AC210

New General Ledger Accounting

- mySAP ERP Core Component 6.0
- 2006/Q2
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Prerequisites for Course Participants

Required:
- Familiarity with operation and use of classic General Ledger Accounting

Recommended:
- Familiarity with FI subledgers and Management Accounting (=> CO)
Target Audience

- Participants
  - People responsible for implementing New General Ledger Accounting
  - (SAP) consultants

- Duration
  - 4 days
Course Objectives

- After the course, participants will be able to understand the logic of New General Ledger Accounting
- After the course, the participants will be able to activate, configure, and use New General Ledger Accounting

- These course materials are not suitable for self-learning. The information you will get from your course instructor is essential to completing the materials.
- In some cases, there may not be enough time to perform all the exercises during the course. The exercises provide additional examples that are covered during the course. You can also go through the exercises yourself after the course, to reinforce what you have learnt.
## Contents

**Leader**

<table>
<thead>
<tr>
<th>Unit 1</th>
<th>Introduction</th>
<th>Unit 5</th>
<th>Periodic Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 2</td>
<td>Ledger Definition</td>
<td>Unit 6</td>
<td>Parallel Accounting</td>
</tr>
<tr>
<td>Unit 3</td>
<td>Document Splitting</td>
<td>Unit 7</td>
<td>Reporting</td>
</tr>
<tr>
<td>Unit 4</td>
<td>Integration</td>
<td>Unit 8</td>
<td>Migration</td>
</tr>
</tbody>
</table>

**Exercises and Solutions**
Course Overview

- Introduction
- Ledger Definition
- Document Splitting
- Integration
- Periodic Processing
- Parallel Accounting
- Reporting
- Migration
Introduction

Contents:

- This unit summarizes the most important properties and benefits of New General Ledger Accounting in a compact overview

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After completing this unit, you will be able to

- Outline the advantages and benefits of New General Ledger Accounting
- Name possible functions of New General Ledger Accounting
Possibilities with New General Ledger Accounting in mySAP ERP

- Legal and Management Reporting
- Standard Enhancement and Extensibility (with custom fields)
- Financial Reporting Using Any Characteristics (document splitting)
- Simple Representation of Parallel Accounting
- Accelerated Period-End Closing
- Transparency and Consistency
- Segment Reporting
- Real-Time Integration CO => FI
New General Ledger Accounting: One Component – Lots of Functions

Prior to mySAP ERP, SAP customers have to install and operate many different components to meet international (or industry-specific) requirements and standards as completely as possible.

In fact, the situation is worsening because more and more service providers (in the public sector, insurance, and media sectors, for example) are demanding balance sheets based on additional criteria - such as grant, fund, or industry.

Of course, the increasing importance of IAS/IFRS as accounting principles is also heightening the need for improved quality and modeling of segment reporting.

Furthermore, a unified solution would undoubtedly also be a bonus for tackling issues such as Fast Close and Sarbanes-Oxley.

Overview of the totals tables when the classic components are used:

- Classic FI: GLT0
- Cost-of-sales ledgers: GLFUNCT
- Reconciliation ledger: COFIT
- EC-PCA / classic Profit Center Accounting: GLPCT
Benefits of New General Ledger Accounting

Overview

New General Ledger Accounting in *mySAP ERP* has the following advantages compared to classic General Ledger Accounting (such as in *R/3 Enterprise*):

- New General Ledger Accounting has an extended data structure in the standard delivery. Customer fields can also be added to the general ledger.
- With (real-time) document splitting, balance sheets can be created for entities, such as "Segment".
- You can run a real-time reconciliation of Management Accounting (CO) and Financial Accounting (FI) - there is the real-time integration with Controlling. This renders time-consuming reconciliation tasks obsolete!
- New General Ledger Accounting makes it possible to manage multiple ledgers within General Ledger Accounting. This is one of the possible ways of portraying parallel accounting in the SAP system.

The subsequent units will elaborate on these benefits.

*SAP Note 756146* also provides an overview of the benefits of New General Ledger Accounting.

New General Ledger Accounting can be explained briefly as follows: New General Ledger Accounting contains functions that combine classic General Ledger Accounting with the *Special Purpose Ledger* component.

Important: Despite all the new features, the "interfaces" for entering the data and making the postings are virtually identical to the interfaces in the previous release.
Use of New General Ledger Accounting in the Industry Solutions (IBUs):
(such as Banking, Public Sector Management, Media, Insurance, Oil and Gas – many of these industries use FI-CA)

The standard course AC210 provides a general overview of New General Ledger Accounting and outlines the possible functions within the context of mySAP ERP Financials.
It might not (yet) be possible to use some of these functions (such as document splitting) in one or other of the industry solutions.

To find out about the current development status of an IBU with regard to the deployment of New General Ledger Accounting or parts thereof, see SAP Service Marketplace: www.service.sap.com/gl

(=> Media Library => PDF file New General Ledger Accounting and SAP Industry Solutions)

Naturally, the Solution Management colleagues of the respective industry would also be pleased to answer your questions.

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- From the initial page of the SAP Service Marketplace, you access the IBU information as follows:
  www.service.sap.com => Choose the portal Education, Consulting, Solution Areas and more => Choose the Solution Details tab page.
  In the hierarchy tree displayed on the top left, navigate as follows:

- In the Media Library, you can also find other sources of interesting information relating to New General Ledger Accounting, as well as some recorded system demos that you can view (using the SAP Tutor Player).
You should now be able to:

- Describe the functions of New General Ledger Accounting
- Briefly describe the benefits of New General Ledger Accounting
Contents:

- Activating New General Ledger Accounting
- Getting to know the new totals table *FAGLFLEXT*
- Assigning scenarios and their importance
- Entry view and general ledger view for Financial Accounting documents
- The *Segment* characteristic
- Deriving the segment
Ledger Definition: Unit Objectives

After completing this unit, you will be able to

- Activate New General Ledger Accounting
- Name the new fields in the totals table
- Describe the importance of scenarios
- Tell the difference between the entry view and the general ledger view
- Define and derive segments
NEW GENERAL LEDGER ACCOUNTING

Crucial question: Do companies have to use New General Ledger Accounting?

- It will be optional for existing customers. You will not be obliged to activate New General Ledger Accounting. During a release upgrade (to mySAP ERP), classic General Ledger Accounting (using totals table GLT0) remains active at first. Of course, New General Ledger Accounting has many advantages!

- For new installations, New General Ledger Accounting is active by default in mySAP ERP.

Information for existing customers: If the advantages presented in the course AC210 are important or even crucial for your company, you can implement New General Ledger Accounting in a separate migration project after upgrading to mySAP ERP. For more information, see the unit of Migration at the end of this course.

Information for new customers: In the case of a new installation, see SAP Note 756146 on setting up the system for New General Ledger Accounting.
If existing customers want to use New General Ledger Accounting, they first need to activate it using a Customizing transaction (⇒ `FAGL_ACTIVATION`).

**Caution:** This transaction is performed at the start of the course to enable you to explore the new functions. In practice, executing this transaction (for existing customers) is one of the last activities performed during the migration project leading up to the implementation of New General Ledger Accounting.

The **activation indicator is set for each client**.

- **Caution:** Activating New General Ledger Accounting results in system-wide changes to application and Customizing paths.
The paths for **New General Ledger Accounting** are added to the existing Customizing paths.

To help you find your way around, the classic Financial Accounting paths will initially remain available in their present form.

Once you have become familiar with the paths for New General Ledger Accounting, you can run program `RFAGL_SWAP_IMG_OLD` to hide the classic Financial Accounting paths.

Activating New General Ledger Accounting also makes several new nodes available in the application and the SAP Easy Access menu.

**Caution:** The activation of New General Ledger Accounting not only affects the menu entries; a few classic functions / transactions can no longer be executed either.
Ledger Definition

SAP provides the leading ledger 0L and totals table FAGLFEEXT with the standard system

<table>
<thead>
<tr>
<th>LD</th>
<th>Ledger Name</th>
<th>Totals Table</th>
<th>Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>0L</td>
<td>Leading ledger</td>
<td>FAGLFEEXT</td>
<td>✔️</td>
</tr>
</tbody>
</table>

The leading ledger gets many of its "control parameters" (as before) from the company code – we tried to keep everything as familiar as possible – specifically:

- The leading ledger manages the (additional) local currency (currencies) that is (are) assigned to the company code.
- The leading ledger uses the fiscal year variant that is assigned to the company code.
- The leading ledger uses the posting period variant that is assigned to the company code.

Special features of the leading ledger:

- There is exactly one leading ledger!
- Only the values from the leading ledger are posted to CO in the standard system!


The assignment of the fiscal year variant and the variant of posting periods to the leading ledger is located in Customizing under: Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Ledgers -> Fiscal Year and Posting Periods.

In addition to the leading ledger, you can also define other, non-leading ledgers (=> also see the unit Parallel Accounting).

- The non-leading ledgers can then be assigned currencies and/or fiscal year variants that differ from the leading ledger.
One look at the database tables makes the primary **standard extension** of the data structure visible immediately:

### Totals Table FAGLFLEXT

#### New General Ledger Accounting

**Totals Table FAGLFLEXT**

**Selection of available fields:**

<table>
<thead>
<tr>
<th>Field</th>
<th>Short Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>RYEAR</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>RACCT</td>
<td>Account number</td>
</tr>
<tr>
<td>COST_ELEM</td>
<td>Cost Element</td>
</tr>
<tr>
<td>BUKRS</td>
<td>Company Code</td>
</tr>
<tr>
<td>RCNTR</td>
<td>Cost Center</td>
</tr>
<tr>
<td>PRCTR</td>
<td>Profit Center</td>
</tr>
<tr>
<td>RFAREA</td>
<td>Functional Area</td>
</tr>
<tr>
<td>RBUSA</td>
<td>Business Area</td>
</tr>
<tr>
<td>SEGMENT</td>
<td>Segment for Seg. Report</td>
</tr>
</tbody>
</table>

**SE11_OLD**

- The totals table of New General Ledger Accounting (=> **FAGLFLEXT**) updates more entities than was possible in the classic totals table (=> **GLT0**).

- Examples of the new standard fields include:
  - Cost Center
  - Profit Center
  - Segment

- Totals table **FAGLFLEXT** can be extended with additional fields – both predefined SAP fields and entirely new customer fields. To add customer fields to totals table **FAGLFLEXT**, they first have to be added to the account assignment block (=> Function: **Edit Account Assignment Block**).

  - **Caution:** Please do **not test this during the course**, because extending the account assignment block will lock out all other transactions (including for other course participants).
**Scenarios – Definition and Assignment**

**What is a scenario definition?**

A scenario defines which fields are updated in the ledgers (in the general ledger view) during a posting (from other application components).

### Scenarios provided by SAP:

- **Cost center update** (FIN_CCA)
  - Update of the sender cost center and receiver cost center fields
- **Preparation for consolidation** (FIN_CONS)
  - Update of consolidation transaction type and trading partner fields
- **Business area** (FIN_GSBER)
  - Update of the sender business area and receiver business area fields
- **Profit center update** (FIN_PCA)
  - Update of profit center and partner PC fields
- **Segmentation** (FIN_SEGM)
  - Update of the segment, partner segment, and PC fields
- **Cost-of-sales accounting** (FIN_UKV)
  - Update of the sender functional area and receiver functional area fields

<table>
<thead>
<tr>
<th>Ledger:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading ledger (0L)</td>
</tr>
<tr>
<td>Non-leading ledger (N1)</td>
</tr>
<tr>
<td>Non-leading ledger (N2)</td>
</tr>
<tr>
<td>...</td>
</tr>
</tbody>
</table>

- The fields that are updated by the scenarios can be used to model certain business circumstances – such as segment reporting.
- To display the available scenarios, goto Customizing for Financial Accounting (New), and choose Financial Accounting Global Settings (New) -> Ledgers -> Fields -> Display Scenarios for General Ledger Accounting.
- You cannot define your own scenarios.
- The delivered scenarios are assigned to the ledgers in Customizing for Financial Accounting (New) under Financial Accounting Global Settings (New) -> Ledgers -> Ledger -> Assign Scenarios and Customer Fields to Ledgers.
  - **Important note:** A ledger (=> the leading ledger in all cases) can be assigned one or more scenarios, or even all six at once!
  - The decision as to how many scenarios to assign depends solely on which "facts" / "business aspects" you want to model in the General Ledger Accounting.
- You do not necessarily have to define non-leading ledgers, which means scenarios do not have to be assigned to non-leading ledgers either. **Important:** You do not need a ledger for each scenario!
- Multiple/non-leading ledgers are useful for portraying accounting in accordance with different accounting principles.
When New General Ledger Accounting is active, a Financial Accounting document always has two views: The entry view and the general ledger view. Besides the leading ledger, you may also see the document in other, non-leading ledgers in the general ledger view.

**Definition:**

**Entry View:** View of how a document also appears in the subledger views / subledgers (AP / AR / AA / taxes)!

**General ledger view:** View of how a document appears (only) in the general ledger!
In general, you will notice that **nothing has changed** regarding **entry** of the documents.

The dependencies have also remained the same. For example:

- Account *Purchased Services* (417000) is defined as a primary cost element in CO and therefore requires a CO-relevant account assignment during entry.
- The CO object (such as cost center) is used to derive the profit center and functional area
- **New with ERP**: A segment can now be derived from the profit center.
If the corresponding scenarios are not assigned, no entities are inherited to General Ledger Accounting (=> neither to the leading ledger nor to one or more non-leading ledgers).

- **Effects of a missing scenario assignment:** If you call up a balance sheet (and a profit & loss statement), you would indeed see the amount of € 50.00 on the Purchased Services account. It would be impossible, however, to allocate the bookkeeping transaction to a business area, functional area, profit center, or any other entity. Accordingly, if you do not assign scenarios to a ledger (=>or to multiple ledgers, if necessary), segment balance sheets will not be possible.
Given that the scenarios Cost Center Update and Business Area are assigned to the leading ledger 0L, these two entities are updated to General Ledger Accounting and displayed in the corresponding general ledger view.

The Segment field, for example, is not updated or displayed in the general ledger view, however, because this scenario has not previously been assigned to the leading ledger.

Caution: Scenario assignment is not capable of effecting a "zero balance setting" for any given entity.

- In terms of the business area (⇒ BA): It is not yet possible to create a correct BA balance sheet (for BA 9900, for example), because the BA was not inherited to posting items 2 and 3.
- To use this function, document splitting must additionally be configured with active inheritance.
The **Segment field** is one of the standard account assignment objects available in mySAP ERP for running analyses for "objects" below the company code level.

**The objective** is to give a detailed look at the various business activities (=> markets or products – in general: activity areas) at a (broad-based) enterprise - Keyword: segment reporting

**Alternative account assignments used in the past:**
- Profit Center
- Business Area
- (Profitability segment)

- Segments can be used to meet the requirements of international accounting principles (=> IAS / IFRS / U.S. GAAP) regarding "segment reporting".
  - Excerpt from IAS 14:… reporting is required for a business or geographical segment when the majority of its revenues stems from sales to external customers and segment revenues account for at least 10% of total internal and external revenues of all segments, segment income accounts for at least 10% of all segment income, or segment assets account for at least 10% of the assets of all segments. A segment can be reported separately even if it does not meet these size requirements. If the segments subject to reporting requirements account for less than 75% of total consolidated revenues or enterprise revenues, then other segments must be reported on separately, irrespective of the 10% limit, until at least this 75% is reached. …

- The *Business Area or Profit Center* objects can be used as alternatives.

- The segment is provided in addition because the business area and/or profit center were frequently used for other purposes in the past and thereby to meet other requirements.
The ERP system enables you to assign a segment in the master data of a profit center. Postings are automatically made to the segment when the profit center is posted to.

- There is no "dummy segment posting", as in the profit center logic; if the profit center does not have a segment, there is no segment account assignment either.

The default setting involves deriving the segment from the profit center, but customers can develop their own derivation solutions through a user exit (BAdI).

- The definition name of the BAdI is: FAGL_DERIVE_SEGMENT.
To post, analyze, and display document segments in New General Ledger Accounting, you have to perform the following steps:

1. **Definition of the scenario**: The scenario **Segmentation** has to be defined for the leading ledger (and for any other non-leading ledgers) – if it is not, the segment is only visible in the entry view.
2. **Define** the segments.
3. **Derive** the segments – The standard SAP system supports derivation from profit centers.
4. **Maintain** the field status variant and/or field status groups of the corresponding FI accounts: The **Segment** field (=> group Additional Account Assignments) must be defined as an "optional entry" *.
5. **Maintain** the field status of the corresponding posting key: The above statement also applies. *
6. **Display** the **Segment** field using the Layout (icon ) in the document display.

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- **To maintain the scenarios**: In Customizing under **Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Ledgers -> Ledger -> Assign Scenarios and Customer Fields to Ledgers**.
  
- The **Segment** field (technical name: SEGMENT) appears in the standard version of the totals table in New General Ledger Accounting (=> FAGLFLEXT) in mySAP ERP.

- **Definition of the segments**: In Customizing under **Enterprise Structure -> Definition -> Financial Accounting -> Define Segment**

- **Maintaining a segment in a profit center**: Application Accounting -> Controlling -> Profit Center Accounting -> Master Data -> Profit Center -> Individual Processing -> Change
  
  - **Caution**: If a customer does not use Profit Center Accounting, for example, a BAdI enables alternative derivation strategies to be used.

- **Maintain the field status variant** the fastest method (since Release 4.6): Transaction code **FBKP** or in Customizing under **Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Ledgers -> Fields -> Define Field Status Variants**

- **Maintain the field status of the posting key** the fastest method (since Release 4.6): Transaction code **FBKP** or in Customizing under **Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Document -> Define Posting Key**.

- * If the field status is not defined as described here, postings are still made to the **Segment** table field, but this table field cannot be displayed or edited in the coding block.
You should now be able to:

- Activate New General Ledger Accounting
- Name the new fields in the general ledger totals table
- Explain how scenarios are used
- Describe the difference between the entry view and the general ledger view
- Define and derive segments
Exercises

Unit: Ledger Definition
Topic: Configuring New General Ledger Accounting

At the conclusion of these exercises, you will be able to

- Activate and configure New General Ledger Accounting. You will understand the scenarios of New General Ledger Accounting, how to create and derive segments, and how to tell the difference between the entry view and the general ledger view of a Financial Accounting document.

2-1 Exercises for configuring New General Ledger Accounting

2-1-1

Control exercise – Please do not change the system configuration!

Call up the activation indicator for New General Ledger Accounting and make sure New General Ledger Accounting has been activated!

Which transaction code can you use to call up the activation indicator?

What does the acronym “FAGL” stand for?

2-1-2

Control exercise – Please do not change the system configuration!

Check the Customizing settings to find out the ID of the leading ledger, as well as the totals table where the values are saved.

2-1-3

Control exercise – Please do not change the system configuration!

Important: In all future exercises, the two hash keys (=> ##) stand for your two-digit group number!

Check the “new” IMG paths to find out which fiscal year variant your company code AA## uses, and which field status variant is assigned to your company code AA##.
Control exercise – Please do not change the system configuration!

Which scenarios have been assigned (by the trainer) to the leading ledger, OL?

2-1-5 Create a new segment with ID SEG## and name it “Segment Group ##”.

2-1-6 Now create a profit center with ID PC##. For a template, please use profit center 1000 in controlling area 1000. Maintain the following data for the profit center:

- Analysis Time Frame: 01/01/1999 to 12/31/9999
- Name: PC Group ##
- Long Text: Profit Center Group ##
- Person Responsible: Group ##
- Department: Course
- Hierarchy Area: H9500 (Course)
- Segment: Your new Segment SEG## from the previous exercise. Activate the new profit center.

2-1-7 Call cost center T-F05A## in change mode and make sure that the cost center is assigned to your company code AA##. Replace the existing cost center with your new profit center PC##. Answer any warning/information messages with “Yes”. Save your changes.

2-1-8 Now create vendor 210## in your company code AA## – leave the account group blank and choose Vendor 1000 in Company Code 1000 as a template. Fill in all the required fields with the address data and save your data.

2-1-9 Control exercise – Please do not change the system configuration!

Before the first posting, now check whether the cost center, the profit center, and the segment are defined as “Optional” in the field status group of account 417000 (Purchased Services) / company code AA##.
2-1-10 Now create a **vendor invoice** for the services you purchased **with the following data:**

- **Company Code:** AA##
- **Vendor:** 210##
- **Invoice and posting date:** **Today**
- **Amount:** € 4,640
- **Calculate Tax indicator:** Set
- **Tax Code:** VN
- **Text:** 1. Posting AC210
- **G/L Account:** 417000
- **Amount in document currency:** 4,640 or just “*”
- **CO-Relevant Account Assignment:** Cost center T-F05A##

Simulate and **save** the posting document!

2-1-11 **Display the document.** Change the layout in the entry view such that the cost center, profit center, and segment are displayed! Save this layout **user-specifically**, with name L1. If you want, you can also save your new layout as the default setting. If you do, layout L1 will be started automatically whenever you display the document.
Solutions

Unit: Ledger Definition
Topic: Configuring New General Ledger Accounting

2-1 Exercises for configuring New General Ledger Accounting

2-1-1

Control exercise – Please do not change the system configuration!

Call up the activation indicator for New General Ledger Accounting and make sure New General Ledger Accounting has been activated!

*Customizing: Financial Accounting → Financial Accounting Global Settings → Activate New General Ledger Accounting*

Which transaction code can you use to call up the activation indicator?

Transaction code: FAGL_ACTIVATION

What does the acronym “FAGL” stand for?

Financial Accounting General Ledger

2-1-2

Control exercise – Please do not change the system configuration!

Check the Customizing settings to find out the ID of the leading ledger, as well as the totals table where the values are saved.


→ The ID is 0L
→ The totals table name is FAGLFLEXT
Control exercise – Please do not change the system configuration!

**Important:** In all future exercises, the two hash keys (=> ##) stand for your two-digit group number!

Check the “new” **IMG paths** to find out which **fiscal year variant** your **company code** AA## uses …


Your company code AA## uses fiscal year variant K4

... and which **field status variant** is assigned to your **company code** AA##?


Your company code AA## uses field status variant 1000

Control exercise – Please do not change the system configuration!

Which **scenarios** have been assigned (by the trainer) to the **leading ledger**, 0L?


Select ledger 0L double-click to select the **Scenarios** entry in the dialog structure. The following scenarios may be visible:
- Cost Center Update
- Preparations for Consolidation
- Business Area
- Profit Center Update
- Segmentation
- Cost of Sales Accounting
Create a new segment with ID SEG## and name it “Segment Group ##”.

Customizing: Enterprise Structure → Definition → Financial Accounting → Define Segment

Maintain the new entry as described in the exercise text.

Now create a profit center with ID PC##. For a template, please use profit center 1000 in controlling area 1000. Maintain the following data for the profit center:

- Analysis Time Frame: 01/01/1999 to 12/31/9999
- Name: PC Group ##
- Long Text: Profit Center Group ##
- Person Responsible: Group ##
- Department: Course
- Hierarchy Area: H9500 (Course)
- Segment: Your new Segment SEG## from the previous exercise. Activate the new profit center.

Customizing: Enterprise Structure → Definition → Financial Accounting → Define Profit Center

In the displayed dialog box, choose EC-PCA: Create profit center

Maintain the new entry, with the reference profit center as described in the exercise text.

Call cost center T-F05A## in change mode and make sure that the cost center is assigned to your company code AA##. ...

SAP Easy Access menu → Accounting → Controlling → Cost Center Accounting → Master Data → Cost Center → Individual Processing → Change

... Replace the existing profit center with your new profit center PC##. Answer any warning/information messages with “Yes”. Save your changes.

Now create vendor 210## in your company code AA## – leave the account group blank and choose Vendor 1000 in Company Code 1000 as a template. Fill in all the required fields with the address data and save your data.

SAP Easy Access Menu → Accounting → Financial Accounting → Vendors → Master Records → Create

Maintain the new entry, with the reference as described in the exercise text.
Control exercise – Please do not change the system configuration!

Before the first posting, now check whether the cost center, the profit center, and the segment are defined as “Optional” in the field status group of account 417000 (Purchased Services) / company code AA##.

SAP Easy Access menu → Accounting → Financial Accounting → General Ledger → Master Records → G/L Accounts → Individual Processing → Centrally

Enter account 417000 and company code AA##.

Double-click the tab Create/bank/interest

Double-click the entry for the Field status group (=> G033)

Double-click on the Additional account assignments group

Find the appropriate account assignments in the displayed table. You may have to scroll down to see the segment.

2-1-10 Now create a vendor invoice for the services you purchased with the following data:

Company Code: AA##
Vendor: 210##
Invoice and posting date: Today
Amount: € 4,640
Calculate Tax indicator: Set
Tax Code: VN
Text: 1. Posting AC210
G/L Account: 417000

Amount in document currency: 4,640 or just “*”

CO-Relevant Account Assignment: Cost center T-F05A##

Simulate and save the posting document!

SAP Easy Access Menu → Accounting → Financial Accounting → Vendors → Document Entry → Invoice

Enter the missing data as described in the exercise text.

2-1-11 Display the document. …

Remain in the Enter Vendor Invoice screen and choose menu path Document → Display

… Change the layout in the entry view such that the cost center, profit center, and segment are displayed! …

Choose Change Layout... from the drop-down list under the Select Layout pushbutton. Display the three described fields.

... Save this layout user-specifically, with name L1. If you want, you can also save your new layout as the default setting. If you do, layout L1 will be started automatically whenever you display the document.

Choose Save Layout... from the drop-down list under the Select Layout pushbutton.
Course Overview: Document Splitting

- Introduction
- Ledger Definition
- **Document Splitting**
- Integration
- Periodic Processing
- Parallel Accounting
- Reporting
- Migration

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Contents:

- Motivation for document splitting
- Document splitting functions
- Activating document splitting
- Defining document splitting characteristics
- Inheritance in document splitting
- Example postings with document splitting
Document Splitting: Objectives

At the conclusion of this unit, you will be able to

- Explain the motivation and theory behind document splitting
- Activate and use document splitting
- Perform example postings with document splitting
Available functions in the SAP system (Release SAP ERP Central Component 5.0 and later) to create segment financial statements:

- The Segment field is a standard field in the totals table for New General Ledger Accounting (FAGLFLEXT)

- New FI drilldown reporting functions let you create segment financial statements

Requirement: Example: Posting w/diff. segment assignment

<table>
<thead>
<tr>
<th>Ccd</th>
<th>It</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>31</td>
<td>1000</td>
<td>Vendor X</td>
<td>11,000</td>
<td>EUR</td>
<td>SEG A</td>
</tr>
<tr>
<td>2</td>
<td>40</td>
<td>417000</td>
<td>Purch. Services</td>
<td>4,000</td>
<td>EUR</td>
<td>SEGA</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>40</td>
<td>417000</td>
<td>Purch. Services</td>
<td>6,000</td>
<td>EUR</td>
<td>SEG B</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>40</td>
<td>154000</td>
<td>Input Tax</td>
<td>1,000</td>
<td>EUR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Solution: Document splitting/online split

The system requirements can be even more "simple" – there do not necessarily have to be different segment assignments in the expense lines. At the very least, the payables line (in the general ledger view) has to have a "segment assignment" line, for example, to create balanced segment financial statements at all.
Assumptions for Document Splitting:

- The operative process (of document entry) must not be disturbed (changed) by the online split – specific example:
  When entering the following vendor invoice in the system ...

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor X</td>
<td>11,600</td>
<td>EUR</td>
<td></td>
</tr>
<tr>
<td>Purch. Services</td>
<td>4,000</td>
<td>EUR</td>
<td>SEG A</td>
</tr>
<tr>
<td>Purch. Services</td>
<td>6,000</td>
<td>EUR</td>
<td>SEG B</td>
</tr>
<tr>
<td>Input Tax</td>
<td>1,600</td>
<td>EUR</td>
<td></td>
</tr>
</tbody>
</table>

.... the user **only wants to enter the vendor once**.
Later, of course, when segment financial statements are required (for segment A, for example), the payables (in the **general ledger**) should report the corresponding share (=> 4,640).

- When a **vendor line item list** is called (in the FI-AP subledger), of course, there should still **only be one open item** for the above invoice.
  Therefore: Document splitting is only relevant for the general ledger; it does not need to be visible from within the subledgers.

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**Steps Involved in Document Splitting**

**Simplified**, you can divide the document splitting process into three steps:

<table>
<thead>
<tr>
<th>Passive split:</th>
</tr>
</thead>
<tbody>
<tr>
<td>During clearing (during a payment, for example), the account assignments of the items to clear are inherited to the clearing line item(s) (=&gt; such as payables line item[s]).</td>
</tr>
<tr>
<td>This step cannot be customized.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Active (rule-based) split:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The system splits documents on the basis of <em>(delivered or custom)</em> document splitting rules</td>
</tr>
<tr>
<td>Document splitting rules can be configured</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clearing lines/zero balance formation by balancing char. <em>(and document)</em>:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The system creates clearing lines automatically to achieve a split</td>
</tr>
<tr>
<td>You can control this process with the &quot;zero balance indicator&quot;</td>
</tr>
</tbody>
</table>

- In situations involving clearing, the **passive split** not only ensures that the account itself is balanced, but also the additional dimensions. See the example in the next slides.

- The logic behind the rules for **active splits** is explained in the following slides.

- **Clearing lines** are always formed when values have to be reposted between account assignment objects. For example: Transfer posting from profit center A to profit center B.
  - The clearing lines ensure that not only the document itself is balanced internally, but also the additional dimensions (=> such as business area, segment, or profit center).

- Between steps two and three, document splitting is supported by two things: **inheritance** and **default account assignment**.

- The system **always** processes document splitting in the sequence shown in the slide.
You first have to define for which (FI) characteristics document splitting is performed.

**Typical document splitting characteristics:**
- Business area
- Profit center
- Segment

**Important:** User-defined entities can also be split.

### Document splitting characteristics for general ledgers

<table>
<thead>
<tr>
<th>Field</th>
<th>Zero Bal.</th>
<th>Mand. Fld.</th>
<th>....</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRCTR Profit Center</td>
<td>✓</td>
<td></td>
<td>....</td>
</tr>
<tr>
<td>SEGMENT Segment</td>
<td>✓</td>
<td></td>
<td>....</td>
</tr>
</tbody>
</table>


- The system proposes logical document splitting characteristics based on the assigned scenarios.
- If you elect to use additional document splitting characteristics, you should use these characteristics in at least one ledger.

You should always set the **Zero Balance indicator** if you plan to use the characteristics to create financial statements. The balance of the involved entities is then always 0 for every posting, ensuring "entity balancing".

**Mandatory field** has two meanings:

- Firstly, it is an extension of the field status for accounts in which the characteristics cannot be "entered" during document entry, and/or for accounts that cannot be controlled using the field status. Example: Vendor lines should always include a profit center or a segment.
- Secondly, it is a check as to whether a business process-equivalent business transaction variant was selected (which determines whether a splitting rule can be found).
Activate Document Splitting and Inheritance

**Document splitting** is first activated **client-wide** in Customizing.

In a further step (in the dialog structure), you can use this transaction to activate/deactivate document splitting **for each company code**.

- **Activate Document Splitting**
  - Splitting
  - Method: 0000000012
  - Splitting: Like 0000000002 ....

- **Level of Detail**
  - Inheritance
  - Standard A/C Assignment
  - Constant

**Inheritance** means that, when you create a customer invoice from a revenue line, for example, the entities (such as business area or segment) are projected (inherited) to the customer and tax lines in the general ledger view.

The **standard A/C assignment** can be used to replace all account assignments that could not be derived from the posting with a constant "value".

  - Splitting method 0000000012 is the standard splitting method provided by SAP.

- There is no reason why you should not activate **inheritance** when document splitting is active.
  - If you were not to use inheritance, you would have to define "rules" for the business processes to ensure that the **account assignments are projected**, for example, to achieve a zero balance in order to post the document.

  - Activation of inheritance is practically the first step to enable documents to be posted when document splitting is active, without any other Customizing activities.

  - Inheritance is performed online and at the line item level.

- To use a default account assignment, you first have to define a constant, which you do in **Customizing under Financial Accounting (New)-> General Ledger Accounting (New) -> Business Transactions -> Document Splitting -> Edit Constants for Nonassigned Processes**.
**Document Splitting – Active Split**

**Modeled business transaction:**
- **Vendor invoice with multiple expense line items** and different account assignments *(with input tax of 10%)*

### Entry view:

<table>
<thead>
<tr>
<th>CCd</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>31</td>
<td>Miller Inc.</td>
<td>11,000.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>40</td>
<td>Advertising Costs</td>
<td>1,000.00</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>1000</td>
<td>SEG A</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>40</td>
<td>Purch. Services</td>
<td>9,000.00</td>
<td>EUR</td>
<td>VN</td>
<td>4140</td>
<td>1402</td>
<td>SEG B</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>40</td>
<td>Input Tax</td>
<td>1,000.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### General ledger view / Ledger 0L:

<table>
<thead>
<tr>
<th>CCd</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>31</td>
<td>Vendor Payable</td>
<td>1,100.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td>1000</td>
<td>SEG A</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>40</td>
<td>Advertising Costs</td>
<td>1,000.00</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>1000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>40</td>
<td>Input Tax</td>
<td>100.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td>1000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>31</td>
<td>Vendor Payable</td>
<td>9,900.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td>1402</td>
<td>SEG B</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>40</td>
<td>Purch. Services</td>
<td>9,000.00</td>
<td>EUR</td>
<td>VN</td>
<td>4140</td>
<td>1402</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>40</td>
<td>Input Tax</td>
<td>900.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td>1402</td>
<td></td>
</tr>
</tbody>
</table>

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- The entities defined as document splitting characteristics are inherited in non-assigned posting items.
- As you can see in the slide, the individual posting components always balance to zero.
- In this rule-based split, the vendor and tax lines (items 1 and 4) in the general ledger view are split in accordance with the expense lines / base item category *Expense* (items 2 and 3; expense accounts 477000 and 417000).
■ From Release mySAP ERP 2005, you can simulate not only the entry view but also the general ledger view before the posting.

■ In this way, you can analyze early any error that would lead to a termination (=> error message) of the posting.

■ You can then use the expert mode to view the detailed data of document splitting.
A **splitting method**, in brief, is the **total of all splitting rules of all business transactions**. As such, the splitting method defines how and under which circumstances document splitting is performed. In detail, this means that each splitting method defines how each item category is handled in the individual business transactions - for example, whether the account assignment of a customer item is copied from the revenue items to a customer invoice. (=> See rule-based split)

- The **business transaction** is a general breakdown of actual business processes that SAP provides and that is assigned a wide variety of item categories.

- The **business transaction variant** is a specific version of the predefined business transaction provided by SAP and the (technical) modeling of a real business process for document splitting.

- An **item category** is a (technical) map of the posted line items. It describes the items that appear within a document (business transaction). They are derived from, among other things, the account types of the G/L accounts.
  - In other words: The item category is the semantic description for the document split.

- An individual **splitting rule** defines which item categories can/will be split (=> **item categories to be split**) and at the same time defines which base can be used (=> **base item categories**).
The view shown above is displayed when you choose the **printer icon** for an explicit splitting rule: *Customizing: Financial Accounting (New) -> General Ledger Accounting (New) -> Business Transactions -> Document Splitting -> Extended Document Splitting -> Define Splitting Rules.*

- You can also call the splitting rules with **transaction code GSP_RD**
The **expert mode** provides information on all essential document splitting parameters (such as splitting method or business transaction) and describes how the split amounts are achieved.

**Example:** How does the system calculate the amount of payables (=> AP domestic) for profit center 1000 (=> 9900.00 €)?

See next slide
**Document Simulation – Expert Mode II**

### Customizing Parameter of Document Split:

- **Reference Number:** 00000012
- **Document Transaction Variant:** 0310
- **Data via Doc. Type:** XR
- **Company Code + Leading Item:** AA03
- **Zero Balance Method:** P

### Document Display

<table>
<thead>
<tr>
<th>Company Code</th>
<th>Line Number</th>
<th>Description</th>
<th>Amount</th>
<th>Currency</th>
<th>Profit Ctr</th>
</tr>
</thead>
<tbody>
<tr>
<td>000000001</td>
<td>1</td>
<td>Base Line 0,…04</td>
<td>9,000</td>
<td>EUR</td>
<td>1,000</td>
</tr>
<tr>
<td>000000002</td>
<td>2</td>
<td>Base Line 0,…05</td>
<td>900</td>
<td>EUR</td>
<td>1,000</td>
</tr>
</tbody>
</table>

**9,900 = Base Line 0….04 / ExpensesLine (=> 9,000) + Base Line 0….05 / Tax out of Base Line 0….04 (=> 900)**

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**Document Splitting – Follow-Up Process I**

**Modeled business transaction:**

- The **vendor invoice** (see Example Figures II) is now paid
  - It is paid with a retention amount of **3% cash discount** – amount paid: **10,670.00 €**.

- **What to watch for:**
  - The selected **document splitting characteristics** now have to be **inherited to the posting lines of the payment document** as well.
  - The payment document is split on the basis of **document splitting rules** of the original expense posting / vendor invoice.

---

**Entry view:**

<table>
<thead>
<tr>
<th>CCd</th>
<th>I</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>50</td>
<td>13100</td>
<td>Bank</td>
<td>10,670.00-</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>50</td>
<td>276000</td>
<td>Discount rec.</td>
<td>30.00-</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>50</td>
<td>276000</td>
<td>Discount rec.</td>
<td>270.00-</td>
<td>EUR</td>
<td>VN</td>
<td>1402</td>
<td>SEG B</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>25</td>
<td>1000</td>
<td>Miller Inc.</td>
<td>11,000.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>50</td>
<td>154000</td>
<td>Input Tax</td>
<td>30.00-</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

- For more information on "cash discount received" lines, see the Integration unit, topic *Online Distribution of Follow-Up Costs.*
In the line item display, the payment document and original invoice document appear as cleared items, as in prior releases.

- The **document splitting rules** for splitting the payment of a vendor invoice are provided in the **standard** SAP system.
  - The "payables lines" (=> account 160000) are created through passive document splitting.
- If we assume that the invoice were not to be paid in full and a **residual item** of €2,000.00 were to remain, this would create a new vendor line item; this residual item would in turn be split among the original expenses in the general ledger view for invoice entry.
**Document Splitting - Inheritance**

**Modeled business transaction:**
- **G/L account postings** – Expense, taxes to petty cash / document type SA

**System configuration:**
- Scenarios Profit Center Update and Segmentation are assigned
- Document splitting activated – Doc. splitting chars Profit Center and Segment are defined

### Entry view:

<table>
<thead>
<tr>
<th>CCd</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>40</td>
<td>476000 Office materials</td>
<td>50.00</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>1402</td>
<td>SEG A</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>50</td>
<td>100000 Petty Cash</td>
<td>58.00-</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>40</td>
<td>154000 Input Tax</td>
<td>8.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

### General ledger view / Ledger 0L:

**Important:** Missing columns are identical to the entry view.

<table>
<thead>
<tr>
<th>Amount</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
<th>Important: Missing columns are identical to the entry view.</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.00</td>
<td>1000</td>
<td>1402</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>58.00-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Inheritance indicator not set!**
- **Inheritance indicator set!**

### General ledger view / Ledger 0L:

**Important:**

<table>
<thead>
<tr>
<th>Amount</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.00</td>
<td>1000</td>
<td>1402</td>
<td>SEG A</td>
</tr>
<tr>
<td>58.00-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

- The *Inheritance* indicator ensures that the corresponding account assignment objects are projected to the petty cash and tax line items, even without corresponding splitting rules.
- This indicator also ensures a zero balance setting for entities selected for document splitting, without requiring you to define any other system settings.
Document Splitting – Creation of Zero Balance

Modeled business transaction:
- **G/L account posting** – Transfer posting within an account

System configuration:
- Scenarios *Profit Center Update* and *Segmentation* are assigned
- Document splitting activated – Doc splitting chars *Profit Center* and *Segment* are defined

---

**Entry view:**

<table>
<thead>
<tr>
<th>CCd</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CTr</th>
<th>PK</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>113100</td>
<td>Bank</td>
<td>10,000.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG A</td>
</tr>
<tr>
<td>1000</td>
<td>2</td>
<td>113100</td>
<td>Bank</td>
<td>10,000.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG B</td>
</tr>
</tbody>
</table>

**General ledger view / Ledger 0L:**

<table>
<thead>
<tr>
<th>CCd</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CTr</th>
<th>PK</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>113100</td>
<td>Bank</td>
<td>10,000.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG A</td>
</tr>
<tr>
<td>3</td>
<td>50</td>
<td>194500</td>
<td>Clear. Seg.</td>
<td>10,000.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG A</td>
</tr>
<tr>
<td>2</td>
<td>50</td>
<td>113100</td>
<td>Bank</td>
<td>10,000.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG B</td>
</tr>
<tr>
<td>4</td>
<td>40</td>
<td>194500</td>
<td>Clear. Seg.</td>
<td>10,000.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG B</td>
</tr>
</tbody>
</table>

Layout sorted by segment in ascending order

---

- **Reason for reposting:** A vendor invoice was assigned to an incorrect segment and paid with this incorrect segment.
  - Both the expense and the vendor item obviously need to be corrected.
- **Zero balance creation is only useful and necessary if you want to create a complete balance sheet for a specific characteristic. The above case is an example of clearing line formation.**
**Document Splitting – Modeling**

**Modeled business transaction:**
- G/L account postings – Multiple expense line items, taxes to petty cash

**System configuration:**
- Scenarios Profit Center Update and Segmentation are assigned
- Document splitting activated – Doc. splitting chars Profit Center and Segment are defined

<table>
<thead>
<tr>
<th>CCd</th>
<th>I</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>40</td>
<td>476000</td>
<td>Office materials</td>
<td>50.00</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>1000</td>
<td>SEG A</td>
</tr>
<tr>
<td>2</td>
<td>40</td>
<td>476000</td>
<td>Office materials</td>
<td>100.00</td>
<td>EUR</td>
<td>VN</td>
<td>4140</td>
<td>1410</td>
<td>SEG B</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>50</td>
<td>100000</td>
<td>Petty Cash</td>
<td>165.00</td>
<td>EUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>40</td>
<td>154000</td>
<td>Input Tax</td>
<td>15.00</td>
<td>EUR</td>
<td>VN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Balancing field “Segment” is not filled in line item 003

**The standard splitting rules do not cover this type of business transaction**
- To post the transaction, you have to enhance the existing splitting rules

- What are the reasons for the error message during the error message?
  - No base item category is assigned for item category Cash Account (nor for item category Value-Added Tax) in the corresponding combination of business transaction and business transaction variant that is assigned to the respective document type.
  - Moreover, “inheritance” of the segment is not possible because it is not unique.
- If you have to modify a rule, you should create your own splitting method and copy the assigned rules from the standard configuration.
Creating a Customer-Specific Splitting Method

Before you change a standard business transaction or define your own business transaction variants, you should define and assign a new document splitting method (in your namespace) and make the changes in that method.

Proceed as follows:
- Define/create splitting method – such as Z0001
- Copy standard splitting rules (with the corresponding item categories [=> dependent entries]) to the new splitting method:
  - Select all of the business transactions of a standard splitting method
  - Copy each business transaction, one by one
- Assign the new splitting method (across all clients)

- Assign the new splitting method: In Customizing for Document Splitting under Extended Document Splitting -> Assign Splitting Method
You can now:

- Explain the motivation behind document splitting and how it works
- Activate and use document splitting
- Perform example postings with the online split (document splitting) function
Splitting - Exercises

Unit: Document Splitting
Topic: Postings with Online Document Splitting

At the conclusion of these exercises, you will be able to

- Understand and configure document splitting. You will also be able to enter and analyze split documents.

3-1 Exercises for configuring and demonstrating document splitting

3-1-1 Control exercise – Please do **not** change the system configuration!

Please check whether at least the **Segment splitting characteristic** is defined! The **Zero-Balance** and **Mandatory Field** indicators have to be set for the segment. If this is not the case, please notify your course instructor.

3-1-2 When should you set the “zero balance” indicator for the splitting characteristics in general ledger accounting?

3-1-3 Does it make sense to also set the “mandatory indicator” for a balancing entity?

3-1-4 **Activate document splitting for** your **company code AA##**. **As already configured**, use splitting method **0000000012** (splitting: like 0000000002 [follow-up costs online]) for your company code, and make sure **inheritance** is **activated**. You do not need to enter a constant for a default account assignment.

3-1-5 Now create a **vendor invoice** for the **spare parts** you purchased with the following data:

- **Company Code**: AA##
- **Vendor**: 210##
- **Invoice and posting date**: Today
- **Amount**: € **2320**
- **Calculate tax indicator**: Set
- **Tax Code**: VN
- **Text**: Spare parts purchase group ##
- **G/L Account**: 404000
- **Amount in document currency**: **2,320** or just “*”
- **CO-Relevant Account Assignment**: Cost center **T-F05A##**

Simulate and **save** the posting document!
3-1-6 **Display the document.** You can see in the entry view that your segment SEG## was derived. Now switch to the **general ledger view:** The segment should now be **inherited** in the payables and tax line items.

> **Important:** If your instructor has (also) defined the profit center (and/or business area) as a splitting characteristic, these entities will also be inherited in the payables and tax line items.

3-1-7 **Active split:** You will now **enter an additional spare parts invoice** for vendor 210##. In contrast to the previous exercise, **some of the spare parts** should now be assigned to your defined segment SEG##, **with the rest assigned to segment SEGA!**

3-1-7-1To make sure that the second part of the posted amount is really assigned to segment SEGA, **check the settings for cost center T-F05B##** before you post: **Which profit center is defined in cost center T-F05B##?**

3-1-7-2**Which segment is defined in the corresponding profit center?**

Hopefully segment SEGA 😊

The **invoice total** should amount to €10,000 **net. Split** the costs for the spare parts **however you like,** as long as you assign **some parts** to **cost center T-F05A##** and **the others** to **cost center T-F05B##.**

You can use **account 404000** or **400000** as the **expense account.** Use the data and control parameters from the previous exercise.

3-1-8 **Display the document.** You can already see in the entry view that the expense has been split – of course in the ratio you defined yourself in the posting. **Now switch to the general ledger view:** You should now see 6 line items instead of the 4 posting line items.

3-1-9 To instantly see whether a zero balance has been reached for each segment, **change the layout** of the document: Sort by segment and calculate a subtotal for the **Segment** column.

3-1-10 You can **save this layout** as user-specific layout L2.

3-1-11 To demonstrate that the split is really only performed in the general ledger, and not in the subledgers, **call a vendor line item list** for your vendor 210##.

You should see 3 open items. The last recorded document is displayed as **one open item** in the amount of EUR 11,600.00. To show the split by segment, you have to display the document from within the Open item list.
3-1 Exercises for configuring and demonstrating document splitting

3-1-1 Control exercise – Please do not change the system configuration!

Please check whether at least the Segment splitting characteristic is defined! The Zero-Balance and Mandatory Field indicators have to be set for the segment. If this is not the case, please notify your course instructor.


3-1-2 When should you set the “zero balance” indicator for the splitting characteristics in general ledger accounting?

You have to set this indicator whenever the characteristic involved is a balancing entity. Setting the “zero balance” indicator ensures that the characteristic will have a zero balance in the document. Specifically: If the indicator is set, the system checks whether the balance of the characteristic is zero during posting. If this is not the case, the system creates additional clearing line items in the document to achieve the zero balance.

3-1-3 Does it make sense to also set the “mandatory indicator” for a balancing entity?

Yes: in this case, the system not only generates the clearing line items, but also checks whether all the line items in the posting are assigned to the appropriate characteristic after the split.

3-1-4 Activate document splitting for your company code AA##. As already configured, use splitting method 0000000012 (splitting: like 0000000002 [follow-up costs online]) for your company code, and make sure inheritance is activated. You do not need to enter a constant for a default account assignment.


The settings in the first screen should already be correct. Switch to Deactivation per Company Code in the dialog structure. Find the line with your company code, AA##, and delete the inactive indicator.
Now create a **vendor invoice** for the **spare parts** you purchased **with the following data:**

- **Company Code:** AA##
- **Vendor:** 210##
- **Invoice and posting date:** Today
- **Amount:** € 2320
- **Calculate tax indicator:** Set
- **Tax Code:** VN
- **Text:** Spare parts purchase group ##
- **G/L Account:** 404000
- **Amount in document currency:** 2,320 or just “*”
- **CO-Relevant Account Assignment:** Cost center T-F05A##

Simulate and **save** the posting document!

**SAP Easy Access Menu → Accounting → Financial Accounting → Vendors → Document Entry → Invoice**

Enter the required data as described in the exercise text.

**3-1-6 Display the document …**

**Remain in the Enter Vendor Invoice screen and choose menu path Document → Display**

... You can see in the entry view that your segment SEG## was derived. Now switch to the **general ledger view:** The segment should now be **inherited** in the payables and tax line items.

**Important:** If your instructor has (also) defined the profit center (and/or business area) as a splitting characteristic, these entities will also be inherited in the payables and tax line items.

**3-1-7 Active split:** You will now **enter an additional spare parts invoice** for vendor 210##. In contrast to the previous exercise, **some of the spare parts** should now be assigned to your defined segment SEG##, with the rest **assigned to segment SEGA**!

3-1-7-1 To make sure that the second part of the posted amount is really assigned to segment SEGA, **check** the settings for **cost center T-F05B##** before you post: **Which profit center is defined in cost center T-F05B##?**

**SAP Easy Access menu → Accounting → Controlling → Cost Center Accounting → Master Data → Cost Center → Individual Processing → Display**

Profit center 1402 is defined.
Which segment is defined in the corresponding profit center?

Hopefully segment SEGA ☺

**SAP Easy Access menu → Accounting → Controlling → Profit Center**
**Accounting → Master Data → Profit Center → Individual Processing → Display**

Enter profit center 1402 and display the master data. Input field Segment appears in the logical field group Basic Data.

The invoice total should amount to € 10,000 net. Split the costs for the spare parts however you like, as long as you assign some parts to cost center T-F05A## and the others to cost center T-F05B##. You can use account 404000 or 400000 as the expense account. Use the data and control parameters from the previous exercise.

**SAP Easy Access Menu → Accounting → Financial Accounting → Vendors → Document Entry → Invoice**

Enter the required data as described in the exercise text.

3-1-8 Display the document. …

Remain in the Enter Vendor Invoice screen and choose menu path Document → Display

... You can already see in the entry view that the expense has been split – of course in the ratio you defined yourself in the posting. **Now switch to the general ledger view:** You should now see 6 line items instead of the 4 posting line items.

3-1-9 To instantly see whether a zero balance has been reached for each segment, **change the layout** of the document: **Sort by segment and calculate a subtotal for the Segment column.**

Select the Segment column in the display document and press the Sort Ascending button. Select the Amount column and press the Totals button. Then select the Segment column again and press the Subtotal button.

3-1-10 You can save this layout as user-specific layout L2.

Choose Save Layout... from the drop-down list under the Select Layout pushbutton.

3-1-11 To demonstrate that the split is really only performed in the general ledger, and not in the subledgers, **call a vendor line item list** for your vendor 210##. …

**SAP Easy Access Menu → Accounting → Financial Accounting → Vendors → Account → Display/Change Line Items**

Enter vendor 210## and company code AA##, then start the selection of your open items, open as of today.

... You should see 3 open items. The last recorded document is displayed as one open item in the amount of EUR 11,600.00. To show the split by segment, you have to display the document from within the Open item list.

**Double-click the displayed document number.**

Choose menu path Goto → Document Overview
Integration

Contents:

- Integration with FI Subledgers
- Integration with Controlling
- Integration with Materials Management
Integration: Objectives

At the conclusion of this unit, you will be able to

- Enter postings in accounts payable and accounts receivable
- Enter post-capitalization of cash discounts for assets in real time
- Understand and configure the real-time integration from CO to FI
- Distribute follow-up costs online
- Perform allocations in FI
- Determine whether New General Ledger Accounting is also integrated with Materials Management
New General Ledger Accounting – Integration

Integration with the following components:

- Integration with FI Subledgers
  - FI-AP (Accounts Payable)
    - Covered in detail in the Document Splitting unit
  - FI-AR (Accounts Receivable)
  - FI-AA (Asset Accounting)

- Integration with Controlling
  - Real-time integration CO -> FI
  - Online distribution of follow-up costs

- Integration with Materials Management

- Allocation (within FI) - does not really count as integration
Integration with the following components is relevant:

- **Integration with FI Subledgers**
  - FI-AP (Accounts Payable)
    - Covered in detail in the *Document Splitting* unit
  - FI-AR (Accounts Receivable)
  - FI-AA (Asset Accounting)

- **Integration with Controlling**
  - Real-time integration CO -> FI
  - Online distribution of follow-up costs

- **Integration with Materials Management**

- **Allocation (within FI)** - does not really count as integration
Customer documents are subject to the same rules as in accounts payable:

The account assignment objects in the revenue line item are inherited to the customer and tax items in the invoice. You can see this in the general ledger view of the document display.

The customer and tax line items of a customer invoice with different account assignment objects in the revenue line items are split online, in proportion to the amounts in the revenue line items. You can also see this in the general ledger view of the document display.

The customer line item list still only outputs one item per document.

When payments are received, the bank and any cash discount items are split analogous to the revenue lines in the original customer invoice – Key word: follow-up process.

- You can see the inheritance of customer items clearly in transaction FB70 (=> Enter Customer Invoice).
- When you enter a customer invoice with different account assignments in the revenue line items, you see that nothing has changed compared to the prior releases: You have to enter the various revenue line items by hand for the different account assignment objects – the tax and customer line items are created automatically.
  - After posting, you can view the online split in the general ledger view of the document – The entry view shows the document as it was entered during posting.
New General Ledger Accounting – Integration

Integration with the following components:

- Integration with FI Subledgers
  - FI-AP (Accounts Payable)
    - Covered in detail in the Document Splitting unit
  - FI-AR (Accounts Receivable)
    - FI-AA (Asset Accounting)

- Integration with Controlling
  - Real-time integration CO -> FI
  - Online distribution of follow-up costs

- Integration with Materials Management

- Allocation (within FI) - does not really count as integration
New General Ledger Accounting – Integration with FI-AA I

Assumed system configuration:

=> Asset accounting is managed as a subledger with two depreciation areas (=> Book [01] and Costing [20]).
=> The costing-based depreciation is passed on to CO in the costing area.
=> Parallel accounting is not relevant (yet).

Both account assignment elements are generally derived from the assigned CO objects in the asset master record (=> cost center or order)

To actually assign a segment (or a PC) for asset transactions, you have to activate Account Assignment Type APC Values Posting for Area 01 for the corresponding CO object.

Company Code: 1000
Depreciation Area: 01
Area 01 / Book Depreciation

Account Assignment Objects

<table>
<thead>
<tr>
<th>AA Object</th>
<th>Name of AA Object</th>
<th>TTy</th>
<th>TTy Text</th>
<th>Acct. Assign. Type</th>
<th>Assign</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOSTL</td>
<td>Cost Center</td>
<td>*</td>
<td>Gen. Trn. Type</td>
<td>APC Values Posting</td>
<td>✔</td>
</tr>
<tr>
<td>CAUFN</td>
<td>Internal order</td>
<td>*</td>
<td>Gen. Trn. Type</td>
<td>APC Values Posting</td>
<td>✔</td>
</tr>
</tbody>
</table>

Business context: It should be possible to achieve the specified target scenario if you have assigned the segmentation scenario (or profit center update) to the leading ledger.

- In addition, the Segment characteristic (or PC or BA) must be a balancing entity.

The above example shows a typical configuration for Asset Accounting (component FI-AA) if the involved company does not have to apply any accounting principles other than the trade law governing book depreciation:

- Area 01: Posts values to General Ledger Accounting in real time
- Area 20: Only posts depreciation

The new entities within New General Ledger Accounting in mySAP ERP, such as segment or profit center, cannot be defined directly in the asset master record. The system derives these two objects from the cost center or order, which can be maintained in the "time-dependent data" for the asset.

The account assignment types are defined in Customizing for Asset Accounting under Financial Accounting (New) -> Asset Accounting -> Integration with the General Ledger -> Additional Account Assignment Objects -> Specify Account Assignment Types for Account Assignment Objects

- You can only maintain account assignment types for active account assignment objects.

See also SAP Note 684659.
Target / option: Model asset transactions in segments (or profit centers):

The segment (or PC) now has to be inherited from the asset item to the vendor and tax items (or, if inbound is not integrated, to the clearing account line.

Solution: Activate splitting with inheritance

Posting result of an integrated asset acquisition (TCode F-90):

General ledger view / Ledger 0L:

<table>
<thead>
<tr>
<th>CCd</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Σ Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CTr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>31</td>
<td>160000</td>
<td>116,000.00</td>
<td>EUR VN</td>
<td></td>
<td></td>
<td>1000</td>
<td>SEG A</td>
</tr>
<tr>
<td>2</td>
<td>70</td>
<td>11000</td>
<td>00002002 0000</td>
<td>100,000.00</td>
<td>EUR VN</td>
<td></td>
<td></td>
<td>1000</td>
<td>SEG A</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
<td>154000</td>
<td>Input Tax</td>
<td>16,000.00</td>
<td>EUR VN</td>
<td></td>
<td></td>
<td>1000</td>
<td>SEG A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00 EUR</td>
<td></td>
<td></td>
<td></td>
<td>1000</td>
<td></td>
</tr>
</tbody>
</table>

Layout with totals formation for the “Amount” column.

Document splitting also works in the case of the segmentation of an asset acquisition that is posted for multiple assets (with different segment assignments).

- Document types AA (or AN) are assigned the default business transaction 0000 (unspecified posting) and business transaction variant 0001 (standard) in the context of document splitting.
- The reconciliation accounts (asset balance sheet accounts and value adjustment accounts) are already classified internally as item categories.
- The item categories for the asset retirement accounts may still need to be defined.

New FI drilldown reports let you create segment or profit center financial statements immediately (=> TCode FGI0)!

- As a result, you no longer have to transfer assets to Profit Center Accounting (TCode IKEI) for profit center financial statements.

The cost center for the asset is not displayed in the entry view or the general ledger view by default. This means that the asset balance sheet value is not forwarded to a CO account assignment object by default! This corresponds to the wishes of the vast majority of SAP customers.

- For information on how to circumvent the default setting so that the asset balance sheet values can be posted to a cost center (in CO), for example, see SAP Note 395762.
**Post-Capitalization of Cash Discount for Asset 1**

**Same initial situation:** Payment of invoice for asset with deduction of 3% cash discount

**Target / option:** (also) model asset transactions in segments (or profit centers):

**Processing until Release R/3 Enterprise (inclusive):**

1. Enter the invoice with posting against the cash discount received account

**General ledger view / Ledger 0L:**

<table>
<thead>
<tr>
<th>Cc</th>
<th>I</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Total Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>50</td>
<td>113100</td>
<td>Bank</td>
<td>117,520.00</td>
<td>EUR</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>50</td>
<td></td>
<td>276000</td>
<td>Cash disc. rec.</td>
<td>3,000.00</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>25</td>
<td></td>
<td>160000</td>
<td>Vendor Payable</td>
<td>116,000.00</td>
<td>EUR</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>50</td>
<td></td>
<td>154000</td>
<td>Input Tax</td>
<td>480.00</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
</tbody>
</table>

Total: 0.00 EUR

Layout with totals formation for amount column.

The asset still has a value of € 100,000.00. Deduction of the cash discount amount from the asset only takes place using a second step:

2. Start (periodic) program SAPF181

- Of course, the above example with gross entry of the invoice document (=> capitalizing the asset without deducting the cash discount) and the subsequent payment with deduction of cash discount can also take place in the reverse order: Capitalization of the asset with deduction for cash discount and (delayed) payment of the invoice amount without deduction for cash discount.

- In the reverse case as well, in R/3 Enterprise and earlier versions, the asset value is only corrected in a second step, with program SAPF181.
Post-Capitalization of Cash Discount for Asset II

Same initial situation: Payment of invoice for asset with deduction of 3% cash discount

Processing using the possibilities of New General Ledger Accounting:

1. Enter the invoice referring to the asset:

   General ledger view / Ledger 0L:

<table>
<thead>
<tr>
<th>CCd</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>50</td>
<td>113100</td>
<td>Bank</td>
<td>112,520.00-</td>
<td>EUR</td>
<td></td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>75</td>
<td>011000</td>
<td>00002002 0000</td>
<td>3,000.00-</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>25</td>
<td>160000</td>
<td>Vendor Payable</td>
<td>116,000.00</td>
<td>EUR</td>
<td></td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>50</td>
<td>154000</td>
<td>Input Tax</td>
<td>480.00-</td>
<td>EUR</td>
<td>VN</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
</tbody>
</table>

   Layout with totals formation for amount column. 0.00 EUR

   I.e. the asset has (immediately after payment) a value of € 97,000.
   It consists of two (asset) transactions:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Trans. Type</th>
<th>Transaction Type Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000.00</td>
<td>100</td>
<td>Purchase acquisition (=&gt; from vendor invoice)</td>
</tr>
<tr>
<td>3,000.00-</td>
<td>100</td>
<td>Purchase acquisition (=&gt; from payment)</td>
</tr>
</tbody>
</table>

- The post-capitalization of cash discount to asset is only possible if document splitting is active.
  - **Important:** You do not necessarily have to define document splitting characteristics, however.
- Path in Customizing: **Financial Accounting (New) -> General Ledger Accounting (New) -> Business Transactions -> Document Splitting -> Define Post-Capitalization of Cash Discount to Assets**
- The post-capitalization of cash discount to asset only works if the function was already configured when the invoice was entered. It is not enough to simply activate the function before entering the payment.
- If you use the post-capitalization of cash discount to asset, you can eliminate the (periodic) run of program SAPF181.
Integration with the following components:

- Integration with FI Subledgers
  - FI-AP (Accounts Payable)
    - Covered in detail in the *Document Splitting* unit
  - FI-AR (Accounts Receivable)
  - FI-AA (Asset Accounting)

- Integration with Controlling
  - Real-time integration CO -> FI
  - Online distribution of follow-up costs

- Integration with Materials Management

- Allocation (within FI) - does not really count as integration
### Real-Time Integration CO -> FI

#### Financial Accounting

**Transaction 1: Posting to expense account:**

**System activity:**
- Charge an FI account
- If account is defined as cost element ...

**System activity – New in mySAP ERP:**
- Changes result in a real-time (reconciliation) posting in FI for each CO document
- You no longer have to manage the reconciliation ledger

#### Controlling

**System activity:**
- Charge a CO object, such as a cost center

**Transaction 2: Transfer posting in CO,**
- e.g. to another cost center ...
- ... with a different company code, business area, profit center, or other segment, ...

---

- The (real-time) integration from Financial Accounting (FI) to Controlling (CO) has been available in the SAP system for some time now.

- However, the opposite direction, from CO to FI, was not previously possible in real time. **This involves changes to characteristics, for example, in the following processes/transactions:**
  - Periodic allocations (assessment, distribution, transfer posting)
  - Manual transfer postings to CO [=> TCode KB11(N)]
  - Activity allocations [TCode KB21(N)]
  - Settlement from orders or projects [TCode KO88 and CJ88]

- CO reconciliation with Financial Accounting always required the reconciliation ledger, which was maintained in Cost Element Accounting.
  - Periodic program runs carried out summary adjustment/reconciliation postings for each cost element/expense account: Transaction code KALC.

- Transaction KALC is no longer available (by default) after New General Ledger Accounting has been activated – an information message points out the new real-time integration between CO and FI.
  - With transaction KALC, it was not possible to reconcile the Segment characteristic.
Variants for CO -> FI Real-Time Integration

You can use a Customizing variant for real-time integration to configure the following (examples):
- The criteria for real-time integration
- The activation date for the real-time integration

Variants for CO -> FI Real-Time Integration

- Real-Time Int. Active
- Acct. Determin. Active
- Key Date: Active from: MM/DD/YYYY

Selection of Document Lines for CO->FI Integration:
- Use Checkboxes
- Cross-company code
- Cross-business area
- Cross-functional area
- Cross-receivables
- Cross-profit center
- Cross-segment
- Cross-fund
- Trace Active


- In a further step, you assign the variant to your company code(s).
- To determine which characteristic changes will generate real-time FI line items, you can use the checkboxes, define Boolean rules, or implement a BAdI with your own program logic.
  - Note that it is not useful to select characteristics that you have not assigned to at least one ledger through the scenarios.
- The key date activation defines when (from which posting date of the CO document) CO-FI reconciliation is possible through real-time integration.
  - You could also create Financial Accounting documents for CO documents entered before New General Ledger Accounting was activated.
- To transfer secondary cost elements from CO to FI, you have to define an account assignment. You define account determination in Customizing under Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Ledgers -> Real-Time Integration of Controlling with Financial Accounting -> Account Determination for Real-Time Integration.
  - It is also possible to transfer primary costs to FI through account determination; the original cost elements are generally used for this.
The following now occurs in **real time**:

A posting for wages/salaries (⇒ account 420000) is entered in FI. Cost center 1000 is also assigned and is used to derive functional area 0400.

<table>
<thead>
<tr>
<th>FI</th>
<th>Payables</th>
<th>CO</th>
</tr>
</thead>
<tbody>
<tr>
<td>420000</td>
<td>500.00</td>
<td>Cost center 1000</td>
</tr>
<tr>
<td>420000</td>
<td>500.00</td>
<td>420000</td>
</tr>
</tbody>
</table>

Through a **manual transfer posting** in CO, for example, the value in cost center 1000 is now transferred to cost center 4140 – but this cost center is assigned to FKBER 0100.

This slide demonstrates **CO->FI real-time integration based on the characteristic/entity Functional Area**.

- The characteristics Profit Center, Segment, and Business Area have been omitted from the example for clarity’s sake.

What do you see in the **Financial Accounting document** (⇒ 2b.)?

- The posting is made in **real time** (for each CO document) – (periodic) reconciliation using the reconciliation ledger and transaction KALC is no longer required.

- **In this case, the FI follow-on document has no clearing accounts**. Clearing lines are only necessary if the activity in Management Accounting / CO (⇒ 2.) results in a change of a balancing entity.

- You can navigate from the real-time follow-on Financial Accounting document to the Management Accounting document (⇒ 2./2a.) and vice versa – key word: Traceability of the accounting documents.
Real Time Integration CO -> FI – Trace / Log

Transaction FAGLCOFITRACEADMIN

- If necessary, the CO=>FI real-time integration can be logged with a trace.
- If the trace was active during a CO posting, you can analyze the real-time integration data again at any time – including the following data:
  - The document number of the original CO document
  - Whether it was a transfer or a test run
  - The document number of the follow-up document in FI if a transfer to FI took place
  - The reason for transfer, but also the reason for a failed transfer
  - The posting mode: online posting or subsequent transfer (subsequent posting / follow-up)
  - Posting date, posting time, and user
  - Line item data for the documents:
    - All posted to objects and partner objects

You can activate the trace in the real-time integration variant; it is then active for all users at all times. You cannot deactivate it subsequently. Note that this may result in a significant - potentially undesired - number of log entries.

If the trace is not activated in the real-time integration variant, it can still be activated and deactivated user-specifically at any time.

- The corresponding transaction code to enter (in the command field) is: FAGLCOFITRACEADMIN

If the Management Accounting activity (CO activity) does not change any FI characteristics (=> company code, segment, etc.), then no FI follow-on document is created. But if the trace is active, a trace entry is created anyway.
You can navigate from the CO document to the FI [reconciliation] document generated in real time – and in the opposite direction.

- This guarantees the **traceability of the accounting documents**.

This bidirectional navigation between documents is possible because the real-time CO-FI integration **creates an FI follow-on document for each activity**, and not just a totals posting at the end of the month.
Integration with the following components:

- Integration with FI Subledgers
  - FI-AP (Accounts Payable)
    - Covered in detail in the Document Splitting unit
  - FI-AR (Accounts Receivable)
  - FI-AA (Asset Accounting)

- Integration with Controlling
  - Real-Time Integration CO -> FI
    - Online distribution of follow-up costs

- Integration with Materials Management

- Allocation (within FI) - does not really count as integration
Objective/motivation for the online distribution of follow-up costs:
A vendor invoice is paid with a deduction for cash discount.
The cash discount amount is now to credit the CO object (typically a cost center, order, or project) that was originally charged when the invoice was entered in real time.

CO actual/plan/variance report (example: order 100...):
FI activities:
- Posting a vendor invoice for the amount of €1,160.00 (gross)
- Invoice paid with 3% cash discount => Amount paid: 1,125.20

<table>
<thead>
<tr>
<th>Cost Elements</th>
<th>Actual</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>276000 Cash discount received</td>
<td>30.00-</td>
<td></td>
</tr>
<tr>
<td>417000 Purchased services</td>
<td>1,000.00</td>
<td>1,150.00</td>
</tr>
<tr>
<td>* Costs</td>
<td>970.00</td>
<td>1,150.00</td>
</tr>
</tbody>
</table>

- Even in Release R/3 Enterprise, crediting the original CO account assignment with the amount of the cash discount was only possible through a (periodic) run of program SAPF181.
  - The program transferred the amount from the default account assignment (=> TCODE OKB9) to the original CO account assignment.
  - A direct link between the Financial Accounting and Management Accounting documents was not possible.
- This involved a subsequent debit to the P&L statement, not an online distribution; online distribution is now possible with the mySAP ERP solution.
Online Distribution of Follow-Up Costs – Premises

**Premises for the online distribution of follow-up costs:**

- **Document Splitting** (in New General Ledger Accounting) must be active.
- The **cash discount account** must be defined as (primary) **cost element**
- The **CO object** that you want to credit online must be defined as an "optional entry" in the additional account assignments of the field status group for the cash discount account.
  
  (⇒ Otherwise you won't see it in the FI document!)
- The **document splitting characteristics** for **Controlling**, to credit the cash discount account, have to be defined:

### Additional Document Splitting Characteristics

<table>
<thead>
<tr>
<th>Field</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AUFNR Order</td>
<td></td>
</tr>
<tr>
<td>KOSTL Cost Center</td>
<td></td>
</tr>
</tbody>
</table>

You define the **document splitting characteristics for Controlling** in **Customizing** under **Financial Accounting (New) -> General Ledger Accounting (New) -> Business Transactions -> Document Splitting -> Define Document Splitting Characteristics for Controlling**

The following **document splitting characteristics** (among others) are available in addition to defined customer fields:

- Order, cost center, WBS element, network, sales order, profitability segment number, real estate key (IMKEY), cost object

The document splitting characteristics for Controlling must be configured **before** the (original) vendor invoice is entered! If this not the case, the CO object will not be written to the vendor document and therefore cannot be inherited (to the payment document).
The defined **document splitting characteristic** for Controlling is already **deployed in the FI document** during invoice entry; the system passes it on all the way through to the payment document.

- If no characteristics are defined for the online split, the payment document only displays FI entities.

**Context/repetition/outlook:**
- Assume you credit CO internal order 1004... through a settlement, for example: If "CO->FI Real-Time Integration" is configured, this would generate an FI follow-up document.
- Even if more than one ledger is defined in New General Ledger Accounting, the CO characteristic would nevertheless only be displayed in the general ledger view of the leading leader because only the leading ledger has CO integration.
New General Ledger Accounting – Integration

Integration with the following components:

- **Integration with FI Subledgers**
  - FI-AP (Accounts Payable)
    - Covered in detail in the *Document Splitting* unit
  - FI-AR (Accounts Receivable)
  - FI-AA (Asset Accounting)

- **Integration with Controlling**
  - Real-time integration CO -> FI
  - Online distribution of follow-up costs

- **Integration with Materials Management**

- **Allocation (within FI)** - does not really count as integration
Logistics Process Chain

- Logistics
  - Purchase requisition
  - Purchase order
  - Goods receipt
  - Invoice receipt

Financial Accounting

- FI document that manages the entities of the object whose account was assigned in the purchase order, dependent on the assigned scenario in the general ledger view.

- Depending on the account assignment category of the purchase order, a commitment is created or cancelled (in CO).

This slide shows the logistics process chain "Purchase requisition – Purchase order – Goods receipt – Invoice receipt"

- Expressed in transaction codes, this chain reads: ME51N – ME21N – MIGO – MIRO

- Integration with Financial Accounting is provided, as in previous releases.
The segments are also derived from the profit center in the material master for logistics processes.

- The system uses document splitting to create various clearing lines, to achieve a “zero balance”.
- The clearing lines typically include the partner objects of the balancing characteristics.
  - During the split of an FI document that originates from Materials Management, the partner information is also managed in the expense and material stock lines.
New General Ledger Accounting – Integration

Integration with the following components:

- **Integration with FI Subledgers**
  - FI-AP (Accounts Payable)
    - Covered in detail in the *Document Splitting* unit
  - FI-AR (Accounts Receivable)
  - FI-AA (Asset Accounting)

- **Integration with Controlling**
  - Real-time integration CO -> FI
  - Online distribution of follow-up costs

- **Integration with Materials Management**

- Allocation (within FI) - does not really count as integration

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The subunit *Allocation* also deals with the topic *Profit Center Accounting in New General Ledger Accounting in general*. It will discuss the aspects affecting your decision about how you want to portray Profit Center Accounting in future – in *EC-PCA* as before or in New General Ledger Accounting. It would not be useful to run Profit Center Accounting in parallel and this cannot be achieved technically any way – at least not ending up with the same result in both applications / ledgers - which would obviously be the minimum requirement for running both applications in parallel.

The topic *Planning in FI* is also discussed in this connection.
Allocations

Why are allocations needed in FI?
Since New General Ledger Accounting now lets you portray profit center accounting, allocations are useful for distributing "overhead costs" (cafeteria expenses, electricity, water, ...), for example, from one profit center (such as the dummy PC) to another profit center at the end of the period.

Allocations
You can now use FI (=> no longer only CO) in the mySAP ERP solution to perform allocations (assessment and distribution).

A typical period-end closing for allocation could involve the following steps:

- Allocation of the cost centers in CO
- End-of-period tasks in FI (foreign currency valuation, ...)
- Allocation of profit centers (or segments) in FI
  - Important: There are no longer any "transactions" in the cost centers. If different segments are assigned to the corresponding profit centers, they will also be allocated.

How are the allocations of the different components integrated with FI when New General Ledger Accounting is active?

- Actual allocations in CO-OM: Changes also updated in New GL Accounting when real-time integration CO -> FI is active.
- Actual allocations in classic Profit Center Accounting: No update to FI – only an EC-PCA document is generated
- Actual allocations in New General Ledger Accounting: No integration with other components – only an FI document is generated

Profit Center Accounting in classic EC-PCA ↔ Profit Center Accounting in New General Ledger Accounting: See the important information in SAP Note 826357.

- In spite of the considerable length of this detailed SAP Note, we would encourage you to read it thoroughly. One of the points it makes can be summarized as follows: If you want to continue to use classic EC-PCA, you cannot use document splitting (not even for other characteristics). If you want to portray profit center accounting in New General Ledger Accounting, you are more or less obliged to use document splitting.
The cycle-segment technique described here is used for defining distributions and assessments. Periodic reposting is not used in New General Ledger Accounting.

To represent the clearing relationship between the sender and receiver in the system, you have to make the following entries for each (allocation) segment:

- From which object(s) will the costs be allocated – sender values?
- To which objects will the costs be allocated – receiver values?
- Which costs will be allocated?
- What is the basis for distributing the costs among the receivers – receiver tracing factor?

In an (allocation) segment, sender profit centers are combined with receiver profit centers in accordance with the clearing relationships described above.

Several segments are grouped together in a cycle.

- A cycle must always be assigned to a "version" – Please use version 1 in FI!
You can combine sender and receiver relationships in accordance with the rules described above.

Sender values can be either posted amounts, fixed amounts, or fixed rates. If you use posted amounts, you can use both planned and actual amounts. You can enter a percentage below 100%, which leaves a corresponding residual amount on the sending profit center.

On the receiver side, you can define fixed amounts, fixed percentages, fixed shares, and variable shares as rules.

- The tracing factor of the variable share identifies a value posted to the profit center as the basis for clearing.
- Statistical key figures cannot be used (yet) as the tracing factor for the variable share; this option will be available in a future release.
Allocations – Distribution

Profit Center XY

<table>
<thead>
<tr>
<th>Account</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>416100</td>
<td>+22,000</td>
</tr>
<tr>
<td>416110</td>
<td>+8,000</td>
</tr>
</tbody>
</table>

Credit (through distribution):

<table>
<thead>
<tr>
<th>Account</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>416100</td>
<td>-22,000</td>
</tr>
<tr>
<td>416110</td>
<td>-8,000</td>
</tr>
</tbody>
</table>

Profit Center XY

<table>
<thead>
<tr>
<th>Profit center 1</th>
<th>Profit center 2</th>
<th>Profit center 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>416100</td>
<td>416100</td>
<td>416100</td>
</tr>
<tr>
<td>+6,600</td>
<td>+4,400</td>
<td>+11,000</td>
</tr>
<tr>
<td>416110</td>
<td>416110</td>
<td>416110</td>
</tr>
<tr>
<td>+2,400</td>
<td>+1,600</td>
<td>+4,000</td>
</tr>
</tbody>
</table>

Rate rule: e.g. fixed percentages

- 30%
- 20%
- 50%

- Distribution is used to distribute values from one profit center to other profit centers.
  - The charge of cost center *Energy* does not change the allocation in FI.
- In the receiver profit centers, the values have the same account (which is usually, but not necessarily, the cost element defined in CO) used for posting to the sender profit center – the original account is used.
  - In our example, accounts 416100 and 416110.
- Distribution generates an FI document.
  - The FI document number is displayed in the basic list for clearing.
- Distributions can be reversed and repeated as often as necessary.
- The sender-receiver relationships are defined using the cycle-segment technique.
- Example: Distribution is used to distribute material stocks to different profit centers. This is necessary if several profit centers are responsible for a material, for example. Since only one profit center can be stored in the material master, the stock values are allocated (using the balance sheet account) from the profit center stored to the others.


- You should define a **separate assessment account** (each) for assessment in New General Ledger Accounting.
  - In our example, this is account 630099.
  - The assessment account must **not** correspond to a secondary **cost element** in CO. This means that you cannot simply use the assessment cost elements (=> cost element category 42) from CO.

- The account used to enter the original invoices is no longer visible in the receiver objects.
  - As such, you use assessment when the original accounts should not be visible on the receiver side.
  - Assessment is frequently used to render a dummy profit center empty.

- Distribution **generates an FI document** that is output in the basic list.

- Assessments can be **reversed** and repeated as often as necessary.

- The sender-receiver relationships are defined using the **cycle-segment technique**.
Planning (in FI)

Since it is possible to portray Profit Center Accounting in New General Ledger Accounting (=> actual data), you may now want to enter plan data for corresponding profit centers as well (=> TCode GP12N).

For this, certain configurations (=> mostly in Customizing) need to be performed (once):

- **Activate totals table FAGLFLFEXT** (for planning)
- **Import planning layouts** (from client 000) (=> Planning layouts 0FAGL.... are used in New General Ledger Accounting for planning – for more information, see the next slide)
- **Set planner profile** (=> SAPFAGL)
- **Define plan version** – From the historical perspective, it would be logical to use plan version 1 for FI. With the integrated planning with CO (=> described later in this course), it may be preferable to use version 0.
- **Assign plan version to a fiscal year**

Now the system is able to store plan data in totals table FAGLFLFEXT and you can enter plan data (in FI): Application: General Ledger -> Periodic Processing -> Planning -> Plan Values -> Enter (New)

- **Activate Totals Table:** Customizing -> Financial Accounting (New) -> General Ledger Accounting (New) -> Planning -> Technical Help -> Install Totals Table
- **Import Planning Layouts:** Customizing -> Financial Accounting (New) -> General Ledger Accounting (New) -> Planning -> Technical Help -> Import Planning Layouts
  - **Set Planner Profile:** SAP Easy Access menu -> Accounting -> Financial Accounting -> General Ledger -> Periodic Processing -> Planning -> Set Planner Profile.
- **Create Planning Document Type:** Customizing -> Financial Accounting (New) -> General Ledger Accounting (New) -> Planning -> Define Document Types for Planning
- **Define Plan Version:** Customizing -> Financial Accounting (New) -> General Ledger Accounting (New) -> Planning -> Plan Versions -> Define Plan Versions.
- **Assign Plan Version to a Fiscal Year:** Customizing -> Financial Accounting (New) -> General Ledger Accounting (New) -> Planning -> Plan Versions -> Fiscal-Year-Dependent Version Parameters -> Assign Plan Version to Fiscal Year and Activate.
Planning Layouts (for Planning in FI)

In the standard delivery, planning in FI uses the following planning scenarios:

- Planning on profit center and account
- Planning on profit center group and account
- Planning on segment and account
- Planning on profit center and functional area and account
- Planning on profit center and partner profit center and account
- Planning on cost center (purely in FI) and account
- Planning without characteristics only on accounts

Regarding the planning scope, see the important note at the top of the slide notes!

**Warning**: Planning in FI is always stored in combination with an account (=> see the planning scenarios on this slide). This means that primary processes can be planned without difficulty. It is consequently not possible to plan "secondary processes", such as planning activities, from FI. If integrated planning from CO-OM is then activated in addition, no secondary plan processes are transferred to FI either. The reason for this is that there is for plan data no corresponding account determination from which an (FI) account could be derived for a secondary cost element. By contrast, actual secondary processes, however, can be transferred from CO to FI via the real-time integration CO->FI (and using the corresponding account determination).

- The is a standard drilldown tool that allows you to analyze plan data in FI: SAP Easy Access menu -> Accounting -> Financial Accounting -> General Ledger -> Information System -> General Ledger Reports (New) -> Financial Statement / Cash Flow -> General -> Plan/Actual Comparisons -> Financial Statement: Plan/Actual Comparison. When drilldown is started without a financial statement version being specified in the selection screen, the plan and actual values of the accounts are compared.

- If a segment is stored in a profit center master record, the plan data of the profit center is also stored automatically for that segment.
Current Situation – Classic GL: Until now, you have performed planning for your cost centers (or orders) in CO. In addition, you may also have used integrated planning (CO => EC-PCA) to transfer your plan data to classic profit center accounting (online).

Which (planning) options are still available in New General Ledger Accounting when Profit Center Accounting is conducted within New General Ledger Accounting:

- You can also activate the Integrated Planning indicator in the plan version in FI.
- In the plan version in CO, the Integrated Planning indicator must also be set, of course. However, this indicator would already be set in such circumstances!

Result:

- You continue to plan in component CO-OM.
- The plan data are transferred online to FI and, provided the correct "surroundings" are present (e.g., a profit center is defined in the master data of the cost center), to (the FI characteristics) profit center (and segment).

Important restriction: Only plan data that was entered for primary cost elements are transferred to FI (to the profit centers)! It is not possible to plan internal allocations in FI.

The integration of planning from CO-OM to New General Ledger Accounting only works if FI and CO work with the same plan versions.

- Example: CO plan values from CO plan version 0 are only transferred to an FI plan version 0. If planning is performed in CO using plan version 1, there must also be a plan version 1 defined and assigned in FI.

- In CO, the plan values are entered with the CO planner profile (such as SAPALL) used previously.

- It is also possible to transfer plan data from component CO-PA (=> Profitability Analysis) to New General Ledger Accounting – however, this transfer is not performed online, but only via a program run.

- Integrated planning is unidirectional – from CO into FI. Plan data that you originally enter in FI (with TCode KB12N) is not transferred to any other application.

Other Special Features for Planning:

- In New General Ledger Accounting, you can create plan line items. This means that the plan values for an account are not only stored as totals in table FAGLFXEXT, but a plan document (with document number) is also stored for each planned flow in table FAGLFXEXP.

- This was not possible in planning in classic General Ledger Accounting.
You can now:

- Explain the integration of the FI-AP and FI-AR subledgers with New General Ledger Accounting
- Post-capitalize a cash discount for an asset in real time
- Understand and configure the real-time configuration from CO to FI
- Distribute follow-up costs online
- Perform allocations in FI
- Understand the integration between Materials Management and New General Ledger Accounting
Exercises

Unit: Integration

Topic: Post-Capitalization of Cash Discounts to Assets and Real-Time Integration Between CO and FI

At the conclusion of these exercises, you will be able to

- Post an asset acquisition with a segment assignment in the FI-AA component. You will also learn how the system has to be configured in order to deduct (or add) a cash discount that is selected (or not selected) for payment of an asset invoice, automatically and in real time, to that asset. This saves you from having to run the periodic closing activities (=> SAPF181) and from incorrect reporting for the asset in the financial statements.

- You will also learn how to configure real-time integration between CO and FI, followed with a specific example. Realtime integration is a full replacement for the reconciliation ledger.

4-1 Post-capitalization of cash discount to assets

4-1-1 In this exercise, you will enter an integrated asset acquisition using a net document type (=> standard document type AN). But you will not pay the invoice until 3 months later, and accordingly do not deduct a cash discount from the invoiced amount. You will first configure the system such that the deducted cash discount amount is post-capitalized with payment for the asset in real time.

Before you start this exercise, note the following:
Your company code AA## is assigned sample chart of depreciation 1DE in Customizing for Asset Accounting. Area 01 models book depreciation; it posts to the general ledger in real time. There are no other value-posting areas.

Create an asset master record with the following data in Class 2100 (=> Machinery) in your company code AA##:
Description: Machinery Group ##
Cost center: T-F05A##

No other fields are required in the training system; you can use the default values from the class for the depreciation parameters.
4-1-2 Now try to enter an integrated asset acquisition with the following data – you can try, but you will not be able to quite yet – ☹:

Document Date: 01/07/CFY (CFY = current fiscal year)
Document Type: KN (Net document type with automatic deduction of cash discount)
Company Code: AA##
Posting Date: 01/07/CFY

First line item:
Posting key: 31
Account: 210## (Your vendor)
If any warning messages appear prompting you to adjust dates, click Enter to confirm
Amount: €116,000.00
Calculate tax indicator: Set
Tax Code: VN
If any warning messages appear regarding cash discounts, click Enter to confirm

Next line item:
Posting key: 70
Account: Asset number from the first exercise in this section
Transaction Type: 100 => Enter
If any warning messages appear regarding cash discounts, click Enter to confirm
Amount: 116,000.00 or "*" => Enter

Now try to save the document.

4-1-2-1 Why does an error message appear?

4-1-3 Define account assignment type APC Values Posting in Customizing (for Asset Accounting) for your Company Code AA##, Depreciation Area 01, Account Assignment Object Cost Center and Account Assignment Type Stock Posting. Enter “*” in the Transaction Type column and don’t forget to set the Assign checkbox. Save your entries.

4-1-4

Control exercise – Please do not change the system configuration!

Stay in Customizing and check whether the cash discount activated for fixed assets in customizing is already defined. This is the case when the table in the corresponding transaction contains an entry for “Asset”. If this is not the case, please notify your course instructor.
4-1-5 Now try again to post an integrated asset acquisition. Enter the following data again:

- **Document Date**: 01/07/CFY (CFY = current fiscal year)
- **Document Type**: KN (Net document type with automatic deduction of cash discount)
- **Company Code**: AA##
- **Posting Date**: 01/07/CFY
- **First line item**:
  - Posting key: 31
  - Account: 210## (Your vendor)
  
If any warning messages appear prompting you to adjust dates, click Enter to confirm

- **Amount**: 116,000.00
- **Calculate tax indicator**: Set
- **Tax Code**: VN

If any warning messages appear regarding cash discounts, click Enter to confirm

- **Next line item**:
  - Posting key: 70
  - Account: Asset number from the first exercise in this section
  - **Transaction Type**: 100 => Enter

If any warning messages appear regarding cash discounts, click Enter to confirm

- **Amount**: 116,000.00 or "*" => Enter

Simulate and save the document.

4-1-6 Now call the Asset Explorer for your asset, to analyze the values of the acquisition. The Acquisition Amount should (only) amount to € 97,000.00, due to the net document type. The corresponding scheduled depreciation then equals € 9,700.00

4-1-7 From the Asset Explorer goto the Financial Accounting document and examine the entry view and general ledger view of the document.

4-1-8 Now enter payment of the asset. Because you do not pay the invoice until early April, pay the full invoiced amount of € 116,000.00. No cash discount is deducted. Use the following data:

- **Document Date**: 04/05/CFY
- **Document Type**: KZ
- **Company Code**: AA##
- **Posting Date**: 04/05/CFY
- **Bank Data**:
  - Account: 113100
  - **Amount**: 116,000.00

- **Selection of open items**:
  - Account: 210##
  - **Account Type**: K

Enter – Press Enter to confirm any warning messages

First deactivate all the open items, by selecting all items and deactivating them.

Then position the cursor on the line item with the document number of the asset acquisition posting – it should be the only line item that has document type KN. Activate this line item.

The “recorded” and “assigned” amounts should be identical, and you can
simulate the document.
You can see in the document simulation that the amount of EUR 3,000.00 is (post-)capitalized to the asset directly, because asset account 11000 is addressed
Save your data.

4-1-9 In the Asset Explorer, the asset (in all depreciation areas except area 03) now has an acquisition value of € 100,000. The scheduled depreciation has been corrected to € 10,000.00 by the posting. To display the payment posting, double-click on the second transaction in the Asset Explorer.

4-2 CO -> FI real-time integration

4-2-1 You will now configure and test the real-time integration between CO and FI.

To do this, define your own variant for real-time integration with the ID V##. Your variant, V##, should have the following settings:

Variants for CO -> FI Realtime Integration:

Real-Time Integration checkbox: Set
Key Date: Active from: 01/01/CFY
Activate Account Determination checkbox: Set
Document Type: AB
Ledger Group (FI): 0L
Text: Variant for real-time integration group ##
Select line items for CO->FI real-time integration:
Radio button Use Checkboxes: Set

=> Select all entities

Technical Settings:

Trace Active checkbox: Set

Important: You do not necessarily have to activate the trace in the variant; it can be activated as needed at any time. In fact, we recommend leaving the trace inactive by default in production systems, as the system may otherwise generate a huge number of log entries.

You will activate the trace immediately, however, in this AC210 exercise.

4-2-2 Now assign your new variant V## to your company code AA##.

4-2-3 Examine your first posted vendor invoice again (=> Exercise 2-1-10): It should have document number 1900000000 – if it doesn’t, find the first document you posted.

You assigned € 4,000.00 to cost center T-F05A##.

Now assume that this account assignment was incorrect: Instead, you should have posted the expense to cost center T-F05C##.
4-2-4 You will now therefore **repost a line item in Controlling**. Call the appropriate transaction in the CO application and **enter the following data** for the accounting document:

**Important:** If the controlling area is required, please use **Controlling Area 1000**

**Document Number:** 19000000000 (or the first document you posted)
**Company Code:** AA##
**Fiscal Year:** Current year

Delete any other selection criteria (such as cost center) and **Execute**.

In the results list, **change** the account assignment (specifically: Account Assignment 1) from **Cost Center T-F05A##** to **Cost Center T-F05C##**. **Save** your data.

4-2-5 **Start a cost center actual/planned variance report** for cost center **T-F05C##** and check whether the costs (=> cost element Purchased Services) have arrived at the new cost center. **Goto the CO line items** and display the segment in the layout. You can see that segment SEGA was derived from the cost center through the profit center. But you originally posted the purchased services in the amount of € 4,000.00 to segment SEG##!

**To avoid inconsistencies** between Controlling and Financial Accounting, **the system must have generated an accounting document** that maps the change in the segment assignment:

From the CO line item list, **check whether a suitable FI document was posted in real time** and **go to it**.

4-2-6 The **entry view** of the FI follow-up document already contains various assignments to the segments. The **general ledger view** shows clearly **what it means** when we say the Segment characteristic has to have a “zero balance” according to Customizing: **Clearing line items are created** automatically to achieve a zero balance for each segment.

To make things even clearer, use your L2 layout to display the document in the general ledger view.

4-2-7 If the **trace** is **active** in the real-time integration, you can see whether real-time integration between CO and FI worked, which documents were created, and which entities were changed in **transaction FAGLCOFITRACEADMIN**:

Press **button Display Trace (Free Selection)**

In the **Field Selection dialog box**, **select Company Code (FI)** and save the data (=> Enter)

In the **Determine Work Area dialog box**: **enter your company code AA##** and save this data (=> Enter)

The **log should contain two entries**.

You can double-click on the document number to display the detail data for the trace, which helps you **answer the following questions**:

**Was the document transferred?**
**Which posting mode was used?**
**Does a follow-up document exist in FI?**
**Which entities/characteristics were changed?**
Unit: Integration

Topic: Post-Capitalization of Cash Discounts to Assets and Real-Time Integration Between CO and FI

4-1 Post-capitalization of cash discount to assets

4-1-1 In this exercise, you will enter an integrated asset acquisition using a net document type (=> standard document type AN). But you will not pay the invoice until 3 months later, and accordingly do not deduct a cash discount from the invoiced amount. You will first configure the system such that the deducted cash discount amount is post-capitalized with payment for the asset in real time.

Before you start this exercise, note the following:
Your company code AA## is assigned sample chart of accounts 1DE in Customizing for Asset Accounting. Area 01 models book depreciation; it posts to the general ledger in real time. There are no other value-posting areas.

Create an asset master record with the following data in Class 2100 (=) Machinery) in your company code AA##:
Description: Machinery Group ##
Cost center: T-F05A##
No other fields are required in the training system; you can use the default values from the class for the depreciation parameters.

SAP Easy Access Menu → Accounting → Financial Accounting → Fixed Assets → Asset → Create → Asset

Enter the required data as described in the exercise text.

4-1-2 Now try to enter an integrated asset acquisition with the following data – you can try, but you will not be able to quite yet – 😇:

SAP Easy Access menu → Accounting → Financial Accounting → Fixed Assets → Posting → Acquisition → External Acquisition → With Vendor

Document Date: 01/07/CFY (CFY = current fiscal year)
Document Type: KN (Net document type with automatic deduction of cash discount)
Company Code: AA##
Posting Date: 01/07/CFY
First line item:
Posting key: 31
Account: 210## (Your vendor)
If any warning messages appear prompting you to adjust dates, click Enter to confirm
Amount: 116,000.00
Calculate tax indicator: Set
Tax Code: VN
If any warning messages appear regarding cash discounts, click Enter to confirm
Next line item:
Posting key: 70

Account: Asset number from the first exercise in this section

Transaction Type: 100 => Enter

If any warning messages appear regarding cash discounts, click Enter to confirm

Amount: 116,000.00 or “*” => Enter

Now try to save the document.

4-1-2-1 Why does an error message appear?

**Answer:** You have activated splitting and set the zero-balance indicator for the segment for your company code. But the segment cannot be derived from the asset master record yet.

4-1-3 Define account assignment type APC Values Posting in Customizing (for Asset Accounting) for your Company Code AA##, Depreciation Area 01, and Account Assignment Object Cost Center. Enter “*” in the Transaction Type column and don’t forget to set the Assign checkbox. Save your entries.

*Customizing: Financial Accounting (New) → Asset Accounting → Integration with the General Ledger → Additional Account Assignment Objects → Specify Account Assignment Types for Account Assignment Objects*

Select your company code AA## in the table on the right.
Double-click the Depreciation Area in the dialog structure.
Select area 01 in the table on the right.
Double-click the Account Assignment Objects in the dialog structure.
Maintain the new entry as described in the exercise text.

4-1-4

Control exercise – Please do not change the system configuration!

Stay in Customizing and check whether the cash discount activated for fixed assets in customizing is already defined. This is the case when the table in the corresponding transaction contains an entry for “Asset”. If this is not the case, please notify your course instructor.

Now try again to post an integrated asset acquisition. …

**SAP Easy Access menu → Accounting → Financial Accounting → Fixed Assets → Posting → Acquisition → External Acquisition → With Vendor**

... Enter the following data again:

- **Document Date:** 01/07/CFY (CFY = current fiscal year)
- **Document Type:** KN (Net document type with automatic deduction of cash discount)
- **Company Code:** AA##
- **Posting Date:** 01/07/CFY

First line item:

- **Posting key:** 31
- **Account:** 210## (Your vendor)

If any warning messages appear prompting you to adjust dates, click Enter to confirm

**Amount:** 116,000.00

- **Calculate tax indicator:** Set
  - **Tax Code:** VN

If any warning messages appear regarding cash discounts, click Enter to confirm

Next line item:

- **Posting key:** 70
- **Account:** Asset number from the first exercise in this section
  - **Transaction Type:** 100 => Enter

If any warning messages appear regarding cash discounts, click Enter to confirm

**Amount:** 116,000.00 or “*” => Enter

Simulate and save the document.

4-1-6 Now call the Asset Explorer for your asset, to analyze the values of the acquisition. The **Acquisition Amount** should (only) amount to € 97,000.00, due to the net document type. The corresponding scheduled depreciation then equals € 9,700.00

**SAP Easy Access Menu → Accounting → Financial Accounting → Fixed Assets → Asset → Asset Explorer**

4-1-7 From the Asset Explorer Goto the **Financial Accounting document** and examine the entry view and general ledger view of the document.

**SAP Easy Access Menu → Accounting → Financial Accounting → Fixed Assets → Asset → Asset Explorer**

Double-click the displayed acquisition item in the **Transactions area.**
4-1-8  Now enter payment of the asset. …

SAP Easy Access Menu → Accounting → Financial Accounting → Vendors → Document Entry → Outgoing Payment → Post

... Because you do not pay the invoice until early April, pay the full invoiced amount of € 116,000.00. No cash discount is deducted. Use the following data:

*Document Date:* 04/05/CFY
*Document Type:* KZ
*Company Code:* AA##
*Posting Date:* 04/05/CFY

Bank Data:
*Account:* 113100
*Amount:* 116,000.00

Selection of open items:
*Account:* 210##
*Account Type:* K

Enter – Press Enter to confirm any warning messages
First deactivate all the open items, by selecting all items and deactivating them.

Then position the cursor on the line item with the document number of the asset acquisition posting – it should be the only line item that has document type KN. Activate this line item.

The “recorded” and “assigned” amounts should be identical, and you can simulate the document.

You can see in the document simulation that the amount of EUR 3,000.00 is (post-)capitalized to the asset directly, because asset account 11000 is addressed

Save your data.

4-1-9  In the Asset Explorer, the asset (in all depreciation areas except area 03) now has an acquisition value of € 100,000.

The scheduled depreciation has been corrected to € 10,000.00 by the posting. To display the payment posting, double-click on the second transaction in the Asset Explorer.

SAP Easy Access Menu → Accounting → Financial Accounting → Fixed Assets → Asset → Asset Explorer
4-2 CO -> FI real-time integration

4-2-1 You will now configure and test the real-time integration between CO and FI.
   To do this, define your own variant for real-time integration with the ID V##.


Your variant, V##, should have the following settings:
Variants for CO -> FI Real-Time Integration:
Real-Time Integration checkbox: Set
Key Date: Active from: 01/01/CFY
Activate Account Determination checkbox: Set
Document Type: AB
Ledger Group (FI): 0L
Text: Variant for real-time integration group ##
Select line items for CO->FI real-time integration:
Radio button Use Checkboxes: Set
=> Select all entities (company code, business area, ...)
Technical Settings:
   Trace Active checkbox: Set

Important: You do not necessarily have to activate the trace in the variant; it can be activated as needed at any time.
In fact, we recommend leaving the trace inactive by default in production systems, as the system may otherwise generate a huge number of log entries.
You will activate the trace immediately, however, in this AC210 exercise.

4-2-2 Now assign your new variant V## to your company code AA##.


Click New Entries to assign your variant V## to your company code AA00.

4-2-3 Examine your first posted vendor invoice again (=> Exercise 2-1-10): It should have document number 1900000000 – if it doesn’t, find the first document you posted.

SAP Easy Access menu Accounting → Financial Accounting → Vendors → Document → Display

Enter the document number, your company code AA##, and the current fiscal year and press Enter.

You assigned € 4,000.00 to cost center T-F05A##.

Now assume that this account assignment was incorrect: Instead, you should have posted the expense to cost center T-F05C##.
4-2-4 You will now therefore repost a line item in Controlling. Call the corresponding transaction in CO:

*SAP Easy Access Menu: Accounting → Controlling → Cost Center Accounting → Actual Postings → Repost Line Items → Enter*

... and enter the following data for the accounting document:

**Important:** If the controlling area is required, please use **Controlling Area** 1000

*Document Number: 1900000000* (or the first document you posted)

*Company Code: AA##

*Fiscal Year: Current year*

Delete any other selection criteria (such as cost center) and **Execute**.

In the results list, change the account assignment (specifically: Account Assignment 1) from **Cost Center T-F05A##** to **Cost Center T-F05C##**. **Save** your data.

4-2-5 **Start a cost center actual/planned variance report** for cost center **T-F05C##** and check whether the costs (=> cost element *Purchased Services*) have arrived at the new cost center. …

*SAP Easy Access Menu: Accounting → Controlling → Cost Center Accounting → Information Systems → Reports for Cost Center Accounting → Plan/Actual Comparisons → Cost Centers: Actual/Plan/Variance*

Go to the CO line items ...

Double-click one of the displayed cost elements. In the Select Report dialog window, double-click entry Cost Centers: Actual Line Items to select it.

... and display the segment with the **Layout** function.

To change the layout, choose menu path **Settings → Layout → Change**. Copy the segment to the **Displayed Columns**.

You can see that segment **SEGA** was derived from the cost center through the profit center.

But you originally posted the purchased services in the amount of € 4,000.00 to segment **SEG##**!

**To avoid inconsistencies** between Controlling and Financial Accounting, the system must have generated an **accounting document** that maps the change in the segment assignment:

From the CO line item list, check whether a suitable FI document was posted in real time and go to it.

**Menu path Environment → Accounting Documents. Choose Accounting Document in the List of Documents in Accounting dialog box.**

4-2-6 The **entry view** of the FI follow-up document already contains various assignments to the segments. The **general ledger view** shows clearly what it means when we say the Segment characteristic has to have a “zero balance” according to Customizing: **Clearing line items are created** automatically to achieve a zero balance for each segment.

To make things even clearer, use your L2 layout to display the document in the general ledger view.

**Button Select Layout → Click layout L2**
If the trace is active in the real-time integration, you can see whether real-time integration between CO and FI worked, which documents were created, and which entities were changed in transaction FAGLCOFITRACEADM:

Enter /nfaglcofitraceadmin in the command field

Press button Display Trace (Free Selection)
In the Field Selection dialog box, select Company Code (FI) and save the data (=> Enter)
In the Determine Work Area dialog box: enter your company code AA## and save this data (=> Enter)
The log should contain two entries.
You can double-click on the document number to display the detail data for the trace, which helps you answer the following questions:

Was the document transferred?

Answer: Yes

Which posting mode was used?

Answer: Online posting

Does a follow-up document exist in FI?

Answer: Yes

Which entities/characteristics were changed?

Answer: The profit center and the segment
Contents:

- Reduction of TCO with New General Ledger Accounting
- Foreign currency valuation (FAGL_FC_VALUATION)
At the conclusion of this unit, you will be able to

- Analyze which periodic tasks will become redundant when you use New General Ledger Accounting
- Configure and run a foreign currency valuation
Closing Operations – Reduction in TCO

As you saw repeatedly in the "Integration" unit, using New General Ledger Accounting can save you from many periodic closing and reconciliation operations, because the system has already performed them in real time.

This leads to an acceleration of period end activities.

Total Cost of Ownership (TCO).

Examples of eliminated closing activities:
- Maintenance and use of the reconciliation ledger (=> TCode KALC)
- Balance sheet adjustment (=> SAPF180 – e.g. for creation of bus. area balance sheets)
- Profit and loss adjustment (=> SAPF181 – e.g. for post-capitalization of cash discount)
- Maintenance and use of the various FI-SL ledgers (=> SAPF180A + TCode 1KEK – such as transferring values to Profit Center Accounting)
- Many tasks are also eliminated because technical support for segment reporting is available

Other period-end closing activities are not eliminated and still have to be performed. But there are differences to previous releases due to the logic in New General Ledger Accounting.

In the AC210 examples use foreign currency valuation (of vendor line items) and the depreciation run in FI-AA

Examples of periodic processing tasks that are not eliminated but that are changed slightly as a result of the ledger logic or that are based on new programs and that are not shown explicitly in AC210 are:
- Balance carryforward (in FI)
- Reclassification/sorting of receivables and payables
- Flat-rate individual value adjustment
Periodic Processing

Topic

- Foreign Currency Valuation
- Depreciation Posting Program
### Initial situation:
Vendor invoice in foreign currency of $10,000.00 – posted on 02/15/CFY with a €/$ exchange rate of 1.25

### General ledger view / Ledger 0L / Document 19000...:

<table>
<thead>
<tr>
<th>CCd</th>
<th>1</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>( \sum ) Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>31</td>
<td>160000</td>
<td>Vendor Payable</td>
<td>10,000.00</td>
<td>USD</td>
<td>V9</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>40</td>
<td>417000</td>
<td>Purch. Services</td>
<td>10,000.00</td>
<td>USD</td>
<td>V9</td>
<td>1000</td>
<td>1000</td>
<td>SEG A</td>
<td></td>
</tr>
</tbody>
</table>

### Vendor LI list for above document as of key date 02/28/CFY:

<table>
<thead>
<tr>
<th>Stat.</th>
<th>Doc. No.</th>
<th>Ty.</th>
<th>Doc. Date</th>
<th>Due</th>
<th>Net Due</th>
<th>Int.</th>
<th>LC Amt</th>
<th>LC</th>
<th>CCC Amt</th>
<th>CC</th>
<th>Exc. Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>KR</td>
<td>19000...</td>
<td>02/15/TY</td>
<td>04/01/TY</td>
<td>-32</td>
<td>8,000.00</td>
<td>€</td>
<td>10,000.00</td>
<td>$</td>
<td>1.25000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If we assume that the euro/dollar exchange rate falls to parity as of the key date, 02/28/CFY, the payables will be €2,000 higher than on the posting date. Therefore: An expense in the amount of €2,000 has to be entered – The foreign currency valuation run takes care of it!

---

To start the correction posting, start program FAGL_FC_VALUATION in mySAP ERP.
- The old program, SAPF100, cannot be executed after you have activated New General Ledger Accounting.

You will find the program in the SAP Easy Access menu for accounts payable/accounts receivable, under "Foreign Currency Valuation of Open Items (New)"

The inheritance of the profit center and segment in the vendor and tax line items shows that document splitting is active for the posting shown in the example.
- Therefore: The accounts selected by the correction posting must have been defined as item categories for document splitting.
New in mySAP ERP:

- A valuation run requires the entry of a valuation area (from FI).
- This area must be defined in Customizing and be assigned a valuation method – You can't do it during the run itself!
  - The valuation method defines as before "how" valuation is run and with which valuation approach (such as the maximum value principle for payables).
- Only for balance valuation / not line item valuation: In a further Customizing step, you combine the valuation area with an accounting principle (AP).
  - The AP is also required if you want/have to work with multiple valuation approaches (for example, IAS and local) – more about that later!

The valuation areas to be defined should not be confused with the depreciation areas in Asset Accounting (=> FI-AA). These are original FI valuation areas.

You also use these valuation areas if you want to portray parallel accounting in the SAP system. If you only need the local valuation approach, as is assumed in this unit, then you will only have to define one valuation area. You can select the ID and name freely.
- Proposal: LO – local valuation area

Outlook: The "Parallel Accounting" unit of AC210 covers the modeling of multiple valuation approaches.
### FC Valuation – FAGL_FC_VALUATION III

**Account determination** for transaction "KDF" *(exch. rate diff. open items / GL account):*

- Chart of accounts: INT
- **Valuation area:** --
- G/L account: 160000 (vendor payables)
- **Valuation:**
  - Expense: 230010 (revaluations from currency valuation)
  - Revenue: 280010 (revenue from currency valuation)
  - FS correction: 161099 (correction account: vendor payables)

---

**FC valuation at end of month CFY / Valuation area XY – Posting results:**

- General ledger view / Ledger 0L / Document 100...20 / Posting date: 02/28/CFY

<table>
<thead>
<tr>
<th>CdI</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>40</td>
<td>230010</td>
<td>Expen. from Val.</td>
<td>2,000.00 EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG A</td>
</tr>
<tr>
<td>1000</td>
<td>50</td>
<td>161099</td>
<td>Corr. Vend.Pay.</td>
<td>2,000.00 EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG A</td>
</tr>
</tbody>
</table>

---

**and always the same – correction/reversal posting:**

- General ledger view / Ledger 0L / Document 100...21 / Posting date: 03/01/TY

<table>
<thead>
<tr>
<th>CdI</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount Curr.</th>
<th>Tx</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>50</td>
<td>230010</td>
<td>Expen. from Val.</td>
<td>2,000.00 EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG A</td>
</tr>
<tr>
<td>1000</td>
<td>40</td>
<td>161099</td>
<td>Corr. Vend.Pay.</td>
<td>2,000.00 EUR</td>
<td></td>
<td></td>
<td></td>
<td>SEG A</td>
</tr>
</tbody>
</table>

---

- In order that a posting can be created, the expense and correction accounts have to be defined first in the system: Customizing: Financial Accounting (New), General Ledger Accounting (New), Periodic Processing, Valuate, Foreign Currency Valuation, Prepare Automatic Postings for Foreign Currency Valuation => Transaction Exchange Rate Difference of Open Items / G/L Account => e.g. account 160000

- Although the foreign currency valuation program, FAGL_FC_VALUATION, requires a valuation area, valuation area "Blank" is sufficient in account maintenance – that is, you define the accounts without a valuation area.

- The FI entities from the original vendor invoice/open items are inherited in the foreign currency valuation documents if document splitting is active.

  - If document splitting is not active, the accounts are only supplied with the corresponding values; the FI entities are not inherited in the correction posting.

- If the above example involved an original vendor invoice with various expense line items and different characteristic value assignments, the correction document would also be split if document splitting were active. For more information, see an example (based on a customer item) in the unit "Parallel Accounting".

- **Important:** For the valuation of balances, you can decide whether the valuation is corrected again on the first of the next month or not. This will also be possible for open line items in the future. Currently, this is not yet possible (status: June 2006). Once available, this option will then be delivered via Support Packages.
The cherry on top: If you want, you can also post the revaluation amount online to the original CO object that was charged directly in controlling.

Prerequisites:

=> Document Splitting active

=> [expense, revenue, and correction accounts defined as item categories]

=> Document splitting characteristic ("Cost Center" in our example) defined for CO

=> Revaluation account defined as (primary) cost element

Result: You can navigate directly to a CO document from the respective foreign currency valuation documents.

Cost Centers: Plan/Actual/Variance
Cost Center: 1000 (charged with (original) CO 19000...)
Reporting Period: 02 to 02 CFY

<table>
<thead>
<tr>
<th>Cost Elements</th>
<th>Actual</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>230010 Exp. from valuation</td>
<td>2,000.00</td>
<td></td>
</tr>
<tr>
<td>417000 Purchased services</td>
<td>8,000.00</td>
<td></td>
</tr>
<tr>
<td>* Costs</td>
<td>10,000.00</td>
<td></td>
</tr>
</tbody>
</table>

* €6,896.55 € = $8,620.69 = original expense

Important: The (system) prerequisites described in the slide must already be met when the vendor invoice is posted (in a foreign currency).

International context: The revenue account from currency valuation can also be defined as a cost element. In this case, negative costs would be posted to the corresponding CO object after a currency-related reduction of the payable.

If you ran the cost center report in February with the entire year as reporting period, cost element 230010 would not show any values.

You can navigate from the line items of the CO report to the posted CO document, and from there back to the FI document.

• In contrast to the document shown in the slide, the FI document would have cost center 1000 as an additional characteristic.
Periodic Processing

Topic

- Foreign Currency Valuation
- Depreciation Posting Program
To run the depreciation posting program properly, the following settings are needed ...

- Program RAPOST2000 posts depreciation for Asset Accounting in Release R/3 Enterprise and later.
- This program is the successor to program RABUCH00.
- The main difference between RAPOST2000 and RABUCH00 is that the newer depreciation posting program no longer uses batch processing, but instead posts depreciation through the general ledger accounts immediately during the program run.
- Another interesting question is whether and how the FI entities (such as the segment) are passed on in the depreciation posting documents.
**Settings for the Depreciation Posting Run**

**Business context:** Because asset transactions are supplied with the Segment (or Profit Center) characteristic to enable segment reporting, this should logically also be done in the depreciation documents.

Although the **Segment entity** is derived from the CO account assignment of the asset master record (through the profit center), the depreciation posting program first needs to be able to derive this CO a/c assignment. This is done using "account assignment types":

<table>
<thead>
<tr>
<th>Company Code: AA00</th>
<th>Depreciation Area: 01 (book depreciation) and 20 (cost-accounting depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Account Assignment Objects</strong></td>
<td></td>
</tr>
<tr>
<td>AA Object</td>
<td>Name of AA Object</td>
</tr>
<tr>
<td>KOSTL</td>
<td>Cost Center</td>
</tr>
<tr>
<td>CAUFN</td>
<td>Internal order</td>
</tr>
<tr>
<td>PS_PSP ...</td>
<td>WBS element</td>
</tr>
</tbody>
</table>

If **document splitting is active**, the corresponding accounts have to be defined as **item categories**:
- This typically involves accounts like the following:
  => **Depreciation expense accounts** (scheduled depreciation, unplanned deprecation)
  => **Cost-accounting expense accounts** (depreciation, interest)
  => **Clearing accounts** for cost-accounting expenses

**Important:** Value adjustment accounts are predefined as item categories.

---

- **About account assignment types:**
  - **Depreciation area 20** must have account assignment type **Depreciation Run** if area 20 is the area for posting the cost-accounting values (depreciation / interest) through to Controlling. In this case, the "cost-accounting depreciation" account is defined as a cost element, and requires a CO-relevant account assignment during the depreciation posting run. However, this account can only be selected if the corresponding CO object (such as cost center, order, or WBS element) is linked with the account assignment type **Depreciation Run**. Furthermore, the segment is then derived (indirectly) from the CO object.
  - **Valuation area 01** records book depreciation. The system demands account assignment type **Depreciation Run** for area 01 even if the depreciation expense account is not defined as a cost element - which means these values are only posted in FI. This is the only way for the system to derive the profit center and then (possibly) the segment from the CO object for the book depreciation document.

- Only the actual amount posted to an account defined as (primary) cost element actually ends up in Controlling – both depreciation amounts end up in the leading ledger.

- As soon as document splitting is activated, the depreciation documents also have to meet the document splitting criteria, which means the corresponding accounts have to be defined as item categories. FI-AA already takes care of the split at segment level for depreciation documents.
The document is cleared at account level, as well as segment and profit center levels.

Under book depreciation, there is (usually) no direct posting to CO – The Cost Center characteristic is blank.
### Depreciation – FI Documents II

#### Entry/general ledger view / Ledger OL / Costing Document (40…..11)

<table>
<thead>
<tr>
<th>CCd</th>
<th>I</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>Cost Center</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA00</td>
<td>1</td>
<td>40</td>
<td>481000</td>
<td>C-A depreciation</td>
<td>50.00</td>
<td>EUR</td>
<td>T-F05A00</td>
<td>1402</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>AA00</td>
<td>3</td>
<td>40</td>
<td>483000</td>
<td>Imputed Interest</td>
<td>10.00</td>
<td>EUR</td>
<td>T-F05A00</td>
<td>1402</td>
<td>SEG A</td>
<td></td>
</tr>
<tr>
<td>AA00</td>
<td>5</td>
<td>50</td>
<td>261000</td>
<td>Clear. C-A depr.</td>
<td>50.00</td>
<td>EUR</td>
<td>1402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA00</td>
<td>7</td>
<td>50</td>
<td>263000</td>
<td>Clear. Imp. Int.</td>
<td>10.00</td>
<td>EUR</td>
<td>1402</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** Sorted and totaled by segment **

The FI document has a corresponding CO document, which writes cost-accounting depreciation and imputed interest to the requested CO object.

- The Financial Accounting document shown is generated from the values in area 20.
You can now:

- Describe the potential for improving TCO
- Configure and use the new foreign currency valuation program
Exercises

Unit: Periodic Processing

Topic: Foreign Currency Valuation
(of Customer Receivables)

At the conclusion of these exercises, you will be able to
• Understand and start the program for foreign currency valuation. You will only run the local valuation in this unit; you will add an international valuation in the following unit.

5-1 Exercise for foreign currency valuation (of customer receivables)

5-1-1 Create a customer 210## in your company code AA##. ...

SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Master Records → Create

Choose Sold-To-Party (entry at the very bottom) as the account group. You can use customer 1000 in company code 1000 as a template.
Fill in all the required-entry fields for the address data and save your data.

5-1-2 Now enter a customer invoice in U.S. dollars for your customer 210##, in the amount of $5,000.00. This means you are creating an invoice for a (major) international customer in their currency.
Also assume that the $ exchange rate was 0.83333 on the posting date.
This corresponds to a € exchange rate of 1.20: 1/1.20 = 0.8333.
Accordingly, the euro is strong compared to the dollar, or alternatively: The dollar is relatively weak.

SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Document Entry → Invoice

Important: You can press Enter to skip any warning messages due to values that differ from the table exchange rate; after all, that’s the objective of this exercise.

Enter the following data in the posting transaction:
Customer: 210##
Invoice date: 07/07/previous year
Reference: 1##
Posting date: 07/17/previous year
Invoice amount: 5,000
Currency: USD
Calculate tax: Set the checkbox. To simplify things, you can still enter the document without taxes (=> tax code A0). If you want to use taxes, please choose tax code AN.
Enter the values and switch to the Local Currency tab. Check the (current) exchange rate (=> taken from table TCUR) and change it manually to “/1.20” or “0.83333”, in line with the assumptions. The entry is simple if you use the F4 help for the Exchange Rate field.

Important: If the Exchange Rate field is not (or no longer) ready for input, you can specify the euro-denominated amount of 4,166.67 in the Local Currency Amount field in the same tab page.

You are now missing the revenue account / credit item for the posting: Enter G/L account 800200 in the entry screen and enter “*” to copy the amount of $ 5,000.00.

Because you also want/have to assign a segment account for the posting, enter the profit center you created, PC##, in the corresponding field.

Simulate and save the document.

5-1-3 Display the document again from the posting transaction. The segment is inherited to the receivable line item in the general ledger view. You can press the Display Currency button to display the amounts in euros and U.S. dollars.

SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Document Entry → Invoice

Choose menu path Document → Display

5-1-4 Now enter a second invoice for the same customer. We now assume, however, that the invoice is posted later, at a time when the dollar is relatively strong (compared to the euro) – use a € exchange rate of 0.8. This implies a (relatively strong) $ exchange rate of 1.25, as 1/0.8 = 1.25.

Otherwise, the procedure is similar to exercise 5-1-2.

SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Document Entry → Invoice

Use the following data:
Customer: 210##
Invoice date: 01/08/ of the current year
Reference: 2##
Posting date: 01/10/ of the current year
Invoice amount: 4,000
Currency: USD

Calculate tax: Set the checkbox. To simplify things, you can still enter the document without taxes (=> tax code A0). If you want to use taxes, please choose tax code AN.

Enter the values and switch to the Local Currency tab. Change the displayed exchange rate manually to “/0.8” or “1.25”, in line with the above assumption. The entry is simple if you use the F4 help for the Exchange Rate field.
Important: You can press Enter to skip any warning messages due to values that differ from the table exchange rate; after all, that’s the objective of this exercise.

Also important: If the Exchange Rate field is not ready for input, you can specify the euro-denominated amount of 5,000 in the Local Currency Amount field in the same tab page.

You are now missing the revenue account / credit item for the posting: Enter G/L account 800200 in the entry screen and enter “*” to copy the amount of $4000. Because you also want/have to assign a segment account for the posting, enter profit center 1000 in the corresponding field. Simulate and save the document.

5-1-5 Now start a customer line item list for your customer 210## to display the posted open customer invoices.

SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Account → Display/Change Line Items

Enter your customer 210## and your company code AA##, and run the program to display the open items as of today’s date: Menu path Program → Execute

Optional: If you desire, you can change the layout (of the results list) to display the effective exchange rate (=> technical field name: 1-KURSE) and the reference field (=> technical field name: 1-XBLNR). Save your user-specific layout, L##, with name Layout Gr. ##.

Press the Change Layout ... button to display the fields. To save the changes to your layout, press Save Layout … .

5-1-6

Control exercise – Please do not change the system configuration!

You now have to configure the system for foreign currency valuation. You first maintain the accounts you want to post to. Choose the appropriate transaction in Customizing ...


... and perform the following activities:

=> Select Transaction KDF

=> Select Chart of Accounts INT

=> Double-click to select general ledger/reconciliation account 140000 (customer receivables)

=> Examine the logical field group Valuation and check whether the following accounts are already defined:

Expense account: Account 230 011
Revenue account: Account 280 010
Balance sheet correction account: Account 140 099

**Important:** If you used different valuation areas for account determination in previous releases, you no longer have to in mySAP ERP. This applies even if you use different accounting principles (subsequently).

If you had to valuate foreign currency payables as well, you would also assign expense, revenue, and correction accounts to the payables account (e.g. 160 000).

5-1-7

**Control exercise – Please do not change the system configuration!**

Because document splitting has been activated for your **company code**, AA##, the expense, revenue, and correction accounts have to be defined as item categories for the foreign currency valuation. Please check whether **chart of accounts** INT already has the **entries** 230010, 230011, 280010, and 140099. If this is not the case, please notify your course instructor.

**Customizing:** **Financial Accounting (New)** → **General Ledger Accounting (New)** → **Business Transactions** → **Document Splitting** → **Classify G/L Accounts for Document Splitting**

5-1-8 To start the foreign currency valuation run later (in the application), a valuation area must be passed on in mySAP ERP – regardless of whether or not different valuation approaches are needed for parallel accounting.

**Important:** The valuation area you define now has nothing to do with depreciation (valuation) areas in Asset Accounting; it is a valuation area that is defined in FI.

**Create a separate valuation area** in FI Customizing. …

**Customizing:** **Financial Accounting (New)** → **General Ledger Accounting (New)** → **Periodic Processing** → **Valuate** → **Define Valuation Areas**

... The **ID** of the new valuation area should have **two letters**. The **first letter of every group** is “L”. The “L” stands for “Local” in this example.

Select the **second letter** for your group from the following table:

<table>
<thead>
<tr>
<th>Group</th>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
<td>I</td>
<td>J</td>
<td>K</td>
<td>L</td>
<td>M</td>
<td>N</td>
<td>O</td>
<td>P</td>
<td>Q</td>
<td>R</td>
</tr>
</tbody>
</table>

**Examples:**
- Group 1 uses the letter A => the ledger ID is LA
- Group 5 uses the letter E => the ledger ID is LE….

Enter the **following data** for the new ledger:
- **Area:** L# (=> # stands for the second letter from the above table)
- **Valuation method:** Leave blank (for now)
- **Currency type:** Company code currency
Additional currency types: (= > column “Addt CT”): Leave blank
Balance sheet structure (= > column “BalStr”): Leave blank or INT
Long text: Local valuation area group ##

5-1-9 Also create a valuation method in Customizing. You will need it to define how to valuate a run. …


... Name your new valuation method L## and define it with the following data:
Description: Local valuation for average rate, group ##
Valuation procedure: Lowest value principle
Document Type: SA
Exchange rate type for debit/credit balance: M for both

5-1-10 Link the new valuation method L## with your new valuation area L# from exercise 5-1-8.


Important: Prior to release mySAP ERP, the valuation method was not entered until the actual run in the application. This is no longer possible in New General Ledger Accounting.

5-1-11 You have now configured all the settings for the actual foreign currency valuation, provided you only need to follow one set of accounting principles and only want to valuate open items (the assumptions in this set of exercises).

Start the valuation run in the Accounts Receivable application. As you will see in the SAP Easy Access menu, when New General Ledger Accounting is activated, you can no longer start the old valuation program SAPF100 (= > “Foreign Currency Valuation of Open Items”). You have to use the option “Foreign Currency Valuation of Open Items (New)”. This is program FAGL_FC_VALUATION.

SAP Easy Access menu → Accounting → Financial Accounting → Customers → Periodic Processing → Closing → Valuate → Foreign Currency Valuation of Open Items (New)

You can start a test run first before you start the update run. Enter the following data in the selection screen for the program:
Company Code: AA##
Valuation key date: Last day of previous month

Important: If your AC210 takes place in January, please use January 31 of this year as the key date.
Valuation area: L#

Create Postings indicator: Do not set until after a test run, when you start the update run.

You do not need to specify a folder name, as you will not use a folder.

The program now needs to know which “objects” will be processed, regardless of whether this is a test or production run.

Open tab page Open Items:
Set the Valuate Customer OI checkbox.

Start the program.

Starting in the results list, you can navigate to the simulated postings (=> after a test run) or to the actual postings (=> after a production run)!

Press the Postings button in the results list.

Now remain in the results list of the valuation run.

Note: Because this run is “local”, using the lowest value principle, only the open item is valuated; as of the key date, it no longer has a value of € 5,000.00, but instead € 4,000.00. In the example, this should be the second item – the document entered in the current year.

5-1-12 When you examine the valuation or correction document after the update run, you will see that the segment from the original customer invoice has been passed through to the documents from the valuation run. In the example, this should be segment SEGB. If your documents have a different segment, don’t worry – you probably entered a different cost center for your posting than described in the exercise 😊!

Press the Postings button in the results list. Position the cursor on the document number of the posting document from the last day of the previous months and press Display Document. The document is displayed first in U.S. dollars, the document currency – but the corrections are only recorded in the local currency. To see the euro-denominated correction amount, press the Display Currency button.

A new valuation run always creates a correction document on the first of the following month. There is no way around this!
Unit: Periodic Processing

Topic: Foreign Currency Valuation
(of Customer Receivables)

5-1  Exercise for foreign currency valuation (of customer receivables)

5-1-1  Create a customer 210## in your company code AA##. …

**SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Master Records → Create**

Choose Sold-To-Party (entry at the very bottom) as the account group. You can use customer 1000 in company code 1000 as a template. Fill in all the required-entry fields for the address data and save your data.

5-1-2  Now enter a customer invoice in U.S. dollars for your customer 210##, in the amount of $ 5,000.00. This means you are creating an invoice for a (major) international customer in their currency.

Also assume that the $ exchange rate was \(0.8333\) on the posting date.

This corresponds to a € exchange rate of \(1.20\): \(1/1.20 = 0.8333\).

Accordingly, the euro is strong compared to the dollar, or alternatively: The dollar is relatively weak.

**SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Document Entry → Invoice**

**Important:** You can press Enter to skip any warning messages due to values that differ from the table exchange rate; after all, that’s the objective of this exercise.

Enter the following data in the posting transaction:

- **Customer:** 210##
- **Invoice date:** 07/07/previous year
- **Reference:** 1##
- **Posting date:** 07/17/previous year
- **Invoice amount:** 5,000
- **Currency:** USD

*Calculate tax:* Set the checkbox. To simplify things, you can still enter the document without taxes (⇒ tax code A0). If you want to use taxes, please choose tax code AN.

Enter the values and switch to the Local Currency tab. Check the (current) exchange rate (⇒ taken from table TCURR) and change it manually to “/1.20” or “0.83333”, in line with the assumptions. The entry is simple if you use the F4 help for the Exchange Rate field.

**Important:** If the Exchange Rate field is not (or no longer) ready for input, you can specify the euro-denominated amount of 4,166.67 in the Local Currency Amount field in the same tab page.
You are now missing the revenue account / credit item for the posting:
Enter **G/L account 800200** in the entry screen and enter “*” to copy the amount of $ 5,000.00.

Because you also want/have to assign a segment account for the posting,
enter the **profit center** you created, **PC##**, in the corresponding field.

Simulate and save the document.

5-1-3  **Display the document** again from the posting transaction. The segment is inherited to the receivable line item in the **general ledger view**. You can press the **Display Currency** button to display the amounts in euros and U.S. dollars.

*SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Document Entry → Invoice*

**Choose menu path** Document → Display

5-1-4  Now enter a **second invoice** for the same customer. We now assume, however, that the invoice is posted later, at a time when the **dollar** is relatively **strong** (compared to the euro) – use a **€ exchange rate of 0.8**. This implies a (relatively strong) $ exchange rate of 1.25, as $1.00 = 1.25.

Otherwise, the procedure is **similar to exercise 5-1-2**.

*SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Document Entry → Invoice*

**Use the following data:**
*Customer: 210##*

**Invoice date:** 01/08/ of the **current year**

**Reference:** 2##

**Posting date:** 01/10/ of the **current year**

**Invoice amount:** 4,000

**Currency:** USD

**Calculate tax:** Set the **checkbox**. To simplify things, you can still enter the document **without taxes** (=> tax code **A0**). If you want to use taxes, please choose tax code **AN**.

**Enter the values** and switch to the **Local Currency** tab. **Change** the displayed exchange rate manually to “/0.8” or “×1.25”, in line with the above assumption. The entry is simple if you use the F4 help for the **Exchange Rate** field.

**Important:** You can press **Enter** to skip any **warning messages** due to values that differ from the table exchange rate; after all, that’s the objective of this exercise.

**Also important:** If the **Exchange Rate** field is not ready for input, you can specify the euro-denominated amount of 5,000 in the **Local Currency Amount** field in the same tab page.

You are now missing the revenue account / credit item for the posting:
Enter **G/L account 800200** in the entry screen and enter “*” to copy the amount of $ 4000. Because you also want/have to **assign a segment account** for the posting, enter **profit center 1000** in the corresponding field.

Simulate and save the document.
5-1-5 Now start a customer line item list for your customer 210## to display the posted open customer invoices.

SAP Easy Access Menu → Accounting → Financial Accounting → Customers → Account → Display/Change Line Items

Enter your customer 210## and your company code AA##, and run the program to display the open items as of today’s date: Menu path Program → Execute

Optional: If you desire, you can change the layout (of the results list) to display the effective exchange rate (=> technical field name: 1-KURSE) and the reference field (=> technical field name: 1-XBLNR). Save your user-specific layout, L##, with name Layout Gr. ##.

Press the Change Layout ... button to display the fields. To save the changes to your layout, press Save Layout ...

5-1-6

Control exercise – Please do not change the system configuration!

You now have to configure the system for foreign currency valuation. You first maintain the accounts you want to post to. Choose the appropriate transaction in Customizing ...


... and perform the following activities:

=> Select Transaction KDF
=> Select Chart of Accounts INT
=> Double-click to select general ledger/reconciliation account 140000 (customer receivables)
=> Examine the logical field group Valuation and check whether the following accounts are already defined:
Expense account: Account 230 011
Revenue account: Account 280 010
Balance sheet correction account: Account 140 099

Important: If you used different valuation areas for account determination in previous releases, you no longer have to in mySAP ERP. This applies even if you use different accounting principles (subsequently).

If you had to valuate foreign currency payables as well, you would also assign expense, revenue, and correction accounts to the payables account (e.g. 160 000).
Control exercise – Please do not change the system configuration!

Because document splitting has been activated for your company code, AA##, the expense, revenue, and correction accounts have to be defined as item categories for the foreign currency valuation. Please check whether chart of accounts INT already has the entries 230010, 230011, 280010, and 140099. If this is not the case, please notify your course instructor.


5-1-8 To start the foreign currency valuation run later (in the application), a valuation area must be passed on in mySAP ERP – regardless of whether or not different valuation approaches are needed for parallel accounting.

**Important:** The valuation area you define now has nothing to do with depreciation (valuation) areas in Asset Accounting; it is a valuation area that is defined in FI.

Create a separate valuation area in FI Customizing. …

**Customizing: Financial Accounting (New) → General Ledger Accounting (New) → Periodic Processing → Valuate → Define Valuation Areas**

... The ID of the new valuation area should have **two letters. The first letter of every group is “L”**. The “L” stands for “Local” in this example.

Select the second letter for your group from the following table:

<table>
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<td>H</td>
<td>I</td>
<td>J</td>
<td>K</td>
<td>L</td>
<td>M</td>
<td>N</td>
<td>O</td>
<td>P</td>
<td>Q</td>
<td>R</td>
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</tbody>
</table>

**Examples:**

Group 1 uses the letter A => the ledger ID is LA
Group 5 uses the letter E => the ledger ID is LE….

Enter the **following data** for the new ledger:

**Area:** L## (=> # stands for the second letter from the above table)
**Valuation method:** Leave blank (for now)
**Currency type:** Company code currency
**Additional currency types:** (= > column “Addt CT”): Leave blank
**Balance sheet structure (= > column “BalStr”):** Leave blank or INT
**Long text:** Local valuation area group ##

5-1-9 Also create a valuation method in Customizing. You will need it to define how to valuate a run. …

**Customizing: Financial Accounting (New) → General Ledger Accounting (New) → Periodic Processing → Valuate → Define Valuation Methods**
... Name your new valuation method L## and define it with the following data:
Description: Local valuation for average rate, group ##
Valuation procedure: Lowest value principle
Document Type: SA
Exchange rate type for debit/credit balance: M for both

5-1-10 Link the new valuation method L## with your new valuation area L# from exercise 5-1-8.


Important: Prior to release mySAP ERP, the valuation method was not entered until the actual run in the application. This is no longer possible in New General Ledger Accounting.

5-1-11 You have now configured all the settings for the actual foreign currency valuation, provided you only need to follow one set of accounting principles and only want to valuate open items (the assumptions in this set of exercises).

Start the valuation run in the Accounts Receivable application. As you will see in the SAP Easy Access menu, when New General Ledger Accounting is activated, you can no longer start the old valuation program SAPF100 (=> “Foreign Currency Valuation of Open Items”). You have to use the option “Foreign Currency Valuation of Open Items (New)”. This is program FAGL_FC_VALUATION.

SAP Easy Access menu → Accounting → Financial Accounting → Customers → Periodic Processing → Closing → Valuate → Foreign Currency Valuation of Open Items (New)

You can start a test run first before you start the update run.
Enter the following data in the selection screen for the program:
Company Code: AA##
Valuation key date: Last day of previous month

Important: If your AC210 takes place in January, please use January 31 of this year as the key date.

Valuation area: L#
Create Postings indicator: Do not set until after a test run, when you start the update run.
You do not need to specify a folder name, as you will not use a folder.
The program now needs to know which “objects” will be processed, regardless of whether this is a test or production run.
Open tab page Open Items:
Set the Valuate Customer OI checkbox.
Start the program.

Starting in the results list, you can navigate to the simulated postings (=> after a test run) or to the actual postings (=> after a production run)!

Press the Postings button in the results list.

Now remain in the results list of the valuation run.

*Note:* Because this run is “local”, using the lowest value principle, only the open item is valuated; as of the key date, it no longer has a value of € 5,000.00, but instead € 4,000.00. In the example, this should be the second item – the document entered in the current year.

5-1-12 When you examine the valuation or correction document after the update run, you will see that the segment from the original customer invoice has been passed through to the documents from the valuation run. In the example, this should be segment SEGB. If your documents have a different segment, don’t worry – you probably entered a different cost center for your posting than described in the exercise 😊!

Press the Postings button in the results list. Position the cursor on the document number of the posting document from the last day of the previous months and press Display Document. The document is displayed first in U.S. dollars, the document currency – but the corrections are only recorded in the local currency. To see the euro-denominated correction amount, press the Display Currency button.

A new valuation run always creates a correction document on the first of the following month. There is no way around this!
Parallel Accounting

Contents:

- Ledger approach in New General Ledger Accounting
- Non-leading ledgers
- Ledger groups
- Ledger approach (in New General Ledger Accounting) and entering different valuation approaches using foreign currency valuation as an example
- Ledger approach (in New General Ledger Accounting) and the Asset Accounting component (FI-AA)
Parallel Accounting: Objectives

At the conclusion of this unit, you will be able to

- Understand the ledger solution (in New General Ledger Accounting) and how to portray parallel accounting
- Define, configure, and use non-leading ledgers
- Explain when and how to use ledger groups
- Understand the integration of the ledger solution (in New General Ledger Accounting) with Asset Accounting
Parallel accounting means that a company’s financial statements need to be created in accordance with different accounting principles. This is because a local view (such as U.S. GAAP in the U.S.) is no longer sufficient by itself in a globalized world of creditors (banks, shareholders) and business partners. An internationally recognized accounting standard is increasingly in demand.

Examples of internationally recognized accounting principles include:

- IAS/IFRS
- U.S. GAAP

Different accounting principles can (as before) be modeled using the "account approach" in New General Ledger Accounting. In addition to accounts, however, New General Ledger Accounting also lets you use different ledgers to save the different valuation approaches – this is called the ledger approach (in New General Ledger Accounting).

Do not confuse the new ledger approach with the Special Purpose Ledger (FI-SL), however. The special purpose ledgers can already be used in Release R/3 Enterprise, but they are not as functional and uniform as the ledger approach in New General Ledger Accounting.

Which valuation approach should you model? It should be emphasized that SAP generally considers the ledger approach and the account approach as equivalents. For more information, see SAP Note 779251.
Defining Non-Leading Ledgers

- In the system, each client has exactly one leading ledger in New General Ledger Accounting.
- Moreover, you can also define additional ledgers (within the general ledger).
- You can use these different ledgers, for example, to portray different accounting rules.

Example:

![Diagram showing Leading Ledger and Non-Leading Ledgers]

- An important question to answer is which accounting principles will be portrayed in the leading ledger:
  - SAP recommends that existing customers who upgrade to mySAP ERP do not change the leading view as well.
  - As before, a change of the leading view should always be conducted in a separate project.
  - The leading ledger is the (only) ledger that is integrated with CO.

- The use of non-leading ledgers also makes it possible to use different fiscal year variants within one company code (=> also see the following slides)
Activating Non-Leading Ledgers

The **leading ledger/New General Ledger Accounting** is activated at **client level**.

**Important**: All **non-leading ledgers** (such as N1) **also have to be activated by company code**, after they have been defined:

**Other option**: In this transaction, you can also assign to the non-leading ledgers **additional local currencies** or **fiscal year variants** differing from that used in the leading ledger.

* Note, however, that the currencies of a non-leading ledger can only be subsets of the currencies of the leading ledger!

**Path**: Customizing, Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Ledgers -> Ledger -> Define and Activate Non-Leading Ledgers

An additional, non-leading ledger can be useful, for example, if your company wants to **model the (same) company code with different fiscal year variants**, for example: The leading ledger uses FY variant K4, while the non-leading ledger uses FY variant V9.

**Important**: **FI General Ledger Accounting** did not previously permit use of different FY variants within a company code.

* Only the Special Purpose Ledger component (FI-SL) featured these options. In addition, it was also possible in FI-SL to use currencies that differed from that in the general ledger.

For information on configuring alternative fiscal year variants in a non-leading ledger while using the component Asset Accounting, see SAP Note 844029
Scenario Assignment

You have to define the fields that will be updated for non-leading ledgers as well – which means you have to assign the scenario(s):

**Scenarios provided by SAP:**

- **Cost Center Update** (FIN_CCA)
  - Update of the sender cost center and receiver cost center fields
- **Preparations for Consolidation** (FIN_CONS)
  - Update of consolidation transaction type and trading partner fields
- **Business Area** (FIN_GSBER)
  - Update of sender business area and receiver business area fields
- **Profit Center Update** (FIN_PCA)
  - Update of profit center and partner profit center fields
- **Segmentation** (FIN_SEGM)
  - Update of the segment, partner segment and profit center fields
- **Cost-of-Sales Accounting** (FIN_UKV)
  - Update of the sender functional area and receiver functional area fields

**Ledgers:**

- Leading ledger (0L)
- Non-leading ledger (N1)
- Non-leading ledger (N2)
- ...

- The provided **scenarios are assigned** to the (non-leading) **ledgers** in Customizing under Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Ledgers -> Ledger -> Assign Scenarios and Customer Fields to Ledgers
  
  - A ledger can be assigned one scenario, several scenarios, or even to all six at once.
  - The decision as to how many scenarios to assign depends solely on which "facts" / "business aspects" you want to model in the corresponding (non-leading) ledger.
Press this button to display the general ledger view of the non-leading ledgers.

Display Document: General Ledger View

<table>
<thead>
<tr>
<th>CCd</th>
<th>I</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>BA</th>
<th>Func. Area</th>
<th>CCtr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>40</td>
<td>417000</td>
<td>Purch. Services</td>
<td>50.00</td>
<td>EUR</td>
<td>VN</td>
<td>9900</td>
<td>0100</td>
<td>1000</td>
<td>1402</td>
<td>SEGAL</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>50</td>
<td>100000</td>
<td>Petty Cash</td>
<td>58.00</td>
<td>EUR</td>
<td>9900</td>
<td>1402</td>
<td>SEGAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>40</td>
<td>154000</td>
<td>Input Tax</td>
<td>8.00</td>
<td>EUR</td>
<td>VN</td>
<td>9900</td>
<td>1402</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Specific Example 1

Topic

Foreign Currency Valuation with Different Accounting Principles
**Assumption:**
On key date 01/31/CFY the euro exchange rate drops (dives!) from 1.25 to "1" (=> parity)

**Calculation effect:**
=> The receivable is worth €1,000 on the key date

**Accounting consequence:**
=> No action required for German HGB – Key word: Lowest value principle
=> International (e.g. IAS/IFRS or U.S. GAAP) must be revaluated – Key word: Current valuation

**Modeling of valuation principles:**
The different valuation principles have been modeled in the SAP system as valuation methods.

---

- The valuation methods are located in Customizing under Financial Accounting (New) -> General Ledger Accounting (New) -> Periodic Processing -> Valuate -> Define Valuation Methods.

- In mySAP ERP, the valuation methods are linked with the valuation areas (in FI) in Customizing under: Financial Accounting (New) -> General Ledger Accounting (New) -> Periodic Processing, Valuate -> Define Valuation Areas
  - A valuation area is assigned exactly one valuation method – but the same valuation method can be assigned to multiple valuation areas.
  - In releases up to and including SAP R/3 Enterprise, the valuation method is not assigned until you start the actual foreign currency valuation program (=> SAPF100).
Customizing FC Valuation / New General Ledger Accounting

1. Define **valuation areas** (and assign valuation methods):

<table>
<thead>
<tr>
<th>Val. Area</th>
<th>Val. Method</th>
<th>Currency Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>LO (Cal)</td>
<td>DEMO</td>
<td>CCode currency</td>
</tr>
<tr>
<td>IA (S)</td>
<td>INT</td>
<td>CCode currency</td>
</tr>
<tr>
<td>US (GAAP)</td>
<td>INT</td>
<td>CCode currency</td>
</tr>
</tbody>
</table>

Valuation methods have to be defined previously.

2. Assign **accounting principles** to the valuation areas:

<table>
<thead>
<tr>
<th>Val. Area</th>
<th>Acctg. Principle</th>
</tr>
</thead>
<tbody>
<tr>
<td>LO (Cal)</td>
<td>01 (e.g. local)</td>
</tr>
<tr>
<td>IA (S)</td>
<td>02 (e.g. IAS)</td>
</tr>
<tr>
<td>US (GAAP)</td>
<td>03 (e.g. U.S. GAAP)</td>
</tr>
</tbody>
</table>

Accounting principles are defined previously in a separate Customizing step.

3. Assign accounting principle to **ledgers**:

<table>
<thead>
<tr>
<th>AP</th>
<th>Target ledger group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>0L</td>
<td>Leading Ledger</td>
</tr>
<tr>
<td>02</td>
<td>N1</td>
<td>IAS Ledger</td>
</tr>
<tr>
<td>03</td>
<td>N2</td>
<td>U.S. GAAP Ledger</td>
</tr>
</tbody>
</table>

The slide shows how the logic decides to which ledger the different valuation approaches (=) values from different valuation areas) are posted:

- In addition to the leading ledger, you need (of course) at least one non-leading ledger
- You define valuation areas (originating in FI). (=) See slide 1.)
- You define accounting principles (AP). (=) See 2 in this slide.)
  => You assign an accounting principle to the valuation areas (=) See slide 2.)
  => In turn, you combine the accounting principles with the corresponding ledgers. (=) See slide 3.)

In Customizing, you also define for each valuation area which valuation method (such as lowest value principle or basic valuation) is to be used. (=) See 1. in this slide and the previous slide)

The slide does not show the Customizing activities for maintaining the account determination, where expense, revenue, and balance sheet correction accounts are defined: Customizing path: Financial Accounting (New) -> General Ledger Accounting (New) -> Periodic Processing -> Valuate -> Foreign Currency Valuation -> Prepare Automatic Postings for Foreign Currency Valuation => Transaction KDF

- Important: Since postings are made to the same accounts in the different ledgers in the ledger solution (in New General Ledger Accounting), it is sufficient for the account determination to be defined only for the valuation area Blank in foreign currency valuation.
The starting point is the open customer invoice of $1,000, entered with an euro exchange rate of 1.25:

<table>
<thead>
<tr>
<th>Stat.</th>
<th>Doc. No.</th>
<th>Ty.</th>
<th>Doc. Date</th>
<th>Due</th>
<th>Net Due</th>
<th>Int.</th>
<th>LC Amt</th>
<th>LC</th>
<th>CCC Amt</th>
<th>CC</th>
<th>Exc. Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>dr</td>
<td>1800013</td>
<td>01/13/TY</td>
<td>02/27/TY</td>
<td>-44</td>
<td>800.00</td>
<td>€ 1,000.00</td>
<td>$/1.25000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The FI document 1800013 could look like this:

**Entry view (in document currency):**

<table>
<thead>
<tr>
<th>Ccd</th>
<th>I</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>Cctr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>01</td>
<td>140000</td>
<td>Cust. Janning</td>
<td>1,000.00</td>
<td>USD</td>
<td>A0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>50</td>
<td>800200</td>
<td>Revenues</td>
<td>300.00</td>
<td>USD</td>
<td>A0</td>
<td>1402</td>
<td>SEG A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>50</td>
<td>800200</td>
<td>Revenues</td>
<td>700.00</td>
<td>USD</td>
<td>A0</td>
<td>1000</td>
<td>SEG B</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The document is always reversed on 02/01/CFY.

- A configured document split (by segment) creates another customer line item in the general ledger view.

- Start the new foreign currency valuation program FAGL_FC_VALUATION on 01/31/CFY, with a key date exchange rate of 1, so €1.00 = $1.00. Accordingly, the receivable now has a value of €1,000:

- A valuation run for valuation area IA(S), for example, records a revaluation of €200.00 – the document is even split accordingly, if the online split (for segments) is defined:

**Entry/general ledger view (in document currency) of the assigned ledger (in the example: Ledger N1):**

<table>
<thead>
<tr>
<th>Ccd</th>
<th>I</th>
<th>PK</th>
<th>Acct</th>
<th>Description</th>
<th>Amount</th>
<th>Curr.</th>
<th>Tx</th>
<th>Cctr</th>
<th>PC</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>1</td>
<td>50</td>
<td>280010</td>
<td>Gain from Val.</td>
<td>60.00</td>
<td>EUR</td>
<td>SEG A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>40</td>
<td>140099</td>
<td>Cust. Rec. Corr.</td>
<td>60.00</td>
<td>EUR</td>
<td>SEG A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>50</td>
<td>280010</td>
<td>Gain from Val.</td>
<td>140.00</td>
<td>EUR</td>
<td>SEG B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>40</td>
<td>140099</td>
<td>Cust. Rec. Corr.</td>
<td>140.00</td>
<td>EUR</td>
<td>SEG B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The document is always reversed on 02/01/CFY.

- The system derives the accounts to post (=> 280010 and 140099) from the account determination (for valuation area Blank) of transaction "Exchange Rate Difference OI / G/L Account" (=> transaction KDF).

- The posting document generated by the foreign currency program is reversed automatically with the same program, on the first day of the next month.
  - New in mySAP ERP: The reversal is independent of the valuation area for which the foreign currency valuation run was started.

- An (additional) valuation run for a local valuation area (such as a valuation area for the rules of the German Commercial Code) does not register a revaluation in this case.
  - The original customer document updates the amount "0" for the corresponding valuation area.

- The correction document illustrated in the slide is only posted to ledger N1.
  - Therefore, to post the document, you have to assign a number range interval to the corresponding document type in the entry view of the ledger: In Customizing under Financial Accounting (New) - > Financial Accounting Global Settings (New) - > Document - > Document Types - > Define Document Types for Entry View in One Ledger
**Defining Ledger Groups**

**Business context:** You now have to run the foreign currency valuation for both U.S. GAAP and IAS/IFRS. In both cases, open items (and balances) have to be “always evaluated.”

| **Option 1:** Definition of two valuation areas (=> in addition to the leading ledger) and two accounting principles. The foreign currency valuation program runs twice – each time updating the appropriate G/L ledger (=> e.g. ledger N1 and ledger N2) |
| **Option 2:** Define a valuation area (e.g. International) and an accounting principle. A ledger group (N99 in the example) is also defined, which contains the non-leading ledgers N1 and N2. |

**Effect:** The foreign currency valuation program only has to be started once (for the new valuation area). The values are then (only) written to the ledgers in the ledger group.

- **Customizing path:** Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Ledgers -> Ledger -> Define Ledger Group
A posting document is always initially posted to all ledgers. There are now two new transactions for making adjustment and correction postings in only one or several certain ledgers (in the case of parallel accounting, for example):

- FB01L
- FB50L

You can now enter a ledger (e.g. ledger N1 or O1) or the ledger group (such as N99) in the Ledger Group field.

**Important**: If you leave this field empty, postings are made to all ledgers!

The document is then only posted to the selected ledgers.

If the ledger group only consists of one or more non-leading ledgers, you have to define the "document types for entry view in one ledger": You do this in Customizing under Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Document, Document Types -> Define Document Types for Entry View in One Ledger

In the general ledger view, you can then only display this one ledger.
Specific Example 2

Topic

Parallel Accounting and Asset Accounting (FI-AA)
Example processes in component FI-AA:

- **Asset acquisition** (here: not integrated) €20,000.00
- **Depreciation run** – depreciation parameters:
  - Area 01 – Book (straight-line over 10 years) €2,000.00
  - Area 30 – IFRS (straight-line over 5 years) €4,000.00
- **Asset sale** (=> sales price) €17,000.00
  (here: not integrated)

To simplify the example, only "non-integrated" processes were examined. Of course, the acquisition and retirement postings can be posted at any time with a vendor (or customer), thus "integrated".
The FI accounts to which postings are made in the ledger approach in New General Ledger Accounting are exactly the same ones in each depreciation area. The valuation approaches can still differ, however, because they are saved in different (general) ledgers.

The asset values are updated in all the ledgers simultaneously during one posting – also see the acquisition posting in the graphic.

Of course, a document will only be created in the delta depreciation area for an acquisition posting if different APC values have to be entered. The delta valuation area is often required for retirement postings - whenever different depreciation amounts have been calculated for local and international accounting principles during the utilization phase.

Therefore, the FI document from the delta area (=> see the retirement posting for area 60 in the above chart) is not informative in itself. You can only read it together with the areas from value 30 (see next slide).

Assumption: An IFRS approach is modeled in area 30 (and 60). Now, however, you also have to apply the U.S. accounting principles. In this case, you need an area for "U.S. GAAP" (such as area 31) and a further delta area (such as area 61 [= 31-01]).
Integration with FI-AA – Example Figures III

Asset retirement: International valuation approach – Derived from depreciation areas 30 and 60

Posted FI document from area 30 (=> internat. approach) in the non-leading ledger (=> e.g. N1) through the retirement transaction:

<table>
<thead>
<tr>
<th>Transaction Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>011000</td>
<td>Value account (asset)</td>
<td>-20,000.00</td>
</tr>
<tr>
<td>011010</td>
<td>Value adjustments (asset)</td>
<td>2,000.00</td>
</tr>
<tr>
<td>825000</td>
<td>Clearing asset retirement</td>
<td>17,000.00</td>
</tr>
<tr>
<td>200000</td>
<td>Loss from asset retirement</td>
<td>1,000.00</td>
</tr>
</tbody>
</table>

The amount of this FI document is wrong – Internationally, a €4,000 value adjustment is required! But by default, the amounts from the leading ledger are first distributed to all other ledgers!

If the financial statement is called for the non-leading ledger (e.g. N1), the following correct, combined value approach is used:

<table>
<thead>
<tr>
<th>Transaction Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>011000</td>
<td>Value account</td>
<td>-20,000.00</td>
</tr>
<tr>
<td>011010</td>
<td>Value adjustment</td>
<td>4,000.00</td>
</tr>
<tr>
<td>825000</td>
<td>Clear. asset ret.</td>
<td>17,000.00</td>
</tr>
<tr>
<td>200000</td>
<td>Loss from AA</td>
<td>0.00</td>
</tr>
<tr>
<td>250000</td>
<td>Gain from AA</td>
<td>-1,000.00</td>
</tr>
</tbody>
</table>

FI document from the delta area in the non-leading ledger (=> e.g. N1), triggered by the retirement transaction (using program RAPERP2000 or posted “directly”):

<table>
<thead>
<tr>
<th>Transaction Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>200000</td>
<td>Loss from asset retirement</td>
<td>-1,000.00</td>
</tr>
<tr>
<td>250000</td>
<td>Gain from asset retirement</td>
<td>-1,000.00</td>
</tr>
<tr>
<td>011010</td>
<td>Value adjustments (asset)</td>
<td>2,000.00</td>
</tr>
</tbody>
</table>

As described above, the values from the leading area are also posted to the group area, and therefore to non-leading ledgers as well. As a result, navigating from the Asset Explorer / group area to an FI document (only) displays the valuation approaches from the leading area.

If you want to see the correct international values in the Asset Explorer, you have to examine the transaction line items in the lower section of the tool. The mySAP ERP solution displays gains and losses from asset retirement here.

Items 1 and 2 above refer to periodic posting of the delta area (=> RAPERB2000). If you decide on "direct posting" for this area, you can navigate from the Asset Explorer in the group and delta area directly to the delta document.

You can also display the international valuation approach for the fixed asset at any time, in the detail screen of the corresponding asset document: TCode AB03.

A retirement report (=> RAABGA_ALV01) also displays the correct values for each area immediately.

Important: When you call the financial statement, the asset value account (in the leading and non-leading ledgers) will of course always report the value "0", because the previous acquisition and the retirement balance each other out.
This transaction, which is new in mySAP ERP Central Component 5.0, makes it possible to **quickly and easily define the delta valuation area**, which you definitely need in the ledger approach (in New General Ledger Accounting).

- If you prefer to continue using the account approach, you do not need the wizard.
- To start the wizard, the following data has to be defined in the system:
  - Depreciation area 01
  - Depreciation area for portraying parallel accounting (such as area 30)
  - Leading ledger
  - Non-leading ledger

The wizard is located in Customizing under: **Financial Accounting (New) -> Asset Accounting, Valuation -> Depreciation Areas -> Set Up Areas for Parallel Valuation.**
Integration with FI-AA – System Configuration

To perform AA postings with intended segmentation and active splitting, you have to make sure of the following:

- Are the **account assignment types** set correctly for all areas?
  - Area 01 (as you learned in the previous units of AC210) needs the settings “Depreciation Run” and “APC Values Posting”
  - Area 30 needs the setting "Depreciation Run"
  - Delta area 60 needs the setting “APC Values Posting”

- Is the **program for periodic APC value postings** (=> RAPERP2000) configured properly, even if you post the documents “directly” later?
  - Define your own document type (such as AP) with external number assignment

- The **new document type** only posts, according to its definition, to a non leading ledger – allow the document type in the entry view of the corresponding ledger.
  - The same applies to all other (AA) document types that are required for sole postings to a non-leading ledger – such as AA, AN, DR, KR, KN, AF

- Have you **configured all the settings for document splitting**?
  - It is easy to overlook the **item categories** for the retirement posting accounts
  - The (new) **document type** for periodic value postings has not been assigned a business transaction or business transaction variant yet.

You maintain **account assignment types** under: Customizing, Financial Accounting (New), Asset Accounting, Integration with the General Ledger, Additional Account Assignment Objects, Specify Account Assignment Types for Account Assignment Objects

Configuring **RAPERB2000**: Customizing Financial Accounting (New), Asset Accounting, Integration with the General Ledger, Post APC Values Periodically to the General Ledger, Specify Document Type for Periodic Posting of Asset Values


You maintain **item categories** under: Customizing Financial Accounting (New), General Ledger Accounting (New), Business Transactions, Document Splitting, Classify G/L Accounts for Document Splitting

You combine the document type for periodic value postings with business transaction and **business transaction variant**: Customizing Financial Accounting (New), General Ledger Accounting (New), Business Transactions, Document Splitting, Classify Document Types for Document Splitting
FI-AA Integration – Through-Posting to CO

<table>
<thead>
<tr>
<th>System configuration – Case 1 (=&gt; see TCode OADB)</th>
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<tbody>
<tr>
<td><strong>Area</strong></td>
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<table>
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<tr>
<th>System configuration – Case 2 (=&gt; see TCode OADB)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area</strong></td>
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<td>20</td>
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<tr>
<td>30</td>
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<tr>
<td>60</td>
</tr>
</tbody>
</table>

**Effects:**
- The book and internal depreciation are posted by the depreciation run in the correct amounts to leading ledger 0L and/or non-leading ledger N1.
- But the cost-accounting depreciation is also posted to ledgers 0L and N1 (through the depreciation run).
- Only the cost-accounting depreciation amount is visible in CO, however (in the cost center, for example), but not the amount from area 01 or 30 – Reason: The cost-accounting depreciation account is also defined as a cost element in CO!

**The examples with specific figures are described here in more detail – Initial situation:**
- **Asset acquisition** in January of a year in the amount of 20,000 monetary units
- **Useful life (book depreciation):** 10 years straight-line – Therefore: Annual depreciation: 2,000
- **Useful life (group depreciation):** 5 years straight-line – Therefore: Annual depreciation: 4,000
- **Useful life (cost accounting):** 8 years straight-line – Therefore: Annual depreciation: 2,500

**Account settings:**
- **FI account** for book (and group) depreciation – e.g. 211 100
  - Account 211 100 is **not** defined as a cost element in Management Accounting (=> CO).
- **FI account** for cost-accounting depreciation – e.g. 481 000
  - Account 481 000 is defined as a cost element in Management Accounting (=> CO).

**Business context:**
- The above case 1 is perhaps not entirely realistic from a business perspective.
- In case 2, we assume that the local rules represent the "leading valuation" and that a cost-accounting approach will be modeled in CO.
**Additional information for case 3:**

- For an update in CO, the FI account has to be defined as a cost element for book (and group) depreciation (e.g. 211 100).
- **Important question:** Why is only the book depreciation posted to CO in this case, and not the group approach, although the FI account is identical (and thus a cost element) in both cases? **Answer:** Because values from non-leading ledgers are not updated in CO by default.
- **Business context:**
  - Case 3 is recommended whenever the local rules represent the "leading valuation" and thus you want to model this approach in CO.
  - In this case, valuation area 20 (=> cost accounting) is no longer necessary.

**Additional information for case 4 – business context:**

- Case 4 is the approach used to portray group accounting as the leading valuation throughout (=> including in CO) without portraying the group approach in area 01, that is, without any conversion project that could become necessary later. However, the BAdI `FCOM_EXT_LEDGER` is always required (in FI-AA) to post the values of a non-leading ledger through to CO.
- **Important:** It is not possible to link a valuation area that posts values (in a ledger) and that is not area 01 with the leading ledger!
You can now:

- Describe how to model parallel accounting principles with the ledger approach (in New General Ledger Accounting) and explain the difference to the account approach
- Define, configure, and use non-leading ledgers
- Model parallel valuation approaches following the example of foreign currency valuation and Asset Accounting
Exercises

Unit: Parallel Accounting

Topic: Ledger Approach in New General Ledger Accounting

Example: Foreign Currency Valuation

At the conclusion of these exercises, you will be able to

- Explain and configure the ledger approach in New General Ledger Accounting as an alternative way of portraying parallel accounting. Foreign currency valuation serves as an example to elaborate the procedures and posting logic.

6-1 The ledger approach in New General Ledger Accounting

6-1-1 To model additional financial reporting methods in the SAP system, you can define additional (non-leading) ledgers in addition to the leading ledger. Create a non-leading ledger for an international valuation approach. In this exercise, your new ledger should have a two-character ID: The ID starts with “N” and has one more letter, which is derived as follows:

Group 1 uses the letter A => the ledger ID is NA
Group 2 uses the letter B => the ledger ID is NB ...

The letters for the other groups appear below:

<table>
<thead>
<tr>
<th>Group</th>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
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<td>N</td>
<td>O</td>
<td>P</td>
<td>Q</td>
<td>R</td>
</tr>
</tbody>
</table>

Specify the following data for the ledger definition:

Ledger description: Non-leading ledger gr. ##
Totals table: FAGLFLFEXT
Save your data.

6-1-2 You now have to allow your new ledger N# for your company code AA##. You will not use your new ledger (yet) for different fiscal year variants or alternative currencies.

6-1-3 In your new non-leading ledger N#, you want to model segment reporting and a profit and loss statement based on cost-of-sales accounting. Assign these two scenarios to your ledger N# and save the data.

6-1-4 Now post a G/L account document to your company code AA##. Pay for the office supplies from petty cash. Use the following accounts:

405200 (consumption office supplies)
100000 (petty cash)

Enter the document, in the amount of €69.60 gross, with today’s date, currency EUR, and 16% VAT. Choose cost center T-F05A## as the CO-relevant account assignment.
6-1-5 **Display the document.** You should now be able to call ledger N#, in addition to the leading ledger OL, in the general ledger view. What do you notice about the document in ledger N#, for example, when you view the posting documents or (on the other side) the CO account assignment (=> cost center)?

6-2 **Foreign currency valuation using more than one ledger**

6-2-1

You will now enter different amounts in the different ledger, due to valuation differences. To do so, use the foreign currency valuation again for your two open customer items (from the exercise in unit 5).

Because the ledger approach in New General Ledger Accounting posts different valuation accounts to the different ledgers, but to the same accounts, the account determination as you maintained it in the exercise in unit 5 will suffice.

You now have to create (another) valuation area (in FI) again and a valuation method. To carry out the foreign currency valuation, you also need accounting principles.

Create an additional valuation area in FI Customizing. The ID of the new valuation area should have **two letters. The first letter of every group is “I”.** The “I” stands for “International” in this example. Select the second letter for your group from the following table:

<table>
<thead>
<tr>
<th>Group</th>
<th>01</th>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
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<th>16</th>
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<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter</td>
<td>Z</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
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<td>N</td>
<td>O</td>
<td>P</td>
<td>Q</td>
<td>R</td>
</tr>
</tbody>
</table>

**Examples:**
- Group 1 uses the letter Z => the ledger ID is IZ
- Group 5 uses the letter E => the ledger ID is IE ...

Enter the **following data** for the new ledger:
- **Area:** I# (=> # stands for the second letter from the above table)
- **Valuation method:** Leave blank (for now)
- **Currency type:** Company code currency
- **Additional currency types:** Leave blank
- **Balance sheet structure:** Leave blank or INT
- **Long text:** International valuation area gr. ##

6-2-2 Also create a valuation method in Customizing. Name your new valuation method I## and define it with the following data:
- **Description:** International valuation for average rate, group ##
- **Valuation procedure:** Always valuate
- **Document type:** SA
- **Exchange rate type for debit/credit balance:** M

6-2-3 Link the new valuation method I## with your new valuation area I# from exercise 6-2-1.
6-2-4 To uniquely define which valuation area will post to which ledger, you now have to **define the accounting principles** (AR). **Create** the following **two sets of accounting principles**:

- $\Rightarrow Lo##$ with **Description** “Local AR group ##” and
- $\Rightarrow Ia##$ with **Description** “International AR group ##”.

6-2-5 You now need two (types of) **links/assignments**:

**First** link the **accounting principles** with the corresponding **ledgers**:

- AR $Lo## \Leftrightarrow$ Ledger $0L$
- AR $Ia## \Leftrightarrow$ Ledger $N$

**Then** link the **valuation areas** (in FI) with the **accounting principles**:

- **(local)** valuation area $L#$ (from the exercise in unit 5) $\Leftrightarrow$ AR $Lo##$
- **(international)** valuation area $I#$ $\Leftrightarrow$ AR $Ia##$

You have now clearly defined which valuation approach will be posted to which ledger in New General Ledger Accounting.

6-2-6 An **important system setting** now needs to be made so that international valuation is possible: Since a run for the international valuation area will post exclusively to the non-leading ledger, $N#$, you have to assign a **number range interval** to the corresponding document type ($\Rightarrow SA$ according to the valuation method) for the entry view of the non-leading ledger $N$#.

It is not (or no longer) possible to enter the **same interval** ($\Rightarrow 01$) as in the (solely) entry view. The system does not allow this in order to ensure gap-free document number assignment for the leading ledger.

Therefore **create** for your **company code AA##** a **new number range interval** as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>From number</th>
<th>To number</th>
<th>Current number</th>
<th>Ext</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>9999</td>
<td>3000000000</td>
<td>3900000000</td>
<td>3900000000</td>
<td></td>
</tr>
</tbody>
</table>

Then **assign** the new interval to the **document type SA** for the entry view in ledger $N$#.
6-2-7  You can now start the foreign currency valuation run.

Think about the steps you performed in the previous unit, and which prerequisites were involved:

=> You have two open customer invoices that were entered in U.S. dollars – if you can’t remember the document numbers, just call the customer line item list for your customer 210##.

=> The current exchange rate from U.S. dollar to euro is 1

=> The local/book valuation run ran on the last day of the previous month. You can start it again, but no result will be posted. Due to the lowest value principle, your valuation run only valuated one of the two customer items.

Call the foreign currency valuation program in accounts receivable and enter the following data:

Company Code: AA##
Valuation key date: Last day of previous month

Important: If your AC210 takes place in January, please use January 31 of this year as the key date.

Valuation area: I#
Create Postings indicator: Do not set until after a test run, when you start the update run.
You do not need to specify a folder name, as you will not use a folder.

You now have to tell the program which “objects” you want it to process:
Open tab page Open Items:
Set the Valuate Customer OI checkbox.

Start the program.

Because you ran this program with an international approach, you should see that both open items were valuated – once, like in the local valuation, with a devaluation/expense (in the amount of € 1,000.00) and once with a revaluation/revenue!

6-2-8  Display the posted valuation document. If you see posting amounts of 0.00, this is because you are displaying the document in U.S. dollars. To display the euro-denominated values, click Change Display Currency.
You can see in the entry view that the segments were taken from the original customer invoices. When you go to the general ledger, the system immediately shows the document only (and correctly) in the non-leading ledger, N#.
Solutions

Unit: Parallel Accounting

Topic: Ledger Approach in New General Ledger Accounting

Example: Foreign Currency Valuation

6-1 The ledger approach in New General Ledger Accounting

6-1-1 To model additional financial reporting methods in the SAP system, you can define additional (non-leading) ledgers in addition to the leading ledger. You will now create a non-leading ledger for an international valuation approach.

In this exercise, your new ledger should have a two-character ID: The ID starts with “N” and has one more letter, which is derived as follows:

Group 1 uses the letter A => the ledger ID is NA
Group 2 uses the letter B => the ledger ID is NB ….

The letters for the other groups appear below:

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<tr>
<th>Group</th>
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</tbody>
</table>


Choose menu path Edit → New Entries

In addition to the ID, N#, specify the following data for the ledger definition:

Ledger name: Non-leading ledger gr. ##
Totals table: FAGLFLEXT

Save your data.

The new ledger N# and a ledger group with the same name are created.

6-1-2 You now have to allow your new ledger N# for your company code AA##.

You will not use your new ledger (yet) for different fiscal year variants or alternative currencies.


In the Determine Work Area: Entry dialog box, enter your new non-leading ledger N# and copy the data.

Choose menu path Edit → New Entries

Enter your company code AA## in the Company Code column and confirm your entry. Leave the other columns blank for this exercise.

Save your new entry.
In your new non-leading ledger \(N\), you want to model segment reporting and a profit and loss statement based on cost-of-sales accounting. Assign these two scenarios to your ledger \(N\) and save the data.

Customizing: Financial Accounting (New) \(\rightarrow\) Financial Accounting Global Settings (New) \(\rightarrow\) Ledgers \(\rightarrow\) Ledger \(\rightarrow\) Assign Scenarios and Customer Fields to Ledgers

Select ledger \(N\) and double-click to select the Scenarios entry in the dialog structure.

Choose menu path Edit \(\rightarrow\) New Entries

Select the Segmentation entry in the Scenario for General Ledger Accounting column and Cost-of-Sales Accounting for the second column.

Save your data.

Now post a G/L account document to your company code \(AA##\).

SAP Easy Access Menu \(\rightarrow\) Accounting \(\rightarrow\) Financial Accounting \(\rightarrow\) General Ledger \(\rightarrow\) Posting \(\rightarrow\) Enter G/L Account Document

Enter the remaining data as described in the exercise text.

Pay for the office supplies from petty cash. Use the following accounts:

- 405200 (consumption office supplies) => Debit item
- 100000 (petty cash) => Credit item

Enter the document, in the amount of \(\$69.60\) gross, with today’s date, currency EUR, and 16\% VAT (\(\Rightarrow\) tax code \(VN\)) Choose cost center \(T-F05A##\) as the CO-relevant account assignment.

Before you post, go to the Detail tab page and set the Calculate Tax checkbox.

Simulate and save the document.

Display the document. …

Choose menu path Document \(\rightarrow\) Display

... You should now be able to call ledger \(N\), in addition to the leading ledger \(OL\), in the general ledger view. …

Press the Other Ledger button

... What do you notice about the document in ledger \(N\), for example, when you view the posting documents or (on the other side) the CO account assignment (\(\Rightarrow\) cost center)?

Answer: The posting amounts are the same as in the leading ledger, because items are posted to all ledgers by default.
The cost center characteristic is not displayed (or updated) in ledger \(N\), because the Cost Center Update scenario has not been defined for ledger \(N\).
Foreign currency valuation using more than one ledger

You will now enter different amounts in the different ledger, due to valuation differences. To do so, use the foreign currency valuation again for your two open customer items (from the exercise in unit 5).

Because the ledger approach in New General Ledger Accounting posts different valuation accounts to the different ledgers, but to the same accounts, the account determination as you maintained it in the exercise in unit 5 will suffice.

You now have create (another) valuation area (in FI) again and a valuation method. To carry out the foreign currency valuation, you also need accounting principles.

Create an additional valuation area in FI Customizing. …


Choose menu path Edit → New Entries

Enter the remaining data as described in the exercise text.

... The ID of the new valuation area should have two letters. The first letter of every group is “I”. The “I” stands for “International” in this example. Select the second letter for your group from the following table:

<table>
<thead>
<tr>
<th>Group</th>
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<td>N</td>
<td>O</td>
<td>P</td>
<td>Q</td>
<td>R</td>
</tr>
</tbody>
</table>

Examples:
Group 1 uses the letter Z => the ledger ID is IZ
Group 5 uses the letter E => the ledger ID is IE ….

Enter the following data for the new ledger:
Area: I# (=> # stands for the second letter from the above table)
Valuation method: Leave blank (for now)
Currency type: Company code currency
Additional currency types: (= “Addt CT”): Leave blank
Balance sheet structure (= “BalStr”): Leave blank or INT
Long text: International valuation area gr. ##

6-2-2 Also create a valuation method in Customizing. …


Choose menu path Edit → New Entries

... Name your new valuation method I## and define it with the following data:
Description: International valuation for average rate, group ##
Valuation procedure: Always valuate
Document type: SA
Exchange rate type for debit/credit balance: M for both

You do not need to fill in any other fields for this exercise.
**6-2-3**  Link the new **valuation method** I## with your new **valuation area** I# from exercise 6-2-1.

**Customizing:** Financial Accounting (New) → General Ledger Accounting (New) → Periodic Processing → Valuate → Define Valuation Areas

**6-2-4**  To uniquely define which valuation area will post to which ledger, you now have to define the **accounting principles** (AR). Create the following **two** sets of accounting principles:

- => LO## with Description “Local AR group ##” and
- => IA## with Description “International AR group ##”.

**Customizing:** Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Parallel Accounting → Define Accounting Principles

Choose menu path Edit → New Entries, define the two new sets of accounting principles as described in the exercise, and save your data.

**6-2-5**  You now need **two** (types of) **links/assignments:**

**First** link the **accounting principles** with the corresponding **ledgers:**

AR LO## ⇔ Ledger 0L and
AR IA## ⇔ Ledger N#

**Customizing:** Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Parallel Accounting → Assign Accounting Principle to Ledger Groups

Choose menu path Edit → New Entries, link the two new sets of accounting principles with the ledgers as described in the exercise, and save your data.

You then have to link the **valuation areas** (in FI) with the accounting principles:

- (local) **valuation area** L# (from the exercise in unit 5) ⇔ AR LO##
- (international **valuation area** I# ⇔ AR IA## ...

**Customizing:** Financial Accounting (New) → General Ledger Accounting (New) → Periodic Processing → Valuate → Assign Valuation Areas and Accounting Principles

Choose menu path Edit → New Entries, link the two new sets of accounting principles with the valuation areas as described in the exercise, and save your data.

... You have now clearly defined which valuation approach will be posted to which ledger in New General Ledger Accounting.
6-2-6 An **important system setting** needs to be made to enable international valuation: Since a run for the international valuation area will post exclusively to the non-leading ledger, N#, you have to assign a **number range interval** to the corresponding document type (=> SA according to the valuation method) for the **entry view of the non-leading ledger** N#.

It is not (or no longer) possible to enter the same interval (=> 01) as in the (solely) entry view. The system does not allow this in order to ensure gap-free document number assignment for the leading ledger.

Therefore **create** for your **company code** AA## a **new number range interval** as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>From number</th>
<th>To number</th>
<th>Current number</th>
<th>Ext</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>9999</td>
<td>3000000000</td>
<td>3900000000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Then **assign the new interval** to the document type SA for the **entry view in Ledger** N#.


In the **Determine Work Area: Entry** dialog box, enter your new non-leading ledger N# and copy the data.

**Choose menu path** **Edit → New Entries** and assign document type SA to number range 30. **Save your entries.**
You can now start the foreign currency valuation run.

Think about the steps you performed in the previous unit, and which prerequisites were involved:

=> You have **two open customer invoices** that were entered in **U.S. dollars** – if you can’t remember the document numbers, just call the customer line item list for your customer 210## – *see exercise 5-1-5*!

=> The current **exchange rate** from U.S. dollar to euro is **1**

=> The **local/book valuation run** ran on the last day of the previous month. You can start it again, but no result will be posted. Due to the lowest value principle, your valuation run only valuated one of the two customer items.

Call the foreign currency valuation program in the **Accounts Receivable application**...

**SAP Easy Access menu → Accounting → Financial Accounting → Customers → Periodic Processing → Closing → Valuate → Foreign Currency Valuation of Open Items (New)**

... and enter the **following data** in the selection screen for the program:

- **Company Code**: AA##
- **Valuation key date**: **Last day of previous month**

**Important**: If your AC210 takes place in January, please use January 31 of this year as the key date.

- **Valuation area**: I#
- **Create Postings indicator**: Do not set until after a test run, when you start the update run.

You do not need to specify a **folder name**, as you will not use a folder.

You now have to tell the program which “objects” you want it to process:

**Open tab page Open Items**: **Set the Valuate Customer OI checkbox**.

**Start** the program.

Because you ran this program with an **international approach**, you should see that **both open items were valuated** – once, like in the local valuation, with a devaluation/expense (in the amount of € 1,000.00) and once with a revaluation/revenue!
6-2-8 Display the posted valuation document. …

Press the Postings document in the results list after the update run. Position the cursor on the document number of the posting document from the last day of the previous months and press Display Document.

... If you see posting amounts of 0.00, this is because you are displaying the document in U.S. dollars. To display the euro-denominated values, click Change Display Currency. …

Press the Display Currency button.

... You can see in the entry view that the segments were taken from the original customer invoices. When you go to the general ledger, the system immediately shows the document only (and correctly) in the non-leading ledger, N#. 
Course Overview: Reporting

- Introduction
- Ledger Definition
- Document Splitting
- Integration
- Periodic Processing
- Parallel Accounting
- Reporting
- Migration

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Contents:

- Comparison of data in classic General Ledger Accounting and New General Ledger Accounting
- Use of FI drilldown reporting in New General Ledger Accounting
- Line item and balance display in New General Ledger Accounting
At the conclusion of this unit, you will be able to

- Compare values in New General Ledger Accounting against values in Classic General Ledger Accounting
- Use RFBILA00 for different ledgers and for new characteristics
- Use the flexibility of FI drilldown reporting to report on various characteristics
Any update of the tables in classic General Ledger Accounting should be deactivated after you have run and verified the first period-end closing, at the latest. If, however, you were to update the tables of both classic and New General Ledger Accounting, you would generate many data records unnecessarily.

Customizing path: Financial Accounting (New) -> Financial Accounting Global Settings (New) -> Tools -> Deactivate Update of Classic General Ledger (GLT0)
Comparing the Different Ledgers

Our initial use of classic General Ledger Accounting will let us compare classic and new forms of General Ledger Accounting:

<table>
<thead>
<tr>
<th>Selection data for base ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ledger</td>
</tr>
<tr>
<td>Version</td>
</tr>
<tr>
<td>Company Code</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selection data for comparison ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ledger</td>
</tr>
<tr>
<td>Version</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CCd</th>
<th>Acct</th>
<th>Curr</th>
<th>Year</th>
<th>Base Ledger</th>
<th>Comp. Led.</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>11000</td>
<td>EUR</td>
<td>2005</td>
<td>1,756,000.00</td>
<td>1,756,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>1000</td>
<td>11010</td>
<td>EUR</td>
<td>2005</td>
<td>560,785.00</td>
<td>560,785.00</td>
<td>0.00</td>
</tr>
<tr>
<td>......</td>
<td>......</td>
<td>....</td>
<td>....</td>
<td>......</td>
<td>......</td>
<td>....</td>
</tr>
<tr>
<td>1000</td>
<td>417000</td>
<td>EUR</td>
<td>2005</td>
<td>22,345.89</td>
<td>22,345.89</td>
<td>0.00</td>
</tr>
<tr>
<td>......</td>
<td>......</td>
<td>....</td>
<td>....</td>
<td>......</td>
<td>......</td>
<td>....</td>
</tr>
</tbody>
</table>


In contrast to CO, data is very frequently written to FI in version 1.

You can also use this transaction to compare leading and non-leading ledgers.
Even when New General Ledger Accounting is active, you can still use the "classic" RFBILA00 to create the balance sheet and profit & loss statement – the program is still available in the information system of General Ledger Accounting in the SAP Easy Access menu:

General Ledger Reports (New) => Balance Sheet/Profit and Loss Statement/Cash Flow => General => Actual/Actual Comparisons => Financial Statements

**New in report RFBILA00:**

- In the selection screen, you can select the ledger for which you want to run the analyses.

- You can use the "Dynamic Selections" (=> ) to select additional entities (profit center, segment, functional area, cost center) in the Transaction Figures folder, or to restrict the selection to the requested entities.

We recommend saving frequently-used program variants to save time.
A new FI drilldown report is available as an alternative to the conventional financial statements. The new report appears directly above RFBILA00 in the SAP Easy Access menu:
General Ledger Reports (New) => Balance Sheet/Profit and Loss Statement/Cash Flow => General => Actual/Actual Comparisons => Fin. Statement: Actual/Actual Comparison

Advantages of drilldown reporting compared to RFBILA00:

- A drilldown report is much more flexible than the "old" ABAP program (=> more later)

- Selection by standard characteristics (such as profit center, business area, functional area, and segment; as well as company code, account number, and partner objects) is possible directly in the entry screen

- Defining suitable programming variants can save you lots of time in the drilldown reports.
In the selection screen for the drilldown report, you can specify whether you want to call the report in the classic or graphical layout.
The result is, of course, identical in both types of display (provided that the same selections are made).
Navigation in Drilldown Reporting

The **flexibility** of drilldown reporting comes from the ability to **navigate through nearly any characteristics**.

The following characteristics are selected by **default** in the drilldown financial statement:

- Profit center
- Account number
- Segment
- Functional area

It is simple to select other and/or additional characteristics, such as the business area or cost center.

**Result / effects:**

By "navigating" through drilldown reporting, it is very easy to turn a company code financial statement into a **segment financial statement** (= key word: segment reporting) or a **profit center financial statement**!

Navigation is available in both the conventional and graphics-based drilldown reports.

- The program's flexibility lets you **drilldown to an individual financial accounting document**:
  - In the results screen, call up the available report-report interface by pushbutton ➞ Choose *Line Items*
  - Double-click one of the document numbers displayed to access the original FI document.
In addition to the drilldown report for creating financial statements, mySAP ERP also features other new FI drilldown reports. An excellent overview is available in transaction **FGI0**.

- Transaction FGI0 displays a list of defined program variants, which you can then run instantly.
- Drilldown reporting is available in Financial Accounting in releases prior to mySAP ERP as well. To display an overview of FI drilldown reports that you can also use with classic General Ledger Accounting, start transaction **FSI0**.
The drilldown report “Transaction Figures – Account Balance” gives you a fast, easy G/L account balance list for all accounts:

- We recommend using classic drilldown reporting to display the G/L account balances. Of course, the graphical list also returns the correct results.
- You can also navigate from here to the originally posted documents.
- The actual G/L account balance display has also been reworked in mySAP ERP – TCode FAGLB03!
You need to know three things about G/L account balance display:

- You can select the desired ledger on the selection screen.
- In Customizing, you can define characteristics to be applied in dynamic selections. You can use the dynamic selections to make a preselection in the selection screen.
- When you double-click a balance value, the line item display (with the general ledger view) appears.

Customizing path for defining the characteristics that can be selected dynamically: Financial Accounting (New) -> General Ledger Accounting (New) -> Information System -> Define Balance Display.

Easy Access path for calling the G/L account balance display: Accounting -> Financial Accounting -> General Ledger -> Account -> Display Balances (New)
G/L Accounts: Line Item Display – TCode FAGLL03

- Special features for LI display for G/L accounts:
  - The line item display can be started with information from the entry view or general ledger view – you decide by choosing the corresponding button General Ledger View or Entry View in the selection screen of the program.
    - The two views show different results for accounts that are managed on an open item basis and that are split in document splitting (= additional line items are added during processing) – For example: bank accounts.
    - Note: It is now also possible to call line item display (in the general ledger view) for accounts for which the Line Item Display indicator is not set in the master record (= typically reconciliation accounts [such as asset balance sheet accounts, payables/receivables accounts])!
  - If you opt for line item display with the general ledger view, you can also choose the ledger to be selected (= Choose Ledger). Furthermore, you can use the custom selections (= ) to include general ledger line items (such as Profit Center, Segment, Functional Area, Cost Center).

- You find the G/L account line item display in the SAP Easy Access menu under: Accounting -> Financial Accounting -> General Ledger -> Account -> Display/Change Items (New).
You can call your (open) **payables and receivables** not only using the **line item display** in the subledgers (=> transactions FBL1N and FBL5N), but also using (four) **standard drilldown reports**.

The corresponding drilldown reports offer an easy way to classify your line items using the **subledger account assignments and/or general ledger account assignments** (=> using characteristics **Profit Center** or **Segment**).

- The general ledger account assignments of the standard drilldown are **Profit Center** and **Segment**.
- The ledger is selected in the drilldown selection screen.
- The requirement for such a drilldown originates from (classic) Profit Center Accounting, where it is possible to use the report groups 8A98 (=> Profit Center: Receivables) and 8A99 (=> Profit Center: Payables) to structure the receivables or payables account by profit center once the values have been transferred successfully to Profit Center Accounting.
- You find these drilldown options in the **SAP Easy Access menu** under: **Accounting -> Financial Accounting -> General Ledger -> Information System -> General Ledger Reports (New) -> Line Items -> Open Items -> ...**
- It is of course also possible at any time to select a single vendor and to drilldown by profit center.
- The screenshots show the classic display.
- See the next slide for the display of the documents that make up the individual amounts.
You can navigate via the **document number** to the documents that are used to produce a selection result.

Such an **analysis** can also be performed using the output type **Object List**.

It shows the **general ledger account assignments** of the payable/receivable accounts for each document.

---

<table>
<thead>
<tr>
<th>Object List</th>
</tr>
</thead>
<tbody>
<tr>
<td>You could also use the object list to process the results from the last two slides (such as <strong>Payables Sorted by Profit Center</strong> or <strong>Payables per Vendor</strong>).</td>
</tr>
<tr>
<td>In comparison to the other output types, the object list always provides a very large number of results because the values are always issued in combination with a document number.</td>
</tr>
</tbody>
</table>
The graphical output of this drilldown report makes it easy, for example, to create a cost center report (in FI):

In comparison:

As this slide shows, New General Ledger Accounting can also model "simple CO".

Although the slide only shows primary processes, secondary cost processes - such as activity allocation between cost centers - are also shown in the FI drilldown report.

- Prerequisites:
  - CO => FI real-time integration is active
  - The corresponding CO transaction (such as transaction RLK - actual activity allocation) must be assigned an FI account in account determination.

It is also possible to use this drilldown report to portray the values posted at the profit center level. Moreover, you can work with profit center hierarchies at any time.
The similarity with the CO report is achieved through the flexibility of drilldown reporting, which enables you to change the display format relatively simply. You can easily display or hide specific columns as well as change the characteristic display, for example.

Customers with a BI (Business Integration Warehouse) are provided with InfoSources for extracting the data into the BI – such as InfoSource 0FI_GL_10.
You can now:

- Use the standard programs to run various analyses of the data in New General Ledger Accounting
Exercises

Unit: Reporting

Topic: Displaying Various Financial Statements

At the conclusion of these exercises, you will be able to

- Call up financial statements for company codes, segments, or profit centers. You will not only be able to configure RFBILA00 properly; you will also be able to use the new FI drilldown reports.

7-1 Exercises for evaluating New General Ledger Accounting

7-1-1 Call the balance sheet/profit and loss report RFBILA00 and display the financial statements for your company code AA## and ledger 0L. Enter the following data in the selection screen:

- Chart of accounts: INT
- Company Code: AA##
- Ledger: 0L or leave blank
- Financial statement version: INT
- Reporting year: Current year
- Reporting periods: 1 to 16
- Comparison year: Previous year
- Comparison periods: 1 to 16
- List output: ALV Tree Control

If you want, you can save your selection data as a report variant. Save it as variant VAR## with meaning (description) Variant for company code AA##.

7-1-2 Start RFBILA00 again with the same parameters, but now try to (only) create financial statements for your segment SEG##.

7-1-3 Remain in your segment financial statements for segment SEG## and write down the amount of the spare parts account (404000) as an example. In one of the next exercises, you will check whether the new FI drilldown report returns the same result.

Amount in Spare Parts account: ____________________________

7-1-4 Important: Exercises 7-1-4, 7-1-5, and 7-1-6 will only make sense if you have already done the exercises from Unit 6.

Start RFBILA00 again with the same parameters, but without dynamic selections and for your non-leading ledger N#. You should now only see the € 60.00 that result from the G/L account posting (=> purchase of office supplies) from an exercise in Unit 6.
Why don’t you see the expense/revenue from the foreign currency valuation?

Select the following values in the selection screen for RFBILA00:
- Chart of accounts: INT
- Company Code: AA##
- Ledger: N#
- Balance Sheet/P&L Structure: INT
- Reporting year: Current year
- Reporting periods: Previous Month to Previous Month

Important: If the exchange rate is defined in January of a year, choose “From January to January” for the reporting periods of the current year.

Comparison year: Previous year
Comparison periods: Previous Month to Previous Month
List output: ALV Tree Control

Now call the balance sheet for your company code AA## and ledger 0L, using the new FI drilldown report in mySAP ERP Balance Sheet/P&L Actual/Actual Comparison.

You can start this report from the SAP Easy Access menu or with transaction code FG10.

Important: It is up to you whether you want to use the classic drilldown report or the graphical output. Of course, to compare the two, you can simply try both output types in succession and then decide which one you prefer.

You can use program variants to simplify entering the data for drilldown reports – the procedure is the same as the one described in Exercise 7-1-1.

Now try to create a segment financial statement from the displayed company code financial statement (=> therefore, do not go back and select again). Display a financial statement for segment SEGA and then for segment SEG##.

What is the amount in the spare parts account (404000) in the segment financial statement for segment SEG##?

Amount in Spare Parts account: ____________________________

Does the amount agree with the amount from the previous exercise?
Exercises for evaluating New General Ledger Accounting

7-1-1 Call the balance sheet/profit and loss report RFBILA00 and display the financial statements for your company code AA## and ledger OL. …


... Enter the following data in the selection screen:
- Chart of accounts: INT
- Company Code: AA##
- Ledger: 0L or leave blank
- Financial statement version: INT
- Reporting year: Current year
- Reporting periods: 1 to 16
- Comparison year: Previous year
- Comparison periods: 1 to 16
- List output: ALV Tree Control

If you want, you can save your selection data as a report variant. Save it as variant VAR## with meaning (description) Variant for company code AA##.

Go from the financial statements back to the selection screen of the program and choose menu path Goto → Variants → Save as Variant …

7-1-2 Start RFBILA00 again with the same parameters, but now try to (only) create financial statements for your segment SEG##.

Within the selection screen for RFBILA00, choose menu path Edit → Dynamic Selections

Additional input options appear. Scroll down to the button of the screen area that appears. Enter your segment SEG## in the Segment field.

Start the report again.

7-1-3 Remain in your segment financial statements for segment SEG## and write down the amount of the spare parts account (404000) as an example. In one of the next exercises, you will check whether the new FI drilldown report returns the same result.

Amount in Spare Parts account: ____________________________

If you started the financial statement with the ALV tree control, you will have to expand the structure down to the Spare Parts account: Profit and Loss Statement → Material Expenses → Expenses for Raw Materials and PRTs → Other Expenses for PRTs → 404000 Spare Parts
Important: Exercises 7-1-4, 7-1-5, and 7-1-6 will only make sense if you have already done the exercises from Unit 6.

Start RFBILA00 again with the same parameters, but without dynamic selections and for your non-leading ledger N#. You should now only see the € 60.00 that result from the G/L account posting (=> purchase of office supplies) from an exercise in Unit 6.


Enter the following data in the selection screen:
- Chart of accounts: INT
- Company Code: AA##
- Ledger: N#
- Balance Sheet/P&L Structure: INT
- Reporting year: Current year
- Reporting periods: 1 to 16
- Comparison year: Previous year
- Comparison periods: 1 to 16
- List output: ALV Tree Control

7-1-5 Why don’t you see the expense/revenue from the foreign currency valuation?

Answer: Because you select over the whole year and the foreign currency valuation is cancelled again on the first of the following month. Therefore, the balance is 0 for the selected reporting period and is not displayed.

7-1-6 Select the following values in the selection screen for RFBILA00:
- Chart of accounts: INT
- Company Code: AA##
- Ledger: N#
- Balance Sheet/P&L Structure: INT
- Reporting year: Current year
- Reporting periods: Previous Month to Previous Month

Important: If the exchange rate is defined in January of a year, choose “From January to January” for the reporting periods of the current year.

- Comparison year: Previous year
- Comparison periods: Previous Month to Previous Month
- List output: ALV Tree Control
Now call the balance sheet for your company code AA## and ledger 0L, using the new FI drilldown report in mySAP ERP Balance Sheet/P&L Actual/Actual Comparison.

You can start this report from the SAP Easy Access menu ...


... or with transaction code FGI0.

**Enter the following data in the selection screen:**
- Currency Type: 10 (company code currency)
- Company Code: AA##
- Ledger: 0L
- Balance Sheet/P&L Structure: INT
- Reporting year: Current year
- Reporting period from: 1
- Reporting period to: 16
- Comparison year: Previous year
- Comparison period from: 1
- Comparison period to: 16

**Important:** It is up to you whether you want to use the classic drilldown report or the graphical output. Of course, to compare the two, you can simply try both output types in succession and then decide which one you prefer.

You can use program variants to simplify entering the data for drilldown reports – the procedure is the same as the one described in Exercise 7-1-1.

**In the selection screen for the program, choose menu path Goto → Variants → Save as Variant …**

Now try to create a segment financial statement from the displayed company code financial statement (⇒ therefore, do not go back and select again). Display a financial statement for segment SEGA and then for segment SEG##.

**Solution in the classic drilldown report:**
Click on characteristic BS/P&L Item/Account. You can click Enter to skip the initial documentation for hotspots. Then click on navigation characteristic Segment. The two characteristics BS/P&L Item/Account and Segment have “traded places”.

Click the hash mark next to line Segment A. The navigation characteristics are highlighted in orange.
Now click navigation characteristic BS/P&L Item/Account (again). The result is the segment financial statement for Segment A!
You can click the magnifying glass next to navigation characteristic Segment to select the other segments.
7-1-9 What is the \textbf{amount} in the \textit{spare parts account} (404000) in the segment financial statement \textbf{for segment SEG##}?

Amount in Spare Parts account: ____________________________

Does the amount agree with the amount from the previous exercise?
Course Overview: Migration

- Introduction
- Ledger Definition
- Document Splitting
- Integration
- Periodic Processing
- Parallel Accounting
- Reporting
- Migration

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Migration

Contents:

- Difference between legacy data transfer and migration
- Important considerations before migrating the data to New General Ledger Accounting
- The phase model for the migration
- Various initial situations and target scenarios
- Migration back office and certification course
Migration: Objectives

At the conclusion of this unit, you will be able to

- Consider the important factors before a data migration and make informed decisions based upon them
- Understand the various requirements for standard migration tools
Legacy Data Transfer <--> Migration

**New customers:** A legacy data transfer is used to transfer the data from a legacy system to the SAP system with activated New General Ledger Accounting!

**Existing customers:** A migration transfers the data from classic General Ledger Accounting to New General Ledger Accounting!

- In both cases, you should set up a separate project for the migration procedure.
- This implementation project or migration project will have to address and resolve both technical and configuration-related aspects.
- As shown in the following slides, the duration and the complexity of a migration project depends highly on the target scenario that the migration is to achieve.
- There are separate procedures for existing customers and new customers, as is reflected in the IMG structure: Financial Accounting (New) -> General Ledger Accounting (New) -> Preparation for Productive Start -> ...
  
  ... New Installation or ...
  
  ... Migration of Existing SAP Data
Migration is a project!

MIGRATION = PROJECT

SAP strongly recommends treating the migration (and thereby the implementation of New General Ledger Accounting) as a project in its own right. It is not recommended to perform the migration as part of the technical upgrade to ECC 6.0, for example.

Reasons for this recommendation:

- Schedule a sufficient amount of time for the first project phase:
  - Get to know the "goal" – learn about New General Ledger Accounting and its functions in detail.
  - Describe your initial situation and compare it with the desired target scenario in New General Ledger Accounting.

- A migration/implementation of New General Ledger Accounting is not only a technical transfer, but, in many cases (=> depending on the project environment), it can also relate to conceptual changes as well.

- Divide the migration into different project phases, milestones, and tests.

- Save the data of the legacy system or of the previous release.

See SAP Note 812919.

The term "project environment" stands for the precise description of the initial situation. For example:

- Which SAP components do you already use?
- Are you required to portray your accounting figures according to more than one set of accounting principles (using parallel accounting)?
- ....

What is your target scenario like?

- Which characteristics do you want to use in your valuations in New General Ledger Accounting?
- Do you want to produce a profit and loss statement according to cost of sales accounting or period accounting?
- ....

Summary – Implementation of New General Ledger Accounting for an existing customer:

- The technical upgrade to ERP is a project that you first need to finish.
- The next project is then the implementation of New General Ledger Accounting. One aspect of this project concerns the migration of data.
What migration is not

It is not possible to use the standard migration tools (⇒ as part of a standard migration project) to do the following (in the same step):

- **Implement parallel accounting**
  - It is feasible to convert the previous "parallel logic", but the replacement of the company code solution is not supported.
- **Convert the "leading valuation".**
  - This applies for the (original) FI as well as for the component FI-AA!
- **Convert the chart of accounts.**
- **Introduce additional local currencies in FI**
  - There is nothing to stop you from upholding the existing logic!

* System Landscape Optimization provides a corresponding method or tool for this. For information on Segment Reporting, see also the slide notes!

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- The migration tools are used to transfer the data from classic Accounting to New General Ledger Accounting and, where necessary, to implement the new functions (such as document splitting) in General Ledger Accounting.
- Any other implementations need to be scheduled in a different project, possibly in a project of their own.
- The implementation of complete segment reporting does not form part of the actual migration. In this context, New General Ledger Accounting only provides technical support concerning the software. For complete zero-balance opening balances for the characteristic Segment (or other corresponding entities), other steps (⇒ postings) are necessary.
**Phase Model for the Migration**

<table>
<thead>
<tr>
<th>Phase 0</th>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classic GL</td>
<td>Classic GL</td>
<td>New General Ledger Accounting</td>
</tr>
<tr>
<td><strong>Migration Date</strong>&lt;br&gt;Activation date of validation&lt;br&gt;(=&gt; for migration with doc. splitting)</td>
<td><strong>Activation Date for New GL</strong></td>
<td>Time (t)</td>
</tr>
</tbody>
</table>

**Posting Data in Phase 0:**
Single documents are not transferred from Phase 0, with the exception of the open items. For accounts not managed on an open item basis, balances are carried forward.

**Posting Data in Phase 1:**
Documents from Phase 1 are completely posted subsequently in the migration (by means of programs). Any document splitting is (post)processed.

**Posting Data in Phase 2:**
New General Ledger Accounting is active and uses the configured functions.

---

- To make the **phase model** easier to visualize, here is an **example with concrete figures**:
  - **Today’s date / current date**: 03/23/200X
  - Recommended migration date: 01/01/200X
  - Activation date for New General Ledger Accounting: 05/01/200X, for example
  - Activation date for the validation: 01/01/200X (or even before!)

- Now assume the following case:
  - **Today's date / current date**: 10/23/200X
  - Recommended migration date: 01/01/200X or 01/01/200X+1 – depending on the document volume
  - Activation date for New General Ledger Accounting: 02/01/200X+1, for example
  - Activation date for the validation: 01/01/200X (or even before!)

- **Information on the posting data in phase 0**: It is also possible for document splitting to be performed subsequently for open items from phase 0.

- **Information on posting data in phase 1**: If document splitting is going to be activated in phase 2, a check should be performed on documents in phase 1 to verify that they can be used in New General Ledger Accounting. This check should be run when the documents are entered (for the first time). This makes it easier to subsequently post the documents during the migration. The check is performed as part of validation (=> more information later in this course!).
New General Ledger Accounting is configured by making settings in the Customizing nodes under: Financial Accounting (New) -> General Ledger Accounting (New) -> ...

The Customizing settings for the migration are made in the Customizing nodes under: Financial Accounting (New) -> General Ledger Accounting (New) -> Preparation for Productive Start -> Migration of Existing SAP Data -> ...

For the manual adjustment in phase 2, there is a new transaction: FBCB.

**Duration of a migration project:** As this slide should make clear, the period stretching from the initial considerations regarding New General Ledger Accounting through to the end of the migration should cover at least six months. In the case of large companies, this period is undoubtedly even longer.
<table>
<thead>
<tr>
<th>Migration – Important Points to Consider at the Outset</th>
</tr>
</thead>
</table>

Which functions of New General Ledger Accounting do you want to use in the future? Or, put more simply: *What do you want to do?*

- **With which characteristics/entities** do you want to report?
  - Do you want to portray **Profit Center Accounting** in New General Ledger Accounting?
  - Do you want to use **segment reporting**?
    - From where do you want to derive the account assignments and/or is multiple account assignment needed?
  - Do you want to portray **functional areas** in New General Ledger Accounting?
  - Do you want to use New General Ledger Accounting for **preparation for consolidation**?
  - Do you want to use New General Ledger Accounting to **analyze your cost centers**?
  - Do you need **additional ledgers other than the leading ledger**?

Therefore: *There are many different migration scenarios possible, depending on the specific enterprise’s initial situation and the desired target scenario.*

- It is essential that you give your target scenario sufficient consideration before actually migrating any data. Currently (2006), it is not possible to change the fundamental parameters of New General Ledger Accounting after the migration. For example, it is not (yet) possible to implement document splitting after the migration.

- The **target scenarios** will have different levels of complexity – **Examples:**
  - Target scenario 1: One ledger, no document splitting
  - Target scenario 2: Several ledgers, previously no parallel accounting and none planned, no document splitting
  - Target scenario 3: One ledger and implementation of document splitting
  - Target scenario 4: Multiple ledgers, transition from parallel accounts to parallel ledgers, no document splitting
  - Target scenario 5: Multiple ledgers, transition from parallel accounts to parallel ledgers, and implementation of document splitting
  - Target scenario 6: ...
You will not be able to call up the Customizing paths for the migration in an ERP system just like that. It is imaginable, for example, for a license key to be called with a dialog box.

With this approach, SAP wants to support customers in tackling the complicated topic of migration. SAP wants to be involved in the migration process to minimize or even eliminate any problems that could occur after the migration.

To find out more about the migration to New General Ledger Accounting or to find out how to proceed with a forthcoming migration, contact SAP via the Service Marketplace:
http://service.sap.com/~sapidb/011000358700003419192006E
To use the link, you need authorizations to use the Service Marketplace and an S-User.

The qualified consultant mentioned can be an SAP consultant, an SAP partner, a consultant from a different consulting company, or an IT colleague at the customer site.

The certification of consultants is scheduled to start in Q4/2006. The relevant certification course will be AC212 (= New GL Migration).
First Experiences

To demonstrate that a migration is not an impossible feat, here is the migration data of an international company:

**Statistical figures:**

- Number of migration plans used: Over 10
- Number of migrated company codes: Over 250
  - Of which use document splitting: Over 230
- No. of migrated LIs from Phase 0: Over 1.5 million
- No. of migrated documents from Phase 1: Approx. 250,000

**Further Details:**

The actual migration of data could be conducted without any problems during a weekend. Hardly any questions came from the application after the migration and period-end closing (including the new foreign currency valuation program) that was scheduled for straight after the migration ran normally.

- The duration of the entire project was approx. 7 months. Given the number of company codes involved, that might not seem very long. However, the relatively short migration period can be explained by the fact that it was a very compact project: the company codes to be migrated were not very large and often shared the same settings.
You can now:

- Consider the factors that affect data migration and make informed decisions with regard to your own migration project.
- Recognize that migrating from classic General Ledger Accounting to New General Ledger Accounting can involve a variety of starting points (initial situations) and varying levels of complexity.