

## Parallel Accounting using the New General Ledger

Parallel Accounting is not new to SAP; however, this functionality has been streamlined with the introduction of the New General Ledger (GL). Additional ledgers are now an inherent element of the general ledger and greatly support parallel accounting needs.

### *Parallel Accounting*

Parallel Accounting is the vehicle that supports multiple accounting principles in your organization. Accounting principle reporting requirements could include local Generally Accepted Accounting Principles (GAAP), US GAAP, International Financial Reporting Standards (IFRS), or International Accounting Standards (IAS). SAP provides 3 options to portray different accounting principles and these are: (a) additional accounts, (b) additional company code, or (c) additional ledgers.

### *Additional Accounts*

This option is useful for minor deviations in reporting requirements between varying accounting principles and requires the creation of "special accounts" within the operating chart of accounts. The downside is that this could result in a large set of accounts in the chart.

### *Additional Company Code*

Difference postings are made in an additional company code and reporting covers all company codes. There are significant limitations to using this approach and SAP does not recommend it for new implementations.

### *Additional Ledgers*

This is a new feature of the New GL and provides a specific view of a database table. Data recorded in the general ledger is recorded in multiple ledgers. The ledgers are assigned to specific Accounting Principles and difference postings can be recorded to specific ledgers through a single user interface. Foreign currency valuation methods can be assigned to specific ledgers and fixed asset accounting for various accounting principles is managed through the use of depreciation areas and ledgers.

### *Accounting Principles*

Accounting Principles is a new element within the New GL and is a key facilitator in managing various valuations for reporting purposes and results stored in additional ledgers. These are defined in configuration and are then accessible to ledgers.

Organizations need to assess their parallel accounting reporting requirements and in so doing, decide on which approach would be most appropriate. Each of these options comes with both up- and downsides and a thorough understanding of these methods is required to ensure that an optimal solution is implemented.

Look for our future editions of the **Odyssey Quarterly** for further discussion on these topics and more. 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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