

Business One in Action – The Difference Between Consolidation Options (Payment & Delivery) in the Business Partner Master Data



Applies to:

SAP Business One, [Accounting](#), [General Finance](#)

Summary:

This article explains and demonstrates the differences between the different Business Partner consolidation methods, payment or delivery. It also demonstrates the effect each of these options has on the Business Partner's balance.

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Author Bio:

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The Difference Between Consolidation Options (Payment & Delivery) in the Business Partner Master Data

In the Business Partner Master Data -> Accounting -> General Tab, there are two options to consolidate a subsidiary company's transactions, namely: Payment and Delivery. Is there any difference between the two options?

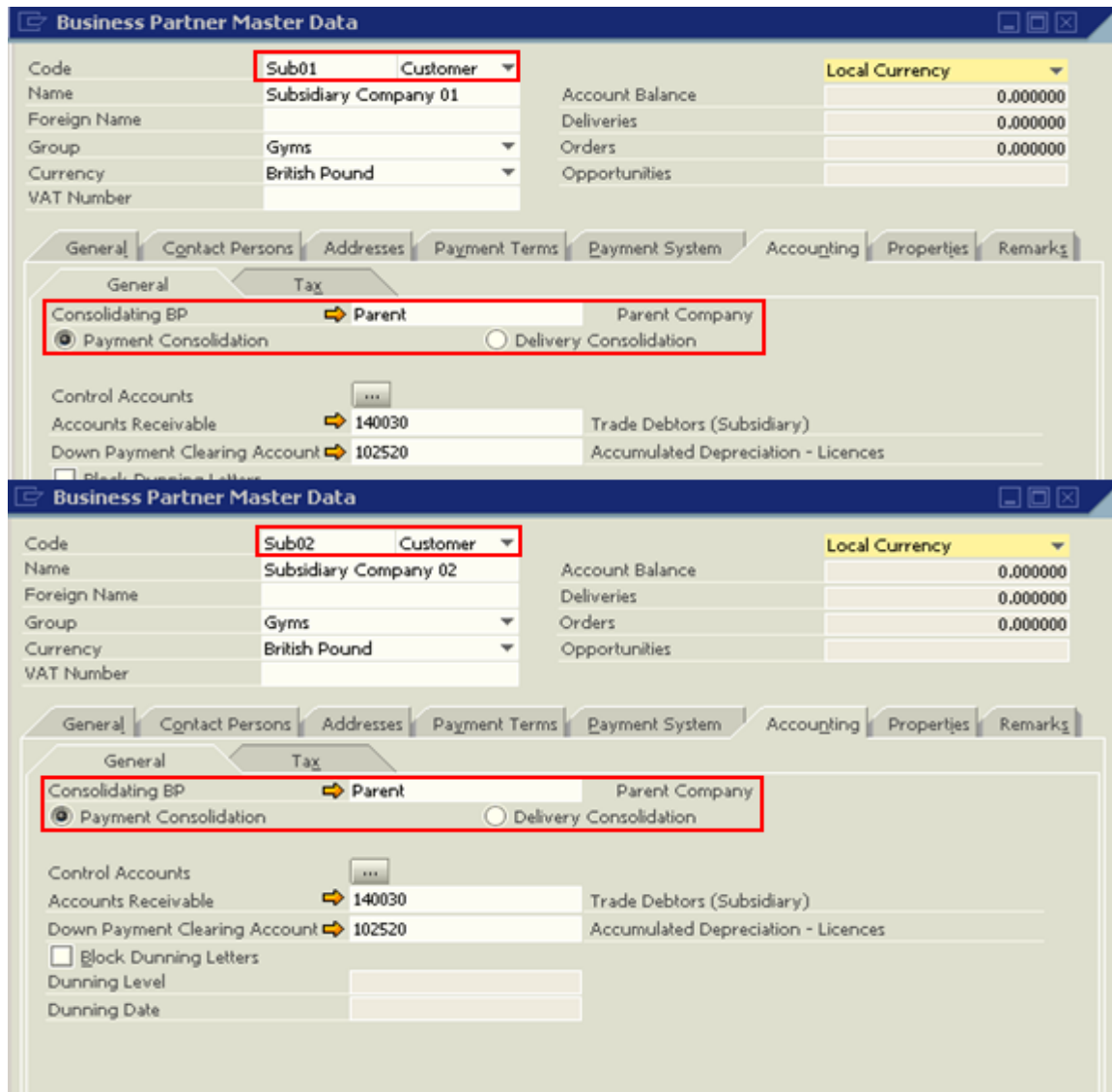
In terms of the accounting entries created during deliveries and A/R invoicing/crediting transactions for the subsidiary company; there is no difference between the two consolidation options. In both options, the 'Accounts Receivable Control Account' of the parent company will always be updated when an A/R Invoice is created for the subsidiary company. The difference between the two options relate to how a subsidiary company's deliveries will be pulled into the target A/R Invoice document.

Payment Consolidation

Defining a business partner (BP) of type 'Customer' for payment consolidation with another BP facilitates the posting of expected revenue to the consolidated BP's control account. Payment must then be rendered to the parent BP. Any given parent BP may have several subsidiary BPs. All invoices for these subsidiaries are posted to the parent control accounts receivable. Payment must then be received from the parent BP. Additionally, when the option 'Payment Consolidation' is chosen, only Deliveries from the same subsidiary company can be consolidated into one A/R Invoice.

Consider this scenario:

1. Companies 'Sub01' and 'Sub02' are subsidiaries of company 'Parent'. In the BP Master Data 'Sub01' and 'Sub02' are defined for 'Payment Consolidation' to the BP 'Parent':



2. Create a Delivery each for BPs Sub01 and Sub02. Delivery 158 for Sub01, amounting to GBP 150.00:

Delivery

Customer: Sub01
 Name: Subsidiary Company 01
 Contact Person:
 Customer Ref. No.:
 Local Currency:
 No.: Primary 158
 Status: Open
 Posting Date: 19.11.08
 Delivery Date: 19.11.08
 Document Date: 19.11.08

Contents | Logistics | Accounting

Item/Service Type: Item Summary Type: No Summary

#	Type	Item No.	Item Description	Quantity	Price after Discount	VAT C...	T
1		A1003	Dumbbells 1	5	GBP 10.000000	X0	
2		A1004	Dumbbells 2	5	GBP 10.000000	X0	

Sales Employee: -No SE-
 Owner:
 Remarks:
 Total Before Discount: GBP 100.000000
 Discount: %
 Freight: GBP 50.000000
 Tax:
 Total: GBP 150.000000

OK Cancel Copy From Copy To

Delivery 159 for Sub02, amounting to GBP 100.00:

Delivery

Customer: Sub02
 Name: Subsidiary Company 02
 Contact Person:
 Customer Ref. No.:
 Local Currency:
 No.: Primary 159
 Status: Open
 Posting Date: 19.11.08
 Delivery Date: 19.11.08
 Document Date: 19.11.08

Contents | Logistics | Accounting

Item/Service Type: Item Summary Type: No Summary

#	Type	Item No.	Item Description	Quantity	Price after Discount	VAT C...	T
1		A1004	Dumbbells 2	5	GBP 10.000000	X0	
2		A1000	Boxing Gloves	5	GBP 10.000000	X0	

Sales Employee: -No SE-
 Owner:
 Remarks:
 Total Before Discount: GBP 100.000000
 Discount: %
 Freight:
 Tax:
 Total: GBP 100.000000

OK Cancel Copy From Copy To

- Open an A/R Invoice in 'Add' mode and enter the subsidiary company's BP Code 'Sub01' and then click on 'Copy from'. Delivery 158 will be available for selection:

The screenshot shows the 'AR Invoice' window with the 'Customer' field set to 'Sub01' and 'Subsidiary Company 01'. A 'List of Deliveries' dialog box is open, displaying a table with the following data:

#	Type	#	Date	Customer	Remarks	Val...
1		158	19.11.08	Subsidiary Company 01		19.11.0...

The 'List of Deliveries' dialog box also includes 'Choose' and 'Cancel' buttons. The 'AR Invoice' window has 'Add', 'Cancel', 'Copy From', and 'Copy To' buttons at the bottom.

Add the A/R Invoice and then call up the journal entry (JE) created by the addition of the invoice. The JE shows an increase in the 'Account Receivable' control Account of the BP 'Parent'.

The screenshot shows the 'Journal Entry' window with the following data:

Series	Number	Posting Date	Due Date	Doc. Date	Ref. 1	Ref. 2	Trans. Code	Remarks
Primary	1079	19.11.08	19.11.08	19.11.08	133			AR Invoice - Sub01

The 'Origin' section shows:

Origin	Origin No.	Trans. No.	Template Type	Template	Indicator	Project
IN	133	1079				

The 'Expand Editing Mode' section shows the following journal entry:

#	G/L Acct/BP Code	Control Acct	G/L Acct/BP Name	Debit	Credit
1	Parent	140000	Parent Company	GBP 150.000000	
2	207000	207000	VAT Payable (output Tax)		GBP 0.000000
3	400000	400000	Sales Revenue (Domestic) - Product No.1		GBP 100.000000
4	420000	420000	Miscellaneous Revenue		GBP 50.000000
				GBP 150.000000	GBP 150.000000

Therefore, the BP Account Balance of the parent company is updated and payment must be received from the parent:

The image displays two screenshots of the SAP Business Partner Master Data interface, illustrating consolidation settings for a parent company and its subsidiary.

Top Screenshot: Parent Company

- Code:** Parent
- Name:** Parent Company
- Group:** Gyms
- Currency:** British Pound
- Accounting Summary:**
 - Account Balance: 150.000000
 - Deliveries: 0.000000
 - Orders: 0.000000
 - Opportunities: 0.000000
- Consolidating BP:** Payment Consolidation (selected)
- Control Accounts:**
 - Accounts Receivable: 140000
 - Trade Debtors (Parent)
 - Down Payment Clearing Account: 102520
 - Accumulated Depreciation - Licences

Bottom Screenshot: Subsidiary Company 01

- Code:** Sub01
- Name:** Subsidiary Company 01
- Group:** Gyms
- Currency:** British Pound
- Accounting Summary:**
 - Account Balance: 0.000000
 - Deliveries: 0.000000
 - Orders: 0.000000
 - Opportunities: 0.000000
- Consolidating BP:** Parent Company
- Control Accounts:**
 - Accounts Receivable: 140030
 - Trade Debtors (Subsidiary)
 - Down Payment Clearing Account: 102520
 - Accumulated Depreciation - Licences

Incoming Payments

Code: Parent
 Name: Parent Company
 Bill To: [Dropdown]
 Contact Person: [Dropdown]
 Project: [Dropdown]

Customer
 Vendor
 Account

No.: Primary 61
 Posting Date: 26.11.08
 Due Date: 26.11.08
 Document Date: 26.11.08
 Reference: [Empty]
 Transaction No.: [Empty]

Selected	Documen...	Date	Total	Balance Due	Discount %	Documen...	Total Payment
<input type="checkbox"/>	134	19.11.08	GBP 295.000000	GBP 295.000000	0.000000	IN	GBP 295.000000
<input checked="" type="checkbox"/>	133	19.11.08	GBP 150.000000	GBP 150.000000	0.000000	IN	GBP 150.000000

Payment on Account 0.000000

Remarks: [Empty]
 Journal Remarks: Incoming Payments - Parent
 Created by Payment Wizard

Total Amount Due: GBP 150.000000
 Open Balance: [Empty]

Buttons: Add, Cancel, Deselect All, Select All, Add in Sequence

The above behavior is the same when the 'Copy To' A/R Invoice function is used in the Delivery Order.

Delivery Consolidation

When the 'Delivery Consolidation' option is chosen, the deliveries of all subsidiary companies are available for selection and can be pulled to create a single A/R Invoice.

Consider this scenario:

1. Companies 'Con03' and 'Con04' are subsidiaries of company 'Parent'. In the BP Master Data records of 'Con03' and 'Con04', the consolidation option is defined as 'Delivery'.

The image displays two screenshots of the SAP Business Partner Master Data form, specifically the 'Tax' tab. Both screenshots show the 'Consolidating BP' field set to 'Parent' and the 'Delivery Consolidation' radio button selected. The 'Payment Consolidation' radio button is unselected. The 'Parent Company' field is also visible.

Top Screenshot (Company Con03):

- Code: Con03 (highlighted in red)
- Name: Company 03
- Group: Gyms
- Currency: British Pound
- Consolidating BP: Parent (highlighted in red)
- Parent Company: Parent Company (highlighted in red)
- Delivery Consolidation: (highlighted in red)
- Payment Consolidation: (highlighted in red)
- Accounts Receivable: 140030
- Down Payment Clearing Account: 102520

Bottom Screenshot (Company Con04):

- Code: Con04 (highlighted in red)
- Name: Company 04
- Group: Gyms
- Currency: British Pound
- Consolidating BP: Parent (highlighted in red)
- Parent Company: Parent Company (highlighted in red)
- Delivery Consolidation: (highlighted in red)
- Payment Consolidation: (highlighted in red)
- Accounts Receivable: 140030
- Down Payment Clearing Account: 102520
- Block Dunning Letters:
- Dunning Level: [Empty]
- Dunning Date: [Empty]

2. Create Deliveries for both Con03 and Con04. Delivery 160 for Con03, amounting to GBP 120.00:

Delivery

Customer: Con03
 Name: Company 03
 Contact Person: [dropdown]
 Customer Ref. No.: [dropdown]
 Local Currency: [dropdown]

No. Primary: 160
 Status: Open
 Posting Date: 19.11.08
 Delivery Date: 19.11.08
 Document Date: 19.11.08

Contents | Logistics | Accounting

Item/Service Type: Item | Summary Type: No Summary

#	Type	Item No.	Item Description	Quantity	Price after Discount	VAT C...	T
1		A1004	Dumbbells 2	5	GBP 12.000000	X0	
2		A1000	Boxing Gloves	5	GBP 12.000000	X0	

Sales Employee: -No SE-
 Owner: [dropdown]
 Remarks: [text area]

Total Before Discount: GBP 120.000000
 Discount: %
 Freight: [dropdown]
 Tax: [dropdown]
 Total: GBP 120.000000

OK Cancel Copy From Copy To

Delivery 161 for Con04, amounting to GBP 175.00:

Delivery

Customer: Con04
 Name: Company 04
 Contact Person: [dropdown]
 Customer Ref. No.: [dropdown]
 Local Currency: [dropdown]

No. Primary: 161
 Status: Open
 Posting Date: 19.11.08
 Delivery Date: 19.11.08
 Document Date: 19.11.08

Contents | Logistics | Accounting

Item/Service Type: Item | Summary Type: No Summary

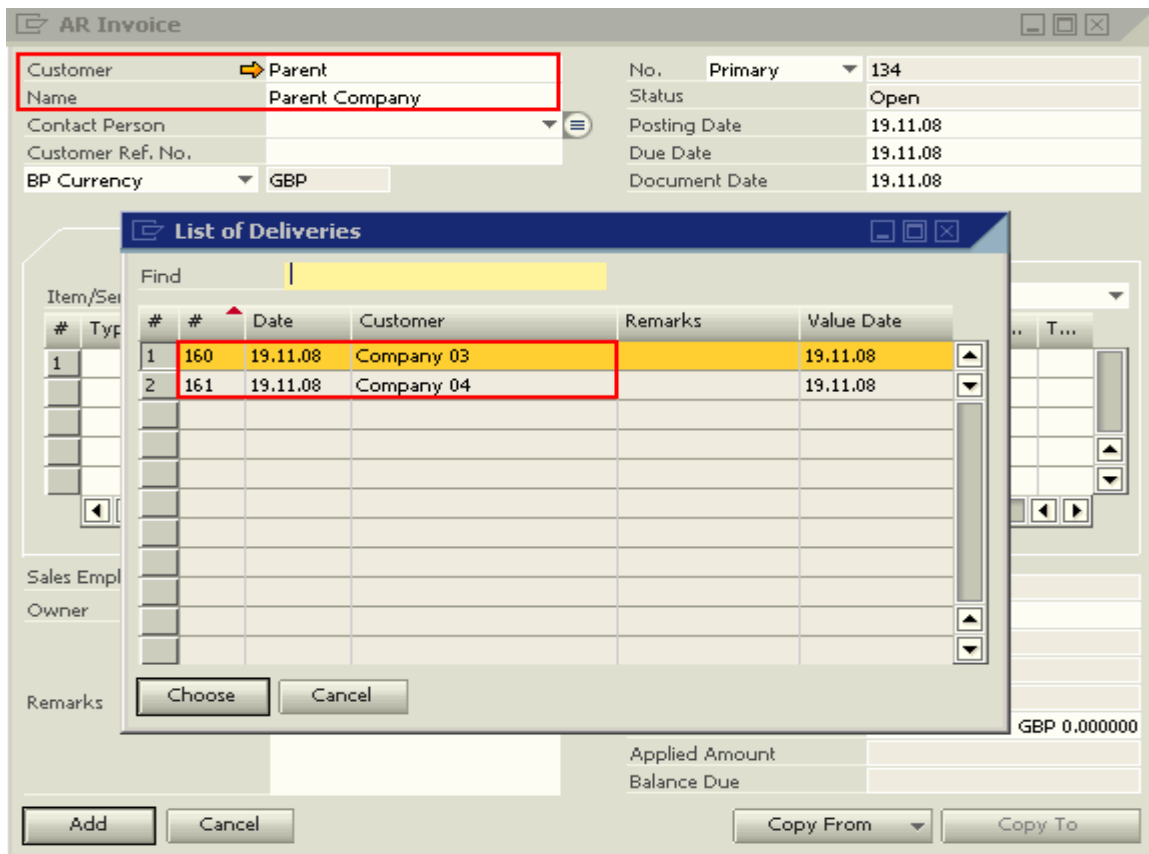
#	Type	Item No.	Item Description	Quantity	Price after Discount	VAT C...	T
1		A1004	Dumbbells 2	5	GBP 20.000000	X0	
2		A1000	Boxing Gloves	5	GBP 15.000000	X0	

Sales Employee: -No SE-
 Owner: [dropdown]
 Remarks: [text area]

Total Before Discount: GBP 175.000000
 Discount: %
 Freight: [dropdown]
 Tax: [dropdown]
 Total: GBP 175.000000

OK Cancel Copy From Copy To

- Open an A/R Invoice in 'Add' mode and enter the parent company's BP Code 'Parent'. Then, click on 'Copy from'. Select 'Deliveries'. Deliveries 160 and 161 created for the 2 subsidiaries appear in the selection list and may be drawn into a single invoice:



- Select the two Deliveries and save the A/R Invoice. Once saved, the journal entry shows an increase in the 'Accounts Receivable' control account of the Parent Company. This is the same behaviour when the consolidation option chosen is 'Payment'.

AR Invoice

Customer: Parent
 Name: Parent Company
 Contact Person: [dropdown]
 Customer Ref. No.: [dropdown]
 Local Currency: [dropdown]

No. Primary: 134
 Status: Open
 Posting Date: 19.11.08
 Due Date: 19.11.08
 Document Date: 19.11.08

Contents | Logistics | Accounting

#	Item No.	Quantity	Unit Price	Total (LC)	Base Key	Base Row	Consolidating...
1	A.1004	5	GBP 20.000000	GBP 60.000000	160	0	Con03
2	A.1000	5	GBP 50.000000	GBP 60.000000	160	1	Con03
3	A.1004	5	GBP 20.000000	GBP 100.000000	161	0	Con04
4	A.1000	5	GBP 50.000000	GBP 75.000000	161	1	Con04

Sales Employee: -No SE-
 Owner: [dropdown]

Remarks: [text area]

Total Before Discount: GBP 295.000000
 Discount: %
 Total Down Payment: [dropdown]
 Freight: [dropdown]
 Tax: [dropdown]
 Total: GBP 295.000000
 Applied Amount: [dropdown]
 Balance Due: GBP 295.000000

OK Cancel Copy From Copy To

Journal Entry

Series: Primary
 Number: 1082
 Posting Date: 19.11.08
 Due Date: 19.11.08
 Doc. Date: 19.11.08
 Ref. 1: 134
 Ref. 2: [dropdown]
 Trans. Code: AR Invoice - Parent
 Remarks: [dropdown]

Origin: IN
 Origin No.: 134
 Trans. No.: 1082
 Template Type: [dropdown]
 Template: [dropdown]
 Indicator: [dropdown]
 Project: [dropdown]

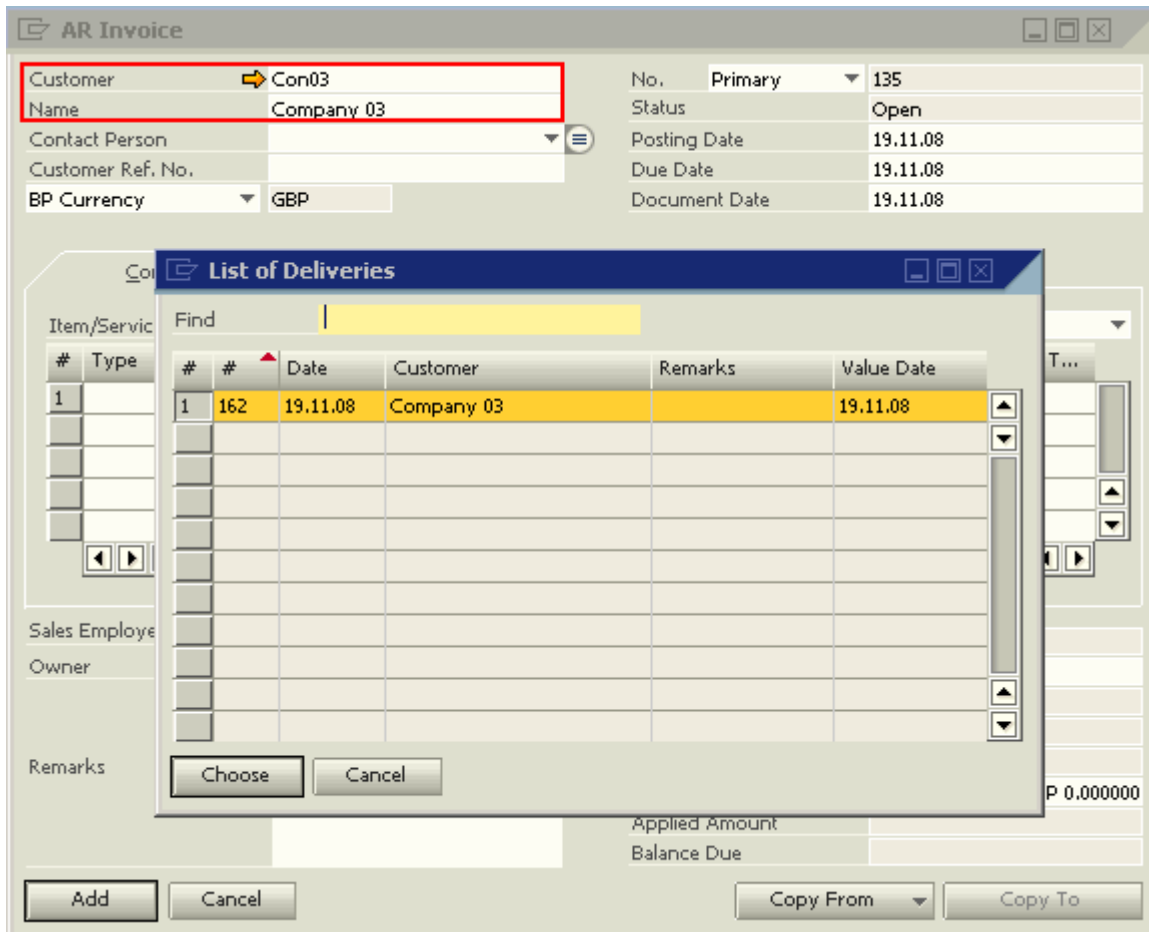
Fixed Exchange Rate EU Report Automatic VAT

Expand Editing Mode

#	G/L Acct/BP Code	Control Acct	G/L Acct/BP Name	Debit	Credit	VAT Code
1	Parent	140000	Parent Company	GBP 295.000000		
2	207000	207000	VAT Payable (output Tax)		GBP 0.000000	X0
3	400000	400000	Sales Revenue (Domestic) - Product No.1		GBP 295.000000	
				GBP 295.000000	GBP 295.000000	

OK Cancel Display in FC Display in SC Cancel Template

- When accessing the A/R Invoice and entering the subsidiary company's BP Code, 'Con03', only the Delivery for this subsidiary is shown as follows:



When the A/R invoice is posted for BP 'Con03', note that the receivable control account of the subsidiary company will be debited.

The screenshot shows the SAP Journal Entry window. At the top, the Series is 'Primary', Number is '1122', Posting Date is '26.11.08', Due Date is '30.11.08', Doc. Date is '26.11.08', Ref. 1 is '148', and Remarks is 'A/R Invoices - Con03'. The Origin is 'IN', Origin No. is '148', and Trans. No. is '1122'. The Fixed Exchange Rate is set to '0.000000'. The journal entry table has three lines:

#	G/L Acct/BP Code	G/L Acct/BP Name	Control Acct	Debit	Credit
1	Con03	Company 03	140030	GBP 120.000000	
2	207000	VAT Payable (output Tax)	207000		GBP 0.000000
3	400000	Sales Revenue (Domestic) - Product No.1	400000		GBP 120.000000

The receivable control account of the parent will only be used when the Parent's BP code is entered in the A/R Invoice document.

Summary

The table below summarizes the consolidation options:

Functionalities	Payment	Delivery
Consolidate Different Subsidiary Companies' Deliveries in One A/R Invoice	No	Yes
Use of Parent BP Code in A/R Invoice	No	Yes
A/R Invoice from Delivery Increases the Parent BP's A/R Control Account	Yes	Yes, when Parent BP Code is entered in the A/R Invoice. No, when Subsidiary BP Code is entered in the A/R Invoice.

Related Contents

- [SAP Business One in Action Catalog Page](#)
- [Link to DRC](#) documentation
- For more information, visit the [Business One homepage](#).

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