



FINANCE





AJITA SAP
CONSULTING PVT.LTD.

CONSULTING | EDUCATION | ADVISORY SERVICES

info@ajitasapconsulting.com

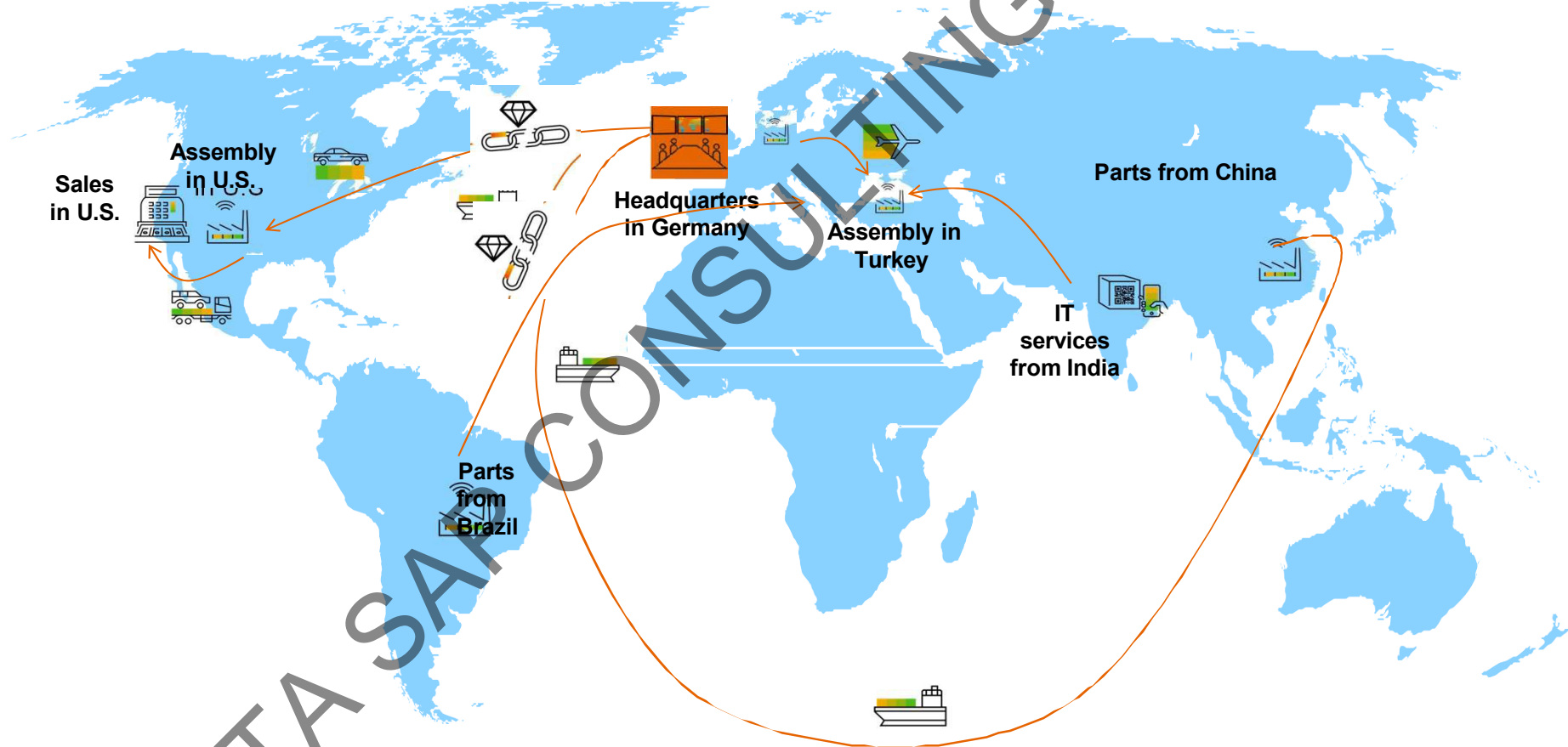
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Introduction/Context for UPA

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Today's Value Chains ...





Financial Requirements for an International Value Chain



Universal Parallel Accounting is always on in the public cloud, but group valuation (scope item 5W2) is optional and must be selected during initial scoping. Universal Parallel Accounting is activated via business function in the private cloud/on premise. Access to the business function is provided by raising an incident on component FI-GL-GL and confirming that the existing scope is accepted following discussions with SAP.



**Parallel Valuations
Unconsolidated views**

International companies need to follow parallel accounting standards for Group and Local GAAP (affecting inventory valuation, WIP, asset values etc.).

**Alternative Fiscal Year
Country Fiscal Year**

Companies operating in certain countries require a fiscal year variant for their local financial reporting which is deviating from their fiscal year variant for their central reporting on group level.

**Parallel Valuations
Consolidated views (Group Valuation)**

For steering purposes, customers require a group view where intercompany profits between trading partners are eliminated in real-time.

Multicurrency Capabilities

In internationally operating companies, financial and management reporting needs to be available in several currencies, including beyond local and group currency additional currencies such as functional currency.

Many future innovations in core areas like asset accounting, inventory accounting, overhead accounting, production accounting and sales accounting will be based on Universal Parallel Accounting.

Overview

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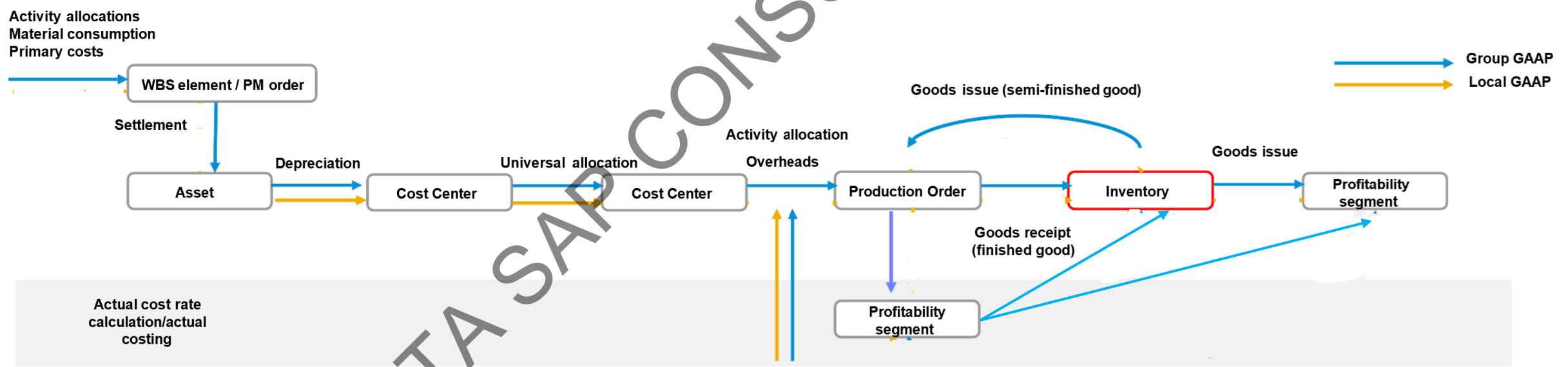
Sources for differences between GAAPs

- Different capitalization rules per GAAP for materials
- Different depreciation keys/useful life...
- Ledger-specific postings, e.g. provisions

Impact on follow-on processes

- Allocations, overheads
- WIP, Variance Analysis
- Actual Costing
- ...

E2E Value Flow - Example





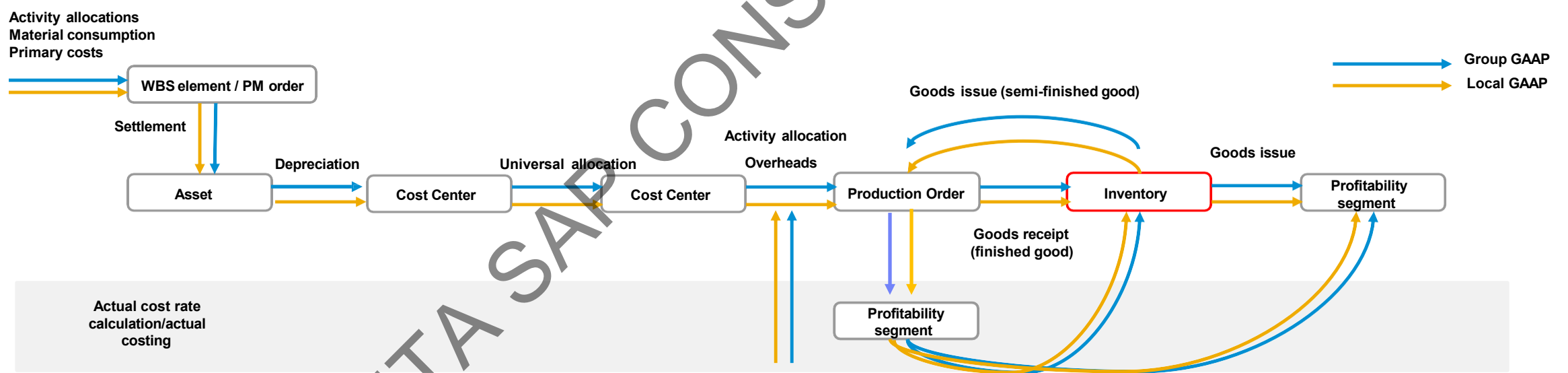
Sources for differences between GAAPs

- Different capitalization rules per GAAP for materials
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- Ledger-specific postings, e.g. provisions

Impact on follow-on processes

- Allocations, overheads
- WIP, Variance Analysis
- Actual Costing
- ...

E2E Value Flow - Example





Activation

- Universal Parallel Accounting was initially delivered for Greenfield customers as an optional feature in OP2022 and extended in OP2023
- Universal Parallel Accounting is activated via Business Function (FINS_PARALLEL_ACCOUNTING_BF)
- First transition scenarios are delivered with OP2023 – activated via Business Function (FINS_UPA_MIGRATION)
- Universal Parallel Accounting comes with **a certain scope**, i.e. includes scope changes and scope restrictions, which have to be accepted in case of activation (see [note for scope documentation](#))
- Prerequisite for activating the Universal Parallel Accounting Business Function is the implementation of pilot note 3207221

Functionality

- All ledgers and currencies are integrated throughout the different subledgers (Material Ledger, Controlling, Asset Accounting...)
- Multi valuation ledgers are no longer supported, instead, single valuation ledgers are used for additional valuations
- Some newly developed functionality (mainly in the asset accounting and overhead accounting space) is only available via Fiori → **Usage of the Fiori Launchpad incl. the respective apps is a precondition for using Universal Parallel Accounting**

Overhead Accounting

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Without Active UPA

Scenario 1: Classic Planning & Classic Reporting

Use KP06 | Plan data stored in classic CO tables | Use classic allocations | Use classic RP/RW reports

Scenario 2: Classic Planning & New Reporting

Use KP06 | Plan data stored in classic CO tables | Use classic allocations or Universal Allocations | Transfer data to ACDOCP | Use Fiori based reporting

Scenario 3: New Planning & Continue in Classic Planning

Use SAC or Fiori Import Financial Plan Data | Plan data stored in ACDOCP | Transfer data from ACDOCP to classic CO tables | Use Classic Allocations | Transfer data back to ACDOCP | Use Fiori based reporting

Scenario 4: New Planning & New Reporting

Use SAC or Fiori Import Financial Plan Data | Plan data stored in ACDOCP | Use Universal Allocations | Use Fiori apps-based reporting

With Active UPA

- Only Scenario 4 is the available option
- Classic planning and reports no longer available

Note: Fiori apps for reporting can be found under the role Overhead Accountant



Without Active UPA

Classic Allocations

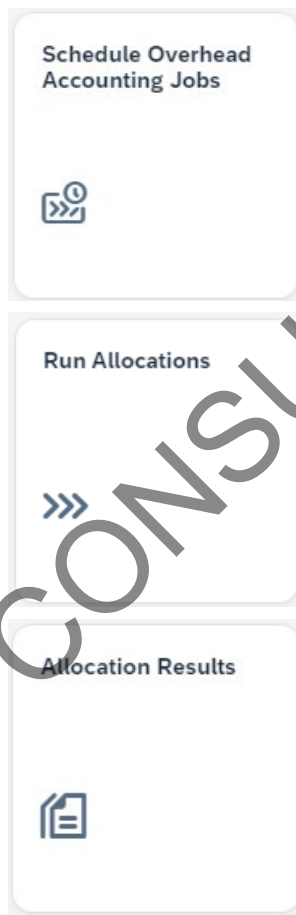
Distribution cycles (KSV*) or Assessments (KSU*)

Not supported by ledger

Universal Allocations

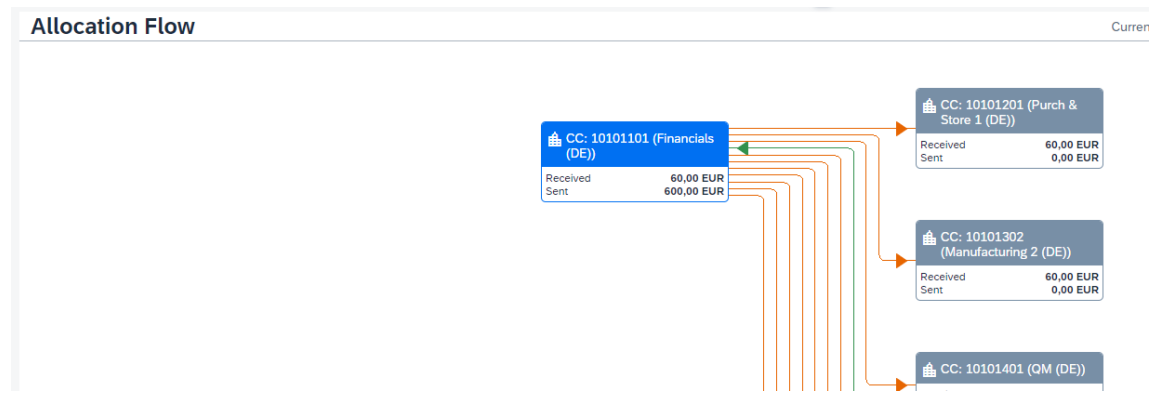
Use Fiori UI

Ledger-based allocations possible



With Active UPA

- Universal allocation will run per ledger
- Allocation cycles are defined by ledger
- Flexible ledger cycles
*if a cycle definition is valid for all parallel ledgers, a cycle can be marked as flexible ledger cycle.
Cycle is defined once, can be executed in all parallel ledgers (values will still be processed per ledger)*
- it is possible to start the period end run for several ledgers at once





Without Active UPA

Manual Activity Price Planning

KP26

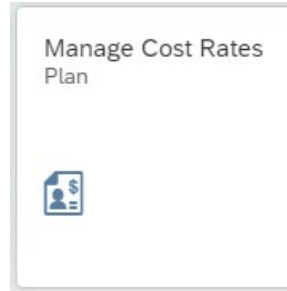
Not supported by ledger

Automatic Activity Price Calculation

KSS4 (Splitting)

KSPI

Not supported by ledger



With Active UPA

- Option to define **ledger-dependent cost rates**
 - ❖ *If this differentiation is not needed, ledger <blank> can be used.*
 - ❖ *Ledger-independent cost rates are only used, if no ledger-dependent cost rates exist*
- Cost rates are **only updated in transaction currency**, additional currencies will be calculated when cost rates are used
- Cost rates will be stored in **table ACCOSTRATE** instead of table COST
 - ❖ *new Fiori UIs are available to update the new table,*
 - ❖ *The classic transaction for cost rate maintenance cannot be used any longer*
- Service cost rates are only available if BF FINS_CO_ICO_PROC_ENH_101 is active

Without Active UPA

Classic SKF Planning

KP46

New SKF Planning

Use Fiori app Import Statistical Key Figure Plan Data

Table FINSSKF

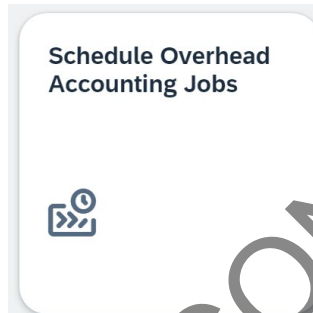
With Active UPA

- Classic SKF planning not supported
- New SKF Planning is the way forward



Without Active UPA

- (Manual) KBK6
- (Auto) KSS2 and KSII
- Only version 0 supported



With Active UPA

- Actual cost rate calculation will calculate cost rates per ledger. *E.g., if there are different actual cost values in 2 different ledgers, there will also be 2 different cost rates calculated*
- Automatic activity price can be calculated by KSII | maintained manually by the Fiori UI | Scheduled as background job using Fiori UI



Without Active UPA

- Settlements only to one receiver across ledgers
- Not possible to settle by ledger



With Active UPA

- Settlement will calculate and post values per ledger/ currency
- There is a new parameter in the settlement profile to activate "ledger settlement". With UPA this must be active for all settlement profiles

Other Parameters

Document Type: SA G/L Account Document

Max.No.Dist.Rls: 10

Residence Time: 3 Months

Currencies/Ldgs: L Settlement parallel ledgers

- Settlement rules can be maintained by ledger. *E.g. Settle to FXA in leading ledger and CTR in local ledger*

Indicators

100%-Validation

%-Settlement

Equivalence Numbers

Amount Settlement

Ledger-Specific Distribution Rules

Summarize Using Source Cost Element



Without Active UPA

- KB21N values activity qty by activity price from version 0
- Not possible to apply different activity prices by ledger

With Active UPA

Allocation Items

Items (1) Standard* v

Sender Cost Center	Sender Activity Type	Receiver Cost Center	Quantity	Total Cost Rate in Trans. Crcy	Amount in Transaction Curre...
10101902	T001	10101904	1.000 H (H)	55.00 EUR	55.00 EUR

activity quantities are ledger-independent

leading ledger values only

SAP Document

300010556 Activity Allocation Results View

Header Information Allocation Items Journal Entries

Items (1) Standard* v

Sender Cost Center	Sender Activity Type	Receiver Cost Center	Quantity	Total Cost Rate in Trans. Crcy	Amount in Transaction Curre...
10101902 (Cstg Unit A (DE))	T001 (Junior Consultant)	10101904 (Customer Dev (DE))	1.000 H	55.00 EUR	55.00 EUR

Journal Entries

Items (2) Standard v

Journal Entry	Source	Ledger Group	Journal Entry Type	Business Transaction Type	Company Code
Journal Entry: 2300002146					
2300002146	0L		CO (Secondary Cost)	RKL (Actual Activity Allocation)	1010 (Company Code 1010)
2300002146	3L		CO (Secondary Cost)	RKL (Actual Activity Allocation)	1010 (Company Code 1010)

separate journal entries for the different ledgers

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Without Active UPA

- Base values for OH calculation and OH rates are not ledger-dependent

Schedule Overhead Accounting Jobs

Run Overhead Calculation Actual

Postprocess Event-Based Postings Overhead Calculation

With Active UPA

- Overhead calculation will run per ledger,
- Base values for overhead calculation are ledger-dependent, overhead percentages are ledger-independent,
- Periodic and event-based overhead calculation is supported

Change View "Costing sheets": Overview

Costing Sheets

Costing Sheet	Description	Evt. based
<input type="checkbox"/> 1010EP	Event based costing sheet (DE)	<input checked="" type="checkbox"/>

- For production scenarios, event-based WIP and event-based overhead calculation has to be used

Inventory Accounting

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Without Active UPA

Valuation Approach

Only one Legal, Group and PC valuation supported

Currency Types

ML supports only 3 currencies

Parallel (Group and PC) Valuation

CVP [Currency + Valuation Profile] is required to set up parallel valuation

Parallel Valuations can be managed in one of the two approaches

- Single valuation ledgers i.e. one ledger per valuation
- Multi-Valuation ledgers i.e. one ledger for all valuations
Often, the Local GAAP is tied to the non leading ledger

With Active UPA

Valuation Approach

Multiple Legal valuations, one Group and PC valuation

Currency Types

All 10 currencies supported consistently

Parallel (Group and PC) Valuation

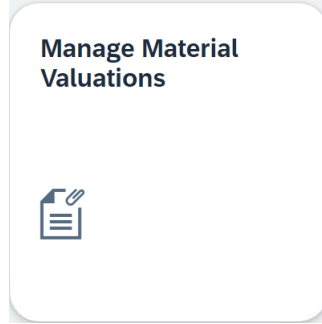
CVP is obsolete

Dedicated ledger per valuation



Without Active UPA

- One standard cost or MAP across all GAAPs
- Inventory values must be corrected manually at period end



With Active UPA

- Inventory valuation price by ledger
- Table FMLT_PRICE
- Accounting view in classic GUI material master screens is enabled to display the valuation price by ledger



Without Active UPA

Actual Costing as per Local GAAP

In certain countries like China or Brazil, inventory needs to be valued at actual cost according to the Local GAAP.

- Often, the Local GAAP is tied to the non leading ledger
- Controlling only “knows” the leading ledger, i.e. cost rates etc. are calculated for the leading ledger
- To address the gap, Parallel COGM business function was introduced requiring complex configuration such as
 - ❖ Mapping of actual versions to accounting principles
 - ❖ Mapping of depreciation areas to versions

With Active UPA

Actual Costing

Actual costing now seamlessly enabled across ledgers
Actual costing run and Material Price Analysis by ledger
Parallel COGM business function is obsolete



SAP Change View "Company Code Settings for the Ledger": Overview

Ledger: 4G Ledger 4G (Group Valuation)

Dialog Structure

- Currency Types
- Global Currency Conversion Setting
- Currency Conversion Settings for C
- ▼ Ledger
 - ▼ Company Code Settings for the Ledger
 - Accounting Principles for Ledger

CoCd	Local Curr. Type	Global Curr. Type	FreeDef Crncy 1	FreeDef Crncy 2	FreeDef Crncy 3
<input type="checkbox"/> 1010	11	31	61	ZG	ZV
<input type="checkbox"/> 1020	11	31	61	ZG	ZV
<input type="checkbox"/> 1030	11	31			
<input type="checkbox"/> 1090	11	31	61	ZG	ZV

Group Valuation is a single valuation ledger (4G with scope item 5W2)

Currency Settings for Group Valuation

- Always include 11 (local currency) and 31 (global currency) – currency and valuation profile is obsolete
- Can include own currencies or delivered currencies with +1 if added during ledger configuration

Currency Settings for Profit Center Valuation (PC with scope item 6VQ)

- Always include 12 (local currency) and 32 (global currency) – currency and valuation profile is obsolete
- Can include own currencies or delivered currencies with +2 if added during ledger configuration

Ledger: PC Profit Center Valuation (Profit Center Valuation)

Dialog Structure

- Currency Types
- Global Currency Conversion Settings
- Currency Conversion Settings for Company
- ▼ Ledger
 - ▼ Company Code Settings for the Ledger
 - Accounting Principles for Ledger and

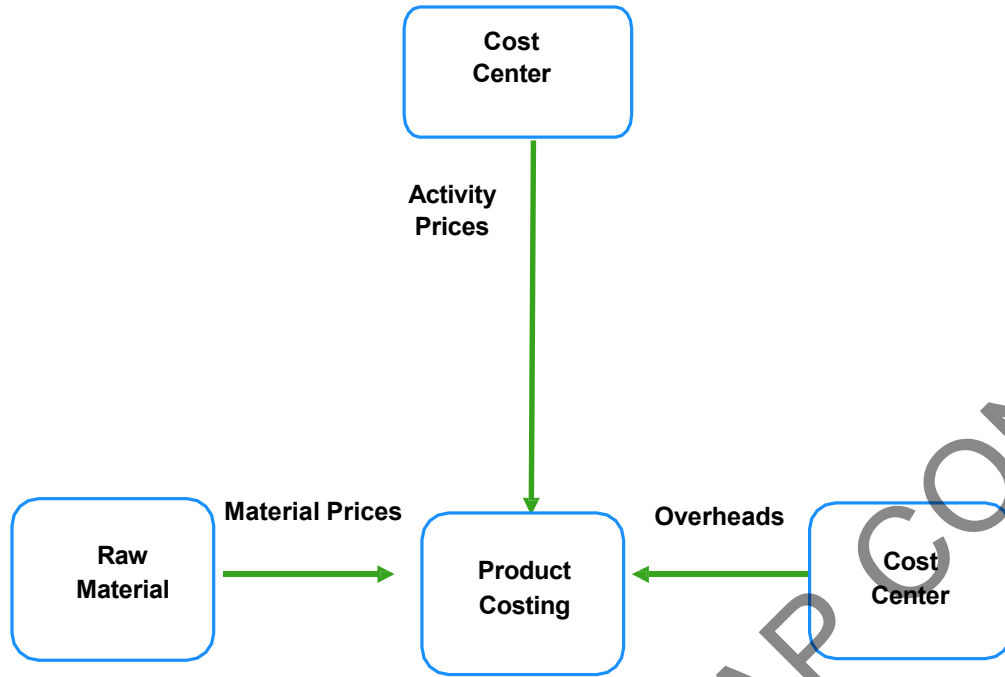
CoCd	Local Curr. Type	Global Curr. Type	FreeDef Crncy 1	FreeDef Crncy 2
<input type="checkbox"/> 1010	12	32	42	ZA
<input type="checkbox"/> 101A	12	32	42	ZA
<input type="checkbox"/> 1210	12	32	42	
<input type="checkbox"/> 1510	12	32	42	
<input type="checkbox"/> 1710	12	32	42	

Product Costing

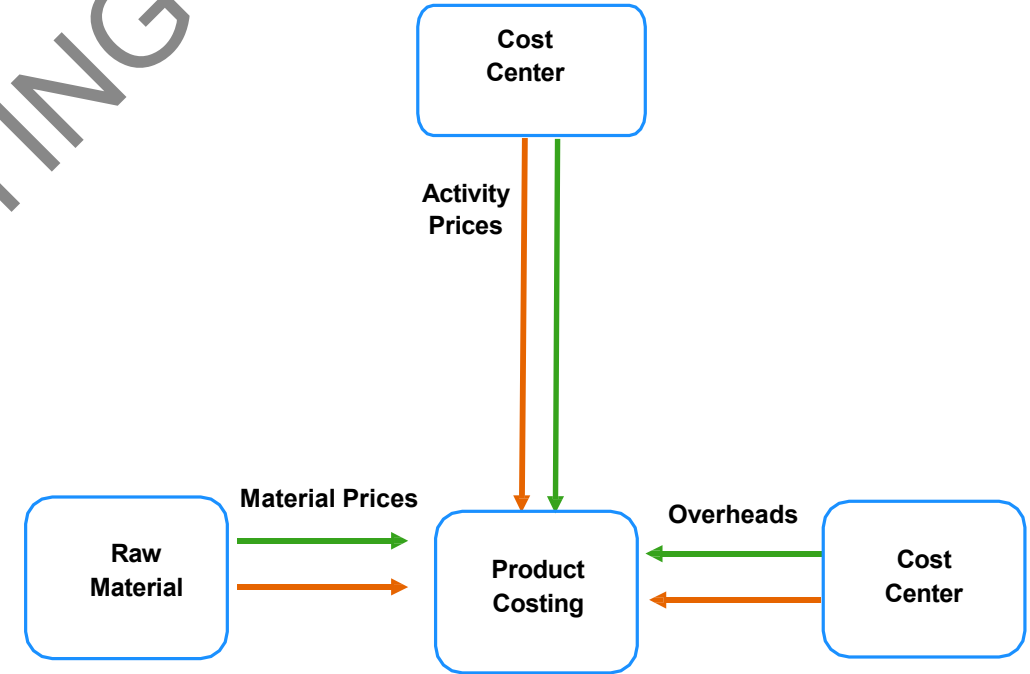
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Without Active UPA



With Active UPA



Key

- Group GAAP
- Local GAAP

- Ledger-specific cost estimates
- Ledger-specific cost Runs
- Ledger-specific costing variants
- Ledger-specific Marking & Release



Ledger-specific Material Cost Estimate

SAP Create Material Cost Estimate with Quantity Structure

Display Next Material Costing Structure Off Detail List Off Hold Information on Cost Estimate Log with All Messages Switch Currency More

Costing Data Dates Qty Struct. Valuation History Costs

Costing Variant: P00L Legal Mat Cst Est Ldgr-0L
 Costing Version: 1
 Costing Lot Size: 100 PC
 Transfer Control: PC01
 Ledger: 0L Ledger 0L

Costing Msgs: 1
 Costing Status: Costed Without Errors

Itemization in Company Code Currency

Item No.	I...	Resource	Cost Element	Total Value
1	E	10101301 ASSEMBLY 3	94303000	15.00

Ledger-specific Costing Run

SAP Edit Costing Run

Create Costing Run Create with Reference Display <> Change Refresh More

Costing Run: JS TEST Description: Janet Test
 Costing Run Date: 04/07/2021

Costing data Dates Valuation Repeat

Costing Variant: P00L Legal Mat Cst Est Ldgr-0L Ledger: 0L Ledger 0L
 Costing Version: 1 Version w/o Customizing
 Company Code: 1010 Company Code 1010
 Transfer Control: PC01 Transfer w/ Plant Change



Costing Variant definition by ledger

Costing Type: 0L Legal + Ledger 0L

Price Update Save Parameters Misc.

Price Update
1 Standard Price

Valuation View
0 Legal Valuation

Ledger
0L Ledger 0L

Ledger-specific Marking & Release

Posting Period/Fiscal Year: 12 2024

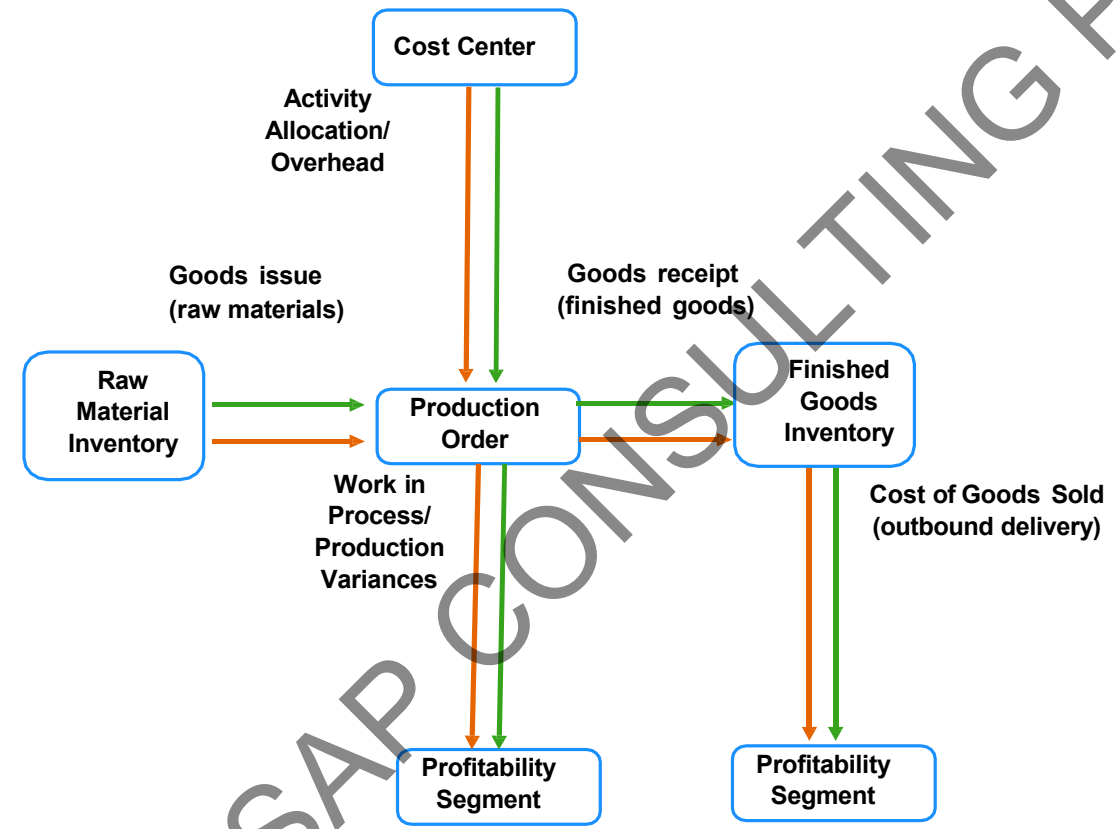
Exe...	Company Code	Name of Valuation Vi...	Ledger	Posting Period	Costing Version	Costing Variant	Released
<input checked="" type="checkbox"/>	1710	Legal Valuation	0L	12	1 P00L		✓
<input checked="" type="checkbox"/>	1710	Legal Valuation	2L	12	1 P02L		✓

Production Accounting

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Cost Flow with Production Accounting



Key
→ Group GAAP
→ Local GAAP

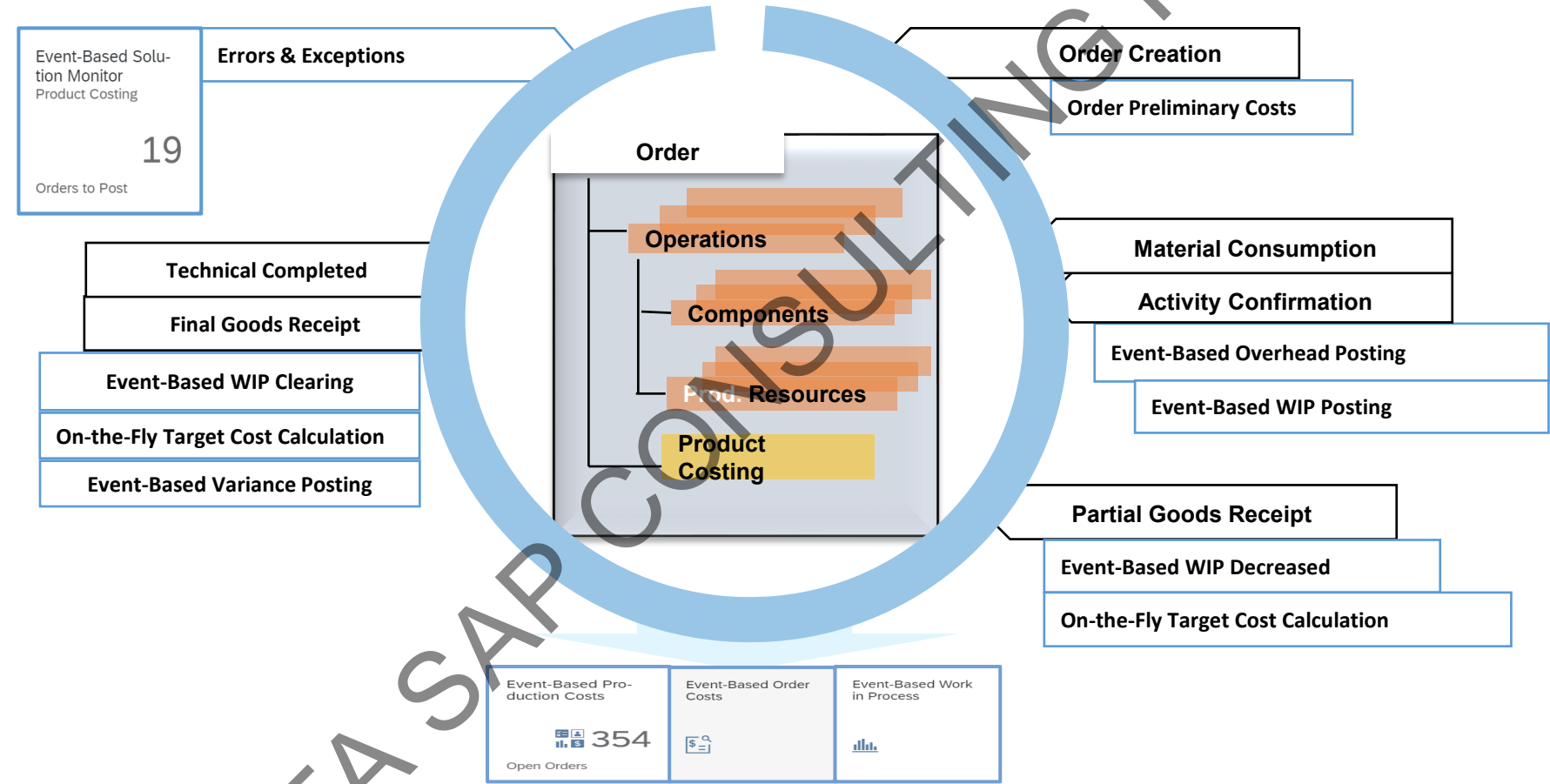


Refer Note <https://me.sap.com/notes/3042082> for current updates

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EBPA - Overall Process for Product Cost By Order





The screenshot shows the SAP Easy Access menu interface. A black box highlights a list of menu items on the left side of the screen. The items are:

- EB Production Accounting for Production Order
- Associated Configuration
- EB Processing Key
- EB Costing Sheet
- Fiori Reporting Apps
- KKBC_ORD

The background of the screenshot shows a blurred SAP interface with a large watermark reading "AJITA SAP CONSULTING PVT LTD". The status bar at the bottom of the screenshot displays "D10 (1) 100 | gsdcb088 | INS".



Key Aspects of Event-Based Production Accounting

- Flow of Apps for Production Accounting
 - ❖ Create a production order using the **Create Production Order** app
 - ❖ Confirm your production order operations with the **Confirm Production Operation** app
 - ❖ Check WIP costs in the **Event-Based Production Costs** app
 - ❖ Post goods issues for your production order in the **Post Goods Movement** app
 - ❖ Check WIP costs in the **Event-Based Production Costs** app
 - ❖ Post final goods receipts for your finished production in the **Post Goods Movement** app
 - ❖ Check both variance and cleared WIP in the **Event-Based Production Costs** app



- WIP quantity document is not event based posted during goods issue and confirmation. If actual costing is active and need to reevaluate WIP, execute job template **Event Based Posting WIP Quantity Posting** for Actual Costing Revaluation to post WIP quantity document (Program R_FCO_RTTPC_WIP_QUANTITY)
- Order Prel Costs are still supported only for leading ledger / legal view, stored under plan category PLANORD01 in ACDOCP
- Target costs *based* on std. cost estimate are stored under PLANORD02 plan category
- The standard cost estimate must be valid at the time of the last delivery. If no valid standard cost estimate with itemization is found, the target costs will be zero. All the variance will be recognized as resource usage variance
- Ensure that there are no errors or pending entries remaining in app Postprocess Event-Based Postings - Product Costing (F3669) before you run Actual Costing revaluation
- Event-based variance posting does not split variance by G/L account. All the variances are posted on the same price difference account (PRD). A new field, SLA Line Type, helps to differentiate the variance categories as follows:
 - ❖ *9130 to 9131 and 9138 to 9140*

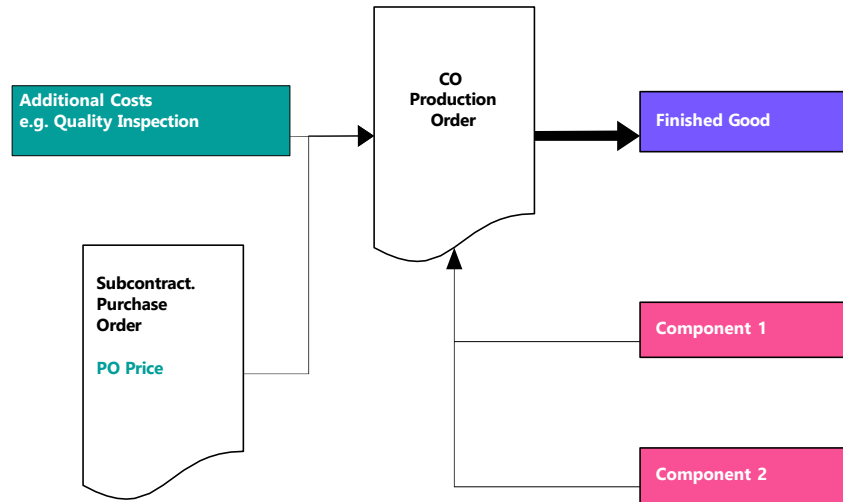


EBPA – Product Cost By Period

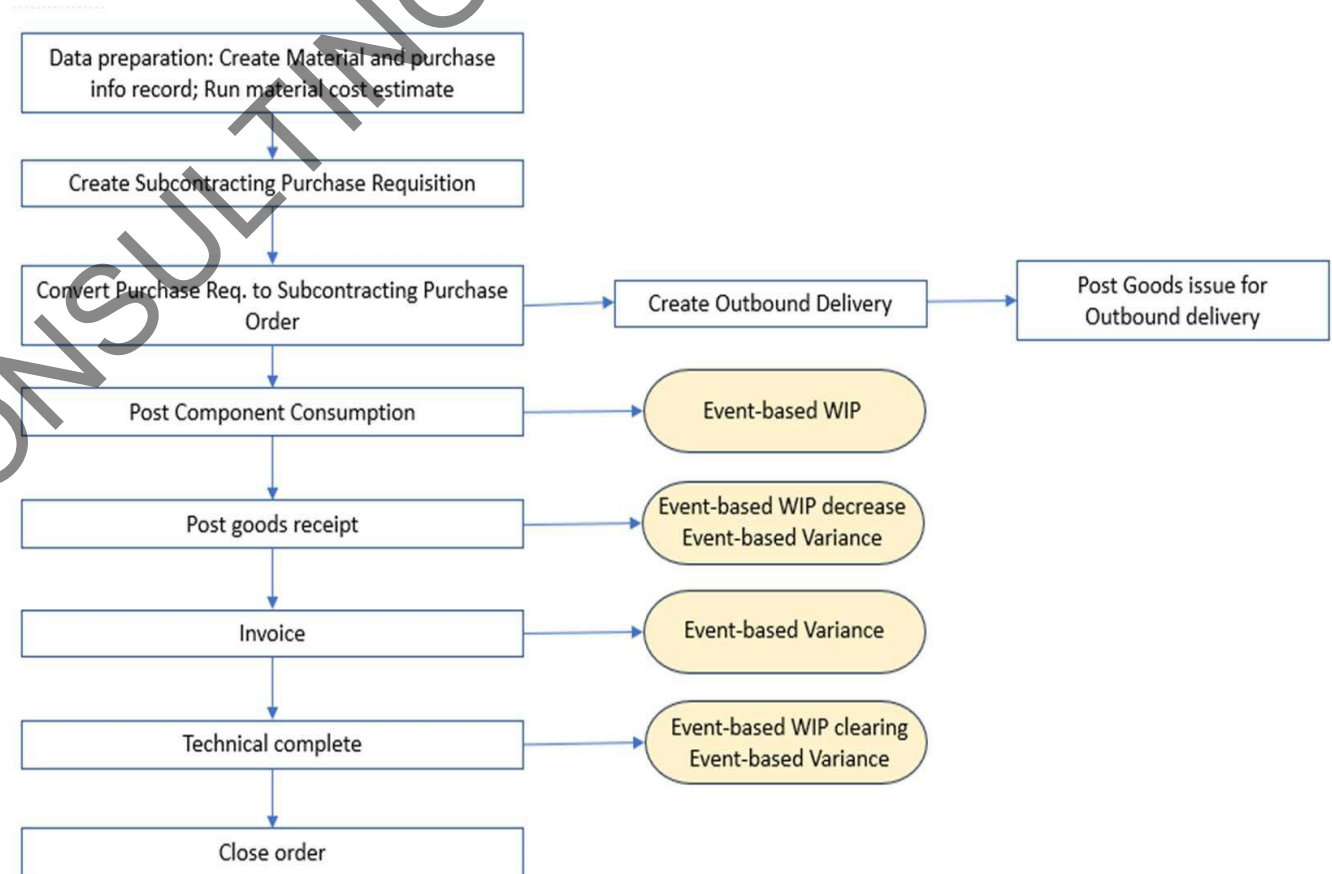
- Event-based production accounting for product cost by period works very similar to product cost by order
- OH allocation and WIP posting are triggered based on events like goods issue and confirmations
- Variance calculation must be scheduled using processing option "Revalue Orders" in the Postprocess job template (since there is no event to trigger variance calculation)



Subcontracting purchase order triggers CO production order for cost collection



Events and Postings



Actual Costing

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- Actual Costing Run can now be executed separately for each ledger
- Actual costs are calculated independently for each ledger based on the respective material prices, activity prices, variances, etc.
- Actual costing run must be created with reference to a template
- Business function Multiple Valuation of Cost of Goods Manufactured (FIN_CO_COGM) is obsolete
- ML Type configuration is obsolete. Currencies are inherited from ledger definition
- Following reports are not supported
 - ❖ Transaction History for Material (CKM3N)
 - ❖ Valuated Multilevel Quantity Structure (CKMLQS)
 - ❖ Display of WIP for Actual Costs (COMLWIPDISP)
 - ❖ WIP Quantity Document

Margin Analysis

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Key Changes: Margin Analysis

- CBCOPA not supported
- Combined COPA not supported
- COPA Assessment Cycles not supported. Use Universal Allocations
- Classic Top-Down Distribution not supported. Use Universal Allocations
- Create Characteristics: Refer Note <https://me.sap.com/notes/3005736/E>
- Change of field PAOBJNR (Profitability Object Number) from NUMC10 to CHAR10 with S/4HANA 2023

Intelligent Asset Accounting

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- Accounting Principle
 - ❖ is now the main valuation entity throughout UPA
 - ❖ settings for ledgers, accounting principles, and currencies are only maintained once in FI-Global Settings without any redundant configuration in AA
- Currencies
 - ❖ AA now consistently handles all 10 currencies (as against 3, earlier)
 - ❖ Parallel currency depreciation areas or Foreign currency depreciation areas are no longer necessary
 - ❖ This significantly affects the asset value display transaction and reporting.
- Chart of Depreciation
 - ❖ Significantly reduced role
 - ❖ merely bundles the depreciation keys that have to be assigned to an accounting principle.
- Valuation View
 - ❖ Is the new entity in AA configuration
 - ❖ Must be assigned to accounting principle, as many as different valuations necessary such as book dep, tax dep, local dep, etc.
 - ❖ Assumes the role of depreciation area (though dep. Areas are still created for compatibility reasons)



- Master Data
 - ❖ Fiori app Manage Fixed Assets is the central entry point for many things
 - ❖ Asset master creation, value display and worklists are all managed through this app
 - ❖ Classic AS0*, AW01N transactions are no longer supported
 - ❖ Provides navigation options to the posting apps of Asset Accounting and the journal entry apps of GL Accounting
 - ❖ Sub-assets can be created with customer specific (external) sub number
- Postings with quantities
 - ❖ Quantities are no longer stored in the asset master record and Quantity postings are no longer restricted to the leading ledger 0L.
 - ❖ Quantity postings are now possible in all ledgers (managed in ACDOCA)
 - ❖ Possible to post (and adjust) different quantities for each ledger
- Alternative Fiscal Year Variant
 - ❖ The FYV in the non-leading ledger can now be different than the leading ledger
 - ❖ "Phantom" Ledger is no longer necessary in this scenario
- Asset Under Construction
 - ❖ Stand-alone AUCS are no longer supported
 - ❖ AUCs must be created from an investment measure



- Evaluation Groups are obsolete
- Logical database ADA and the reports based on it are obsolete
- Asset reports with ALV option are obsolete
- Depreciation area with posting option 3 ('Area Posts Depreciation Only') is no longer supported.
- TTY are not supported in SAP Fiori posting apps. SAP Fiori analytical apps (for e.g., the asset history sheet) are based on movement categories, SLALITYPES, and key figure codes. The concept for transaction types is reviewed by SAP
- Statistical postings in AA such as tax depreciation areas are posted to and reported from ACDOCA. For this reason, every standard ledger in General Ledger Accounting will be assigned to one technical ledger.
- New FA Tables FAAT_MD*
- Depreciation Forecast for 5 years, stored in ACDOCP.
 - ❖ Planning horizon needs to be maintained in Co. Code Settings in FAA_CMP
 - ❖ Plan Category PFXDASSET is made available in ACDOCP



The screenshot shows the SAP Easy Access menu interface. A black rectangular box highlights the following items in the SAP menu:

- AA Lean Customizing
- Asset Life Cycle Transactions
- Reporting Apps

The background of the main window features a blue abstract pattern with the text "AJITA SAP CONSULTING PVT LTD" overlaid diagonally. The status bar at the bottom right shows "D10 (1) 100 | gsdcb088 | INS".



Thank you

Grazie

Tack

Merci

谢谢

Dhanya-waadh

Obrigado

