How to Perform Intercompany Elimination and Data Validation with SAP BPC 7.0 MS



Applies to:

SAP BusinessObjects Planning and Consolidation 7.0 Microsoft

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Summary

A How-To-Guide for performing Intercompany Elimination using ICElim.lgf and Data Validation for a Legal/Management Consolidation scenario

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Author Bio

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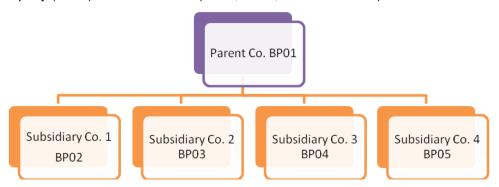
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Intercompany Elimination

When reporting consolidated figures, the transactions within the group (between subsidiaries and/or parent) must be eliminated to avoid double counting. In BPC, one of the ways to perform Intercompany eliminations is through Script Logic.

The case considered, going forth, for performing Intercompany Elimination is as follows:

a. Parent company (BP01) with subsidiaries (BP02, BP03, BP04 and BP05)



- b. There are intercompany transactions between BP01 and BP02, which we want to eliminate
- c. These intercompany transactions are for Intercompany Account Payable & Receivable (reported in Balance Sheet) and Intercompany sales & cost of sales (reported in P/L).

Configuration Steps

Before performing Intercompany Elimination it important to

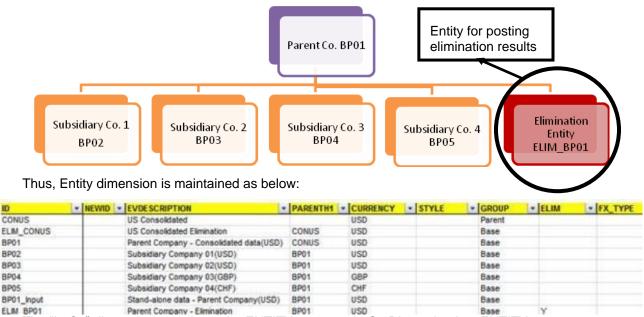
- Setup a Consolidation environment
- Perform Currency Translation

Step 1: Maintaining the Dimensions required for IC Elimination

- 1. The application in which we perform Intercompany Elimination must have dimensions of type "I" (IntCo) and "R" (Currency). In this example, our application called "Finance" has dimensions IntCo and RptCurrency of these types
- 2. The "Account" dimension must have the ELIMACC property for defining the Elimination account in which the balance of intercompany transactions will be posted. For example, in our case we have made an account with ID "ICDiff" in which the balance between "ICCost" and "ICSales" will be posted. This account ID is mentioned under ELIMACC property for ICCost and ICSales account. Similarly, "ICAccRec" and "ICAccPay" have ELIMACC property set to "ICBal".

ID	EVDESCRIPTION	ELIMACC
ICCost	Inter-company Cost of Sales	ICDiff
ICSales	Inter-company sales	ICDiff
ICAccRec	Inter-company Accounts Receivable	ICBal
ICAccPay	Inter-company Accounts Payable	ICBal

3. The "Entity" dimension must have the property ELIM (Y/N). It is set to "Y" for the "Elimination Entity" – the entity where elimination results would be posted. In the example elimination entity is "ELIM_BP01". It is created for technical reasons to post the elimination results. This has no relation to the organization structure.



4. The "IntCo" dimension must have the ENTITY property. IntCo Dimension has ENTITY property maintained as below:



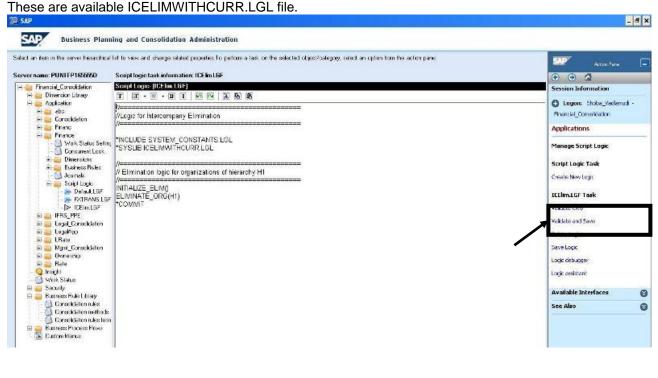
5. The "Currency" dimension must have the property REPORTING (Y/N). It is maintained as below:



It is important that the accounts to eliminate must NOT be calculated in dimension logic or Hierarchy.

Step 2: Writing the Script Logic

Intercompany Elimination is handled by two inbuilt procedures: INITIALIZE_ELIM and ELIMINATE_ORG.



1. Write the following logic in ICElim logic of "Finance" application.

2. Validate and save the logic.

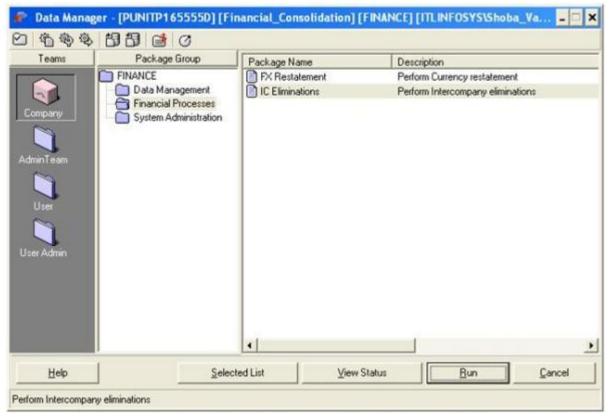
Post Configuration Steps

Step 1: Data Entry

The data for the accounts to be eliminated can be loaded through the Import package or an Input Schedule.

Step 2: Running package for Intercompany Elimination and Verification of Results

1. The logic for Intercompany Elimination is executed by running the IC Eliminations package.Log on to BPC for Excel. Select "Manage Data"->" Run a Data Management Package". In the Company Folder of the Finance application, select "Financial Processes", and then "IC Eliminations". Click on "Run" button.



You will then be prompted for Category and Time parameters. As with all Data Manager Packages, view the status to check if it has executed successfully, if not review the log file which gives the detail of the errors.

2. After successful execution, the result can be verified as:

In Balance Sheet

Code	ACCOUNT	Subsidiary Company 01(USD)	Subsidiary Company 02(USD)	Subsidiary Company 03(GBP)	Subsidiary Company 04(CHF)	Stand- alone data - Parent Company(U	Parent Company - Elimination	Parent Company - Consolidated data(USD)
CAccRec	Inter-company Accounts Receivable	1,500	14.		1160		(1,500)	
ICAccPay	Inter-company Account Payable	-	7.	12	1	1,200	(1,200)	9
ICBal	Inter-company out of balance				1140		(300)	(300)

In Profit and Loss

Code	ACCOUNT	Subsidiary Company 01(USD)	Subsidiary Company 02(USD)	Subsidiary Company 03(GBP)	Subsidiary Company 04(CHF)	Stand- alone data - Parent Company(U	Parent Company - Elimination	Parent Company - Consolidated data(USD)
ICSales	Inter-company sales	1,200		100	583		(1,200)	
ICCost .	Inter-company Cost of Sales			12	1740	1,500	(1,500)	-
ICDIff	inter-company out of balance		180	- 22	1190		300	300

Data Validation

Data Validation is done to check the integrity of accounts. For example, Total Assets and Total Liabilities & Equities can be validated to check for their correctness.

Data Validation is done through business rules. It is handled by stored procedure SPRUNVALID. We will be explaining this with case considered for Intercompany Elimination. We would be validating Intercompany Cost of sales and Sales posted to elimination entity. The difference between these accounts (if any) would be posted to a validation account.

Configuration Steps

Step 1: Maintaining the Dimensions required for Data Validation

1. Maintain the "Flow" dimension (Sub-table dimension). This dimension is needed for validation business rules calculations to breakdown account activity or flow. We have maintained the flow dimension as below:

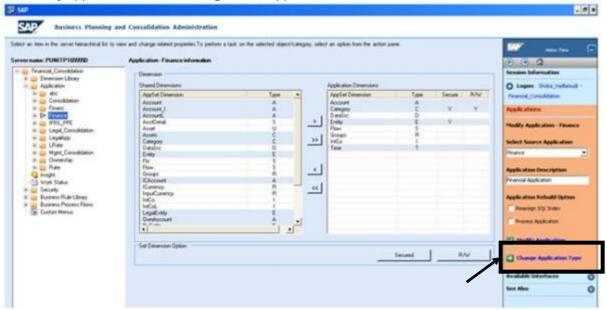
ID	NEWID	EVDESCRIPTION	PARENTH1	FLOW_TYPE	SCALING	LIST	SUBTABLES_ORIG
TotalFLOW		TotalFLOW					
OpenBal		OpenBal	TotalFLOW				
Additions		Additions	TotalFLOW	I.			
Deletions		Deletions	TotalFLOW	1			
JRN_ADDS		JRN_ADDS	TotalFLOW	ĺ			
JRN_DEL		JRN_DEL	TotalFLOW	1			
Transfers		Transfers	TotalFLOW	I.			
NoActivity		NoActivity	TotalFLOW	1			

2. Add the "Flow" dimension to application in which you want to perform Validation. We have added Flow dimension to the "Finance" application.

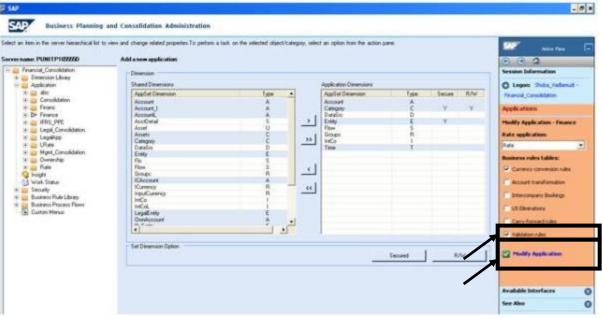
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Step 2: Modifying the Application to contain business rules

1. Modify the application to contain business rule for Validation. Log on to BPC Administration and select the application in which you want to perform Data Validation ("Finance" in our example). Click on "Modify application". The following screen appears.



2. Click on "Change Application Type". In the screen that follows, click on "Modify Application". The following screen appears.



3. Select "Validation rules" and click on "Modify application".

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Step 3: Filling the business rules table

- 1. Validation Rules Table
 - a. Open the Validation rules table. The table has the following fields:

Field	Description
Validation account	ID of the validation account.
Remark	A description of the rule
Validation operand	=, <, >, >=,<=
	If the sign is =, the total of the left account must be equal to the total of the right account *-1
	Similarly for other operands
Other source dimensions	Blank or a filter criterion for the original data extraction. Used to limit the selection on one dimension.
Other destination dimensions	Blank or a forced destination. Used to force a target destination's dimension.
Applicable periods	Blank or one or more time periods.
Validation tolerance	Used to determine a limitation in the Value.

b. Fill the table to look as below:



c. Then click on "Save without validation". After this click on "Validate Validation rules rule table". Both the steps need to be performed. Saving does not do validation and validating does not save.

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2. Validation Rules Details Table

a. Open the Validation rules details table. The table has the following fields:

Field	Description
Validation account	ID of the validation account.
Account 1	The member ID of the "left side" account.
Flow 1	Blank or the "left side" member of the FLOW dimension.
Sign 1	The operator used in the Left part of calculation (+ or -)
Account 2	The member ID of the "right side" account.
Flow 2	Blank or the "right side" member of the FLOW dimension
Sign 2	The operator used in the Right part of calculation (+ or -)
Remark	A description for the rule.

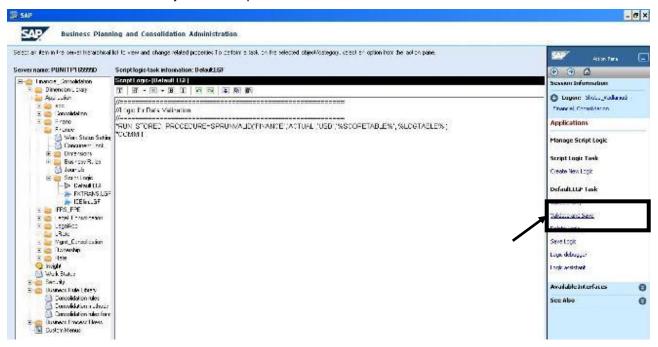
b. Fill the table to look as below:



c. Then click on "Save without validation". After this click on "Validate Validation rules details rule table".

Step 4: Writing the Script Logic

Data Validation is handled by the stored procedure SPRUNVALID.



1. Write the following to Default logic in Finance application.

The above logic executes the business rules. It takes the syntax:

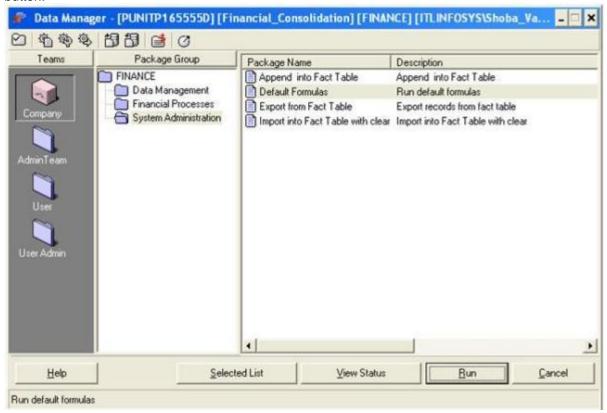
RUN_STORED_PROCEDURE=SPRUNVALID('application','category','currency','%SCOPETABLE%','% LOGTABLE%')
*COMMIT

2. Validate and save the logic.

Post Configuration Steps

Step 1: Running Data Manager Package and Verification of Results

1. The logic is executed by running the "Default formulas" package in Data Manager. Log on to BPC for Excel. Select "Manage Data"->" Run a Data Management Package". In the Company Folder of the Finance application, select "System Administration", and then "Default Formulas". Click on "Run" button.



You will then be prompted for Category, Entity and Time parameters. As with all Data Manager Packages, view the status to check if it has executed successfully, if not review the log file which gives the detail of the errors.

2. After successful execution, the result can be verified as: In Balance Sheet

Code	ACCOUNT	Parent Company - Elimination
ValidationAcc	Validation Account	300

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http://help.sap.com/saphelp_bpc70sp02/helpdata/en/66/ac5f7e0e174c848b0ecffe5a1d7730/frameset.htm

Help available in BPC - http://servername/OSOFT/Help/Admin/HelpStart.htm#

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