

## Appendix C

### Account Reconciliations for Company Code 2010

#### Corporate Guidelines for reconciliation of Co Code 2010

In order to reconcile the Balance Sheet accounts that belong to each division, the PCA trial balance should be run out of SAP using the Transaction Code (t-code) GR55.

The following steps should be followed:

1. Type in t-code GR55
2. Report Group = shar
3. Enter "Company Code" – 2010, "Fiscal Year" is the appropriate Fiscal Year, "From Period" should be 0, "To Period" is the period you wish to run the data for (YTD). "Profit Center" is SEC\_LEG (SEC Legal Entity which includes SEC, SMA, SMCA, SSG, and SERT). Account number can be SC\_F (SEC Fiscal) or SEC (SEC Monthly).
4. From the report output, the column on the far left (Legal) is the column that should reflect the local divisional balances.

The screenshot displays the SAP 'EC-PCA: Standard reports: Selection' screen. The interface includes a menu bar (Program, Edit, Goto, Environment, System, Help) and a toolbar with various icons. The main area is divided into two sections: 'Selection values' and 'Selection groups'.

**Selection values:**

Company code	2010
Fiscal Year	2007
From Period	0
To period	12

**Selection groups:**

Profit Center	SEC_LEG			
Or value(s)		to		
Account number	SC_F			
Or value(s)		to		

At the bottom of the screen, the status bar shows the transaction code 'GR55', the report name 'sapssp', and the variant 'OVR'. The Windows taskbar at the very bottom shows the Start button, several open applications (Inbox - Micro..., Draft Policies, Account Rec..., Account Rec..., EC-PCA: Sta...), and the system clock indicating 12:00 PM.

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The known accounting differences between FI and PCA relate to Inventory and Cost of Goods Sold (Inventory transfer in FI and treated as a Sale in PCA), A/R, AP and Equity. Reconciliations between FI and PCA should be analyzed by each division.

#### **Division of Responsibility**

The General Accounting Senior Manager at SEC will send out a TB with detailed accounts and the breakdown by business units (SEC, SMA, SSG and SMCA) within 4 business days of closing the general ledger. Communication amongst all divisions is necessary to ensure that each account is reconciled in its entirety.

- SEC Mahwah is responsible for reconciling cash accounts and fringe benefits.
- For certain fringe benefit accounts SEC Mahwah is responsible for the account reconciliation for the following Companies (SEMA/SEMEX, SLA).
- Fixed Assets will be reconciled by SEC (NJ) based on reports from the sub-ledger.
- All other accounts that report a balance at each division must be reconciled by that division.
- Default profit centers (e.g. PC 1 which rolls up to SEC) should be analyzed by SEC Corporate and communicated to the other divisions as necessary.

All divisions must send positive confirmation to the General Accounting Senior Manager at SEC (NJ), indicating that all reconciliations have been completed for the month, within 30 days of the closing period.