

# FINANCIAL INTEGRATION IN ADVANCED PAYROLL AX



Advanced Payroll AX is a payroll add-on solution for the Microsoft Dynamics AX ERP. It is designed to handle complex payroll requirements such as multi-position employees, cost splitting, running payroll in multiple countries and more. Advanced Payroll AX integration with Dynamics AX automates financial reporting processes and gives you flexibility in assigning costs to free up time that can be spent running the business instead.

Built within the Microsoft Dynamics AX platform and using information shared across the system, Advanced Payroll AX integrates smoothly with the rest of the Dynamics system. It takes advantage of the account structures and financial dimensions available in the General Ledger, and combines them with dynamic options for splitting, replacing or defaulting postings information. It also enables you to post benefit and deduction transactions from Payroll into Accounts Payable, to generate invoices for third party providers and other institutions. Integration with the AX Project Management and Accounting module means Advanced Payroll can update projects with accurate, burdened labor costs – including premium generation and overtime, and employer cost of benefits.

The screenshot shows a financial ledger table with columns for 'Statement description', 'Statement sequence', and 'CR ledger acc'. A callout box highlights the dimensions for the selected row 'Allowance 3'.

Statement description	Statement sequence	CR ledger acc
Allowance 1	200	
Allowance 2	200	
Allowance 3	200	211410 - 060 - 0202 -
Allowance 4	200	140270---
Allowance 5	200	140270---
Banked OT @ 1.0	400	140270---

**Main account**  
Salaries and wages payable

**Department**  
Production

**Cost center**  
Auditing and r...

**Purpose**

### Dimensions

Financial dimensions are the key tool used for financial reporting throughout Microsoft Dynamics AX. Dimensions classify information in categories for data analysis. When a transaction such as paying an employee is created in Advanced Payroll AX, it is associated with a General Ledger account, and can also be associated with one or more financial dimensions, such as department, cost centre or project. This allows you to more accurately represent costs and to create different levels for grouping and reporting financial data. Microsoft Dynamics AX allows you to maintain unlimited financial dimensions, which can be organized in a hierarchy and shared across the system.

## General Ledger

Advanced Payroll AX pulls information in real time from AX General Ledger, allowing you to set the main accounts and financial dimensions for each earning code and benefit/deduction code. Other financial dimensions, such as Departments, can be derived from Employee Position records and can vary by employee. This gives you the control to define the main accounts and dimensions your company needs, while simultaneously simplifying some of the data management processes by allowing Advanced Payroll AX to extract the rest of the information for you.

After setting the default accounts and reporting dimensions, exceptions can be defined for workers or particular codes. You can also setup Account Exceptions for earnings and for benefit/deductions. Account Exceptions allow Advanced Payroll AX to dynamically assign ledger accounts and financial dimensions based on combinations of departments, reasons, tasks and other variables. This solution also gives you the ability to split or reassign reported costs between work centers or accounts.

Ledger account	Financial dimension	Percentage	Active date	Expiry date
600300	0103-020	20.00	06/05/2014	31/12/2154
222100	1101-110	80.00	06/05/2014	31/12/2154

Worker organization splits - Worker: 3710, Alicia Thornber (1 - ceu) - Worker: Alicia Thornber, Worker: Alicia Thornber

view Maintain

New Delete

**Overview**

**Effective date filter**

Expired:  Active:  Future:

Department	Description	Financial dimension	Percentage	Active date	Expi
Human Resources	Human Resources	0403-040	80.00	01/01/2014	31/1
Professional Services	Professional Services	0801-050	20.00	01/01/2014	31/1

## Accounts Payable

Advanced Payroll AX can also send financial information to the Accounts Payable module for benefits and deductions. When a transaction is posted in the General Ledger for a benefit or deduction, a benefit or deduction code can be linked with a Supplier account in Accounts Payable for all employees or, for specific employees.

When an amount is deducted from the worker's payment, an unpaid invoice for the amount will be generated in Accounts Payable automatically. This can be for the worker or the employer side of the transaction. This integration is often used for garnishments, insurance premiums, tax remittances and other benefit/deduction codes:

**General**

**Identification**

Benefit/deduction: Additional Life

Short code: ADLIF

Benefit deduction description: Additional Life Insurance

**Benefit/deduction**

Benefit deduction type: Package

Calculation sequence number: 200

Depletion sequence: 500

Insufficient funds: Take the whole deduction no m.

Prepaid allowed: Yes

Benefit: No

Apportion: No

**Employer debit accounting**

DR employer ledger account: 130700 - - -

**Employer credit accounting**

CR employer ledger account: 220170 - - -

Employer AP vendor: 4102

**Worker debit accounting**

DR worker ledger account: - - -

**Worker credit accounting**

CR worker ledger account: 211300 - - -

Worker AP vendor: 7007

**Effective date**

Active date: 01/01/2005

Expiry date: 31/12/2154

This simplifies payment of amounts deducted from workers, and ensures that terms of payment and other rules set in Accounts Payable are used across the organization.

Want more information on Advanced Payroll AX? Visit us at [www.lokisys.com](http://www.lokisys.com) or send an email to [sales@lokisys.com](mailto:sales@lokisys.com). We look forward to hearing from you!