

Amortization of Accruals

Accelerate financial close via SAP Accrual Engine Add-on



Accrual Accounting

Cash Accounting

Transaction handled in cash at same time



Accrual Accounting

The business transaction and cash exchange happens on different dates.



Recognize revenue and expenses in the period they occur, i.e., in the same accounting period

Irrespective of when the cash moves.

Two Entries

Actual entry

Adjusting entry



Example

Consultancy firm receiving advance payment.
Magazine publisher receives cash payment for entire year's subscription.



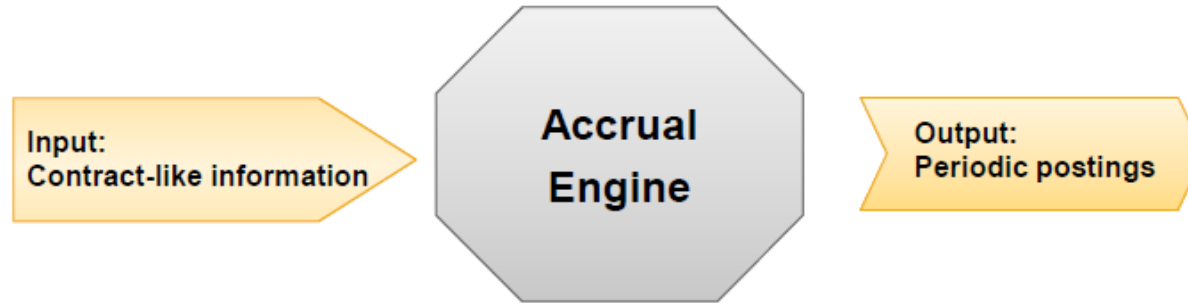
Periodic Adjustments
(Monthly, Quarterly, Semi & Annually)

Example

Prepayment of insurance policy.
Prepayment of rent for one month.

SAP Accrual Engine

Accrual Engine is surrounded by applications that define the business content and use the Accrual Engine.



Key Competitive Advantages

- Automation of accrual postings at period end
- Comprehensive control of all accrual activities including simulation of future accrual postings
- Support of parallel accounting via accounts or ledgers
- Reference to the contract number in the accrual object

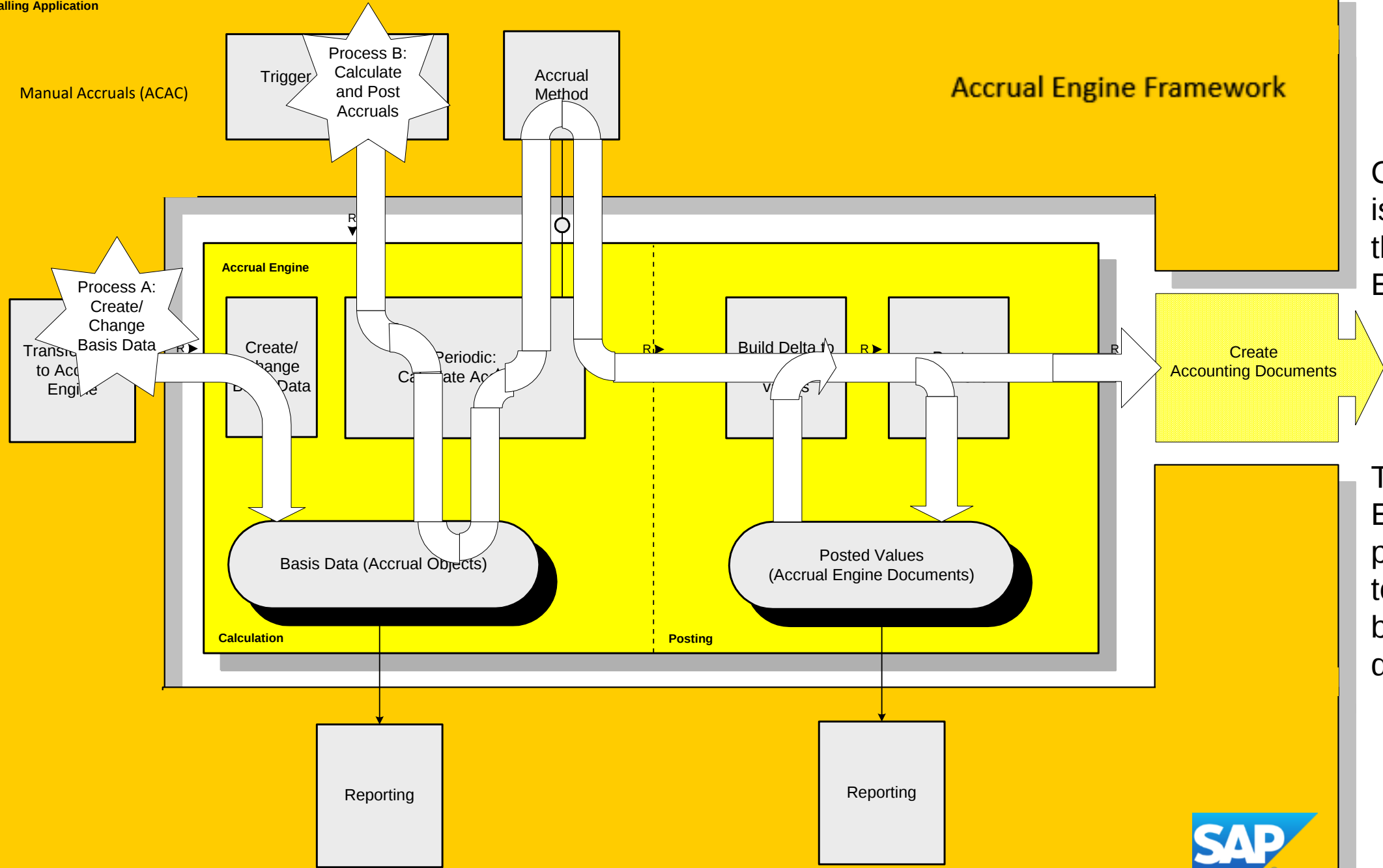
Business Benefits

- Audit trail
- Transparency
- Time saving aspects during period end closing

Business Case

- Decrease of total costs of ownership by adding value in terms of fast close activities

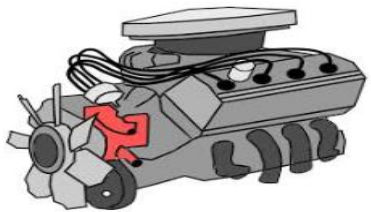
Manual Accruals (ACAC)



Contract-like data is transferred to the Accrual Engine.

The Accrual Engine makes periodic postings to Accounting based on this data.



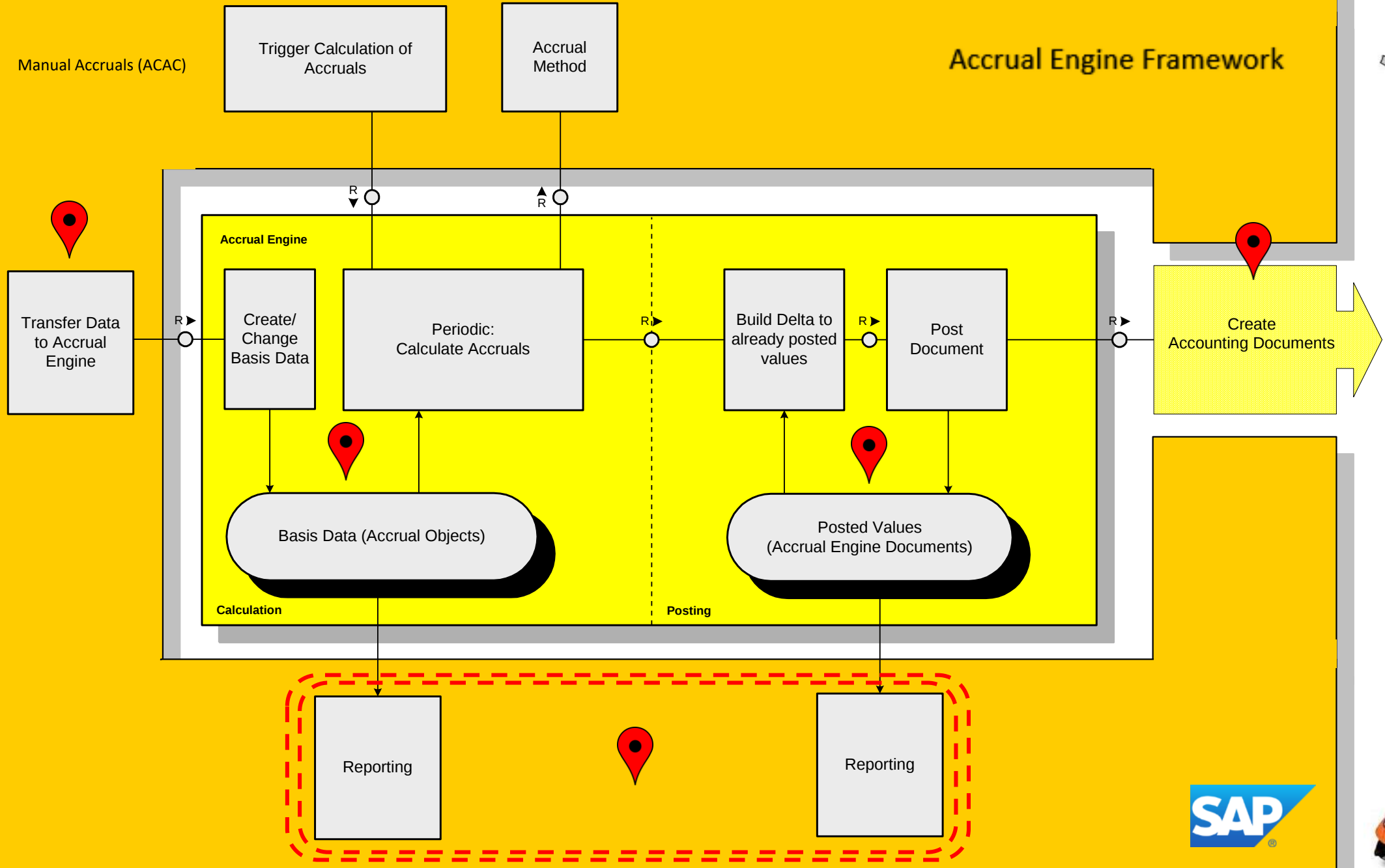


The Accrual Engine is an engine and as such is not visible to the end user. The driver works with the car, not with the engine itself.



Calling Application

Manual Accruals (ACAC)

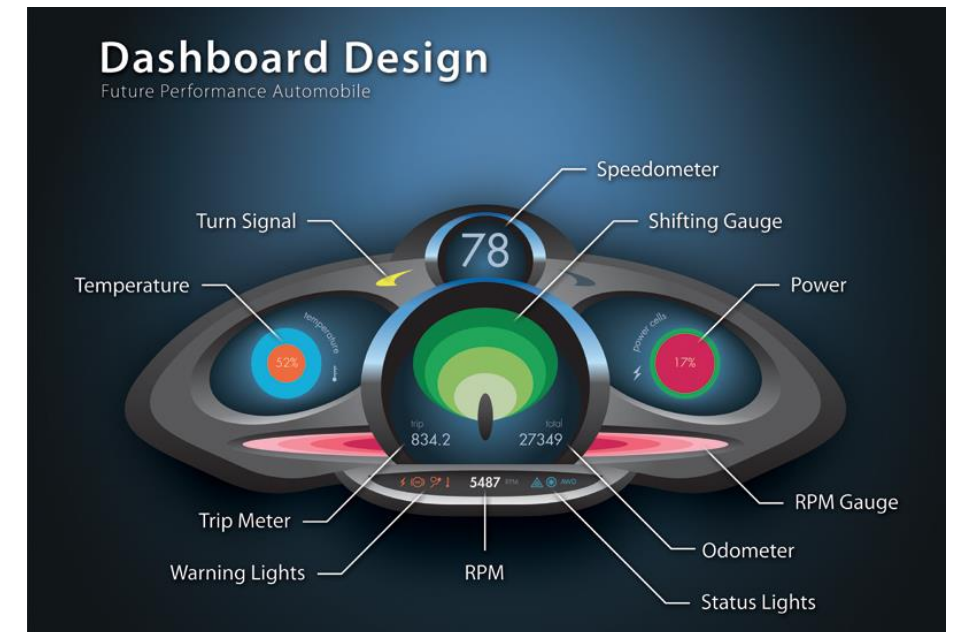


App Features

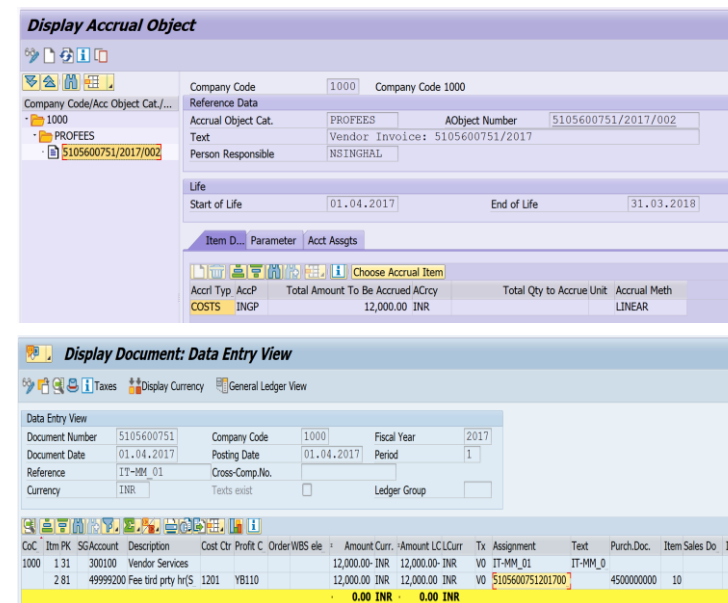
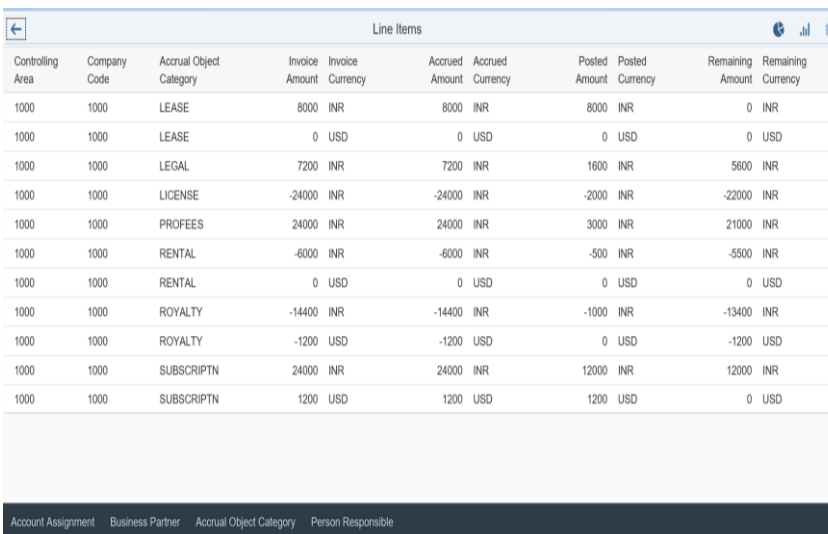


Business Benefits

- ❖ Auto-periodic calculation with zero excel maintenance
- ❖ Automated accrual object creation via Auto-data Transfer utility
- ❖ Centralized transactional processing with in-built GL reconciliation
- ❖ Unified console for Prepaid Expenses, Provisions and Deferred Revenue
- ❖ Historical exchange rate compliance with IAS 21 for foreign accruals
- ❖ Backward & Forward integration with Financials - GL, AR, AP
- ❖ Custom premature termination process for Periodic contracts
- ❖ Consolidated net position for positive & negative accruals
- ❖ Dynamic analysis with key date based reporting mechanism
- ❖ Multi-level drill down reporting from summary to originating invoice
- ❖ Accuracy with enhanced information system and effective reporting through mobile analytics
- ❖ **Cost and Efforts savings due to accelerated period-end closure**



ALV UI → **Summary Report** > **Line Item Report** > **GL Reconciliation** > **Accrual Contract** > **Source Invoice**

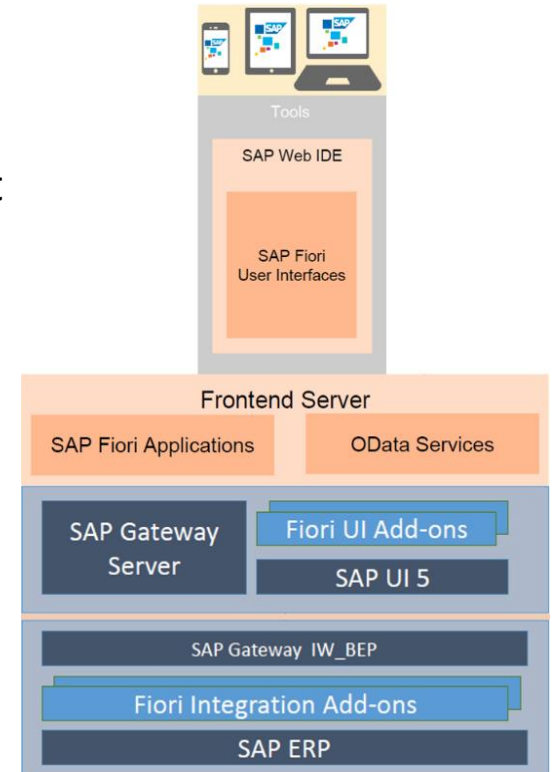


Add-on Deployment



Product Features

- ❖ Enterprise App for Amortization of Accruals > Published in [SAP App Store](#)
- ❖ [SAP Certified Add-on](#) built on SAP Financials > Accrual Engine > Manual Accruals Component
- ❖ Plug & Play implementation via installation based methodology
- ❖ In-built configurable utilities for Data Acquisition, Data Processing & Data Output modules
- ❖ Flexible & Scalable architecture for customer modifications
- ❖ Device Independent dashboards – SAP ALV and SAP Fiori based intuitive reporting
- ❖ International & Local Accounting Standards compliant solution
- ❖ Multi-Country, Multi-Industry, Multi-Currency, Multi-GAAP, Multi-Language & Multi-Users
- ❖ Exclusive components for SAP Business Suite (SSL001) and SAP NW-GW (SSLUI001)
- ❖ Supports both SAP Gateway Central Hub and Embedded deployment



Installed Software Component Versi...		Installed Product Versions		
Component	Release	SP-Level	Support Package	Short Description of Component
SSL001	100_740	0002	SAPK-17402INSSL001	Samvadya Add-on: Amortization of Accrual
SSLUI001	100_750	0001	SAPK-17501INSSLUI001	Samvadya Add-on: Amortization of Accrual

- Amortization of Accruals
 - /SSL/AOA_ASSIGN - GL Assignment for Amortization of Accruals
 - /SSL/AOA_DATATRANS - Data Transfer for Amortization of Accruals
 - /SSL/AOA_INVERSE - Inverse Sign for Accrual Types in AOA Reporting
 - /SSL/AOA_PARAMS - Historical Data Update of Accrual Objects Parameters
 - /SSL/AOA_PRECLOSE - Pre-closure of Periodic Accrual Contracts
 - /SSL/AOA_REPORT - Amortization of Accruals Report
 - /SSL/AOA_UI - Personalization setup for Amortization of Accruals



Thank You

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