

Microsoft Dynamics™ AX

Features for the United States

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Introduction

This information provides a list and description of features that were added to Microsoft Dynamics™ AX for the United States (U.S.). For information about using the forms and fields associated with the features, refer to the Help contents within Microsoft Dynamics AX. From the toolbar, select **Help > Help** to display the content file.

Refer here for a description of each feature:

- [Regulatory compliance](#)
- [Fixed assets](#)
- [Additional Features](#)

Regulatory compliance

The following enhancements in support regulatory compliance in various locales:

- [Financial statement for IAS/IFRS and US-GAAP](#)
- [Financial Accounting Standards Board \(FASB52\)](#)
- [Sarbanes-Oxley \(SOX\)](#)
- [Sales taxes](#)
- [1099 statements](#)

Financial statement for IAS/IFRS and US-GAAP

With the new financial statement, it is easier to build compliant financial reports, such as an income statement. Ledger accounts can be mapped into line items. You can create reporting rows based on specific posting layers to produce financial statements for various generally accepted accounting principles (GAAPs).

The row definition includes a consistency check and exception report, where customers can verify if there are duplicate or missing figures at both the design and production stages for financial statements.

Taxonomies are fully compatible with Extensible Business Reporting Language (XBRL), and can be converted into row definitions, which are ready to map, and generate XBRL output from the financial statement. The row definition templates also can be produced and mapped to Microsoft Dynamics AX.

In addition, the new financial statement supports the export to multiple formats, which enables the use of the figures and structure in third party products.

Additional export formats are available that you can use to extend the export capability to additional third-party products. Contact your partner for more information about adding export formats

Financial Accounting Standards Board (FASB52)

You can consolidate multiple company accounts into a single set of company accounts. In the consolidation company, you can specify which exchange rates to use when consolidating the transactions. You can use one of the following exchange rates:

- Average – Related to profit and loss transactions
- Closing – Related to outstanding balances on customers or vendors accounts
- Historical – Used to keep the same value as when the assets (shares) were bought

When consolidating transactions, you can decide which exchange rates to use for the different types of transactions. If you select more than one type of setup, such as **Average** for the profit and loss statement and **Closing** for the balance sheet, a difference appears when the totals are calculated. You can select where to record the consolidation exchange difference.

Sarbanes-Oxley (SOX)

Compliance with the Public Company Accounting Reform and Investor Protection Act of 2002, commonly called Sarbanes-Oxley (SOX), is critical for financial accounting departments that conduct business in the United States.

Auditing features have been extended and secured in order to support the review of financial information for validity and transparency. The following features allow you to review the accuracy and validity of financial information:

- You can set up alerts to create internal controls to track changes made to financial information.
- Because of the move to Active Directory-based security, each user is uniquely identified, which increases the effectiveness of tracking and logging changes in the system.
- You can use the internal authorization system to implement a role-based system that supports the segregation of duties.
- You can use the security system to control access to financial information on a functional level, including forms, reports, and tables. Access authorization can be set to no access, read-only access, update access, and full access.
- You can use the Microsoft Dynamics AX reporting capabilities to document the segregation of duties at a single point in time.
- You can use the tracking system to log all access to the system. The database logging system also tracks all changes to valuation models and aggregation of reported financial information. This allows you to easily disclose material changes in financial conditions and operations.

Sales taxes

Functionality has been added to handle the complex sales tax requirements for the many sales tax jurisdictions in the U.S. The framework is provided within Microsoft Dynamics AX, but you must upload the federal, state, and local tax jurisdictions manually. You can purchase the tax information and import it yourself, or you can use a third-party application for tax updates and calculations.

Sales-tax information displayed on a retail invoice is now incorporated in such a way that when dealing with multiple tax authorities, the invoice displays one sum per tax authority. When an invoice is valid for one tax area only, then only one tax amount is printed. When an invoice is for multiple tax areas, then the invoice displays multiple amounts.

Tax rounding takes place if there is difference in the sum of sales taxes and not on each individual sales tax, as in previous releases. Reporting can be based on exemption codes, with the information coming from different sales-tax codes, the taxable sales amount, the exempt amount, and non-taxable sales-tax amounts.

1099 statements

The Internal Revenue Service (IRS) requires that income paid to vendors must be reported using one of many versions of the 1099 statement. The following three types of forms are supported:

- Dividends

- Interest
- Miscellaneous Income

1099 statements must be sent to each vendor at the end of the calendar year, and also submitted to the IRS in a single batch.

You can set up your vendor records so that transactions to be included in 1099 tax reporting are marked. At the end of the year, you can print the forms to send to the vendor. You can use the IRS electronic media format to generate and submit 1099 statements via the IRS Web site.

Note: We recommend that you review IRS rule changes for the applicable tax year before you set up and process 1099 statements.

Fixed assets

The following features have been implemented to meet requirements that have been mandated for companies in the United States, and also for other countries/regions of the world:

- [Asset calendars](#)
- [Depreciation books](#)
- [Depreciation conventions and new depreciation methods](#)
- [Bonus depreciation](#)
- [Mass update depreciation conventions](#)

Asset calendars

For many companies, the tax year is different than their financial reporting year. An asset calendar provides the ability to depreciate assets using a calendar that is different than what is used by the general ledger. Asset calendars are available for both value models and the new depreciation books.

Depreciation books

Depreciation books allow you to track asset transactions without affecting the general ledger. Tracking taxes for assets taxes requires more than the three posting layers that were provided by Microsoft Axapta 3.0. Taxes or depreciation books do not affect the general ledger in any way. The information tracked in depreciation books is used only for tax purposes, such as tracking asset transactions based on the requested depreciation methods for the parent company. Most of the Fixed asset reports in Microsoft Dynamics AX have been updated to include support for depreciation books. The Microsoft Axapta 3.0 functionality that allows users to associate a value model with the current posting layer is still available.

Depreciation conventions and new depreciation methods

New depreciation methods for the United States have been added. These include 200 percent reducing balance (also known as double-declining balance), 175 percent reducing balance, 150 percent reducing balance, and 125 percent reducing balance. Straight-line depreciation also has been broken out into two separate methods to allow both Straight line service life and Straight line life remaining.

Various depreciation conventions also have been added. The conventions restrict the first and last year of depreciation that can be taken for an asset using a specific convention. The new depreciation conventions include Half year, Full month, Mid-quarter, Mid-month (first of the month), Mid month (fifteenth of the month), Half year (start of the year), and Half year (next year).

Bonus depreciation

You can create bonus depreciation records for the new Depreciation books in Microsoft Dynamics AX. Bonus depreciation is available before taking any 'normal' depreciation for an asset and is generally for tax purposes. Section 179 in the United States is an example. The Section 179 fields are removed from the value models and replaced by the bonus depreciation feature.

Mass update depreciation conventions

You can mass update the depreciation convention for assets associated with a depreciation book. For federal tax purposes in the United States, if more than 40 percent of the new assets were placed in service in the fourth quarter of the current year, the assets must be depreciated using the Mid-quarter convention.

Additional Features

Refer to the following topics for information:

- [Bank check reuse](#)
- [North American reports](#)
- [NACHA bank format](#)

Bank check reuse

Bank checks are more common in the U.S. than in other countries. You now can reuse the exact same check if the check was not put in the printer, if it was put in the wrong tray, or if the printer jammed and damaged some, but not all the checks. The feature is designed to save money for those companies that use preprinted check stocks.

North American reports

Additional reports were added to enhance the reporting capability for North America. These reports include:

- AP Accrued Purchases
- AP Aging - 30/60/90 day
- AP Detailed due day list
- AP Ledger posting for purchase orders
- AP Open purchase order lines
- AP Open purchase orders
- AP Purchase receiving log
- AP Vendor payment journal
- AR Aging - 30/60/90 day
- AR Customer payment journal
- AR Account statement 30/60/90 day
- AR Gross margin
- AR Ledger posting for sales orders
- AR Open sales lines
- AR Open sales orders
- AR Sales analysis by invoice
- AR Sales item group statistics
- AR Shipped not invoiced
- In Process production costing

NACHA bank format

You can create vendor payment files using the North American Clearing House Association (NACHA) export format. The three most common NACHA record types are supported:

- CTX (Corporate Trade eXchange)
- CCD (Cash Concentration or Disbursement)
- PPD (Prearranged Payment and Deposit entry)

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