

Microsoft Dynamics 365 Finanzas Y Operaciones Colombia Localization



Scope

AlfaPeople has localized Microsoft **Dynamics 365 Finance & Operations** to comply with the requirements of over 12 countries in Latin America. One of them is **Colombia**, to comply with the Accounting, financial and tax regulations included in the **DIAN (tax and customs authority) regulations. The different functionalities defined in the localization for Colombia** are divided into general and reporting functionalities. In addition, specific characteristics are included for each module. This localization can be used at the general level by all private and public-sector companies.

The AlfaPeople Colombia version localization adds functionality to the financial series that includes, among others, General Accounting, Fixed Assets, Inventory Management, Banks Management, accounts receivable, accounts payable, project management and accounting, designed with Microsoft good practices and the extensive experience of AlfaPeople in the business.

Benefits

The Colombia Version allows you to

promptly cover the legal requirements in Colombia in a simple and clear manner, with the support and experience of a group of skilled professionals to assist clearly in its configuration and so make best use of the standard functionalities of Dynamics 365 supplemented with the Colombia Version.

Architecture

The implementation base of the Colombia version is constructed under ISV certification parameters established by Microsoft. The functionality includes the implementation of privileges, duties, entities, electronic reports, use of LCS (Life Circle Services) tools such as BPM (Business Process Management), Asset Library and an implementation methodology, among others.

The management approach used is similar to the one Microsoft uses for regionalization and can also be activated through a configuration. Activation by company or legal entity lies in making a country association, allowing the tools to fully coexist with other localizations, including ones built by Microsoft.

For use of the full functionality of the Colombia Version, you must have the following configurations:

Classification of Characteristics	Description	Scope
Regulatory	Physical location	Permits the invoicing resolution and consecutive numbering for paper invoices and credit notes to be configured, permits associating the user or users that can carry out these operations for Service invoices, Sales order invoices and Proposed project invoices. In 2021, functionality was added to support consecutive numbering by branch offices for the supporting document when the entity is not required to invoice. (Does not apply directly for electronic invoicing).
Competitive	Legal type	Permits identifying the type of entity associated with the company.
Competitive	CIU Code	Permits selecting and storing the company's business activity by CIU code.

ACCOUNTING LEDGERS

Classification of Characteristics	Description	Scope
Regulatory	Journal	This contains a chronological record of all the economic entity's operations, whether by individual entry or by summaries that cannot exceed one month, showing all the entries by type of record.
Regulatory	Journal grouped by account	This contains a chronological record of all the economic entity's operations, whether by individual entry or by summaries that cannot exceed one month, grouped by account, journal name and record type (the type is AX proprietary)
Regulatory	General ledger	The information is obtained at the general ledger account level and produces a summary of the debit and credit movements that affected each of the general ledger accounts, coded to four digits. AlfaPeople provides the client with a base design model that it can personalize in a standard and autonomous way to the account level it requires.
Regulatory	Inventory ledger and Balance sheet	This report shows the balance of the balance sheet account by set of dimensions. It is downloaded by executing management reporter when the report is printed. Legally, it must be generated at least once a year, and the report can be generated only by a third party. AlfaPeople provides a base design model to the client that it can personalize in a standard way through management reporter to the level of accounts it requires. It can be generated by the third party, although this is not a legal requirement.
Regulatory	Auxiliary ledger	Contains the set of financial dimensions, set name, accounting entry, transaction date, transaction text, document number, initial sum, debit, credit and accumulated. If there is a high volume of transactions, this must be filtered by account range, since the auxiliary ledgers are generally managed by module or process.

TAX REPORTS

Reports

Classification of Characteristics	Description	Scope
Regulatory	DIAN daily sales ledger report	This report provides the details of sales made at each point of sale or physical location of the company, grouped by Department and user, according to the DIAN Resolution.
Regulatory	Withholdings certificate	Generates the certificate that must be issued to suppliers for each withholding concept that pertains to them. Applies for withholdings of Income, VAT and Industry and Commerce Tax (ICA)
Regulatory	Supporting document for parties not required to invoice	The Colombia Version automatically numbers the records of suppliers classed as not required to invoice. It also generates the format of the supporting document that must be attached to the accounting along with the bills from these people, in accordance with that established in the Colombian regulations for this purpose.
Competitive	Withholdings report	Displays by third party, tax code and date, to support the offset of withholdings and preparation of the statements.
Competitive	Taxes report	Displays by third party, tax code and date, to support the offset of taxes and preparation of the statements.
Competitive	VAT prorating report	Displays the net value of the exchange difference for the client and supplier modules, support for the tax return
Competitive	Exchange rate difference realized report	Displays the net value of the exchange difference for the client and supplier modules, support for the tax return
Competitive	Withholdings certificate query	This query generates the withholdings with the original purchase value

TAX REPORTS

Reports

Classification of Characteristics	Description	Scope
Regulatory	National magnetic media	This functionality is intended to generate the information external to the DIAN, in accordance with the technical specifications provided by the DIAN resolutions, with the configuration of the common formats and concepts for companies in the country. This is done by account or tax code. For more detail see the scope specifying the formats, since this regulation is fairly long.
Reports		
Regulatory	District magnetic media	District magnetic media permits generating the articles in accordance with the technical specifications provided by the District Tax Authority of the district or treasury secretary of each municipality where the scope part of the design for Bogotá must be reported with a file structure configuration that is adaptable to other municipalities in the country. The scope document and the manual detail the articles covered.



ACCOUNTING AND TAX FUNCTIONALITIES

Classification of Characteristics	Description	Scope
Competitive	Journal reversal	This functionality permits reversing a journal in the Accounting modules, the Client and Supplier journals, taking into account the localization fields and logic
Competitive	Tax base	When a modification is made to a tax code, it permits entering the base value of the operation, if applicable, and it also permits indicating whether this value is included in purchases as the basis of the withholdings certificate
Competitive	Dimensioning of the third party	This is created automatically as configured for the client or supplier account number, or the VCOL field identification number. It is associated automatically with the client or the supplier and is used in the accounting records
Competitive	Income accounts for refunds	Permits the management of the income accounts for sales refunds of the sales order invoices and project invoices.
Competitive	Sales discount account for refunds	Permits the management of the income type refund accounts for the refunds of invoice discounts, for sales with sales order invoices.
Competitive	Bank account type	Permits classifying bank accounts into current or savings, which is usually required by the national banks for operations carried out through them.
Regulatory	Self-employed income	Enables filtering and calculating the withholdings base for suppliers by expressing work income as monthly, as well as the table of intervals and the calculation of withholding by contract expressed as monthly; does not apply for reversals
Regulatory	City	Permits associating the city's tax code for the purpose of the industry and commerce tax
Competitive	Tax type	Permits classifying the tax code by type, industry and commerce tax, VAT, withholding, consumption
Competitive	Withholding limit	Permits calculating withholding in the notes when it is below the limit
Competitive	VAT refund	From the tax recording group, it permits configuring the general ledger account for the VAT refund for sales and the VAT refund for purchases

SUPPLIERS

Classification of Characteristics	Description	Scope
Regulatory	Identification Number	This option is marked when it is decided that when creating a supplier that the supplier identification number be automatically created with the number entered in the client account field.
Regulatory	Verification Digit	This functionality permits selecting the option to propose or validate the verification digit when creating a supplier
Regulatory	Identification document type	With this functionality, when creating a client or supplier, whether through the address book or the respective master list, you can choose the identification type to be used for the person or company.
Competitive	Automatic creation of dimension	This functionality permits selecting which dimension will be automatically created when a supplier is created
Competitive	Creation of overseas suppliers	To report the Magnetic Media, it was necessary to add some fields that become important in order to present accurate information. This option permits assigning a sequence to the supplier configured pursuant to DIAN requirements.
Competitive	Fields for district media	As part of the prior parameterization process, all the existing fields in the supplier master list that are located in the Colombia version tab must be configured , including the information on economic activity, standardization of concept, city, department and country where the transaction is applied.
Competitive	Electronic supporting document for those not required to invoice	With the Electronic Support Document solution, AlfaPeople covers the Supporting Document generation process in acquisitions made from those not required to invoice, sending it through integration of Microsoft Dynamics 365 for Finance and Operations with the electronic invoice supplier and validation and reception with the CUDE code by the Tax and National Customs Authority (DIAN). The product, as the Colombia version, covers up to the detailed form; generation of the Json and integration with the electronic supplier is aligned with the actual electronic invoicing for sales with integration by our electronic provider Noova Negocios Electrónicos. If the process is done using another electronic provider, the fields can be reutilized, but the changes that must be made and the redesign of the web services must be quoted for.

CUSTOMERS

Classification of Characteristics	Description	Scope
Regulatory	Identification number	This option is marked if when creating a client, you want to create the client identification number automatically using the number entered in the client account field
Regulatory	Verification digit	This functionality permits selecting the option of proposing or validating the verification digit when creating the client
Regulatory	Identification document type	With this functionality, when creating a client or supplier, whether through the address book or the respective master list, you can choose the identification type to be used for the person or company.
Competitive	Automatic creation of dimension	This functionality permits selecting which dimension will be automatically created when a client is created, whether from the client number or from the client identification number in the VCOL tab
Competitive	Creation of the exterior	To report the Magnetic Media, it was necessary to add some fields that become important in order to present accurate information. This option permits assigning a sequence to the client configured pursuant to DIAN requirements.
Competitive	Fields for district media	As part of the prior parameterization process, all the existing fields in the supplier master list that are located in the Colombia version tab must be configured , including the information on economic activity, standardization of concept, city, department and country where the transaction is applied.

SALES, INVENTORY AND TAX FUNCTIONALITIES

Classification of Characteristics	Description	Scope
Regulatory	Calculation of zero VAT, commercial samples and donations	This functionality permits reversing a journal in the Accounting modules, the Client and Supplier journals, taking into account the localization fields and logic
Regulatory	Additional articles, commercial samples and donations	Permits calculating VAT on articles with price zero when configuring taxes, inventory and sales orders, whether taking the commercial price, purchase price or the average cost as the basis.
Regulatory	Zero base price, commercial samples and donations	Permits manually inputting the base on which the VAT must be calculated when the price is zero, as well as in the service invoices
Regulatory	Inventory concepts	Permits creating concepts for the inventory movement journals to predetermine the balancing entry account and control the sign in the entry or exit of quantity

NIIF FUNCTIONALITY

Regulatory - Competitive	Portfolio impairment process	Portfolio impairment is the loss in value of the portfolio due to non-payment thereof. Portfolio impairment is applied when there is objective evidence of impairment and in Dynamics 365 it is executed at the user's decision by days due, pursuant to the user's definition and according to the percentages entered for executing the process. For this it can also be supported by the historical payments report that is also part of the localization, and it must go from the oldest period to the most recent
Regulatory - Competitive	Inventory impairment process	Impairment is a concept that involves "loss of value of an asset". This reduction is a loss due to loss of value and is recognized immediately in the results. Dynamics 365 has a scope for the finished product, that is, inventory for sale; it does not apply to materials, although the process could be run on these inventories, the finished product fabricated in the company would not be updated. It can be defined to execute by group or can be updated by loading a template for each inventory item for costs (marked financial cost) at the level of product dimensions; configuration, size and color, for the storage dimensions at site and storeroom level. It does not apply to follow-up dimensions configured for average cost (financial cost)
Regulatory - Competitive	Impairment/valuation of fixed assets process	Permits updating the value of the assets according to whether it is a devaluation or revaluation. Can be done by group or with an Excel template

NIIF REPORTS

Classification of Characteristics	Description	Scope
Regulatory	Historical payments report	Permits determining by client the days passed since the payment deadline for their invoices and the date on which they are paid. Only applies for [sic]
Regulatory	Portfolio impairment	Shows the result of the execution of the portfolio impairment process according to the latest execution, in the transaction currency

Note: The functionalities incorporated herein are built under a standard version of the Dynamics 365 for Operations product, for the Colombia AP version. In order to be implemented, a code review is required (Merge Code) in the Customer's environment, along with a testing plan. Implementation activities are not considered within the scope and release of product updates.

More Information

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