

# Accomplish Segment Reporting using Document Splitting in the New GL

Mitresh Kundalia

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He has published more than 50 white papers and has spoken at more than 20 SAP conferences and events. He is also a technical advisor for SAP Financials Expert Magazine published by Wellesley Information Services.

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# Background

New General Ledger (or New GL) in the mySAP ERP system offers one of the most powerful features called as 'Document Splitting'. With Document Splitting, accounting line items are split according to specific characteristics. This way, you can create financial statements for entities such as 'Segments' and meet the legal requirements (for example, IAS requirements for segment reporting. Please refer to the appendix for brief background on IAS 14 standards for Segment Reporting.).

## **Document Splitting - Basics**

Let me construct the concepts of Document Splitting with a simple financial transaction of Vendor Invoice.

Say, you have a vendor invoice as depicted in **Figure 1**. Note that the vendor invoice has two expenses items for 10,000\$ with 1,000\$ Input Tax, totaling for 11,000\$.

- (1) Expense Item 1 for 8,000\$, with assigned Profit center to PC-1
- (2) Expense Item 2 for 2,000\$, with assigned profit center to PC-2.

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

Figure 1 Sample Vendor Invoice Accounting Entries

Now, if you are responsible for Profit Center PC-1 and wanted to analyze all the financial transactions for PC-1, you will not be able to do so completely, as the Vendor A/C and Input Taxes are not assigned any profit Centers. You cannot assign either of the Profit centers (PC-1 or PC-2) as these items are for combined balances, not for individual profit center items.

Now, looking more closely at the financial document, it is clear that the total expenses of 10,000.00 were in the ratio of 80%-20% between Profit center PC-1 and PC-2. So, according to the same calculations, even the Input Taxes should also be in the same ratio of 80%-20% between Profit center PC-1 and PC-2. Similarly, for the Vendor A/C item could be split in the same ratio too, as shown in **Figure 2**.



Figure 2 Ratios of Input Taxes and Vendor A/Cs

Using these calculations, the vendor invoice transaction from earlier scenario, will look something like as shown in **Figure 3**. If you were to actually post the vendor invoice as shown here, with multiple Input Tax and Vendor A/C items, you would actually be able to get the balanced financials reporting for Profit Center PC-1 (and PC-2 as well).

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

Figure 3 Sample Vendor Invoice with assigned Profit Centers

Bottom-line - instead of posting such vendor invoice as shown in the **Figure 1**, if you post the same vendor invoice as shown in **Figure 3**, you would be able to get the

balanced reporting for the individual profit centers. Your reporting problems, of reporting for the individual profit center, will be solved.

Sure, the reporting issue will be solved, but, how will you post this invoice with split accounting items, as shown in **Figure 3**? Manually? You expect the users to punch in the numbers in calculators, calculate the ratios and manually split these items? No way.

So, then the next question comes - couldn't this be done automatically? Let the users enter the vendor invoice transaction as usual as shown in **Figure 1** and system automatically split the vendor transaction as shown in **Figure 3**. Is it possible?

Guess what? Bingo! The answer is yes. The solution is called as Document Splitting and is available in the New GL.

## **Document Splitting - Basic Steps**

Now that you have understood the basic concepts behind the need of Document Splitting, let's explore the powerful features available in the New GL.

Document Splitting is basically divided into three steps: (1) Passive splitting, (2) Active Splitting and (3) Zero balancing.

## **Passive Splitting**

Passive Split is used especially during the clearing transactions (for example, payment transaction). The system creates a reference to the existing account assignments and these account assignments are used as basis for the line items to be split. **Note:** You cannot change the settings for passive splitting.

## Active Splitting – Rule-based Splitting

The system splits the documents on the basis of pre-defined splitting rules. The mySAP ERP system is already pre-delivered with many such pre-defined rules. If standard splitting rules are not sufficient or want to enhance the functionality, you can create your own splitting rules.

## Splitting Using Zero Balancing

Zero-Balancing the document ensures not only the document is balanced but also the document is balanced for the characteristics also. For example, the document is balanced

per the segment characteristic. You can define the characteristics which should be used for zero balancing.

Now, I am going to cover this document splitting in more details in the next few pages.

# **Document Splitting – Important Elements**

One of the basic purposes of Document Splitting is to help prepare fully-balanced financial statements below the company code level, for example, business line segments.

Document Splitting consists of various settings and building blocks.

## Splitting Rules

The central setting and the main building block is called as a Splitting Rule.

The splitting rules define two things: (i) which accounting items will be split and (ii) what calculations will be used to split, i.e. based on which accounting items.

In our example of Vendor Invoice, the Vendor and Input Tax items need to be split and we used the calculations of 80%-20% based on the Expense Items. So, the splitting rules for Vendor Invoice transaction will be

- (i) Vendor and Tax items are accounting items to be split and
- (ii) Expense items will be the base items.

Similarly, if you were to have a customer Invoice transaction, the splitting rules for would be

- (i) Customer items to be split and
- (ii) Revenue items to be the base items.

## Item Category

Basically, Item category is the grouping of the G/L Accounts. Instead of defining the splitting rules for all expense accounts individually, Item category groups all expense accounts (for example, 20000) together and you could have one rule for all the expenses.

Item Categories are already pre-defined in the system (shown later in Figure 13).

## **Business Transaction and Business Transaction Variant**

Business Transaction is a general break-down of the actual business process. Examples of the Business Transactions are Vendor Invoice, Customer Invoice, Cash Payment and more.

Business Transaction variant is a specific version of the business transaction provided by SAP. There are various Business Transaction variants already pre-defined in the New GL.

In Financial Accounting, various document types are linked to the Business Transactions and Business Transaction Variants.

## Zero Balancing G/L Account

If you want to balance the document on any additional characteristic (for example, profit center), so that system can post a balanced document, you may require to define a Zerobalancing G/L account as shown in **Figure 4**.

If the document on the left requires to be balanced for the profit center, it will need to be posted with a G/L account for zero-balancing the profit center as shown on the right.

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

Figure 4

Zero-balancing Account balances the document on Profit Center

## Splitting Method

Splitting Method is the main key to activate the splitting in the New GL. It's the main driver for splitting. In simple terms, it's the list of all splitting rules for all the business transactions. Technically, it is a collection of the splitting rules, business transactions, business transaction variants and more as pictorially depicted in **Figure 5**.

Note: The values and description in () brackets show the sample values for the vendor invoice example we have been using.

Note: New GL has a pre-defined splitting Method '0000000012', with pre-delivered splitting rules for various business transactions.



Figure 5

Schematic representation of the Document Splitting Method

## **Document Splitting - How does it work?**

Now, continuing with our example of Vendor invoice, let's review the financials transactions in the New GL.

## **Document Splitting Example - Vendor Invoice**

Say, you are posting a Vendor invoice (transaction **FB60**) to two expense accounts as shown in **Figure 6**.

Enter Vend	or Invoice	: Com	pany Cod	e 1000					
🔒 Tree on	Company Code	🔌 Hol	ld 🙀 Simulate	🛛 📙 Park 🥖	Editing op	tions			
Transactn Basic data	R Invoi	ce )etails 🖌	Tax Notes	Local curre	Ba ncy	I. 0,00		000	)
Vendor Invoice date Posting Date Document Type Cross-CC no. Amount Tax amount Tax amount Text Paymt terms Baseline Date Company Code	1000 03.04.2007 03.04.2007 KR Vendor inv 11.000,00 1.000,00 New GL Splittin 14 Days 3 %, 3 03.04.2007 1000 IDES AG	Dice Dice Dice Dice Dice Dice Dice Dice	SGL Ind Reference EUR 11 11 (Input tax 1 %, 45 Days net	] Calculate tax 0%)		endor Address Firma C.E.B. BERLIN Kolping Str. 16 12001 Berlin T 06894/556 Bank de	V 5 501-0 etails		
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	olaye	S Deb 🛅	2.000,00	0,00	2100	1402	20000	1 I	
	<b>TTTTTTTTTTTTT</b>			ED (0)				· -	

*Figure 6 Vendor Invoice (transaction FB60)* 

The active document splitting rules are applied and the document is split as shown in **Figure 7**.

It is important to recall that the Document splitting in the new GL gets the same results as we originally aimed from **Figure 3**. Instead of manually adjusting the financial transactions, traditionally done at the month-end, the same results are achieved real-time using the rule-based splitting in the New GL.

#### **Document Overview**

#### 🕄 🐼 Reset 🚺 Taxes 📮 Park 📮 Complete 🝞 🚔 🛜 🚱 🚱 Choose 🚱 Save 📓 🗊 🛃 📝 🗮 ABC 🚺

I							
I	Doc.Type : KR	( Vendor invoice	) Normal	document	t		
I	Doc. Number		Company	code	1000	Fiscal year	2007
I	Doc. date	03.04.2007	Posting	date	03.04.2007	Period	04
I	Calculate Tax						
	Doc.currency	EUR					

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

Figure 7A

Entry view

Ger	General Ledger Simulation												
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Doci	imer	ntDate (	)4.04.2	2007	Posting Date 04.04.	2007	Fiscal Year		2007				
Curr	renc ency	xe V E	UR		cross-co. code no. Ledger Group		Posting Period Ledger		4 0L				
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Co	ltm	L.item	PK S	G/L Account	G/L account name	Σ	Amount	Curr.	Profit Center	Segment	1		
1000	1	000002	31	160000	AP-domestic		8.800,00-	EUR	9990	10000			
1000	2	000003	40	417000	Purchased services		8.000,00	EUR	9990				
1000	4	000006	40	154000	Input tax		800,00	EUR	9990				
						•	0,00	EUR		10000	Д		
1000	1	000001	31	160000	AP-domestic		2.200,00-	EUR	1402				
1000	3	000004	40	473000	Postage		2.000,00	EUR	1402				
1000	4	000005	40	154000	Input tax		200,00	EUR	1402				
						•	0,00	EUR		20000	Д		
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<b>D</b> '	-	D	2	1 1 1									
Figur	e 7	В	Gei	neral Ledg	ger view								

Figure 7 Entry View and General Ledger view for Vendor Invoice

#### **Document Splitting Example - Vendor Payment**

Now, as a follow-up process, you can post the payment to the vendor and clear the vendor items. The payment document is split according to the passive document splitting rules for clearing and uses document split rules used in the original expense postings.

The payable lines (AP-domestic account 160000) are created through passive document splitting rules.

The Vendor Payment Document is split as shown in **Figure 8**. Again note that the system applied splitting rules appropriately.

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	umer	nt Date	04.	.04.200	11	Posting Date	t	4.04.2007	Perio	a			4			
Refe	erenc	e				Cross-CC no.						r				
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Curr	ency	E	EUR		I	Ledger Group			Ledger				OL			
Co	ltm	L.item	PK S	G/L Acc	ount	G/L account name		Е		Amoun	t Ci	Jrr.	Profit C	enter	Segment	-
1000	1	000002	50	100000	)	Petty cash			8	3.536,00	- El	JR	9990		10000	_
1000	2	000003	50	276000	)	Discount received				240,00	- El	JR	9990			
1000	4	000006	25	160000	)	AP-domestic			{	3.800,00	EU	JR	9990			
1000	5	000008	50	154000	)	Input tax				24,00	- El	JR	9990			
								•		0,00	EU	R			10000	Д
1000	1	000001	50	100000	)	Petty cash			1	2.134,00	- El	JR	1402		20000	
1000	3	000004	50	276000	)	Discount received				60,00	- El	JR	1402			
1000	4	000005	25	160000	)	AP-domestic			1	2.200,00	EU	JR	1402			
1000	5	000007	50	154000	)	Input tax				6,00	- El	JR	1402			

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Figure 8B General Ledger view for Vendor Payment

Figure 8 Entry view and General Ledger view for Vendor Payment

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20000

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0,00 EUR

0,00 EUR

## Document Splitting Example – Zero-Balancing

If you want to prepare complete financials for a specific characteristic, then document splitting with Zero-balance option is required. After document splitting, system validates whether the document is zero-balanced for the selected characteristic. If it is not balanced, system creates a balancing entry using a Zero-balance clearing account.

Say, you have posted a re-post transaction as shown in **Figure 9**. Using Document splitting with Zero-balancing for characteristic 'SEGMENT', system posts the splitting document. Note that so that the document is balanced for the Segment, it needs to post additional clearing account too as explained in **Figure 4**.

# Document Overview Image: Complete Image: Complete Image: Choose Image: Choose

Doc.Type : SA	( G/L account doc	ument ) Norm:	al document		
Doc. Number		Company cod	e 1000	Fiscal year	2007
Doc. date	04.04.2007	Posting dat	e 04.04.200	97 Period	04
Calculate Tax					
Doc.currency	EUR				
Doc. Hdr Text	Zero-Balancing				

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

*Figure 9A Entry view for Zero-Balancing* 

### General Ledger Simulation

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Doct Refe Curr	umer renc ency	ntDate ( ;e / E	)4.04.2 EUR	2007	Posting Date 04.04. Cross-co. code no. Ledger Group	2007	Fiscal Year Posting Period Ledger		2007 4 0L		
Co	ltm	L.item	PK S	G/L Account	G/L account name	Ε	Amount	Curr.	Profit Center	Segment	1
1000	2	000002	50	100000	Petty cash		1.000,00-	EUR	1200	10000	
1000		000003	40	194500	Clearing w/ BA 0000		1.000,00	EUR			
						•	0,00	EUR		10000	л
1000	1	000001	40	100000	Petty cash		1.000,00	EUR	1005		
1000		000004	50	194500	Clearing w/ BA 0000		1.000,00-	EUR			
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<u></u>						••	0,00	EUR			
Figur	е 9.	В	Ger	neral Ledg	er View for Zero-Bi	ılancing	r				

Figure 9 Entry View and General Ledger View for Zero-Balancing

## Document Splitting – End-user Perspective

Let me re-cap the basic end-user requirements, which I started in the beginning of the article, for document splitting. First, it should be automatic. The document splitting should automatically split the accounting items into multiple items without user-intervention. To be specific, in our example, the users should continue to post only one item to the Vendor account. The so-called 'Entry-view' will continue to show only one Vendor item. Within A/P Sub-ledger (for example, vendor items) also, it should still show one item for the vendor account as shown in **Figure 10**. But, when you to the Segment reporting within the New GL, you should be able to show two vendor line items (as per the splitting rules).

Ven	Vendor Line Item Display												
		)     🛷 🥒 🚟	🔤   🚰 🕼	0	871	Ħ	•	<b>B</b>   <b>B 9</b>	6 🗉			Selections	Dispute Case
Vendo Compa Name City	Vendor 1000 Company Code 1000 Name C.E.B. BERLIN City Berlin												
	St	Assignment	DocumentNo	Туре	Doc. Date	S	DD	Amount in	doc.	curr.	Curr.	Clrng doc.	Text
		19000000002007	1900000000	KR	04.04.2007		4		11.0	90,00-	EUR		
Н		19000069612004 19000079412004	1900005951	KR	15.03.2004		\$		5.0 8 A	90,00- 80 00-	EUR		kent warenouse
Ľ		19000079422004	1900007942	KR	01.08.2004		E		3.2	65,00-	EUR		
		19000091352004	1900009135	KR	15.04.2004		1 T		5.0	90,00- 96 00-	EUR		Rent Warehouse
Ы		51000006732002	5100000682	RE	23.01.2001		3		6	96,00	EUR		MR8M
*									32.2	65,00-	EUR		
** Account 1000								32.2	65,00-	EUR			
* * *	***								32.2	65,00-	EUR		

*Figure 10 Vendor Line Items showing one item* 

The great feature of the New GL is that it does not change the operative procedures from the user-perspective. In other words, there is practically no change to the entry procedures, but, at the same time, provides the break-down of accounting items to meet the specific reporting requirements. You can view the document two ways: (i) 'Entry View' as seen during the data-entry and (ii) 'General Ledger View', as seen with the Document Splitting.

#### Tip!

You can also simulate the General Ledger view before actually posting the document. The 'Document Simulate General Ledger' (via 'Document -> Simulate General Ledger') feature offers

- Very detailed information on how the system would post the document in the New GL
- o Useful information of the document splitting rules applied
- Log of errors/messages

# **Document Splitting - Setting Up**

Now, as you have understood, how the document splitting works along with the typical examples of transactions, let me delve into the details of configuration.

The Document Splitting configuration is available in the IMG at 'IMG -> Financial Accounting New -> General Ledger Accounting (New) -> Business Transactions -> Document Splitting', as shown in **Figure 11**.

$\bigtriangledown$		Fina	ancial	Accounting (New)
Þ			Finan	al Accounting Global Settings (New)
$\bigtriangledown$			Gener	al Ledger Accounting (New)
	D		Ma	ister Data
	$\bigtriangledown$		Вс	siness Transactions
		D		G/L Account Posting - Enjoy
		$\bigtriangledown$		Document Splitting
			- B	Information on Document Splitting
			B	Classify G/L Accounts for Document Splitting
			B	🕒 Classify Document Types for Document Splitting
			- B	🚯 Define Zero-Balance Clearing Account
			- B	🕒 Define Document Splitting Characteristics for General Ledger Accounting
			- B	Define Document Splitting Characteristics for Controlling
			- B	Define Post-Capitalization of Cash Discount to Assets
			ð	Edit Constants for Nonassigned Processes
			ð	🕒 Activate Document Splitting
		<	~	Extended Document Splitting
				lnformation on Extended Document Splitting
				🗟 🕒 Define Document Splitting Method
				🗟 🕒 Define Document Splitting Rule
				🌛 🕒 Assign Document Splitting Method
				🌛 🤀 Define Business Transaction Variants
Figur	e 1	1	C	onfiguration for Document Splitting

#### • Classify the G/L accounts for document splitting

One of the first steps for configuring the document splitting is to assign the item categories to the G/L accounts for your Chart of Accounts.

Click on '**Classify the G/L accounts for document splitting**' and assign the item categories for the G/L accounts. Instead of assigning the item categories by individual accounts, it is recommended to use the range of accounts as shown in **Figure 12**. Recall that splitting rules have items categories for the items to be split and base category items.

💅 New Entries 🗈 🖃 🕼 🖪									
Chart of Accts INT Chart of accounts - international									
	Acct from	Account to	Overrd.	Cat.	Description				
	100000	113199		04000	Cash Account [				
	145099	145099		01000	Balance Sheet Account				
	154099	154099		01000	Balance Sheet Account				
	174000	174000		01000	Balance Sheet Account				
	194100	194100		01000	Balance Sheet Account				
	194500	194500		01000	Balance Sheet Account				
	199990	199999		01000	Balance Sheet Account				
	400000	419999		20000	Expense				
	470000	476000		20000	Expense				
	800000	800999		30000	Revenue				
	811000	811000		20000	Expense				
	884010	884010		30000	Revenue				
	888000	888000		30000	Revenue				
	ha	<ul> <li>New Entrie</li> <li>Acct from</li> <li>100000</li> <li>145099</li> <li>154099</li> <li>174000</li> <li>194100</li> <li>194500</li> <li>400000</li> <li>470000</li> <li>880000</li> <li>888000</li> </ul>	New Entries         Image           hart of Accts         INT         C           Acct from         Account to           100000         113199           145099         145099           154099         154099           174000         174000           194100         194100           194500         19999           400000         419999           470000         800999           811000         811000           884010         884010           888000         888000	New Entries         Image: Constraint of Accts         INT         Chart of acc           hart of Accts         INT         Chart of acc           100000         113199	New Entries         Image: Constant of Accts         Image: Constant of A				

Figure 12 Assign Categories to the G/L Accounts

SAP system is already pre-delivered with the standard item categories as shown in **Figure 13**.

Item Categor	y Description
01000	Balance Sheet Account
01001	Zero Balance Posting (Free Balancing Units)
01100	Company Code Clearing
01300	Cash Discount Clearing
02000	Customer
02100	Customer: Special G/L Transaction
03000	Vendor
03100	Vendor: Special G/L Transaction
04000	Cash Account
05100	Taxes on Sales/Purchases
05200	Withholding Tax
06000	Material
07000	Asset
20000	Expense
30000	Revenue
40100	Cash Discount (Expense/Revenue/Loss)
40200	Exchange Rate Difference
80000	Customer-Specific Item Category
Figure 13	Standard Item Categories for G/L accounts

#### • Classify document types for document splitting

So that every relevant financial transaction is considered for document splitting, you categorize the document types to specific business transaction variants. Standard SAP document types are already defined with appropriate values. Click on 'Classify document types for document splitting' to review the configuration and make appropriate changes for the custom document types as shown in **Figure 14**.

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

Change View "Classify FI Document Type for Document Splitting"

Figure 14 Classify FI Document Types

#### **o** Define Zero-balance clearing account

In this step, you define a G/L account which should be used for creating the zerobalancing splitting for the characteristics.

You will need a Zero-balance clearing account, as described in **Figure 15**. You may need to create this G/L account, if it already does not exist.

Change View "Posting Key": Overview								
💅 New Entries 🗈 🖃 🖪 🖪								
Dialog Structure           Image: Structure structure           Image: Structure struct	Item category 01001							
	Account Key Na	ne	Deb PK	Cred.PK				
	000 Sta	ndard account for zero balance	40	50				
Dialog Structure ▽	Item category 0100 Chart of Accts INT Account Key 000	Zero Balance Posting (Free B     Chart of accounts - internation     Standard account for zero bala	alancing Units nal ance	)				
	G/L Account 194500	Short Text Clearing w/ BA 0000						

*Figure 15 Zero-balancing G/L account required for clearing* 

#### o Define Document splitting characteristics for GL Accounting

In this configuration step, you define the characteristics for which the document splitting rules apply. Common examples would be Business Area, Profit Center, Segment and more as shown in **Figure 16**.

For these characteristics, additionally, you specify whether you want to have zerobalancing and also whether this characteristic is mandatory.

C	S I S - S - S - S - S - S - S - S - S - S									
С	Change View "Document Splitting Characteristic for General Ledgers": O									
64	🎾 New Entries 🗈 🖶 😥 🖪 🖪									
Document Splitting Characteristic for General Ledgers										
	Field	Zero balance	Partner field	Mandatory Field						
$\square$	GSBER Business Area		PARGB							
	PRCTR Profit Center		PPRCTR							
	SEGMENT Segment	1	PSEGMENT	Image: A state of the state						
		1	Ĩ							

Figure 16 Document Splitting Characteristics for GL

If you are planning to use 'Segment' a characteristic, you will need to define the segments in the IMG at Enterprise Structure as follows: 'IMG -> Enterprise Structure -> Definition -> Financial Accounting -> Define Segment' as shown in **Figure 17**. In this example, we have defined four segments based on the requirements.

Change View "Segments for Segme						
🎾 New Entries 👔 🛃 🐼 🛃 🖪						
Segments for Segment Reporting						
Segment	Description					
10000	Electronics					
20000	Toys					
30000	Games					
40000	Automobiles					

Figure 17 Define Segments in Enterprise Structure

# • Document Splitting Characteristics for CO / Define Post-capitalization of Cash Discounts to Assets

Optionally, you can define the document splitting characteristics for Controlling and define post-capitalization of Cash Discounts to Assets.

#### • Define Constants for Non-Assigned processes

Here you define default account assignments (for example, default segment) as shown in **Figure 18**. As the name suggests, default account assignments are used, when the system cannot determine the characteristic.

Change View "Independent Constants": Overview							
🦻 New Entries 🗈 🖬 🕼 🖪 🖪							
Dialog Structure		Constant	Name				
Independent Constants Assignment of Values		Z1000	Constant Segment				
Assignment of Profit Centers							

*Figure 18 Constant Values for Non-assigned processes* 

#### • Activate Document Splitting

Finally, in this configuration step, you activate the Document Splitting in the New GL as shown in **Figure 19**.

🎾 🐼 🔂 🛃 🛃								
Dialog Structure	Activate Document Splitting							
	Level of Detail       Image: Constant       Standard A/C Assgnmt							

#### Change View "Activate Document Splitting": Details

Figure 19 Activating Document Splitting

Standard SAP is pre-delivered with pre-defined splitting Method '0000000012', with predelivered splitting rules for various business transactions. Activate the document splitting by checking 'Splitting' and choosing the method.

Please note that the Activation of the document splitting is done at the client-level and you can always de-activate the document splitting for specific company codes.

**Recommendation**: During Testing/Development, it is recommended to test the document splitting one company code at-a-time to reduce the potential adverse impact to other company codes.

'Inheritance' indicator derives the characteristics in the document from the other line items. For example, when you create a customer invoice from a revenue item, the characteristics in the customer and tax lines are inherited automatically. Without inheritance, you will have needed to define the rules, for example, to achieve a zero balancing.

Once you activate the document splitting, you are all-set and ready to test your document splitting transactions!

#### • Optional Extended Document Splitting

Extended Document Splitting configuration settings are available if the existing settings are not sufficient or require enhancements. Using extended functions, you can define your own document splitting method, document splitting rules, Assigning Document Splitting Method and defining custom business transaction variants.

**Important Note:** Please note that these configuration settings are sensitive and utmost care should be taken.

#### Tip!

If you are creating your own document splitting rules, it is strongly recommended to review the existing rules carefully first as shown in **Figure 20** and then adapt to your requirements.

ت ت	S I S S S S S S S S S S S S S S S S										
Change View "Header data": Overview											
🎾 🕄 New entries 👔 🗎	🦻 🕄 New entries 🗈 🗊 🐼 🖶 🖪										
Dialog Structure			In the second second second	t to store t	hannan 1						
✓ G Header data	Method	Spi ransactn.	Business transaction	variant	Variant						
✓ ☐ Item categories to be	0000000001	Splitti0000	Unspecified posting	0001	Standard						
🔚 Base item catego	0000000001	Splittio100	I ranster posting from P&L to B/S	0001	Standard						
	0000000001	Spiitti0200	Customer invoice	0001	Standard						
	0000000001	Splittie300	Vendor Invoice	0001	Standard						
	0000000001	Splitti 0400	Bank account statement	0001	Standard						
	0000000001	Splitti0500	Advance tax return (regular tax bu	0001	Standard						
	0000000001	Splitti0600	Goods Receipt for Purchase Orc	0001	Standard						
	000000001	Splitti 1000	Payments	0001	Standard						
	0000000001	Splitti 1010	Clearing transactions (account r	0001	Standard						
	0000000001	Splitti 1020	Resetting cleared items	0001	Standard						
	0000000002	Splitti 0000	Unspecified posting	0001	Standard						
	0000000002	Splitti0100	Transfer posting from P&L to B/S	0001	Standard						
	0000000002	Splitti 0200	Customer invoice	0001	Standard						
	0000000002	Splitti 0300	Vendor invoice	0001	Standard						
	0000000002	Splitti 0400	Bank account statement	0001	Standard						
	0000000002	Splitti 0500	Advance tax return (regular tax bu	0001	Standard						
	0000000002	Splitti 0600	Goods Receipt for Purchase Orc	0001	Standard						
	0000000002	Splitti 1000	Payments	0001	Standard						
	0000000002	Splitti 1010	Clearing transactions (account r	0001	Standard						
	0000000002	Splitti 1020	Resetting cleared items	0001	Standard						
	0000000012	Splitti 0000	Unspecified posting	0001	Standard						
	0000000012	Splitti 0100	Transfer posting from P&L to B/S	0001	Standard						
	000000012	Splitti 0200	Customer invoice	0001	Standard						
	000000012	Splitti 0300	Vendor invoice	0001	Standard						
	000000012	Splitti 0400	Bank account statement	0001	Standard						
	0000000012	Splitti 0500	Advance tax return (regular tax bi	0001	Standard						
	0000000012	Splitti 0600	Goods Receipt for Purchase Orc	0001	Standard						
	0000000012	Salitti 1000	Payments	0001	Standard						

Figure 20

Document Splitting Rules

# **Document Splitting - Tips and Tricks**

## Tip: Zero-Balancing Accounts

Splitting using Zero-Balancing in the New GL ensures not only the document is balanced but also the document is balanced for the pre-define characteristics. For example, you can configure that the financial document is balanced for the characteristic "segment" also. You can pre-define the characteristics which should be used for zero balancing, for example, the segments to meet the legal reporting requirements of segment-reporting.

In simple terms, during the document splitting in the New GL, system posts additional clearing items, so that the document is balanced for these characteristics. In this article, I want to demonstrate some of the hidden secrets of how system manages zero-balancing. It is sometimes confusing how many additional items are created by the document splitting for zero-balancing. In this article, I want to clarify that confusion.

#### Zero-Balancing - Basics

Let's start with basics.

Say, you have a fairly simple example, say, you are entering a financial document as shown in **Figure 1**. The document is posted with two accounts account 100001 and 100002 and is a balanced document, i.e. total of all items equals zero. This document has a characteristic 'Segment' and the two lines have segments as 'SEG-1' and 'SEG-2' respectively.

ltem	Account	Description	Amount	Segment
1	100001	A/C 1	100	SEG – 1
2	100002	A/C 2	-100	SEG - 2

*Figure 1 A sample balanced financial document* 

Note that although the document is balanced as a whole, but, for the characteristic "segment" it is not balanced.

So, what if the requirement was to balance (i.e. zero balance) the document even for characteristic 'segment'?

In simple terms, the process of document splitting with zero-balancing even balances the same document for the characteristic 'segment'.

To achieve the zero-balancing even for the characteristic, system needs to add two socalled 'dummy' accounting items, with segment values as shown in **Figure 2**.

ltem	Account	Description	Amount	Segment
1	100001	A/C 1	100	SEG – 1
2	100002	A/C 2	-100	SEG – 2
3	199999	Zero-balancing clearing A/C	-100	SEG – 1
4	199999	Zero-balancing clearing A/C	100	SEG - 2

*Figure 2 Zero-balancing transaction* 

**Note:** All the items represented in bold are the ones created by Document splitting process.

If you observe carefully, although two additional items are created, it did not change the financial meaning of the original document. The dummy account 199999 was used just as a placeholder, because as per the accounting principles every item has to have an account number. The G/L account assigned to these additional items is called as 'Zero-Balance clearing account' and can be configured in the IMG.

Also note that it posted the segment values 'SEG-1' and 'SEG-2', in such a way that the totals of the characteristic 'Segment' is also zero as shown in **Figure 3**.

ltem	Account	Description	Amount	Segment
1	100001	A/C 1	100	SEG – 1
3	199999	Zero-balancing clearing A/C	-100	SEG – 1
2	100002	A/C 2	-100	SEG – 2
4	199999	Zero-balancing clearing A/C	100	SEG - 2

*Figure 3* Zero-balanced document for Segment

This is the technique SAP uses in the New GL to achieve document splitting with Zerobalance.

During the document splitting with zero-balancing, system may posts additional items using Zero-balancing clearing account with required characteristics in such a way that the document becomes balanced even for these characteristics.

#### Zero-Balancing - Simple example in SAP

Now as we have understood the basics of document splitting with zero-balancing, let's enter this transaction in the New GL.

Using transaction code **FB50**, let's enter the financial document as shown in **Figure 4**. The document is a fairly simple transaction with two items: First item debit for 100.00 assigned to account no 100001 and profit center 4100. Second item credit for 100.00 is assigned to account no 100002 and profit center 4200.

Enter G/L Account Document: Company Code 1000								
📇 Tree on 🗐 Company Code 🍛 Hold 👯 Simulate 📙 Park 🥒 Editing options								
Basic data Details								
				Amount	Inf	ormation /		
Document Date 06.04.2007 (	Currency	EUR		Total o	deb	).		
Posting Date 06.04.2007				100,0	10		EUR	
Reference								
Doc.Header Text Zero-Balancing				Total (	re	d.		
Document Type SA G/L accou	int docum	ent		100,0	10		EUR	
Cross-CC no.								
Company Code 1000 IDES AG I	Frankfurt			000				
2 Items ( No entry variant selected )								
St. G/L acct Short Text	D/C	Amount in doc.curr.	Loc.curr.am	ount	Т	Profit center	Segment	Т
✓ 100001 Petty cash A/C 1	S Deb 🖹	100,00		100,00		4100	10000	
✓ 100002 Petty cash A/C 2	H Crei	100,00		100,00		4200	20000	
	2			0 00				

*Figure 4 Financial Transaction with two different segments* 

The assignments to the segments are maintaining their respective profit center master records are as listed in **Table 1** and can be managed using transaction code **KE52** as shown in **Figure 5**.

Profit Center	Segment
4100	10000
4200	20000
4300	30000
4400	40000

Table 1 Segment assignments for the profit centers

Change Profit Center							
💽 Drilldown 🖳 Period of Examination 🕢 Change Validity Period							
General Data							
Profit Center	4100						
Controlling Area	1000 CO Europe						
Validity period	01/01/2007 To 12/31/9999						
Basic data Indicators	Company codes Address Communication History						
Descriptions							
Profit Center	4100 Status Active 😪 🚰						
Analysis Period	01/01/2007 to 12/31/9999						
Name	Electronic products						
Long Text	Electronic products						
Basic Data							
User Responsible							
Person Respons.	Linger						
Department	Products						
Profit Ctr Group	H4010 Electronics Segment						
Segment	10000						

*Figure 5 Segment assignment for Profit Centers* 

As described above, using the document-splitting with Zero-balance, system splits the document with two additional items. The Entry view and the General Ledger view are as show in **Figure 6**. As expected, the document is now zero-balanced for the characteristic 'Segment' also.

Document Overview								
🕄 🐼 Reset 🚹 Taxes 📮 Park 📮 Complete 🚏 📥 🖓 🗞 Choose 🗞 Save 📓 😨 🖨 🖉 🗐								
Doc.Type : SA ( G/L account document ) Normal document         Doc. Number       Company code       1000       Fiscal year       2007         Doc. date       06.04.2007       Posting date       06.04.2007       Period       04         Calculate Tax								
Itm PK Account Account short text	Assignment	Tx	Amount	Cost	Ctr	Profit Ctr	Segment	
1         40         100001         Petty cash A/C 1           2         50         100002         Petty cash A/C 2			100,00 100,00-			4100 4200	10000 20000	

Figure 6A Entry view

Ger	General Ledger Simulation										
	🕄 🔺 🖓 🌾 📓 🆓 🖓 🖓 🕼 🐨 🗞 🖪 🖓										
Docu Refe Curr	Document Date06.04.2007Fiscal Year2007ReferenceCross-co. code no.Posting Period4CurrencyEURLedger GroupLedger0L										
Co	ltm	L.item	PK S	G/L Account	G/L account name	E	Amount	Curr.	Profit Center	Segme	nt 1
1000	1	000001	40	100001	Petty cash A/C 1		100,00	EUR	4100	10000	
1000		000003	50	199999	Zero-Balancing Clrg		100,00-	EUR			
		-					0,00	EUR		10000	
1000	2	000002	50	100002	Petty cash A/C 2		100,00-	EUR	4200		
1000		000004	40	199999	Zero-Balancing Clrg		100,00	EUR			
						•	0,00	EUR		20000	
<u></u>							0,00	EUR			
Figur	e 61	В	Ger	ieral Ledg	er view						

Figure 6 Entry View and General Ledger view

#### Zero-Balancing – Another Example

Let's take another example; this time, with three line items as shown in **Figure 7**. The three items are posted to three accounts 100001, 100002 and 100003 with Segments SEG-1, SEG-2 and SEG-3 respectively.

ltem	Account	Description	Amount	Segment
1	100001	A/C 1	100	SEG – 1
2	100002	A/C 2	-60	SEG – 2
3	100003	A/C 3	-40	SEG - 3

Figure 7 Balanced Financial transaction

This document is zero-balanced as a whole. To zero-balance the document even for the segment, system will create additional items with zero-balancing clearing account.

#### Puzzle

Since, there are three different segments, to make it a zero-balanced for the segments, you would think that the system could create three additional items as shown in **Figure 8**. You would expect the three additional items could have the values as follows: (i) Amount -100 with Segment 'SEG-1', (ii) Amount '+60' with segment 'SEG-2' and (iii) Amount '+40' with segment 'SEG-3'.

Right?

ltem	Account	Description	Amount	Segment
1	100001	AVC 1	100	SEG – 1
2	100002	AVC 2	-60	SEG – 2
3	100003	AVC 3	-40	SEG – 3
4	199999	Zero-balancing clearing A/C	-100	SEG – 1
5	199999	Zero-balancing clearing A/C	60	SEG – 2
6	199999	Zero-balancing clearing A/C	40	SEG – 3

Figure 8

SAP does not split the document as shown here

Not quite right. Be ready for a surprise.

Instead of posting three additional items, system actually posts four additional items and the document is split as shown in **Figure 9**.

The odd thing is that instead of one item for SEG-1 for -100.00, there are two different items for the segment 'SEG-1' with -60.00 and -40.00.

Specially note that the system posts two zero-balancing clearing items for segment 'SEG-1' of -60 and -40, instead of -100.

Sure, technically speaking both the **Figure 8** and **Figure 9** have the same end-results. In other words, both the documents are still zero-balanced for the characteristic 'Segment'.

Question is why did the system post four zero-balancing clearing items, instead of expected three items?

ltem	Account	Description	Amount	Segment
1	100001	A/C 1	100	SEG – 1
2	100002	A/C 2	-60	SEG – 2
3	100003	AVC 3	-40	SEG – 3
4	199999	Zero-balancing clearing A/C	-60	SEG – 1
5	199999	Zero-balancing clearing A/C	60	SEG – 2
6	199999	Zero-balancing clearing A/C	-40	SEG – 1
7	199999	Zero-balancing clearing A/C	40	SEG – 3

*Figure 9 SAP splits the document as shown* 

ltem	Account	Description	Amount	Segment
1	100001	A/C 1	100	SEG – 1
4	199999	Zero-balancing clearing A/C	-60	SEG – 1
6	199999	Zero-balancing clearing A/C	-40	SEG – 1
2	100002	A/C 2	-60	SEG – 2
5	199999	Zero-balancing clearing A/C	60	SEG – 2
3	100003	AVC 3	-40	SEG – 3
7	199999	Zero-balancing clearing A/C	40	SEG – 3

The same document is shown in **Figure 10**, with items re-arranged to show the document is balanced for the segment.

#### Answer

The answer to the question is system creates the zero-balancing clearing items for each combination of the segment and as well as the partner-segment also. Let me elaborate it.

Let's look at the transaction with items for segment 'SEG-1' more closely. To zerobalance the segment 'SEG-1', system posts two zero-balancing clearing items for each of the partner segments 'SEG-2' and 'SEG-3' respectively. So, to balance the segment 'SEG-1', it posts -60.00 for the partner segment 'SEG-2' and one more clearing item of '40.00 for partner segment 'SEG-3'. The system updates the partner-segment for the newly created zero-balancing items as shown in **Figure 11**.

ltem	Account	Description	Amount	Segment	Partner Segment
1	100001	A/C 1	100	SEG – 1	Jegment
2	100002	A/C 2	-60	SEG – 2	
3	100003	A/C 3	-40	SEG – 3	
4	199999	Zero-balancing clearing A/C	-60	SEG – 1	SEG – 2
5	199999	Zero-balancing clearing A/C	60	SEG – 2	SEG – 1
6	199999	Zero-balancing clearing A/C	-40	SEG – 1	SEG – 3
7	199999	Zero-balancing clearing A/C	40	SEG – 3	SEG – 1

*Figure 11 Zero-balancing using the partner-segment* 

Figure 10 Items Re-arranged to show the document is balanced for the Segment

**Important Note:** The document is zero-balanced the segment, not for the partner-segment.

Now In SAP, using transaction **FB50**, I will post the similar transaction as shown in **Figure 12**.

-											
Enter G/L A	Enter G/L Account Document: Company Code 1000										
📇 Tree on 🗐	Company Coc	ie 🔌 i	Hold 🞇 Simulate	📙 Park 🖉 Editir	ng o	ptions					
Basic data Details											
					Am	ount Informat	tion				
Document Date	07.04.2007	' Cur	rency EUR		Т	otal deb.					
Posting Date	07.04.2007	'			1	00,00	EUF	2			
Reference											
Doc.Header Text	Zero-Balanc	ing Exam	ple 2		Т	otal cred.					
Document Type	SA G/L	account	document		1	00,00	EUF	२			
Cross-CC no.											
Company Code	1000 IDE	S AG Fra	nkfurt		C	00					
3 Items ( No ent	ry variant sele	cted )									
📑 St G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	Т	Profit center	Segment	Tax ju			
100001	Petty cash A/	S Deb 🛅	100,00	100,00		4100	10000				
100002	Petty cash A/(	HCrei🖺	60,00	60,00		4200	20000				
100003	Petty cash A/(	HCrei🖺	40,00	40,00		4300	30000				
			1								

*Figure 12 inancial transaction with three Segments* 

The document-splitting for zero-balancing the segment, the document is split as shown in **Figure 13** 

Do	Document Overview											
	🕄 🐼 Reset 🚺 Taxes 📙 Park 📙 Complete 🍞 🚔 🖓 🏠 🧐 🏠 Choose 🗞 Save 📓 🔞 🕼 🕼 🔝 ABC 🚺											
Doc Doc Cal Doc Doc	Doc.Type : SA ( G/L account document ) Normal document         Doc. Number       Company code       1000       Fiscal year       2007         Doc. date       07.04.2007       Posting date       07.04.2007       Period       04         Calculate Tax											
							]					
Itm	РK	Account	Account short text	Assignment	Тx	Amount	Cost Ctr	Profit Ctr	Segment			
1 2 3	40 50 50	100001 100002 100003	Petty cash A/C 1 Petty cash A/C 2 Petty cash A/C 3			100,00 60,00- 40,00-		4100 4200 4300	10000 20000 30000			

Figure 13A Entry View

General Ledger Simulation											
	<u>a</u>	<b>8</b> 8	2	5 🏂 🗗	🕾 🎝 🗗 🗞 🖪		📰   🚹 📑 Led	ger	🖳 Expert Mode	e 🔠 C	urren
Document Date         07.04.2007         Posting Date         07.04.2007         Fiscal Year         2007           Reference         Cross-co. code no.         Posting Period         4           Currency         EUR         Ledger Group         Ledger         0L											
Co	ltm	L.item	PK	S G/L Accoun	t G/L account name	Ε	Amount	Curr.	Profit Center	Segmer	nt 1
1000	1	000001	40	100001	Petty cash A/C 1		100,00	EUR	4100	10000	
1000		000004	50	199999	Zero-Balancing Clrg		60,00-	EUR			
1000		000006	50	199999	Zero-Balancing Clrg		40,00-	EUR			
							0,00	EUR		10000	묘
1000	2	000002	50	100002	Petty cash A/C 2		60,00-	EUR	4200	20000	
1000		000005	40	199999	Zero-Balancing Clrg		60,00	EUR			
							0,00	EUR		20000	
1000	3	000003	50	100003	Petty cash A/C 3		40,00-	EUR	4300	30000	
1000		000007	40	199999	Zero-Balancing Clrg		40,00	EUR			
							0,00	EUR		30000	
<u></u>						11 A 1	0,00	EUR			
<b>.</b>		2.D	0	1 7 1							

Figure 13B General Ledger view

Figure 13	Entry	View and	l General	Ledger	View
1 181110 10	Living	1 1000 11110	General	Lenger	1 1000

Note that the system stores the partner-segment information and I could change the layout and include the field 'Partner Segment'. The system displays the zero-balanced document with the details of segment and partner-segments as shown in **Figure 14**.

Ge	General Ledger Simulation											
		7					🚹 🖷 Ledger	🖳 Đ	pert Mode 🚦	🛔 Currency	🐼 Reset	
Do	Document Date 07.04.2007 Posting Date 07.04.2007 Fiscal Year 2007											
Re Cu	Reference Cross-co. code no. Posting Period 4 Currency EUR Ledger oup Ledger OL											
	Currency Low Leager Jour Leager OL											
Co	Itm	L.item 1	PK S	G/L Account	G/L account name		Amount	Curr.	Profit Center	Segment	Ptnr Segm.	
100	001	000001	40	100001	Petty cash A/C 1		100,00	EUR	4100	10000		
100	002	000002	50	100002	Petty cash AVC 2		60,00-	EUR	4200	20000		
100	003	000003	50	100003	Petty cash AVC 3		40,00-	EUR	4300	30000		
100	000 (	000004	50	199999	Zero-Balancing Clrg		60,00-	EUR		10000	20000	
100	000 (	000005	40	199999	Zero-Balancing Clrg		60,00	EUR		20000	10000	
100	000 (	000006	50	199999	Zero-Balancing Clrg		40,00-	EUR		10000	30000	
100	000	000007	40	199999	Zero-Balancing Clrg		40,00	EUR		30000	10000	

*Figure 14 Zero-balanced Document splitting with partner-segment* 

#### Zero-Balancing – Another Example

Similarly, if you were to enter a financial transaction as shown in **Figure 15**, the document splitting with zero-balancing will result the document as shown in **Figure 16**.

ltem	Account	Description	Amount	Segment
1	100001	A/C 1	100	SEG – 1
2	100002	A/C 2	-40	SEG – 2
3	100003	A/C 3	-35	SEG – 3
4	100004	A/C 4	-25	SEG – 4

*Figure 15 Financial document with 4 items* 

ltem	Account	Description	Amount	Segment	Partner
					Segment
1	100001	A/C 1	100	SEG – 1	
5	199999	Zero-balancing clearing A/C	-40	SEG – 1	SEG – 2
6	199999	Zero-balancing clearing A/C	40	<b>SEG</b> – 2	SEG – 1
2	100002	A/C 2	-40	SEG – 2	
7	199999	Zero-balancing clearing A/C	-35	SEG – 1	SEG – 3
8	199999	Zero-balancing clearing A/C	35	<b>SEG</b> – 3	SEG – 1
3	100003	A/C 3	-35	SEG – 3	
9	199999	Zero-balancing clearing A/C	-25	SEG – 1	SEG – 4
10	199999	Zero-balancing clearing A/C	25	SEG – 4	SEG – 1
4	100004	A/C 4	-25	SEG – 4	

*Figure 16 Document splitting with zero-balancing* 

In SAP, using transaction **FB50**, I will post the similar transaction as shown in **Figure 17**.

Enter G/L Account Document: Company Code 1000											
📇 Tree on 🗐	Company Cod	e 🔌 H	lold 🞇 Simulate	📙 Park 🖉 Editir	ng c	ptions					
Basic data Details											
					Am	ount Informat	ion				
Document Date	07.04.2007	Cur	rency EUR		Т	otal deb.					
Posting Date	07.04.2007	]			1	00,00	EUF	R			
Reference											
Doc.Header Text	Zero-Balanci	ng Exam	ple 3		Т	otal cred.					
Document Type	SA G/L	account	document		1	00,00	EUF	R			
Cross-CC no.											
Company Code	1000 IDE:	S AG Frai	nkfurt		¢	00					
4 Items ( No ent	ry variant selec	cted )									
St G/L acct	Short Text	5/0	Amount in doc.curr.	Loc.curr.amount	Т	Profit center	Segment	Та			
100001	Petty cash A/(	6 Deb 🛅	100,00	100,00		4100	10000				
100002	Petty cash A/(	l Creiอ	40,00	40,00		4200	20000				
100003	Petty cash A/(F	l Creiอ	35,00	35,00		4300	30000				
100004	Petty cash A/(F	l Creiอ	25,00	25,00		4400	40000				
		-		0.00			1				

Figure 17

Financial transaction with four segments

The document-splitting for zero-balancing the segment, the entry view and the General Ledger view is as shown in **Figure 18**.

Document O	verview						
🕄 🐼 Reset 📘	Taxes 📙 Parl	Complete	7 🛆 🔻 🕒 (	💁 Choose 🚯	Save 🔀 🖣	I 🕒 📝 🖩	ABC 📘
Doc.Type : SA (	G/L account do	ocument ) Normal -	document				
Doc. Number		Company code	1000	Fiscal year	2007		
Doc. date I	07.04.2007	Posting date	07.04.2007	Period	04		
Calculate Tax [							
Doc.currency	EUR						
Doc. Hdr Text	Zero-Balancing	Example 3					

Itm	РК	Account	Account short text	Assignment	Тx	Amount	Cost Ctr	Profit Ctr	Segment
1 2 3 4	40 50 50 50	100001 100002 100003 100004	Petty cash A/C 1 Petty cash A/C 2 Petty cash A/C 3 Petty cash A/C 4			100,00 40,00- 35,00- 25,00-		4100 4200 4300 4400	10000 20000 30000 40000

Figure 18A Entry view

Gei	General Ledger Simulation												
2	A	7		Σ	<b>¾</b>   <mark>∂</mark> ₽	🔁 🎜 🖪 🐨 🗞 🖪		🔠 🖪 🖻 Led	ger	🖳 Expert Mode		Currer	10
Document Date     07.04.2007     Posting Date     07.04.2007     Fiscal Year     2007       Reference     Cross-co. code no.     Posting Period     4       Currency     EUR     Ledger Group     Ledger     0L													
Co	ltm	L.item	ΡK	s	G/L Account	G/L account name	Е	Amount	Curr.	Profit Center	Segme	ent 📫	1
1000	1	000001	40		100001	Petty cash A/C 1		100,00	EUR	4100	10000		1
1000		000005	50		199999	Zero-Balancing Clrg		40,00-	EUR				
1000		000007	50		199999	Zero-Balancing Clrg		35,00-	EUR				
1000		000009	50		199999	Zero-Balancing Clrg		25,00-	EUR				
								0,00	EUR		10000		4
1000	2	000002	50		100002	Petty cash A/C 2		40,00-	EUR	4200			
1000		000006	40		199999	Zero-Balancing Clrg		40,00	EUR				
								0,00	EUR		20000		4
1000	3	000003	50		100003	Petty cash A/C 3		35,00-	EUR	4300			
1000		000008	40		199999	Zero-Balancing Clrg		35,00	EUR				
								0,00	EUR		30000		4
1000	4	000004	50		100004	Petty cash A/C 4		25,00-	EUR	4400			
1000		000010	40		199999	Zero-Balancing Clrg		25,00	EUR				
							•	0,00	EUR		40000		5
<u></u>							••	0,00	EUR				
Linu	1	ор	C		and Lada	on Viero							

Figure 18B General Ledger View

*Figure 18 Entry view and General Ledger View* 

The same document with details partner-segments is shown in **Figure 19**.

Ger	General Ledger Simulation											
		3   🗷	‰	di 🔁 🎝	B 7 6 H   #		🔠 📘 📑 Ledgi	er 🖳	Expe	rt Mode 🔠 (	Currency 🕼	Reset
Document Date 07.04.2007 Posting Date 07.04.2007 Fiscal Year 2007 Reference Cross.co.code.po. Posting Period 4												
Curr	ency	EUR		Ledger	Group		Ledger		ŌL			
Co	Line item	L.item 1	PK S	G/L Account	G/L account name	Ε	Ar	nount	Curr.	Profit Center	Segment	Ptnr Segm.
1000	001	000001	40	100001	Petty cash A/C 1		1	00,00	EUR	4100	10000	
1000	002	000002	50	100002	Petty cash A/C 2			40,00-	EUR	4200	20000	
1000	003	000003	50	100003	Petty cash AVC 3			35,00-	EUR	4300	30000	
1000	004	000004	50	100004	Petty cash A/C 4		:	25,00-	EUR	4400	40000	
1000	000	000005	50	199999	Zero-Balancing Clrg			40,00-	EUR		10000	20000
1000	000	000006	40	199999	Zero-Balancing Clrg			40,00	EUR		20000	10000
1000	000	000007	50	199999	Zero-Balancing Clrg		:	35,00-	EUR		10000	30000
1000	000	000008	40	199999	Zero-Balancing Clrg		:	35,00	EUR		30000	10000
1000	000	000009	50	199999	Zero-Balancing Clrg			25,00-	EUR		10000	40000
1000	000	000010	40	199999	Zero-Balancing Clrg			25,00	EUR		40000	10000
						•		0,00	EUR			

*Figure 19 Zero-balanced Document splitting with partner-segment* 

#### Summary

So that the Document is balanced for the characteristics, system posts additional items. The number of additional items created, are based on the unique combinations of defined characteristics with partner-characteristics details, as schematically represented in **Figure 20**.



Figure 20 Schematic representation of Zero-balancing items for Segments

## Tip: Document Simulation in the New GL

When you post an accounting document in the SAP system (any version), system automatically determines many additional accounting entries based on the preconfigured automatic account determination settings. For example, system will automatically determine accounting entries for input tax, tax on sales and purchases, discounts, short and over payments and more. It posts a balanced accounting document, including the automatically generated system entries.

#### **Classic GL - Document Simulation**

So that you can identify and review what accounting entries are automatically generated by the system, in classic GL, system offered a feature called as 'Document Simulate'

Res Simulate . This feature helped you determine how the system determined automatically generated accounting entries. It also helped you trouble-shoot and fix any missing configuration settings and also helped you identify any mistakes and opportunity to correct these before you actually posted the accounting transaction.

In this article, I want to demonstrate the very useful features of Document Simulation, especially in the New GL view.

#### New GL - Document Simulation

Similar to Document Simulation in Classic GL, Document Simulation in New GL (starting mySAP ERP 2004 and above) offers very useful information on Accounting document simulations. The simulation is especially useful when you are using Document Splitting in New GL.

Note: This feature of Simulation in New GL is in addition to the existing Document Simulation of Classic GL, so, you will have two simulation features in the new world.

Note that the screen-shots in this article are taken from mySAP ERP 2005 and may have very minor differences with other releases.

In the New GL, accounting document is displayed in two formats (views): 1. Entry View: View of how the accounting document also appears in the sub-ledgers (AR, AP and more)

2. General Ledger View: View of how the accounting document appears in the New General Ledger (New GL).

In addition to Document Simulation in New GL, you also have an additional feature of using 'Expert Mode' within the General Ledger View. When you use expert mode, system provides very useful information about the split documents. In addition, it also

provides the information on how the system used the document splitting rules to deriver the accounting entries.

Let me walk you through step-by-step screen-shots of using Document Simulate new GL and also provide details on some of the hidden features available to you.

Enter a standard G/L document using transaction code **FB50** as shown in **Figure 1**. In this example, I am posting a fairly simple accounting document with two items to Petty cash account (100000) with two different profit centers: 1005 and 1200.

The 'Segment' is a new feature available in New GL for segment reporting. Segment is assigned in the respective profit centers. The profit center 1005 is assigned Segment 4000; profit center 1200 is assigned segment 1000.

⊡ Document Edi	t <u>G</u> oto Extr	r <u>as S</u> etti	ngs Environment (	System <u>H</u> elp	)			_	
S	Ē			(1) (13) (13) (13) (13) (13) (13) (13) (13) (13) (13)	ΥĽ Å	1 <b>%</b> 1   [	s 🛛 🖓 L		
Enter G/L A	Enter G/L Account Document: Company Code 1000								
📇 Tree on 🛐	品 Tree on 📵 Company Code 🍪 Hold 🔛 Simulate 🔲 Park 🥖 Editing options								
Basic data	Details								
						Amount	Information /	/	
Document Date	01.04.200	7 Cur	rency EUR			Total c	leb.		
Posting Date	01.04.200	7				100,0	0	EUR	
Reference									
Doc.Header Text	New GL Sir	nulation				Total c	red.		
Document Type	SA G/	L account	document			100,0	0	EUR	
Cross-CC no.									
Company Code	1000 ID	ES AG Fra	nkfurt			000			
2 Home / No.or		octod )							
2 items (140 er	Short Text		Amount in doc curr	Profit center	т ра	ament	M Tox juriedia	to code Assignment no	
1000 acct	Petty cash	S Deb:	100 00	1005	40	onen.		20070401	
100000	Petty cash	H Crei	100,00	1200	10	000	-	20070401	
	,	1					-		
		1					-		
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*Figure 1 Enter G/L document* 

To simulate the New GL document, click on '**Document > Simulate General Ledger**' as shown in **Figure 2**.

	<u>D</u> ocument	Edit	<u>G</u> oto	Extr <u>a</u> s	<u>S</u> ettings	En
	<u>C</u> hange				Ctrl+F1	
į	<u>D</u> isplay				Ctrl+F2	!
l	<u>P</u> ost				Ctrl+S	;
	Save as	compl	eted	С	trl+Shift+F6	;
	P <u>a</u> rk				F8	:
	<u>H</u> old				F5	;
	<u>S</u> imulate				F9	1
,	Simulate	Gene	ral Led	ger	Ctrl+F12	2
	Exit				Shift¥F3	;
	Figure 2	S	imulat	e New C	GL Docum	ent

System displays the simulated document in the New GL as shown in Figure 3.

글 List Edit Goto Views Settings System Help												
1 4 4 4 6 6 6 6 4 4 6 6 6 7 7 7 7 7 7 7 7												
General Ledger Simulation												
🕲 🛆 🖓 🔞 🕲 🖏 🖏 🕼 🖽 🖽 🖽 🖼 🐨 🚱 🕅 🕲 🕼												
_	_		_	_								
cum	ent	tDate 0	1.04	4.2	007	Posting Date 01.04.	2007	Fiscal Year		2007		
rere rren	nce cy	, E	UR			cross-co. code no. Ledger Group		Posting Period Ledger		4 0L		
_	_		_	_								
1 Iti	m	L.item	ΡK	S	G/L Account	G/L account name		Amount	Curr.	Profit Center	Segment	
0	1	000001	40		100000	Petty cash		100,00	EUR	1005	40000	
	2	000002	50		100000	Petty cash		100,00-	EUR	1200	10000	
		000003	40		194500	Clearing w/ BA 0000		100,00	EUR		10000	
		000004	50		194500	Clearing w/ BA 0000		100,00-	EUR		40000	
	cum fere	Cument ference rrency	ist Edit Goto Eneral Lec Eneral Eneral Lec Eneral Eneral Eneral Eneral Eneral Eneral Eneral Eneral Eneral Energian Eneral Energian Energi	ist Edit Goto V eneral Ledge eneral Ledge Cument Date 01.04 ference rrency EUR 1 00001 40 2 000002 50 000003 40 0 000004 50	ist         Edit         Goto         View           Eneral Ledger         Image: Comparing the state of the state	ist       Edit       Goto       Views       Settings         Image: Constraint of the setting	ist       Edit       Goto       Views       Settings       System       Help         Image: Setting Set	ist Edit Goto Views Settings System Help         Image: Constraint of the system of t	ist       Edit       Goto       Views       Settings       System       Help         Image: Stress of the stress of	ist       Edit       Goto       Views       Settings       System       Help         Image: System       Image: System	ist       Edit       Goto       Views       Settings       System       Help         Image: System       Image: System	ist       Edit       Ooto       Views       Settings       System       Help         Image: System       Image: System

Figure 3 New GL Simulation

Please note that Simulated New GL document has two additional system-generated line items (000003 and 000004) to post balanced document for the field segment also as shown in **Figure 4**.

Gei	General Ledger Simulation											
	🕄 🛆 📅 🍞 🕼 🎒 🖑 🕼 🐨 🗞 🖪 🖽 🗮 🗮 🖷 📽 📘 🖻 R Ledger 🖳 Expert Mode 🚼 Currency 🖉 Reset											
Doc Refe Curr	umer erenc rency	ntDate () e E	01.04 EUR	4.2	007	Posting Date 01.04. Cross-co. code no. Ledger Group	2007	Fiscal Year Posting Period Ledger		2007 4 0L		
Co	ltm	L.item	ΡK	S	G/L Account	G/L account name		Amount	Curr.	Profit Center	Segment 🍼	
1000	1	000001	40		100000	Petty cash		1.000,00	EUR	1005	40000	
1000		000004	50		194500	Clearing w/ BA 0000		1.000,00-	EUR			
1000	2	000002	50		100000	Petty cash		1.000,00-	EUR	1200	10000	
1000		000003	40		194500	Clearing w/ BA 0000		1.000,00	EUR			

Figure 4 Balanced document for the 'Segment'

Additionally, Simulated New GL document also shows the details of postings to the Leading Ledger (**0L**). If you want to see how the postings to other ledgers (for example,

Non-Leading Ledgers), choose appropriate Ledger (ZQ in this example) and it shows the simulated New GL document for the Ledger **ZQ** as shown in **Figure 5**.

⊑ List ⊘	ビ List Edit Goto Views Settings System Help ②														
Gei	General Ledger Simulation														
	🕄 🛆 🖓 🍞 📓 🚳 🕾 🖓 🐨 🎭 🖪 🖽 🖽 🖽 🐨 🖬 🖬 📽 Ledger 🖳 Expert Mode 👬 Currency 🐼 Reset														
Doct Refe Curr	imer renc ency	ntDate 0 e / E	)1.04 EUR	.2007	7	Posting Date Cross-co. code no. Ledger Group	01.04.	2007	Fiscal Ye Posting Ledger	≽ar Period		2006 10 ZQ			
C 1	ltm	L.item	PK	S G/L	_ Account	G/L account name				Amount	Curr.	]			
1000	1	000001	40	10	0000	Petty cash				100,00	EUR				
	2	000002	50	10	0000	Petty cash				100,00-	EUR				
		000003		19	4500	Clearing w/ BA 000	0			0,00	EUR				

Figure 5 Simulated New GL Document for the ledger ZQ

For ZQ Ledger, you may want the document to be posted to different fiscal period, accordingly, it maybe posted to different period.

#### **Expert Mode - New GL Simulation**

New GL also offers more powerful '**Expert Mode**', with more details and provides very useful information on what configuration rules were used especially for document splitting.

Click on 'Expert mode' **Expert Mode** and system shows the simulated document as shown in **Figure 6**.

🖙 Simulation of Document Splitting: Expert Mode							$\boxtimes$	
Configuration of Doc. Splitting								
Parameter	Val.							
Reference Transact.	BKPF							
Splitting Method	0000000012							
Business Transaction	0000							
Business Transaction Variant	0001							
Deriv. via Doc. Type	SA							
Zero Balance Method	Р							
Document Display								
Document Display								
😼 🚖   🛗   🚉 🗉 🖷 🗈   🍰 Display Cro	۷							
Company Code / Item Acct Assgmt Cat.	Assignment Ori Ite I	Pos_ G	%L Acc	Item cat.	Amount	Crcy Bus.	Profit Ctr	Segment
▽ 🔄 1000								
🖹 000000001 🛛 Base Line	14	0 10	00000	04000	100,00	EUR	1005	40000
🗎 000000002 Base Line	2 5	50 10	00000	04000	100,00-	EUR	1200	10000
0000000003 Clearing Line	1	0 19	94500	01001	100,00	EUR		10000
000000004 Clearing Line	(	50 19	94500	01001	100,00-	EUR		40000

Figure 6

Simulated New GL document in Expert Mode

Within the Expert mode, I wanted to elaborate and demonstrate, two additional very

useful features available (i) Log of Messages	and (ii) Customizing rules for
Document Splitting	



Log provides the detailed log of error/warning messages that could have occurred during the document splitting.

For example, if the system could not determine the segment, it will issue the logmessage as shown in **Figure 7**.

Ger	neral Ledger Simulation							
	a 7 7 2 6 9 3 9 7 9 1	6   🎟 💷	🖼 📘 🖻 Ledger	PB E	xpert Mode 🚦	Currency	🕢 Reset	
Docu Refe Curre	iment Date 01.04.2007 Posting Date rence Cross-co. code no. ency EUR Ledger Group	01.04.2007	Fiscal Year Posting Period Ledger		2007 4 0L			
C 1	Itm Litem PK S G/L Account G/L account name		Amount	Curr.	Profit Center	Segment		
1000	1 000001 40 100000 Petty cash		10,00	EUR			_	
	2 000002 50 100000 Petty cash		10,00-	EUR				
	🔄 Simulation of Document Splitting: Expert Mode							
	Configuration of Doc. Splitting							
	Parameter	Val.						
	Reference Transact.	BKPF						
	Splitting Method	0000000012						
	Business Transaction	0000						
	Business Transaction Variant	0001 GA						
	Zero Balance Method	P						
		1						
	Company Code (Item Acrt Assemt Cat		esianment Oriain		te Pos Gi	LAcc Item	cat Amount	Crev Bus
			congration, origin			Line Inclin	and ranount	010, 003.
	🖹 000000001 Base Line				1 40 10	0000 0400	0 10,00	EUR
	■ 000000002 Base Line				2 50 10	0000 0400	0 10,00-	EUR
						-		
	C Document lines: Display message	s						
		3 🕼 🛯 🛂						
	Type Item Message Text		LTxt					
	000 Balancing field "Segment" in 000 Balancing field "Segment" in	n line item 001	not filled இ					

Figure 7 Log of messages

#### **Important Note:**

Please note that the classic GL simulation will not issue the error-message that the balancing field 'Segment' is missing. This error-message will appear only in New GL Simulation mode.

#### **Customizing for Document Splitting**



Within the Expert mode of New GL simulation, you can choose the 'Customizing for Document Splitting' icon and system lists all the configuration rules. This helps you understand how system used the document splitting as shown in **Figure 8**.

_	1 0		0					
🖻 Simulation of Document Splitting: Expert Mode								
Configuration of Doc. Splitting								
Parameter	Val.							
Reference Transact.	BKPF							
Splitting Method	000000012							
Business Transaction	0000							
Business Transaction Variant	0001							
Deriv, via Doc. Type	SA							
Zero Balance Method	Р							
🔄 Customizing for Document Splitting								
Splitting Method0000000012 Splitting: SBusiness Transaction0000 UnspecifieTrans. Variant0001 StandardAcct. determ.000 Standard	Same as 00000000 ed posting account for zero balance							
Item Categories Name Additional Information								
▷ 🛄 Assigned Item Categories ▽ 🛄 Item Categories To Be Split								
🗢 🔄 01100								
<ul> <li>Distribut. Rules</li> <li>Base Item Categories</li> </ul>								
Figure 8 Customizing for Document	Sulitting							

*Figure 8 Customizing for Document Splitting* 

You can expand on the 'Assigned item categories', 'Distribution rules', 'Base Item categories' to get more details on the customizing rules as shown in **Figure 9** and **Figure 10**.

P Customizing for Document Splitting         Splitting Method       0000000012 Splitting: Same as 00000000         Business Transaction       0000					
	Item Categories	Name	Additional Information		
Assigned Item Categories					
	01000	Balance Sheet Account	-		
	01100	Company Code Clearing			
	01300	Cash Discount Clearing			
	02000	Customer			
	02100	Customer: Special G/L Transac	; ;		
	03000	vendor			
	03100	Vendor: Special GIL Transactio	r		
	04000	Cash Account			
	05100	Taxes on Sales/Purchases			
	05200	Withholding Lax			
	06000	Material			
	07000	Asset			
	20000	Expense			
	30000	Revenue			
	40100	Cash Discount (Expense) Revel			
	40200	Exchange Rate Difference			
	80000	Customer-Specific Item Catego			
Item Categories To Be Split Control of the Split					
V UTTUU					
🗸 🖂 Distribut. Rules					
<ul> <li>✓ X</li> </ul>					

*Figure 9 Assigned Item categories* 

🖻 Customizing for Document Splittir	ng			×
Splitting Method         00000000           Business Transaction         0000           Trans. Variant         0001           Acct. determ.         000	12 Splitting: Sam Unspecified p Standard Standard acco	ne as 00000000 posting punt for zero balance		
V 2				
	Item Categories	Name	Additional Information	
🕞 🚞 Assigned Item Categories				
🗢 🔄 Item Categories To Be Split				
🗢 🧰 01100				
🗢 📄 Distribut. Rules				
			Base Items from Company Code of Item To Be Split	
E V Base Item Categories			opining Osing Base items	
	01000	Balance Sheet Account		
	01300	Cash Discount Clearing		
	02000	Customer		
	03000	Vendor		
	04000	Cash Account		
	05100	Taxes on Sales/Purchases		
	05200	Withholding Tax		
	06000	Material		
	07000	Asset		
	20000	Expense		
	30000	Revenue		
	40100	Cash Discount (Expense/Reve	r	
	40200	Exchange Rate Difference		
<ul> <li>✓ ×</li> </ul>			<u></u>	
Figure 10 Distribu	tion rules a	nd Base Item Catego	ories	

New GL Document Simulation After the documents are already posted

Sure, it is not expected that the analysts entering the thousands of transactions to simulate the New GL documents every time they post transactions, i.e. real-time. It will be very time-consuming and also it will not serve the purpose. However, this feature is especially very useful when you are in the design phase of implementing the New General Ledger. I cannot emphasis enough the importance of testing the New GL functionalities, in fact, SAP strongly recommends to involve them during the migration phase. This feature can be of extreme value to the team implementing New GL and validating their design rules.

But, what if you have already posted the New GL document and wanted to know how system applied the document splitting rules? Don't worry – mySAP ERP system offers a program **FAGL\_SHOW\_SPLIT** for this purpose. With this program, you can get very detailed information on split document (as shown in **Figure 11**) and also what splitting rules were applied.

⊡ Program Edit <u>G</u> oto System <u>H</u> elp	
🖉 🚺 🖣 🖡	] 😋 😧 📘 尚 能 🌣 🌣 🎝 📰 📰 🖉
Simulation of Document	Splitting: Expert Mode
🕒 🔳	
Document Key from Entry View	
Company Code	1000 @
Fiscal Year	2007
Document Number	10000099

*Figure 11 Simulation of Document splitting using FAGL\_SHOW\_SPLIT* 

The program FAGL\_SHOW\_SPLIT displays as shown in Figure 12:

- The accounting document after system applying document splitting rules
- The configuration settings for the business transactions in Customizing for document splitting
- The detailed log of error/warning messages that could have occurred during the document splitting.

Configuration of	Doc. Splitting									
Parameter		Val.								
Reference Transact.		BKPF								
Reference Document		010000	0099							
Reference Org Unit		100020	07							
Splitting Method		000000	0012							
Business Transaction		0000								
Business Transaction Var	iant	0001								
Deriv. via Doc. Type		SA		· · · · · ·						
Zero Balance Method		P								
Document Dis	splay	у								
Company Code / Item	Acct Assgmt Cat.	Assignm_	Ite Pos_	G/L Acc	Item cat.	Amount	Crcy	Bus. Ar	Profit Ctr	Segment
🗢 🔄 1000										
00000000000001	Base Line		1 40	100000	04000	100,00	EUR		1005	40000
000000002	Base Line		2 50	100000	04000	100,00-	EUR		1200	10000
000000003	Clearing Line		40	194500	01001	100,00	EUR			10000
000000000000000000000000000000000000	Clearing Line		50	194500	01001	100,00-	EUR			40000

Figure 12 Results of program FAGL\_SHOW\_SPLIT

Simulation of Document Splitting: Expert Mode

## Tip: Testing Document Splitting

New GL offers one of the most powerful features called as 'Document Splitting'. With Document Splitting, accounting line items are split according to specific dimensions. This way, you can create financial statements for entities such as 'Segments' and meet the legal requirements (for example, IAS requirements for segment reporting).

#### **Document Splitting Configuration**

The document splitting configuration is done in IMG at 'IMG -> Financial Accounting New -> General Ledger Accounting (New) -> Business Transactions -> Document Splitting' as shown in **Figure 1**.

- F · · · O	
▽ F	inancial Accounting (New)
Þ	Financial Accounting Global Settings (New)
$\bigtriangledown$	General Ledger Accounting (New)
Þ	Master Data
$\bigtriangledown$	Business Transactions
⊳	G/L Account Posting - Enjoy
$\bigtriangledown$	Document Splitting
	<ul> <li>Information on Document Splitting</li> <li>Classify G/L Accounts for Document Splitting</li> <li>Classify Document Types for Document Splitting</li> <li>Define Zero-Balance Clearing Account</li> <li>Define Document Splitting Characteristics for General Ledger Accounting</li> <li>Define Document Splitting Characteristics for Controlling</li> <li>Define Post-Capitalization of Cash Discount to Assets</li> <li>Edit Constants for Nonassigned Processes</li> <li>Activate Document Splitting</li> <li>Extended Document Splitting</li> </ul>

Figure 1 IMG Configuration for Document Splitting

Once you configured settings for document splitting, you can activate the document splitting using 'Activate Document Splitting' as show in **Figure 2**.

Image: Structure       Image: Structure       Image: Structure	Change View "Activate D	ocument Splitting": Details
Dialog Structure	🦅 🐼 🔂 🛃	
Activate Document Splitting     Method     O000000012     Splitting: Same as 0000000002 (Follow-Up Costs Online)      Level of Detail     Inheritance     Standard A/C Assgnmt     Constant     O	Dialog Structure ᠿ Activate Document Splitting ᠿ Deactivation per Company Code	Activate Document Splitting         Document Splitting         Method       000000012         Splitting: Same as 000000002 (Follow-Up Costs Online)         Level of Detail         Inheritance         Standard A/C Assgnmt         Constant

Figure 2

Activate Document Splitting

#### **Real-Life Situations**

Let's look at potential real-time situation. As a part of the New GL Team, you are working on designing and implementing the New GL in your organization. As a part of that pilot project, say, you have been designing the business rules for segment reporting and part of that working on document splitting in your development box. As a part of initial exploration, you configured the document splitting rules and you activated the document splitting as shown in Figure x. You tested it by posting a financial document in your specific Company Code and say, it correctly posted the New GL Document.

You feel honky-dory until someone else from other teams complains that he/she is not able to post the financial documents in other company code(s). System issues errormessage like "There is no item category issued to account". Specifically, the errormessage (GLT-2076) looks like as shown in **Figure 3**.



# Recommendation: Activate the Document Splitting One Company Code at a time in the test environment

When you activate the Document splitting, system activates the document splitting at the whole client-level, in other words, for all the company codes. As described here, if you are in the early stage of exploration of New GL, you may not be all ready with splitting business rules quite as yet. Also, it requires thorough testing with various processes.

So, what to do? How not to interrupt other groups?

Recommendation is that is you can activate document splitting for the specific company code only. In the configuration, you can DE-activate the document splitting for all other company codes (other than the one you are working on for New GL project) as shown in **Figure 4**.

Change View "Deactivati	on	per Compa	any Code": Overvie	w	
💅 New Entries 🛅 🔒 🐼 🛃 🚍	] [	3			
Dialog Structure		Deactivation per (	Company Code		
Activate Document Splitting		Company Code	Company Name	Inactive	1979
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		0008	IDES US INC New GL 8	Image: A start of the start	
		0100	IDES Japan 0100	¥	
		0110	IDES Japan 0110	×	
		1000	COES AG		
		1002	Singapore Company	<b>V</b>	
		2000	IDES UK		
		2100	IDES Portugal		
		2200	IDES France		
		2201	IDES France affiliate	✓	
		2300	IDES España	<b>V</b>	
		2400	IDES Filiale 1 IT Ko.1000		
		2500	IDES Netherlands	✓	
		2600	IDES IDES Italia	<ul> <li>Image: A start of the start of</li></ul>	
		2700	IDES Schweiz		
		2800	China	✓	
		3000	IDES US INC	<ul> <li>Image: A start of the start of</li></ul>	
		3010	Euro Subsidiary - Belgium		
		3050	IDES Subsiduary UK	<b>V</b>	
		3500	IDES Cons. Integration		
		4000	IDES	Image: A start of the start	
		4100	Korea	Image: A state of the state	

Figure 4 Deactivation of Document Splitting per Company Code

In my example, I am configuring document splitting for Company code 1000, so, I would de-activate document splitting for all other company codes by setting **Inactive** checkbox. So, someone working in, say Company code 3000, will not get the error-message and he/she can continue the normal work.

Note that by selectively activating for one company code only, you will not be able to create any cross-company-code transactions with different document splitting settings. However, once you have tested the transactions sufficiently and are ready to extend the document splitting to other company code, you can reset the Inactive checkbox for that company code.

#### **Best Practice**

In simple terms, follow these steps for testing document splitting, once you Define Document Splitting rules (Pre-requisite)

- 1. Deactivate for all company codes, except for one.
- 2. Test the Document splitting for that one company code
- 3. Activate Document splitting for next company code by re-setting the Inactive checkbox
- 4. Test the document splitting for the next company code
- 5. Test the cross-company-code transactions
- 6. Repeat the steps 3-through-5 for all required company codes

#### Summary

Sure, you may need to activate the document splitting for all your company codes in the final production environment. But, when you are in the development/test environment with multiple initiatives going on simultaneously, you want to test all your processes thoroughly but also do not want to adversely impact others. By selectively activating the document splitting, especially in the development/test environment (let me emphasize again), you can significantly reduce the impact.

## Tip: Review Document Splitting Rules

New GL offers one of the most powerful features called as 'Document Splitting'. With Document Splitting, accounting line items are split according to specific dimensions. This way, you can create financial statements for entities such as 'Segments' and meet the legal requirements (for example, IAS requirements for segment reporting).

Standard Document Splitting rules are pre-defined in the mySAP ERP system. These splitting rules are available in the IMG using at 'IMG -> Financial Accounting New -> General Ledger Accounting (New) -> Business Transactions -> Document Splitting -> Extended Document splitting -> Define document splitting Rule', as shown in **Figure 1**.

$\sim$		Finan	icial Accounting (New)
D		Fi	inancial Accounting Global Settings (New)
$\bigtriangledown$		G	eneral Ledger Accounting (New)
	D		Master Data
	$\bigtriangledown$		Business Transactions
		D	G/L Account Posting - Enjoy
		$\bigtriangledown$	Document Splitting
			lnformation on Document Splitting
			🛃 🕒 Classify G/L Accounts for Document Splitting
			🛃 🕒 Classify Document Types for Document Splitting
			🛃 🕒 Define Zero-Balance Clearing Account
			🗟 🚯 Define Document Splitting Characteristics for General Ledger Accounting 🚽
			🛃 🕒 Define Document Splitting Characteristics for Controlling
			🛃 🕒 Define Post-Capitalization of Cash Discount to Assets
			🛃 🕒 Edit Constants for Nonassigned Processes
			🛃 🕀 Activate Document Splitting
		$\bigtriangledown$	Extended Document Splitting
			Information on Extended Document Splitting
			🔜 🕒 Define Document Splitting Method
			📓 🕒 Define Document Splitting Rule
			📸 🤩 Assign Document Splitting Method
			📄 🚯 Define Business Transaction Variants

*Figure 1 Configuration for Document Splitting Rules* 

Choose 'Define Document Splitting Rule' and you will get an overview screen of document splitting rules, as shown in **Figure 2**.

8 I I I I I I I I I I I I I I I I I I I						
Change View "Header data": Overview						
Dialog Structure	Method Spl_ Transact	n. Business transaction	Variant	Variant		
Call Header data	0000000001 Splitti 0000	Unspecified posting	0001	Standard		
Item categories to be edited	0000000001 Splitti 0100	Transfer posting from P&L to B/S	0001	Standard		
Base item categories	0000000001 Splitti 0200	Customer invoice	0001	Standard		
	0000000001 Splitti 0300	Vendor invoice	0001	Standard		
	0000000001 Splitti 0400	Bank account statement	0001	Standard		
	0000000001 Splitti 0500	Advance tax return (regular tax bu	0001	Standard		
	0000000001 Splitti 0600	Goods Receipt for Purchase Ord	0001	Standard		
	0000000001 Splitti 1000	Payments	0001	Standard		
	0000000001 Splitti 1010	Clearing transactions (account n	0001	Standard		
	0000000001 Splitti 1020	Resetting cleared items	0001	Standard		
	0000000002 Splitti 0000	Unspecified posting	0001	Standard		
	0000000002 Splitti 0100	Transfer posting from P&L to B/S	0001	Standard		
	0000000002 Splitti 0200	Customer invoice	0001	Standard		
	0000000002 Splitti 0300	Vendor invoice	0001	Standard		
	0000000002 Splitti 0400	Bank account statement	0001	Standard		
	0000000002 Splitti 0500	Advance tax return (regular tax bu	0001	Standard		
	0000000002 Splitti 0600	Goods Receipt for Purchase Ord	0001	Standard		
	0000000002 Splitti 1000	Payments	0001	Standard		
	0000000002 Splitti 1010	Clearing transactions (account n	0001	Standard		
	0000000002 Splitti 1020	Resetting cleared items	0001	Standard		
	0000000012 Splitti 0000	Unspecified posting	0001	Standard		
	0000000012 Splitti 0100	Transfer posting from P&L to B/S	0001	Standard		
	0000000012 Splitti 0200	Customer invoice	0001	Standard		
	0000000012 Splitti 0300	Vendor invoice	0001	Standard		
	0000000012 Splitti 0400	Bank account statement	0001	Standard		

Figure 2

Document Splitting Rules

#### Tip!

You can maintain Document Splitting Rules directly using transaction code **GSP\_RD**. Using the IMG menu-path, the screen does not show the correct transaction via 'system > status'.

Document Splitting Rules have details on splitting Method, business transaction, transaction variant, Level of Details, Account Determination for zero-balance items, Control data for processing category, Detail control with allocation, checking for tax code and cash discounts, base item categories and so on. All these settings are scattered across multiple screens/sub-screens accessed via 'Dialog Structure' on the left-pane with clicking on 'Header data', 'Item categories to be edited', 'Base item categories' and more as shown in **Figure A**.

Dialog Structure	Splitting Method	0000000	912	
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halog Structure	Soliting Method	0000000012 5a	itting: Same as 0000000002 (Follow-Up Costs 0	
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Figure A

Multiple screens for maintaining Rules

#### Hidden Tip

As a part of New GL project, you would spend reasonably good amount of time reviewing and analyzing the splitting rules. Especially, if delivered functions are not sufficient and you are creating your own rules, you will want to make sure you adapt the settings carefully.

So that you can review these rules carefully, you will need to carefully review the details on multiple screens like 'Header data', 'Item categories to be edited', 'Base item categories'.

Instead of clicking on these different screens to get different details, you can simply click

on 'Print' icon to get an overview of the document splitting rules with all the relevant information in one place, as shown in **Figure 3**.



*Figure 3 Details for Document Splitting rules in one Overview screen* 

As you can see, this overview screen shows all the pertinent details like Splitting Method, Accounting Transaction, transaction variant, Assigned item categories (can be expanded upon), account determination of 0 for zero-balancing, item categories to be split and more in one place. The single-screen overview helps for you to analyze all the settings easier.

You would think that the print icon would print the contents to the printer, but, I stumbled upon this cool feature of showing all the relevant details on one overview screen, by accident.

# Appendix: Brief Description of IAS 14 / IFRS 8

International Financial Reporting Standards (IFRS), often known by the older name of International Accounting Standards (IAS) are a set of accounting standards. They are issued by the International Accounting Standards Board (IASB).

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

#### Note:

IAS 14 is replaced by IFRS 8 Operating Segments effective for annual periods beginning 1 January 2009.

#### [Source: International Accounting Standards Board (IASB)(www.iasb.gov)

Core principle - An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

The IFRS requires an entity to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria.

The reportable segments are the operating segments for which a majority of their revenue is earned from sales to external customers and for which:

- Revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or
- Segment result, whether profit or loss, is 10% or more the combined result of all segments in profit or the combined result of all segments in loss, whichever is greater in absolute amount; or
- Assets are 10% or more of the total assets of all segments.

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Source: International Accounting Standards Board (IASB)]

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#### About the Company

Quality Systems & Software (QS&S) is a leading business and technology consulting firm that enables companies to achieve their strategic business goals. QS&S specializes in delivering superior IT solutions using ERP systems, with special focus on SAP products.

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Mitresh Kundalia heads the SAP practice division at Quality Systems & Software (QS&S). Mitresh is widely acknowledged as a leading SAP expert and has been through various SAP assignments, including strategic planning, fresh implementations, upgrades, post go-live support and production support projects. With an MBA degree in finance, Mitresh manages implementations of Financial and Logistics applications with a special focus on Management reporting, Profitability Analysis, New GL and Business Intelligence.

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