

Why SAP HCM IFRS Provision Calculation Recognition Solution (Governmental)

By using personnel datas and payroll results, it performs the calculation of annual permission provisions and severance provisions required for personnels. The accounting of the results in the SAP FI system (recording) including actuarial loss/gain calculations.

General Specialities of The Solution

There are two separate applications for calculating two corresponding species values. They separately run applications make the corresponding compensation calculation and they list the values on the screen as a report for the user to check. After the calculated values are checked, they can be accounted collectively at once through the same program. In addition, an auxiliary application that calculates the data used in the calculations to determine the seniority probability parameter is also presented.

Basic Parameters: Inflation rate, Interest Rate, Probability

Setup and Carrying to Live

The solution is easily integrated with the Fiori application created over the existing SAP system of your company.



Rapidsol SAP HCM IFRS Provision Calculation Recognition Solution

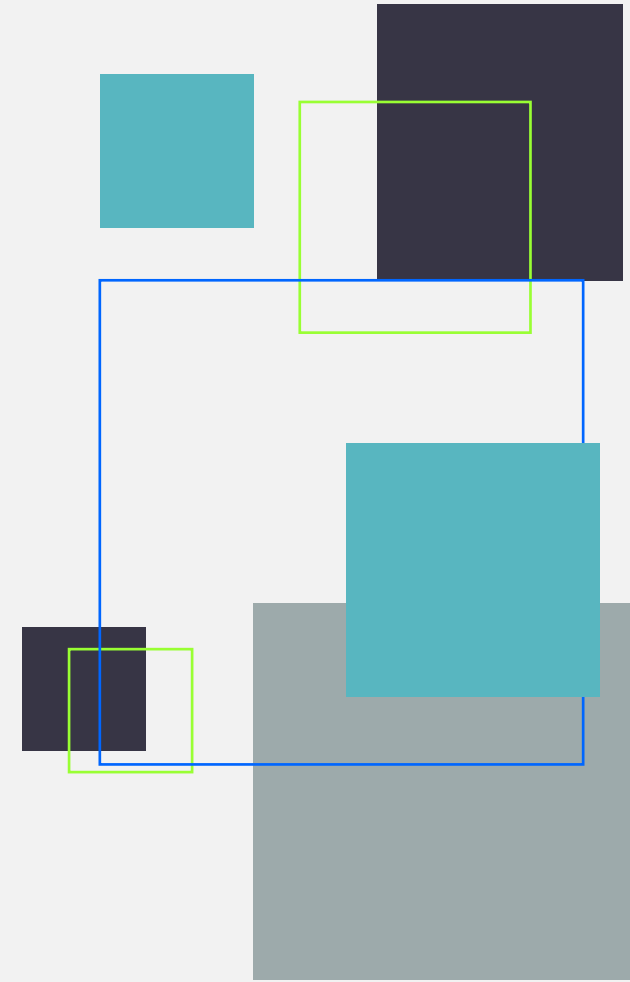
It was created for Human Resources to run Payroll Accounting and Financial Accounting processes on the SAP ERP system. It has been developed to create the necessary software and data infrastructure for the calculation and accounting of severance pay and leave provisions within this scope of companies that need to report within the framework of International Financial Reporting Standards (IFRS).

IFRS Permission ve Seniority Provisions Solution

Permission Provisions Application

Seniority Provisions Application

Utilities



"We present permission and seniority provisions"



Recognition Alternatives

There are two options for writing the accounting records of the calculated provisions. During the commissioning of the solution, the decision can be made and the appropriate one among these options can be used.

1-Accounting for the Period Balance with the Reverse Registry Method

The method we recommend is to record the total provision amount in the accounting on the calculation date and to report the changes in the balance of the period from the accounting accounts by reversing the next period. While healthy results are achieved without any action for situations such as personnel transfers, additional processes are required in recording the data calculated from the total amount (actuarial difference, etc.) on a cost center basis.

2-Accounting for Partial Differences

It is the calculation of the changes by the human resources and sending only the change data to the accounting. An additional action must be taken by the personnel administration during the transfer in order to transfer the compensations of the personnel transferred between companies. However, all desired data can be forwarded to accounting with cost center breakdown.

Prerequisites

We would like to briefly mention some of the prerequisites for the commissioning of the applications, the controls made and some studies that should be done according to the results of these controls;

It is necessary to determine the IFRS accounting accounts in which the severance and annual permission provisions will be written, and if these accounts are not created, the necessary preparation should be made by the SAP FI module.

- Personnel records must be maintained by the Human Resources department, and the first insurance entry dates (for possible retirement account) of each personnel must be entered or checked. If these dates cannot be obtained, the possible retirement dates of all personnel must be entered.
- In order for the legal seniority to be used during the calculation of the severance allowances to be calculated, it must be used before and the seniority basis wage types must be adapted correctly in the SAP payroll accounting system. In case of deficiencies in the system, it may be necessary to make the necessary adjustments to create a separate work-related fee type outside the scope of the implementation project of this solution package.
- For permission allowances, personnel permissions must be followed with the standard method 2006 (Absence Quotas) information type in the SAP HCM system.

Seniority Provisions Calculation Application

It follows the change of seniority load between two dates. Before the calculation, inflation, interest and probability data must be entered according to the company code. It calculates the severance provision amount according to international financial reporting standards by using data such as gender, employment date, first insurance entry date (or possible retirement date) and legal seniority amounts of the employees.

The screenshot shows the 'IFRS Seniority Report' in SAP. The table lists various data points for each employee, including employee number, name, date of birth, gender, and various dates and amounts related to seniority and severance calculations. The columns are densely packed with numerical and text data.

Annual Permission Provision Calculation Application

It follows and calculates the change in annual permission load between two dates. It reports numerically the permission balance at the beginning of the period, the leave earned during the period, the leave used during the period, the leave paid during the period and the balance at the end of the period.

The screenshot shows the 'Izın Yıllık IFRS Raporu' (Annual Permission Report) in SAP. The table provides a summary of permission data, including columns for employee number, name, and various permission-related metrics such as balance at the beginning, leave earned, leave used, leave paid, and balance at the end of the period.