



Microsoft Dynamics® 365/AX

Integration points: Project management and accounting and other Microsoft Dynamics 365/AX modules

White Paper

This document provides an overview of the ways that the Project management alongside the accounting module and other modules such as Production, Services, Sales and Marketing, in Microsoft Dynamics 365/AX integrate and connect with one another. Updated for Dynamics 365 Enterprise for Finance and Operations by Clients First. Microsoft is releasing new features on a regular basis so please contact us for more up-to-date information.

Clients First Business Solutions
800.331.8382 | info@cfbs-us.com | <http://clientsfirst-365.com>

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Overview

This white paper provides an overview of the ways that the **Project management and accounting** module and other modules in Microsoft Dynamics 365/AX integrate and connect with one another.

Each section is devoted to a specific module. It first describes tasks that you perform in that module that have project-related impact. It then describes other integration points with **Project management and accounting**.

Module: Home

In the **Home** module, you can perform the following project-related tasks:

- View activities that are associated with projects.
- Assign cases to projects. Cases are used to track issues that are assigned to individual workers or groups of workers.
- Define a project as the cost and revenue mechanism for a single case.
- View or manage any work items that you are responsible for, such as timesheet approvals.
- Create or manage project workers timesheets.

Module: Accounts payable

In the **Accounts payable** module, you can perform the following project-related tasks:

- Maintain information about vendors that are used for project-based purchasing.
- Create vendor invoices or vendor invoice journals for a project.
- Enable committed cost tracking for project-related vendor invoices in the **Generate committed costs** form.
- Create a purchase order for a project.

Note: This can also be done in the **Procurement and sourcing** and **Project management and accounting** modules.

- Review customer payment information, and pay vendors for projects that use pay-when-paid (PWP) terms.

Note: This feature is included in 365/AX Feature Pack and later versions. If you are using 365/AX, you must install the Project management and accounting Add-in.

- Set up and maintain vendor payment retention amounts in the **Vendor invoice** form. When a project is completed, or when a percentage of the work on the project is completed, you can use the **Vendor invoice** form in **Accounts payable** to release all or part of the retained amounts.

Note: This feature is included in 365/AX Feature Pack and later versions. If you are using 365/AX, you must install the Project management and accounting Add-in.

- View a list of the unpaid vendor invoices for a purchase order and the associated customer invoices in the **Vendor invoices with pay when paid** form. (When you create a purchase order for a vendor and assign a project ID to the purchase order, pay-when-paid [PWP] terms in the project are associated with the purchase order and the vendor.)

- Use the **Vendor invoices with pay when paid** form to determine whether and how much to pay a vendor. For example, when a customer pays an amount on a project invoice, you can release part or all of the related vendor invoices for payment.

The **Project management and accounting** and **Accounts payable** modules have the following additional integration points:

- Terms of payment (such as **Net 30**), which are created in **Accounts payable**, can be referenced in project cash flow forecasts.

Note: Terms of payment can also be defined in the **Accounts receivable** module.

- Discounts and miscellaneous charges that are applied to purchase orders and vendor invoices can be reflected in projects.

Module: Accounts receivable

In the **Accounts receivable** module, you can perform the following project-related task:

- Specify a credit limit for customer in the **Customers** form.

Note: In the **Invoice** area of the **Project management and accounting parameters** form, you can choose to prevent an invoice proposal from being posted when it will cause this customer's credit limit to be exceeded.

The **Project management and accounting** and **Accounts receivable** modules have the following additional integration points:

- In a project, you can choose to use the sales tax value that has been specified for the customer in the **Sales tax groups** form in **Accounts receivable**.
- When you create a project, project contract, or project quotation, you select a customer. Customers are maintained in **Accounts receivable**.

Note: Customer accounts can also be maintained in the **Sales and marketing** module. Terms of payment are referenced in project cash flow forecasts and project contract funding sources. Terms of payment for hours, expenses, and items, such as **Net 30**, are defined in **Account receivable**.

Note: Terms of payment can also be defined in the **Accounts payable** module.

- When you post project invoices, they are available for payments and collection in **Accounts receivable**.
- Free text invoices that are created in **Accounts receivable** can be charged to projects.

Module: General ledger

In the **General ledger** module, you can perform the following project-related task:

- Post project costs to a balance account or a profit and loss account.

Note: You use options in the **Project groups** and **Ledger posting setup** forms to specify which type of transaction, and which account, to post to.

The **Project management and accounting** and **General ledger** modules have the following additional integration points:

- For Fixed-price projects, you can post the following types of work in process (WIP) transactions to general ledger accounts:
 - Costs
 - Accrued revenue

- Subscriptions
- Estimates
- When you migrate project data from another ERP system via a beginning balance, you can create a beginning balance journal in the **Project management and accounting** module to specify specific project balances.
- You can use general journals in the general ledger to post costs against a project.
- In the **Projects** form, you can create a letter of guarantee request for a new project. The **Letter of guarantee** button is available only if the **Enable letter of guarantee** check box is selected in the **General ledger parameters** form, and if the bank document type is **Letter of guarantee**.
- For invoices, amounts for the project transactions can be posted to profit and loss accounts and balance sheet accounts in the general ledger. This applies to hour, expense, item, and on-account transactions. You can also make adjustments in the general ledger for these transactions.

Module: Budgeting

The **Project management and accounting** and **Budgeting** modules have the following integration points:

- You can transfer a forecast model or specific transaction types from a project forecast model to a general ledger budget model.
- You can use the **Copy forecasts to ledger** form to copy a project forecast to a budget model.

Module: Cost accounting

In the **Cost accounting** module, you can perform the following project-related tasks:

- Specify that a category is available in the **Project management and accounting** module when you set up a cost category in the **Cost categories** form.
- Integrate cost categories with projects if you create budget model with a **Flexible budgeting model** type in the **Budget model** form.
- Select a service category that has been set up for projects on the **Service categories** tab in the **Cost category setup** form.

Module: Fixed assets

The **Project management and accounting** and **Fixed assets** modules have the following integration points:

- In the **Projects** form, you can specify a fixed asset for an investment project. Fixed assets are defined in the **Fixed assets** module.
- You can capitalize an investment project to a fixed asset through the estimate process.

Module: Cash and bank management

There are no integration points between the **Project management and accounting** and **Cash and bank management** modules.

Module: Travel and expense

See the new mobile modules available in Dynamics 365 Enterprise for Finance and Operations on pages 11 and 12

In the **Travel and expense** module, you can perform the following project-related tasks:

- Enable committed cost tracking for project-related expense reports.
- Enable committed cost tracking for project-related travel requisitions.
- Specify a project on an expense report line or distribution.

The **Project management and accounting** and **Travel and expense** modules have the following additional integration point:

- **Project management and accounting** shares categories with **Travel and expense** (and also with the **Production and control** module). This makes it easier for companies to categorize transactions in 365/AX. To create a new category, you must first set it up as a shared category.

Module: Compliance and internal controls

There are no integration points between the **Project management and accounting** and **Compliance and internal controls** modules.

Module: Human resources

In the **Human resources** module, you can perform the following project-related tasks:

- Set up various project options for an individual worker in the **Project setup** form. This includes options for timesheets, project validation, and maximum working hours.
- Set additional project-related options on the **Project management** tab in the **Worker** and **Employee** form. These include options for registering workers who will enter hour consumption and for setting up the following:
 - Cost prices for hours and expenses, and sales prices for hours, expenses, and fees
 - Validation for worker/project and worker/category (Validation controls the timesheet entries that workers can submit.)
 - Project control forms
 - Transactions for hours, expenses, and fees
 - Period code status

The **Project management and accounting** and **Human resources** modules have the following additional integration point:

- Current and terminated workers can be included in journal look-ups.

Module: Payroll

There are no integration points between the **Project management and accounting** and **Payroll** modules.

Module: Procurement and sourcing

In the **Procurement and sourcing** module, you can perform the following project-related tasks:

- Associate a purchase order with a project. You can also create a purchase order for a project from a sales order or an item requirement.

Note: You can also create purchase orders for a project in the **Accounts payable** module.

Purchase orders that are related to projects are processed at year end, according to the same rules and processes as other purchase orders.

- Generate closing entries for the project in the general ledger, if you record encumbrances for purchase orders in the general ledger, and against budget reservations at the end of each fiscal year.
- Create opening entries at the start of the new fiscal year to correctly record the encumbrances and budget reservations from the previous year. These entries help guarantee that the reservations for purchase order encumbrances are correctly recorded on the year-end financial statements and in budget control.

Note: For projects, the account that distributions are assigned to in the new fiscal year is the account that is defined in the **Purchase order year-end process** form in the **General ledger** module. It is not the account that is defined in the **Ledger posting setup** form in the **Project management and accounting** module.

The **Project management and accounting** and **Procurement and sourcing** modules have the following additional integration points:

- Procurement category hierarchies are set up in **Product information management** but managed in **Procurement and sourcing**. In the **Purchasing by procurement category** group in the **Project management and accounting parameters** form, for purchases made according to procurement categories, you can set the cost price as the sales price by default for the following document types:
 - Requests for quotations
 - Purchase requisitions
 - Purchase orders
 - Vendor invoices
- Category hierarchies are used to classify products or transactions for reporting and analysis. Your organization might use a procurement category hierarchy to track purchases and a sales category hierarchy to track sales.

If you purchase the products that are used for a project from a specific procurement category, you can assign a default project category to that procurement category. For example, you assign a project category named **Other expenses** to a procurement category named **Office supplies**. Your project manager creates a purchase order for a project and selects the **Office supplies** procurement category on a purchase order line. By default, the cost on the line is automatically assigned to the **Other expenses** project category for the selected project.

- You can enable committed cost tracking for project-related purchase requisitions.
- You can enable committed cost tracking for project-related purchase orders.
- Costs on a product receipt can be tracked in a project. Specifically, costs on an item receipt for a project purchase will affect the project's bottom line.

Module: Product information management

In the **Product information management** module, you can perform the following project-related task:

- Map a project category with a procurement category on the **Manage projects** tab in the **Released product details** form. This specifies the project category that is suggested as a default when a product is used in an item requirement in the **Project management and accounting** module.

The **Project management and accounting** and **Product information management** modules have the following additional integration point:

- Products that are defined in **Product information management** can be selected as items in projects.

Module: Master planning

The **Project management and accounting** and **Master planning** modules have the following integration points:

- Forecasted hours in projects are managed by using the forecasting functionality from **Master planning**.
- The components that are needed for production orders initiated from within a project are planned by the master scheduling functionality that is part of **Master planning**.
- The components that are needed for production orders in a project are planned by master scheduling. Also, project production orders are scheduled by using **Master planning**.

Module: Production control

In the **Production control** module, you can perform the following project-related tasks:

- Create production orders for projects. A project-related production order can be linked to a sales order or to item requirement by using either the finished item or the consumed item method.
- Specify whether production scheduling should include capacity that is reserved for projects in the **Production control parameters** form.
- Enable workers to use **Manufacturing execution** functionality to start and stop their project-related tasks, such as when projects are used in a factory floor environment.

The **Project management and accounting** and **Production control** modules have the following additional integration points:

- In the **Project management and accounting parameters** form, you can configure the following production control–related options:
 - Choose the posting method to use for production.
 - Choose whether to set subproduction to **Consumed**.
 - Choose whether project planning should reflect capacity that is reserved for production.
 - Choose whether project planning should reflect capacity that is reserved for planned orders.
- **Project management and accounting** can share categories with **Production control** (and also with the **Travel and expense** module). This makes it easier for companies to categorize transaction types and categories in 365/AX. To create a category to use with project transactions, you must first set it up as a shared category.

Module: Inventory and warehouse management

In the **Inventory and warehouse management** module, you can perform the following project-related tasks:

- Add item requirements, inventory consumption, and reservations against inventory to a project.
- Access the **Forecast model** form, which is also available from the **Project management and accounting** module.
- Enable committed cost tracking for project-related purchase orders.
- Enable committed cost tracking for project-related item journals.
- Set up journal names for item purchases and item requirements, for use in projects. Item requirement types are set up in the **Journal names, inventory** form.

The **Project management and accounting** and **Inventory and warehouse management** modules have the following additional integration points:

- In the **Project management and accounting parameters** form, you can select inventory dimensions for item consumption. You can also specify which inventory dimensions should be displayed in the overview for item consumption, and which should be available for selection on project quotation lines.
- For transferring project quotation lines to an item forecast, you can select a default item allocation key. Item allocation keys are set up in **Inventory and warehouse management**. The key is used for item requirements that are based on procurement categories instead of item numbers. This is in addition to the use of the key to assign a percentage of an aggregate forecast to individual items or item dimensions. Projects use the cost prices and sales prices for items that are set up in **Inventory and warehouse management**.

Module: Sales and marketing

In the **Sales and marketing** module, you can perform the following project-related tasks:

- Associate a project with a sales order.
Note: You can also associate a project with a sales order within the **Project management and accounting** module.
- To sell items from a project, create a sales order from the project itself. You can only create sales orders for Time and material projects.
- Define a project as the cost and revenue mechanism for a single automated marketing campaign.

The **Project management and accounting** and **Sales and marketing** modules have the following additional integration points:

- In **Project management and accounting**, project item requirements are created as sales orders; however, these sales orders cannot be edited from **Sales and marketing**.
- For external project types, you must select a customer to associate with the project. Project contracts and project quotations must also be associated with a customer. Customer records are maintained in **Sales and marketing**.
Note: Customer accounts can also be maintained in the **Accounts receivable** module.
- In the **Project management and accounting parameters** form, you can assign the sales tax group method that is specified for the customer account as the default type for new projects.

- For item transactions, sales prices are derived from the terms of trade agreements that are created in **Sales and marketing**.

Note: However, for transactions for hours, expenses, fees, and subscriptions, prices are derived from price groups that are referenced in the corresponding sales prices in **Project management and accounting**.

Module: Service management

In the **Service management** module, you can perform the following project-related tasks:

- Create or maintain a relationship between a project and any of the following:
 - Service orders
 - Service agreements
 - Service subscriptions

All cost transactions and invoicing for **Service management** are handled through projects.

- Create a service subscription directly from a project. You can attach service agreements to projects of every type except the **Time** project type.

The **Project management and accounting** and **Service management** modules have the following additional integration point:

- You can register and post all service order transactions through the project that you attach to the service agreement. However, you specify the journals in which these transactions are registered and posted in the **Journals** area in the **Service management parameters** form.

Module: Organization administration

In the **Organization administration** module, you can perform the following project-related task:

- Manage the following elements that are used in projects:
 - Working time calendars
 - Period types
 - Project periods

Note: Project periods are used primarily with project timesheets, but they are also used when you work with estimates and invoice subscriptions.

The **Project management and accounting** and **Organization administration** modules have the following additional integration point:

- In the **Project management and accounting parameters** form, you can assign number sequences to various project-related documents. Number sequences are configured in **Organization administration**.

New Modules for Dynamics 365 Enterprise for Finance and Operations

Module: Mobile Project Time Entry

As part of their daily work, project resources are often on-site or traveling. The **Project time entry** mobile workspace lets users enter their billable or non-billable time against a project on the mobile device of their choice. Therefore, project resources can record time entries anytime and anywhere. They can also view time entries that have already been recorded.

Specifically, in the **Project time entry** mobile workspace, users can perform these tasks:

- For any selected date, enter the number of hours that you spent on a specific task.
- Search by project name or customer to find the project to enter time for.
- Specify the category and activity for the time that you spent.
- Record the time as billable or non-billable for the project.
- Optionally enter any external or internal comments.

Module: Mobile Expense Entry for Projects

Many organizations require that a copy of a receipt be attached to a travel-related or business-related expense report that an employee submits for reimbursement or Project billing. The **Expense management** mobile workspace lets users quickly create new expense lines on the mobile device of their choice by using an attached photo of a receipt. Alternatively, users can capture a photo of a receipt and then attach it to an expense report later. Employees can also create and manage their expense reports, and then submit them for approval and reimbursement by using their mobile device.

Specifically, the **Expense management** mobile workspace lets users perform these tasks:

- Take a photo of a receipt, and upload it to Microsoft Dynamics 365 for Finance and Operations. You can then attach that photo to an expense report later.
- Upload a file as a captured receipt. You can then attach that file to an expense report later.
- Create a new expense line by using an attached receipt. You can then add the line item to an expense report later, and submit it for approval and reimbursement.

If you're using Microsoft Dynamics 365 for Finance and Operations, you can also use these features:

- Create a new expense report.
- Attach credit card transactions and other previously created expenses to an expense report and assign to a project.
- Create new expenses for an expense report and assign to a project.
- Attach a receipt to any expense for an expense report, either by taking a photo of the receipt or by uploading a file as a captured receipt.
- Depending on the company's expense policy, add the list of guests to an expense.
- Depending on the company's expense policy, itemize expenses.
- Submit an expense report for approval and reimbursement and billing on a Project or work order.
- Approve or reject expense reports that you're an assigned approver for.

Projects across industries

The project management and accounting functionality can be used in multiple industries, as shown in the following illustration.





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