# Reversing an Incorrect Year-end accrual (YE) Journal Entry - FBR2

**Overview:**

At fiscal year-end (Period 12), journal entries to accrue accounts payable and accounts receivable are posted to recognize expenses incurred but not yet invoiced or revenue earned but not yet received. These year-end accrual entries (YE document type) are mass reversed at the beginning of the new fiscal year using transaction FB08. Occasionally, an incorrect year-end accrual (YE doc type) journal entry is posted.

To correct this situation, the incorrect year-end accrual journal entry must be reversed using transaction FBR2. Unlike transaction FB08, reversing the entry using transaction FBR2 does not clear the original entry. It simply posts the reversal entry. Both the original journal entry and the reversal journal entry are open items that will be included in the mass reversal of year-end accruals. In this way, both entries are reversed in the new fiscal year. This results in two sets of journal entries in both fiscal years that have a zero net affect in each fiscal year.

**Transaction:**

FBR2 – Post Document: Header Data

**Hints / Tips:**

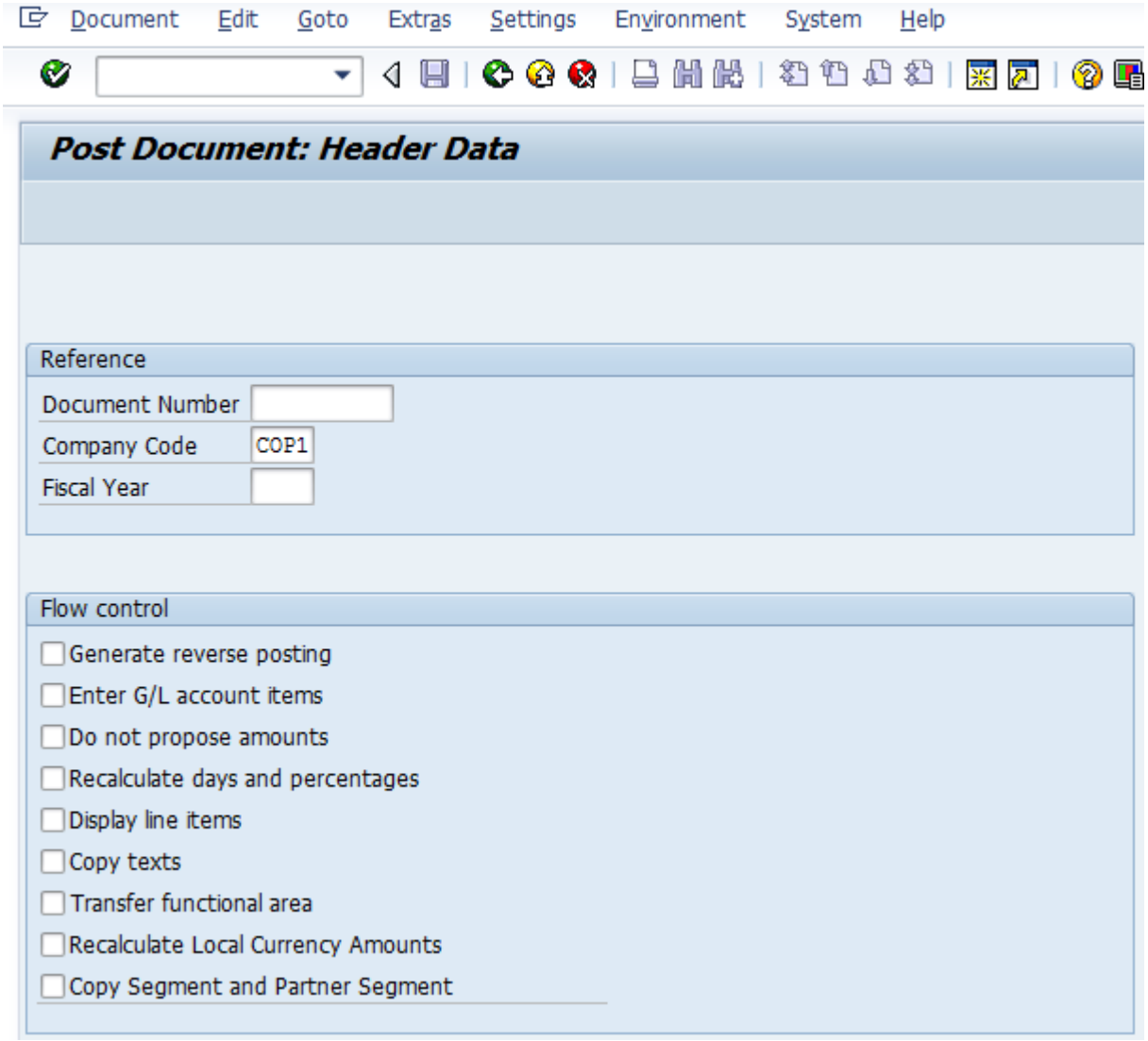
- Year-end accruals involve journal entries posted using document type YE.
- **Never use transaction FB08 to reverse an incorrect year-end accrual journal entry.** When you use transaction FB08, the original journal entry is cleared by the reversal journal entry. The reversal journal entry is an open item and a year-end accrual. Cleared items are not included in the mass reversal of year-end accruals. When the mass reversal is run, the reversal journal entry will be reversed in the new fiscal year. This results in entry equivalent to the original incorrect year-end accrual being posted into the new fiscal year. All the G/L accounts and cost objects used in this journal entry will be out-of-balance.
- **Situation - the original incorrect year-end accrual journal entry has been posted but the mass reversal of year-end accruals has not been performed**. In this situation there is an incorrect year-end accrual journal entry posted in the first fiscal year. Follow these instructions to reverse the original journal entry using transaction FBR2 . This should be posted in Period 12 of the first fiscal year. When the mass reversal of year-end accrual journal entries is execute using transaction FB08, both the original and reversal documents will be reversed in the new fiscal year. This results in two sets of year-end accrual journal entries in both fiscal years that have a zero net affect in each fiscal year.
- **Situation - the original incorrect year-end accrual journal entry has been posted and the mass reversal of year-end accruals has been performed**. In this situation there is an incorrect year-end accrual journal entry posted in both fiscal years. To correct this situation, follow these instructions to reverse the original journal entry using transaction FBR2. This should be posted in Period 12 of the first fiscal year. Next run another mass reversal of year-end accruals using FB08. The FBR2 reversal document, an open year-end accrual, will be reversed in the new fiscal year. This results in two sets of year-end accrual journal entries in both fiscal years that have a zero net affect in each fiscal year.

- By selecting the Generate Reverse Posting field the original posting key is replaced by the reverse posting key for all line items. The allocation to the debit or credit side of the corresponding account changes for all line items.

**Procedure:**

Perform the following steps in order to complete the reversal of an incorrect year-end accrual journal entry.

**Step 1:** Open transaction FBR2

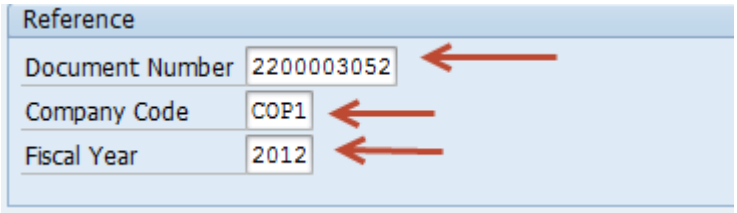


**Step 2:** Enter the following References:

Document Number - 2200003053 (example)

Company Code – COP1

Fiscal Year – 2012 (example)

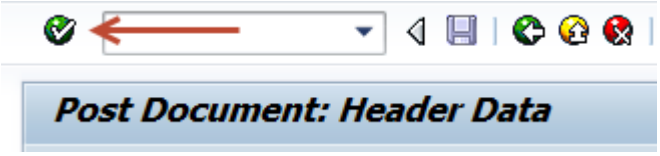



**NOTE:** Enter the document number for the incorrect year-end accrual journal entry and the fiscal year that it is posted to. Company Code defaults to COP1.

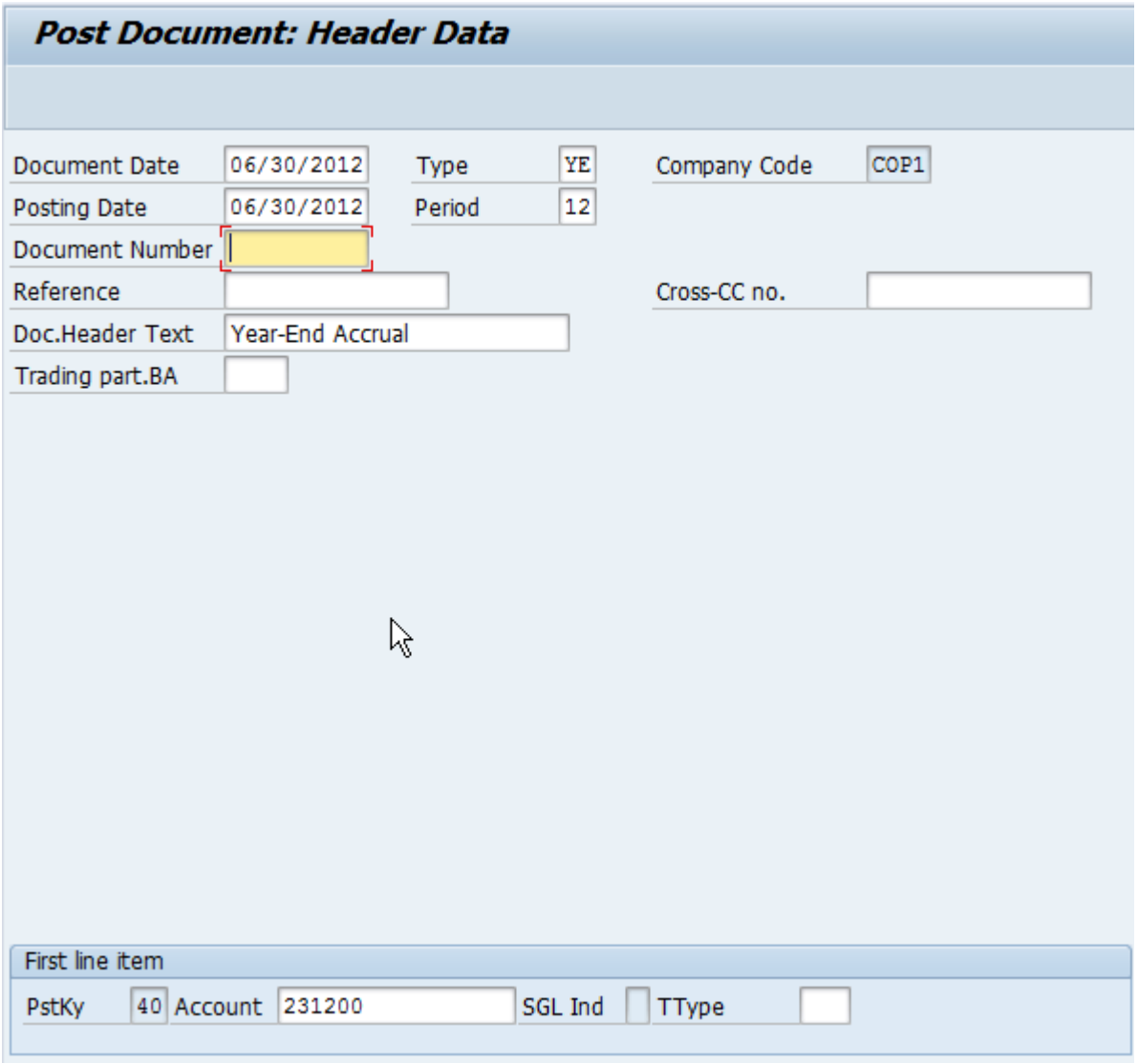
**Step 3:** Check the Generate Reversal Posting field under Flow Control.

**NOTE:** By selecting this field the original posting key is replaced by the reverse posting key for all line items. The allocation to the debit or credit side of the corresponding account changes for all line items.

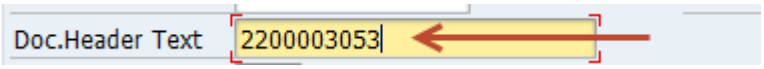
**Step 4:** Click **Enter**




**NOTE:** The header data displays



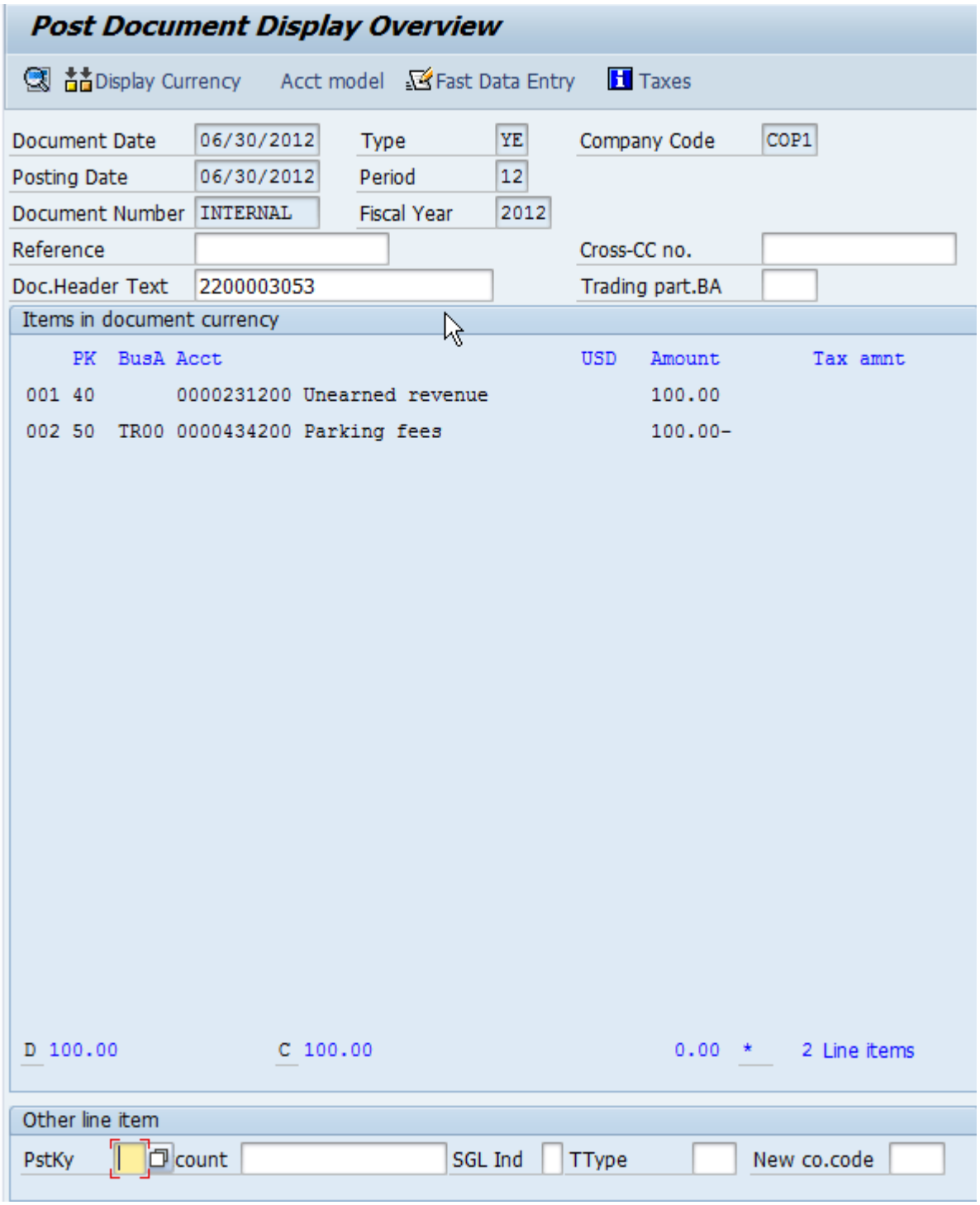

**Step 5:** Enter the **document number** of the journal entry that is being reversed in the Doc. Header Text field




**NOTE:** This allows the reversal document to be easily traced to the document being reversed.

**Step 6:** Click **Enter**

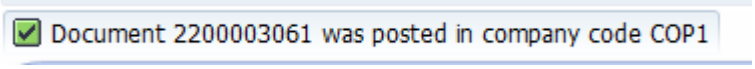
**NOTE:** The Post Document Display Overview screen displays so that the reversal entry can be verified before it is posted.

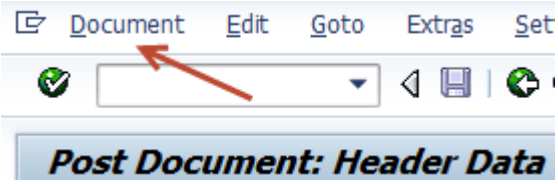
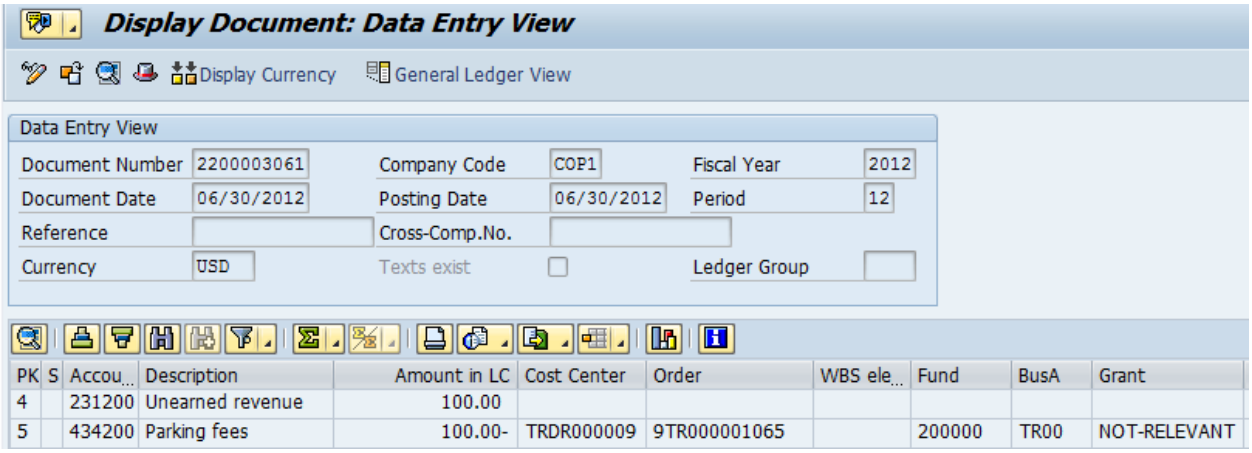

Post Document Display Overview
Display Currency
Acct model
Fast Data Entry
Taxes
Document Date 06/30/2012
Type YE
Company Code COP1
Posting Date 06/30/2012
Period 12
Document Number INTERNAL
Fiscal Year 2012
Reference
Cross-CC no.
Doc.Header Text 2200003053
Trading part.BA
Items in document currency
PK BusA Acct USD Amount Tax amnt
001 40 0000231200 Unearned revenue 100.00
002 50 TR00 0000434200 Parking fees 100.00-
D 100.00 C 100.00 0.00 * 2 Line items
Other line item
PstKy
count
SGL Ind
TType
New co.code

**Step 7:** Click **Post**

**NOTE:** The reversal document number displays at the bottom of the main screen.

To display the reversal document, go to the Document tab and select Display




**Step 8:** Optional - To view the reversal document go to the Document pull down tab and select Display