

Smarter Allocations: Expanding the Value of Intacct's Dynamic Allocation Module

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Passionate about solving complex challenges, by combining deep financial system knowledge with creative problem-solving to deliver ERP solutions that drive operational efficiency and support long-term success.

Transaction Allocations vs Dynamic Allocations

| Feature | Transaction Allocations | Dynamic Allocations |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basis | <ul style="list-style-type: none"> - Static percentages or amounts (e.g., 50% Program A, 50% Program B). - Defined during transaction entry (e.g., AP bill, journal entry). - Manual updates if allocation rules change. - Suitable for fixed, predictable splits. | <ul style="list-style-type: none"> - Dynamic basis (e.g., FTEs, direct costs, square footage). - Automatically pulls source balances for calculations. - Adjusts to changing data (e.g., monthly FTE updates). - Ideal for variable or complex allocations. |
| Audit Trail | <ul style="list-style-type: none"> - Transaction logs capture static splits at entry. - Basic view in General Ledger > Transactions > View Log. - Limited drill-down (shows split amounts, not rationale). - Manual documentation needed for audits. | <ul style="list-style-type: none"> - UDB reports provide detailed, click-through history. - Allocation Log and Snapshot reports in General Ledger > Reports. - Tracks source, basis, and target for transparency. - Built-in rationale field for audit compliance. |

Use Cases

- Shared costs (e.g. staff salaries, event expenses or advocacy materials) across department/grant
- Program fees by revenue per project
- Technology costs by headcount or FTE
- Salaries by hours per program
- Indirect Cost Recovery (percentage of direct costs) billed to department/grant
- Revenue from donations or tickets needing allocation to specific programs
- Calculate markups from percentage of direct costs (if using project billing module)
- Restriction Releases
- Settle due-to's through cash (if not using inter-entity mapping)

Dimension Treatment Configuration – “Which dimensions do I need captured in the entry?”

Dimension treatment

Allow allocations

Within one entity

Across entities

| | | |
|------------------|------------------|-----------------|
| Fund | Department | Restriction |
| Preserve values | Allocation focus | Preserve values |
| Vendor | Customer | Employee |
| Not considered | Not considered | Not considered |
| Project or Grant | Item | Site |
| Preserve values | Not considered | Preserve values |

Not considered

Preserve values

Allocation focus

Per dimension value

our allocation. You can narrow the allocation scope

Source Pool Configuration – “What am I allocating?”

Account groups containing accounts to allocate and respective percentage

True Up Methodology:
Activity Delta: Allocates change in source pool from initial allocation
Auto-Reverse Prior Post: Reverses prior allocation to re-allocate full amount for one posting per period
None: No true up

Dimension Filters (optional):
 Filter source pool to only include transactions tagged to specific dimensions. You can also use dimension groups.

Source pool

Select the account group that will be the source of your allocation. You can narrow the allocation scope by selecting dimension filters.

Account group * Allocation Expenses

Reporting book ACCRUAL

Source pool time period * Current Month

Percentage to allocate * 100

Alternate book

True-up
 Activity delta
 Auto-reverse prior post
 None

Dimension filters

Entity/Location(s) * 100--United States

Vendor(s)

Project(s)

Department(s) GA--General and Admin

Customer(s)

Contract(s)

Item(s)

Class(es)

Employee ID(s)

Test UDD

Note: If allocating across entities, entity/location is required to serve as the source entity for intercompany transactions.

Basis Configuration – “How am I calculating the split?”

▼ Basis

Select the basis for how the allocation splits source amounts into each target. You can narrow the allocation scope by selecting dimension filters.

| | | |
|--------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|
| Allocation method * Dynamic-relative account statistical | Account group * Employee Headcount Dept | Accumulation * Ending Balance |
| Reporting book ACCRUAL | Alternate book Select | Use amounts from * Main reporting book and alternate books |
| Basis time period * Current Month | <input type="checkbox"/> Drop negative basis lines from consideration | |

Dimension filters

| | | |
|---------------------------|--------------------|-----------------------|
| Entity/Location(s) | Customer(s) | Class(es) |
| Vendor(s) | Contract(s) | Employee ID(s) |
| Project(s) | Item(s) | Test UDD |
| Department(s) | | |

Account groups containing accounts to determine how the allocation will be split (can be financial or statistical)

Period Activity: Net Change/Income Statement
Ending Balance: Cumulative/Balance Sheet

Dimension Filters (optional):
Filter basis to only include transactions tagged to specific dimensions. You can also use dimension groups.

Target Configuration – “Which accounts are impacted by the entry? Which reporting book?”

▼ Target entry

Select the Journal where the allocation entry will be recorded.
The debit and credit accounts selected depends on how your allocation has been set up.
For example, expense allocations would normally have the allocation as a debit.

Reporting book: ACCRUAL

Alternate book: Allocation

Journal: ALLOCJ--Allocation Journal

Allocation destination

Account: 8000--Allocated Expenses

Exchange rate type: Intacct Daily Rate

Dimension overrides

| Dimensions | Name |
|------------|------|
| 1 | |

Flag target lines as billable

Reversing source pool

Use source account

Reversing source pool

Use source account

Dimension overrides

| Dimensions | Account | Name |
|------------|--------------------------|------|
| 1 | 8000--Allocated Expenses | |

Annotations:

- User Defined Book and Journal where allocation should post to.
- GL Account the allocation should post to
- Dimension override if dimension treatment was set to “not considered” under *Dimension Treatment*
- Reverses amount from where the balances were originally posted (alternatively, can select specific GL account)

Note: You can setup multiple books/journals to separate different type of allocations

Update: Use source account is now available for the allocation destination too!

Live Demonstration, Then Takeaways

Takeaways – Before you begin

- Source Pool Configuration – “What am I allocating?”
- Basis Configuration – “How am I calculating the split?”
- Target Configuration – “Which accounts are impacted by the entry? Which reporting book?”
- Dimension Treatment Configuration – “Which dimensions do I need captured in the entry?”

Takeaways - Terminology

- **Allocation focus** are the dimensions you want to allocate or reclassify based on the calculation method selected in the Basis section
- **Per dimension value*** are the dimensions you want to allocate or reclassify but still process a full allocation per individual value
- **Preserve values** keep their original values assigned during initial entry (as found by the source pool)
- **Not considered** aren't used for the calculations during the generation of the allocation but can still be used as a filter to narrow the source pool or basis

*This selection can only be used with the Employee and Department dimensions.

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Takeaways - Reminders

- **Use Allocation Log to:**
 - Delete/Duplicate entries (cannot edit entries)
 - View Allocation Snapshot (view source balances & splits used to generate the entry)
- **Allocation Groups Processing Methods:**
 - Stop if a group member in the sequence fails - "Run dependently"
 - Skip and continue if a member in the sequence fails - "Run independently"
- **Reporting Options:**
 - Duplicate to move entries to main reporting books (Cash and/or Accrual); Or,
 - Overlay allocation book over main reporting books to view both pre/post allocation data
- **If the entry is too large, Intacct will require you to either:**
 - Per dimension value for department and/or employee
 - Use multiple definitions (can be grouped to run together)

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