

## Highlights of the New General Ledger

With the advent of mySAP ERP 2004, the financials in SAP have been vastly enhanced to meet various customer needs. Not only are new features introduced in the general ledger, but some existing functionalities within other areas have been modified to support the New General Ledger (GL).

### **Ledgers**

Additional ledgers are now a feature of the general ledger, incorporating Special Purpose Ledger functionality into the general ledger space. A single user interface now makes data entry much easier for posting specific entries to these additional ledgers and supports parallel accounting.

### **Segmental Accounting**

Segment is a new organizational object introduced to assist companies in meeting their segmental reporting needs. A characteristic of the New GL, segment operates in a similar fashion to business areas, but has the advantage of being directly associated to profit centers and therefore, can produce accurate segmental reporting information, regardless of the business partners involved. They typically represent lines of businesses or geographic regions of an organization.

### **Parallel Accounting**

Parallel accounting has been enhanced with the introduction of "Accounting Principles". These are directly associated with ledgers, thereby providing a great opportunity to leverage the power of ledgers when defining your parallel accounting needs.

### **Document Splitting**

Document splitting allows you to display documents using a differentiated representation in the New GL. In essence, what document splitting does is assign selected characteristics to all line items in a financial document, which may include business areas, functional areas, profit centers and/or segments, or any combination of these. Zero-balancing documents facilitate the delivery of balanced financial statements below the company code level, by ensuring that every financial document nets to zero by the defined characteristics.

### **Real-Time Integration**

Real-time integration replaces the CO reconciliation ledger. The purpose of the real-time integration is to ensure that movements between predefined New General Ledger characteristics in Controlling (CO) are captured in the New GL, for example profit centers.

### **Profit Center Accounting**

Profit centers are a characteristic of the New GL. For new installs, it is recommended that profit center accounting no longer be activated and that profit centers be used within the New GL. For existing customers using profit center accounting (PCA), SAP does not recommend prolonged parallel use of the ledger 8A. As of release mySAP ERP 2004,

much of the inherent functionality in PCA is no longer available. We refer you to SAP Note No. 826357 for a detailed discussion on the functionality of PCA in the New GL.

### **Cost of Sales Accounting**

Cost of sales accounting is now managed in financial accounting and is represented by the characteristic Functional Area. No change to the functionality has occurred.

### **Allocations**

Allocations are now supported in the New GL. Any characteristic of the New GL may be allocated using either distributions or assessments. Assessment general ledger accounts must be created to support the assessment process. Allocations can be performed for both actual and plan values.

### **Planning**

Planning can now be carried out in the New GL. The planning process is similar to that of planning in Controlling. Since planning creates postings in the New GL, the posting period variant must be open to facilitate updates to future periods.

### **Technical Updates**

The two main financial tables, BKPF (document header) and BSEG (line item details), remain intact. In order for postings to flow to the New GL, they must pass through these two tables. In addition, there are two new key tables that represent the New GL – FAGLFLEXT, the new totals table, and FAGLFLEXA, the new line item table.

Odyssey Business Consulting Services Inc. have highlighted some of the key features that can be found in the New GL. Look for our upcoming editions of the **Odyssey Quarterly** for further discussion on each of these topics. We welcome your feedback; please contact us to share your thoughts and ideas.

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Stuart Paradies is the Solution Leader of Odyssey Business Consulting Services Inc., a Canadian-based consulting firm providing project management and integration expertise in SAP solutions. We specialize in mySAP ERP Financials including the implementation and migration to the New General Ledger. We are recognized as the foremost professionals in providing new and sought after functionalities, such as, segmental reporting, parallel currencies and document splitting capabilities in mySAP ERP2004 and mySAP ERP2005.

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