Workday

Workday-Record-to-Report

Workday Pro Record-to-Report (R2R) Certification Exam

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Latest Version: 6.0

Question: 1

If a user records an on-account payment for a customer, what additional step must be completed in Workday before a refund may be processed?

A. Write-off bad debt
B. Create settlement run
C. Create a customer deposit
D. Process a customer invoice adjustment

Answer: C

Explanation:
Comprehensive and Detailed 150 to 250 words of Explanation From Workday Record-to-Report/Course Guide/topics:
An on-account customer payment represents cash received but not yet applied to a specific receivable. Before Workday can process a refund from that recorded payment, the payment must be included in a customer deposit. The deposit establishes the bank-account side of the receipt, completes the controlled cash-recording step, and makes the amount available for subsequent cancellation or refund processing. This is distinct from applying the payment against a customer invoice.
Writing off bad debt addresses an uncollectible customer balance and does not convert an on-account receipt into refundable cash. A settlement run is used later to create and process outbound payments, including approved customer refunds, but the eligible refund transaction must first exist. A customer invoice adjustment changes a billed receivable; it is not the prerequisite for refunding an unapplied payment. Therefore, Create a customer deposit is the required additional step. The configuration also preserves a complete audit trail from the recorded payment, through deposit accounting, to the resulting customer refund and settlement. This treatment aligns with the Workday Record-to-Report control model in which cash receipt recording, depositing, refund authorization, and payment settlement are separate but linked events.
Official Workday Workday Education - Customer Receipts; topics: on-account payments, customer deposits, and customer refunds.
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Question: 2

Refer to the following scenario to answer the question below.

A company created a journal sequence generator rule, assigned the rule to the company, selected to create ID generators, opened accounting periods, and posted journals to the current ledger year. Next, the company added a condition to the journal sequence generator rule. What step can the company implement to change the journal sequence for the current ledger year?

A. Close the remaining ledger periods to disallow more journal postings in the current ledger year.
B. Utilize the Mass Delete Journal Sequence Generator IDs task.
C. Journal sequence formats cannot be adjusted for the current year once journals are posted.
D. Unpost all journals in the current ledger year.

Answer: D

Explanation:
Comprehensive and Detailed 150 to 250 words of Explanation From Workday Record-to-Report/Course Guide/topics:
Journal sequence generator IDs are applied when journals post, so the posted journals are the controlling dependency when a company needs to revise the sequence rule for the current ledger year. Because journals have already posted under the original rule, the company must first unpost every journal in that ledger year. This removes the posted-journal dependency and makes the affected sequence generators eligible for the controlled maintenance needed before the revised rule can be used.
After unposting, the company can remove unused generator IDs as applicable, update the journal sequence generator rule with the new condition, create the required generators again, and repost the journals so that numbering follows the revised configuration. The Mass Delete Journal Sequence Generator IDs task alone is not sufficient because it cannot delete identifiers that remain associated with posted journals. Closing the remaining periods also does not resolve the existing posted transactions or rebuild their sequence. Option C is therefore too absolute: the sequence can be changed for the current year, but only after the posted journals that depend on the original generator setup are unposted. Accordingly, D identifies the essential first action. This procedure preserves Workday's sequencing controls while allowing the updated condition to govern the journals when they are reposted.
Official Workday Workday - Configure Journal Sequence Generator Rules; topics: sequence generator lifespan, posted journals, and changes to journal sequencing.
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Question: 3

Company A and Company B are in the same tenant and are intercompany affiliates. Company A created a customer invoice to record the direct sale of services to Company B. The customer invoice completed successfully, but the corresponding supplier invoice for Company B is in error status.
How will you fix this issue?

A. Confirm the intercompany profiles are configured to accept only manual payment types.
B. Confirm Company B is configured to automatically record receipts from Company A.
C. Confirm Company A is configured to automatically record receipts from Company B.
D. Confirm Company B's associated supplier object is approved.

Answer: D

Explanation:
Comprehensive and Detailed 150 to 250 words of Explanation From Workday Record-to-Report/Course Guide/topics:
A direct intercompany customer invoice created by Company A can generate the corresponding supplier-side document for Company B only when the legal entities are correctly represented as customer and supplier business objects. If Company B's associated supplier object is unapproved, Workday cannot complete the supplier invoice even though the originating customer invoice has successfully completed. The supplier invoice therefore enters error status until the supplier setup is approved and valid for use.
Automatic intercompany receipt settings relate to settlement and receipt generation after an intercompany obligation is paid; they do not control whether the supplier invoice is initially generated from the approved customer invoice. Manual payment-type selections likewise affect settlement configuration rather than supplier-document creation. Because the intercompany transaction already initiated successfully, the relationship and invoice-generation service are substantially in place. The failed downstream document points directly to the status of Company B's supplier representation. The administrator should approve or correct the associated supplier object, confirm its company mapping and required item or category relationships, and then resume or reprocess the supplier invoice event. This preserves the linked direct-intercompany document chain and ensures that Company A's receivable and revenue are matched by Company B's payable and expense.
Official Workday Workday - Setup Considerations: Direct Intercompany Activities; topics: direct intercompany invoices and companies maintained as customers or suppliers.
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Question: 4

Refer to the following scenario to answer the question below.
A company is a global organization that needs to comply with multiple accounting standards. The company has configured their account posting rules so that certain supplier invoices will comply with U.S. GAAP rules but will not comply with IFRS.
In addition to the supplier invoices, what transaction is necessary for the IFRS book to achieve compliance?

A. An adjusting journal entry that includes a book code specific to U.S. GAAP.
B. Two adjusting journal entries that include book codes for IFRS and for U.S. GAAP.
C. An adjusting journal entry assigned to the blank book code.
D. An adjusting journal entry that includes a book code specific to IFRS.

Answer: D

Explanation:
Comprehensive and Detailed 150 to 250 words of Explanation From Workday Record-to-Report/Course Guide/topics:
The supplier invoices generate operational accounting that follows the configured U.S. GAAP account posting rules. Workday ordinarily records operational journals with a blank book code, placing them in the Common Book. Because IFRS requires a different accounting result, the organization must record only the difference through an adjusting accounting journal assigned to an IFRS-specific book code.
The IFRS reporting book can then combine the blank-book-code operational activity with the IFRS adjustment book code. This produces the IFRS result without duplicating the underlying supplier invoice. A U.S. GAAP-specific adjustment is unnecessary because the operational transaction already represents that treatment. Assigning the adjustment to the blank book code would contaminate the common operational basis and make the IFRS difference appear in every book containing blank activity. Creating parallel U.S. GAAP and IFRS adjustments would also duplicate accounting rather than isolate the reporting-basis difference. Therefore, the required transaction is one adjusting journal using the IFRS-specific book code and the ledger accounts needed to reverse or reclassify the U.S. GAAP treatment. This is the central Workday multi-book design: common operational entries are recorded once, while standard-specific differences are held in separate adjustment book codes.
Official Workday Workday Education - Multi-book; topics: blank book code, common book, and IFRS adjustment journals.
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Question: 5

After an acquisition, a new legal entity needs to be set up.
What should you create?

A. A new company organization.
B. A new cost center organization.
C. New worktags that represent the acquisition.
D. A new reorganization before setting up the new cost center.

Answer: A

Explanation:
Comprehensive and Detailed 150 to 250 words of Explanation From Workday Record-to-Report/Course Guide/topics:
A newly acquired legal entity that will maintain its own statutory books must be represented in Workday as a Company organization. Company is the financial organization type that owns accounting transactions, ledgers, fiscal schedules, currencies, account sets, bank accounts, tax

registrations, and financial reporting responsibility. It supplies the legal-entity boundary required for transaction processing and statutory reporting.
A cost center represents managerial responsibility or an area in which costs are accumulated; it does not create a separate legal accounting entity. Worktags can classify transactions and support reporting, but they do not own a ledger or replace the Company organization. A reorganization is used to change relationships or assignments among existing organizations and is not the prerequisite for establishing the acquired legal entity. After creating the Company, administrators assign its accounting details, establish the actuals ledger and periods, configure security roles, and connect it to the appropriate company hierarchy for consolidated reporting. The company may then participate in intercompany profiles, settlements, translations, and consolidations. Creating a Company organization is therefore the first structural action that correctly represents the acquisition in Workday's Foundational Data Model and establishes the boundary within which the new entity's financial transactions will be recorded.
Official Workday Workday Education - Financial Accounting Setup; topics: company organization and legal-entity financial accounting setup.
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