

Reporting and **Analytics2008**



How to Achieve Balanced Financial Reporting with Automated Document Splitting in the New SAP G/L

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What We'll Cover ...

- Document Splitting — Overview
- Document Splitting — Basic Steps
- Document Splitting — Important Elements
- Document Splitting — How Does It Work?
- Document Splitting — Setting Up
- Wrap-up

Document Splitting — Overview

- New General Ledger (or new G/L) in the SAP ERP system offers a powerful feature known as document splitting
- With document splitting, accounting line items are split according to specific characteristics
 - ♦ For example, Profit Center, Segment
- This way, you can create financial statements for entities such as Segments and meet legal requirements
 - ♦ For example, International Accounting Standards (IAS) requirements for segment reporting

IAS 14 relates to segment-level financial reporting. The key objective is to report financial information by lines of business and/or by geographical areas.

Document Splitting — Overview (cont.)

- Sample Financial Transaction

- ♦ Let me illustrate the concepts of document splitting using a simple financial transaction of Vendor Invoice
 - ▶ Vendor Invoice of \$11,000.00 for two purchases and taxes
 - *Two purchases belong to two different profit centers*

Account Description	Amount	Profit Center
Vendor A/C	-11,000	
Purchases 1	8,000	PC-1
Purchases 2	2,000	PC-2
Input Tax	1,000	

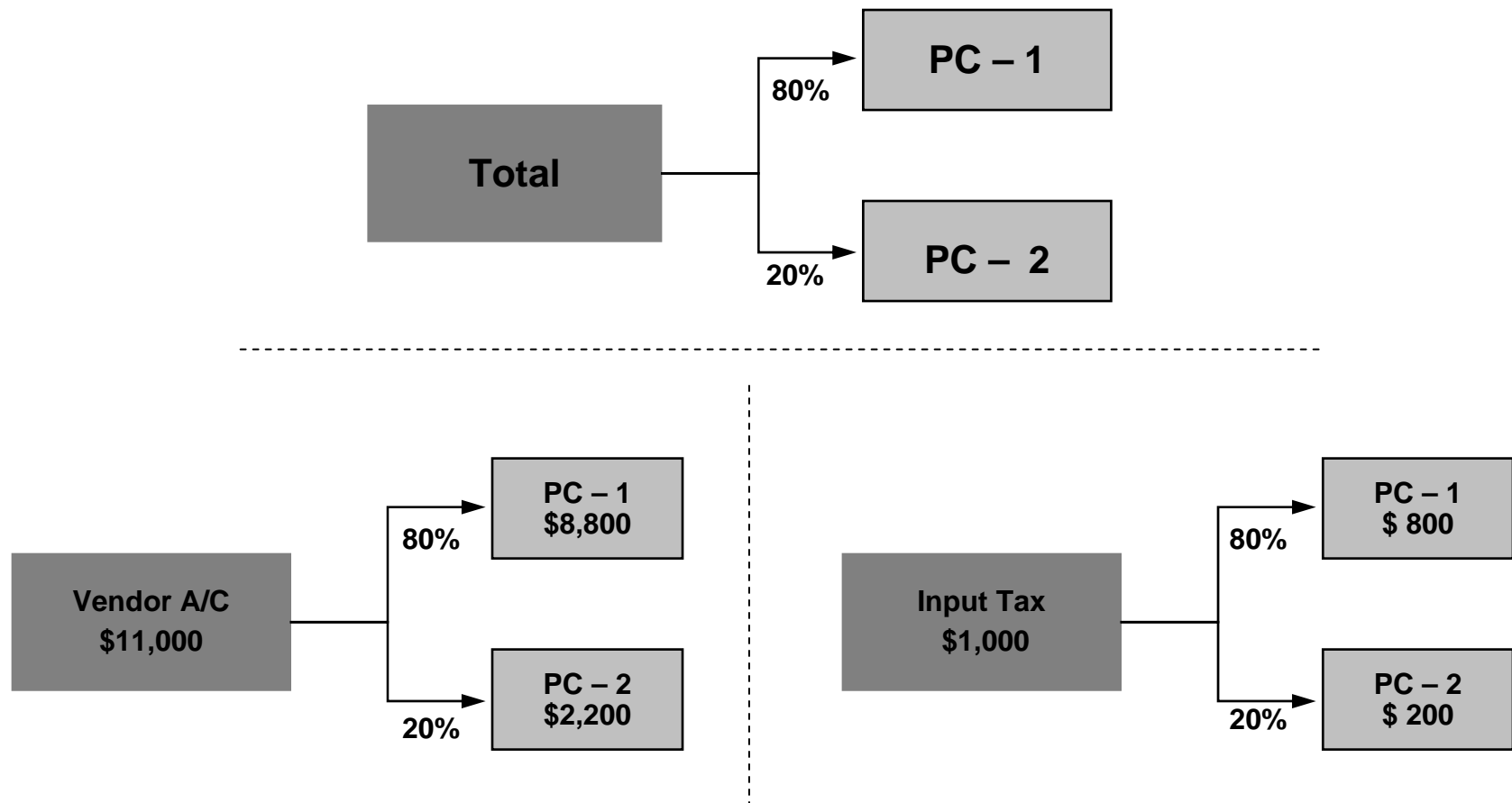
Document Splitting — Overview (cont.)

- This document is not balanced for a characteristic Profit Center
 - ♦ You cannot analyze the financial transactions for individual profit centers
 - ▶ You cannot identify the amount of, for example, Input Tax for each profit center
 - ♦ Similarly, this document is not balanced for Vendor A/C

Account Description	Amount	Profit Center
Vendor A/C	-11,000	
Purchases 1	8,000	PC-1
Purchases 2	2,000	PC-2
Input Tax	1,000	

Document Splitting — Overview (cont.)

- Let's look at the purchases more closely — the Profit Center ratios for purchases
 - The total purchases were in the ratio of 80%-20%



Document Splitting — Overview (cont.)

- Vendor Invoice Document — Alternative
 - ♦ If the original vendor invoice document was posted as shown below using the ratios, you also receive the analysis for the profit centers

Account Description	Amount	Profit Center
Vendor A/C	-8,800	PC-1
Purchases 1	8,000	PC-1
Input Tax	800	PC-1
Vendor A/C	-2,200	PC-2
Purchases 2	2,000	PC-2
Input Tax	200	PC-2

Document Splitting — Overview (cont.)

- Alternative ways to post Vendor Invoice
 - ♦ Comparison of Vendor Invoice Documents
 - ♦ Both documents are financially balanced — total net zero
 - ♦ Document #1 is not balanced for Profit Center
 - ♦ Document #2 is balanced for Profit Center

Document 1 – Not Balanced for Profit Center		
Account Description	Amount	Profit Center
Vendor A/C	-11,000	
Purchases 1	8,000	PC-1
Purchases 2	2,000	PC-2
Input Tax	1,000	

Document 2 – Balanced for Profit Center		
Account Description	Amount	Profit Center
Vendor A/C	-8,800	PC-1
Purchases 1	8,000	PC-1
Input Tax	800	PC-1
Vendor A/C	-2,200	PC-2
Purchases 2	2,000	PC-2
Input Tax	200	PC-2

Document Splitting — Overview (cont.)

- Vendor Invoice Document — Balanced for Profit Center
 - ♦ So that the document is balanced for the specific characteristic (in this example, Profit Center)
 - ▶ The accounting lines for Vendor and Input Taxes are split according to the pre-defined criteria
 - ▶ The splitting-criteria for Vendor accounts is Purchase expenses
 - ♦ This method of splitting accounting items is document splitting

Account Description	Amount	Profit Center
Vendor A/C	-8,800	PC-1
Purchases 1	8,000	PC-1
Input Tax	800	PC-1
Vendor A/C	-2,200	PC-2
Purchases 2	2,000	PC-2
Input Tax	200	PC-2

Document Splitting — Overview (cont.)

- Document splitting in the new G/L

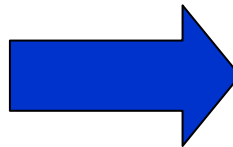
- ♦ New G/L offers AUTOMATIC document splitting

- ▶ Instead of analysts manually splitting the accounting items, system automatically splits the document
 - ▶ You can configure the rules for document splitting



Key
Feature

Account Description	Amount	Profit Center
Vendor A/C	-11,000	
Purchases 1	8,000	PC-1
Purchases 2	2,000	PC-2
Input Tax	1,000	



Account Description	Amount	Profit Center
Vendor A/C	-8,800	PC-1
Purchases 1	8,000	PC-1
Input Tax	800	PC-1
Vendor A/C	-2,200	PC-2
Purchases 2	2,000	PC-2
Input Tax	200	PC-2

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Document Splitting — Basic Steps

- Document splitting consists of three steps:

- 1 Passive splitting

- 2 Active splitting — rule-based splitting

- 3 Splitting using zero balancing



Checklist

Document Splitting — Basic Steps (cont.)

1 Passive splitting

- ♦ A passive split is used during clearing transactions (for example, payment transaction)
 - ▶ The system creates a reference to the existing account assignments; these account assignments are used as a basis for the line items to be split
 - ▶ For example, during the document splitting for a vendor payment transaction, the system uses rules from the vendor invoice

The rules for passive splitting are pre-defined in the system and cannot be changed.



Heads-Up

Document Splitting — Basic Steps (cont.)

2 Active splitting

- ♦ Also known as rule-based splitting
- ♦ The system splits the documents on the basis of pre-defined splitting rules
- ♦ As described in the Vendor Invoice transaction, accounting items are split according to the ratios of purchase accounts
 - ▶ The SAP ERP system is delivered with many pre-defined rules
 - ▶ If standard splitting rules are not sufficient or you need to enhance the functionality, you can create your own splitting rules

Document Splitting — Basic Steps (cont.)

3 Splitting using zero balancing

- ♦ Zero balancing the document ensures the document is balanced and that the document is also balanced for specific characteristics
- ♦ For example:
 - ▶ The document is balanced per the Segment characteristic
 - ▶ The document is balanced per the Profit Center characteristic
- ♦ You can define the characteristics that are used for zero balancing

Document Splitting — Basic Steps (cont.)

- Splitting using zero balancing — Example
 - ♦ The financial document is also balanced for the Profit Center characteristic
 - ♦ System creates additional adjustment line items using Zero Balancing Account

Account Description	Amount	Profit Center
A/C 1001	123.45	PC-1
A/C 2002	-123.45	PC-2



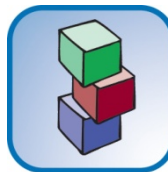
Account Description	Amount	Profit Center
A/C 1001	123.45	PC-1
A/C 9999 – Zero Balancing account	-123.45	PC-1
A/C 9999 – Zero Balancing account	123.45	PC-2
A/C 2002	-123.45	PC-2

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Document Splitting — Important Elements

- Let's first understand some of the basic elements before delving into the details
 - ♦ Splitting rules
 - ♦ Item categories
 - ♦ Business transactions
 - ♦ Business transaction variants
 - ♦ Splitting methods



**Building
Blocks**

Document Splitting — Important Elements (cont.)

- Splitting rules

- ♦ The splitting rules define two things:
- ♦ Which accounting items are split?
 - ▶ In our example of Vendor Invoice, the Vendor and Input Tax items need to be split
- ♦ What calculations are used to split based on specific accounting items?
 - ▶ Used the calculations of 80%-20% based on Expense Items

Document Splitting — Important Elements (cont.)

- Splitting rules for financials transactions
 - ♦ Splitting rules for Vendor Invoice
 - ▶ Vendor and tax items are accounting items to be split
 - ▶ Expense items are the base items
 - ♦ Splitting rules for Customer Invoice
 - ▶ Customer items to be split
 - ▶ Revenue items to be the base items

Document Splitting — Important Elements (cont.)

- Item categories

- ♦ Item category is the grouping of new G/L Accounts
- ♦ Instead of defining the splitting rules for all expense accounts individually, the item category groups all expense accounts (for example, 20000) together
 - ▶ You could have one rule for all expenses



**Don't
Forget**

Note: Item categories are pre-defined in the system

Document Splitting — Important Elements (cont.)

- Item categories (cont.)
 - ♦ Item categories are pre-defined in the system

Category	Description	Category	Description
01000	Balance Sheet Account	05200	Withholding Tax
01001	Zero Balance Posting (Free Balancing Units)	06000	Material
01100	Company Code Clearing	07000	Assets
01300	Cash Discount Clearing	20000	Expenses
02000	Customer	30000	Revenue
02100	Customer: Special G/L Transaction	40100	Cash Discount (Expense/Revenue/Loss)
03000	Vendor	40200	Exchange Rate Difference
03100	Vendor: Special G/L Transaction	80000	Customer-Specific Item Category
04000	Cash Account		
05100	Taxes on Sales/Purchases		

Document Splitting — Important Elements (cont.)

- **Business transaction/business transaction variant**
 - ♦ A business transaction is a general breakdown of an actual business process
 - ♦ Examples of business transactions are Vendor Invoice, Customer Invoice, Cash Payment, and more
 - ♦ A business transaction variant is a specific version of a business transaction provided by SAP
 - ♦ There are various business transaction variants already defined in the system
 - ♦ In Financial Accounting, various document types are linked to the business transactions and business transaction variants

Document Splitting — Important Elements (cont.)

- **Splitting method**

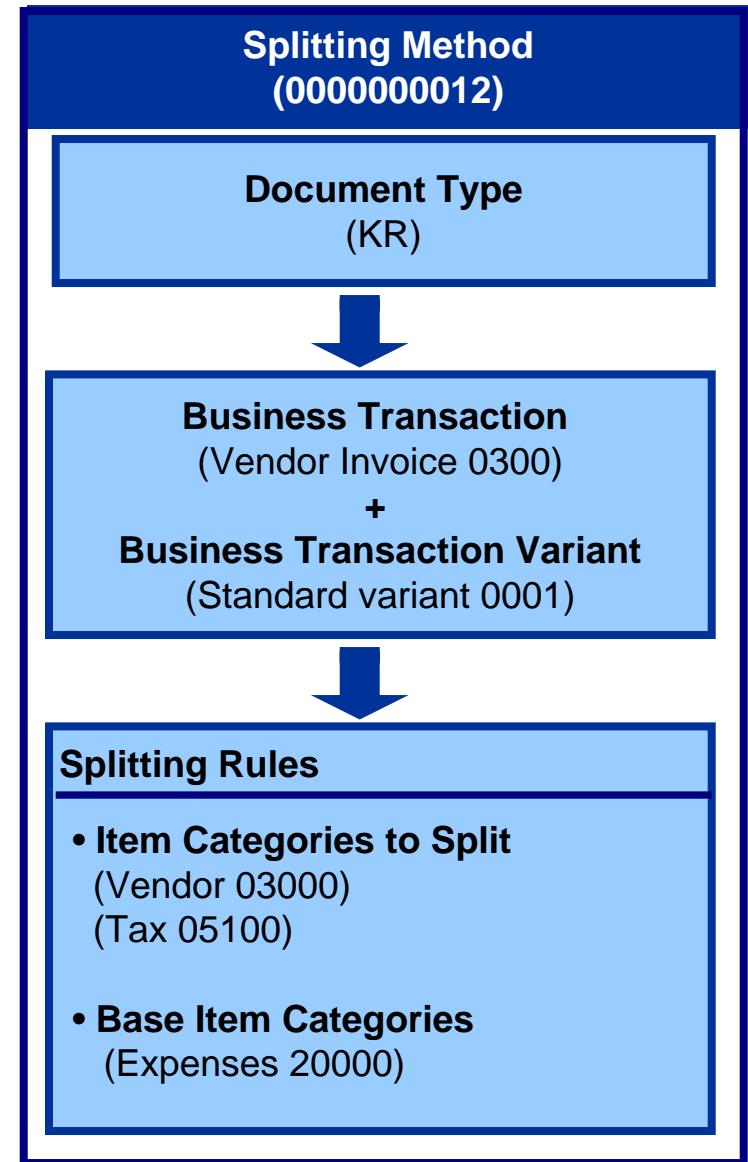
- ♦ The splitting method is the main key used to activate splitting in the new G/L
 - ▶ It's the main driver for document splitting
 - ▶ It's the list of all splitting rules for all business transactions
 - ▶ Technically, it's a collection of splitting rules, business transactions, business transaction variants



**Key
Feature**

Document Splitting — Important Elements (cont.)

- **Splitting method (cont.)**
 - ♦ SAP ERP systems are predelivered with Splitting Method 0000000012



The values and descriptions in () parentheses are sample values.

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Document Splitting — Example 1

- Document splitting examples – Vendor Invoice
 - ♦ Vendor Invoice for two purchases

Enter Vendor Invoice: Company Code 1000

Tree on | Company Code | Hold | Simulate | Park | Editing options

Transactn: R Invoice | Bal.: 0,00

Basic data | Payment | Details | Tax | Notes | Local currency

Vendor: 1000 | SGL Ind: | Invoice date: 03.04.2007 | Reference: | Posting Date: 03.04.2007 | Document Type: KR Vendor invoice | Cross-CC no.: | Amount: 11.000,00 | EUR | Calculate tax: | Tax amount: 1.000,00 | 11 11 (Input tax 10%) | Text: New GL Splitting | Paymt terms: 14 Days 3 %, 30 Days 2 %, 45 Days net | Baseline Date: 03.04.2007 | Company Code: 1000 IDES AG Frankfurt

Vendor Address: Firma C.E.B. BERLIN, Kolping Str. 15, 12001 Berlin, 06894/55501-0

Bank details | OIs
















2 Items (No entry variant selected)

St...	G/L acct	Short Text	D/C	Amount in doc...	Loc.curr.amo...	Cost center	Profit center	Segment	Tax...	Ta...
✓	417000	Purchased services	S Deb	8.000,00	8.000,00	9030	9990	10000	1I	
	473000	Postage	S Deb	2.000,00	2.000,00	2100	1402	20000	1I	
			S Deb		0,00				1I	

Document Splitting — Example 1 (cont.)

- Document splitting examples – Vendor Invoice (cont.)
 - ♦ Document splitting – Entry View

Document Overview

Doc.Type : KR (Vendor invoice) Normal document

Doc. Number

Company code

1000

Fiscal year

2007

Doc. date

03.04.2007

Posting date

03.04.2007

Period

04

Calculate Tax

☐

Doc.currency

EUR

Itm	PK	Account	Account short text	Assignment	Tx	Amount	Cost Ctr	Profit Ctr	Segment
1	31	1000	C.E.B. BERLIN		1I	11.000,00-			
2	40	417000	Purchased services		1I	8.000,00	9030	9990	10000
3	40	473000	Postage		1I	2.000,00	2100	1402	20000
4	40	154000	Input tax		1I	1.000,00			

- Document splitting examples – Vendor Invoice (cont.)
 - ♦ Document splitting – General Ledger View

General Ledger Simulation									
Document Date 03.04.2007			Posting Date 03.04.2007			Fiscal Year 2007			
Reference			Cross-co. code no.			Posting Period 4			
Currency EUR			Ledger Group			Ledger 0L			

Co...	itm	L.item	PK	S	G/L Account	G/L account name	Amount	Curr.	Profit Center	Segment
1000	1	000002	31		160000	AP-domestic	8.800,00-	EUR	9990	10000
1000	2	000003	40		417000	Purchased services	8.000,00	EUR	9990	
1000	4	000006	40		154000	Input tax	800,00	EUR	9990	
1000	1	000001	31		160000	AP-domestic	2.200,00-	EUR	1402	20000
1000	3	000004	40		473000	Postage	2.000,00	EUR	1402	
1000	4	000005	40		154000	Input tax	200,00	EUR	1402	

Document Splitting — Example 1 (cont.)

- Document splitting examples – Vendor Invoice (cont.)
 - ♦ Document splitting – General Ledger View
 - Sub-totals on the Segment characteristic

General Ledger Simulation

Document Date 04.04.2007

Posting Date 04.04.2007

Fiscal Year 2007

Reference

Cross-co. code no.

Posting Period 4

Currency EUR

Ledger Group

Ledger 0L

Co...	Itm	L.item	PK	S	G/L Account	G/L account name	±	Amount	Curr.	Profit Center	Segment	
1000	1	000002	31		160000	AP-domestic		8.800,00-	EUR	9990	10000	
1000	2	000003	40		417000	Purchased services		8.000,00	EUR	9990		
1000	4	000006	40		154000	Input tax		800,00	EUR	9990		
■								0,00	EUR		10000	
1000	1	000001	31		160000	AP-domestic		2.200,00-	EUR	1402	20000	
1000	3	000004	40		473000	Postage		2.000,00	EUR	1402		
1000	4	000005	40		154000	Input tax		200,00	EUR	1402		
■								0,00	EUR		20000	
								■ ■	0,00	EUR		

Document Splitting — Example 2

- Document Splitting Examples – Vendor Payment
 - ♦ Vendor Payment – Entry View

Display Document: Data Entry View

Taxes Display Currency General Ledger View

Data Entry View

Document Number 1500000000 Company Code 1000 Fiscal Year 2007
 Document Date 04.04.2007 Posting Date 04.04.2007 Period 4
 Reference Cross-CC no.
 Currency EUR Texts exist ☐ Ledger Group

Item PK S Account Description Amount Curr. Tx C O Profit Center Segment

1000	1	50	100000	Petty cash	10.670,00-	EUR					
	2	50	276000	Discount received	240,00-	EUR	11			9990	10000
	3	50	276000	Discount received	60,00-	EUR	11			1402	20000
	4	25	1000	C.E.B. BERLIN	11.000,00	EUR					
	5	50	154000	Input tax	30,00-	EUR	11				

Document Splitting — Example 2 (cont.)

- Document Splitting Examples – Vendor Payment (cont.)
 - ♦ Vendor Payment – General Ledger View
 - The payable lines (AP-domestic account 160000) are created using Passive document splitting rules

General Ledger Simulation

Ledger

Expert Mode

Currency

Document Date04.04.2007

Posting Date04.04.2007

Fiscal Year2007

Reference

Cross-co. code no.

Posting Period4

CurrencyEUR

Ledger Group

Ledger0L

Co...	Itm	L.item	PK	S	G/L Account	G/L account name	€	Amount	Curr.	Profit Center	Segment	
1000	1	000002	50		100000	Petty cash		8.536,00-	EUR	9990	10000	
1000	2	000003	50		276000	Discount received		240,00-	EUR	9990		
1000	4	000006	25		160000	AP-domestic		8.800,00	EUR	9990		
1000	5	000008	50		154000	Input tax		24,00-	EUR	9990		
								0,00	EUR		10000	
1000	1	000001	50		100000	Petty cash		2.134,00-	EUR	1402	20000	
1000	3	000004	50		276000	Discount received		60,00-	EUR	1402		
1000	4	000005	25		160000	AP-domestic		2.200,00	EUR	1402		
1000	5	000007	50		154000	Input tax		6,00-	EUR	1402		
								0,00	EUR		20000	
								0,00	EUR			

Document Splitting — Example 3

- Document Splitting Examples – Re-post Transaction
 - ♦ Re-post Cash Transaction – Entry View
 - ▶ Adjust the Petty cash between two profit centers

Document Overview

Reset Taxes Park Complete Choose Save

Doc.Type : SA (G/L account document) Normal document

Doc. Number Company code 1000 Fiscal year 2007
Doc. date 04.04.2007 Posting date 04.04.2007 Period 04
Calculate Tax ☐
Doc.currency EUR
Doc. Hdr Text Zero-Balancing

Itm	PK	Account	Account short text	Assignment	Tx	Amount	Cost Ctr	Profit Ctr	Segment
1	40	100000	Petty cash			1.000,00		1005	40000
2	50	100000	Petty cash			1.000,00-		1200	10000

Document Splitting — Example 3 (cont.)

- Document Splitting Examples – Re-post Transaction (cont.)
 - ♦ Re-post Cash Transaction – General Ledger View
 - ▶ Adjust the Petty cash between two profit centers

General Ledger Simulation

Ledger

Expert Mode

Currency

Document Date04.04.2007

Posting Date04.04.2007

Fiscal Year2007

Reference

Cross-co. code no.

Posting Period4

CurrencyEUR

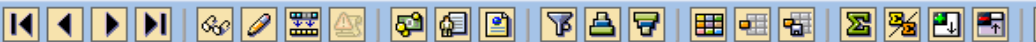

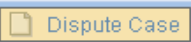
Ledger Group

Ledger0L

Co...	Itm	L.item	PK	S	G/L Account	G/L account name	Σ	Amount	Curr.	Profit Center	Segment
1000	2	000002	50		100000	Petty cash		1.000,00-	EUR	1200	10000
1000		000003	40		194500	Clearing w/ BA 0000		1.000,00	EUR		
							■	0,00	EUR		10000
1000	1	000001	40		100000	Petty cash		1.000,00	EUR	1005	40000
1000		000004	50		194500	Clearing w/ BA 0000		1.000,00-	EUR		
							■	0,00	EUR		40000
							■ ■	0,00	EUR		

Document Splitting — End-User Perspective

- From the end-user perspective, the requirement is that the splitting should happen automatically – without user intervention
 - The split items for vendor a/C are for internal reporting only
 - The Vendor Item should still show one item for external reporting

Vendor Line Item Display										
  										
Vendor		1000								
Company Code		1000								
Name		C.E.B. BERLIN								
City		Berlin								
St	Assignment	DocumentNo	Type	Doc. Date	S	DD	Amount in doc. curr.	Curr.	Clrng doc.	Text
<input type="checkbox"/>	<input checked="" type="checkbox"/>	19000000002007	1900000000	KR	04.04.2007		1.000,00-	EUR		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	190000069612004	19000006961	KR	15.03.2004		5.000,00-	EUR		Rent Warehouse
<input type="checkbox"/>	<input checked="" type="checkbox"/>	19000079412004	1900007941	KR	04.07.2004		8.000,00-	EUR		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	19000079422004	1900007942	KR	01.08.2004		3.265,00-	EUR		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	19000091352004	1900009135	KR	15.04.2004		5.000,00-	EUR		Rent Warehouse
<input type="checkbox"/>	<input checked="" type="checkbox"/>	51000006732002	5100000673	RE	23.01.2001		696,00-	EUR		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	51000006732002	5100000682	RE	23.01.2001		696,00	EUR		MR8M
*	<input checked="" type="checkbox"/>						32.265,00-	EUR		
** Account 1000							32.265,00-	EUR		
***							32.265,00-	EUR		

Document Splitting — End-User Perspective (cont.)

- Document splitting – End-user Perspective
- The great feature of the document splitting in the new G/L is that it does not change the operative procedures from the user perspective
 - ♦ There is practically no change to the entry procedures, but, at the same time, provides the break-down of accounting items to meet the specific reporting requirements
- You can view the document two ways:
 - ♦ Entry View, as seen during data entry
 - ♦ General Ledger View, as seen with document splitting

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Document Splitting — Setup

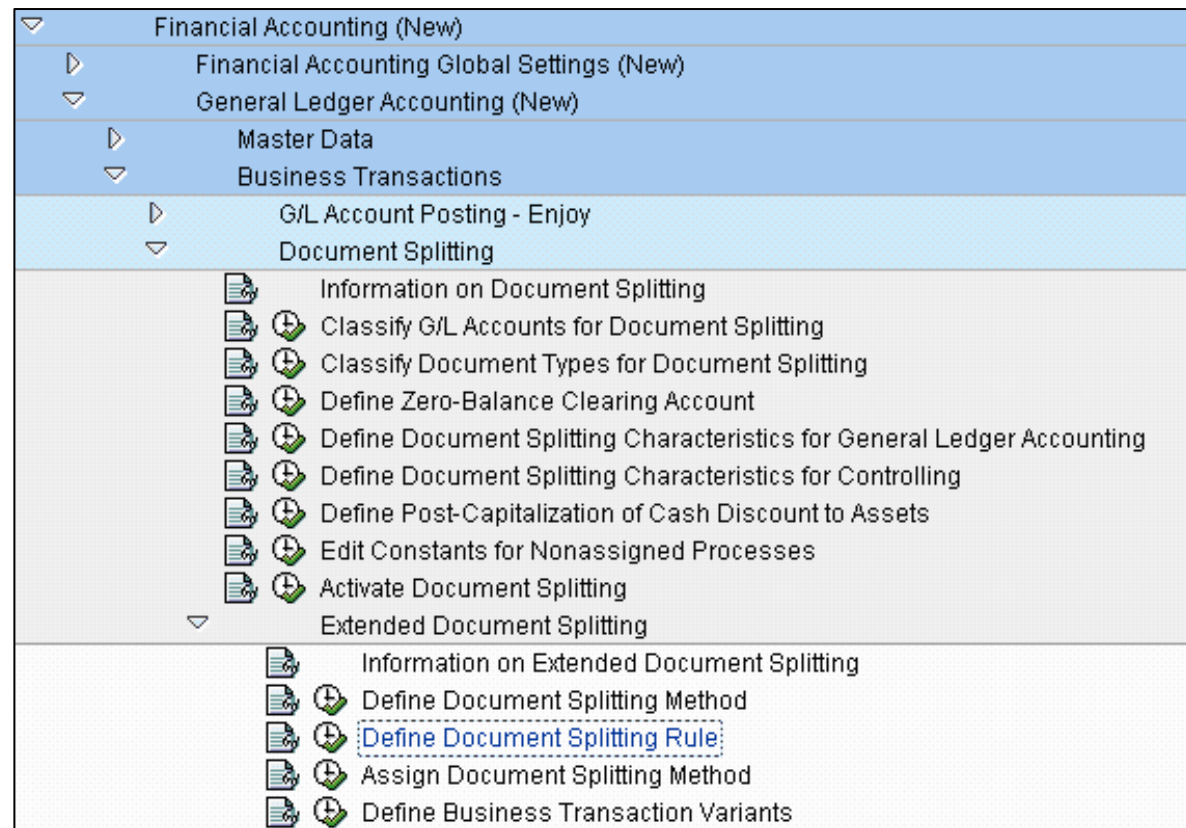
- Configuration setup for document splitting
 1. Classify the G/L accounts
 2. Classify document types
 3. Define the zero balance clearing account
 4. Define document splitting characteristics
 5. Define document splitting characteristics for the CO module
 6. Define constants for nonassigned processes
 7. Activate document splitting



Checklist

Document Splitting — Setup (cont.)

- Document splitting – Setup
 - ♦ The IMG menu path for document splitting configuration
 - ▶ IMG: Financial Accounting (New) → General Ledger Accounting (New) → Business Transactions → Document Splitting



Where to
Find It

Step 1: Classify G/L Accounts

- One of the first steps in configuring document splitting is to assign the item categories to the G/L accounts for your Chart of Accounts
- Assign the item categories for the G/L accounts
 - Instead of assigning item categories by individual accounts, it is recommended that you use a range of accounts
 - Note that the splitting rules are defined for items categories (for the items to be split and also base category items)



Best
Practice

Step 1: Classify G/L Accounts (cont.)

- Assign Item Categories to G/L accounts

New Entries					
Chart of Accts					
INT Chart of accounts - international					
Acct from	Account to	Overrd.	Cat.	Description	
100000	113199	<input type="checkbox"/>	04000	Cash Account	
145099	145099	<input type="checkbox"/>	01000	Balance Sheet Account	
154099	154099	<input type="checkbox"/>	01000	Balance Sheet Account	
174000	174000	<input type="checkbox"/>	01000	Balance Sheet Account	
194100	194100	<input type="checkbox"/>	01000	Balance Sheet Account	
194500	194500	<input type="checkbox"/>	01000	Balance Sheet Account	
199990	199999	<input type="checkbox"/>	01000	Balance Sheet Account	
400000	419999	<input type="checkbox"/>	20000	Expense	
470000	476000	<input type="checkbox"/>	20000	Expense	
800000	800999	<input type="checkbox"/>	30000	Revenue	
811000	811000	<input type="checkbox"/>	20000	Expense	
884010	884010	<input type="checkbox"/>	30000	Revenue	
888000	888000	<input type="checkbox"/>	30000	Revenue	

Step 1: Classify G/L Accounts (cont.)

- Note that Item Categories are pre-defined in the system

Category	Description	Category	Description
01000	Balance Sheet Account	05200	Withholding Tax
01001	Zero Balance Posting (Free Balancing Units)	06000	Material
01100	Company Code Clearing	07000	Assets
01300	Cash Discount Clearing	20000	Expenses
02000	Customer	30000	Revenue
02100	Customer: Special G/L Transaction	40100	Cash Discount (Expense/Revenue/Loss)
03000	Vendor	40200	Exchange Rate Difference
03100	Vendor: Special G/L Transaction	80000	Customer-Specific Item Category
04000	Cash Account		
05100	Taxes on Sales/Purchases		

Step 2: Classify Document Types

- To ensure that every relevant financial transaction is considered for document splitting, categorize the document types according to specific business transaction variants
- Assign business transaction and business transaction variants for the document types

- Notes:



**Don't
Forget**

- ♦ Standard SAP document types are already defined with appropriate values
- ♦ Make sure that you classify the custom Z document types

Step 2: Classify Document Types (cont.)

- Assign Business Transaction/Business Transaction Variants

Change View "Classify FI Document Type for Document Splitting"

Type	Description	Transact	Variant	Description	Name
AA	Asset posting	0000	0001	Unspecified posting	Standard
AB	Accounting document	0000	0001	Unspecified posting	Standard
AE	Accounting document				
AF	Dep. postings	0000	0001	Unspecified posting	Standard
AN	Net asset posting	0000	0001	Unspecified posting	Standard
C1	Closing GR/IR accts				
CI	Customer invoice				
CP	Customer payment				
DA	Customer document	0200	0001	Customer invoice	Standard
DB	Cust.recurring entry				
DE	Customer invoice				
DG	Customer credit memo	0200	0001	Customer invoice	Standard
DR	Customer invoice	0200	0001	Customer invoice	Standard
DZ	Customer payment	1000	0001	Payments	Standard
EU	Conversion diff.Euro				
EX	External number	0000	0001	Unspecified posting	Standard
GF	Subsequent adjustmnt				
JE	G/L account posting				
KA	Vendor document	0300	0001	Vendor invoice	Standard
KG	Vendor credit memo	0300	0001	Vendor invoice	Standard
KN	Net vendors	0300	0001	Vendor invoice	Standard
KP	Account maintenance	1010	0001	Clearing transactions (Standard
KR	Vendor invoice	0300	0001	Vendor invoice	Standard
KZ	Vendor payment	1000	0001	Payments	Standard
ML	ML settlement	0000	0001	Unspecified posting	Standard
NB	Vendor document				
PR	Price change	0000	0001	Unspecified posting	Standard

Step 3: Define the Zero Balance Clearing Account

- Define a G/L account to be used for creating zero balance splitting for the characteristics

Change View "Posting Key": Overview

New Entries

Dialog Structure

- Posting Key
 - Accounts

Item category: 01001

Account Key	Name	Deb PK	Cred.PK
000	Standard account for zero balance	40	50

Dialog Structure

- Posting Key
 - Accounts

Item category: 01001 Zero Balance Posting (Free Balancing Units)

Chart of Accts: INT Chart of accounts - international

Account Key: 000 Standard account for zero balance

G/L Account	Short Text
194500	Clearing w/ BA 0000

Step 4: Define Document Splitting Characteristics

- Define the characteristics for which the document splitting rules apply
- Additionally:
 - ♦ Specify if you want to use zero balancing
 - ♦ Indicate if this characteristic is mandatory

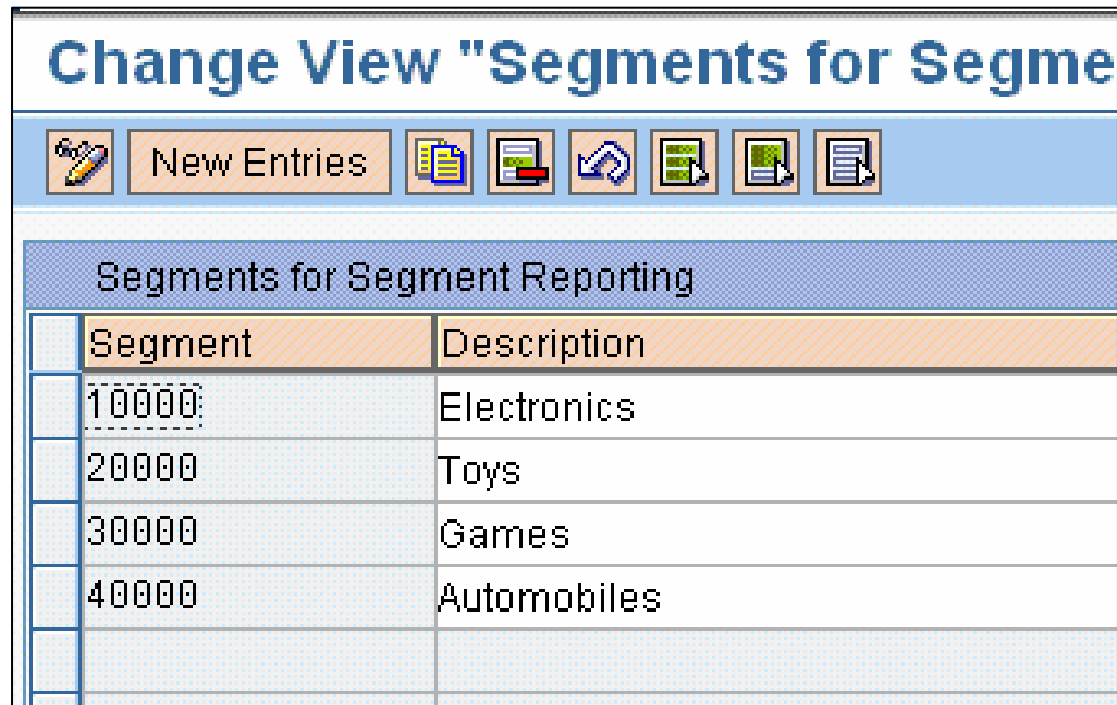
The screenshot shows the SAP 'Change View' interface for 'Document Splitting Characteristic for General Ledgers'. The title bar indicates the view is for characteristic '0'. Below the title bar is a toolbar with icons for 'New Entries' and other document management functions. The main area contains a table with the following data:

Field	Zero balance	Partner field	Mandatory Field
GSBER Business Area	<input type="checkbox"/>	PARGB	<input type="checkbox"/>
PRCTR Profit Center	<input type="checkbox"/>	PPRCTR	<input type="checkbox"/>
SEGMENT Segment:	<input checked="" type="checkbox"/>	PSEGMENT	<input checked="" type="checkbox"/>

Step 4: Define Document Splitting Characteristics (cont.)

- Segments

- ♦ If you are planning to use the Segment characteristic, define the segments in the IMG and assign the segments to profit centers
 - ▶ IMG Menu path to define Segments: IMG → Enterprise Structure → Definition → Financial Accounting → Define Segment



Segments for Segment Reporting	
Segment	Description
100000	Electronics
20000	Toys
30000	Games
40000	Automobiles








Step 5: Define Document Splitting Characteristics for CO

- Define the splitting characteristics for Controlling (CO) processes
 - ♦ The additional characteristics are for processes such as:
 - ▶ Cash Discounts
 - ▶ Exchange Rate Differences
- Define the post-capitalization of Cash Discounts to Assets
 - ♦ You may need to capitalize the cash discounts for the purchases related to fixed assets
 - ♦ Define post-capitalization of Cash Discounts for assets purchases

Step 6: Define Constants for Nonassigned Processes

- Define the default account assignments (for example, default segments)
- Define the defaults when the system cannot determine the characteristics for the processes

Change View "Independent Constants": Overview

 **New Entries**      

Dialog Structure

- Independent Constants
 - Assignment of Values
 - Assignment of Profit Centers

Constant	Name
Z1000	Constant Segment

Step 7: Activate Document Splitting

- SAP ERP system is delivered with pre-defined method 0000000012
- Once activated, the document splitting is active at the client level
 - ♦ You can selectively de-activate document splitting for specific company code(s)

Change View "Activate Document Splitting": Details

Dialog Structure

- Activate Document Splitting
- Deactivation per Company Code

Activate Document Splitting

☒ Document Splitting

Method: 0000000012 Splitting: Same as 0000000002 (Follow-Up Costs Online)

Level of Detail

☒ Inheritance

☒ Standard A/C Assgmt Constant: Z1000

Step 7: Activate Document Splitting (cont.)

- Review rules
 - Review Splitting rules – Item categories to be split and base item categories

Change View "Header data": Overview

New entries

Dialog Structure

- Header data
 - Item categories to be
 - Base item categ

Method	Spl.	Transactn.	Business transaction	Variant	Variant
0000000001	Splitt	0000	Unspecified posting	0001	Standard
0000000001	Splitt	0100	Transfer posting from P&L to B/E	0001	Standard
0000000001	Splitt	0200	Customer invoice	0001	Standard
0000000001	Splitt	0300	Vendor invoice	0001	Standard
0000000001	Splitt	0400	Bank account statement	0001	Standard
0000000001	Splitt	0500	Advance tax return (regular tax bu	0001	Standard
0000000001	Splitt	0600	Goods Receipt for Purchase Ord	0001	Standard
0000000001	Splitt	1000	Payments	0001	Standard
0000000001	Splitt	1010	Clearing transactions (account n	0001	Standard
0000000001	Splitt	1020	Resetting cleared items	0001	Standard
0000000002	Splitt	0000	Unspecified posting	0001	Standard
0000000002	Splitt	0100	Transfer posting from P&L to B/E	0001	Standard
0000000002	Splitt	0200	Customer invoice	0001	Standard
0000000002	Splitt	0300	Vendor invoice	0001	Standard
0000000002	Splitt	0400	Bank account statement	0001	Standard
0000000002	Splitt	0500	Advance tax return (regular tax bu	0001	Standard
0000000002	Splitt	0600	Goods Receipt for Purchase Ord	0001	Standard
0000000002	Splitt	1000	Payments	0001	Standard
0000000002	Splitt	1010	Clearing transactions (account n	0001	Standard
0000000002	Splitt	1020	Resetting cleared items	0001	Standard
0000000012	Splitt	0000	Unspecified posting	0001	Standard
0000000012	Splitt	0100	Transfer posting from P&L to B/E	0001	Standard
0000000012	Splitt	0200	Customer invoice	0001	Standard
0000000012	Splitt	0300	Vendor invoice	0001	Standard
0000000012	Splitt	0400	Bank account statement	0001	Standard
0000000012	Splitt	0500	Advance tax return (regular tax bu	0001	Standard
0000000012	Splitt	0600	Goods Receipt for Purchase Ord	0001	Standard
0000000012	Splitt	1000	Payments	0001	Standard

What We'll Cover ...

- Document Splitting — Overview
- Document Splitting — Basic Steps
- Document Splitting — Important Elements
- Document Splitting — How Does It Work?
- Document Splitting — Setting Up
- Wrap-up

Resources

- **New G/L Papers published by Mitresh Kundalia**
 - ♦ “Achieve Balanced Reporting by Automating Document Splitting in the New G/L” (*SAP Financials Expert*, June 2007).
 - ♦ “Unearth the Hidden Secrets of Zero-Balancing in the New G/L” (*SAP Financials Expert*, July/August 2007).
 - ♦ “Use Document Simulation in the New G/L to See How the System Posts G/L Documents” (*SAP Financials Expert*, May 2007).
 - ♦ “Quick Tip: De-activate Document Splitting for a Company Code” (*SAP Financials Expert*, November/December 2007).
 - ♦ “Quick Tip: Review and Analyze Document Splitting Rules in One Place” (*SAP Financials Expert*, January 2008).



**Where to
Find It**

7 Key Points to Take Home

- Use document splitting feature in the new G/L to attain balanced reporting
- Document splitting does not change end-user entry methods
- Document splitting basically consists of three options – passive, rule-based active, and splitting using zero balancing
- Passive splitting assigns splitting rules from the original document
 - ♦ Usually for subsequent transactions (Vendor Payment, Customer Payment, Clearing Transactions)

7 Key Points to Take Home (cont.)

- Active splitting uses the rules by which the items are to be split based on specific items
 - ♦ For example, in a vendor invoice transaction, the rule is to split the Tax Items based on the ratios of Expenses Items
- Splitting using zero balancing assures that the document is balanced for the specific characteristic
- Splitting method is the collection of splitting rules, business transactions, and business transaction variants

Your Turn!



Questions?

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