Financial management in IT company with Microsoft Dynamics 365 for Finance

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Dynamics 365 for Finance

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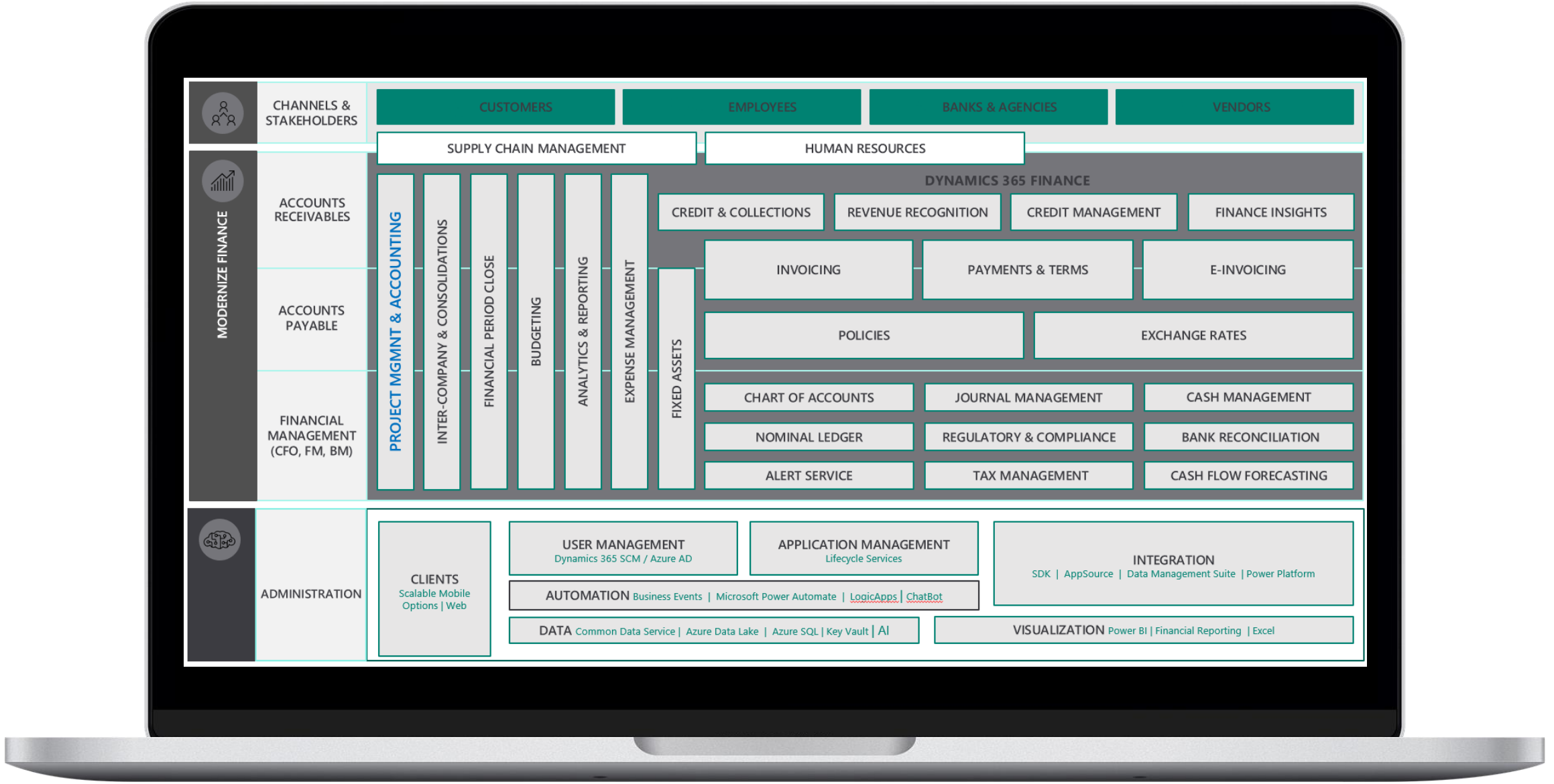


Project management and accounting

Project initiation and planning

- Manage contracts and contract terms
- Manage one or few projects for a contract
- Prepare budget

Project execution

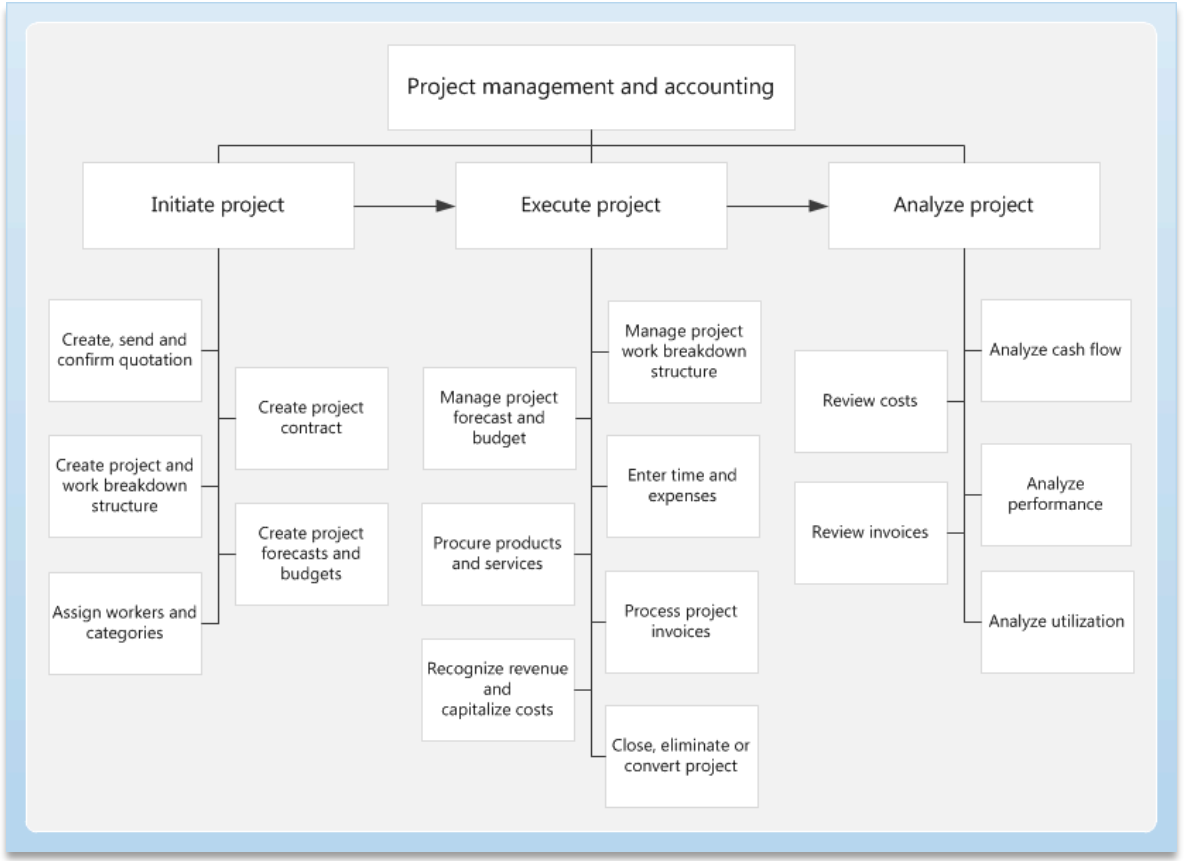
- Track actual costs
- Update project forecast
- Invoicing and AR

Financial accounting

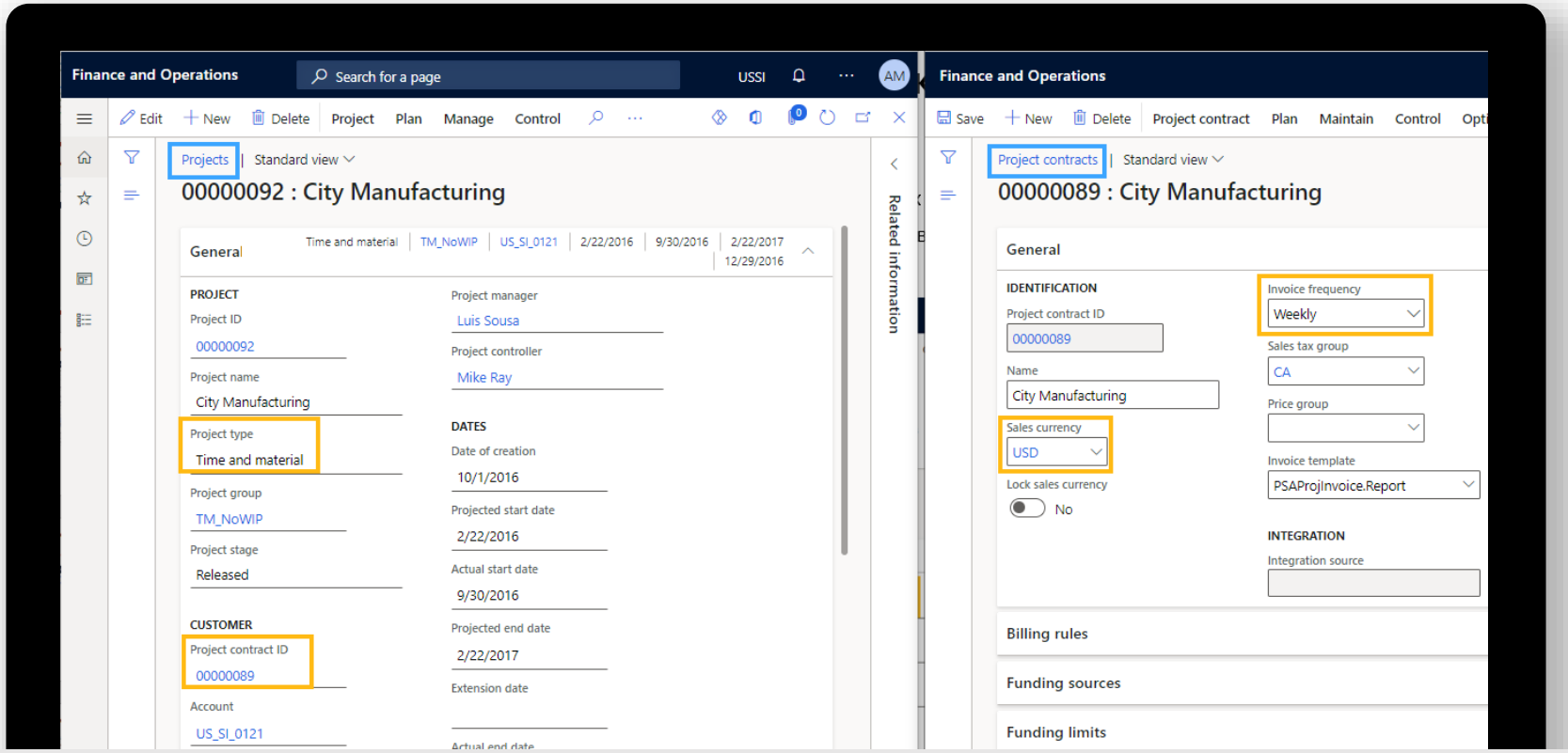
- Accounting of revenue and costs according to IFRS

Analysis

- Analysis of financial indicators of a project
- Comparison budget-actuals\ budget-forecast
- Forecast of future revenue and costs



Maintenance of a project card and contract terms

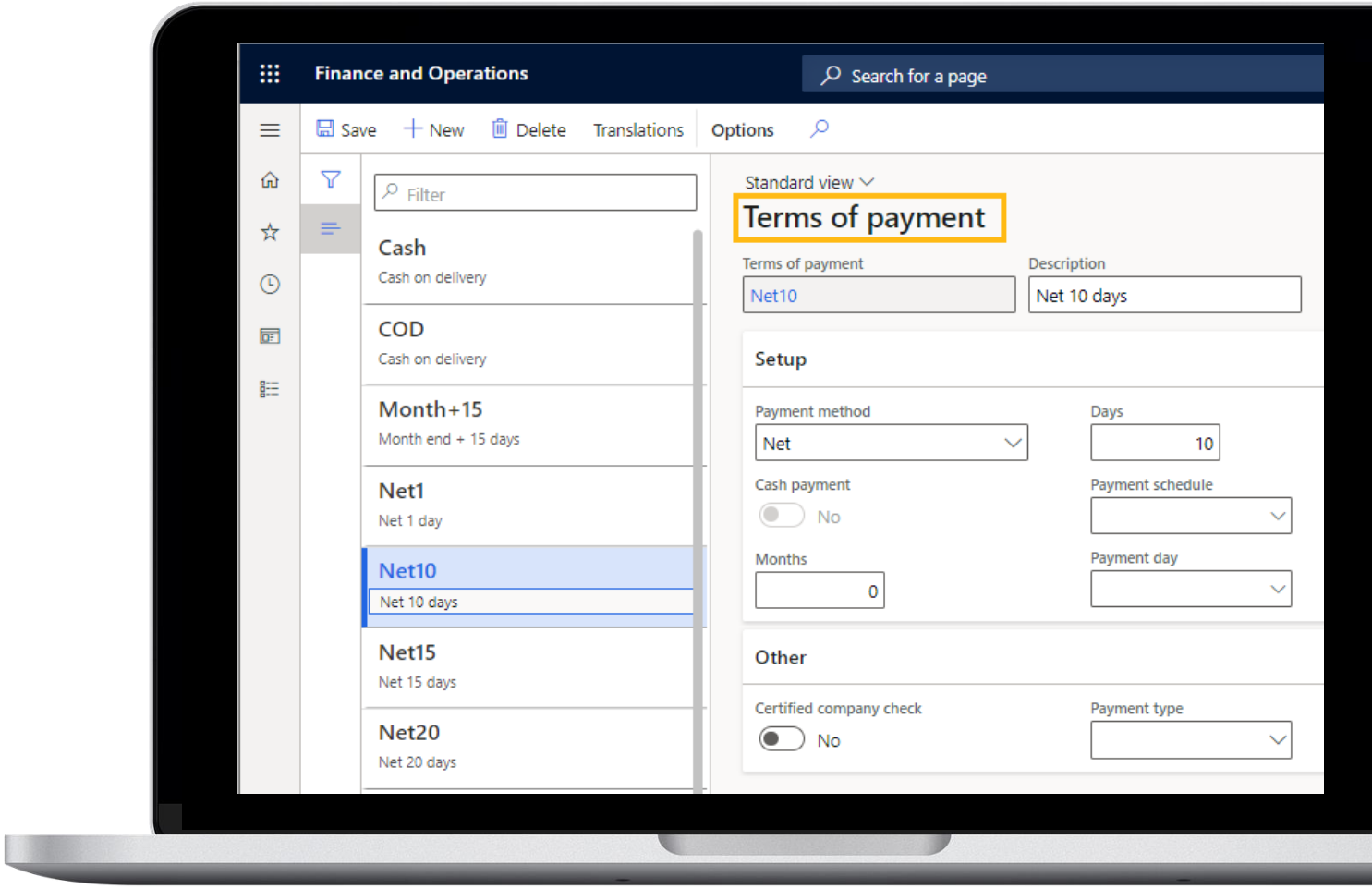


- Fixed-price \ Time and material
- Ability to create one or several projects connected to a contract
- Setup of invoicing frequency (weekly, monthly, upon project completion etc.)

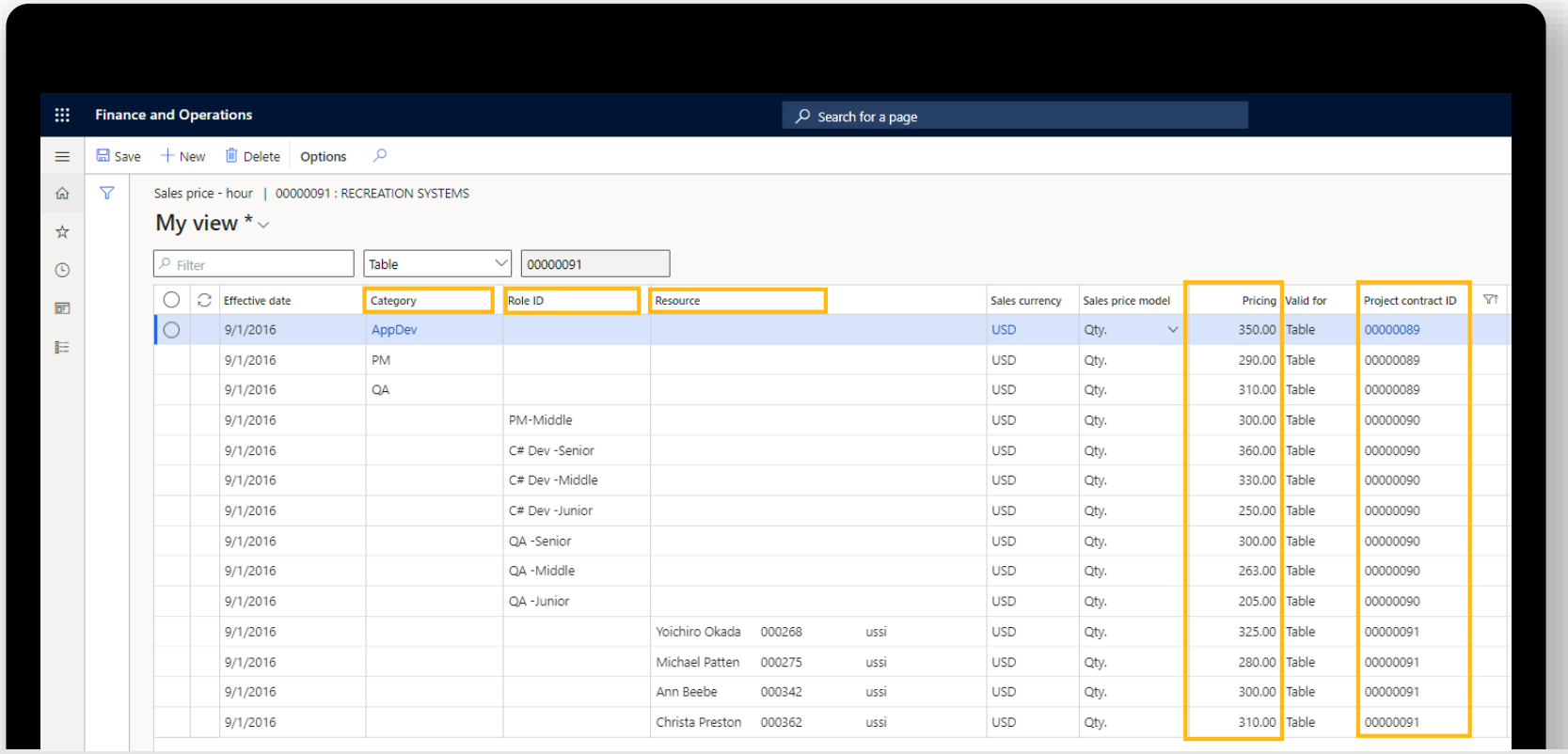
Maintenance of a project card and contract terms

Payment terms settings

- net X days
- day X of month Y
- payment according to a schedule

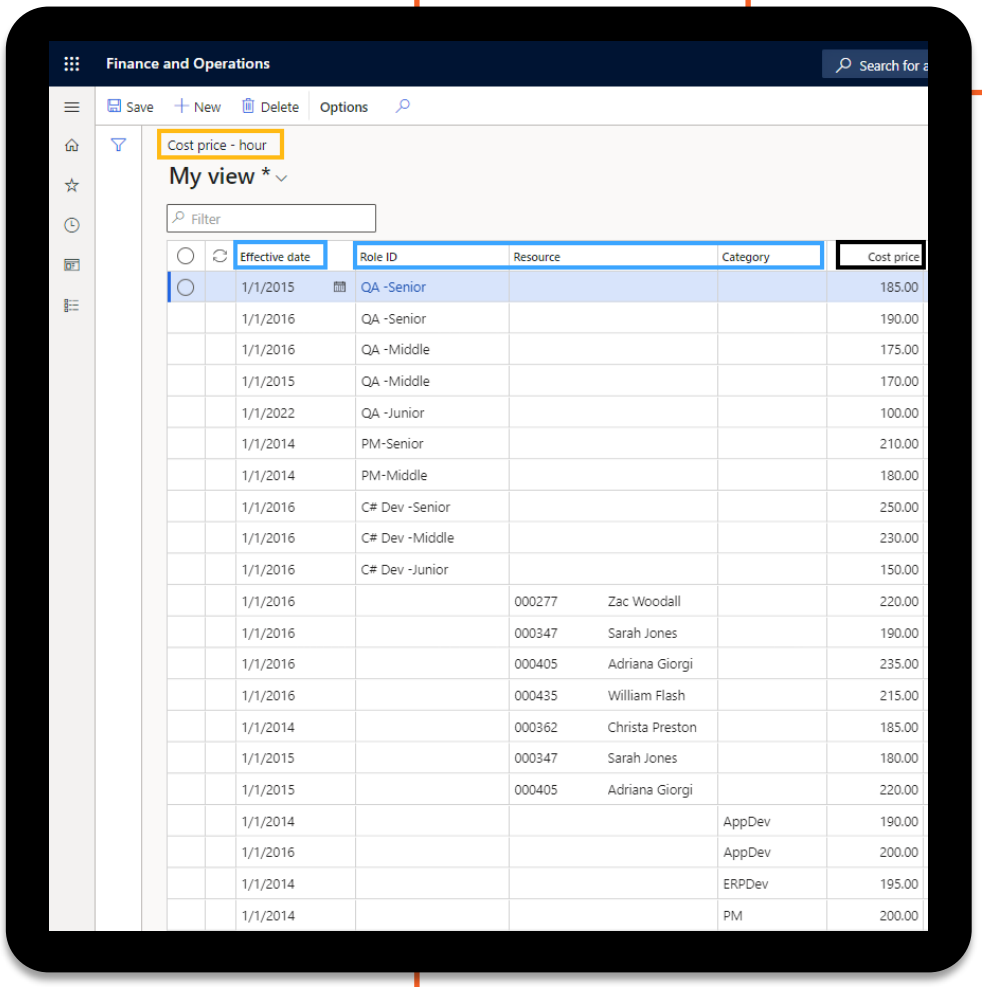


Maintain sales rates for a TnM contract



Effective date	Category	Role ID	Resource			Sales currency	Sales price model	Pricing	Valid for	Project contract ID
9/1/2016	AppDev					USD	Qty.	350.00	Table	00000089
9/1/2016	PM					USD	Qty.	290.00	Table	00000089
9/1/2016	QA					USD	Qty.	310.00	Table	00000089
9/1/2016		PM-Middle				USD	Qty.	300.00	Table	00000090
9/1/2016		C# Dev -Senior				USD	Qty.	360.00	Table	00000090
9/1/2016		C# Dev -Middle				USD	Qty.	330.00	Table	00000090
9/1/2016		C# Dev -Junior				USD	Qty.	250.00	Table	00000090
9/1/2016		QA -Senior				USD	Qty.	300.00	Table	00000090
9/1/2016		QA -Middle				USD	Qty.	263.00	Table	00000090
9/1/2016		QA -Junior				USD	Qty.	205.00	Table	00000090
9/1/2016			Yoichiro Okada	000268	ussi	USD	Qty.	325.00	Table	00000091
9/1/2016			Michael Patten	000275	ussi	USD	Qty.	280.00	Table	00000091
9/1/2016			Ann Beebe	000342	ussi	USD	Qty.	300.00	Table	00000091
9/1/2016			Christa Preston	000362	ussi	USD	Qty.	310.00	Table	00000091

- Set up of sales rates for TnM projects (based on project Role, individual worker or category)
- Used for calculation of revenue budget, invoice amounts and forecast of remaining revenue



Effective date	Role ID	Resource		Category	Cost price
1/1/2015	QA -Senior				185.00
1/1/2016	QA -Senior				190.00
1/1/2016	QA -Middle				175.00
1/1/2015	QA -Middle				170.00
1/1/2022	QA -Junior				100.00
1/1/2014	PM-Senior				210.00
1/1/2014	PM-Middle				180.00
1/1/2016	C# Dev -Senior				250.00
1/1/2016	C# Dev -Middle				230.00
1/1/2016	C# Dev -Junior				150.00
1/1/2016		000277	Zac Woodall		220.00
1/1/2016		000347	Sarah Jones		190.00
1/1/2016		000405	Adriana Giorgi		235.00
1/1/2016		000435	William Flash		215.00
1/1/2014		000362	Christa Preston		185.00
1/1/2015		000347	Sarah Jones		180.00
1/1/2015		000405	Adriana Giorgi		220.00
1/1/2014				AppDev	190.00
1/1/2016				AppDev	200.00
1/1/2014				ERPDev	195.00
1/1/2014				PM	200.00

Workers' cost rates setup

- Setup of cost rates per Role, category or individual worker with appropriate effective dates

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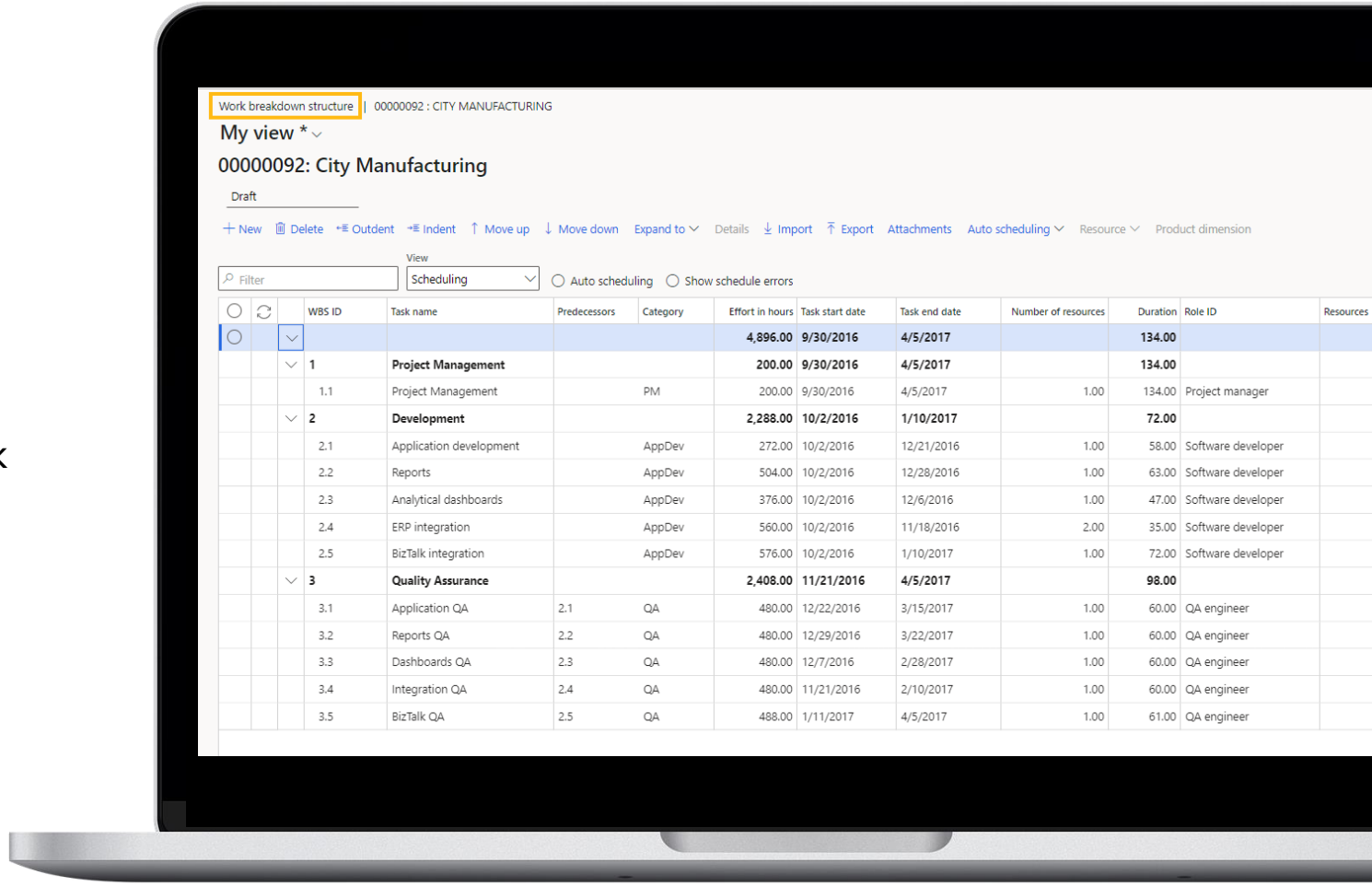
Maintain tasks of a project

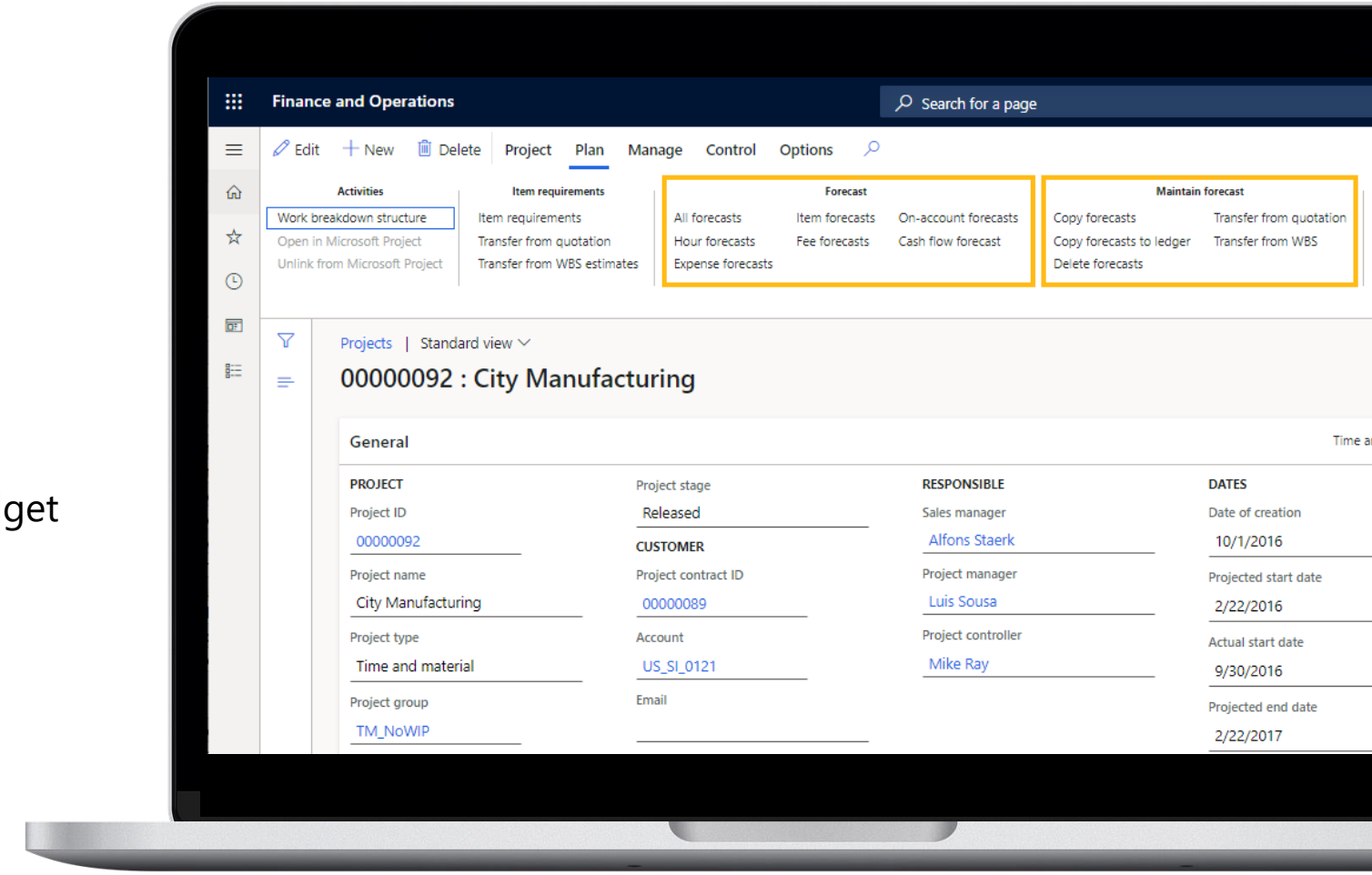
- WBS with MS project integration
- Integration with third-party task management systems
- Planning of hours and other resources per task (expenses, subcontractors, assets etc.)



WBS ID	Task name	Predecessors	Category	Effort in hours	Task start date	Task end date	Number of resources	Duration	Role ID	Resources
				4,896.00	**9/30/2016**	**4/5/2017**		**134.00**		
1	**Project Management**			**200.00**	**9/30/2016**	**4/5/2017**		**134.00**		
1.1	Project Management		PM	200.00	9/30/2016	4/5/2017	1.00	134.00	Project manager	
2	**Development**			**2,288.00**	**10/2/2016**	**1/10/2017**		**72.00**		
2.1	Application development		AppDev	272.00	10/2/2016	12/21/2016	1.00	58.00	Software developer	
2.2	Reports		AppDev	504.00	10/2/2016	12/28/2016	1.00	63.00	Software developer	
2.3	Analytical dashboards		AppDev	376.00	10/2/2016	12/6/2016	1.00	47.00	Software developer	
2.4	ERP integration		AppDev	560.00	10/2/2016	11/18/2016	2.00	35.00	Software developer	
2.5	BizTalk integration		AppDev	576.00	10/2/2016	1/10/2017	1.00	72.00	Software developer	
3	**Quality Assurance**			**2,408.00**	**11/21/2016**	**4/5/2017**		**98.00**		
3.1	Application QA	2.1	QA	480.00	12/22/2016	3/15/2017	1.00	60.00	QA engineer	
3.2	Reports QA	2.2	QA	480.00	12/29/2016	3/22/2017	1.00	60.00	QA engineer	
3.3	Dashboards QA	2.3	QA	480.00	12/7/2016	2/28/2017	1.00	60.00	QA engineer	
3.4	Integration QA	2.4	QA	480.00	11/21/2016	2/10/2017	1.00	60.00	QA engineer	
3.5	BizTalk QA	2.5	QA	488.00	1/11/2017	4/5/2017	1.00	61.00	QA engineer	

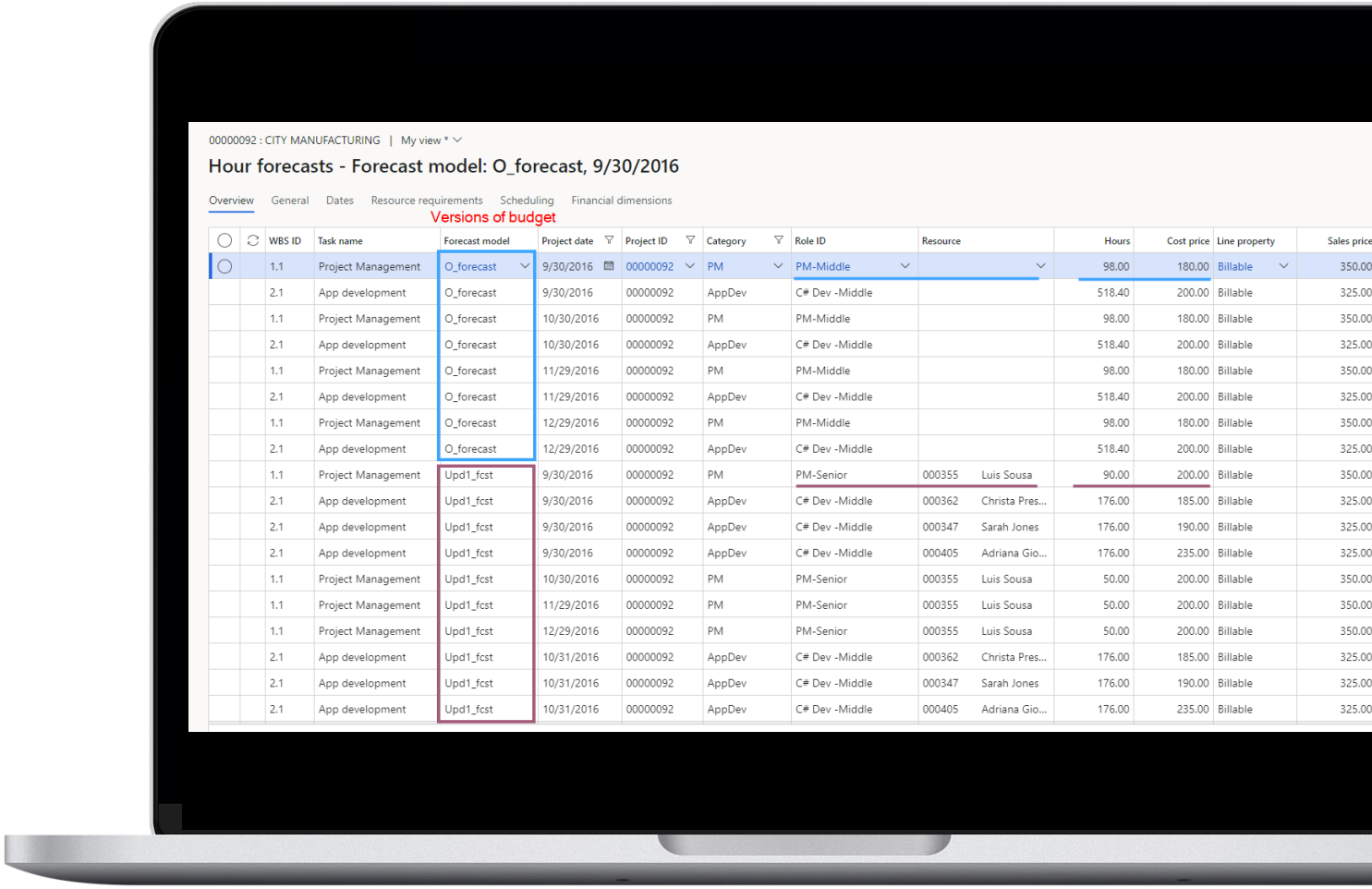
Project budget preparation

- Cost of own workers
- Subcontractors
- Other costs (business trips etc.)
- Subscriptions, assets etc.
- Possibility to create an initial or updated budget as well as a forecast based on the WBS data



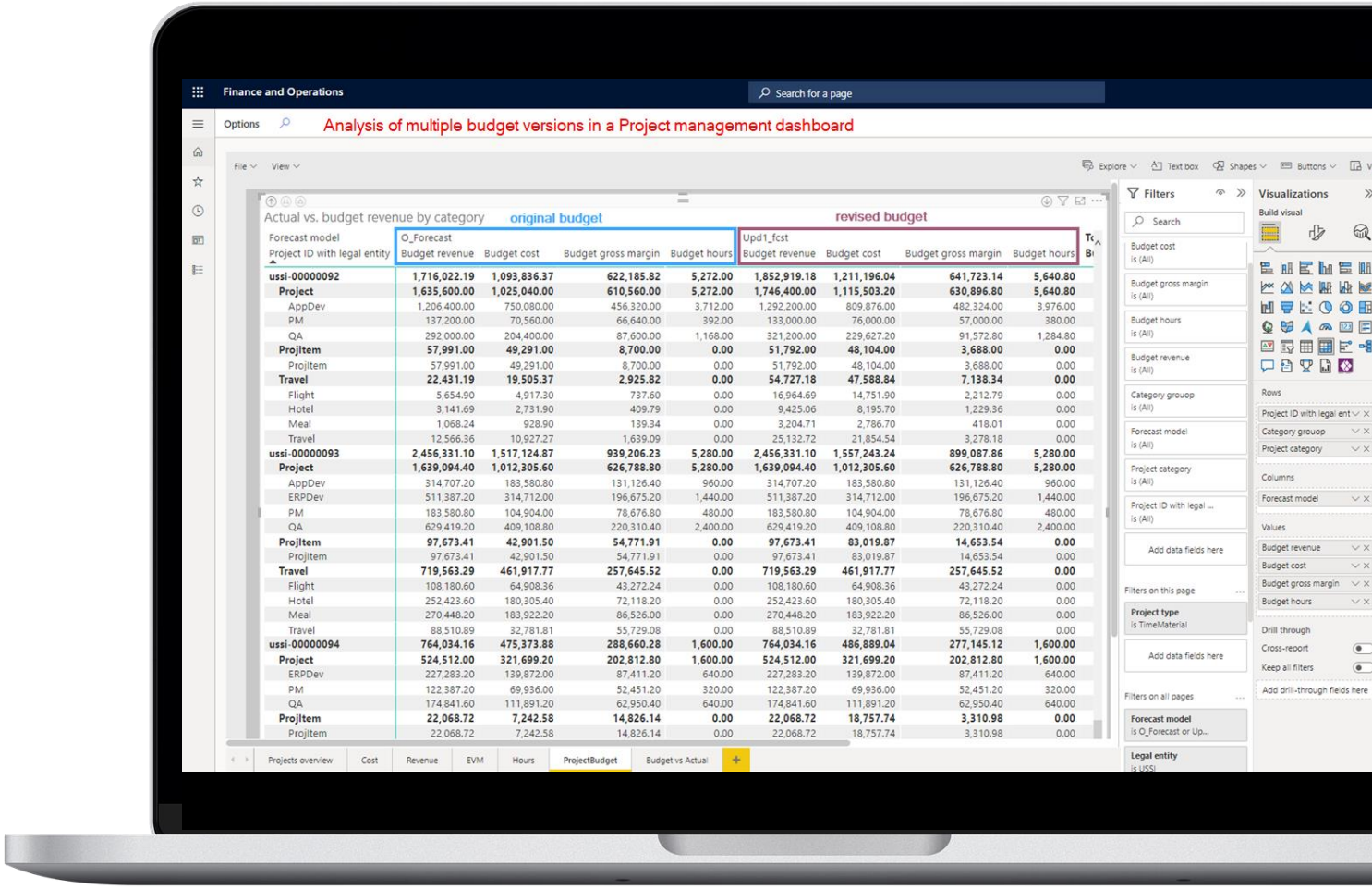
Project budget preparation

- Multiple versions of budget
- Automatic calculation of project cost
- Automatic application of sales rates from a contract (TnM)
- Budget approval workflow



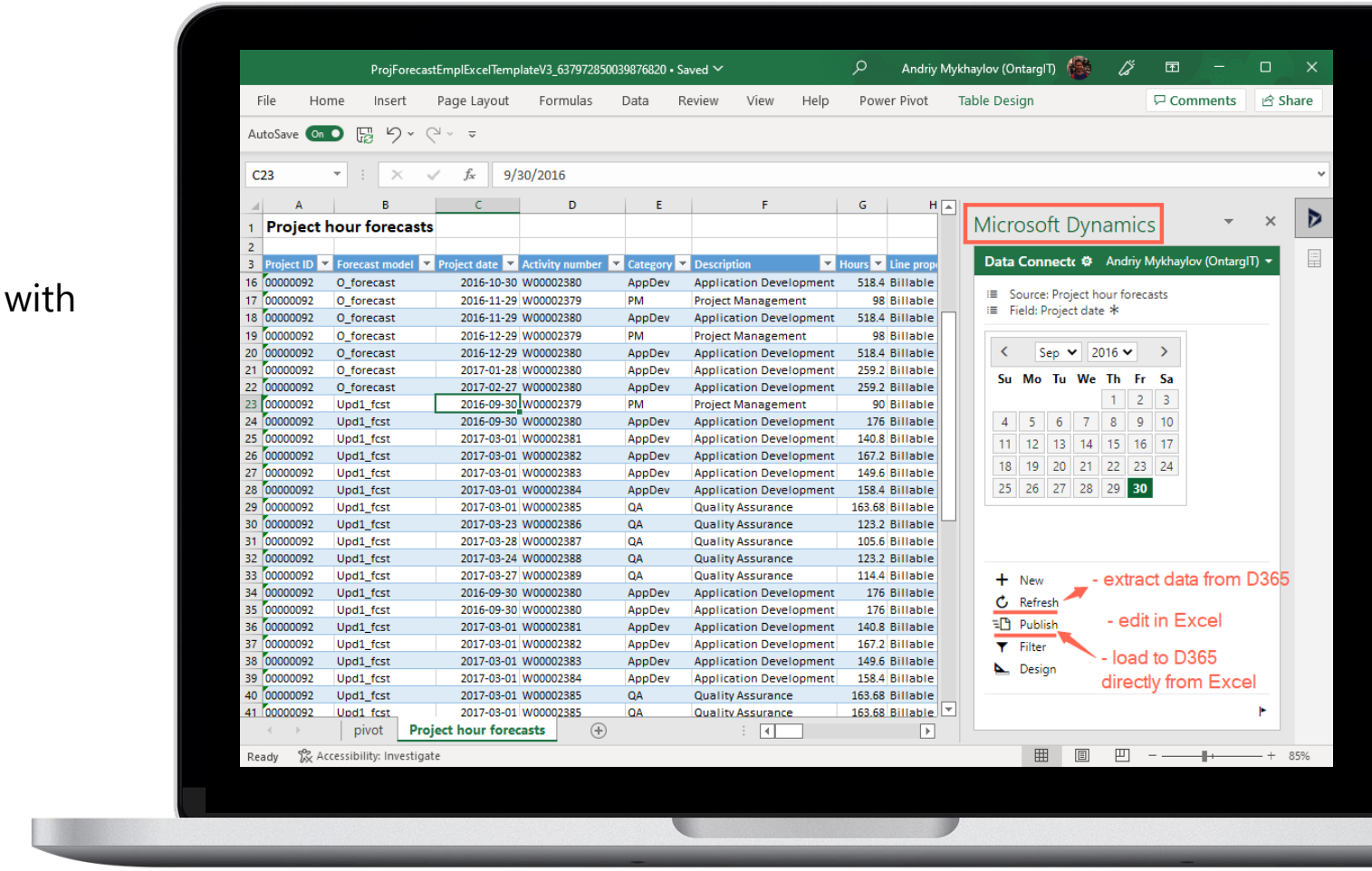
Project budget preparation

- Versions of a budget (e.g. original and revised)

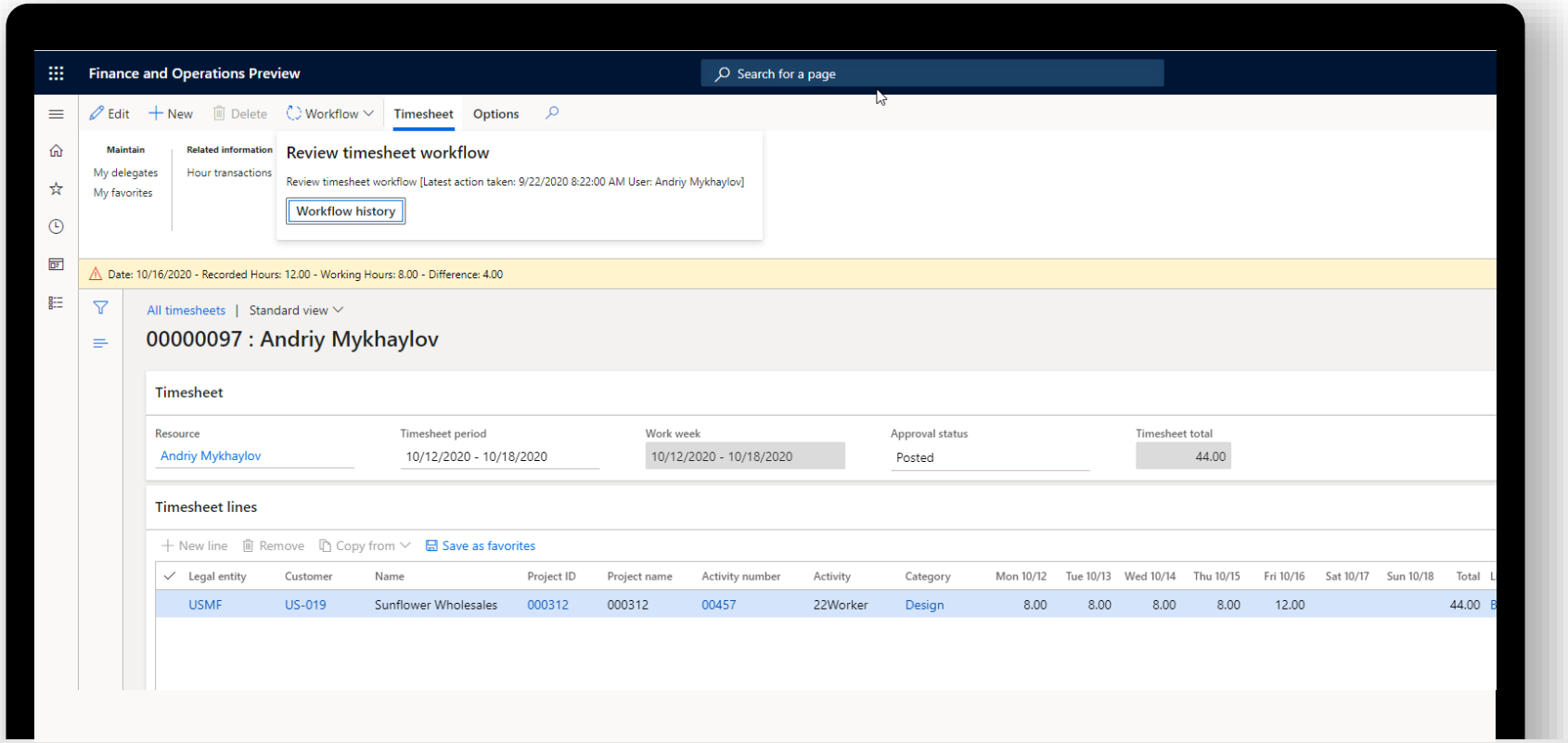


Excel add-in for Dynamics 365

- **Excel data connector** – possibility to interact with budget and other data of D365 directly from Excel interface

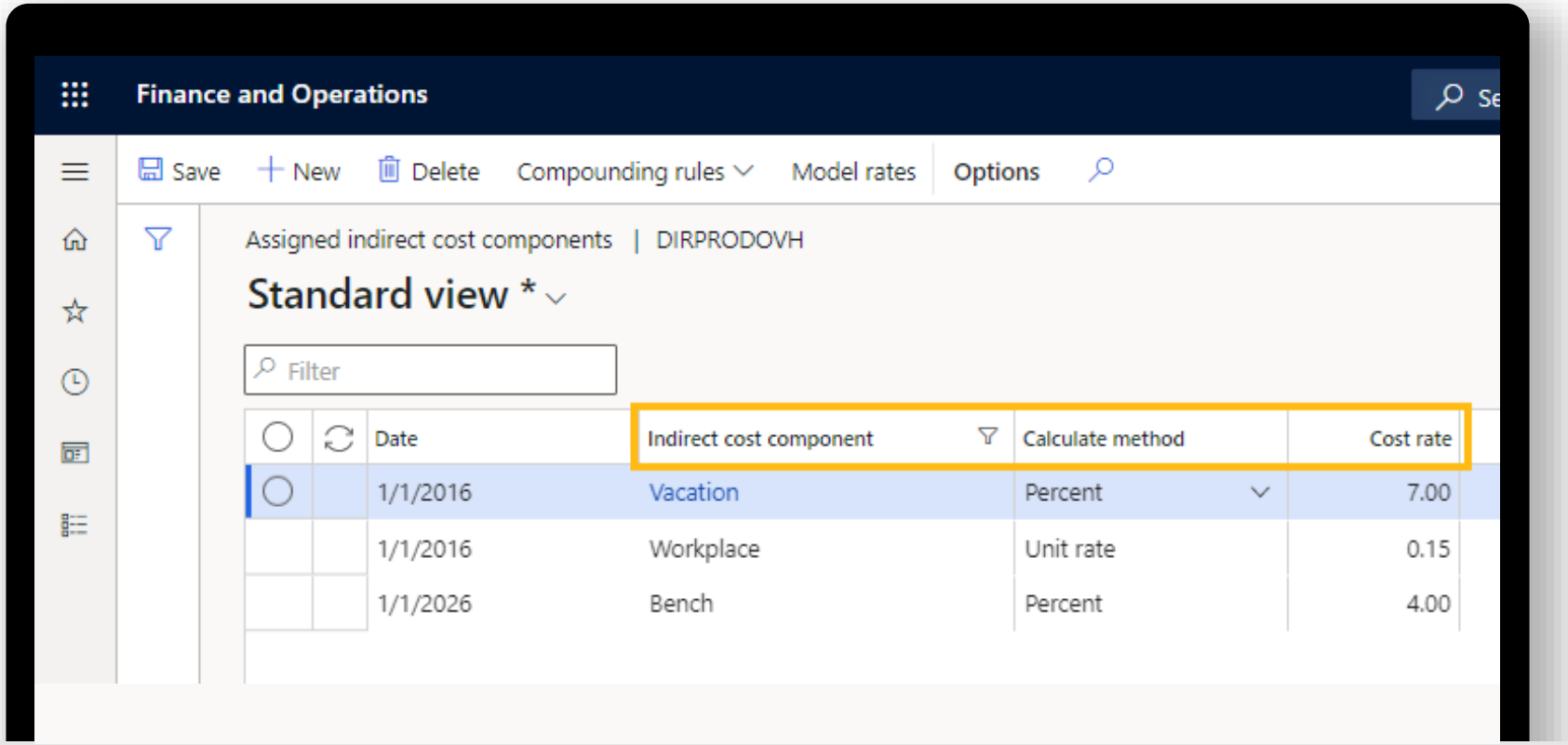


Actual time tracking



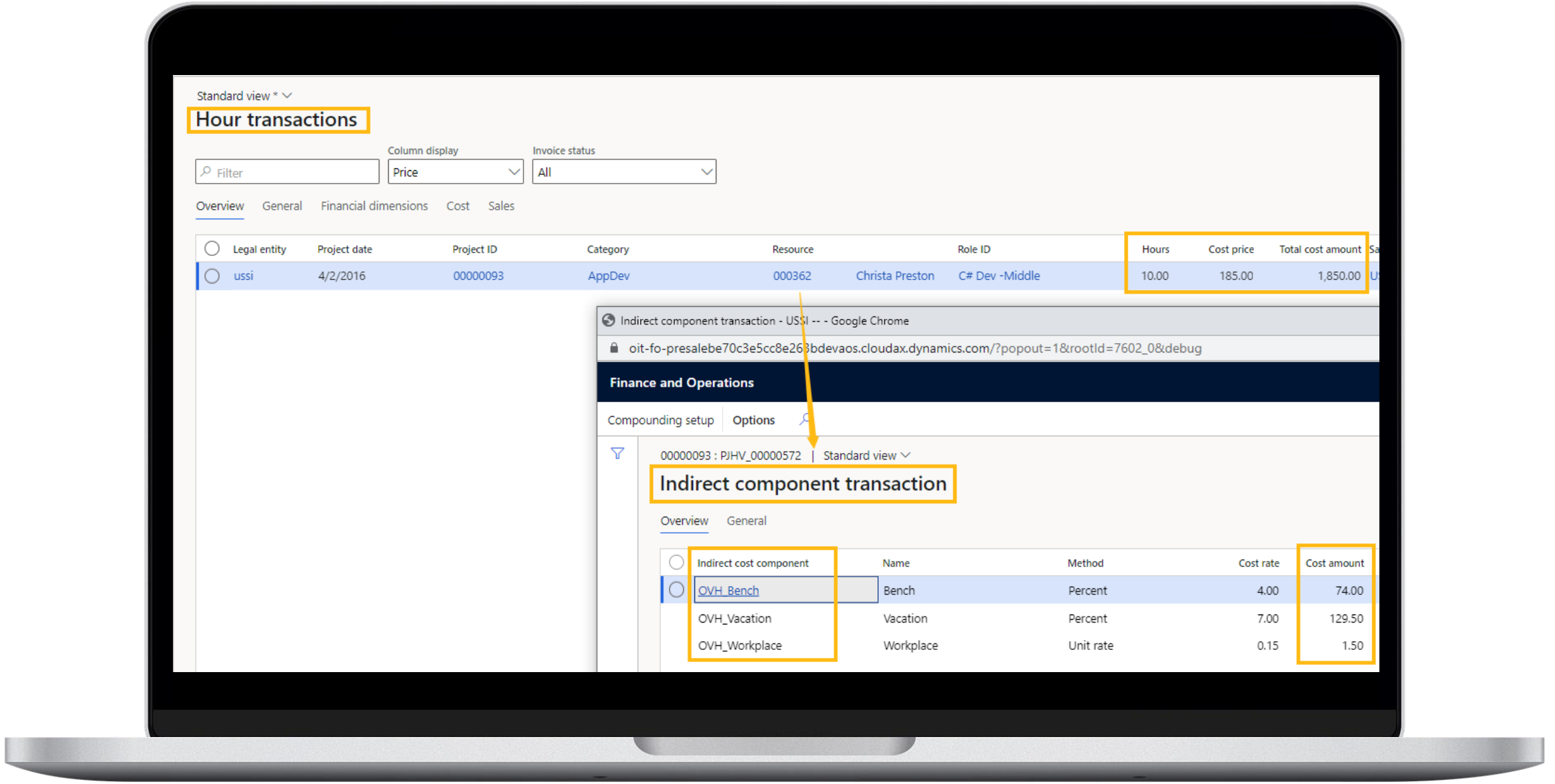
- Timesheets functionality
- Workflow for timesheets review
- Integration with third-party time tracking systems

Project overheads

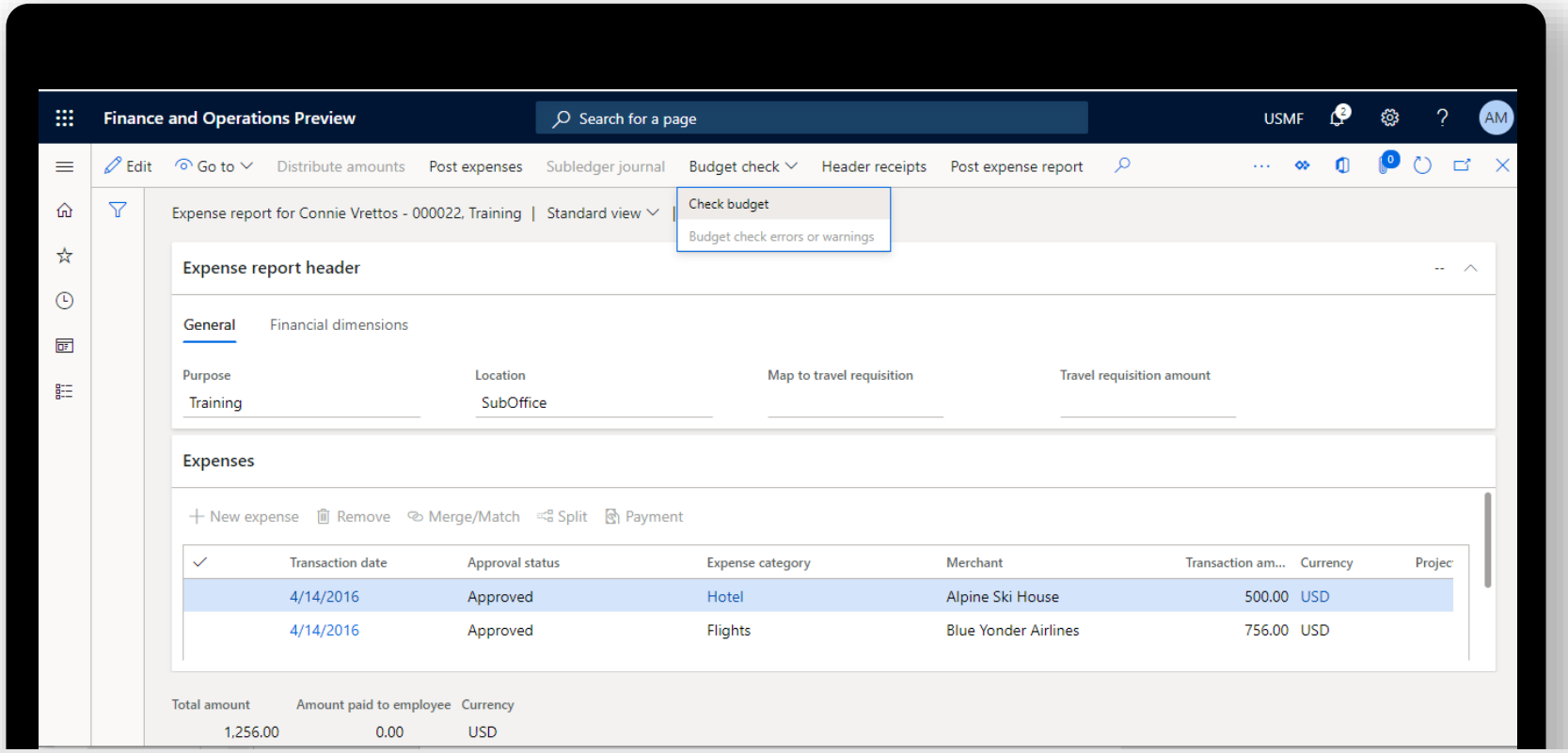


- Calculation of overheads as a percentage of wages or as a rate per hour
- Automatic calculation of overheads for budgeted, forecasted and actual hours
- Flexible overhead rates setup depending on Role, Category or an individual worker

Project overheads

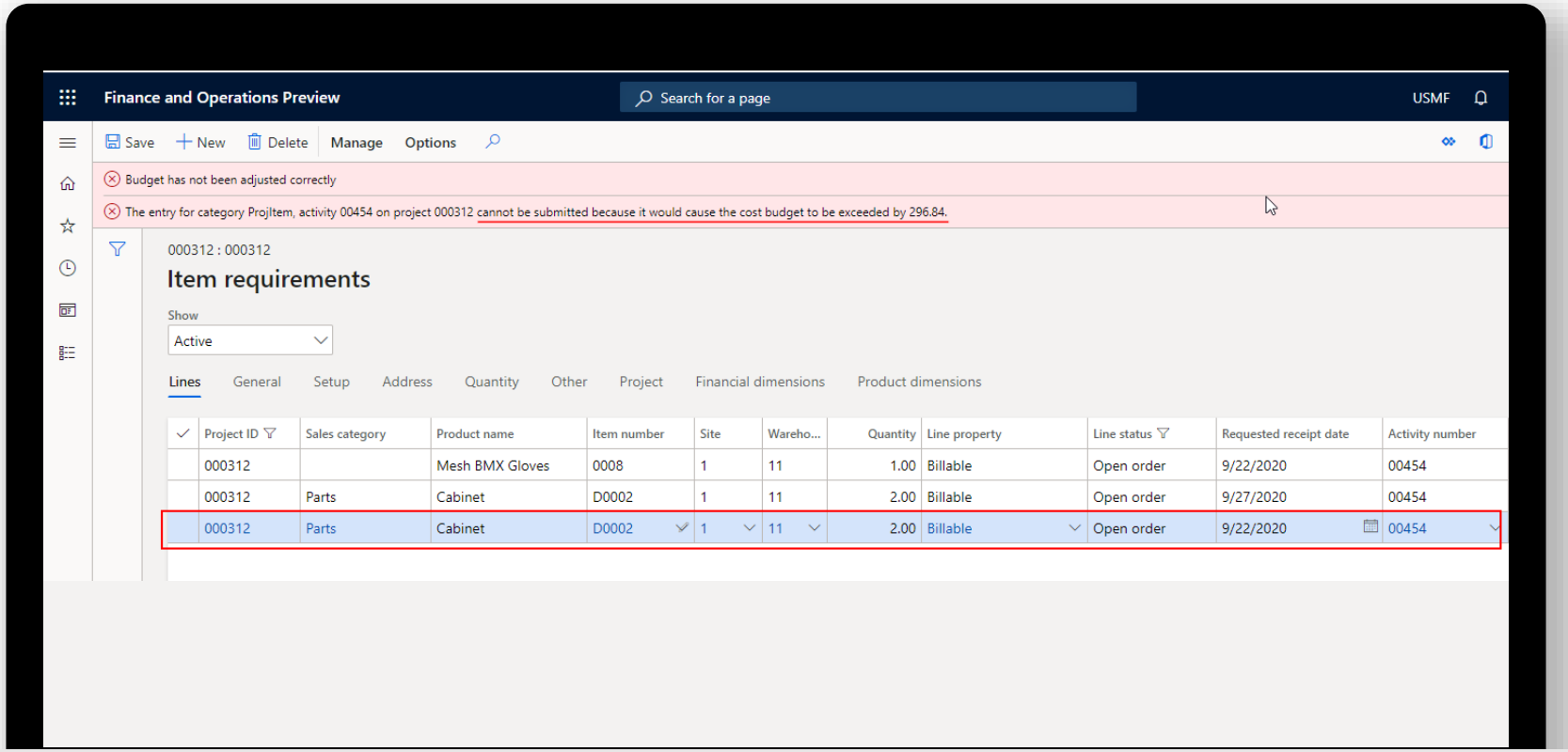


Expense reports



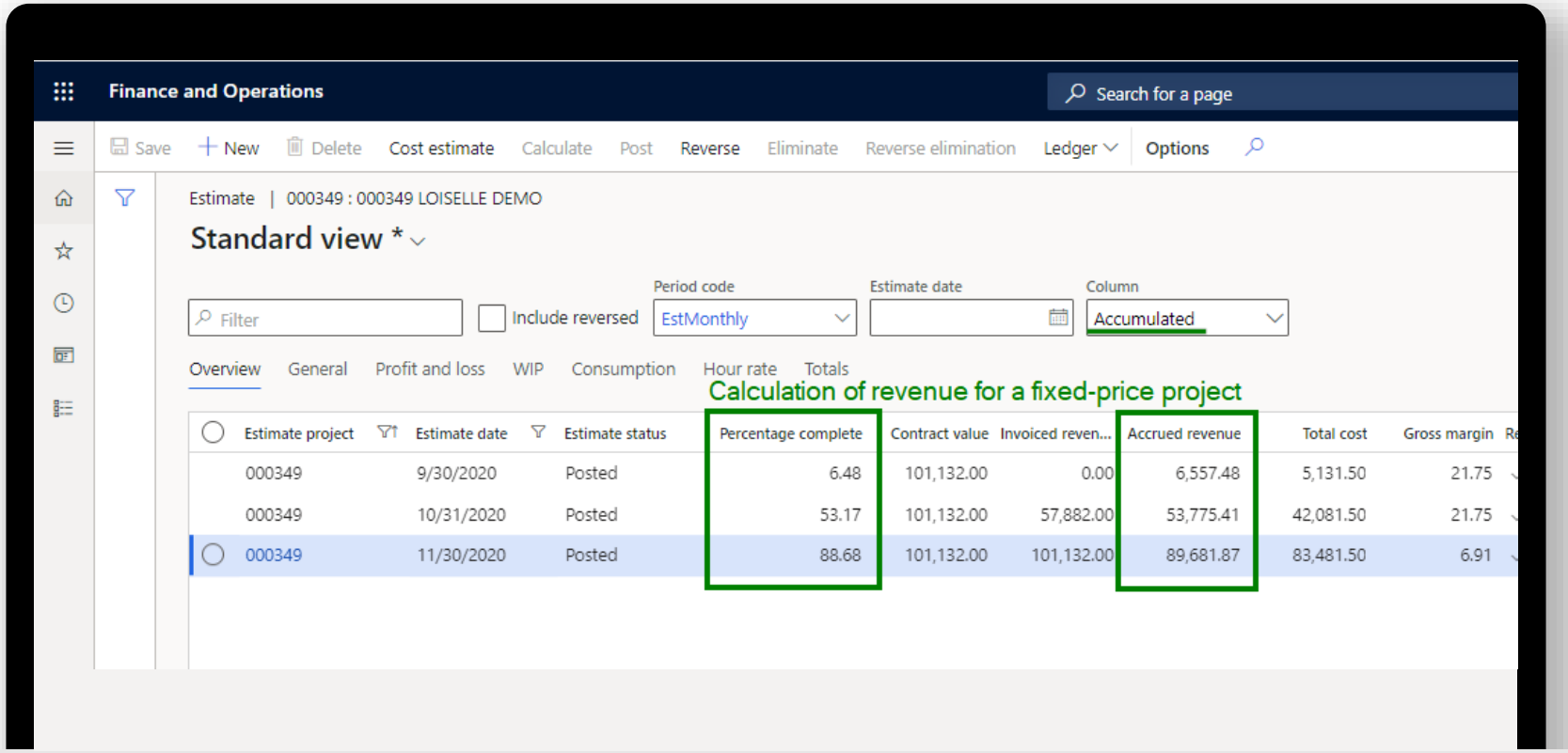
- Expense requisition
- Expense reports with possibility to associate expenses with projects
- Preventive budgetary control
- Expense requisition / expense report approval workflow

Purchase materials, equipment or services for a project

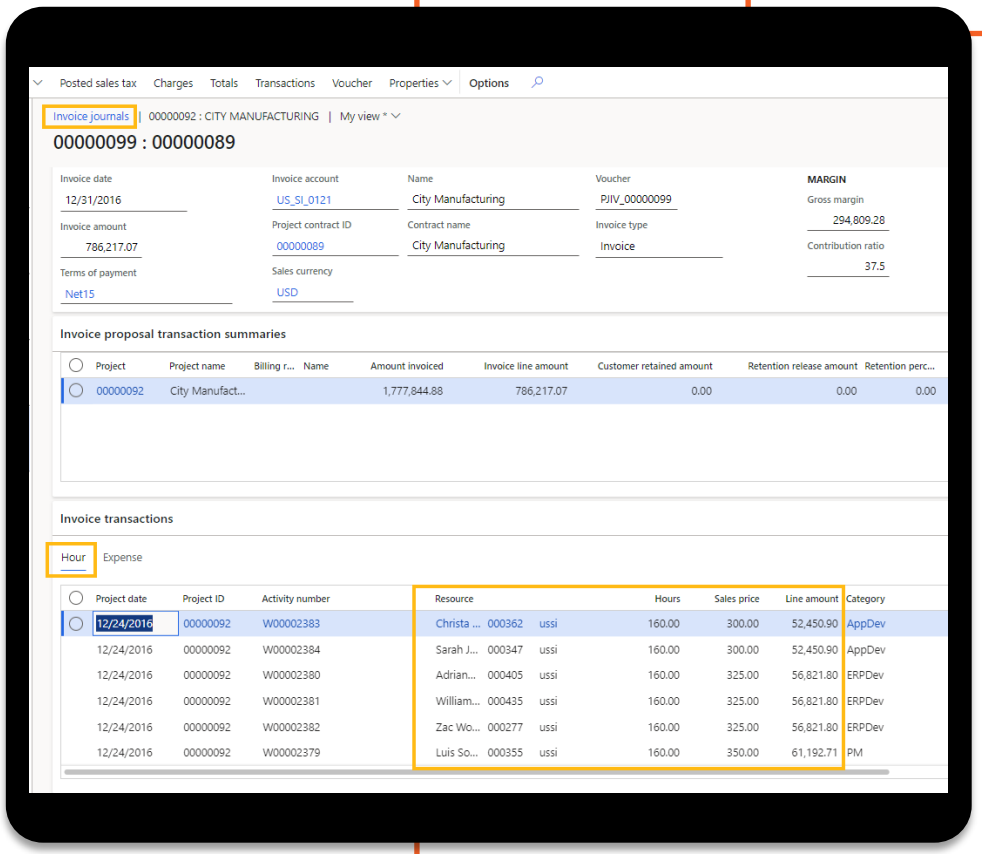


- Purchase requisition for a project
- Purchase order for a project
- P2P process from requirement to payment, with allocation of respective costs to a project and preventive budgetary control

Financial accounting of a project



- IFRS 15 compliance
- Flexible settings to meet the requirements for the company's financial accounting
- Automatic GL postings



Invoicing

- Issue invoices for man-hours (for TM according to contracted sales rates) or Milestones (for Fixed-price)
- Automatic settlement of prepayment
- Mass invoice generation capabilitiy

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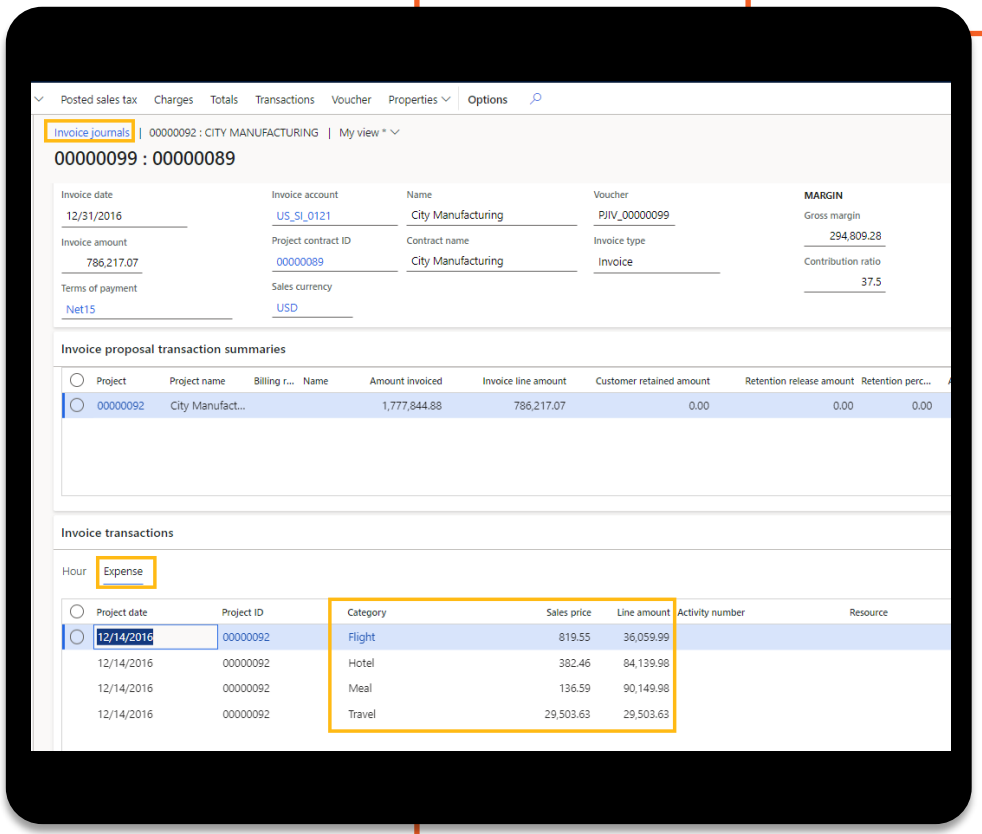

Invoicing

- Invoice for compensation of other project costs (business trips, subscriptions, assets etc.)

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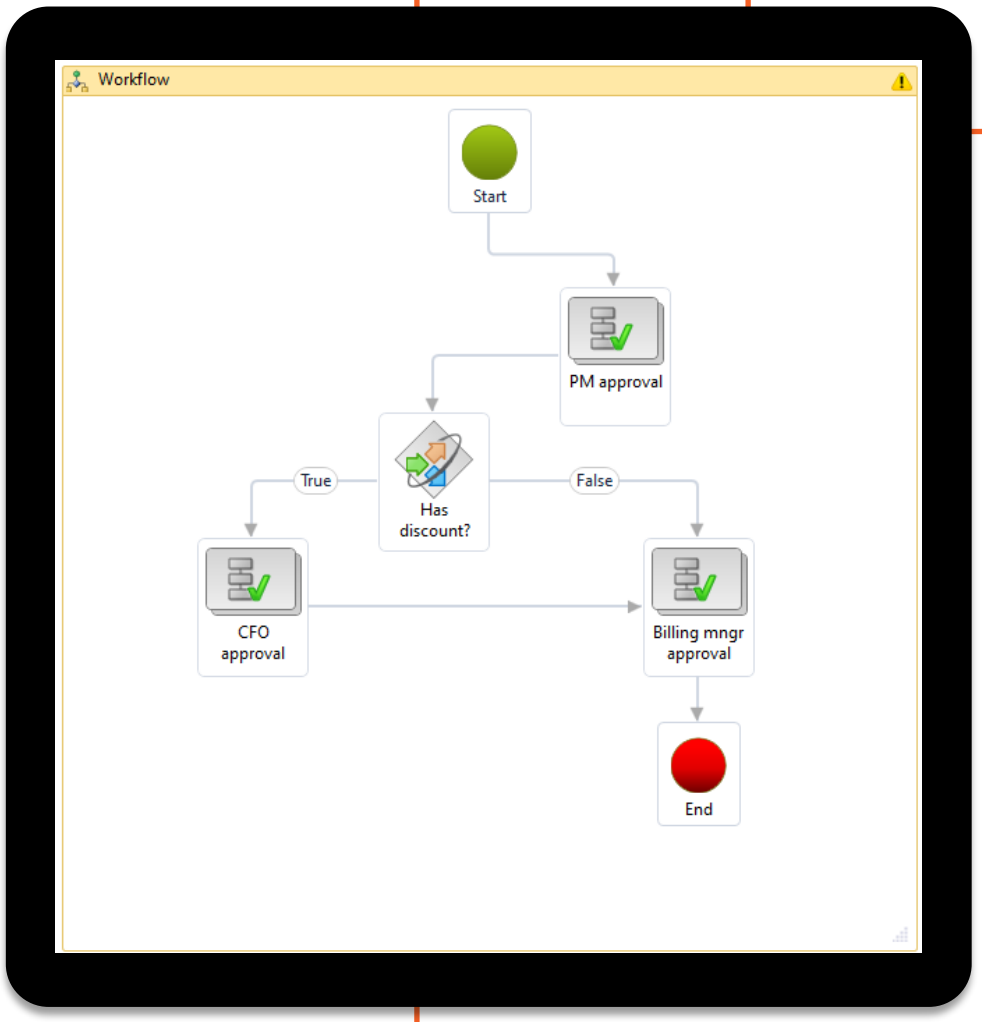

Invoicing - workflow

- Set up routes of invoice approval
- Automatic invoice posting when approved
- Automatic generation of an invoice printout and sending an invoice to a client by e-mail or other means

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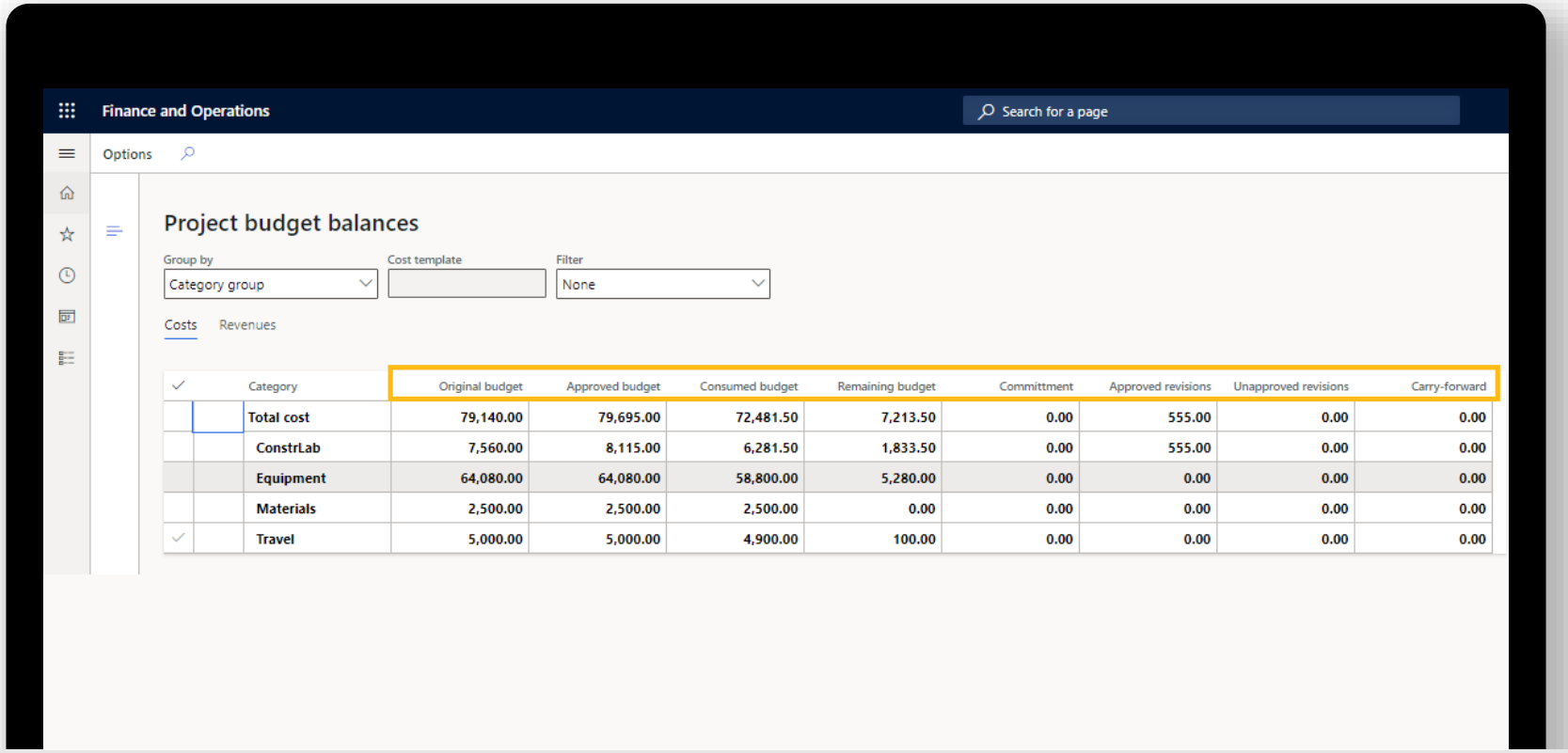
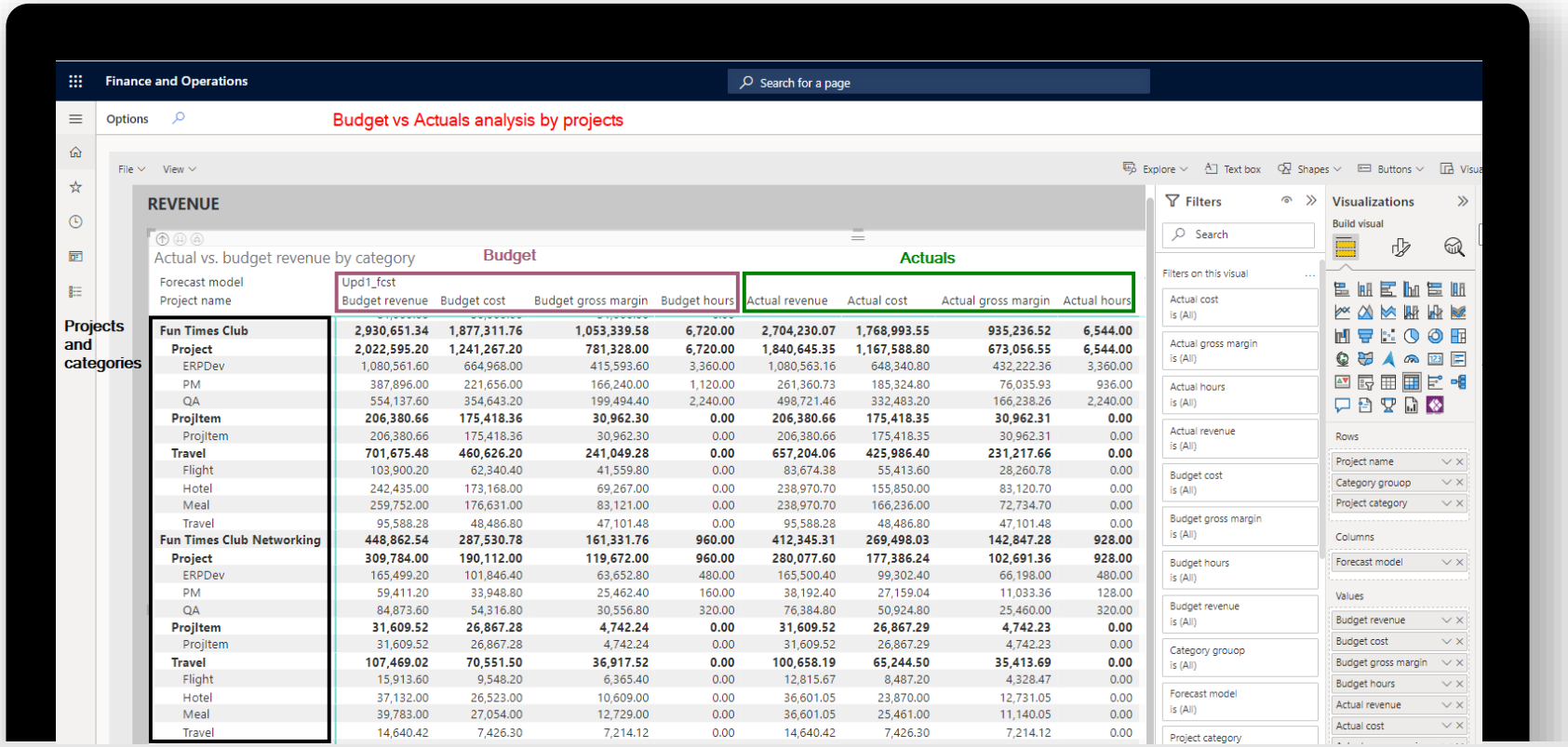
Analysis of project performance



Category	Original budget	Approved budget	Consumed budget	Remaining budget	Committment	Approved revisions	Unapproved revisions	Carry-forward
Total cost	79,140.00	79,695.00	72,481.50	7,213.50	0.00	555.00	0.00	0.00
ConstrLab	7,560.00	8,115.00	6,281.50	1,833.50	0.00	555.00	0.00	0.00
Equipment	64,080.00	64,080.00	58,800.00	5,280.00	0.00	0.00	0.00	0.00
Materials	2,500.00	2,500.00	2,500.00	0.00	0.00	0.00	0.00	0.00
Travel	5,000.00	5,000.00	4,900.00	100.00	0.00	0.00	0.00	0.00

- Comparison budget vs actual, budget vs forecast
- Analysis of changes to a project budget
- Project forecasting including actual and future revenue and costs

Analysis of project performance

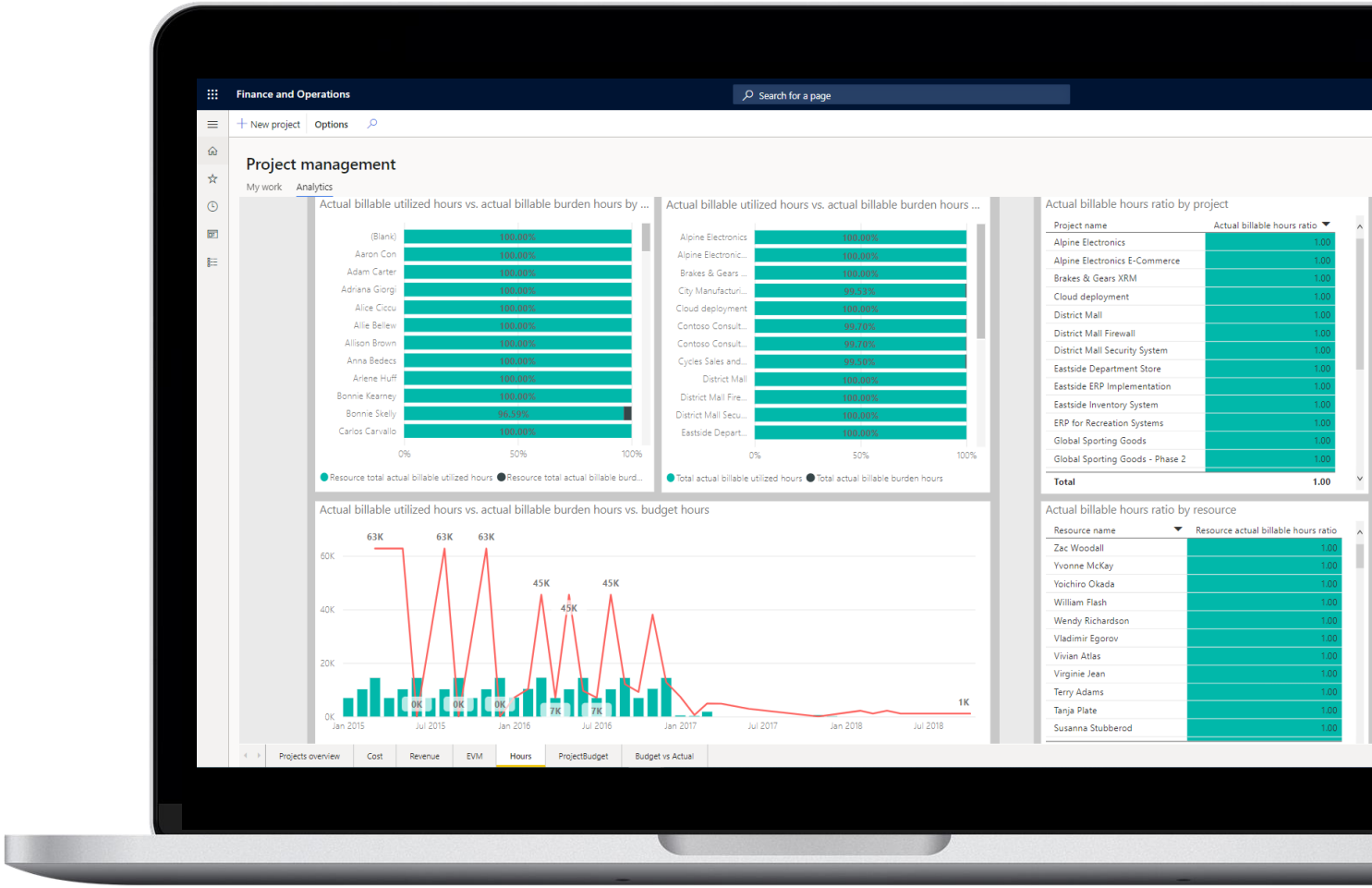


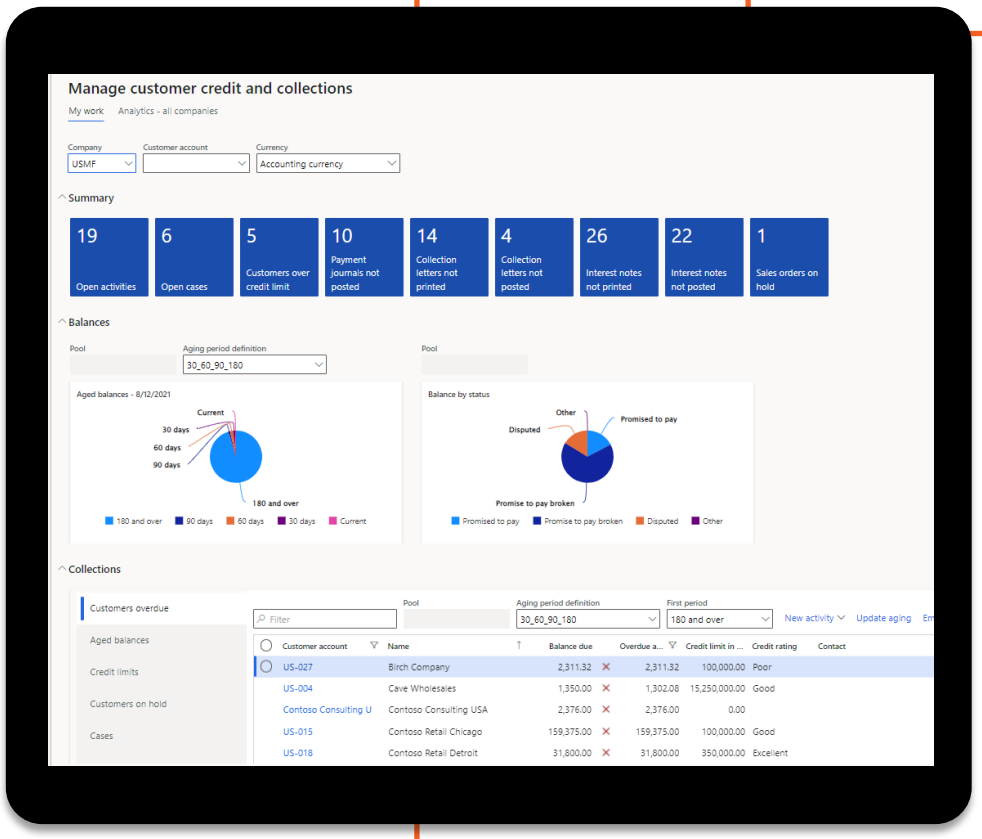
Projects and categories	Budget revenue	Budget cost	Budget gross margin	Budget hours	Actual revenue	Actual cost	Actual gross margin	Actual hours
Fun Times Club	**2,930,651.34**	**1,877,311.76**	**1,053,339.58**	**6,720.00**	**2,704,230.07**	**1,768,993.55**	**935,236.52**	**6,544.00**
Project	**2,022,595.20**	**1,241,267.20**	**781,328.00**	**6,720.00**	**1,840,645.35**	**1,167,588.80**	**673,056.55**	**6,544.00**
ERPDev	1,080,561.60	664,968.00	415,593.60	3,360.00	1,080,563.16	648,340.80	432,222.36	3,360.00
PM	387,896.00	221,656.00	166,240.00	1,120.00	261,360.73	185,324.80	76,035.93	936.00
QA	554,137.60	354,643.20	199,494.40	2,240.00	498,721.46	332,483.20	166,238.26	2,240.00
ProjItem	**206,380.66**	**175,418.36**	**30,962.30**	**0.00**	**206,380.66**	**175,418.35**	**30,962.31**	**0.00**
ProjItem	206,380.66	175,418.36	30,962.30	0.00	206,380.66	175,418.35	30,962.31	0.00
Travel	**701,675.48**	**460,626.20**	**241,049.28**	**0.00**	**657,204.06**	**425,986.40**	**231,217.66**	**0.00**
Flight	103,900.20	62,340.40	41,559.80	0.00	83,674.38	55,413.60	28,260.78	0.00
Hotel	242,435.00	173,168.00	69,267.00	0.00	238,970.70	155,850.00	83,120.70	0.00
Meal	259,752.00	176,631.00	83,121.00	0.00	238,970.70	166,236.00	72,734.70	0.00
Travel	95,588.28	48,486.80	47,101.48	0.00	95,588.28	48,486.80	47,101.48	0.00
Fun Times Club Networking	**448,862.54**	**287,530.78**	**161,331.76**	**960.00**	**412,345.31**	**269,498.03**	**142,847.28**	**928.00**
Project	**309,784.00**	**190,112.00**	**119,672.00**	**960.00**	**280,077.60**	**177,386.24**	**102,691.36**	**928.00**
ERPDev	165,499.20	101,846.40	63,652.80	480.00	165,500.40	99,302.40	66,198.00	480.00
PM	59,411.20	33,948.80	25,462.40	160.00	38,192.40	27,159.04	11,033.36	128.00
QA	84,873.60	54,316.80	30,556.80	320.00	76,384.80	50,924.80	25,460.00	320.00
ProjItem	**31,609.52**	**26,867.28**	**4,742.24**	**0.00**	**31,609.52**	**26,867.29**	**4,742.23**	**0.00**
ProjItem	31,609.52	26,867.28	4,742.24	0.00	31,609.52	26,867.29	4,742.23	0.00
Travel	**107,469.02**	**70,551.50**	**36,917.52**	**0.00**	**100,658.19**	**65,244.50**	**35,413.69**	**0.00**
Flight	15,913.60	9,548.20	6,365.40	0.00	12,815.67	8,487.20	4,328.47	0.00
Hotel	37,132.00	26,523.00	10,609.00	0.00	36,601.05	23,870.00	12,731.05	0.00
Meal	39,783.00	27,054.00	12,729.00	0.00	36,601.05	25,461.00	11,140.05	0.00
Travel	14,640.42	7,426.30	7,214.12	0.00	14,640.42	7,426.30	7,214.12	0.00

- Inbound Power BI dashboards

Analysis of project performance

- Resources utilization analysis





Credit and collections management

- Analysis of aged balances
- Create and track activities for debts collection
- Calculate fees for outstanding invoices
- Create and send collection letters with fees to customers right from the system

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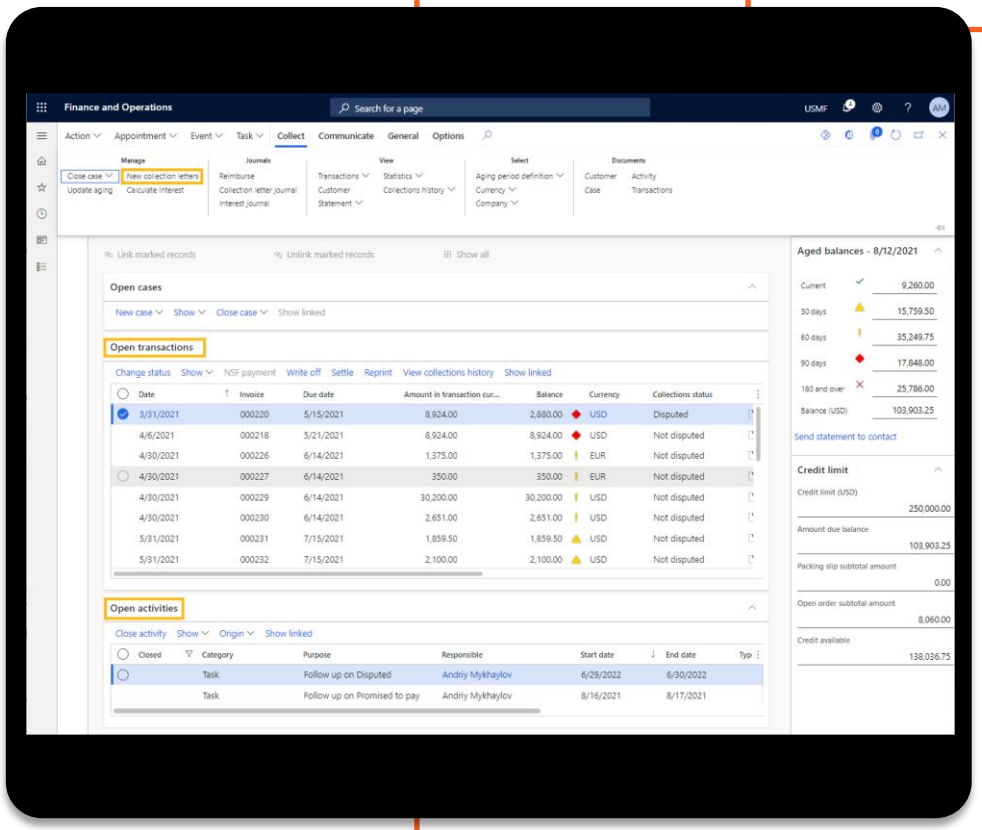

Credit and collections management

- Track history and status of debt collection per invoice

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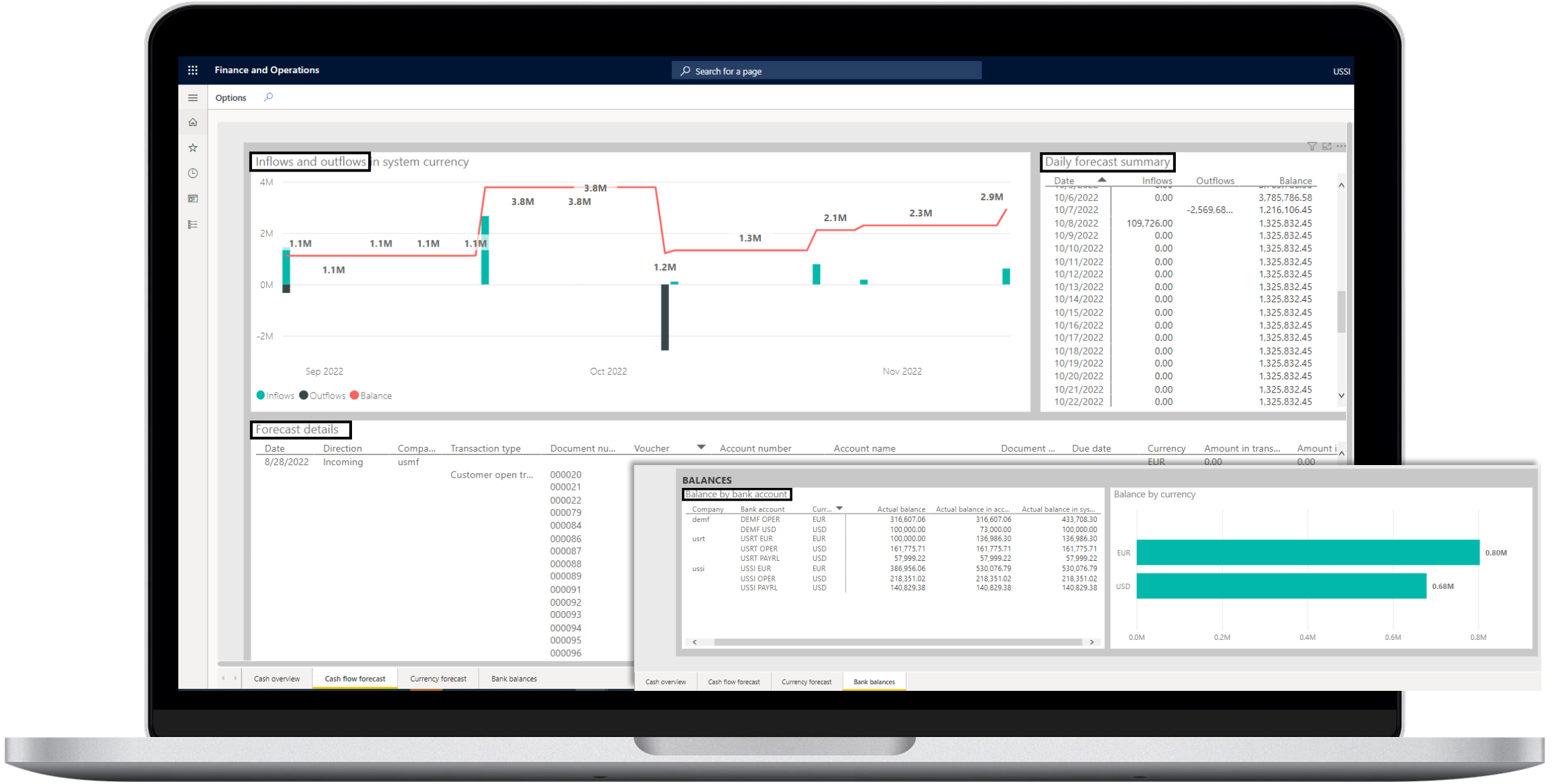
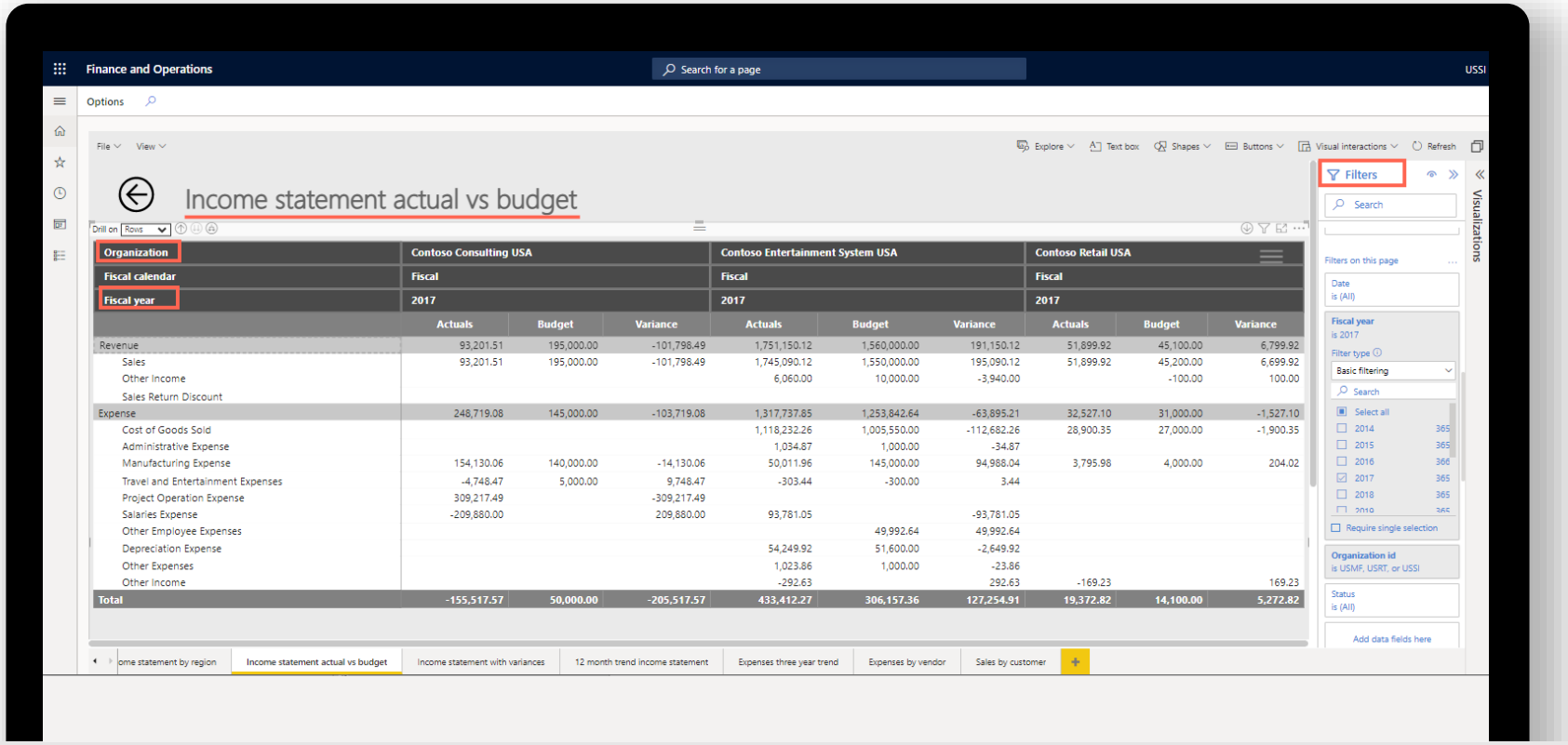
Cashflow analysis



Financial analysis – all companies

- Analysis of financial performance of a company

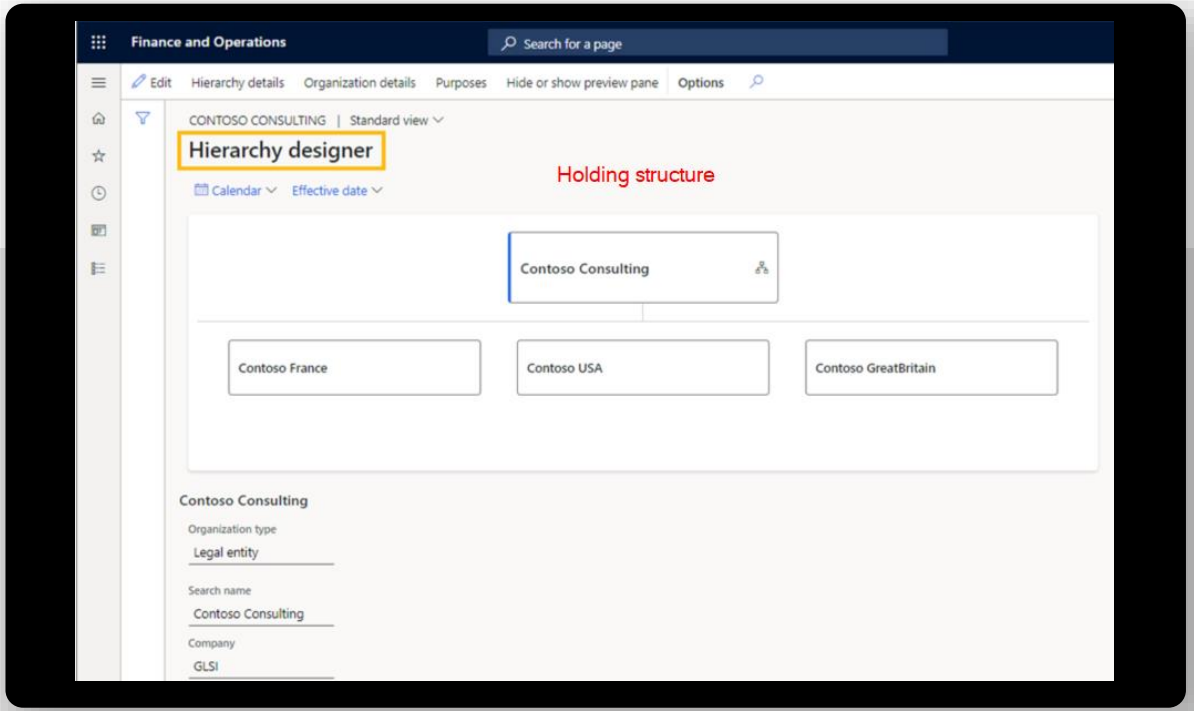
Analysis of project performance

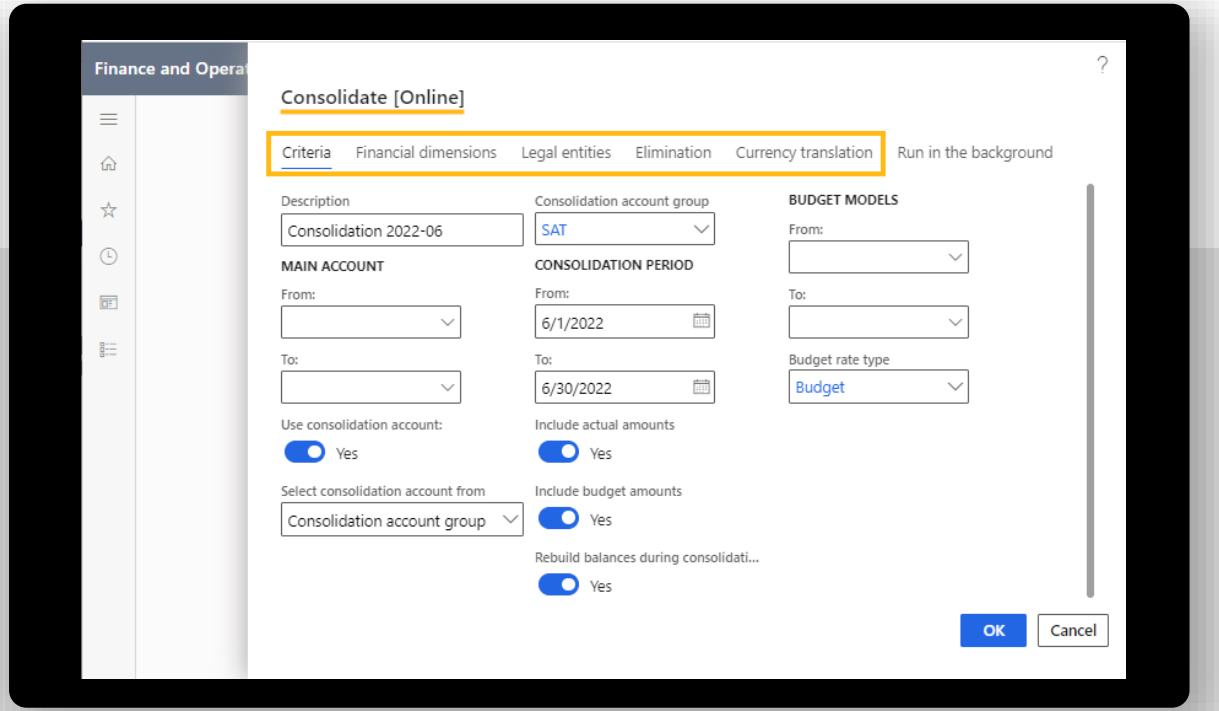


Organization	Contoso Consulting USA			Contoso Entertainment System USA			Contoso Retail USA		
Fiscal calendar	Fiscal			Fiscal			Fiscal		
Fiscal year	2017			2017			2017		
	Actuals	Budget	Variance	Actuals	Budget	Variance	Actuals	Budget	Variance
Revenue	93,201.51	195,000.00	-101,798.49	1,751,150.12	1,560,000.00	191,150.12	51,899.92	45,100.00	6,799.92
Sales	93,201.51	195,000.00	-101,798.49	1,745,090.12	1,550,000.00	195,090.12	51,899.92	45,200.00	6,699.92
Other Income				6,060.00	10,000.00	-3,940.00		-100.00	100.00
Sales Return Discount									
Expense	248,719.08	145,000.00	-103,719.08	1,317,737.85	1,253,842.64	-63,895.21	32,527.10	31,000.00	-1,527.10
Cost of Goods Sold				1,118,232.26	1,005,550.00	-112,682.26	28,900.35	27,000.00	-1,900.35
Administrative Expense				1,034.87	1,000.00	-34.87			
Manufacturing Expense	154,130.06	140,000.00	-14,130.06	50,011.96	145,000.00	94,988.04	3,795.98	4,000.00	204.02
Travel and Entertainment Expenses	-4,748.47	5,000.00	9,748.47	-303.44	-300.00	3.44			
Project Operation Expense	309,217.49		-309,217.49						
Salaries Expense	-209,880.00		209,880.00	93,781.05		-93,781.05			
Other Employee Expenses					49,992.64	49,992.64			
Depreciation Expense				54,249.92	51,600.00	-2,649.92			
Other Expenses				1,023.86	1,000.00	-23.86			
Other Income				-292.63		292.63	-169.23		169.23
Total	-155,517.57	50,000.00	-205,517.57	433,412.27	306,157.36	127,254.91	19,372.82	14,100.00	5,272.82

- Budget vs Actual analysis by legal entities and periods

Financial and management accounting for a group of companies





- Cross-company project accounting
- Multicurrency
- Financial consolidation

Thank you!

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