

## Business One in Action – BP Balance Does Not Match Journal Entries



### Applies to:

SAP Business One, [Accounting](#), [Banking and Reconciliation](#)

### Summary:

This article explains why the red system message 'BP Balance does not match Journal Entries' can be received when running ageing reports in SAP Business One versions lower than 2007 and how the issue is best dealt with.

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### Author Bio:

Kerstin Pauquet joined SAP in 2003 and is currently active as Global Topic Lead and Support Expert for SAP Business One. She has worked as both technical and business consultant. She authored this article as a direct response to a partner enquiry during the Expert-on-Phone project, where she consulted on mainly financial and banking related topics.

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## BP Balance Does Not Match Journal Entries.

Due to the duality of the reconciliation functionalities within SAP Business One in all versions prior to 2007 there was a possibility of inconsistent reconciliations. Some of these inconsistencies manifested themselves in the display of the red message 'BP account Balance does not match Journal Entries' when running the ageing report by sales documents, which was introduced with patch 29 in SAP Business One 2004:

The screenshot shows the 'Customer Receivables Ageing' report in SAP Business One. The report is filtered by 'Business Partner' and 'Ageing Date' 30.04.08. The table below shows the ageing breakdown for five customers. The fifth customer, 1224036 (FX bug), has a total balance of 5,005.50, which is highlighted in yellow. A red message at the bottom of the report states: '\*Business partner balance does not match journal entries'.

#	Customer...	Customer Name	Total	Future R...	Interest	0 - 30	31 - 60	61 - 90	90+
1	1000	Fruits R Us	BP 3,642.83						
2	1001	The Smoothie	EUR 816.88						
3	1003	The Fruit Bas	GBP 332.77						
4	1003315	Copy to targ	GBP 694.70						
5	1224036	FX bug	UR 5,005.50						

\*Business partner balance does not match journal entries

SAP note 752261 was released in January 2006, providing a set of queries that were designed to determine the cause of the inconsistency. Now there is a better tool available, readily available & easy to use.

SAP now provides the 2007 A & 2007 B upgrade simulation tools, available for download from the SMP:

Channel Partner Portal -> Solutions -> SAP Business One -> SAP Business One Hot Topics -> SAP Business One 2007 Information Centre -> New Single Reconciliation Engine -> click on 'More'.

## INTERNAL RECONCILIATION ENGINE & UPGRADE

### SAP BUSINESS ONE

#### What is the Internal Reconciliation Upgrade?

In previous SAP Business One releases the use of dual reconciliation engines might have caused differences between the account balance and the document reports, which are very often detected during the year-end closing process. The root causes were fixed with SAP Business One 2007 A and B as well as 8.8. Please read the below, to understand what actions you and your customers need to take to resolve any inconsistencies.

While upgrading to SAP Business One 2007 or 8.8 from a release lower than 2007 resolves the internal reconciliation issues for all new transactions, legacy reconciliation issues are detected and must be dealt with by the accountant. In an affected database, the upgrade will automatically create Reconciliation Upgrade (RU) journal entries that notionally re-open the balance due of any inconsistently reconciled document.

#### How can I determine whether a customer will be affected?

We have provided an IRU simulation tool, or IRU pre-upgrade tool, which helps you determine if you are affected by reconciliation inconsistencies. The pre-upgrade tool can be downloaded and is available in the following versions:

- IRU pre-upgrade tool for SAP Business One 2007 A
- IRU pre-upgrade tool for SAP Business One 2007 B
- IRU pre-upgrade tool for SAP Business One 8.8

#### Take Action!

- ▶ Install and run the "IRU pre-upgrade" tool for 2007 A  
Updated on Jul. 17, 2009
- ▶ Install and run the "IRU pre-upgrade" tool for 2007 B  
Updated on Mar. 27, 2009
- ▶ Install and run the "IRU pre-upgrade" tool for 8.8  
Updated on Jul. 6, 2009

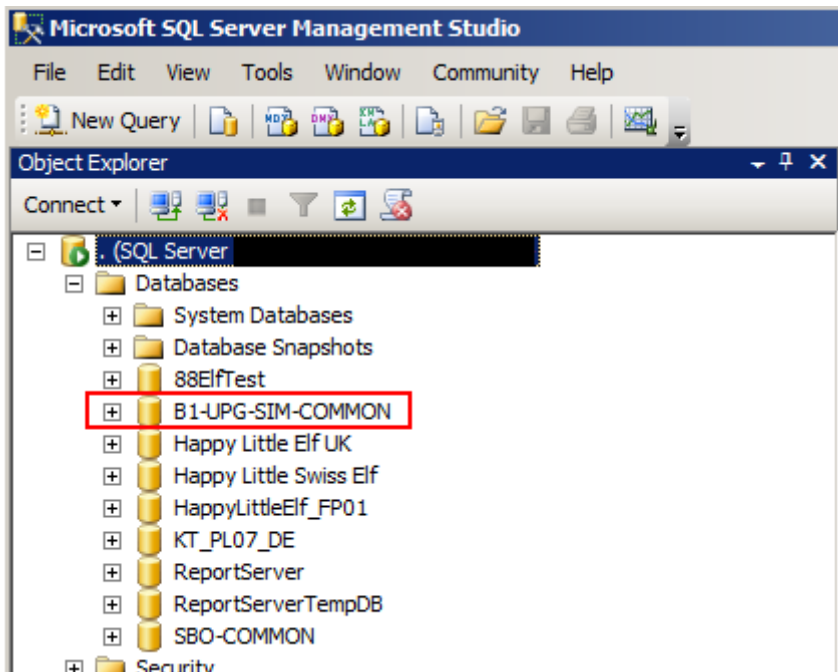
Note: To upgrade an existing IRU tool installation, you need to de-install the existing version and then re-install the new version.

#### Related Information

- 📄 Training
- 📄 Fact Sheet (pdf, 79KB)
- 📄 Messaging Guide (pdf, 88KB)

Download the simulation tool & install it locally, please see the Expert Empowerment Session 'How to download & install the Internal Reconciliation Upgrade Simulation Tool' for detailed instructions.

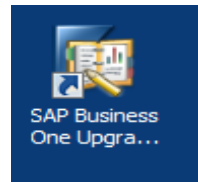
As a result of the installation, an additional SBO common is created:



Also, a new shortcut appears on the desktop:

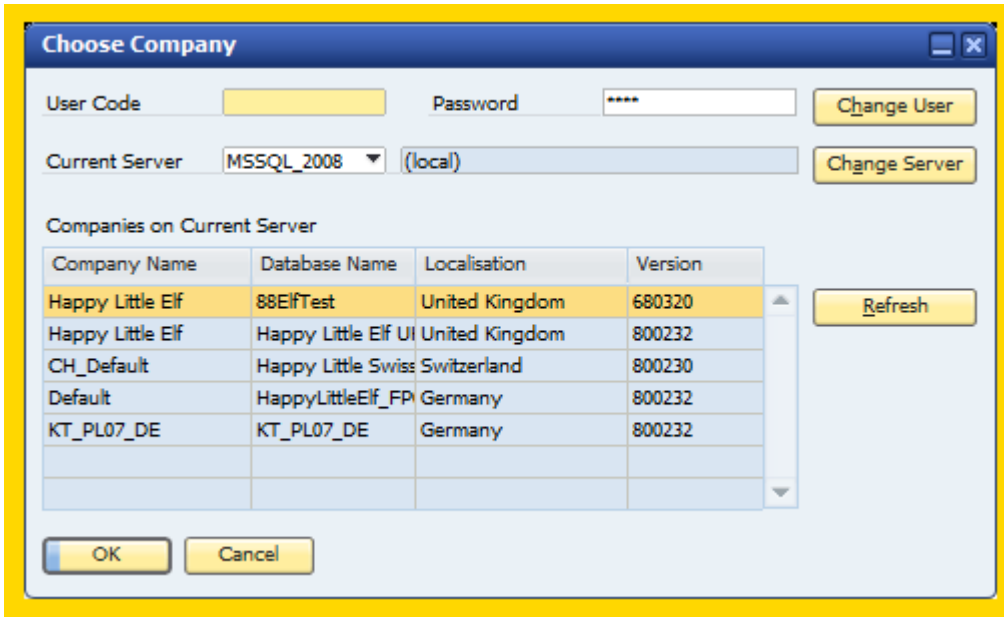


after having installed the 2007 version or



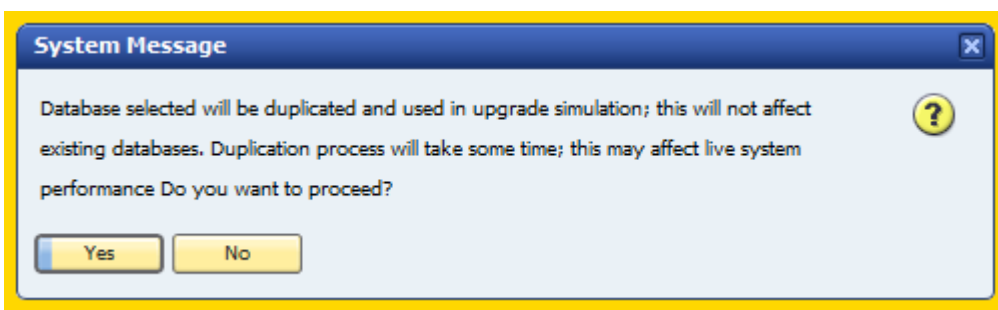
after having installed the 8.8

version.  
Open the application, in this example the 8.8 version is used, with a double-click on the shortcut & select a database from the server to undergo a mock upgrade to version 2007, note that the background colour will differ from the usual SAP Business One background & in most cases is a vivid sunflower-yellow:



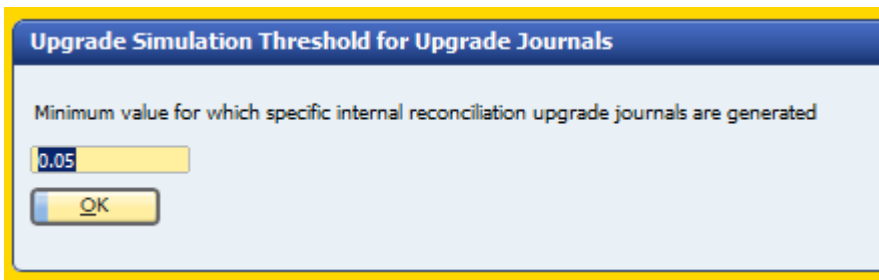
Log into the database to initiate the mock upgrade. There is no need to take a prior backup.

The following system message is received:



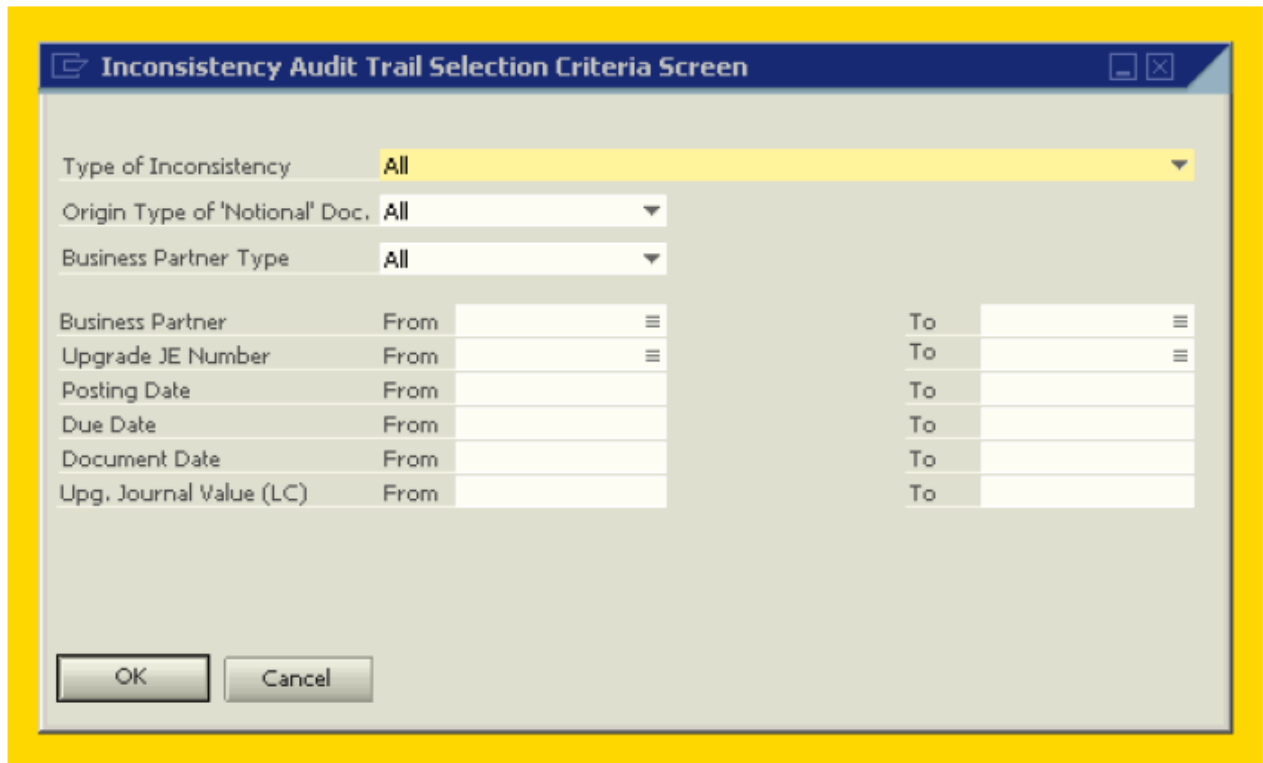
Click on 'Yes' when effects on the performance of the live system are not an issue.

The following window will appear:

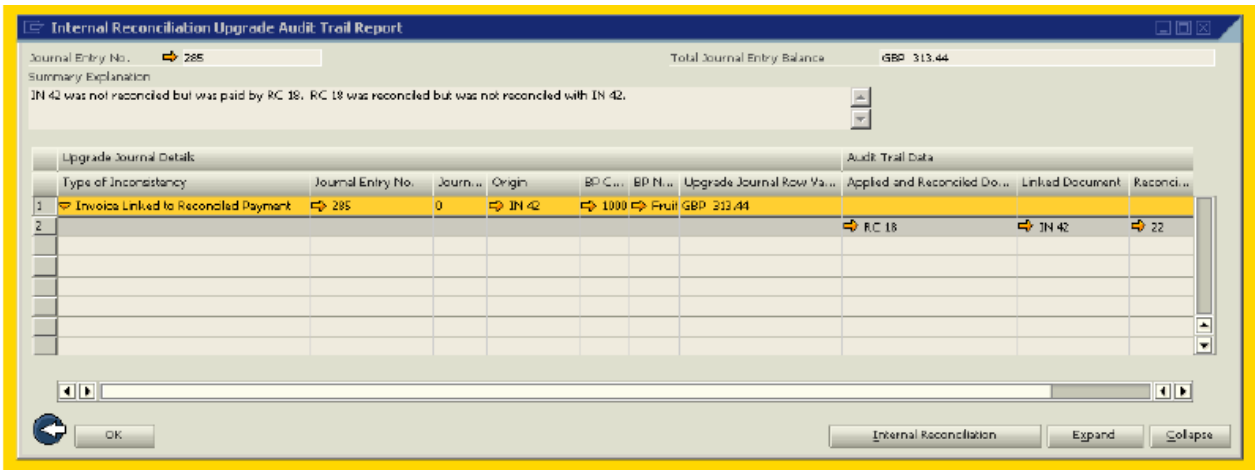


The default minimum value of an inconsistency that should be detected during the upgrade has been set at 0.05 units of local currency. The general recommendation is to use the value of '1' unit of local currency such that minimal rounding issues will not generate reconciliation upgrade journals. Please confer with the company accountant on this matter.

Clicking on 'OK' will initiate the mock upgrade. Once the upgrade is completed & reconciliation inconsistencies are indeed present in the database, the 'Inconsistency Audit Trail Selection Criteria Screen' window will open automatically. Here, the user can filter the output of the audit trail.

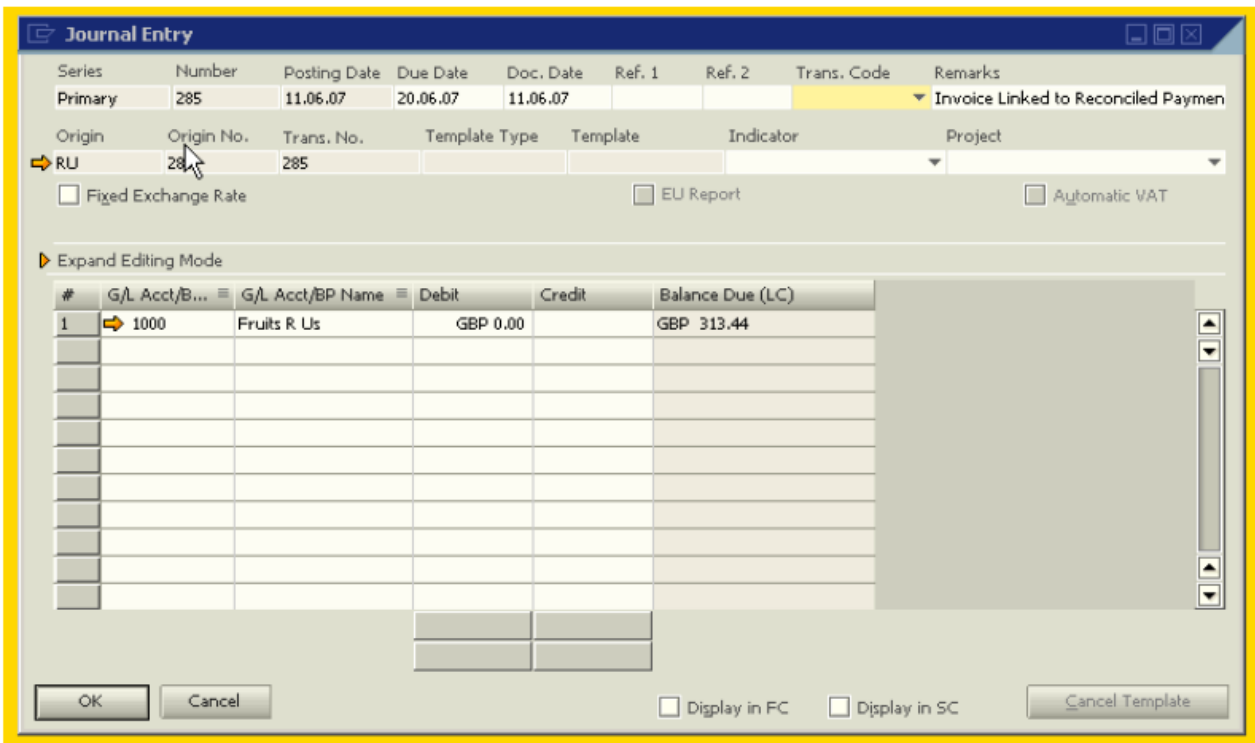


Using the criteria above & clicking on 'OK' will result in the display of all inconsistencies, for this example I created an inconsistency in the database in the lower version:



The 'Summary Explanation' clearly states that AR invoice (IN) 42 had been paid with incoming payment (RC) 18, but RC 18 had been reconciled with something else.

Upon the upgrade to 2007 A journal entry 285 had been automatically created which notionally reopens IN 42 by opening a 'Balance Due' on the BP account balance. This journal has no credit/debit entry & does not affect the actual balance on the BP account.



#	Posting Date	Origin	Origin No.	Offset Account	Details	C/D (LC)	Balance Due (LC)	Debit (LC)	Credit (LC)
15	11.06.07	IN	41	400000	AR Invoice - 1000	GBP	559.00	GBP 559.00	GBP 559.00
16	11.06.07	IN	42	400000	AR Invoice - 1000	GBP	559.00	GBP 559.00	GBP 559.00
17	11.06.07	RU	285		AR Invoice 42	GBP	0.00	GBP 313.44	GBP 0.00
18	15.06.07	IN	44	400000	AR Invoice - 1000	GBP	5.26	GBP 5.26	GBP 5.26
19	26.06.07	IN	45	400000	AR Invoice - 1000	GBP	27.99	GBP 27.99	GBP 27.99
20	26.06.07	IN	47	400000	AR Invoice - 1000	GBP	27.99	GBP 27.99	GBP 27.99
21	26.06.07	IN	48	400000	AR Invoice - 1000	GBP	27.99	GBP 27.99	GBP 27.99
22	26.06.07	IN	49	400000	AR Invoice - 1000	GBP	1.87	GBP 1.87	GBP 1.87
23	15.06.07	IN	50	400000	AR Invoice - 1000	GBP	1,169.75	GBP 1,169.75	GBP 1,169.75
									GBP 3,642.23

When encountering the message 'BP Balance does not match Journal Entries, SAP recommends to upgrade to 2007 A , 2007 B or version 8.8 & then reconcile thus generated RU journals directly from the account balance or the audit trail window with another appropriate transaction.

Please note that the IRU engine is not triggered when upgrading from 2007 to version 8.8.



## Related Contents

- [SAP Business One in Action Catalog Page:](#)
- [Link](#) to DRC documentation
- SAP Note [1228363](#)
- For more information, visit the [Business One homepage](#).

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