



Microsoft Dynamics® GP  
**Inflation Adjustment**

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# Introduction

Inflation Adjustment allows you to adjust your General Ledger account balances for each period of the fiscal year according to the rates published by the government. These adjustments will accurately reflect the change in the value of an account due to inflation on a given date. You can set up indices and/or coefficients of inflation to calculate inflation adjustment. You can also use other methods of adjusting inflation, such as Monetary, External Calculation, Manual Entry, With Monetary Revaluation and REPPAM. You can also generate reports for all the accounts that have been adjusted.

You must have installed the Collection and Payment Methods - Withholds and Tax Listing modules before you can use Inflation Adjustment.

## Check for current instructions

This information was current as of May 2010. The documentation may be updated as new information becomes available. Check the Microsoft Dynamics® GP online Web site (<http://go.microsoft.com/fwlink/?LinkID=161199>) for the most current documentation.

The introduction is divided into the following sections:

- [What's in this manual](#)
- [Symbols and conventions](#)
- [Resources available from the Help menu](#)
- [Send us your documentation comments](#)

## What's in this manual

This manual is designed to give you an in-depth understanding of how to use the features of Inflation Adjustment, and how it integrates with the Microsoft Dynamics GP system.

To make best use of Inflation Adjustment, you should be familiar with systemwide features described in the System User's Guide, the System Setup Guide, and the System Administrator's Guide.

Some features described in the documentation are optional and can be purchased through your Microsoft Dynamics GP partner.

To view information about the release of Microsoft Dynamics GP that you're using and which modules or features you are registered to use, choose Help >> About Microsoft Dynamics GP.



This manual is divided into the following chapters:

- [Chapter 1, "Setup,"](#) describes how to set up Inflation Adjustment so that it meets the needs of your business and integrates with the other modules you use.
- [Chapter 2, "Routines,"](#) describes the various activities that you must perform in order to adjust inflation for a specified period for a specific account, or a range of accounts.

- [Chapter 3, “Reports,”](#) describes the process of printing setup reports for inflation adjustment.

## Symbols and conventions

For definitions of unfamiliar terms, see the glossary in the manual or refer to the glossary in Help.

Symbol	Description
	The light bulb symbol indicates helpful tips, shortcuts and suggestions.
	The warning symbol indicates situations you should be especially aware of when completing tasks.

This manual uses the following conventions to refer to sections, navigation and other information.

Convention	Description
<i>Creating a batch</i>	Italicized type indicates the name of a section or procedure.
File >> Print or <b>File &gt; Print</b>	The (>>) or (>) symbol indicates a sequence of actions, such as selecting items from a menu or toolbar, or pressing buttons in a window. This example directs you to go to the File menu and choose Print.
TAB or ENTER	All capital letters indicate a key or a key sequence.

## Resources available from the Help menu

The Microsoft Dynamics GP Help menu gives you access to user assistance resources on your computer, as well as on the Web.

### Contents

Opens the Help file for the active Microsoft Dynamics GP component, and displays the main “contents” topic. To browse a more detailed table of contents, click the Contents tab above the Help navigation pane. Items in the contents topic and tab are arranged by module. If the contents for the active component includes an “Additional Help files” topic, click the links to view separate Help files that describe additional components.

To find information in Help by using the index or full-text search, click the appropriate tab above the navigation pane, and type the keyword to find.

To save the link to a topic in the Help, select a topic and then select the Favorites tab. Click Add.

### Index

Opens the Help file for the active Microsoft Dynamics GP component, with the Index tab active. To find information about a window that’s not currently displayed, type the name of the window, and click Display.

### About this window

Displays overview information about the current window. To view related topics and descriptions of the fields, buttons, and menus for the window, choose the

appropriate link in the topic. You also can press F1 to display Help about the current window.

## Lookup

Opens a lookup window, if a window that you are viewing has a lookup window. For example, if the Checkbook Maintenance window is open, you can choose this item to open the Checkbooks lookup window.

## Show Required Fields

Highlights fields that are required to have entries. Required fields must contain information before you can save the record and close the window. You can change the font color and style used to highlight required fields. On the Microsoft Dynamics GP menu, choose User Preferences, and then choose Display.

## Printable Manuals

Displays a list of manuals in Adobe Acrobat .pdf format, which you can print or view.

## What's New

Provides information about enhancements that were added to Microsoft Dynamics GP since the last major release.

## Microsoft Dynamics GP Online

Opens a Web page that provides links to a variety of Web-based user assistance resources. Access to some items requires registration for a paid support plan.

**Current implementation and upgrade information** The most recent revisions of upgrade and implementation documentation, plus documentation for service packs and payroll tax updates.

**User documentation and resources** The most recent user guides, how-to articles, and white papers for users.

**Developer documentation and resources** The most recent documentation and updated information for developers.

**Product support information** Information about the Microsoft Dynamics GP product support plans and options that are available, along with information about peer support and self-support resources.

**Services information** Information about Microsoft Dynamics GP support, training, and consulting services.

**Microsoft Dynamics GP Community** Access to newsgroups, where you can ask questions or share your expertise with other Microsoft Dynamics GP users.

**CustomerSource home page** A wide range of resources available to customers who are registered for a paid support plan. Includes access to Knowledge Base articles, software downloads, self-support, and much more.

## Customer Feedback Options

Provides information about how you can join the Customer Experience Improvement Program to improve the quality, reliability, and performance of Microsoft® software and services.

## Send us your documentation comments

We welcome comments regarding the usefulness of the Microsoft Dynamics GP documentation. If you have specific suggestions or find any errors in this manual, send your comments by e-mail to the following address: [bizdoc@microsoft.com](mailto:bizdoc@microsoft.com).

To send comments about specific topics from within Help, click the Documentation Feedback link, which is located at the bottom of each Help topic.

*Note: By offering any suggestions to Microsoft, you give Microsoft full permission to use them freely.*



# Chapter 1: Setup

Inflation Adjustment allows you to set up an index and/or coefficient of inflation for each period of the fiscal year according to the rates published by the government. You can also use other methods of adjusting inflation, such as Monetary, External Calculation, Manual Entry, With Monetary Revaluation and REPPAM. You can set up inflation adjustment for a group, and further assign a range of accounts to a group ID. You also can set up inflation adjustment per account.

When you set up Inflation Adjustment, you can open each setup window and enter information, or you can use the Setup Checklist window (Microsoft Dynamics GP menu >> Tools >> Setup >> Setup Checklist) to guide you through the setup process. See your System Setup Guide (Help >> Contents >> select Setting up the System) for more information about the Setup Checklist window.

This information is divided into the following sections:

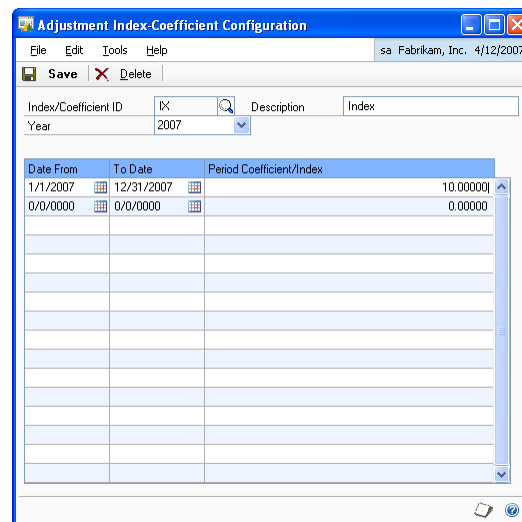
- [Setting up the index ID/coefficient ID](#)
- [Setting up adjustment groups](#)
- [Assigning a group ID to a range of accounts](#)
- [Setting up inflation adjustment](#)
- [Setting up inflation adjustment per account](#)

## Setting up the index ID/coefficient ID

Use the Adjustment Index-Coefficient Configuration window to set up the index ID or coefficient ID to calculate inflation adjustment.

### To set up the index ID/coefficient ID:

1. Open the Adjustment Index-Coefficient Configuration window.  
(Microsoft Dynamics GP menu >> Tools >> Setup >> Financial >> Inflation Adjustment >> Indices/Coefficientes)



2. Enter an index ID or a coefficient ID.
3. Enter a description for the index or coefficient ID in the Description field.

4. Select the year for which you are setting up the index/coefficient ID.
5. In the Date From column, enter a beginning date for each period of the selected year. The beginning date for the first period must be 00/00/00 to calculate the inflation adjustment correctly.
6. In the To Date column, enter an ending date for each period of the selected year.



*The dates you enter here must cover the entire selected year. However, the number of periods that you set up in a year will depend on the number of times the inflation rates are revised by the government.*

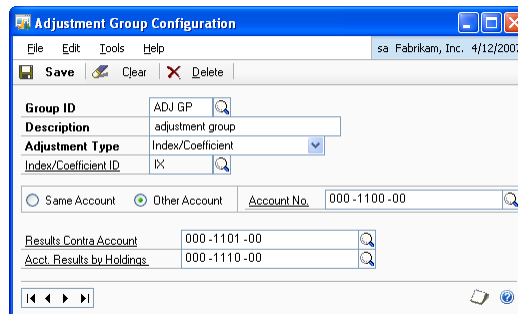
7. Enter the inflation percentage in the Period Coefficient/Index column for each period to calculate the inflation adjustment.
8. Choose Save to save the index/coefficient ID you've set up.
9. Choose Clear to clear the values displayed in the window.
10. Choose Delete to delete the displayed index/coefficient ID.

## Setting up adjustment groups

You can set up a group ID to calculate the inflation adjustment for a group.

### To set up adjustment groups:

1. Open the Adjustment Group Configuration window.  
(Microsoft Dynamics GP menu >> Tools >> Setup >> Financial >> Inflation Adjustment >> Conf. Groups)



2. Enter a Group ID. You can enter upto 10 alphanumeric characters in this field.
3. Enter a description for the group ID in the Description field.
4. Select the inflation adjustment type to be used for the group ID.

**Monetary** Select this option to adjust the inflation using currency.

**External Calculation** Select this option to adjust the inflation using external calculations.

**Index/Coefficient** Select this option to adjust the inflation using the index or the coefficient IDs.

**Manual Entry** Select this option to adjust the inflation by manual calculations.

**With Monetary Revaluation** Select this option to adjust the inflation by revaluing the currencies.

**REPPAM** Select this option to adjust inflation using REPPAM.

5. Enter or select an Index or Coefficient ID if you selected index/coefficient as the adjustment type. This will be the default index/coefficient ID for the group you are setting up.
6. Select the account to be used as an adjustment account for all the accounts associated with the group ID. This field is available only if the adjustment method is Index/Coefficient or External Calculation.

**Same Account** Select this option to post each adjustment to the account that is being adjusted.

**Other Account** Select this option to post the adjustment for all the associated accounts to a specific account entered in the Account No. field.

The selected account is used along with the global adjustment account while calculating inflation. Refer to [Setting up inflation adjustment](#) on page 8 for more information on global adjustment account.

7. Enter or select an account in the Results Contra Account field to be used as a compensation for the adjusted account. This field is unavailable for Manual Entry, With Monetary Revaluation and REPPAM type of adjustments.
8. Enter or select an account in the Acct. Results by Holdings field to be used as a holding account.
9. Choose Save to save the values you have entered.



*If the group is associated with an account or a range of accounts specifically or by means of a main segment, you can choose to transfer the setup for the group ID to the associated account range.*

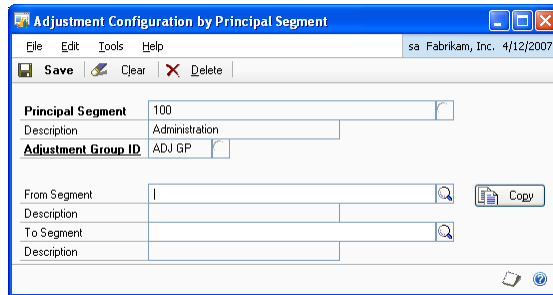
10. Choose Clear to clear the values displayed in the window.
11. Choose Delete to delete the selected group ID.

## Assigning a group ID to a range of accounts

Use the Adjustment Configuration by Principal Segment window to assign a group ID to accounts based on their principal account segment. The group ID settings are used to adjust inflation for all accounts having the selected principal segment. You can also copy the settings from one segment to a range of segments.

## To assign a group ID to a range of accounts:

1. Open the Adjustment Configuration by Principal Segment window.  
(Microsoft Dynamics GP menu >> Tools >> Setup >> Financial >> Inflation Adjustment >> Conf. x Seg. Principal)



2. Select a principal segment.
3. The Description field displays the description for the selected segment.
4. Enter or select a Group ID in the Adjustment Group ID field. All the accounts having the selected segment will use the settings of this group ID for inflation adjustment.
5. Choose Copy to copy the settings to a range of segments.
6. Enter or select a beginning segment number for the range in the From Segment field. The Description field displays the description for the beginning segment number.
7. Enter or select an ending segment number for the range in the To Segment field. The Description field displays the description for the ending segment number.
8. Choose Save to save the values you have entered.
9. Choose Clear to clear the values displayed in the window.
10. Choose Delete to delete the selected principal segment.

## Setting up inflation adjustment

Use the Adjustment Configuration window to define whether inflation is calculated as an index or as a coefficient. You can assign a source document code, a batch ID and an adjustment account for each index or coefficient ID that you have set up.

## To set up inflation adjustment:

1. Open the Adjustment Configuration window.  
(Microsoft Dynamics GP menu >> Tools >> Setup >> Financial >> Inflation Adjustment >> Config. General)

Inflation Adjustment Source Documents	
Doc. ID	Description
APL	Apply Receivables Documents

2. In the Enter Variations such as field, select whether to calculate the inflation adjustment based on the indices or on the coefficients specified in the Adjustment Index-Coefficient Configuration window.
3. Enter or select an Index or Coefficient ID.
4. Enter or select a Source Document ID in the ID Source Doc. for AXI entry field to identify the journal entry created while adjusting inflation.
5. Enter or select a Source Document ID in the Doc. Source Rev. AXI Close to identify the reversal journal entry for the distribution created while adjusting inflation.
6. Enter or select a global adjustment account for inflation adjustment. This account is used with the account specified - Same or Other Account, in the Adjustment Group Configuration window. Refer to [Setting up adjustment groups](#) on page 6 for more information.
7. Enter a batch ID to identify the batch created in the General Ledger for the inflation adjustment entry. This batch will have all the records that are to be posted to reverse the journal entries at the end of a fiscal year.
8. Select the type of revaluation in the Type of Input field.
9. The Doc ID and the Description columns in the scrolling window lists the source documents IDs and the descriptions respectively of the journal entries for the adjustments.
10. Choose Save to save the selections you have made.
11. Choose Clear to clear the values displayed in the window.

## Setting up inflation adjustment per account

Use the Accounts/Adjustment Maintenance window to specify the default inflation adjustment settings for each account you have set up in Microsoft Dynamics GP.



*If you specify the settings for an account, and then assign it to a group ID, the inflation adjustment settings for the group will override any settings you earlier specified.*

### To set up inflation adjustment per account:

1. Open the Accounts/Adjustment Maintenance window.  
(Cards >> Financial >> Account >> Enter or select an account >> Additional >> Maintenance of Account/Adjustment)

2. The Account and the Description fields display the account selected in the Account Maintenance window.
3. Select the base to be used to adjust the account.

**Principal Segment** Select this option to adjust the account based on its principal segment.

**Group ID** Select this option to adjust the account based on the Group ID it belongs to.

**Specific** Select this option to choose a specific type of adjustment for the account.

4. Enter or select an Adjustment Group ID if you have selected Group ID as the adjustment base.
5. Enter or select the Adjustment Type if you've selected Specific as the adjustment base.

**Monetary** Select this option to adjust the inflation using currency.

**External Calculation** Select this option to adjust the inflation using external calculations.

**Index/Coefficient** Select this option to adjust the inflation using the index or the coefficient IDs.

**Manual Entry** Select this option to adjust the inflation by manual calculations.

**With Monetary Revaluation** Select this option to adjust the inflation by revaluing the currencies.

**REPPAM** Select this option to adjust inflation using REPPAM.

6. Enter or select the index ID or the coefficient ID if you've chosen index/coefficient as the adjustment type.
7. Select an account to be used as an adjustment account. These fields are available only if the adjustment method is Index/Coefficient or External Calculation.

**Same Account** Select this option to post each adjustment to the account that is being adjusted.

**Other Account** Select this option to post the adjustment for all the associated accounts to a specific account entered in the Account Adjustment field.

8. Select an account in the R.E.I Account field. This account will be used as the global adjustment account if you have selected REI + RxT type of input in the Adjustment Configuration window. Refer [Setting up inflation adjustment](#) on page 8 for more information.
9. Select an account in the Acct. Results by Holdings for adjustment. This account will be credited with the difference amount if you have selected the type of input as REI Gen. Segregating RxT or REI x Origin Segregating RxT. Refer to [Setting up inflation adjustment](#) on page 8 for more information.
10. Choose OK to save the values you've entered.
11. Choose Cancel to close the window without saving changes.





## Chapter 2: Routines

Use this information to run the process of adjusting inflation for a specified period by selecting the adjustment and reversal dates. The account balances are adjusted for any transactions in the selected period.

This information is divided into the following sections:

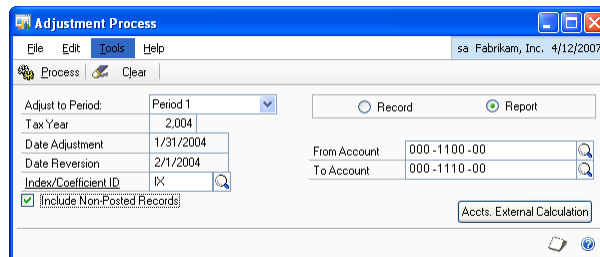
- [\*Adjusting inflation for a period\*](#)
- [\*Adjusting inflation for external calculations\*](#)

### Adjusting inflation for a period

Use this information to process the inflation adjustment for a specified period.

#### To adjust inflation for a period:

1. Open the Adjustment Process window.  
(Microsoft Dynamics GP menu >> Tools >> Routines >> Financial >> Adjustment Process)



2. Select a period in the Adjust to Period field for which to calculate the inflation adjustment.
3. The Tax Year field defaults based on the period selected.
4. The Date Adjustment field displays the ending date of the selected period.
5. The Date Reversion field displays the date on which the adjustment will be reversed. This date is always a day after the adjustment date.
6. Enter or select an Index/Coefficient ID.
7. Mark the Include Non-Posted Records check box to include unposted transactions from the General Ledger in the report.
8. Select whether to perform the adjustment or print a preview report before adjusting.  
**Record** Select to perform the adjustment.  
**Report** Select to view a report before performing the adjustment.
9. Enter the range of accounts for which to print the adjustment report in the From Account and To Account fields respectively. These fields are available only if you have selected the Report option.

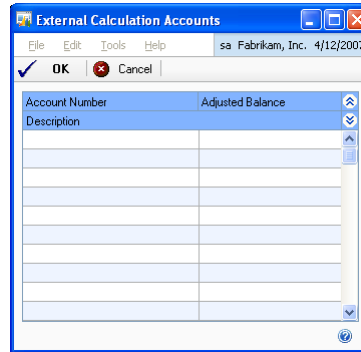
10. Choose Accts. External Calculation to open the External Calculation Accounts window where you can adjust the balances for the accounts defined in the External Calculation type of adjustment. Refer [Adjusting inflation for external calculations](#) on page 14 for more information.
11. Choose Process to process the inflation adjustment if you've selected record, or to preview the report if you've selected report.
12. Choose Clear to clear the values displayed in the window.

## Adjusting inflation for external calculations

Use this information to manually adjust the balances of the accounts defined in the External Calculation type of adjustment.

### To adjust inflation for external calculations:

1. Open the External Calculation Accounts window.  
(Microsoft Dynamics GP menu >> Tools >> Routines >> Financial >> Adjustment Process >> Accts. External Calculation)



2. The Account Number column displays all the accounts defined in the External Calculation type of adjustment.
3. Enter the adjustment amount for the accounts whose balances have to be adjusted in the Adjusted Balance column.
4. Choose OK to save the adjustment amounts you've entered and return to the Adjustment Process window.
5. Choose Process in the Adjustment Process window to process the adjustment amounts you've entered.
6. Choose Cancel to cancel the process and close the window.

## Chapter 3: Reports

You can use this information to print reports for the inflation adjustments you have set up.

Inflation Adjustment reports are available in the report list. You can select a report in the report list and add it to My Reports for easy access. Refer to the Microsoft Dynamics GP documentation for more information.

This information is discussed in the following section:

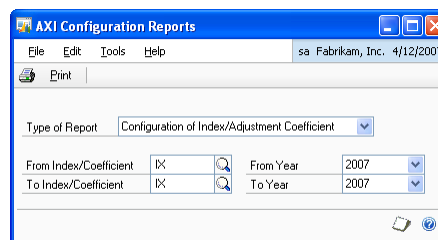
- [Printing setup reports](#)

### Printing setup reports

Use this information to print the various types of reports you've set up.

#### To print setup reports:

1. Open the AXI Configuration Reports window.  
(Reports >> Financial >> AXI Configuration Reports)



2. Select a report option.

**Configuration of Index/Adjustment Coefficient** Select this option to print an Index/Coefficient Configuration report.

Enter an index/coefficient ID range and the year range for the report. The report will list all the index/coefficient IDs set up for the year range, along with the index/coefficient for each period of each year.

**General Adjustment Configuration** Select this option to print the general inflation adjustment configuration you've set up.

**Configuration of Adjustment Groups** Select this option to print the details of the adjustment groups you've set up. Enter a group ID range to print the report in the From Group ID and Up to Group ID fields.

**Adjustment Configuration by Segment** Select this option to print the adjustment details you've set up based on the segment. Enter a segment range to print the report in the Segment From and To Segment fields.

**Adjustment Configuration by Account** Select this option to print the adjustment details per account. Enter a range of accounts in the From Account and To Account fields.

3. Choose Print to print the selected report.

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