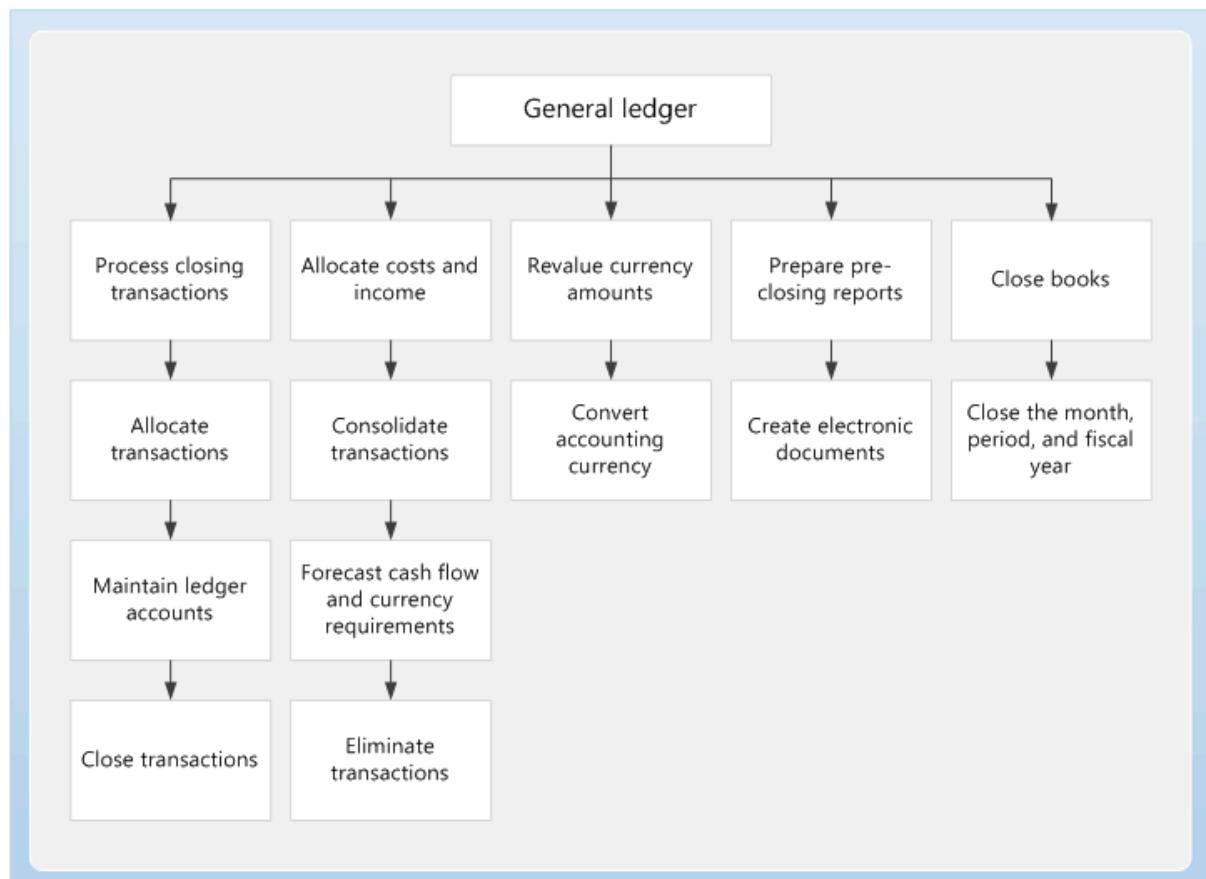


# What is the General Ledger in D365 Finance & Operations?



The General Ledger (GL) in [Dynamics 365 Operations and Finance](#) (D365 F&O) serves as the backbone of financial management within the system. It is a comprehensive register that records all financial transactions for a legal entity, providing a complete view of the organization's financial health.

## Core Functions of the General Ledger

- Financial Record Management:** The GL is essential for defining and managing an organization's financial records. It captures all debit and credit entries, which are classified using a structured chart of accounts. This classification facilitates accurate reporting and analysis of financial data.
- Transaction Allocations:** Finance and Operations allows for the allocation of monetary amounts to various accounts or account and dimension combinations based on predefined allocation rules. There are two types of allocations:

- **Fixed Allocations:** These are predetermined amounts distributed across accounts.
  - **Variable Allocations:** These depend on specific criteria or calculations, allowing for more flexibility in financial management.
3. **Settlement and Revaluation:** The GL enables users to settle transactions between ledger accounts and revalue currency amounts as needed. This feature is particularly useful for organizations dealing with multiple currencies, ensuring accurate financial reporting across different regions.
  4. **Fiscal Year-End Processes:** At the end of a fiscal year, organizations must generate closing transactions to prepare their accounts for the next fiscal year. This process ensures that all financial activities are accurately reflected in the new period, maintaining continuity in financial reporting.
  5. **Consolidation of Financial Results:** For organizations with multiple subsidiary entities, D365 F&O provides consolidation functionality. This feature allows businesses to combine financial results from various subsidiaries—whether they reside in the same database or separate ones—into a single, consolidated report, enhancing visibility into overall performance.

## Sales Tax Management

The GL also plays a crucial role in managing sales tax obligations. Organizations can set up sales tax codes that define how much tax is collected and paid to various authorities. This setup includes configuring rates based on jurisdiction and ensuring compliance with changing regulations.

## Integration with Sub-Ledgers

The General Ledger works in conjunction with various sub-ledgers, such as accounts payable, accounts receivable, and inventory management. These sub-ledgers capture detailed transaction data that feeds into the GL, allowing for comprehensive financial reporting and analysis. Each sub-ledger manages specific types of transactions, ensuring that all financial activities are accurately recorded and reflected in the GL.

## Conclusion

In summary, the General Ledger in [Finance and Operations](#) is a vital component for managing an organisation's financial health. Its capabilities extend beyond mere record-keeping; it facilitates complex allocations, consolidates results from multiple entities, manages sales tax compliance, and integrates seamlessly with sub-ledgers to provide a holistic view of an organization's finances. By leveraging these features, businesses can enhance their [financial management](#) processes and make informed decisions based on accurate data.