

SAP's New General Ledger in ECC 6.0: Document Splitting – Part II

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By Anurag Barua, The Washington Post

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Introduction

In the April/May 2007 issue of SAPtips, I walked you through the key concepts of the New General Ledger (New G/L) in Enterprise Core Component (ECC) 6.0 in the mySAP® ERP 2005 application. I also briefly introduced you to the new document splitting feature – a feature I believe is worth flaunting. In Part II of this series, I will go into the concept of document splitting and will walk you through some of important configuration steps you will need to carry out before you can leverage this feature. Part III, which will conclude this series, will be on the remaining configuration steps, other aspects of document splitting, and some tips and tricks.

Why Document Splitting?

Before we get into the intricacies of splitting, it's worthwhile discussing why document splitting is required. Because of the ability to add new (custom) fields and apply document splitting based on these custom fields, you can create various reports such as income statements, balance sheets, etc. on a more focused and segmented level. The ability to engineer document splitting online (and therefore in real time) is a big benefit, because the information is current and the integrity of the displayed data is maintained. Before the advent of the New G/L, you may have had to run some programs to split

documents as part of your period-end closing processes; this may have resulted in a protracted closing process. By using document splitting, you can accelerate the closing process.

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Document Splitting with a Vendor Invoice: An Example

Let's try to get an understanding of document splitting from an accounting standpoint. Table 1 shows you a snapshot of account postings for a vendor invoice in the classic G/L (i.e., without document splitting). This invoice (for \$140) is posted to a couple of expense lines. Expense 1 belongs to Segment A, and Expense 2 belongs to Segment B. The debit side is made up by a \$20 input tax amount.

Segment	Characteristic (Profit Center)	Account	Credit	Debit
		Vendor	140	
Segment A	Profit Center A	Expense 1		90
Segment B	Profit Center B	Expense 2		30
		Input Tax		20

Table 1: Account Postings in a Non-Split (Classic G/L) World

Segment	Characteristic (Profit Center)	Account	Credit	Debit
Segment A	Profit Center A	Vendor	105	
Segment B	Profit Center B	Vendor	35	
Segment A	Profit Center A	Expense 1		90
Segment B	Profit Center B	Expense 2		30
Segment A	Profit Center A	Input Tax		15
Segment B	Profit Center B	Input Tax		5

Table 2: Account Postings After Document Splitting in the New G/L

Now let's assume that we have configured our New G/L to split at the segment level. Table 2 depicts the result of this split. You will notice that the vendor line and input tax lines are split on a segment level, and the amounts allocated to the lines are in the same ratio to the amounts in the expense lines in the two segments.

Earlier, I had mentioned that document splitting enables segment reporting. It is easy to see how the balance sheet would have looked when reporting was done on Segments A and B prior to splitting. Obviously, it would not have been a balance sheet at a segment level. After splitting, complete balance sheet reporting on segment-level is possible, as you can see in Tables 3 and 4.

Key Configuration Steps

In the IMG menu, configuration for document splitting is done by navigating to the selection, as shown (by the options highlighted in green) in Figure 1.

Assets		Liabilities + S.E.	
<i>Input Tax</i>	15	<i>Vendor</i>	105
		<i>Expenses (Retained Earnings)</i>	-90

Table 3: Balance Sheet – Based on Segment A

Assets		Liabilities + S.E.	
<i>Input Tax</i>	5	<i>Vendor</i>	35
		<i>Expenses (Retained Earnings)</i>	-30

Table 4: Balance Sheet – Based on Segment B