# Introduction to Migration New General Ledger

SAP AG

## Reasons for the Migration

<table>
<thead>
<tr>
<th>Classic General Ledger Accounting in SAP R/3 Enterprise</th>
<th>New General Ledger Accounting in SAP ERP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Currently: Dispersed Over Diff. Areas</strong></td>
<td><strong>SAP ERP: One Single Environment</strong></td>
</tr>
<tr>
<td>Classic GL Ledger</td>
<td>New General Ledger Accounting supports</td>
</tr>
<tr>
<td>Legal Requirements</td>
<td>■ Legal requirements</td>
</tr>
<tr>
<td>CoGS Ledger</td>
<td>■ Management and segment reporting</td>
</tr>
<tr>
<td>Profit Center Ledger</td>
<td>■ Extensibility for industries</td>
</tr>
<tr>
<td>Management and Segment Reporting</td>
<td>■ Extensibility for customers</td>
</tr>
<tr>
<td>Special Purpose Ledger</td>
<td>■ Balance sheet for any dimension</td>
</tr>
<tr>
<td>Multidimensional, customer-specific</td>
<td>■ Parallel set of books</td>
</tr>
<tr>
<td>Industry-specific ledgers</td>
<td>■ Fast close</td>
</tr>
<tr>
<td>Balance sheet for grant, fund, title …</td>
<td>■ Reduction of TCO</td>
</tr>
<tr>
<td></td>
<td>■ International Accounting Standards</td>
</tr>
<tr>
<td></td>
<td>■ Compliance &amp; transparency</td>
</tr>
</tbody>
</table>

© SAP AG 2006, Introduction to Migration | Solution Management of Finances
Point to Remember:

The migration is always a project in its own right!
Migration Is a Project

Migration does not only involve the technical transfer of data; it can also involve changes to business processes.

- Migration is always performed in the form of a project, entailing project phases, milestones, tests, and so forth

Fundamental prerequisite for the migration:

- Successful upgrade of the SAP system to SAP ERP

The migration does not entail:

- Implementation of parallel accounting
- Implementation of segment reporting
- Changeover of the leading valuation if parallel valuation already used
- Consideration of scenarios with the company code approach (not supported by SAP in future, project solution)
- Simultaneous changeover of the leading depreciation area in FI-AA (-> SLO)
- Change to chart of accounts or conversion of chart of accounts (-> SLO)
- Currency changeovers (such as introduction of new currencies -> SLO)

Phase Model for the Migration

Principles of Migration

- The migration date is always the first day of a fiscal year (current or future fiscal year)
- Year-end closing of the old fiscal year must be complete before New General Ledger Accounting is activated

<table>
<thead>
<tr>
<th>Migration Date</th>
<th>Activation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Fiscal Year</td>
<td>Classic GL Accounting</td>
</tr>
<tr>
<td>New Fiscal Year</td>
<td>Phase 0</td>
</tr>
<tr>
<td>Classic GL Accounting</td>
<td>Phase 1</td>
</tr>
<tr>
<td>New GL Acctg</td>
<td>Phase 2</td>
</tr>
</tbody>
</table>

- Technical upgrade to ERP
- Creating blueprint for New General Ledger Accounting
- Planning the migration
- Making Customizing settings in New General Ledger Accounting
- Analysis of all business processes if document splitting is to be used
- Making Customizing settings for document splitting
- Year-end closing for the old fiscal year
- Making Customizing settings in New General Ledger Accounting
- Making Customizing settings for the migration
- Activating document validation (only relevant if document splitting is used)
- Creation of document splitting information for items of old fiscal year that are open on the migration date
- Transfer of documents from phase 1 to new tables: FAGLFLEXA / FAGLFLEXT
- Transfer of balance carryforward for new fiscal year to FAGLFLEXT
SAP General Ledger Migration

To achieve a high degree of safety in the migration projects, SAP decided to accompany each migration project with the SAP General Ledger Migration service:

- obligatory service for each migration project
- once the service is ordered, the migration programs will be provided for download
- service offered at fixed price

With this service SAP provides scenario-based migration functionality combined with service sessions to check data consistency

Content of SAP General Ledger Migration service

Scenario-based new General Ledger Migration Cockpit

- Step-by-step guidance through the migration via process tree and monitor
- Status administration with logs

Remote service sessions

- Service session to assure right migration approach
- Service session including technical validation and plausibility checks in migrated test data

Back office support

- 24h/day technical development support at production weekend
- Development support for test migrations during working hours

Complete migration service offered at fixed price
SAP General Ledger Migration – Process and Overview

New-G/L customer project (assistance of [SAP] consultants possible)

Subproject migration (assistance of [SAP] consultants possible)

New G/L

Feedback-Session

Contract for migration service

Feedback-Session

Scenario validation

Test validation

Service session 1

Service session 2

Migration test by customer

Subproject migration incl. announced technical BO support

New G/L

© SAP AG 2006, Introduction to Migration: Solution Management of Financials / 4

THE BEST-RUN BUSINESSES RUN SAP
Analysis of the Initial Situation I

- Is classic Profit Center Accounting in use?
- Is Cost of Sales Accounting in use?
- How is Special Purpose Ledger used?
  - Which are used?
  - In operational system or in consolidation environment?
  - Online update or by rollup?
  - Document splitting already used in FI-SL?
- Are other SAP ERP systems or SAP business suite modules implemented? (such as HCM)
- How are interfaces to external systems used?
  - Adjustments to interfaces necessary?
- How is Consolidation used?
  - How is the data transferred?

Analysis of the Initial Situation II

- How are G/L accounts on an open item basis managed?
  - Relevant if you want to accompany the migration with the introduction of document splitting. Number of documents to be split?
- How many documents are in the migration period (phase 1)?
  - These documents must be “migrated” (and may first need to be processed, enhanced with additional account assignments)
- How many company codes and cross-company-code clearings exist?
- Are different fiscal year variants in use?
- Are additional currencies in special purpose ledgers in use?
- Is parallel valuation in use?
  - Special feature: Migration from account approach to ledger approach
- …
### Scenarios Supported by SAP General Ledger Migration service (1)

#### Scenario 1: Merge of FI ledger
- Merging of classic G/L ledger, consolidation preparation ledger and cost-of-sales ledger

#### Scenario 2: Merge of FI, PCA and/or SL ledger
- Scenario 1 and additional merging of Profit Center Accounting and Special Ledger

#### Scenario 3: Scenario 2 + Document split (e.g. for profit center, segment or business area reporting)
- Document split allows balance sheet on additional dimensions such as profit center, segments

### Scenarios Supported by SAP General Ledger Migration service (2)

#### Scenario 4: Scenario 2 + Change from account approach to ledger solution for parallel accounting
- Switch from parallel accounting by parallel accounts to parallel ledger

#### Scenario 5: Scenario 3 + Change from account approach to ledger solution for parallel accounting
- See descriptions of scenarios 2,3,4

Any scenarios that differ from the above standard scenarios are migrated project-by-project based on the scenario that comes nearest to the customer’s scenario.

- The change from an existing parallel accounting solution to a new parallel accounting solution will be based on scenario 4 or 5 whereas the introduction of a parallel accounting solution (or keeping the account approach) will be based on scenario 1, 2 or 3. Additional consulting might be required.
The business model and its portrayal in New General Ledger Accounting must first be defined before the migration.

The possibility to separate the different steps should be checked (for example: change from account to ledger solution, document split, etc.), to reduce the complexity of the migration project.
**Migration Without Document Splitting – Building Balances in New General Ledger Accounting**

**Initial situation**
Balances from classic General Ledger Accounting (GLT0) / PCA / FI-SL...

- Balance sheet accounts / accts not managed on OI basis/ no reconciliation accounts

**Target scenario**
Balances in New General Ledger Accounting FAGLFLEXT

1. **CoCode 1000**
   - CF 150 Balance Carryforward
   - Per 1 100
   - Per 2 200

2. **Documents from phase 1**
   - Per 1 CoCode 1000 100
   - Per 2 CoCode 1000 200

3. **Retained earnings accounts**
   - CoCode 1000
   - CF 500 Balance carryforward

**Migration Without Document Splitting – Transfer of Open Items**

**Open items < migration date**
Receivables / payables

**New General Ledger Accounting**
Build FAGLFLEXA and FAGLFLEXT and FAGLFLEXA for new fiscal year

1. **Transfer of cumulated balance carryforward**
   - OI CoCode 1000
   - OI CoCode 2000
   - Additional build of FAGLFLEXA and FAGLFLEXT for old fiscal years

2. **Documents from phase 1**
   - Per 1 CoCode 1000 100
   - Per 2 CoCode 2000 200

© SAP AG 2006, Introduction to Migration / Solution Management of Financials / 4
**Migration with Document Splitting – Building Balances in New General Ledger Accounting**

**Initial situation**
Balances from classic General Ledger Accounting (GLT0) / PCA / FI-SL...

**Target scenario**
Balances in New General Ledger Accounting FAGLFLEXT

1. **Balance sheet accounts** / accts not managed on OI basis / no reconciliation accounts
   - CoCode 1000
   - Seg 1
   - CF 150
   - Balance carryforward

2. **Documents from phase 1**
   - Subsequent build of FAGLFLEXA and FAGLFLEXT
   - CoCode 1000
   - Segment 1
   - Per 1
   - Segment 2
   - Per 1
   - 100
   - 200

3. **Retained earnings accounts**
   - CoCode 1000 / Seg 1
   - CF 500
   - Balance carryforward

**Migration with Document Splitting – Enrichment of “Old” Open Items with Account Assignments**

Select items that were open on the migration date, that is
- Items that are currently still open,
- Items with a clearing date falling after the migration date

**Customers**
- Vendors
- G/L Accounts

**Create**
- Work list

**Enrich**
- BAdI

**Update**
- Splitting info table

**Build**
- FAGLFLEXA
- FAGLFLEXT

**Balance carryforward**
Migration With Document Splitting – Transfer of Open Items

Open items < migration date
Receivables / payables

New General Ledger Accounting/
Build FAGLFLEXT
and FAGLFLEXA for new fiscal year

1. Transfer of cumulated balance carryforward
   For each dimension by reading the splitting information
   FAGLFLEXA built additionally for old fiscal years
   FAGLFLEXT Reconciliation account
   Segment 1
   Segment 2
   CF 100
   CF 200
   100 Per 1
   200 Per 2

2. Documents from phase 1
   Subsequent build of FAGLFLEXA and FAGLFLEXT including processing of document splitting
   Per 1 100 Segment 1
   Per 2 200 Segment 2

Technical Procedure for Performing the Migration

- Determination of the migration objects ("old" OIs and documents from phase 1)
- Transfer of balance carryforward (accounts not managed on an open item basis)
- If applicable, reposting of balance carryforward values (accounts not managed on an open item basis)
- Preparation of documents from phase 0 (enhancing open items with document splitting information)
- Transfer of "old" open items (customer/vendor accounts, G/L accounts) and simultaneous build of balance carryforward for relevant reconciliation accounts
- Preparation for documents from phase 1 (supplementary account assignment, such as Segment or Profit Center)
- Transfer of documents from phase 1 into tables of New General Ledger Accounting
- Reconciliation of the data
- Activation of New General Ledger Accounting
- Completion of the migration
# Overview of a Possible Migration Process

- Start of the migration project
- Analysis of the initial situation and definition of the target business scenario
- Upgrade to SAP ERP
- Customizing New General Ledger Accounting for the target scenario
- Testing the target scenario in an appropriate test environment

## Customizing of migration
- (Iterative) migration test-run in the test system:
  - Creation and analysis of a migration log
  - Adjustments to Customizing → new run etc...
  - Then transport of migration settings to production system
- Alongside the migration test-run: closing the old fiscal year
- Migration in the production system (performed once) after final closing of the previous fiscal year
- Activation of New General Ledger Accounting
- End of the migration project

## Additional Activities

### Documents to Be Posted Subsequently with Document Splitting

#### Analysis of document splitting information
- G/L account assignment
- Check document types
- Check assignment of business transactions

#### Alternative Customizing
- Document splitting method for migration
- Document-specific business transaction assignment
- Document-specific item category assignment
- Alternative clearing relationship
- Edit account assignment information
- Specify document splitting relationship
**Document Validation – Only When Document Splitting Is Used**

**Phase 1 in production system**
- Check on the current posting data against rules for document splitting
  - Log
  - Online warning message + log
  - Error message
- Adjustments possible for special processes
  - Business transaction / transaction / batch input

**Evaluation of Migration**
- Evaluation of the migration status
  - Statistics, error overview, object lists
- Log of balance origin
- Ledger comparison
- Display of document splitting information (Ledger-independent)
- Log of migration-specific adjustments to document splitting
- Simulation of document splitting
Completion of Migration

activity in Migration Cockpit

"Complete Migration Plan"
→ After the migrated data has been successfully reconciled and checked

Effects

■ The migration programs for this migration plan can no longer be executed.
■ The manual reposting of balance carryforward (FBCB) can no longer be performed.

Special Features in the Migration I

Migration to multiple ledgers

■ Open items are not migrated for specific ledgers, that is to say, the balance carryforward from open items is always updated for all ledgers
■ In the case of non-calendar fiscal years (for one company code), multiple migration plans have to be used (bundling of company codes for which the same fiscal year is defined)
  - Execution of the migration plan with the earliest migration date first
■ Depending on the tables currently used (GLT0, GLFUNCT, GLPCT), they can in future be combined in a single ledger
  - Not mandatory to have multiple ledgers

Migration with introduction of the segment

■ Supplementary account assignment of FI documents (phase 1)
  - Scenarios in the standard delivery
    A) Profit Center Accounting already used → Derive segment from profit center
    B) Profit center not yet used → Set derivation of profit center either from CO account assignment or by program
  - Activate segment derivation
Special Features in the Migration II

Migration when Profit Center Accounting is active
- SAP recommends depicting Profit Center Accounting within New General Ledger Accounting
- If classic Profit Center Accounting is used, see SAP Note 826357

Migration with customer fields
- Estimation of the expected number of totals records if a customer field is included in FAGLFLEXT (see also SAP Note 1045430)
- Customer field does not necessarily have to be coupled with customer totals tables (see also SAP Note 820495)
- Enrichment of open items and documents (phase 1) for customer field
- Build balance carryforward and period balances using customer field
- If financial reporting uses this field, a zero balance must exist for each entry in each document

What is not migrated?
- Statistical noted items in general, down payment requests, payment requests
- Reference documents (recurring entry original documents, sample documents)
- Parked documents

Reposting of balance carryforward (transaction FBCB)
- Repostings only possible in phase 1 (that is, before the activation date for New General Ledger Accounting)
- The transfer of balance carryforward needs to have been completed
- No postings to OI-managed accounts or reconciliation accounts (correct target balances are built cumulatively from the enriched open items)
- Amounts must be specified explicitly in all currencies (no automatic translation into local currency)
- Update of FAGLFLEXT and GLT0 → Ledger comparison produces a match!
- If FBCB documents exist, it is not possible to reset the migration (RESTORE_ALL)

Migration and archiving
- Open items always remain in the system
- Documents from phase 1 must not be archived
- Totals records (also from previous years if applicable) must be available
  - Totals records may also be transferred from previous years by means of rollup

© SAP AG 2006, Introduction to Migration - Solution Management of Financials / 4
THE BEST-RUN BUSINESSES RUN SAP
Integration Aspects

**Asset Accounting (FI-AA)**
- Depreciation area 01 must be assigned to the leading ledger
- Where necessary, conversion of depreciation areas in FI-AA using SLO (not part of migration to New General Ledger Accounting)
- Previous year must be closed in Asset Accounting
- Depreciation area conception (delta areas) and corresponding assignment to ledgers in General Ledger Accounting

**Treasury and Risk Management (CFM)**
- Valuation area 001 must be assigned to the leading ledger
- Valuation area conception and corresponding assignment to ledgers in New General Ledger Accounting
  - Control via accounting principle

**Real-time integration with Controlling**
- Definition of the time of the conversion from the reconciliation ledger approach to real-time integration
  - Independently of the time of the migration, that is to say, the conversion can also occur beforehand

Restrictions Affecting SAP ERP 2004

**SAP Note 862523**
- The scenario for the transition from parallel accounts to parallel ledgers is not supported in SAP ERP 2004.
- The functions for validating document splitting are not available in SAP ERP 2004.
Training courses about New G/L and Migration to New G/L

New general ledger and migration to new general ledger is covered in greater depth in the following SAP training courses:
- AC210: New General Ledger Accounting in SAP ERP (4 days)
- AC212: Migration to New General Ledger Accounting (3 Tage)

Both training courses are strongly recommended as prerequisite for the implementation and migration.

Please refer to the SAP Education Service to find out when these courses are being held in your region. You also find this information at www.service.sap.com/trainingcatalog.

So, please remember:

The migration is always a project in its own right!