

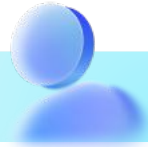
# Inter-Franchise Posting Without the Cleanup



## Your Monday Morning Outcome

By following this guide, you will have inter-franchise posting rules configured, automated journal entries running for shared expenses, intercompany clearing accounts in place, and consolidated reports that verify accuracy at the franchise level – so month-end close stops being a reconciliation project.

### Before You Start



## Pre-Implementation Checklist

### ✓ Inter-franchise transaction inventory

List the recurring inter-franchise transactions today – vehicle transfers between rooftops, shared expenses, intercompany loans. Each one is a posting rule that should automate.

### ✓ Clearing accounts identified

Identify or create the intercompany clearing accounts that will hold inter-franchise transactions until they balance. Without clearing accounts, mismatches disappear into general ledger noise.

### ✓ Current close-time baseline

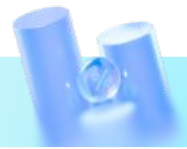
Document how long inter-franchise reconciliation takes at month-end today. This is the number that should fall as auto-posting rules take over manual entry.

### ✓ Stakeholder alignment

Each rooftop's controller needs to understand the posting rules that affect their store. Inter-franchise transactions touch two sets of books simultaneously; both controllers need clarity on the workflow.

### ✓ Baseline captured

Pull the AP and AR Aging Reports per rooftop. Identify any aging items related to inter-franchise transactions – these are your most likely cleanup candidates.



# Configure Inter-Franchise Posting Rules

**Time:** 10 minutes | **Navigation:** Settings > Accounting > Inter-Franchise

Setting	Configuration
<b>Posting Rule per Transaction Type</b>	Build a posting rule for each recurring inter-franchise transaction. Vehicle transfer between rooftops, shared advertising expense, intercompany service work. Each rule defines the GL accounts on both sides of the transaction.
<b>Clearing Account Assignment</b>	Assign the intercompany clearing account to each posting rule. The clearing account holds the transaction until both sides post; mismatches stay visible until cleared.
<b>Approval Threshold</b>	For transactions over a defined dollar threshold, require manager approval before posting. Routine intercompany activity flows automatically; large transactions get human review.
<b>Audit Logging</b>	Confirm every inter-franchise transaction logs to the audit trail with originating store, receiving store, amount, and posting user. Audit trails are how disagreements get resolved without rebuilding history.

# Set Up Automated Journal Entries

**Time:** 10 minutes | **Navigation:** Settings > Accounting > Standard Entries

Setting	Configuration
<b>Shared Expense Allocation</b>	For shared expenses (advertising, utilities, insurance), build standard entries that allocate the expense across rooftops automatically. Enter once at the parent; the system splits to the children.
<b>Recurring Allocation Schedule</b>	For monthly recurring entries (depreciation, rent, allocations), schedule the entry to post automatically each period. Eliminates the standing list of month-end entries the controller has to remember.
<b>Allocation Percentage Rules</b>	Configure the allocation method per expense type. Some expenses split evenly across stores; some split by revenue percentage; some split by headcount. Set the rule once.
<b>Reversal Workflow</b>	Build the reversal workflow for entries that need correction. Auto-reversal preserves the audit trail and is far cleaner than manual edits.

# Configure Clearing and Reconciliation

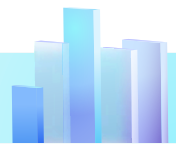
**Time:** 5 minutes | **Navigation:** Settings > Accounting > Clearing Accounts

Setting	Configuration
<b>Daily Clearing Balance Check</b>	Pin the intercompany clearing account balance to the controller dashboard. Balance should clear to zero between rooftops. Any non-zero balance is a transaction that did not post on both sides.
<b>Variance Tolerance</b>	Set the variance tolerance. Differences under the threshold are typical rounding and can be auto-resolved; differences over the threshold require manual review.
<b>Auto-Reconciliation Rules</b>	Configure rules to auto-clear matching transactions between rooftops. When the originating entry and the receiving entry match by amount, date, and reference, they clear without manual intervention.
<b>Aging Alert Setup</b>	Configure alerts on intercompany items aging beyond a defined window. Aged intercompany balances are where reconciliation problems hide; surfacing them weekly prevents the month-end surprise.

# Build the Monthly Close Routine

**Time:** 5 minutes | **Navigation:** Accounting > Reports > Inter-Franchise Tile

Routine	Configuration
<b>Daily Clearing Review</b>	Each morning, scan the intercompany clearing tile. Yesterday's transactions should be fully cleared. Anything pending more than two days needs investigation.
<b>Weekly Variance Review</b>	Pull the inter-franchise variance report weekly. Investigate every variance over tolerance the week it occurs. Variances accumulating to month-end is the failure mode this workflow exists to prevent.
<b>Monthly Close Audit</b>	At month-end, confirm clearing accounts are zeroed and standard entries posted on schedule. Close-time should fall steadily as auto-posting takes over manual entry.
<b>Quarterly Rule Refinement</b>	Once a quarter, review your posting rules and standard entries. New transaction types appear; allocation percentages drift; rules need updating to match how the business actually operates.



## Measure Your Results

Report	Navigation	What to Look For
<b>Inter-Franchise Tile</b>	Accounting > Dashboard > Inter-Franchise	Real-time view of intercompany clearing balances by rooftop pair. The single view that surfaces inter-franchise reconciliation gaps the day they happen.
<b>AP and AR Aging</b>	Accounting > Reports > Aging	Outstanding inter-franchise payables and receivables by rooftop. Identifies aging transactions that have not yet cleared between stores.



## Best Practices

### **Configure rules before clean-up, not after**

The instinct on a messy intercompany clearing account is to reconcile first and then build the rules. The better order is reversed – get the posting rules and standard entries configured so new transactions land cleanly, then clean up the legacy mess. Cleaning up first while transactions still flow through the old workflow means you do the same cleanup again next month.