INTER ENTITY LOAN



Inter Entity Loan

- Intercompany loans are loans from one entity to another, within the same Group of Entities. Intercompany lending offers multiple advantages, such as quickly shifting cash between entities or avoiding bank fees.

Inter Entity Loan Reconciliation

- We should check the closing balance in the BS whether is it match with particular inter entity books or not? If yes, fine.
- If not, We should check the opening balance whether is it match with inter entity books or not? If yes, fine or should ask query.
- If not, We should check the each and every transactions in inter entity ledger, whether are these transactions updated in particular inter entity books or not? If yes, fine.
- If not, We should check in bank accounts when it is bank transactions in particular date and bring these transactions which are not updated in particular inter entity books and ask confirmation query.
- We should do the GL Scrutiny whether are any transactions coded in enter entity ledger instead of other head of ledgers like income and expenses, director loan a/c etc…
- We should make the adjustment journal based on client advice after receiving the query response from client.
- We should prepare the workpaper for enter entity loan and put the screen short of particular entity financial report for supporting documents.

THANK YOU