature is enabled, **Category** is a required field.
Important: If the Budget Category field is not mapped during the import, its value defaults to the first budget category on the list. This list is ordered alphabetically.

If you use NetSuite OneWorld and the Multiple Currencies feature is enabled, the budget category type determines whether NetSuite stores budget amounts using the global (root parent's base currency) or local (subsidary's base currency) currency. See Creating Budget Categories for Local Subsidiary Budgeting.

- **Account** – **Account** field values should be names. Do not use numbers even if the Use Account Numbers preference is checked. For subaccounts, values should be hierarchical, with the format parent account name: child account name.

5. Click **Select**, choose the budget data file you have populated, and then click **Next**.

6. On the View Mapping / Start Import page, review the automappings of CSV file fields to NetSuite fields, and make any necessary changes or additions.
   - Note that the **CSV file** field mapped to the required **Account** field should contain account names, not account numbers. If you have multiple accounts with the same name and different numbers, so that mapping by name does not work, a workaround is to map a CSV file field containing internal ID values to the **Account** field.
   - For information about Import Assistant field mappings, see the help topics CSV Field Mapping Tasks and General CSV Field Mapping Tips.

7. Click **Run** to start the import.
   - For information about the Import Assistant's error handling, see the help topic CSV Import Error Reporting.
   - For information about checking import status, see the help topic Checking CSV Import Status.

8. After the import of budget data has successfully completed, you can review NetSuite budget records by going to Transactions > Financial > Set Up Budgets > List, then clicking a **View** or **Edit** link to open each budget record.

Note: If you want to modify existing NetSuite budget data in an external application, you can export the data, make changes, then re-import the changed data. To export NetSuite budget data, create a budget search at Transactions > Financial > Set Up Budgets > Search, then click **Export** for the search.

Warning! Using a CSV file to update an existing budget record **overwrites** all existing budget data. The CSV file you use to update an existing budget **MUST** contain values in each field or your existing budget data is lost through the import process.

Multiple Budgets and Budget Categories

Budget categories are available when the Multiple Budgets feature is enabled on the Enable Feature page, Accounting subtab under Advanced Features, at Setup > Company > Setup Tasks > Enable Features (Administrator). Budget categories can created at Setup > Accounting > Accounting Lists > New.

If you want to create multiple budgets to use as proposals, you can assign a budget category to each budget. Budget category values allow differentiation between budgets for which other criteria, such as Item, Customer or Project, Class, Department, or Location, are identical.

A user with the Enable Features permission can enable the Multiple Budgets feature, at Setup > Company > Setup Tasks > Enable Features (Administrator ), on the Accounting subtab.

After this feature is enabled, each budget that is set up must be assigned a category. On each budget record, the Budget Category list includes the following values:
Multiple Budgets and Budget Categories

- New - to create a new budget category.
- Legacy - the budget category assigned to any budgets you created prior to enabling the Multiple Budgets feature.
- Any budget categories that have been created in your account.

**Important:** In NetSuite OneWorld, with the Multiple Budgets and Multiple Currencies features enabled, each budget category has a budget category type of global or local. This type determines the currency NetSuite uses for a subsidiary's budget and actual amounts. For more information, see *Subsidiary Budgets in OneWorld.*

To view an income statement with a budget income statement for the same set of criteria, see the help topic *Budget vs. Actual Report.*

**Subsidiary Budgets in OneWorld**

If you use NetSuite OneWorld, and the Multiple Budgets feature is enabled, you can create separate budgets and track results for each of your subsidiaries including elimination subsidiaries. If the Multiple Currencies feature is also enabled, for each subsidiary budget you have a choice of using the subsidiary's base currency or using the root parent subsidiary's base currency. With this capability, subsidiary managers have access to budget-related financial information in their local currency. This provides a more straightforward analysis of financial performance.

**Note:** The Multiple Currencies feature is not required to create subsidiary budgets in NetSuite OneWorld. For example, if your subsidiaries are located in and do most of their business in the European Union, then you may choose to do all of your budgeting in euros. However, in most cases, the companies that implement NetSuite OneWorld operate subsidiaries in multiple countries with different currencies.

The Multiple Budgets feature enables you to associate a budget category with each budget. The type of budget category can indicate whether a budget is local to a subsidiary, and defined in its own base currency, or global and defined in the root parent subsidiary's base currency. Budget categories should be created before you begin creating budgets. See *Creating Budget Categories for Local Subsidiary Budgeting.*

To be able to set up budgets for elimination subsidiaries, you must set the accounting preference, Enable Budget with Elimination Subsidiaries.

For information about setting up budgets for subsidiaries, see *Subsidiary Budget Overview.*

You can consolidate budget amounts using consolidated exchange rates or budget-specific rates. At each level in the hierarchy, NetSuite revalues amounts from the child subsidiary's currency to the next-level parent subsidiary's currency. For information about consolidated exchange rates, see *Currency Exchange Rates* and *Consolidated Exchange Rates.* For information about Budget Exchange Rates, see *Budget Exchange Rates.*

For information about running budget reports for subsidiaries, including choosing the subsidiary context, currency, and exchange rates, see the help topic *Subsidiary-Specific Budget Reports.*

**Note:** An employee can view budgets only for subsidiaries with which that employee is associated.

**Subsidiary Budgeting Example**

The following scenario provides an example of subsidiary budgeting in NetSuite OneWorld.
The company Wolfe Consolidated includes the subsidiaries Wolfe U.S. and Wolfe U.K. Wolfe Consolidated is the root-parent subsidiary. Because it is located in the United States, Wolfe Consolidated uses the U.S. dollar (USD) as its currency. Because Wolfe Consolidated has a subsidiary in another country (U.K.) that uses a different currency (British pounds, or GBP), the budgets and reports of actuals for Wolfe U.K. can be set up using either GBP or USD.

The budgeting options for Wolfe Consolidated are:

- Budget and report actual results for the three subsidiaries (Consolidated, U.S., and U.K.) in USD.
- Budget and report actual results for Wolfe Consolidated and Wolfe U.S. in USD, but use GBP for Wolfe U.K. This option gives U.K. managers the ability to budget and report actuals in their local currency. Wolfe Consolidated managers still see subsidiary and consolidated budgets in USD.

For example, you could create a Wolfe U.K. budget in GBP that would consolidate to USD. Assuming the currency consolidated exchange rate is 1.50 USD to 1.00 GBP, then:

Creating Budget Categories for Local Subsidiary Budgeting

When the Multiple Budgets feature is enabled, budget category values are used on budget records to categorize types of budgets. In NetSuite OneWorld, budget category values are used to indicate whether budgeting is done at the local subsidiary level in local currency or globally using the root subsidiary’s currency. Each budget category is associated with a budget category type of local or global.

Budget categories should be created before you create budgets.

To create a budget category:

1. Go to Setup > Accounting > Accounting Lists > New.
2. On the Add to Accounting Lists page, click the link to Budget Category.
3. Enter a descriptive name. This name appears in lists.
4. Check the Global box to indicate that budgets assigned this budget category have a type of global, and are defined in the base currency of the root parent subsidiary.
   - If this box is not checked, this budget has a budget category type of local, indicating that budgets assigned this category are defined in the base currency of the individual subsidiary.
   - To develop and test budget alternatives, you can create multiple global and local budgets for each subsidiary.
5. Click Save.

Subsidiary Budget Overview

If you use NetSuite OneWorld with the Multiple Budgets and Multiple Currencies features enabled, you can define budgets specific to each subsidiary and choose whether to use local subsidiaries’ base
currencies or the base currency of the root parent subsidiary for budget amounts. If you enable the 
accounting preference, Enable Budget with Elimination Subsidiaries, you can also set up a budget for 
elimination subsidiaries.

You can create subsidiary-specific budgets in the same manner as other budgets, by creating a new 
budget in NetSuite, by copying previous years' budgets or actuals, or by importing budget data from 
another system. For subsidiary budgets, you must be conscious of the budget category assigned for each 
budget and whether it is a local or global type. The budget category type indicates the currency used for 
the budget, local subsidiary base currency or root parent base currency.

For more information, see the following:

- Setting Up a Subsidiary Budget
- Guidelines for Copying a Subsidiary Budget
- CSV Import for Subsidiary Budgets

After you have set up subsidiary budgets, you can run budget reports. You have multiple choices about 
how to consolidate budget report data, including what currency and what exchange rates to use. See the 
help topic Subsidiary-Specific Budget Reports.

### Setting Up a Subsidiary Budget

If you use NetSuite OneWorld, you can set up budgets per subsidiary.

**To create a subsidiary budget:**

1. Go to Transactions > Financial > Set Up Budgets.
2. In the **Subsidiary** field, select the name of the subsidiary.

   **Note:** Set the **Enable Budget with Elimination Subsidiaries** preference to be able to 
   select an elimination subsidiary from this list.

3. In the **Year** field, select the fiscal year for which you want to create a budget.
4. In the **Budget Category** field, select:
   - **Any** budget category defined for your company.
   - **New** - to define a new budget category.
   - **Legacy** - This is the budget category assigned to any budgets created before the Multiple 
     Budgets feature was enabled. It has a budget category type of Global.

   When you select a defined budget category, NetSuite populates the **Budget Category Type** field 
   with a read-only value, based on the status of the **Global** box for the selected budget category.
   Also, NetSuite populates the **Currency** field:
   - If the budget category type is global, then the currency used is the root parent's base currency.
   - If the budget category type is local, then the currency used is the subsidiary's base currency. If 
     you are creating budgets in local currencies, then you could create multiple Budget Categories, 
     for example, using alternate exchange rate assumptions.

5. You can create specific budgets within a subsidiary for:
   - **Customers or Projects**
   - **Items**
   - **Classes**
   - **Departments**
Locations
To create a specific budget, select from the list for the appropriate field. Leave the fields blank to budget for the entire list in the field. For more information, see Setting Up a Budget.

6. In the Account Type field, you can filter the types of accounts for which you are creating this budget, such as:
   - Income - accounts included in income sections of Income Statement reports.
   - Expense - accounts included in expense sections of Income Statement reports.
   - Balance Sheet - accounts included in Balance Sheet reports, assets, liabilities, and equities.
   - Income and Expense - accounts included in both income and expense sections of Income Statement reports.
   - All - accounts included in both Income Statement, statistical accounts, and Balance Sheet reports.

   Based on the Account Type that you select, NetSuite displays the available accounts for the specific type.

7. Enter budget amounts for each account.
8. Click Save.

Guidelines for Copying a Subsidiary Budget

In NetSuite OneWorld, you can copy a subsidiary's actual amounts or a budget to use as the basis for different versions of the same subsidiary's budget.

Set the Enable Budget with Elimination Subsidiaries preference to be able to select an elimination subsidiary.

For the specific steps to copy a budget, see Copying a Budget.

When copying a subsidiary budget in NetSuite OneWorld, the Budget Category selected on the Copy Budgets page as the target (To) can affect the amounts in the budget copy:

<table>
<thead>
<tr>
<th>From - source budget category type</th>
<th>To - target budget category type</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>Local</td>
<td>1-to-1, no change from local</td>
</tr>
<tr>
<td>Local</td>
<td>Global</td>
<td>Use Budget Exchange Rates table to convert local currency amounts to global currency amounts</td>
</tr>
<tr>
<td>Global</td>
<td>Local</td>
<td>Use Budget Exchange Rates table to convert global currency amounts to local currency amounts</td>
</tr>
<tr>
<td>Global</td>
<td>Global</td>
<td>1-to-1, no change from global</td>
</tr>
</tbody>
</table>

When copying actual amounts into a budget, the Budget Category selected as the target (To) can affect the amounts in the budget copy:

<table>
<thead>
<tr>
<th>From - source budget category type</th>
<th>To - target budget category type</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>Local</td>
<td>1-to-1, no change from local</td>
</tr>
<tr>
<td>Local</td>
<td>Global</td>
<td>Use Consolidated Exchange Rates table to convert local currency amounts to global currency amounts</td>
</tr>
</tbody>
</table>
For example, copying a budget with a global budget category type, as the basis for a local budget, would use the amounts entered in the root parent's base currency. NetSuite converts those amounts into the subsidiary's base currency, using rates from the Budget Exchange Rates table.

If you copy a budget, with a global budget category type, in U.S. dollars (USD) for use as a local budget in Canadian dollars (CAD), then NetSuite converts the budget amounts from USD to CAD when copying the budget. In the example shown, NetSuite converts an Income Account with an amount of 400 USD using the rate type for that account (Average). The conversion uses the inverse of the CAD to USD exchange rate from the Budget Exchange Rate table. NetSuite uses the inverse because the Budget Exchanges Rates table stores only bottom-up exchange rates (CAD to USD), not top-down (USD to CAD). In the example shown, NetSuite OneWorld would divide the global budget amount by the inverse exchange rate (0.8) to convert the budget amount to 500 CAD.

CSV Import for Subsidiary Budgets

You can use a Comma Separated Values (CSV) file to import budget amounts for NetSuite OneWorld subsidiary budgets. For example, many companies develop budgets using a spreadsheet application, which can save budget data in a CSV file.

For the specific steps to import budget data in a CSV file, see Importing a Budget.

**Important:** When you create the CSV file, using NetSuite's Budget template, enter budget amounts consistent with the budget category type and Subsidiary values that you enter. The Category column determines whether NetSuite stores budget amounts using the global (root parent's base currency) or local (subsidiary's base currency) currency. The Subsidiary column determines the subsidiary's base currency.

For example, assume that your root parent subsidiary uses British pounds and your company has a subsidiary in Canada. If the CSV file has local in the Category column and Canada in the subsidiary column, then 10,000 entered in an Amount column would be stored as 10,000 Canadian dollars. However, if you entered global in the Category column and Canada as the subsidiary, then 10,000 would be stored as British pounds.

Budget Exchange Rates

The Budget Exchange Rates table is available at Lists > Accounting > Budget Exchange Rates. In this table you can maintain exchange rates between the child and parent subsidiaries for use in the budgeting process.

**Note:** To access this table, the Multiple Currencies and Multiple Budgets features must be enabled.

The Budget Exchange Rates table is very similar to the Consolidated Exchange Rates table. In NetSuite OneWorld, NetSuite uses the Consolidated Exchange Rates table to initially populate the Budget Exchange Rates table. Then, you can update and maintain the Budget Exchange Rates table as necessary.

This table shows the exchange rates for each subsidiary's base currency in relation to the currencies used by its parent subsidiaries, for each period. Table columns include: accounting period, whether the period is closed, the From (child) subsidiary, the To (parent) subsidiary, and exchange rates.

Rates in this table are either direct or indirect (derived). Direct rates are rates set between a child and parent subsidiary. Direct rates are set by a user and may be edited. Indirect rates are rates set between a
grandchild and grandparent subsidiary. Indirect rates are always calculated by the system and cannot be edited.

The following exchange rate types are listed in the Budget Exchange Rates table:

- **Average** – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Average. This rate is used to translate accounts in the budget income statement and to build retained earnings.

- **Current** – Also referred to as ending rate. This rate is based on the currency exchange rate that is effective at the end of the reported upon period. This rate is used for most asset and liability accounts in balance sheet budget columns.

- **Historical** – This rate is calculated from a weighted average of the exchange rates for transactions applied during the period to accounts with a general rate type of Historical. This rate is used for equity accounts, or owner’s investments, in balance sheet budget columns.

For further explanation of rate types, see Consolidated Exchange Rate Types.

### Viewing Budget Exchange Rates

You can view the budget exchange rate table at Lists > Accounting > Budget Exchange Rates.

- You can use the lists to filter by accounting period, child subsidiary, parent subsidiary, and/or date range.

- You can further modify filter criteria or change the results column in this table by clicking the Customize View button and setting up a custom search to be used for consolidated exchange rates data. See the help topic Customizing List Views.

### Editing Budget Exchange Rates

If an exchange rate can be modified, following are the methods for rate modification:

- The editing feature must be enabled for the budget exchange rates table to be editable. See the help topic Using Inline Editing.

  To enable editing, set Edit to On in the header. Rates for closed periods and indirect rates (between grandchild and grandparent subsidiary, rather than between child and parent) are not editable. These rates can be viewed when editing is enabled, but are unavailable.

  To find out if a specific exchange rate can be modified, point to the rate and read the popup. If a popup does not appear, you can change the rate in the text box.

- If an exchange rate can be modified, click the Edit link to open the Budget Exchange Rate page. The values that you can change include:
  - Average Exchange Rate
  - Current Exchange Rate
  - Historical Exchange Rate

  **Important:** You can edit a budget exchange rate between two subsidiaries only if you have access to both subsidiaries.

### Budget Exchange Rates on Reports

The selection in the Subsidiary Context list for a report filters data and also determines the currency to be used for amounts, the base currency of the selected subsidiary. For consolidated reports that include data
from multiple subsidiaries, consolidated rates are used to convert amounts from child subsidiary base currency to parent subsidiary base currency. For more information about subsidiary context, see the help topic Subsidiary Context for Reports.

Reports that include both budget and actual amounts allow you to use two sets of exchange rates, budget and actual. You can choose whether to display actual and budget amounts in a selected subsidiary's local currency, or in a parent subsidiary's currency. By default, consolidated report budget amounts use rates from the Budget Exchange Rates table and consolidated report actual amounts use rates from the Consolidated Exchange Rates table. You can customize reports to vary this default. For more information, see the help topic Subsidiary-Specific Budget Reports.

Search for Budget Exchange Rates

You can search budget exchange rates to pinpoint rates for specific periods. You can create saved searches, and custom KPIs based on them, to monitor exchange rate changes over time.

The Budget Exchange Rates search is available Lists > Accounting > Budget Exchange Rates > Search.

Search results can include the following columns: average rate, current rate, historical rate, period name, period start date, period end date, whether the period is closed, from subsidiary, to subsidiary.

Search data can be filtered by the following criteria: from subsidiary, to subsidiary, period name, period start date, whether the rate is derived.

For general information about searches, see the help topic Running Searches. For information about saved searches, see the help topic Saved Searches. For information about custom KPIs, see the help topic Custom KPIs.

Budgets for Secondary Accounting Books

You can create and report on budgets and set independent Budget Exchange Rates for secondary books as well as your primary accounting book. Budgets for secondary books retain the functionality of budgets for primary books and can be used to compare your secondary book data with budget values. Budgets for secondary books are particularly useful if you create budgets in a secondary book base currency.

Note: To use this feature, you must have NetSuite OneWorld and the Multi-Book Accounting feature enabled.

For information on how to set up a budget for a secondary accounting book, see Setting Up a Budget.

As with budgets for primary books, you can import secondary book budget data from CSV files. For information on importing budget data from CSV files, see Importing a Budget.

Budgets for secondary books support the following Budget reports:

- Budget Income Statement
- Budget Income Statement Detail
- Budget vs. Actual

Secondary book budgets can be used with or without the Multiple Budget feature. In both cases, you can create budgets for secondary books with global budget categories, but only if the secondary books can be consolidated and include the parent subsidiary.

If you do not have the Multiple Budgets feature, budgets for secondary books are treated as global budgets by default. With the Multiple Budgets feature enabled, you can create budgets with local budget categories without any restrictions.
Secondary budgets are copied when you copy budgets at Transactions > Financial > Copy Budgets
For information on copying a budget, see Copying a Budget.
Account Registers

An account register is a list of transactions for a particular account, for a selected date range, with the ending balance. NetSuite provides registers for posting and non-posting accounts. Each register includes detailed information about all transactions affecting the account for a selected time period, including balance information.

You can use registers to review and manage account transactions. You can access and edit transaction records from registers, reconcile accounts, and mark transactions as cleared. For information about how to access and use account registers, see Viewing Account Registers.

For information about the types of account registers available to you in NetSuite, see Available Account Registers.

In addition to single account registers, NetSuite provides several register reports. Each of these reports combines data for all registers of a specific type. The register reports provide more display options than single account registers, but do not provide access to transaction editing or account reconciliation. For a list of available register reports, see Register Reports.

Viewing Account Registers

You can access single account registers from the following types of records:

- Chart of Accounts
  Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
- Transactions List
  From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.
- Single Transaction
  On a transaction record, from the Actions list, select Go to Register.

In general ledger account registers, with the exception of statistical account registers, parentheses enclose a credit amount in an accounting journal entry. Numbers that represent the debit amount in a journal entry are not enclosed in parentheses.

From the register page, you can go to a transaction’s detail page by clicking the Edit link under the transaction’s date. To see the Edit link, clear the 1-Line check box, and then click Refresh. After you are on the transaction detail page, you can review and change the transaction. When you submit the changes, you are brought back to the register.

Also, from the account register page, you can select a date range of transactions to display, choose to display one transaction per line, choose a sort order for displayed transactions, and choose to display only uncleared transactions, search for a specific transaction. If you use NetSuite OneWorld, you can select a subsidiary or set of subsidiaries for which to display transactions for a subset of subsidiaries. See Account Register Footer Options.

On bank and credit card account registers, you can mark individual transactions as cleared directly on the register page, or click the Reconcile link for a transaction to review or initiate a reconciliation. See Marking Transactions Cleared on Registers.
Viewing Account Registers

Note: For accounts that have the Use Imported Statement Reconciliation Form box checked, and use the Reconcile Account Statement page, the Clr box in the account register is Read Only and transactions cannot be cleared manually. Transactions that are matched in the Reconcile Account Statement page are marked as cleared. For details, see the help topic Matching Bank Data.

You can print, email, or export a register. See Printing Account Registers, Emailing Account Registers, and Exporting Account Registers.

Note: Click Add To Shortcuts at the top of a register page to create a shortcut for this register on your Home page.

For information about bank account reconciliation and reporting, see the help topic Bank Account Reconciliation and Reporting.

For information about setting up historical balances in NetSuite OneWorld, see Setting Up Historical Balances in OneWorld.

Account Register Footer Options

Each account register includes options in its footer that you can use to filter and sort displayed transaction data. The following table describes the available options.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Book</td>
<td>(This list is available if you use Multi-Book Accounting.) Make a selection to determine the accounting book in which the register displays.</td>
</tr>
<tr>
<td>Date</td>
<td>You can select the date range for the transactions to be displayed. The selected date range is reflected in the From and To fields. If you enter a different range in the From and To fields, the Date field displays custom.</td>
</tr>
<tr>
<td>From and To</td>
<td>Enter a date range in the From and To fields for the transactions to be displayed. The register displays transactions up to and including the date in the To field.</td>
</tr>
<tr>
<td>Subsidiary Context</td>
<td>(This list is available if you use NetSuite OneWorld.) Make a selection to determine the context in which the register displays, meaning the single subsidiary data, or consolidated set of subsidiaries data that is displayed. The Running Balance and Amount columns are based on the selected subsidiary context. However, the Current Ending Balance is always expressed in your role’s default subsidiary context. For more information about subsidiary context, see the help topic Subsidiary Context for Reports.</td>
</tr>
<tr>
<td>1-line</td>
<td>Check this box to see one transaction per line.</td>
</tr>
<tr>
<td>Sort by</td>
<td>You can choose to sort register data by</td>
</tr>
<tr>
<td>Open</td>
<td>Check this box to display only open transactions on your register.</td>
</tr>
<tr>
<td>Refresh</td>
<td>Click Refresh after you select new register options.</td>
</tr>
<tr>
<td>Period End Mode</td>
<td>(This switch is available only when the Period End Journal Entries feature is enabled and only for subsidiaries that have the feature enabled.) Turn this switch on to see period end transactions in the report.</td>
</tr>
</tbody>
</table>
Marking Transactions Cleared on Registers

You can use bank and credit card account registers to manually mark transactions cleared. Transactions cleared through a register appear on Reconciliation Summary and Reconciliation Detail reports, under the appropriate heading. However, they do not appear in Reconciliation History reports.

Note: For accounts that have the Use Imported Statement Reconciliation Form box checked, and use the Reconcile Account Statement page, the Clr box in the account register is Read Only and transactions cannot be cleared manually.

Transactions that are matched in the Reconcile Account Statement page are marked as cleared. For details, see the help topic Matching Bank Data.

To mark transactions cleared:

1. Go to a bank or credit card account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
   - From a list of transactions, click the account.
   - On a transaction record, from the Actions list, select Go to Register.
2. On the register, check the box in the Clr column for every transaction that also appears on your bank or credit card statement.
3. Click Refresh when you have finished.

Printing Account Registers

You can print an account register by clicking the print icon located in the footer.

To print an account register:

1. Go to an account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
   - From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.
   - On a transaction record, from the Actions list, select Go to Register.
2. In the footer of the register, click the print icon.

Emailing Account Registers

You can click the Email icon in the footer of any register to email that register to an employee, vendor, customer, or partner entered in your account.

To email a register:

1. Go to an account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
Viewing Account Registers

1. From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.
2. On a transaction record, from the Actions list, select Go to Register.

2. Click the Email icon in the footer and complete the Email Report page.
   For details about email options and how to use them, see the help topic Emailing a Report.

Exporting Account Registers

Exporting a register provides you with additional flexibility in reviewing and analyzing your business's data. You can export many registers into a comma-separated value (CSV), Microsoft Word, Microsoft Excel, or Adobe PDF file to take advantage of the formatting and chart-making abilities those programs offer.

If you choose to export your report to Microsoft Excel, only Microsoft Excel 2002 and later are supported by NetSuite.

To export a register:

1. Go to an account register in one of the following ways:
   - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
   - From a list of all transactions of a particular type, like sales orders, purchase orders, or checks, click the account.
   - On a transaction record, from the Actions list, select Go to Register.
2. In the footer of the register, click the Export-CSV, Export-Microsoft Word, Export-Microsoft Excel, or Export-PDF icons.

After you have exported a register to an external application, you can open it in that application and customize it as needed.

Be aware of the following export limitations. For more information, see the help topic Working with Records, Transactions, and Lists.

- Exported PDFs currently have some output limitations. You may encounter issues if your registers include a large number of rows and/or columns, or extremely long field values. You cannot export registers with more than 30 columns and NetSuite truncates exported records for registers with more than 10 columns.
- If you use Microsoft Excel to open an exported CSV file that contains data in languages other than English, some special characters may appear corrupted. If you encounter this issue, it is recommended that you export data to Excel instead of CSV. After you open the file in Excel, you can save it as a CSV file.

Available Account Registers

Each account register lists transactions for a single account. The account registers that you can access depend upon the types of accounts included in your chart of accounts. The following types of account registers may be available to you.

- Accounts Payable (A/P) Account Register
- Accounts Receivable (A/R) Account Register
Available Account Registers

- Bank Account Register
- Cost of Goods Sold Account Register
- Credit Card Account Register
- Deferred Expense Account Register
- Deferred Revenue Account Register
- Equity Account Register
- Fixed Asset Account Register
- Expense Account Register
- Income Account Register
- Long Term Liability Account Register
- Non-posting Account Registers
- Other Asset Account Register
- Other Current Asset Account Register
- Other Current Liability Account Register
- Other Expense Account Register
- Other Income Account Register
- Unbilled Receivable Account Register
- Statistical Account Register

You may have access to multiple registers of the same type, depending on how many accounts of that type are included in your chart of accounts.

You also may have access to register reports, which are different from single account registers. Register reports combine data for all registers of a selected type and include more presentation options. See Register Reports.

Accounts Payable (A/P) Account Register

An accounts payable register lists posting purchases from or payments to your vendors. These transactions are liabilities representing amounts owed to vendors for the purchase of inventory, goods, or services.

You can use an accounts payable register to track and manage payable transactions.

**Note:** To set your aging preference for your general and subledgers, go to Setup > Accounting > Preferences > Accounting Preferences, and on the General subtab, under General Ledger, for Aging Reports Use, choose either Due Date or Transaction Date.

**To view an accounts payable register:**

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of payable transactions, click the account.
  - On a transaction record, from the Actions list, select *Go to Register.*
An A/P Register report is available at Reports > Vendors/Payables > A/P Register. See A/P Register Report. This report combines data from all accounts payable accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Accounts Receivable (A/R) Account Register

An accounts receivable register lists posting sales to and payments from customers. Receivables are assets that represent amounts owed by customers for the purchase of inventory, goods, or services. You can use an accounts receivable register to track and manage receivable transactions.

Note: To set your aging preference for your general and subledgers, go to Setup > Accounting > Preferences > Accounting Preferences, and on the General subtab, under General Ledger, for Aging Reports Use, choose either Due Date or Transaction Date.

To view an accounts receivable register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of receivable transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

An A/R Register report is available at Reports > Customers/Receivables > A/R Register. See A/R Register Report. This report combines data from all accounts receivable accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Bank Account Register

A bank account register lists all transactions for a particular bank account. These transactions include liquid assets such as cash.

All cash accounts are treated as bank accounts, even if you do not keep money for that account in a bank. For example, a petty cash account is created as a bank account. Any transaction that takes money from, or adds money to, petty cash appears as a line item on the petty cash account register. In NetSuite, cash transactions are recorded on the Write Checks page.

You can use a bank account register to track and manage bank transactions, and to reconcile the account. During the reconciliation process, you can check the box in the cleared column next to transactions that have gone through, but do not yet appear on the statement. To reconcile a transaction that appears on a statement, click Reconcile in the Reconciled Date column. Reconciled transactions are automatically marked as Cleared. If a transaction was reconciled, the reconciliation date shows next to the Cleared (Clr) column.

To view a bank account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of bank transactions, such as checks, click the account.
On a transaction record, from the Actions list, select Go to Register.

A Bank Register report is available at Reports > Banking/Budgeting > Bank Register. See the help topic Bank Register Report. This report combines data from all bank accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Cost of Goods Sold Account Register

A Cost of Goods Sold (COGS) account register lists expenses incurred for purchasing or manufacturing the merchandise you sell. Cost of goods sold, or, inventory costing, is calculated by subtracting ending inventory from the sum of the beginning inventory and the purchases during a period of time.

You can use a cost of goods sold account register to track and manage transactions that affect your cost of goods sold account. You can also print selected transactions from the register page by checking the appropriate box in the Print column, and then clicking the Print button.

To view a cost of goods sold account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions affecting inventory calculations, click the account. (Many types of transactions may affect inventory costing, including invoices, cash sales, checks, bills, and inventory adjustments.)
  - On a transaction record, from the Actions list, select Go to Register.

For information about how inventory costing is recorded and managed in NetSuite, see the help topics Item Costing and Inventory Costing and the Advanced Receiving Feature.

Credit Card Account Register

A credit card account register lists all transactions for a particular credit card account. You can use a credit card account register or report to track and manage credit card transactions, and to reconcile the account.

During the reconciliation process, you can check the box in the cleared column next to transactions that have gone through, but do not yet appear on the statement. To reconcile a transaction that appears on a statement, click Reconcile in the Reconciled Date column. Reconciled transactions are automatically marked as Cleared. If a transaction was reconciled, the reconciliation date shows next to the Cleared (Clr) column.

To view a credit card account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of credit card transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.
Deferred Expense Account Register

A deferred expense register lists expenses that have been capitalized on a balance sheet and are to be expensed to the income statement later, in accordance with the nature of the expense. For example, a prepaid expense account is an example of a deferred expense account.

Expenses are typically deferred and then later are expensed when related revenues are recognized. These deferred expenses usually post to the income statement using amortization schedules. See the help topic Amortization Feature Overview.

To view a deferred expense register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

Deferred Revenue Account Register

A deferred revenue register lists income that has been promised or received but is not yet recognized as earned. Deferred revenue is listed on the balance sheet under liabilities and it to be added to the income statement later.

Revenues are typically deferred and then later are recognized when related goods or services are received. These deferred revenues usually post to the income statement using revenue recognition schedules. See the help topic Using Revenue Recognition.

To view a deferred revenue register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

Equity Account Register

An equity account register lists transactions related to the owner’s investment in or draw from the company. You can use an equity account register to track and manage transactions that affect your equity account.

To view an equity account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
Available Account Registers

- From a list of transactions affecting the equity account, click the account.
- On a transaction record, from the Actions list, select Go to Register.

Fixed Asset Account Register

A fixed asset account register lists transactions related to items that are acquired for long-term use rather than for resale. Often, the costs of these assets are depreciated gradually over time.

You can use a fixed asset account register to track and manage transactions that affect your fixed asset account. You can also print selected transactions from the register page by checking the appropriate box in the Print column, and then clicking the Print button.

To view a fixed asset account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

Expense Account Register

An expense account register lists the costs and liabilities associated with producing revenue. The depreciation account is an example of an expense account. Expense is calculated by subtracting income from revenue during the time period specified. You can use an expense account register to track and manage that account's transactions.

If employee information is masked and you require this information, contact your account administrator.

To view an expense account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

Income Account Register

An income account register lists your assets that result from the sale of products and services. Income is calculated by subtracting expenses from revenues during the time period specified. You can use an income account register to track and manage transactions that affect your income account.

To view an income account register:

- Do one of the following:
Available Account Registers

□ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
□ From a list of transactions, click the account.
□ On a transaction record, from the Actions list, select Go to Register.

Long Term Liability Account Register

A long-term liability account register lists transactions related to debts that are due in more than one year like a mortgage. You can use a long-term liability account register to track and manage transactions that affect your long-term liability account.

To view a long-term liability account register:

■ Do one of the following:
  □ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  □ From a list of transactions, click the account.
  □ On a transaction record, from the Actions list, select Go to Register.

Non-posting Account Registers

A non-posting account register lists transactions that do not directly affect the balance of what your company is worth. Purchase orders, for example, are transactions that do not actually incur debt the way bills do. Nevertheless, it's important to know how these transactions may affect the future balance of your accounts.

NetSuite offers several registers based on non-posting accounts, including the following:

■ Estimates Register
■ Opportunities Register
■ Payroll Adjustments Register
■ Purchase Orders Register
■ Return Authorizations Register
■ Sales Orders Register
■ Transfer Orders Register
■ Unapproved Expense Reports Register
■ Unapproved Payments Register
■ Vendor Return Authorizations Register

To view a non-posting account register:

■ Do one of the following:
  □ Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  □ From a list of transactions, click the account.
On a transaction record, from the Actions list, select Go to Register.

Estimates Register

The estimates register lists amounts for what you have offered to sell, not necessarily what you have sold and what has been paid for, in a non-posting estimates account. This register is available if the Estimates feature has been enabled.

For information about using estimates, see the help topic Estimates.

An Estimates Register report is available at Reports > Pipeline Analysis. See the help topic Estimates Register Report. This report combines data from all estimates accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Opportunities Register

The opportunities register lists amounts for negotiations with prospects, in a non-posting opportunities account. This register is available if the Opportunities feature has been enabled.

For information about using opportunities, see the help topic Opportunity Records.

Payroll Adjustments Register

The payroll adjustments register lists modifications you have made to payroll that do not have any impact on the general ledger. An example of a non-posting payroll adjustment is a payroll year-to-date amount. You can use the payroll adjustment register to find existing adjustments and to track payroll adjustments. This register is available if the Payroll feature has been enabled.

For information about payroll adjustments, see the help topic Creating Payroll Adjustments.

Purchase Orders Register

The purchase orders register lists what you have ordered, not necessarily what you have bought and paid for, in a non-posting account. This register is available if the Purchase Orders feature has been enabled.

For information about using purchase orders, see the help topic Purchase Orders.

A Purchase Order Register report is available at Reports > Purchases. See Purchase Order Register Report. This report combines data from all purchase order accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Return Authorizations Register

The return authorizations register lists amounts for purchases that customers have been authorized to return to you, but have not received refunds, in a non-posting account. This register is available if the Return Authorizations feature has been enabled.

For information about using return authorizations, see the help topic Customer Return Management.

A Return Authorizations Register report is available at Reports > Order Management > Return Authorizations Register. See the help topic Return Authorizations Register. This report combines data...
Available Account Registers

from all return authorizations accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Sales Orders Register

The sales orders register lists what your customers have ordered from you, but have not yet paid for, in a non-posting account. This register is available if the Sales Orders feature has been enabled.

You can use the sales order register to find existing transactions, track projected sales and profitability, monitor inventory levels and determine when to schedule shipments to customers. You can also print sales orders from the register.

For information about using sales orders, see the help topic Sales Orders.

A Sales Order Register report is available at Reports > Order Management > Sales Orders Register. See the help topic Sales Order Register Report. This report combines data from all sales orders accounts and offers more display options than the register. It is intended to be used for presentation rather than for managing and editing transactions.

Note: The Orders and the Sales (Orders) key performance indicators (KPI) can be added to your dashboard to provide at-a-glance views of totals from this register. For more information on KPIs, see the help topic Setting Up the Key Performance Indicators Portlet.

Transfer Orders Register

The transfer orders register lists transfer orders that have been entered to track the movement of inventory items from one location to another, whether they are awaiting approval or have been completed. This register is available if the Multi-Location Inventory feature has been enabled.

For information about using transfer orders, see Inventory Transfer Orders.

A Transfer Order Register report is available at Reports > Inventory/Items > Transfer Order Register. This report lists the transaction number, status, and dollar amount value for each transfer order, and offers more display options than the transfer orders register.

Unapproved Expense Reports Register

The expense reports register lists all expense reports that have been started, whether they have not yet been completed by the employee or are waiting for approval by either the supervisor or accounting. This register is available if the Expense Reports feature has been enabled.

Unapproved Payments Register

The unapproved payments register, also called the unapproved customer payments register, lists payments your customers have made but have not yet been approved by your company. This register is available if your company tracks credit card payments.

Vendor Return Authorizations Register

The vendor return authorizations register lists amounts for purchases that you have been authorized to return to vendors, but have not yet received refunds, in a non-posting account. This register is available if the Vendor Return Authorizations feature has been enabled.
For information about using vendor return authorizations, see the help topic Vendor Return Authorization Overview.

**Other Asset Account Register**

An other asset account register lists transactions related to assets that are not categorized as fixed assets or other current assets. Typically the value of this account is small relative to total assets. Examples of other assets are prepaid expenses and the value of obsolete equipment to be sold.

**To view an other asset account register:**

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

**Other Current Asset Account Register**

An other current asset account register lists transactions related to assets that are not categorized in cash accounts, bank accounts or accounts receivable and are expected to be sold, used or converted to cash within a year. An example of an other current asset is an employee advance.

**To view an other current asset account register:**

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

**Other Current Liability Account Register**

An other current liability account register lists transactions related to obligations that are due within a year and are not categorized in accounts payable. An example of an other current liability is taxes payable. You can use an other current liability account register to track and manage transactions that affect your other current liability account.

If employee information is masked and you require this information, contact your account administrator. For more information, see the help topic Hiding Employee Information on Financial Reports.

**To view an other current liability account register:**

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.
Available Account Registers

Other Expense Account Register

An other expense account register lists the expenses associated with producing revenue that are not categorized in regular expense accounts. You can use an other expense account register to track and manage transactions that affect your other expense account.

To view an other expense account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

Other Income Account Register

An other income account register lists income that is not categorized in regular income accounts. All income accounts are used to track assets resulting from the sale of products and services. Finance charge income is an example of an other income account. Other income, like regular income, is calculated by subtracting expenses from revenues during a fiscal period. You can use an other income account register or report to track and manage transactions that affect your other income account.

To view an other income account register:

- Do one of the following:
  - Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
  - From a list of transactions, click the account.
  - On a transaction record, from the Actions list, select Go to Register.

Unbilled Receivable Account Register

The unbilled receivable register lists income that has been recognized as earned but has not yet been billed to customers. There is only one system-generated Unbilled Receivable account. You cannot create additional accounts of this type.

Unbilled receivable amounts occur when revenue is recognized in advance of invoicing. The system-generated unbilled receivable account register is associated with the Advanced Revenue Management and (legacy) Revenue Commitment features. For information about these features, see the help topic Advanced Revenue Management or Using Revenue Commitments.

**Important:** The unbilled receivable account appears in account lists when the Expand Account Lists accounting preference is enabled. **Do not select this account.** All debits and credits to this account must be system-generated.

To view the unbilled receivable register:

- Do one of the following:
Available Account Registers

- Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
- From a list of transactions, click the account.
- On a transaction record, from the Actions list, select Go to Register.

Statistical Account Register

⚠️ Important: The functions discussed in this topic require the Statistical Accounts and Multiple Units of Measure features to be enabled.

ℹ️ Note: You must have REGT_STAT - Statistical Account Registers permission to view this register. Administrators can view this register. The REGT_STAT permission has been added to these core user roles: A/P Clerk : EDIT, Accountant : EDIT, Accountant (Reviewer) : VIEW, Bookkeeper : VIEW, CEO : FULL, CEO (Hands Off) : VIEW, CFO : FULL, Consultant : VIEW, Sales Administrator : VIEW, Sales Manager : VIEW, and Sales Vice President : VIEW. Users with permission to add permissions to custom roles can do so as needed.

You can use the register associated with a statistical account to obtain the date the statistical journal entry was recorded in the system, transaction number, customer associated with the statistical journal entry, any memo, and the amount relative to the associated unit of measure. A register is useful when you need to determine whether to reverse a statistical journal entry. For more information about statistical accounts, see the help topic Statistical Accounting Overview.

Do one of the following:
- Go to Lists > Accounting > Accounts, or Setup > Accounting > Chart of Accounts, and click the account name.
- Reports > Financials > Chart of Accounts
- Setup > Accounting > Chart of Accounts

From the View list, choose Statistical, and then click the statistical account name to open the register.

Register Reports

NetSuite provides several register reports. These reports are different from the single account registers described in Available Account Registers. Each of these reports combines data for all registers of a specific type. The register reports provide more display options than single account registers, but do not provide access to transaction editing or account reconciliation.

The register reports available to you depend upon the features enabled in your account. They may include the following:
- A/P Register Report at Reports > Vendors/Payables > A/P Register
- A/R Register Report at Reports > Customer/Receivables > A/R Register
- Bank Register Report at Reports > Banking/Budgeting > Bank Register
- Estimates Register Report at Reports > Pipeline Analysis > Estimates Register
- Payroll Check Register at Reports > Payroll > Payroll Check Register
- Purchase Order Register Report at Reports > Purchases > Purchase Order Register
- Return Authorizations Register at Reports > Order Management > Return Authorizations Register

General Accounting
- **Sales Order Register Report** at Reports > Order Management > Sales Orders Register
- **Transfer Order Register Report** at Reports > Inventory/Items > Transfer Order Register – see the help topic **Searches, Reports, and Reminders for Transfer Orders**
Accounting-Related Reports

The following types of accounting-related reports are described in this section:

- Financial Reports
- Purchases Reports
- Payables Reports
- Receivables Reports

Financial statements, including income statements (profit and loss statements), balance sheets, and cash flow statements, are described elsewhere. For information, see the help topic Financial Statements Overview.

Financial Reports

The following financial reports are available in addition to financial statements:

- General Ledger Report
- Trial Balance Report
- Post Closing Trial Balance Report (requires the Period End Journal Entries feature)
- Transaction Detail Report
- Realized Exchange Rate Gains and Losses Report
- Unrealized Exchange Rate Gains and Losses Report
- Intercompany Elimination Report (requires the Automated Intercompany Management feature)
- Intercompany Reconciliation Report (requires the Automated Intercompany Management feature)
- Amortization Forecast Summary (requires the Amortization feature)
- Amortization Forecast Detail (requires the Amortization feature)
- Deferred/Capitalized Expense (requires the Amortization feature)
- Deferred Expense Waterfall Summary Report (requires the Amortization feature)
- Deferred Expense Waterfall Detail Report (requires the Amortization feature)
- Deferred Expense Rollforward Report (requires the Amortization feature)
- GL Audit Numbering Report (requires the GL Audit Numbering feature)

**Important:** NetSuite provides specialized customization methods for financial statements, including income statements, balance sheets, and cash flow statements. Financial statements are described separately from financial reports. See the help topic Financial Statements Overview.

General Ledger Report

The General Ledger report shows transactions sorted and subtotaled by account during a fiscal period or any other time period you specify.

**To see the General Ledger report:**

Go to Reports > Financial > General Ledger.
A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

If employee information is masked and you require this information, contact your account administrator.

**Note:** SuiteGL features support customization of general ledger processes to meet your specific business needs. With these features, you can modify line-level general ledger impact of transactions, design specialized transaction types with unique general ledger capabilities, and create customized classifications that improve reporting and analytics. For details, see the help topic SuiteGL Features Overview.

### Trial Balance Report

The Trial Balance is a report that shows the balance of each active account as of a specified date, usually the end of the month. Account balances are shown in debit and credit columns. An accountant runs this report before preparing financial statements to make sure the debits and credits are equal to one another. When the trial balance is in balance, the financial statements can be prepared.

The table below shows the account types on the trial balance report and whether they represent a credit or debit on the report.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Other Current Asset</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Fixed Asset</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Other Asset</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Credit Card</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Other Current Liability</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Long Term Liability</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Expense</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Other Expense</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Deferred Expense</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Unbilled Receivable</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Non-posting</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Important: Some user roles such as Finance Manager are restricted by location to Own, Unassigned, and Subordinate. The Trial Balance report is not restricted by location, but users with location-restricted roles may see an imbalance in the report. The reason for an imbalance is that within a single transaction some transaction lines may be set to an accessible/non-accessible location. Any resulting credit/debit imbalance is reported in the Cumulative Translation Adjustment line. Users should run reports using an unrestricted role.

To see the Trial Balance report:

Go to Reports > Financial > Trial Balance.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

If employee information is masked and you require this information, contact your account administrator.

In the report, you can click an account name to see details about the account. You can click the dollar amount listed for an account to view an account detail report of recent transactions. See Account Detail Report.

Some differences between amounts in the Trial Balance and in the account detail reports may occur as follows:

- For income statement accounts (Income, Expense, Other Income, Other Expense, and Cost of Goods Sold), the Trial Balance report includes only transactions posted from the beginning of the calendar year up to the As of date for these types of accounts. The account detail reports for these account types also include the balance for transactions posted prior to the beginning of the calendar year.
- Retained earnings are reported in the Trial Balance report as the sum of cumulative net income and amounts posted directly to the retained earnings account through journal entries. The cumulative net income is a calculated reporting value which is not recorded in the account register detail report.

The following filters are available in the report footer. Select from these filters, and then click Refresh to modify report results.

- **Column** - you can switch the columns displayed in the report.
  - Debit/Credit - to display two columns, with debit and credit balances, for each account
  - Total - to display one column with balance of debits and credits for each account
- **Date or Period** - you can change the date or period for report data.
  Whether Date or Period is used depends upon your setting for the Report by Period preference at Home > Set Preferences, on the Analytics tab.
  For information about setting dates or periods for reports, see the help topic Choosing a Date or Period Range for a Report.
- **As of** - displays the date corresponding to your selection in the Date or Period filter. You also can enter a date directly into this field to set a custom Date or Period.

Be aware that this report handles the reporting of posted transaction data differently for different types of accounts. For example, if the As of date for a Trial Balance report is 12/31/2009:

- For Income, Expense, Other Income, Other Expense, and Cost of Goods Sold (COGS) type accounts, the report includes only transactions posted from 1/1/2009 to 12/31/2009. It does not include transactions posted prior to 1/1/2009.
- For the Retained Earnings account, the report includes all transactions posted on or before 12/31/2009, plus Net Income posted on or before 12/31/2008.
- For all other types of accounts, the report includes all transactions posted on or before 12/31/2009.
Subsidiary Context - (OneWorld only) You can filter the report to show only data from the subsidiary you select, or in the case of consolidated subsidiaries, to show data for all child subsidiaries of the consolidated parent subsidiary.

If you are using the Multiple Currencies feature, when the Subsidiary Context is a consolidated subsidiary, this report also includes the Cumulative Translation Adjustment (CTA) account. If you have posted manual journal entries to the account, one line displays only the balance resulting from manual journal entries. This line appears in regular account order within the report. The primary CTA account line appears at the end of the account listing. It includes both the manual journal entries and the calculated CTA. Only the primary CTA line is counted in the total. See the help topic Cumulative Translation Adjustment (CTA) Overview.

If the Subsidiary Context is not a consolidated subsidiary, the transaction exchange rate used to convert from the transaction current to the subsidiary base currency.

Account Detail Report

The Account Detail report shows a list of transactions that affect the balance of a specific account.

If employee information is masked and you require this information, contact your account administrator.

Most Account Detail reports include the following columns:

- **Account** – the name of the account and its number
- **Type** – the type of transaction
- **Date** – the transaction date
- **Num** – a reference number for the transaction, such as an invoice number
- **Name** – a name of entity associated with the transaction, such as a vendor, customer or employee
- **Clr** – a notation if the transaction has cleared your bank account
- **Split** – the other account involved in the double-entry bookkeeping notation. If more than one account was used to offset this distribution, you see the notation -Split-.
- **Amount** – the amount of the transaction
- **Balance** – the balance of that account after that transaction

An Account Detail report opens when you click an account amount in the Trial Balance report. Account details from the General Ledger report open when you click an amount in other financial statement detail reports, such as the Balance Sheet Detail report.

Account registers include information similar to Account Detail reports. For information, see Account Registers.

The following filters are available in the report footer. Select from these filters, and then click Refresh to modify report results.

- **Date** - You can select the date range for the transactions to be displayed. The selected date range is reflected in the From and To fields. If you enter a different range in the From and To fields, the Date field displays custom.
- **From** and **To** - Enter a date range in these fields for the transactions to be displayed. The account detail displays transactions to and including the date in the To field.
- **Subsidiary Context** - Available in NetSuite OneWorld only. Select the context for the report. You can select data for a single subsidiary or consolidated data for a set of subsidiaries. For more information about subsidiary context, see the help topic Subsidiary Context for Reports.
- **Accounting Book** - Available only when the Multi-Book Accounting feature is enabled. Select the accounting book to display.
GL Audit Numbering Report

The GL Audit Numbering report lists all general ledger posting transactions in gapless numbered order. This report can be submitted to government tax authorities where required. You can filter this report by numbering sequence. Administrators and users with the Manage Accounting Periods permission can view this report.

To view the GL Audit Numbering report, go to . Information you can obtain from this report includes the numbering sequence, general ledger number, transaction date, and the number of the transaction record. Further information includes transaction type, entry date, accounting period, account, and transaction amount. If you use NetSuite OneWorld, this report provides the subsidiary associated with the general ledger sequence.

If you use the Multi-Book Accounting feature, this report provides the accounting book name and ID. You can also filter this report to display book-specific numbering sequences.

To ensure that this report displays all transactions for the periods shown and that there are no gaps in the numbering, go to Home > Set Preferences > Analytics and set the Report by Period preference to Financials Only or All Reports.

**Note:** If the Allow Transaction Date Outside of Posting Period preference is set to Warn or Allow in your NetSuite account, when you run the GL Audit Numbering report you may see transactions with dates that do not fall within the period for which you are viewing general ledger numbers.

You can add general ledger numbers to a standard report by customizing it to include the GL# column. You can also include the numbering sequence that was used to number each transaction.

Purchases Reports

The following purchases reports are available:

- Purchase by Vendor Summary Report
- Purchase by Vendor Detail Report
- Purchase by Item Summary Report
- Purchase by Item Detail Report
- Purchase Order Register Report
- Open Purchase Orders Report
- Purchase Order History Report

Purchase by Vendor Summary Report

A Purchase by Vendor Summary report shows your actual purchases of items, categorized by vendor, for the time period you specify.

**To see a Purchase by Vendor Summary report:**

Go to Reports > Purchases > Purchase by Vendor.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.
Purchases Reports

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase by Vendor Detail Report

A Purchase by Vendor Detail report shows individual purchase transactions categorized by vendor for the time period you specify.

To see a Purchase by Vendor Detail report:

Go to Reports > Purchases > Purchase by Vendor > Detail.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase by Item Summary Report

A Purchase by Item Summary report shows dollar amounts categorized by item for the time period you specify.

To see a Purchase by Item Summary report:

Go to Reports > Purchases > Purchase by Item.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase by Item Detail Report

A Purchase by Item Detail report shows individual purchase transactions categorized by item for the time period you specify.
To see a Purchase by Item Detail report:

Go to Reports > Purchases > Purchase by Item > Detail.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

This report may be run on a cash basis. The Cash Basis Reporting preference at Setup > Accounting > Accounting Preferences, on the General Ledger subtab, applies to all standard reports that support cash basis reporting. If this preference is enabled, the report is on a cash basis rather than an accrual basis. If this preference is not enabled, you can create a custom cash basis report by enabling the Cash Basis option on the More Options page of the Financial Report Builder. See the help topic Setting Up Cash Basis Reporting.

Purchase Order Register Report

The Purchase Order Register report lists what you have ordered, not necessarily what you have bought and paid for, in a nonposting account. This nonposting account appears only if your company uses purchase orders.

To view the Purchase Order Register report:

Go to Reports > Purchases > Purchase Order Register.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

Open Purchase Orders Report

The Open Purchase Orders report lists purchase orders with an open billing status, meaning those that have not yet been fully billed or closed.

To view the Open Purchase Orders report:

Go to Reports > Purchases > Open Purchase Orders.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payables Reports

The following payables reports are available:
A/P Aging Summary Report

An Accounts Payable Aging report shows all unpaid bills in your accounts payable.

In NetSuite, the A/P Aging Summary report shows the amounts owed to vendors for the current billing period and what is still owed from previous billing periods.

In NetSuite, someone with permission to access the Accounting Preferences page can choose to age bills and invoices by due dates or transaction dates.

**Note:** The Payables key performance indicator (KPI) can be added to your dashboard to provide at-a-glance views of totals from this report. For more information on KPIs, see the help topic Setting Up the Key Performance Indicators Portlet.

To see an A/P Aging Summary report:

Go to Reports > Vendors/Payables > A/P Aging.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

A/P Aging Detail Report

An Accounts Payable Aging report shows all unpaid bills in your accounts payable. In NetSuite, the A/P Aging Detail report shows individual bills owed each vendor, the age or exact number of days past due of each bill, the open balances for each vendor and a grand total for all vendors.

In NetSuite, someone with permission to access the Accounting Preferences page can choose to age bills and invoices by due dates or transaction dates.

The A/P Aging Detail report includes the following sections:

- **Vendor** — The legal name of the vendor with the balance owed, itemized by transaction, and then summed. Entries grouped under No Vendor are Journal Entries.
- **Transaction Type** — The type of vendor transaction such as bill, deposit, expense report, and so on.
- **Date** — The date on which the transaction was entered into the system.
- **No.** — The number of the transaction, specific to the transaction type.
- **Due Date** — The date on which the transaction amount owed was due.
- **Age** — The number of days the amount owed is past due.
- **Amount Due** — The amount owed itemized by transaction and grouped by vendor total.

The A/P Aging Detail report is customizable. For more information, see the help topic Report Customization.
To see an A/P Aging Detail report:

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

⚠️ Important: Debit and credit journal entries against identical accounts for the same entity value do not impact the general ledger, and therefore do not appear in the A/P Aging Detail report.

A/P Register Report

The Accounts Payable Register report lists all posting purchases from or payments to your vendors. These transactions are liabilities representing amounts owed to vendors for the purchase of inventory, goods or services.

You can use an accounts payable register report to find existing transactions and to track payable transactions. You can use an open bills report to see what bills still need to be paid.

To see the Accounts Payable Register report:

Go to Reports > Vendors/Payables > A/P Register.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

A/P Payment History by Bill Report

The A/P Payment History by Bill report provides a view of your payment history with vendors, organized by bills, and shows how your payments were applied to bills.

This report can be used to review contract employees billings, as well as other vendors' payables.

To see the A/P Payment History by Bill report:

Go to Reports > Vendors/Payables > A/P Payment History by Bill.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

ℹ️ Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

A/P Payment History by Payment Report

The A/P Payment History by Payment report provides a view of your payment history with vendors, organized by payment, and shows how those payments were applied to bills.

To see the A/P Payment History by Payment report:

Go to Reports > Vendors/Payables > A/P Payment History by Payment.
A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

### Receivables Reports

The following receivables reports are available:

- A/R Aging Summary Report
- A/R Aging Detail Report
- A/R Register Report
- A/R Payment History by Invoice
- A/R Payment History by Payment Report
- Receivables by Customer Report

### A/R Aging Summary Report

The A/R Aging Summary report summarizes unpaid invoices and statement charges in accounts receivable, grouped by customer and billing period. For each customer who owes money, the report shows what the customer owes for the current billing period and what they haven't paid from previous billing periods.

The 1-30, 31-60, 61-90, and >90 columns show overdue balances from previous billing periods. These aging periods are defined using the Interval and Duration fields.

You can use the A/R Aging reports to identify where collection efforts should be concentrated. Because accounts receivable directly affect your company's cash, close attention should be paid to customers that are extending the time it takes to collect your accounts receivable. The longer accounts are left unpaid, the more likely it is that you cannot collect on that account. A large number of overdue amounts may signal that your business needs to tighten credit policies toward new and existing customers.

You may change the interval of your aging buckets by entering a new value in the Interval field located in the footer of this report. You also may change the duration. To change the duration, click the double-arrow beside the Interval field to see the Duration field and enter the desired duration. Then, click Refresh to reflect the changes.

**Note:** The Receivables key performance indicator (KPI) can be added to your dashboard to provide at-a-glance views of totals from this report. For more information about KPIs, see the help topic Setting Up the Key Performance Indicators Portlet.

### To view the A/R Aging Summary report:

Go to Reports > Customer/Receivables > A/R Aging.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.
A/R Aging Detail Report

The A/R Aging Detail report shows unpaid invoices and statement charges in accounts receivable, grouped and summed by Customer/Project, and then summed for the period. The A/R Aging Detail report shows transactions based on the date they are closed, as opposed to the date they are applied. This includes credit memos.

The A/R Aging Detail report includes the following sections:

- **Customer** — The legal name of the customer or project with the open balance, itemized by transaction and then summed. Entries grouped under No Customer/Project are Journal Entries.
- **Transaction Type** — The type of customer or project transaction such as invoice, customer credit, payment, and so on.
- **Date** — The date on which the transaction was entered into the system.
- **No.** — The number of the transaction, specific to the transaction type.
- **P.O. No.** — The purchase order number for the transaction.
- **Due Date** — The date on which the transaction amount was due.
- **Age** — The number of days past due.
- **Amount Due** — The amount due itemized by transaction and grouped by customer or project total.

The A/R Aging Detail report is customizable. For more information, see the help topic Report Customization.

You can use A/R Aging reports to identify where your collection efforts should be concentrated. Because accounts receivable directly affect your company's cash, close attention should be paid to customers that are extending the time it takes to collect your accounts receivable. The longer accounts are left unpaid, the more likely it is that you cannot collect on that account. A large number of overdue amounts may signal that your business needs to tighten credit policies toward new and existing customers.

To see an A/R Aging Detail report:

Go to Reports > Customer/Receivables > A/R Aging > Detail.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

**Important:** Debit and credit journal entries against identical accounts for the same entity value do not impact the general ledger, and therefore do not appear in the A/R Aging Detail report.

A/R Register Report

The Accounts Receivable Register report lists all posting sales to and payments from customers. These transactions are assets representing amounts owed by customers for the purchase of inventory, goods or services.
In a general ledger account register, which is intended primarily for people with accounting knowledge, parentheses represent numbers that translate to credits. Parentheses do not mean a negative number in accounting-specific reports. Numbers that translate to debits are represented without parentheses.

**To view the Accounts Receivable Register report:**

Go to Reports > Customer/Receivables > A/R Register.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

**A/R Payment History by Invoice**

The A/R Payment History by Invoice report provides a view of your customer's payment history, organized by invoice, and shows how those payments were applied to invoices.

**To see the A/R Payment History by Invoice report:**

Go to Reports > Customer/Receivables > A/R Payment History by Invoice.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

**A/R Payment History by Payment Report**

The A/R Payment History by Payment report provides a view of your customer's payment history, organized by payment, and shows how those payments are applied to invoices.

**To see the A/R Payment History by Payment report:**

Go to Reports > Customer/Receivables > A/R Payment History by Payment.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.

**Receivables by Customer Report**

The Receivables by Customer Report displays open receivables balances by customer for invoiced receivables.

Perform a manual reconciliation to get the breakdown of the revaluation amount related to unbilled receivables account by customer. For details about how the unbilled receivables balance is created, see the help topic [Reclassifying Deferred Revenue for Revenue Commitments](#).

This report is available when the Revenue Commitments feature is enabled and is compatible with all historical recognition methods. For information about the Revenue Commitments feature, see the help topic [Creating Revenue Commitments](#).
You can use this report as part of your credit management and receivables collections processes. The report includes the following fields: customer name, unbilled receivables open balance, and accounts receivable open balance.

**To see the Receivables by Customer report:**

Go to Reports > Customer/Receivables > Receivables by Customer.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click Cancel Report next to the status bar to stop the report from loading.