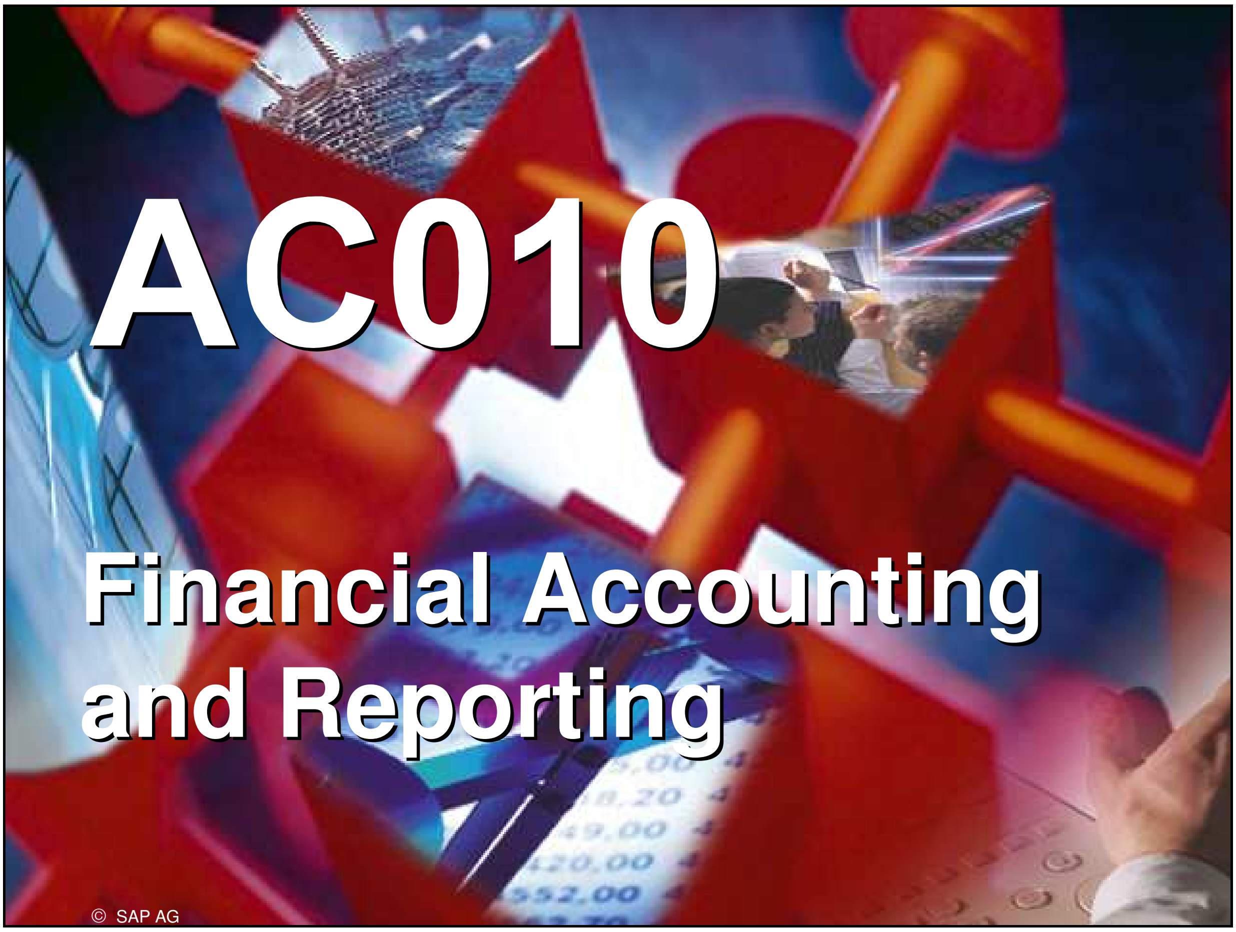
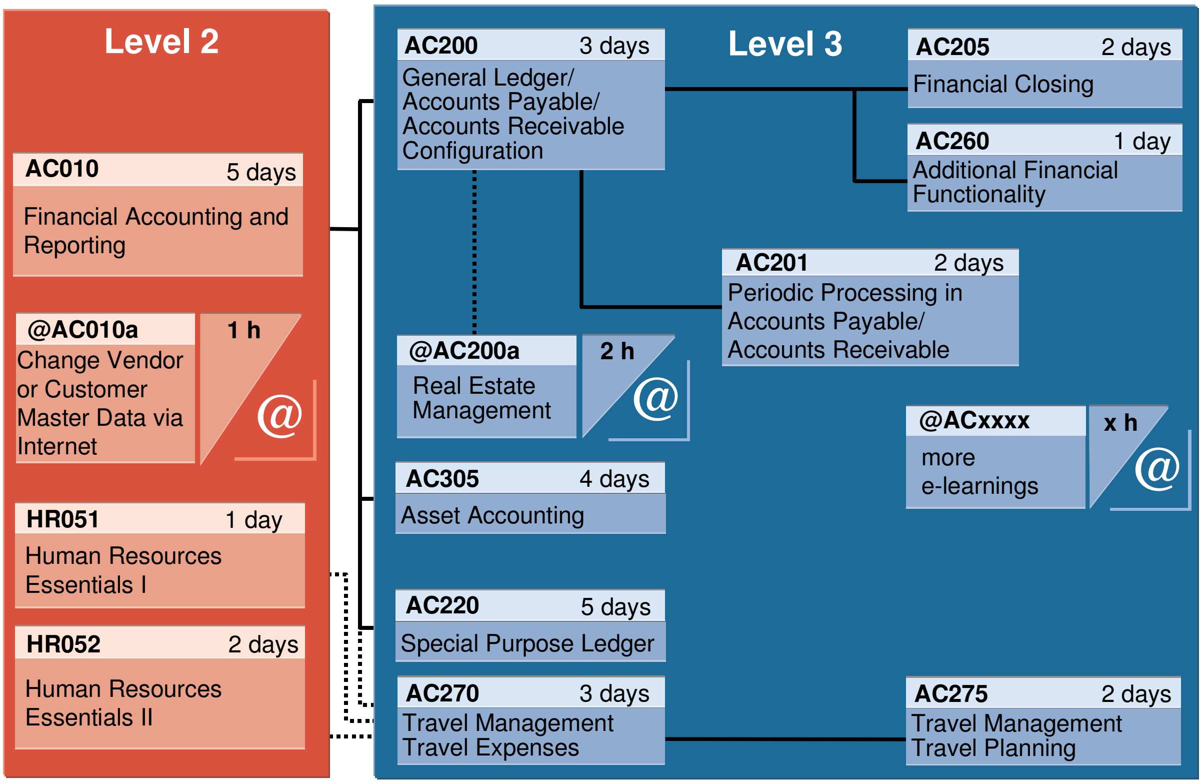


- R/3 System
- Release 4.6C
- January 2001
- Material number 5004 2114

Financial Accounting I



Course Prerequisites

- Knowledge of accounting processes in Financial Accounting
- SAP20 (recommended)

Target Group

- **Participants:**
  - **Members of the FI project team**
  - **Employees from accounting departments**
- **Duration: 5 Days**

User information

- The course materials are not intended for self-study. Only in combination with the instructions from the trainer do you have the complete course materials. There is space on your materials to note down additional information.

Course Overview

Contents:

- Curriculum Progression
- Course Goals
- Course Objectives
- Course Content
- Course Overview Diagram
- Main Business Scenario
- Getting Started

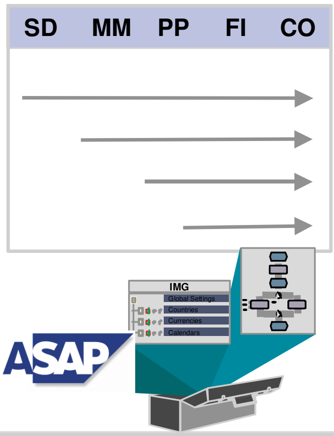
Curriculum Progression

Level 1: Introduction

Introductory courses

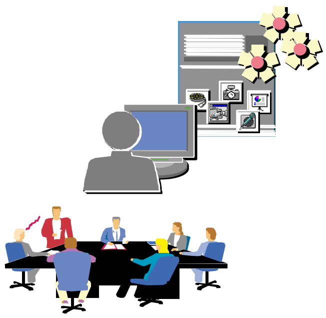
Level 2: Processes

Business processes

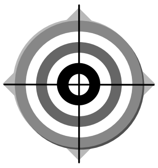


Level 3: Special topics

Detailed courses and workshops



Course Goals



This course will prepare you to:

- Describe the basic structure and procedures of Financial Accounting in the SAP System
- Perform essential functions in Financial Accounting
- Support project teams with important decisions

Course Objectives

At the end of this course, you will be able to:

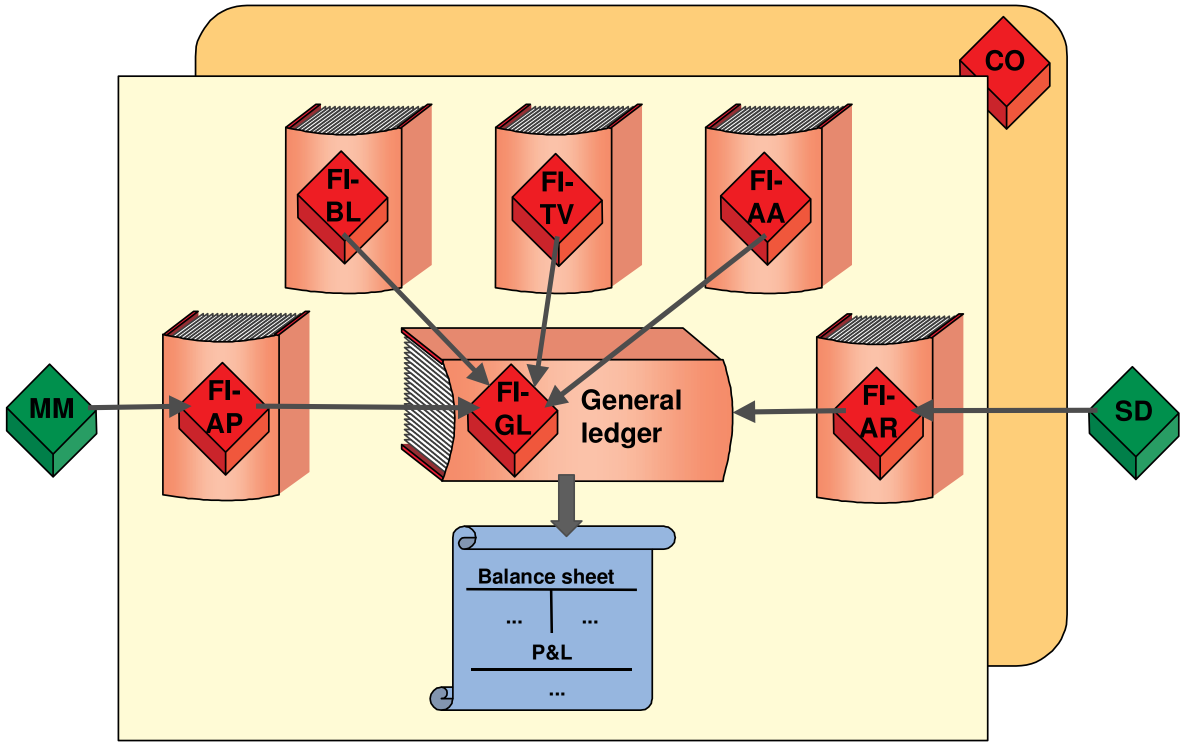
- Explain the roles of various applications in Financial Accounting
- Explain how the financial accounting modules relate to each other
- Perform typical accounting transactions in the application components of Financial Accounting

Course Content

Preface

Appendix

Overview Diagram

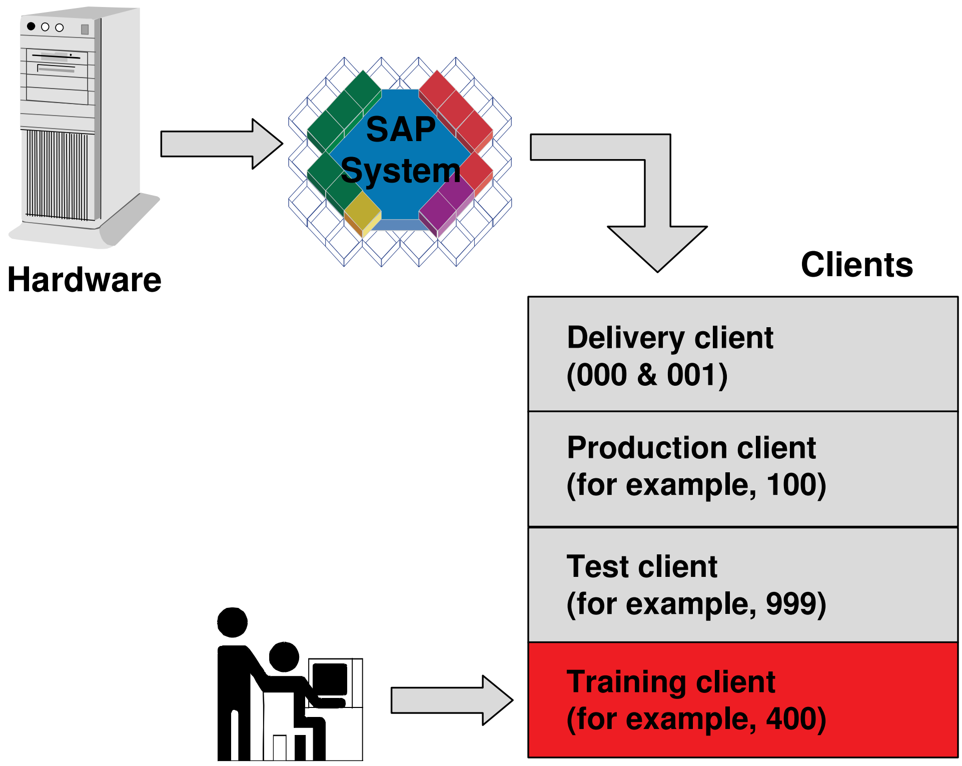


- The general ledger contains a record of all relevant accounting transactions from a business point of view in the G/L accounts. In order to retain a clear overview, the general ledger often contains collective postings. In such cases, the information posted is displayed in more detail in the subsidiary ledgers, which provide their information to the general ledger in summarized form:
  - **Accounts Payable** records all accounting transactions for dealings with suppliers. Much of its data is obtained from procurement (**Materials Management**).
  - **Accounts Receivable** records all accounting transactions for dealings with customers. Much of its data is obtained from **Sales and Distribution**.
  - **Asset Accounting** records all accounting transactions relating to the management of assets.
  - **Travel Management** manages and calculates travel costs and supports travel planning and travel expenses
  - **Bank ledger** supports the posting of cash flows.
- All G/L account postings that post to business expense accounts automatically send the expenses as costs to Controlling. The balances of G/L accounts are used to calculate financial statements.

Company Scenario

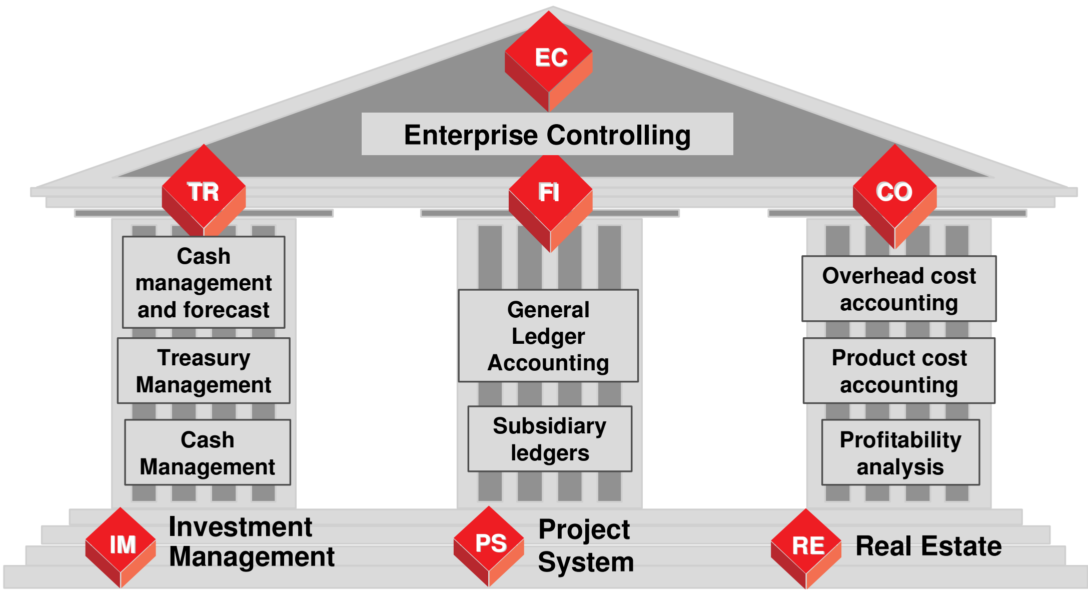
- You want to learn more about the capabilities and processes that the components of Financial Accounting have to offer in SAP R/3.
- IDES has been productive with all financial accounting application components for quite some time and serves as a reference customer for SAP.
- You are to visit the IDES group in order to get a practical view of how the IDES group completes its accounting transaction using the FI components.

Clients in R/3

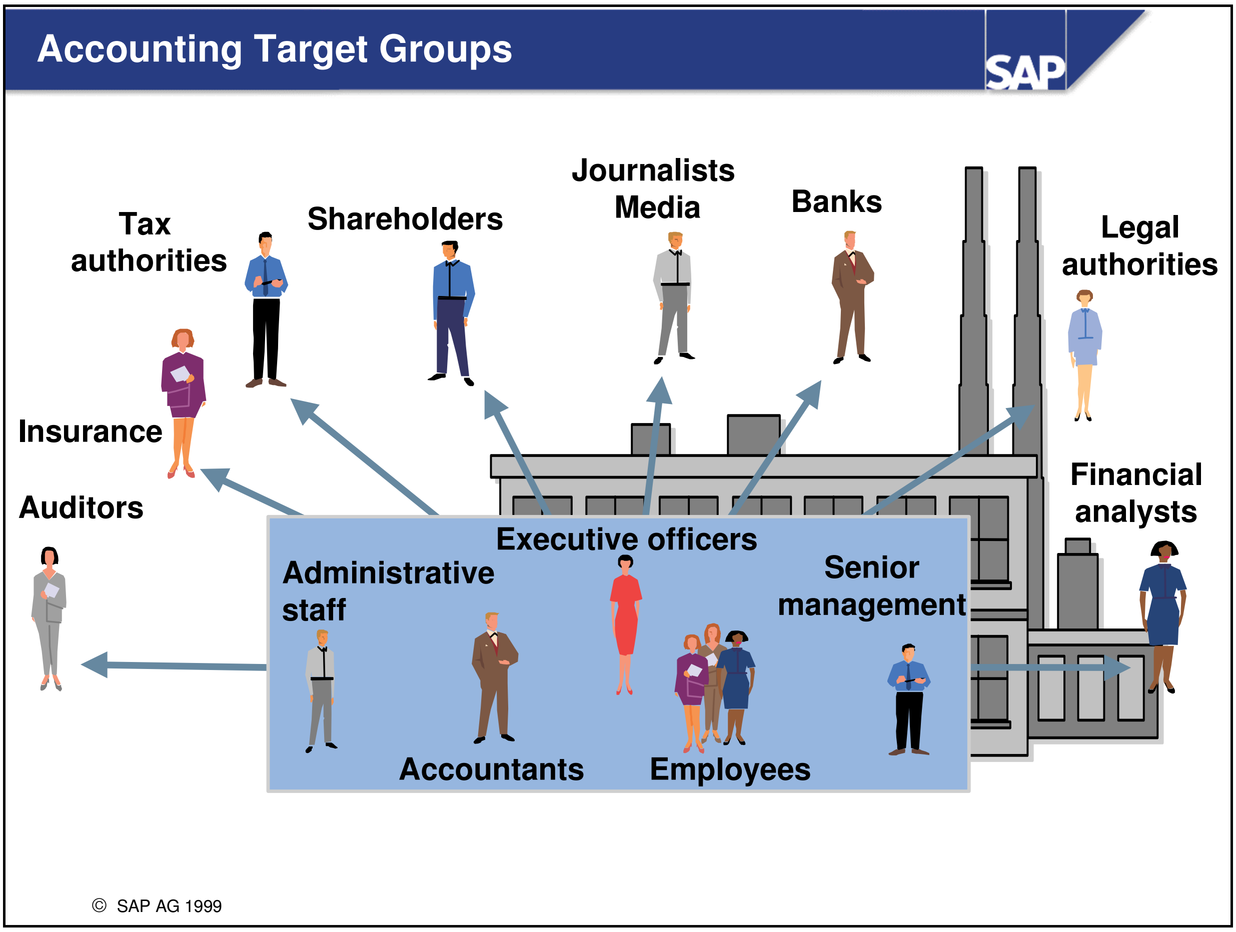


- **Clients** are used to divide data in a SAP System into various data areas for various purposes. If a company, for example, wants to use its SAP System for both test and training purposes, a client is created for each purpose.
- A client is identified via a three character code. Data can be moved via transports and corrections from one client to another.
- When logging on to the system, the user has to select a client in which he/she wants to work. The user can then only access data in this client.

Financial Applications



- Various **financial applications** offer different views of the financial position and performance of a company and allow various control levels.
  - FI Financial Accounting
  - CO Controlling (Managerial accounting)
  - TR Treasury
  - IMInvestment Management
  - EC Enterprise Controlling
  - RE Real Estate
  - PS Project System
- In this course, you learn primarily about the application component FI.



■ There are two **target groups** that use accounting information:

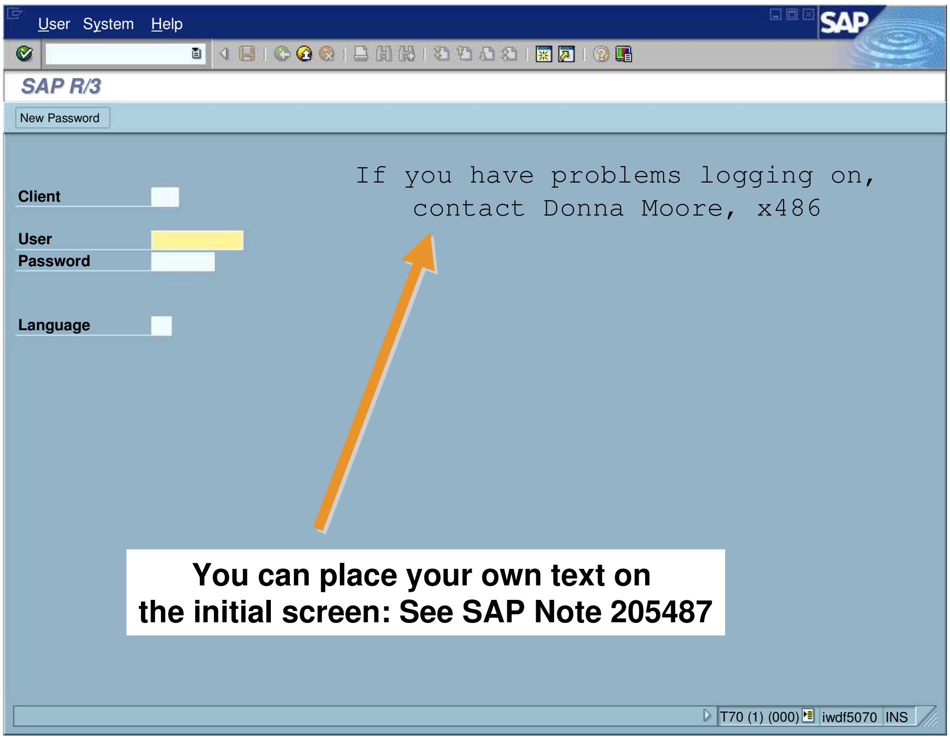
- **External users:**

  These users usually require information that conforms with legal requirements. This data is managed in the application component FI (Financial Accounting).

- **Internal users:**

  These users come from all levels within the company. The need information for the internal operations of the company. This information is contained in the application component **CO (Controlling)**.

Logging On to the System



- SAP R/3 Systems are **client systems**. The client concept enables the parallel operation, in one system, of several enterprises that are independent of each other in business terms. The components SAP Business Information Warehouse (BW) and SAP Knowledge Warehouse (KW) are exceptions to this: in these cases only one client is used. During each user session you can only access the data of the client selected during logon.
- A **client** is, in organizational terms, an independent unit in the system. Each client has its own data environment and therefore its own master data and transaction data, assigned user master records and charts of accounts, and specific Customizing parameters.
- For a user to log on to the system, a master record must exist in the system for that user. To protect access, a password is required for logon. The password is hidden as you type (you only see asterisks).
- SAP R/3 Systems are available in several languages. Use the *Language* input field to select the logon language for each session.
- Multiple logons are always logged in the system beginning with SAP R/3 4.6. This is for security as well as licensing reasons. A warning message appears if the same user attempts to log on twice or more. This message offers three options:
  - Continue with current logon and end any other logons of the same user in the system
  - Continue with current logon without ending any other logons in the system (logged in system)
  - Terminate current logon attempt
- You can place your own text on the initial screen in a number of ways. For more information, see the SAP Note mentioned above. The GuiXT (covered at the end of this chapter) offers a further option.

Navigation

Contents:

- Navigation in the system
- User-specific settings
- Navigation in the mySAP.com Workplace

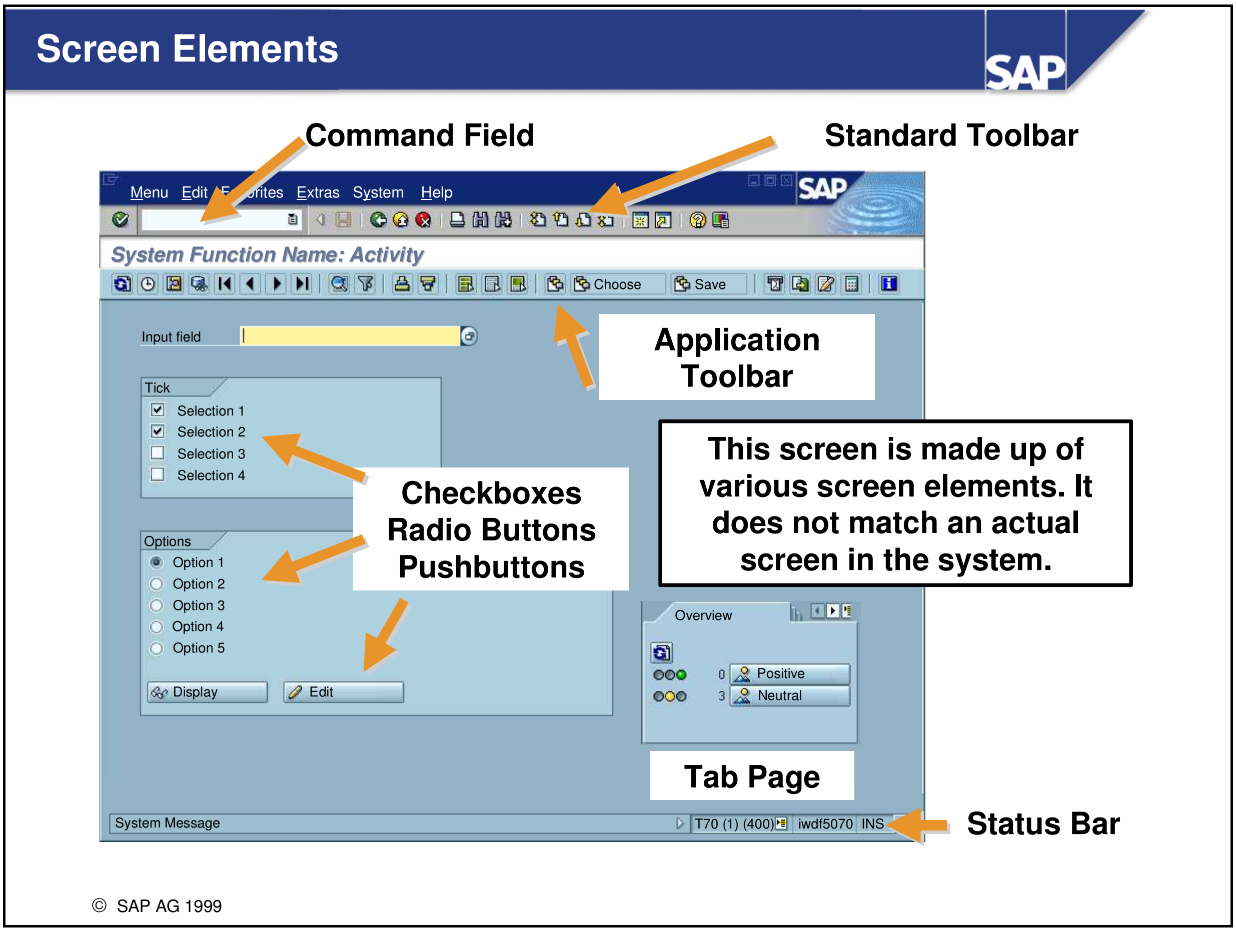
Navigation: Unit Objectives

At the conclusion of this unit, you will be able to:

- Identify the elements of a typical window
- Navigate in the system
- Personalize your user settings
- Describe and use the mySAP.com Workplace

Navigation: Business Scenario

- **New users need to familiarize themselves with the screens in the system and define their personal default settings**



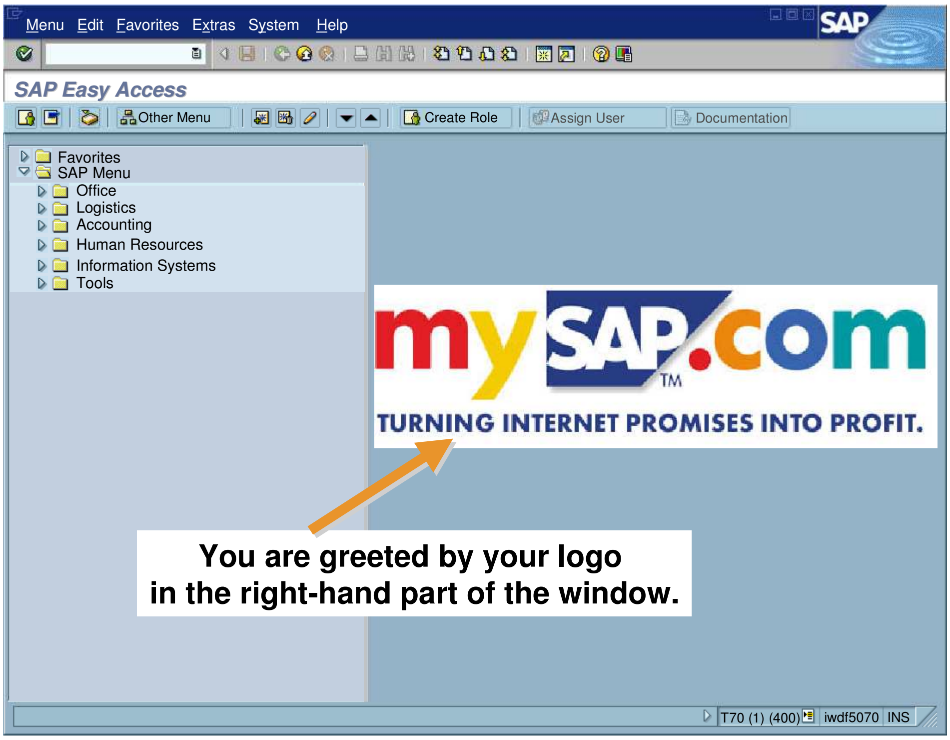
- **Command field:** You can use the command field to go to applications directly by entering the transaction code. You can find the transaction code either in the *SAP Easy Access* menu tree (see the page *User-Specific Personalization*) or in the appropriate application by choosing *System*→ *Status*.
- **Standard toolbar:** The icons in the standard toolbar are available on all SAP R/3 screens. Any icons that you cannot use on a particular screen are dimmed. If you leave the cursor on an icon for a moment, a QuickInfo appears with the name (or function) of that icon. You will also see the corresponding function key. The **application toolbar** shows you which functions are available in the current application.
- **Checkboxes:** Checkboxes allow you to select several options simultaneously within a group.
- **Radio buttons:** Radio buttons allow you to select one option only.
- **Tabs:** Tabs provide a clearer overview of several information screens.
- **Status bar:** The status bar displays information on the current system status, for example, warnings or error messages.

Other elements are:

Menu bar: The menus shown here depend on which application you are working in. These menus contain cascading menu options.

Title bar: The title bar displays your current position and activity in the system.

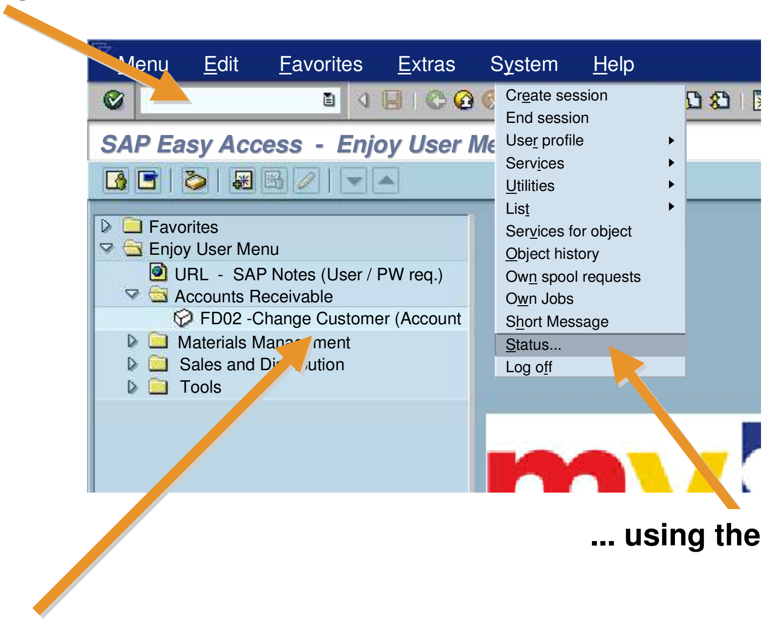
SAP Easy Access - Standard



- **SAP Easy Access** is the standard entry screen displayed after logon. You navigate through the system using a compact tree structure.
- You can include an image on the right-hand side of the screen such as your company logo. This image can only be entered systemwide, and is a cross-client setting. Assuming you have the appropriate authorization, you can find a detailed description of the necessary settings by choosing *Extras → Administration Information*. Note that this image is stored in the system and transported to the SAP Frontend every time it is called by SAP Easy Access. Although this transfer is compressed, the image for the initial screen should not be bigger than around 20 kB. You can prevent this image being called either by using the setting *Low Speed Connection* in the SAPLogon program (see SAP Note 161053), or by switching off the calling of the image under *Extras→Settings*. See also *User-Specific Personalization*.

Selecting Functions

... using the transaction code in the command field

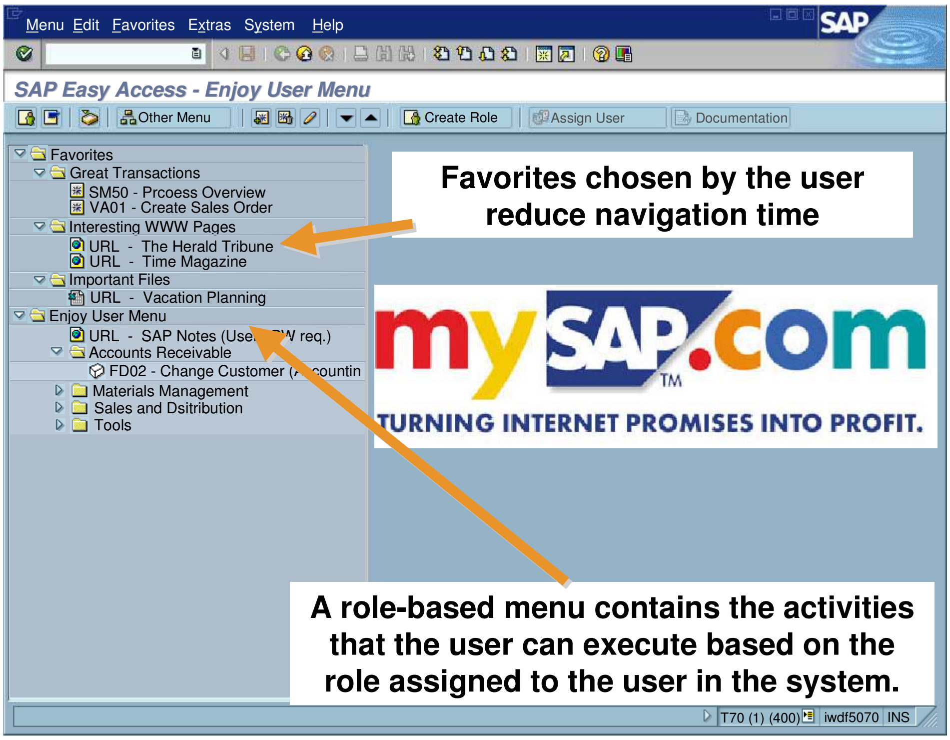


... using the menu path

... using SAP Easy Access and Favorites

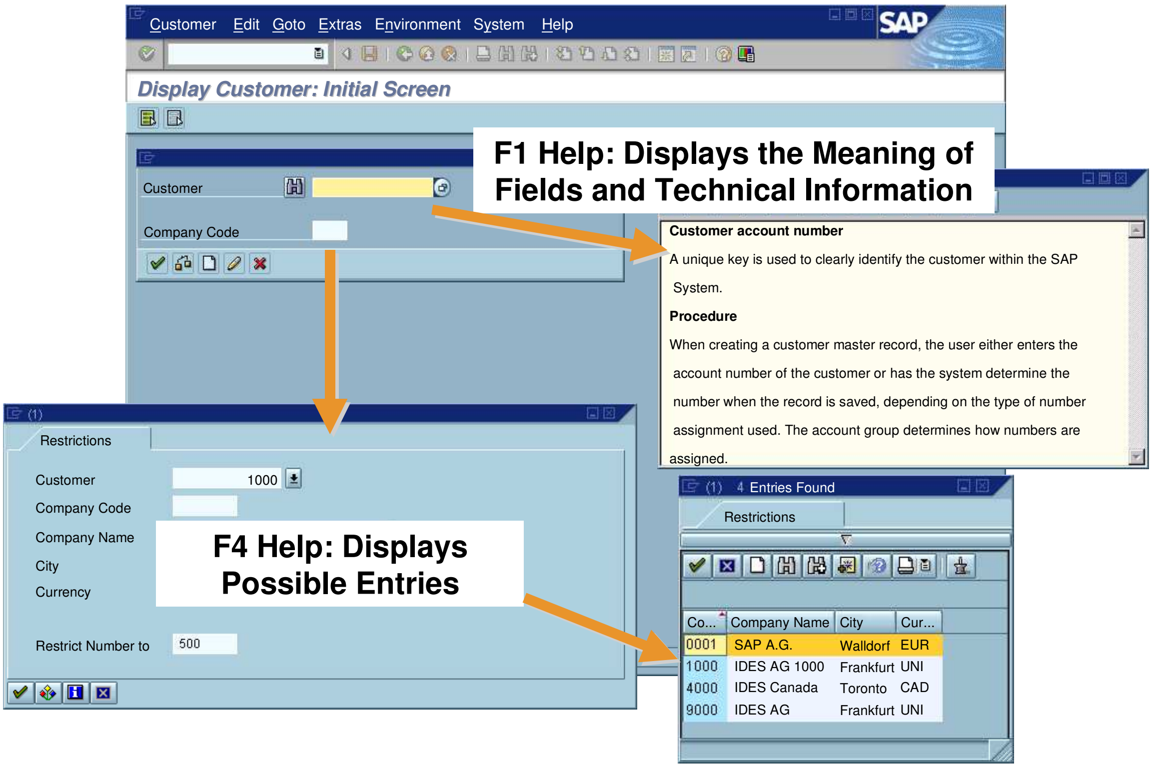
- You can select system functions in the following ways:
  - Use the mouse to choose
    - Menu options
    - Favorites
    - SAP Easy Access options
  - Use the keyboard (ALT + the underlined letter of the relevant menu option)
  - Enter a **transaction code in the command field**:
    A transaction code is assigned to each function in SAP R/3 Systems. You can access the assigned transaction code from any screen in the system. For example, to display customer master data, enter `/n` and the appropriate transaction code (in this case `/nfd03`). You can find the transaction code for the function you are working in under the *Status* option of the *System* menu. Other possible entries:
    - `/n` ends the current transaction.
    - `/i` ends the current session.
    - `/osm04` creates a new session and goes to the transaction specified (SM04).
- You can also use the keyboard to go to the command field. Use the CTRL + TAB key combination to move the cursor from one (input) field group to the next.
  Use TAB to move between fields within a group.

Role-Based User Menu



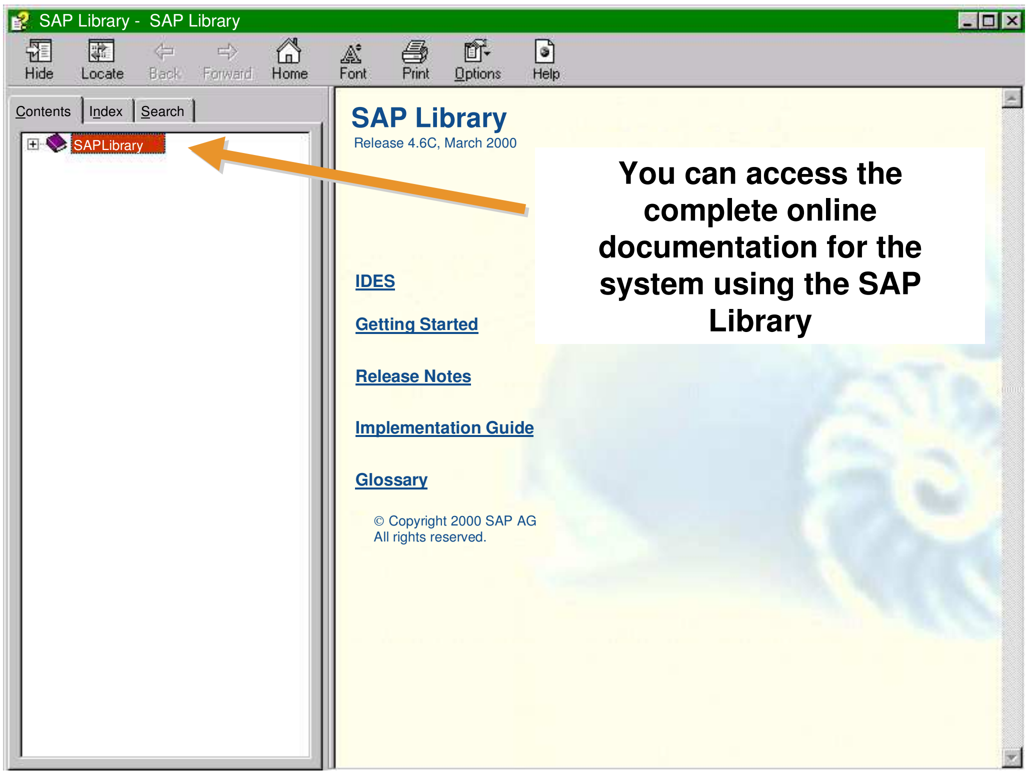
- A **Role** describes a set of logically linked transactions in the system. These represent the range of functions users typically need for their work.
- **User roles** (previously “activity groups”) have to be set up using the Profile Generator so that SAP R/3 System users can work with **user-specific** or **position-related** menus.
- The authorizations for the activities listed in the menus are also assigned to the users using user roles. With Release 4.6, predefined user roles from all application areas are included in the standard system.
- Users who have been assigned a user role can choose between the user menu and the SAP standard menu.
- The above screen shows the role-based user menu for a user with the name "Enjoy". You can find roles that are supplied in the standard SAP R/3 System by choosing *Other menu* on the *SAP Easy Access* initial screen.
- Every enduser can personalize the initial screen using *Favorites*. You can create your own **Favorites list** containing the transactions, reports, files, and Web addresses that you use most often.
- You can add favorites either by choosing *Favorites* or by using the mouse to “drag & drop” items into the *Favorites* directory.

Field Help: F1 and F4



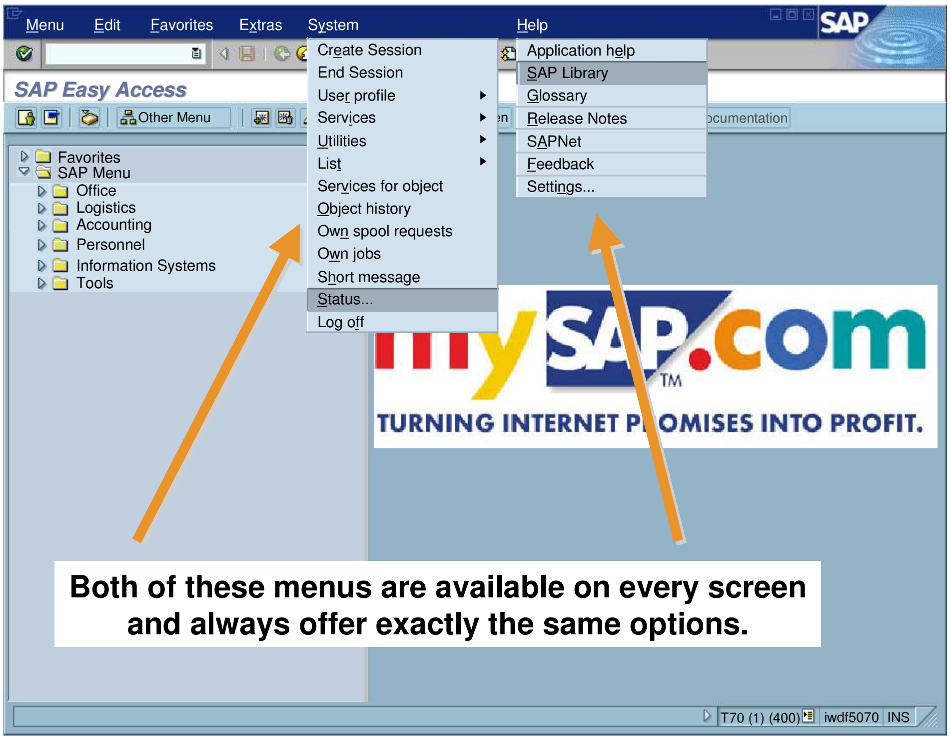
- For help on fields, menus, functions, and messages, use **F1**.
- F1 help also provides technical information on the relevant field. This includes, for example, the parameter ID, which you can use to assign values for your user to input fields , which have to refer to these parameter IDs.
- For information on what values you can enter, use **F4**. You can also access F4 help for a selected field using the button immediately to the right of that field.
- If input fields are marked with a small icon with a checkmark, then you can only continue in that application by entering a permitted value. You can mark many fields in an application as either required entry fields or optional entry fields. You can also hide fields and preassign values using transaction or screen variants or Customizing.

SAP Library



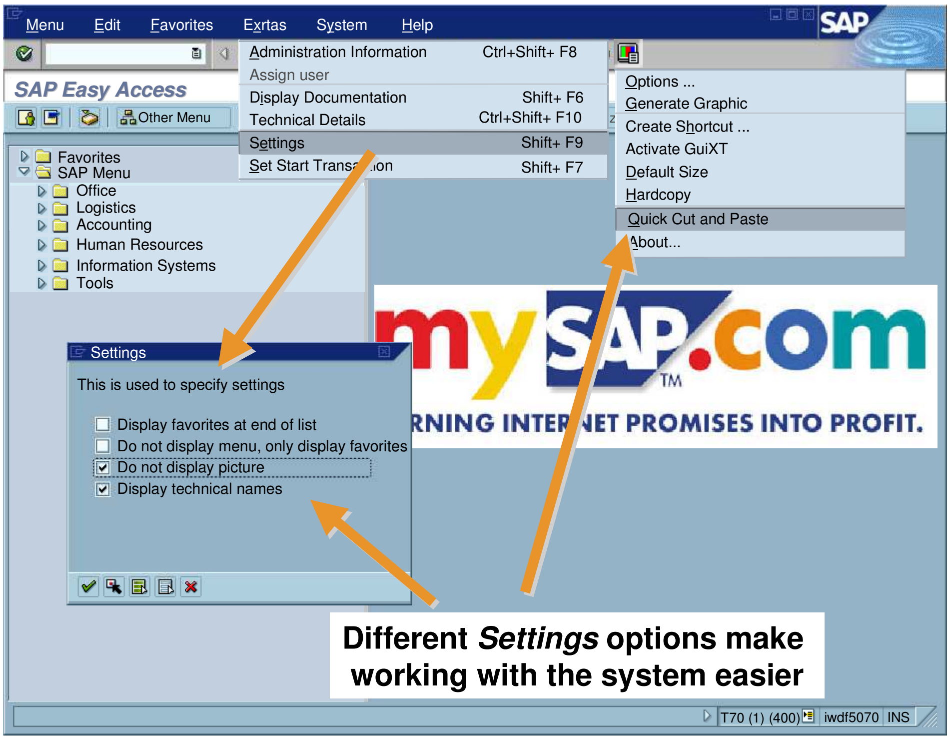
- SAP R/3 Systems provide comprehensive online help. You can display the help from any screen in the system. You can always request help using the *Help* menu or using the relevant icon (the yellow question mark).
- You can access the SAP Library quickly and comfortably by using the SAP Service Marketplace. There you can find the *SAP Help Portal* under *Knowledge and Training,* where you can not only access Help in HTML format, but can also perform efficient full-text searches in the SAP Library. If you have the SAP Library installed, you also have, of course, these opportunities within your company.

Menus: System and Help



- The *System* menu contains, among others, the following options:
  - Create/End Session: Allows you to create and end sessions. The maximum number of sessions can be set to a number between 2 and 6 by the system administrator using the parameter rdisp/max_alt_modes.
  - User profile: This is where you can enter user-specific settings. For example, you can use Parameter IDs in *Own Data*, in order to set default values for specific user-dependent fields in the system (for example the company code field).
  - List: Contains important list functions, such as searching for character strings, saving in PC files, printing, and so on.
  - Status: Enables you to display important user and system data.
  - Log off: Ends the R/3 session with a confirmation prompt.
- The *Help* menu contains, among others, the following options:
  - Context-sensitive *Application Help*
  - Access to the *SAP Library* (see previous page)
  - a *Glossary*
  - ...

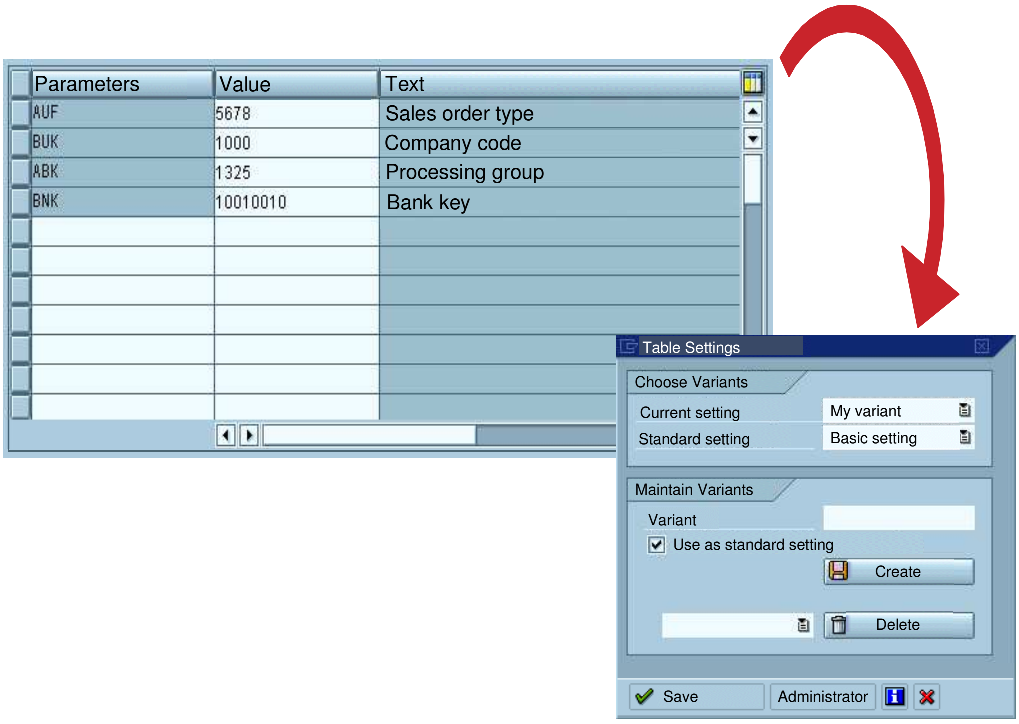
User-Specific Personalization



- The end user has many possibilities for personalizing the system. Some are described below:
  - You can alter the layout of your initial screen under *Extras* → *Settings*, for example by switching off the image in the right-hand part of the window or by turning on the option to display the technical names (transaction codes) in the SAP Easy Access Menu.
  - Among other things, you can activate a quick cut and paste in the *Options menu.* Using *Options* you can change the reaction speed of the QuickInfo that is displayed when you hold your mouse cursor over an icon or a push button.
  - By following the path *System*→ *User profile*→ *Own data,* you can set personal standard values. You can choose the tabs *Address, Defaults,* and *Parameters*. As an example, the setting of *Parameters* is explained here:
    - Parameters: Here you can set defaults for frequently used input fields. In order to be able set a default value for a field, it must have been assigned a Parameter ID.

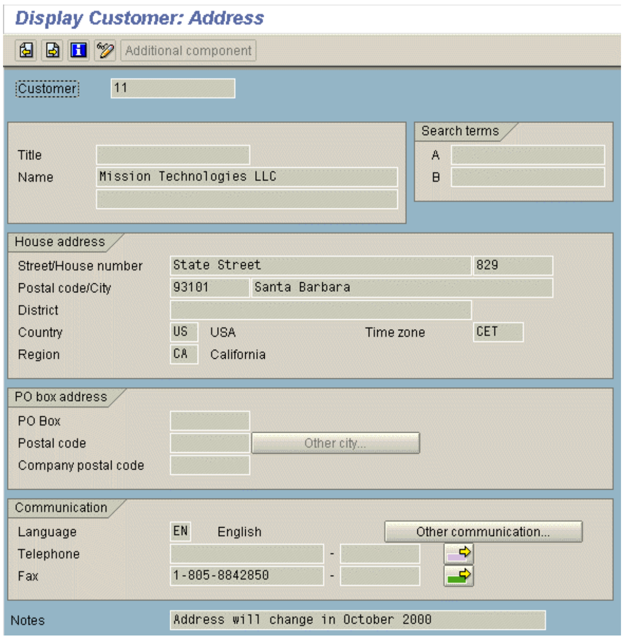
      Procedure for finding the Parameter ID: Go to the field for which you wish to set a default value. Select the F1 help, and then choose *Technical Info*. The system displays an information window that contains the relevant parameter ID under the heading *Field Data* (as long as the field has been assigned a *Parameter ID*).

Table Settings - Example



- Use the *Table Settings* function to change, in the table control, the individual basic table settings that are supplied with the system. This is particularly useful for tables where you do not need all the columns. You can use the mouse to drag & drop column positions and widths, or even make the column disappear.
- Save the changed table settings as a *variant*. The number of different variants you can create per table is not restricted.
- The first variant is called the *basic setting*; the SAP System defines this setting. You cannot delete the basic setting (you can delete the variants you define yourself).
- The table settings are stored with your user name. The system uses the variant currently valid until you exit the relevant application. If you then select the application again, the system will use the standard settings valid for this table.
- **Note:** you can change table settings wherever you see the table control icon in the top right-hand corner of a table.

Personalizing the Frontend with GuiXT



FD03 without GuiXT **FD03 with GuiXT**

Example from http://www.guixt.com

- SAP R/3 Systems offer numerous options for settings and adjustments:
  - Define default values for input fields
  - Hide screen elements
  - Deactivate screen elements (dimmed)
    You can do this by, for example, defining transaction variants.
- SAP offers **GuiXT**, as of SAP R/3 Release 4.6. In addition to all of the above functions, you can now:
  - Include graphics
  - Convert fields and add pushbuttons and text
  - Change input fields (or their F4 help results) into radio buttons
- **GuiXT** scripts are stored on the Frontend. In accordance with local scripts, the GUIXT scripts determine how data sent from the application server is displayed. These scripts can be standard throughout a company, or they can be different for each Frontend.
- **NOTE:** The GuiXT will support the mySAP.com Workplace only as of the end of the year 2000. This means that until then you should use **either** the SAP GUI for the Windows Environment and the GuiXT **or** the mySAP.com Workplace with the SAP GUI for HTML (or the SAP GUI for Java or the SAP GUI for Windows).

Navigation: Unit Summary

You are now able to:

- Identify the elements of a typical window
- Navigate in the system
- Make personal system settings
- Describe and use the mySAP.com Workplace

Exercises

Unit: Navigation

Topic: Basic features

At the conclusion of this exercise, you will be able to:

- Log on to a given R/3 System
- Find transaction codes
- Access the SAP Library
- Use F1 help to find field information
- Use F4 help to search for possible field entries

As a new user of the R/3 System, you begin to navigate the system using the menu paths and transaction codes. You also begin to access various online help and discover the kinds of information each provides.

1-1 Logging on to the R/3 System

Select the appropriate R/3 System for this course. Use the client, user name, initial password and logon language specified by the instructor. The first time you log on, you will get a prompt in which you must enter your new password twice. Make a note of the following:

Client: _ _ _   User: _ _ _ _ _ _ _ _ _   Password: ____________   Language: _ _

1-2 What is the maximum number of sessions you can have open simultaneously? __

1-3 Identify the screen names and find the transaction codes that correspond to the following menu paths?

1-3-1 ***Tools → Administration → Monitor → System Monitoring → User Overview***

Name of screen: ____

Transaction: ___________

1-3-2 ***Accounting → Financial Accounting → Accounts receivable → Master records → Display***

Enter *Customer* **1000** and *Company code* **1000** to get to the next screen.

Name of screen: ____

Transaction: __________

1-4 Help

1-4-1 If you choose *Application help* in the *SAP Easy Access* screen, which area of the SAP Library does it take you to ?

____

To answer the questions below, you will need to go to the *Display Customer: Initial Screen*

1-4-2 Use **F4** help on the *Customer* field to find the customer number for Becker ##.

Note: ## corresponds to your assigned group number.

____

1-4-3 Use F1 help on the Customer field. What is the use of this field? Please write a brief summary of the business-related information.

____

1-4-4 Use **F1** help on the *Company code* field. If you choose the *Application help* button from the F1 help screen, which area of the SAP Library does it take you to?

____

1-4-5 Which pushbutton do you need to use on the F1 help screen to find the parameter ID for the *Company code* field?

____

Unit: Navigation

Topic: User-specific settings

At the conclusion of this exercise, you will be able to:

- Set a user parameter for a field
- Set various user defaults such as language, date format, and decimal notation
- Create folders and add transactions to your Favorites
- Select a start transaction of your choice as the default displayed after logging on (optional)

You begin to set various user-specific settings to personalize the system to your liking.

2-1 Setting user parameters.

2-1-1 Assign a parameter value for the *Company code* field to your user profile.

Note: Your instructor will tell you what parameter value to enter.

Parameter ID: ___ ___ ___

Parameter value: ___ ___ ___ ___

2-2 Setting user defaults.

2-2-1 In your user profile, set your logon language to the value used for the course.

2-2-2 In your user profile, select the decimal notation and date format that you desire.

2-3 Defining favorites of your choice.

2-3-1 Insert at least one new folder under the Favorites folder.

2-3-2 Add any two of your “favorite” transactions to the corresponding folder(s).

2-3-3 Add the Internet address “http://www.sap.com” under the text “SAP Homepage”.

2-4 Setting a start transaction (optional).

2-4-1 Enter a transaction of your choice as the initial transaction. You will then need to log off and on again for the change to take effect.

Note: If desired, you can change the initial transaction back to the system default (SAP Easy Access).

Solutions

Unit: Navigation

Topic: Basic features

1-1 Log on to the system specified by the instructor and change your initial password.

1-2 You can open and close sessions using ***System → Create session*** (or using the appropriate icon) and ***System → End session***.
The maximum number of sessions you can have open simultaneously is 6.

1-3 To find the transaction code, select ***System → Status***. These screen names and transaction codes correspond to the menu paths:

1-3-1 Transaction: SM04 for Screen Name: *User list*

1-3-2 Transaction: FD03 for Screen Name: *Display Customer: General data*

1-4 Help

1-4-1 The entire SAP Library is available including Getting Started.

Help → Application help

1-4-2 T-CO05A## (## corresponds to your assigned group number)

When you select **F4** in the *Customer* field, the *Restrict Value Range* window appears. You can explore the various tabs to see the different search criteria available. Find a tab that includes the *Name* field and enter the following:

Field Name	Values
Name	*Becker ##*

Select the *Continue Enter* pushbutton. A window now appears listing the customer account numbers that match your search criteria. Select the line that corresponds to *Becker ##*, then select the *Copy Enter* pushbutton. This automatically copies the customer account number into the *Customer* field.

1-4-3 Suggestion: The customer is a unique key (account number) used to clearly identify the customer within the system.

1-4-4 FI – Accounts Receivable and Accounts Payable

1-4-5 Use the *Technical Info* pushbutton to find the *Parameter Id*: BUK.

Unit: Navigation

Topic: User-specific settings

2-1 Setting user parameters.

2-1-1 To assign a parameter value to a field you will need the parameter ID of the field. First you need to select a transaction that contains this field. For example, *Company code* can be found in transaction **FD03**. Next, place the cursor on that field (just click on it with the mouse). Accessing:

F1 → Technical Info → Parameter ID

gives you the required information. For the *Company code* field, the parameter ID is **BUK**.

Finally, you enter the parameter ID and desired value in your user profile:

System → User profile → Own data

On the *Parameter* tab you enter the parameter ID and value that you want to be entered into the field. *Save* your entries.

2-2 Setting user defaults.

2-2-1 To set the logon language, go to your user profile:

System → User profile → Own data

On the *Defaults* tab, enter the language of your choice in the *Logon language* field.

2-2-2 To set the decimal notation and date format, remain on the *Defaults* tab in your user profile. Select the indicator adjacent to the notation and format you desire. *Save* your selections.

2-3 Defining favorites of your choice.

2-3-1 ***Favorites → Insert folder***

Type any name for the folder then select *Enter*. You can add as many folders as you desire. Once created, folders can be dragged and dropped to position them where you want.

2-3-2 To create favorites, select specific applications (transactions) that you need as favorites for your daily work from the menu tree of the SAP standard menu. Add them to your Favorites list by selecting them and choosing *Favorites → Add* from the menu bar. Alternatively, use the mouse to drag & drop favorites to a folder. You can also use the menu path ***Favorites → Insert transaction*** to add using a transaction code.. Finally, you can move existing favorites to different folders later using ***Favorites → Move*** or using drag & drop.

2-3-3 Create Internet addresses using ***Favorites → Add Web address or file***. When you select SAP Homepage from your favorites, an Internet browser will open and you will be connected to SAP's homepage.

2-4 Setting a start transaction (optional).

2-4-1 ***Extras → Set start transaction***

Enter a transaction of your choice then select the *Enter* pushbutton. Notice the system message on the status bar indicates that your selected transaction has been set as the start transaction. The next time you log on, the system will go directly to your start transaction.

Note: To change back to SAP Easy Access as the initial screen, follow the menu path again, delete the transaction code and select *Enter*. The next time you log on, SAP Easy Access will be the initial screen.

General Ledger Accounting

Content:

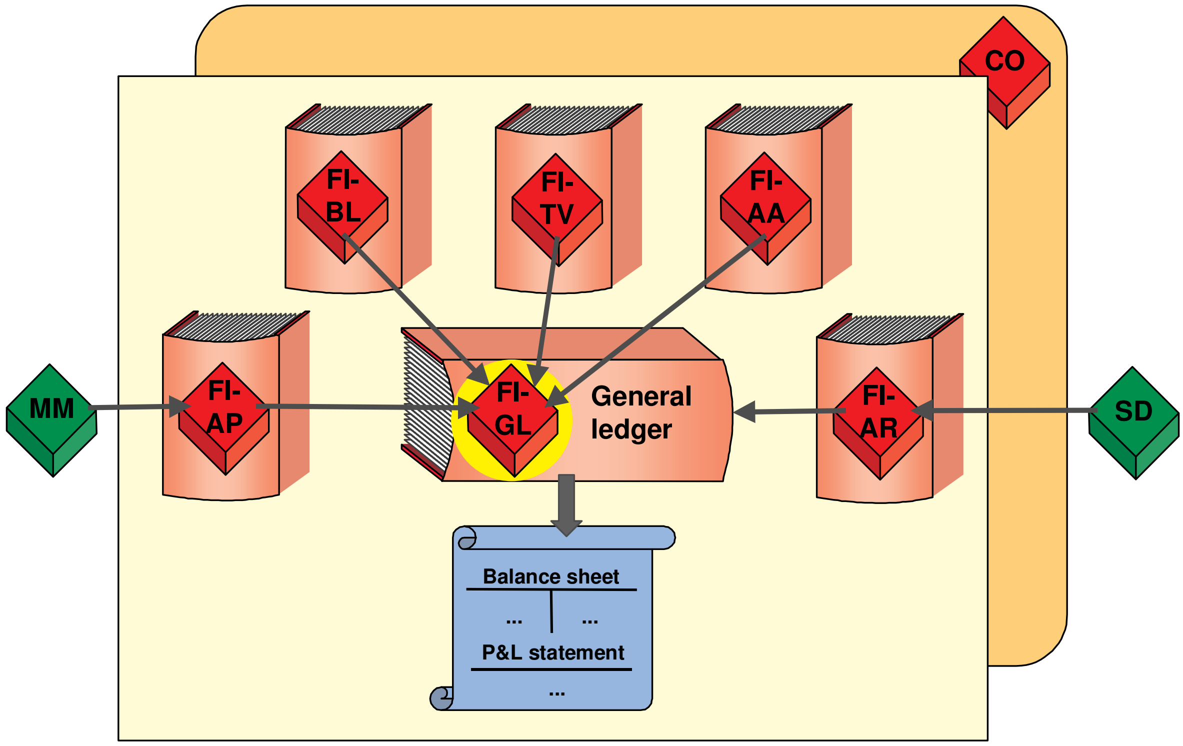
- Organizational Elements for Financial Statements
- G/L Account Master Records
- Accounting Transactions within a Period in General Ledger Accounting

General Ledger Accounting: Unit Objectives

At the conclusion of this unit, you will be able to:

- Describe how G/L Accounting is set up in R/3
- Maintain and view G/L accounts
- Complete daily accounting transactions in the general ledger

Overview Diagram: General Ledger Accounting



- The **general ledger** contains a record of all relevant accounting transactions from a business point of view in the G/L accounts. In order to keep a clear overview, the general ledger often only contains collective postings. In such cases, the information posted is displayed in more detail in the **subsidiary ledgers**, which provide their information to the general ledger in summarized form.

General Ledger Accounting: Business Scenario

- IDES consists of nine affiliates spread over the world. Each affiliated company has to meet different legal requirements for accounting.
- IDES operates in 13 different business segments. Management wants reports on the results of the IDES group for the individual business segments.
- IDES uses its own chart of accounts, INT, which may need to be expanded.

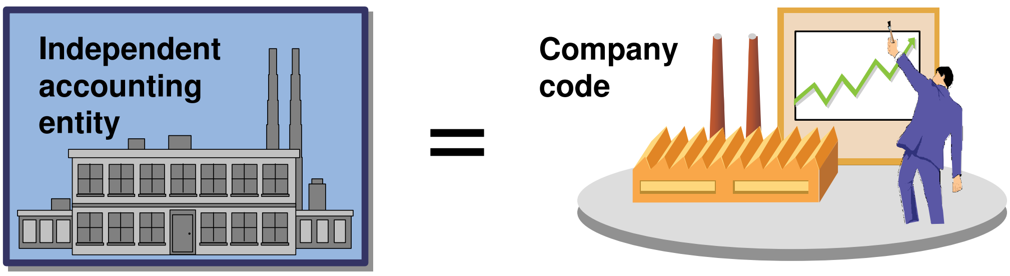
Presentation:

Organizational Elements for Financial Statements

Company codes

Business areas

Company Code



- A **<u>company code</u>** is an independent accounting entity (the smallest organizational element for which a complete self-contained set of accounts can be drawn up). An example is a company within a corporate group. It has a unique, four character key.
- The general ledger is kept at the company code level and is used to create the legally required balance sheets and profit and loss statements.
- A company code designation is required for every financially based transaction entered into R/3. This is done either manually or automatically by deriving the company code from other data elements.

IDES International

IDES International has operations in North America, Europe, and Asia.

IDES International Frankfurt, Germany

IDES N. America	IDES Europe	IDES Asia
New York / USA	Frankfurt / Germany	Tokyo / Japan
Toronto / Canada	London / England	
Mexico City / Mexico	Lisbon / Portugal	
	Paris / France	
	Barcelona / Spain	

- IDES operates worldwide and has subsidiaries in North America, Europe, and Asia. Each affiliate (company code) is a business entity that is required by law to provide financial records according to country-specific regulations.

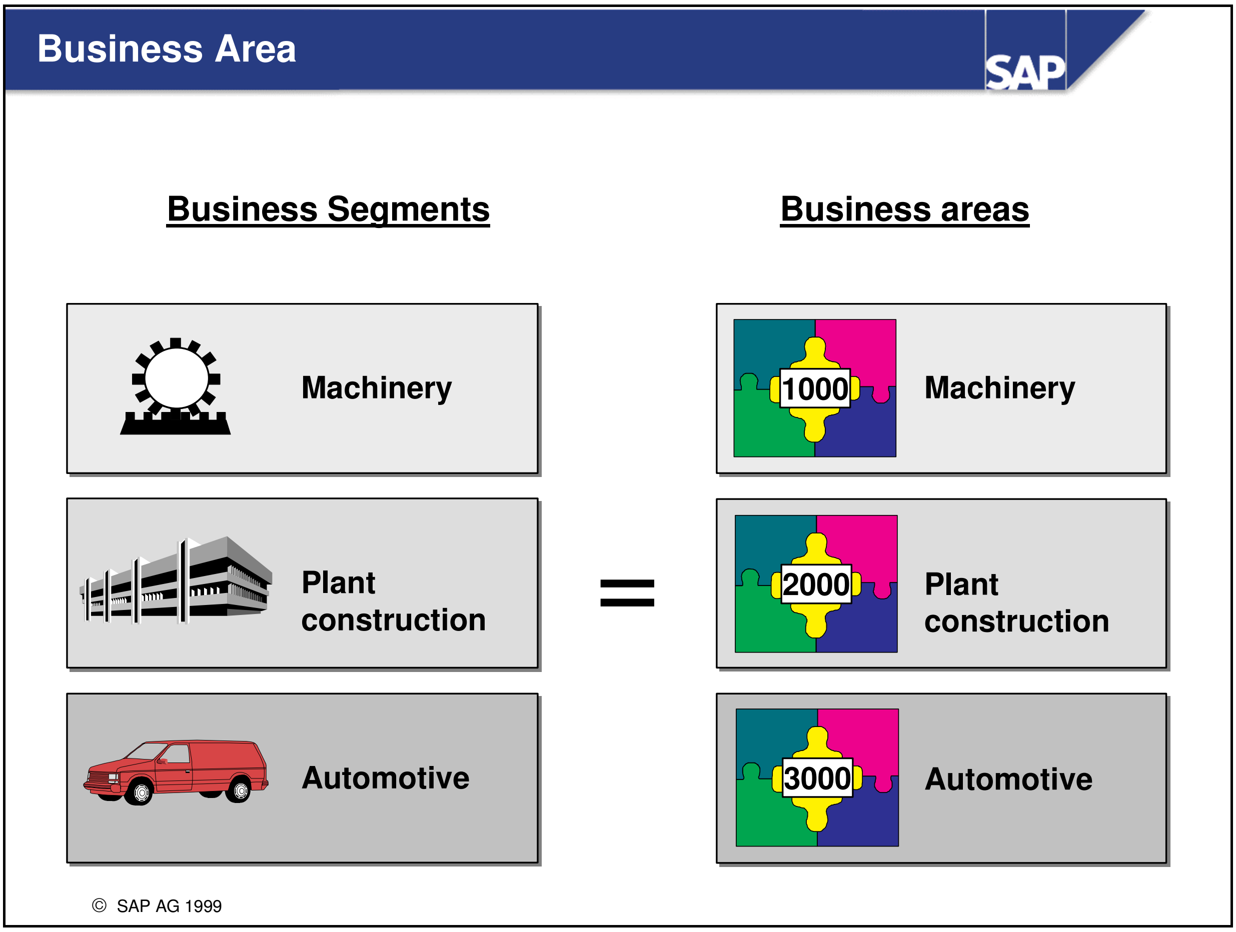
The Company Codes of IDES

The affiliates of IDES International are set up in R/3 as company codes.

IDES International Frankfurt, Germany

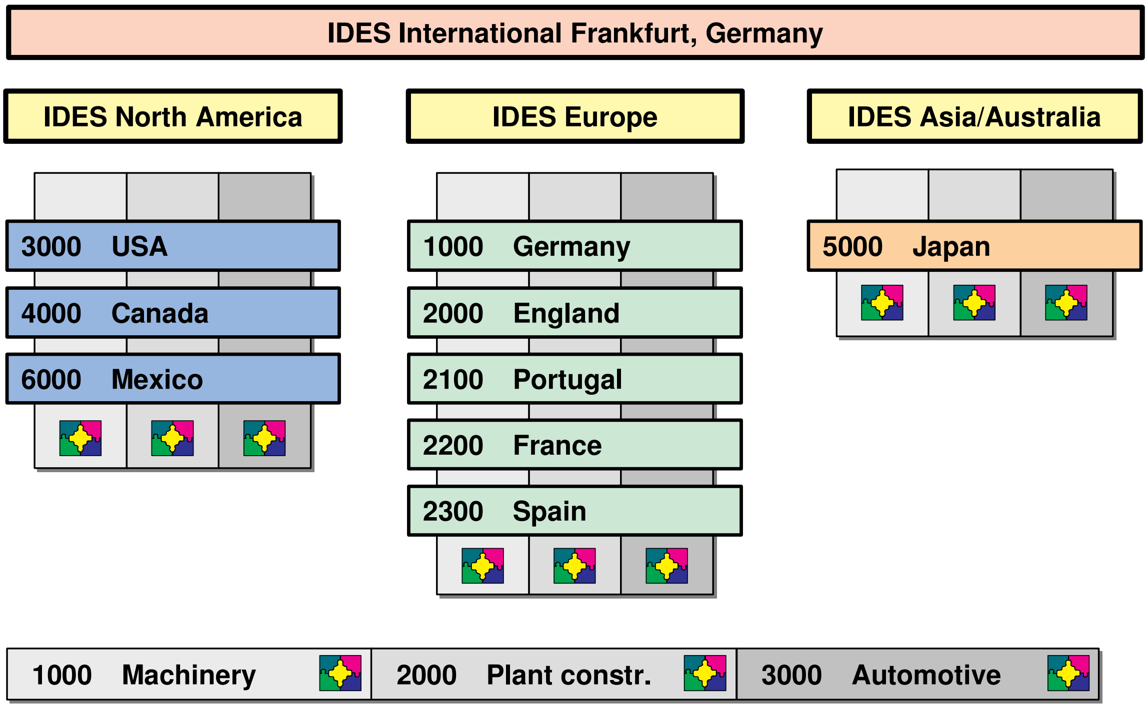
IDES North America	IDES Europe	IDES Asia
3000 USA	1000 Germany	5000 Japan
4000 Canada	2000 England	
6000 Mexico	2100 Portugal	
	2200 France	
	2300 Spain	

- The affiliates of IDES are set up as **company codes** in the R/3 system and are uniquely identified by four character codes. Each company code has a local currency. Amounts posted in foreign currencies are automatically converted to the local currency.
- The worldwide implementation of R/3 Financial Accounting was quite problem-free since the standard system came complete with country-specific templates for the countries in which IDES operates.



- The business segments or branches in which a group operates *can* be set up in the R/3 System as **business areas**. They provide an additional evaluation level for the purpose of segment reporting, for example.

Some of the Business Areas of IDES



- Business areas are generally company-code independent, that is, you can make postings to them from any company code.
- On the slide, you can see three business areas of the IDES group. If certain company codes are not active in specific business areas, you can use a validation to prevent postings to this business area from the company codes specified.

G/L Account Master Records

Presentation:

G/L Account Master Records

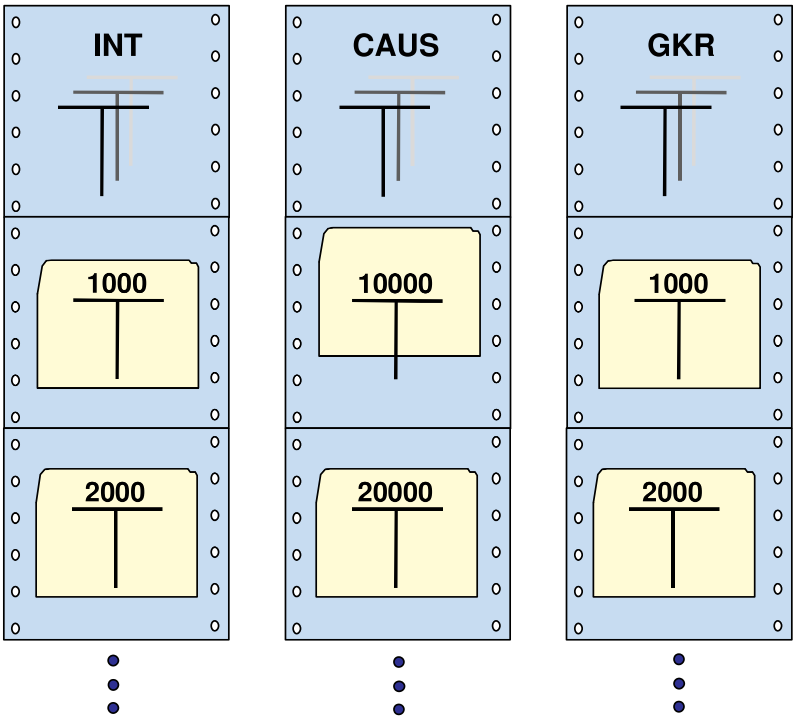
Charts of accounts

Account groups

Reconciliation accounts

Financial statement versions

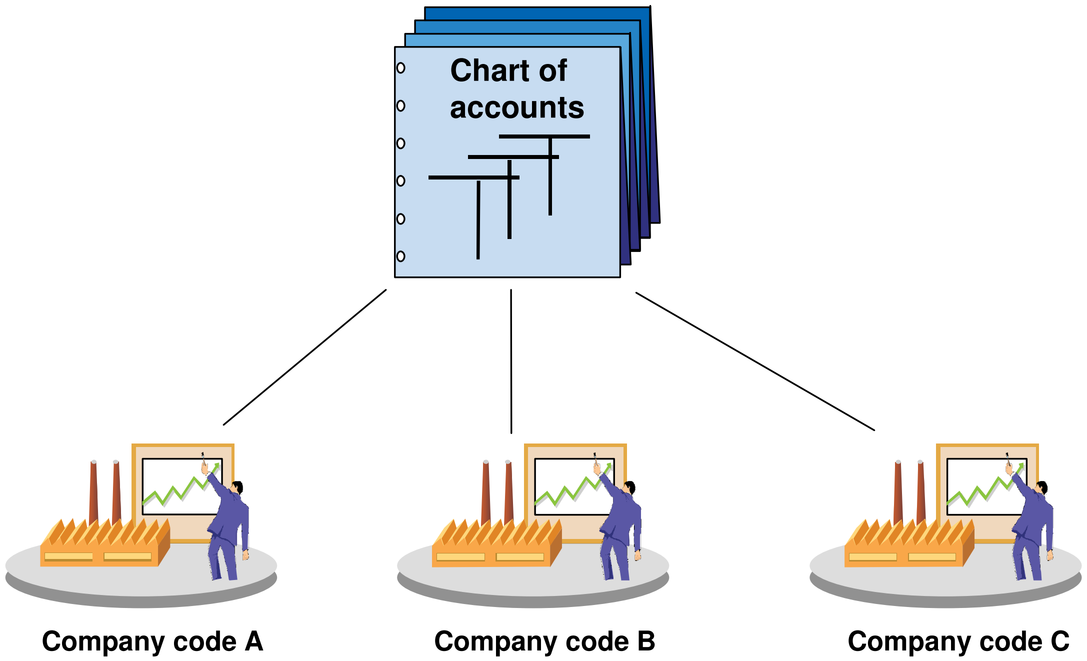
Charts of Accounts



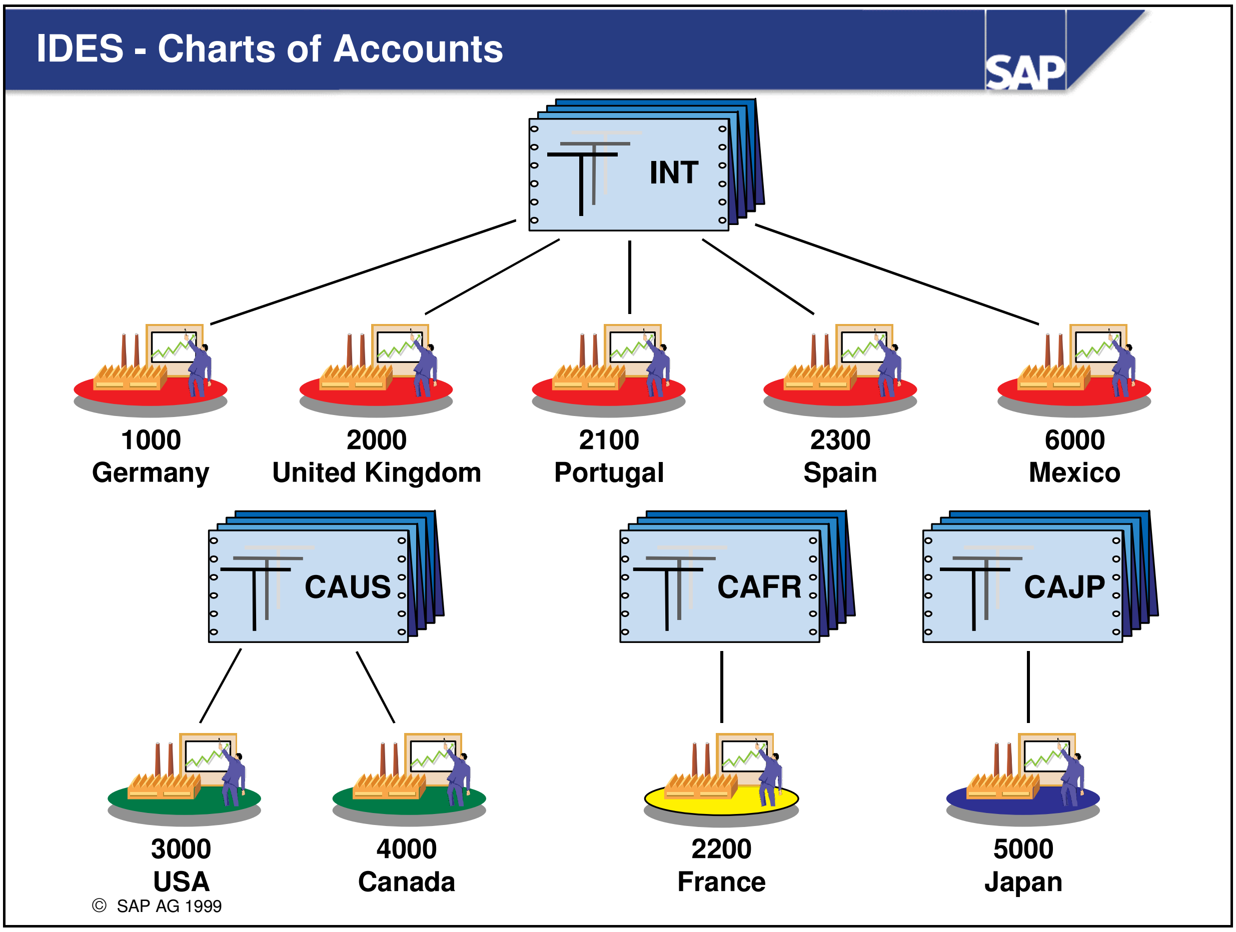
... and as many additional charts as needed!

- Each general ledger is set up according to a chart of accounts. The chart of accounts contains the definitions of all G/L accounts in an ordered form. The definitions consist mainly of the account number, account name, and the type of G/L account, that is, whether the account is a P&L type account or a balance sheet type account.
- You can define an unlimited number of charts of accounts in the R/3 System. Many country-specific charts of accounts are included in the standard system.

Chart of Accounts Assignment

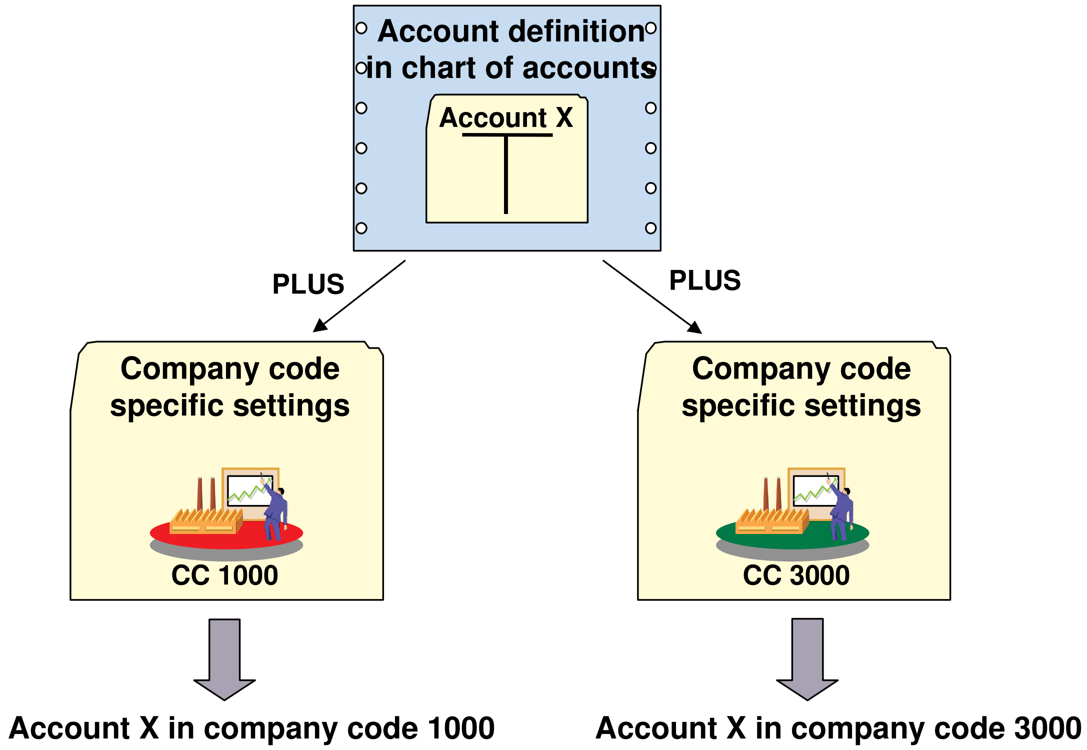


- For each company code, you have to specify one chart of accounts for the general ledger. This chart of accounts is assigned to the company code. A chart of accounts can be used by multiple company codes (see diagram). This means that the general ledgers of these company codes have the identical structure.



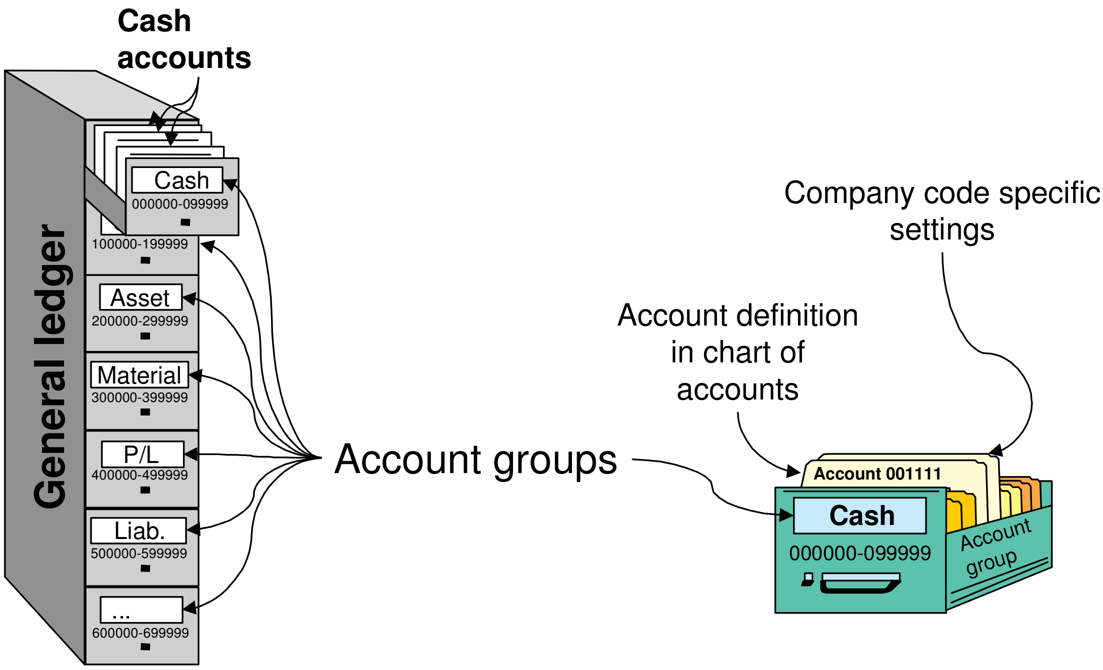
- The IDES company codes use the following charts of accounts:
  - INT is used by company codes 1000, 2000, 2100, 2300, and 6000.
  - CAUS is used by company codes 3000 and 4000.
  - CAFR is used by company code 2200.
  - CAJP is used by company code 5000.

Company Code Specific Settings



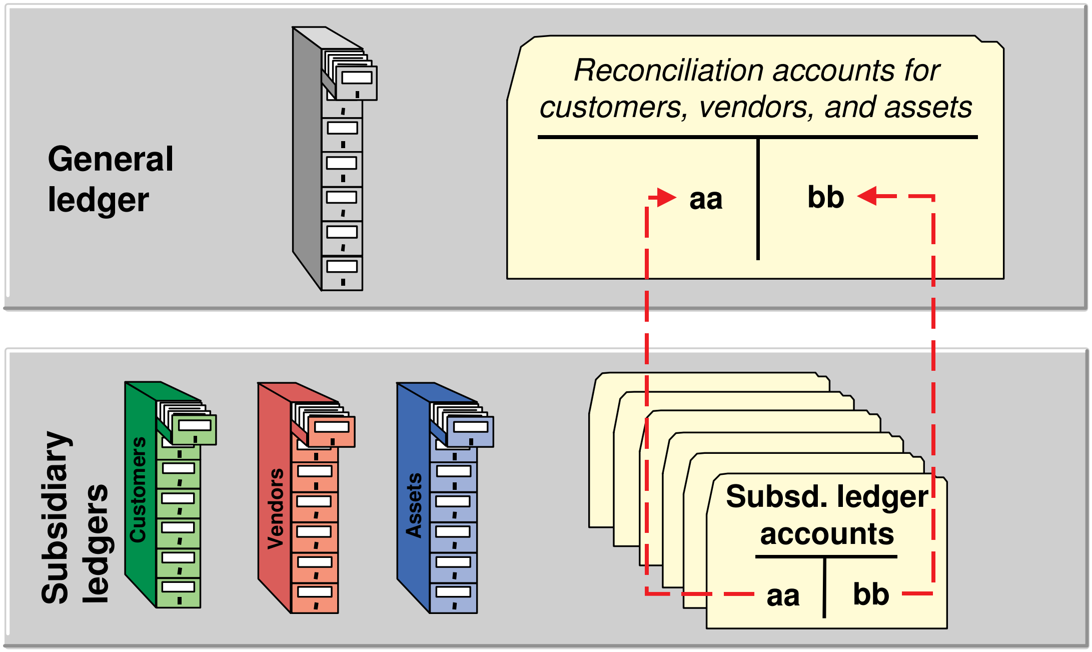
- Before you can use an account in a company code, you have to maintain the account definition at the chart of accounts level. You then create company code-specific settings, which are only valid in the company code. An example of a company code-specific setting is defining the account currency. Most of the accounts in company code 1000 use the UNI currency, whereas company code 3000 uses USD for most of its accounts.

Account Groups for G/L Accounts



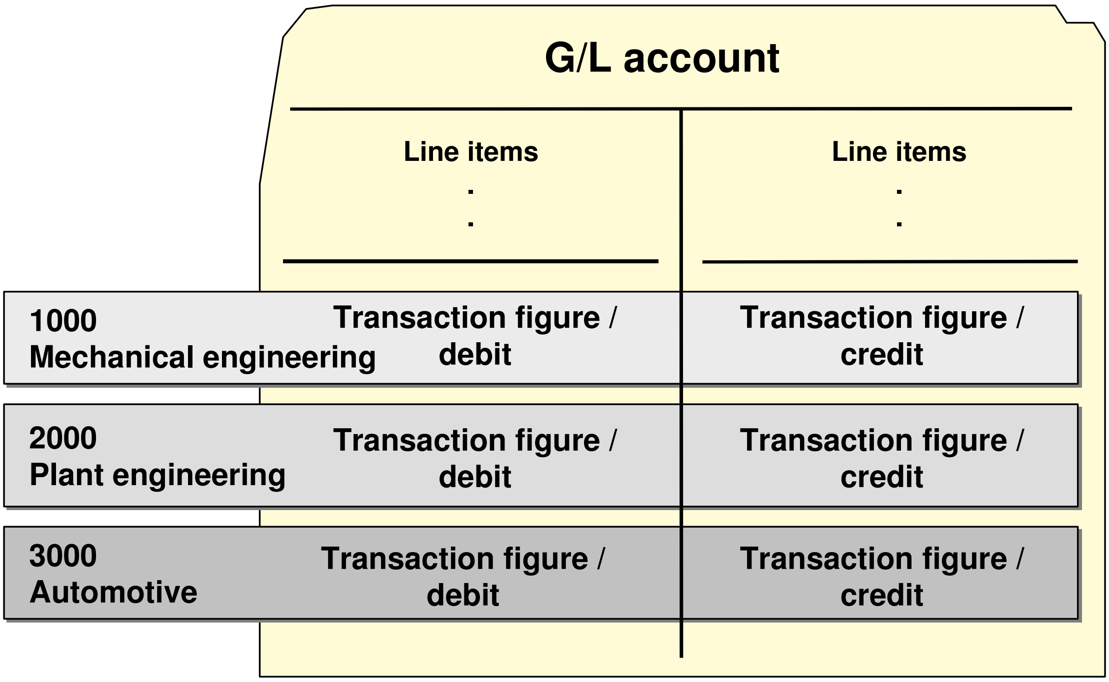
- In order to organize and manage a large number of G/L accounts better, they are arranged in **account groups**.
- The accounts of an account group normally have similar business functions. You could, for example, have an account group for cash accounts, one for expense accounts, one for revenue accounts, and one for other balance sheet accounts, etc.

Reconciliation Accounts



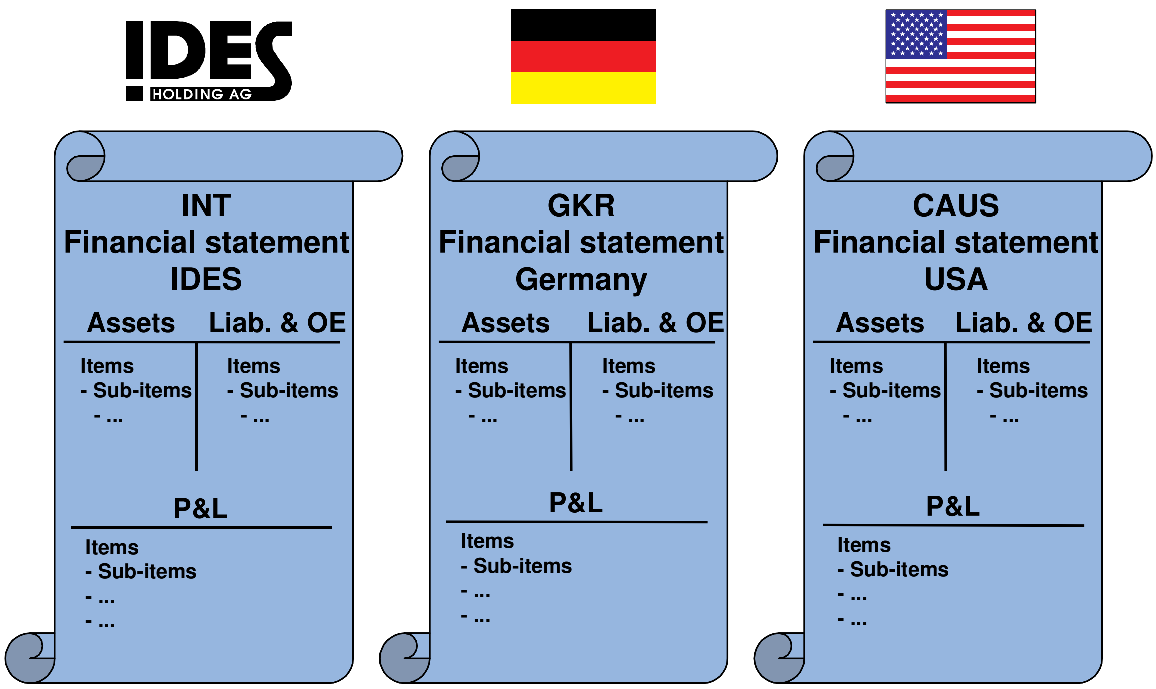
- **Reconciliation accounts** connect subsidiary ledgers with the general ledger in real-time. This means that a posting to a subsidiary ledger also posts to the corresponding reconciliation account in the general ledger at the same time.
- The subsidiary ledgers which are connected to the general ledger via reconciliation accounts are the A/P, A/R, and asset ledgers.

Transaction Figures



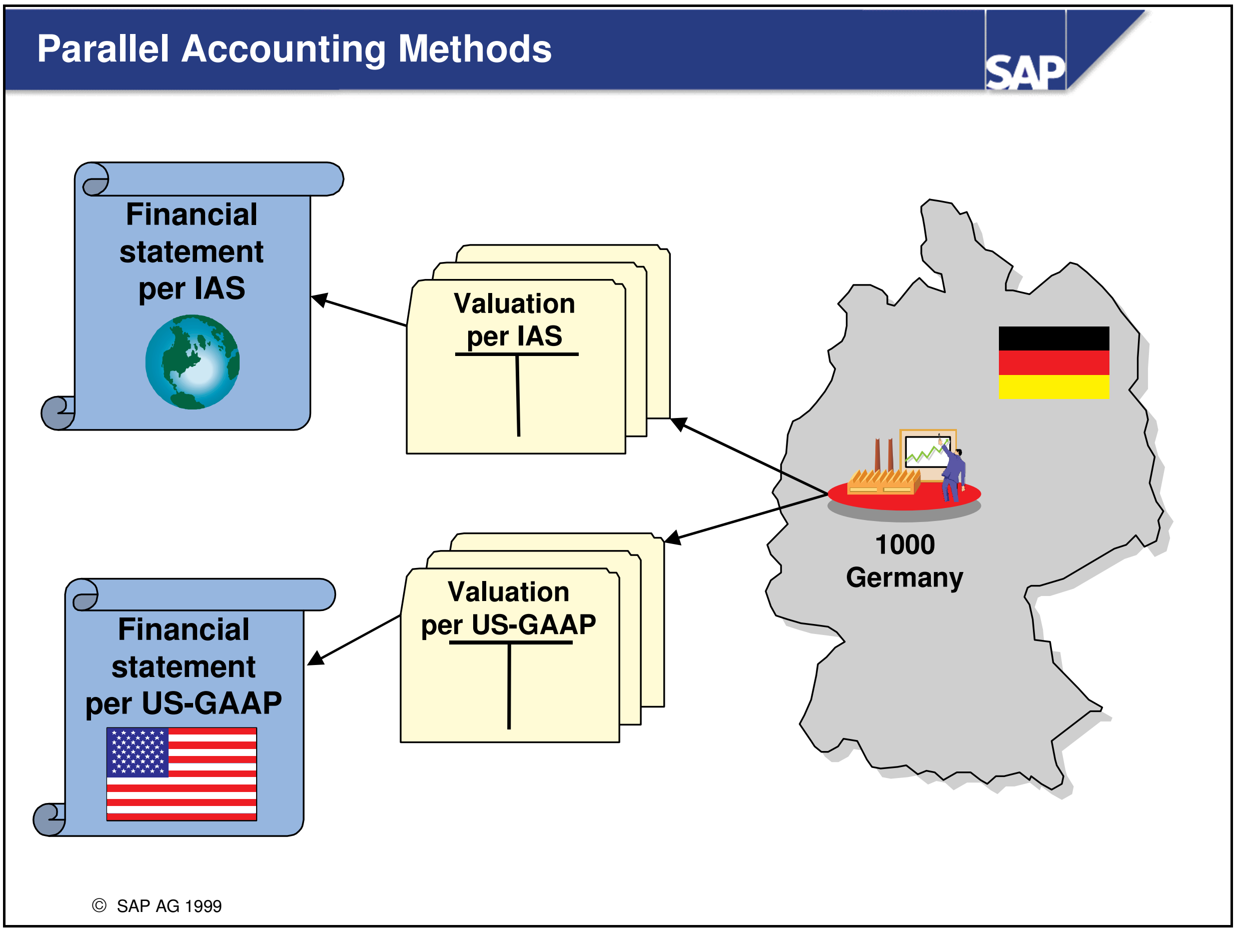
- A **transaction figure** is the total of all debit or credit postings. In general, the R/3 System keeps one transaction figure for debits and one transaction figure for credits per account. The financial statements for the company code are calculated using these transaction figures.
- If using business areas, transaction figures are also kept per business area (see diagram). If you create a financial statement for the business area, the transaction figures for that specific business area are used to supply the information for the financial statements.

Financial statement versions



... and many additional financial statement versions

- A general ledger is kept in order to provide the information needed to create a balance sheet and a profit and loss statement. These reports have to meet country-specific requirements, that is, IDES, for example, would need to create financial statements based on HGB (German standard) for company code 1000 (Germany) and based on US-GAAP for company code 3000 (USA).
- To meet the various reporting requirements, various **financial statement versions** have be created in the R/3 System. In these financial statement versions, you define exactly which accounts are to appear in which line items of the financial statement. Many financial statement versions are included in the R/3 Standard System.
- When running financial statement reports, you select a financial statement version that contains the details of the report structure.



- For many companies, it may be necessary to create additional financial statements based on standards other than country-specific requirements, such as IAS or US-GAAP. Reasons for this could be:
  - To gain access to international capital markets
  - To meet the needs of foreign investors
  - To accommodate global restructuring and acquisitions
  - To provide a better overview of the company's position
- Parallel accounting methods can be carried out in the R/3 System by:
  - Using different valuation methods with post to different G/L accounts
  - Using these G/L accounts in various financial statement versions

Presentation:

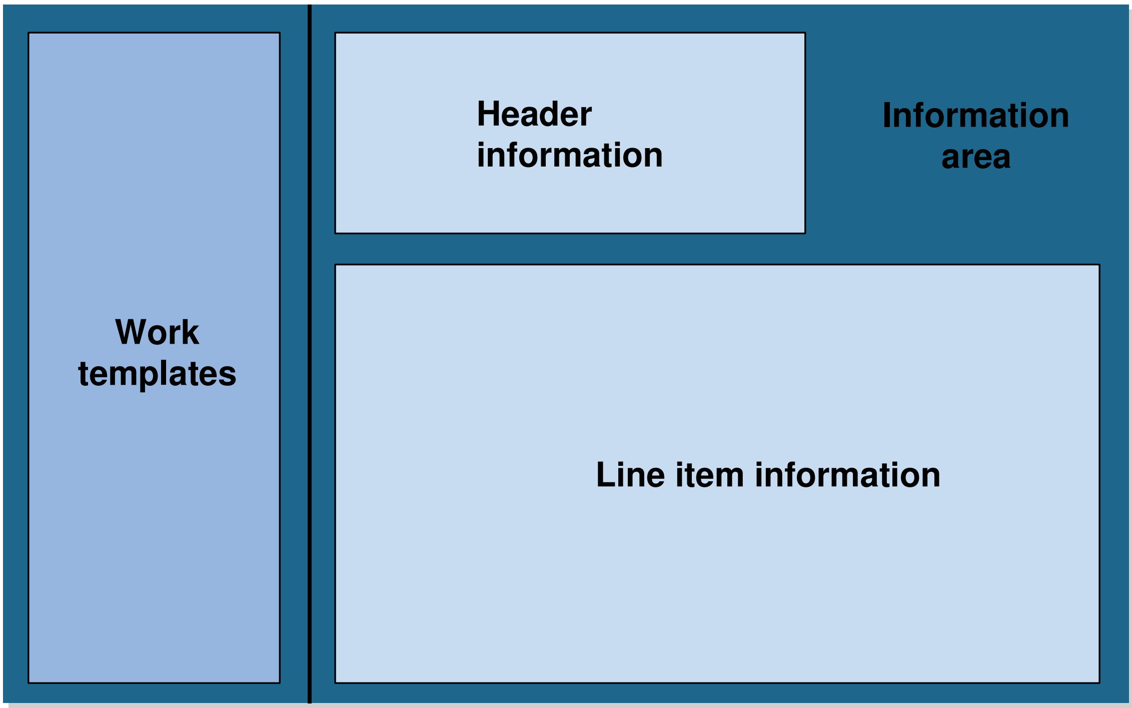
Accounting Transactions Within a Period in G/L Accounting

Enjoy - G/L Account Postings

Standard/Complex Postings

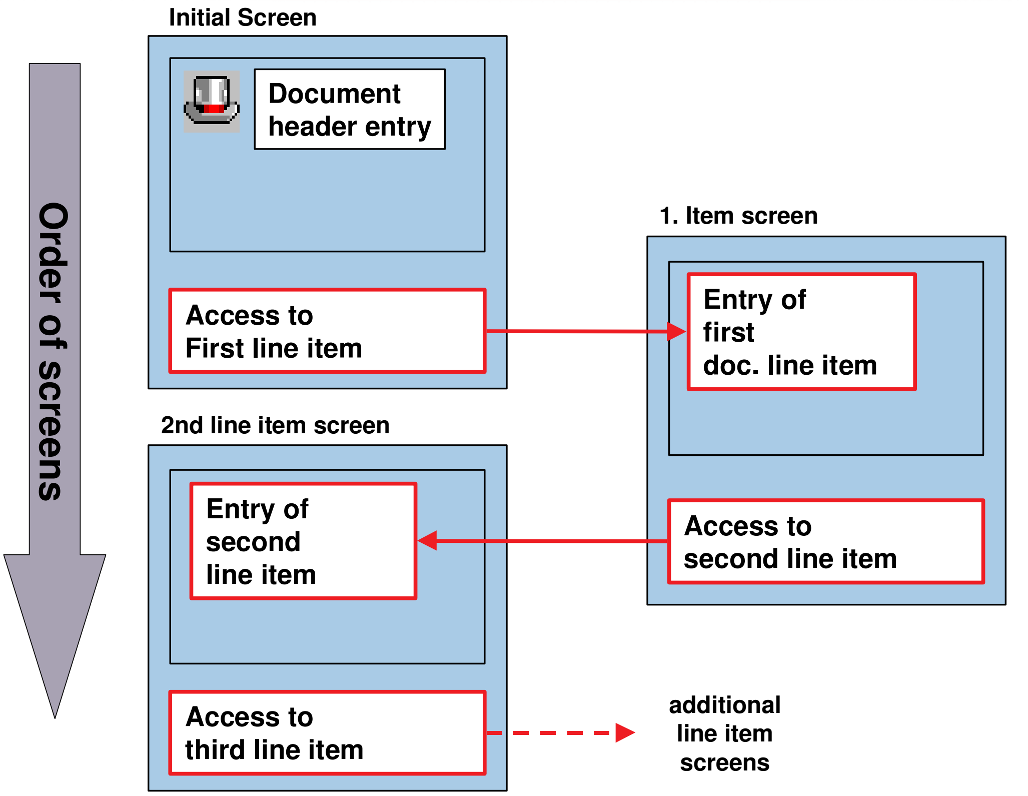
Account Status

Enjoy - G/L Account Postings



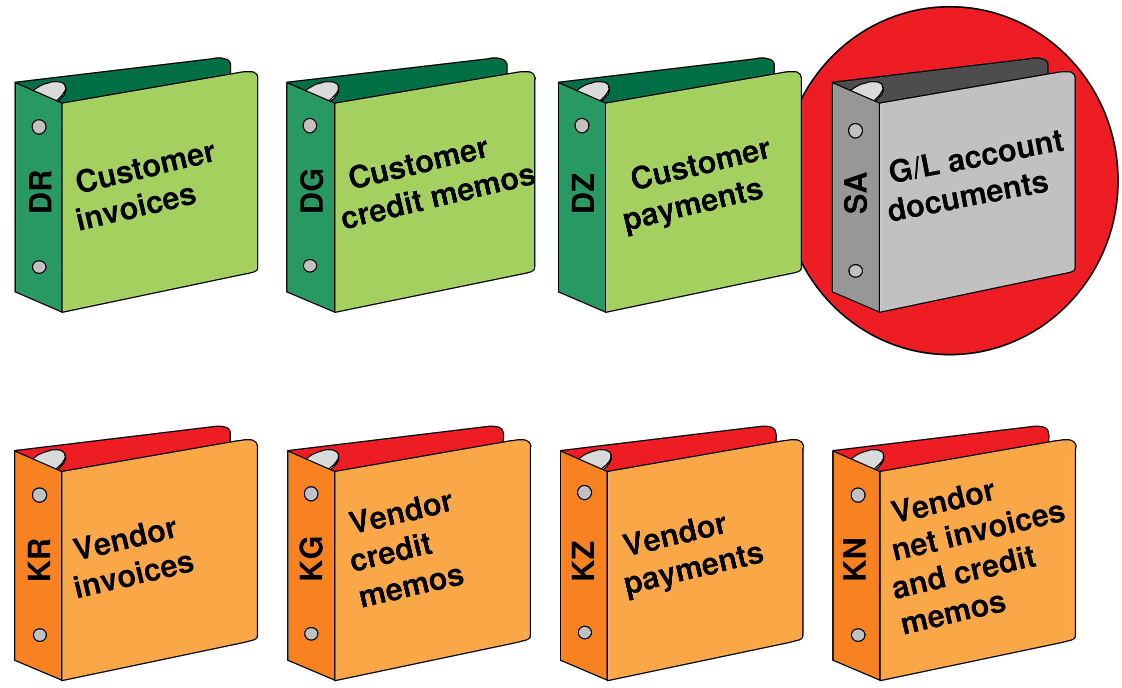
- Beginning with Release 4.6 (Enjoy Release), you can comfortably create and post a **G/L account document** using a one-screen transaction. The entry screen is divided into the following areas:
  - Work templates (here, you can select screen variants, account assignment templates, or marked documents as references)
  - Header data (here, the data for the document header is compiled)
  - Line item information (here, the line items for the document are entered)
  - Information area (here, the debit and credit totals are displayed)

Standard/Complex Postings



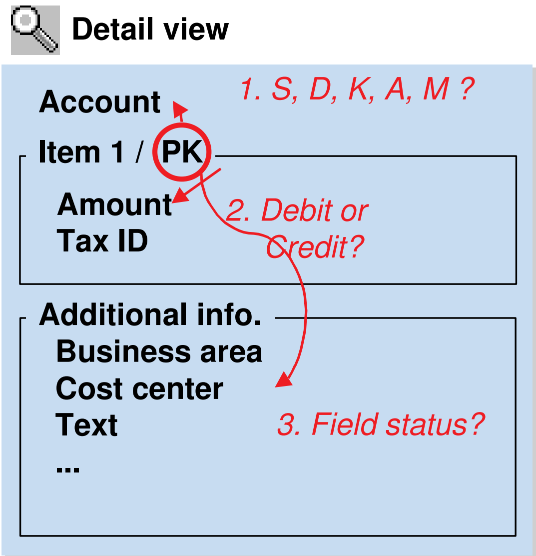
- **Complex** or **general postings** in Release 4.6 correspond to the old, more difficult to use standard posting transaction FB01.
- Since not all of the posting transactions were revamped for Release 4.6, it is often still necessary to have a good command of the general/complex posting method.
  - In the initial screen, you enter the data for the document header. Additionally, you enter the posting key and the account for the first line item. The posting key provides the system with information regarding the account type (G/L account, customer, vendor, asset, material). The posting key and the field status group determine the layout of the entry screen for the line item.
  - With this information, the entry screen for the first line item is set up. You enter the data for the first line item and access the next screen by entering the posting key and account for the next line item.
  - In the next screen, you enter the information for the second line item and continue to the next line item(s) as needed in the same manner.

Important Standard Document Types



- In order to distinguish between the various FI documents, **document types** are used. Each document is assigned to one document type, and this is entered in the document header. Document numbers are provided by the document number ranges assigned to one or more document types.
- For G/L account postings, document type SA is used, although other document types are possible (such as accrual/deferral documents, valuation documents, and so on).

Posting Key



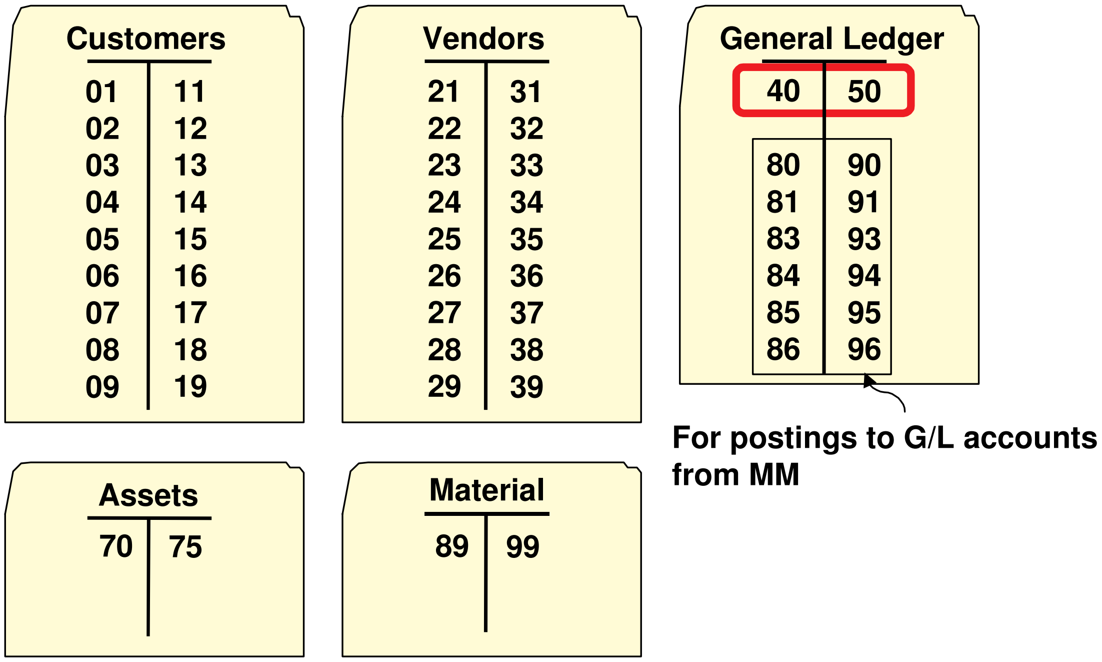
The posting key (PK) has a control function pertaining to the document line items.

It determines the following:

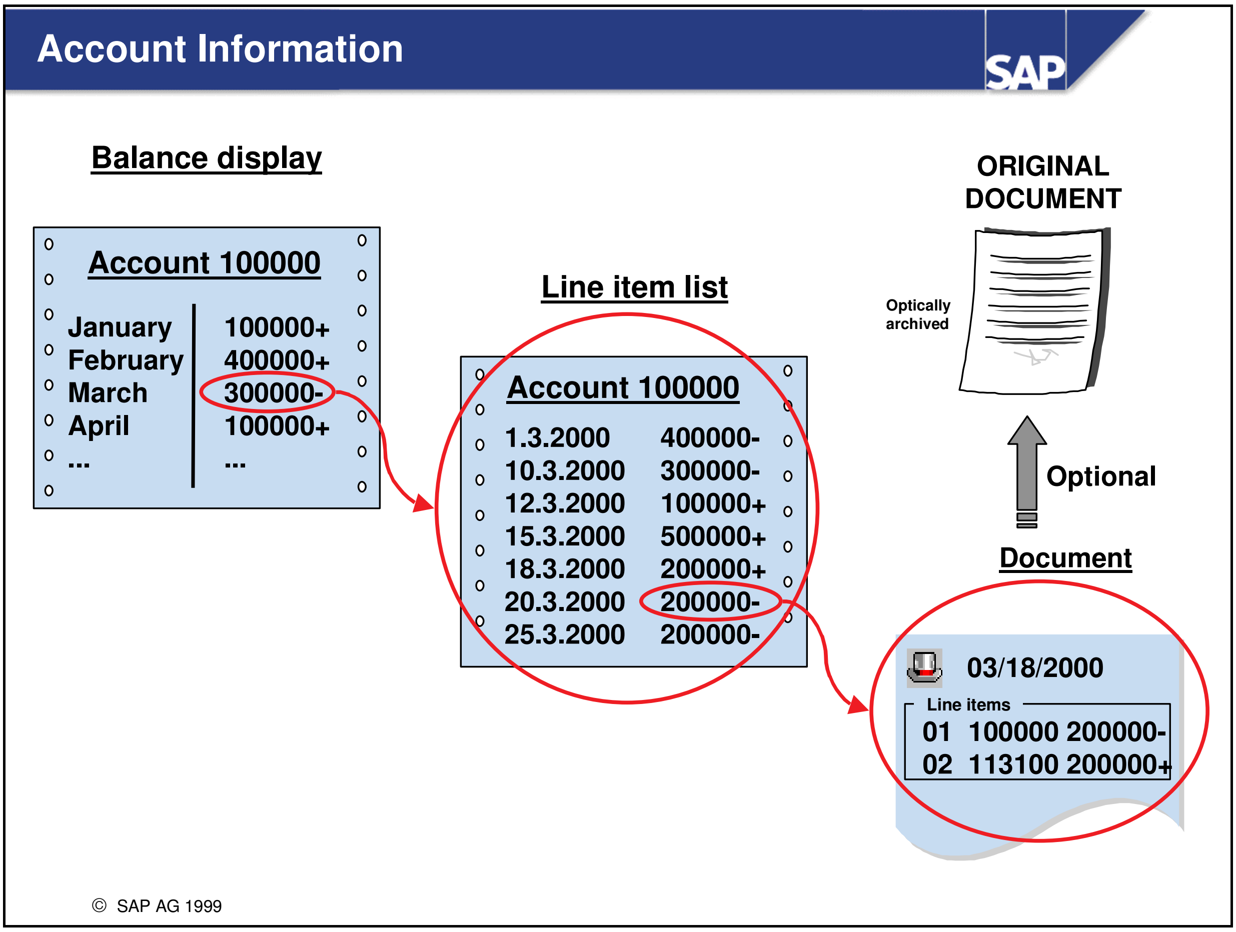
1. **Account type for the posting of the line item**
2. **Posting of line items as debit or credit postings**
3. **Field status of additional information**

- Each document line item contains one **posting key**. This is an instrument that is used for internal control and is used during complex postings to tell the system:
  - The account type to be posted
  - Whether it is a debit or credit posting to
  - Which fields of the line item may have or require an entry
- In the new Enjoy transaction, you no longer need to enter the posting key. It does, however, appear in the document and its control functions are still relevant.

Standard Posting Keys



- In the R/3 System, there are a large number of **standard posting keys** which should be used. Each posting key is used for postings to a certain side of accounts of certain account types.
- For postings in the general ledger, you only need two posting keys:
  - 40 for debit items
  - 50 for credit items



- For account information, balance display and line item display are available. They are separate from each other, but can be used in connection with each other.
- The **balance display** is an overview of the saved transaction figures of an account. You can drilldown from the transaction figure to a line of the list items that make up the transaction figure.
- From this line item list, you can drilldown from the line item to the document containing this line item.
- If there is an original document for this R/3 document, and if it was archived optically, you can display it as well.

Self-Study: G/L Account Master Records

At the conclusion of this topic, you will be able to:

- Display a chart of accounts
- Create a G/L account directory
- Create G/L accounts with reference
- Maintain financial statement versions
- Explain the special purpose of reconciliation accounts

Exercises

Unit: G/L Accounting

Topic: G/L account master data

At the conclusion of these exercises, you will be able to:

- Run the chart of accounts report
- Create the G/L account directory
- Create a G/L account
- Edit the financial statement version

The IDES group consists of 9 companies that are legal entities. They are set up in the R/3 System as company codes. Each company code has its own complete general ledger, which meets the various country-specific requirements.

In the general ledger, very few daily transactions are completed. Most of the daily transactions are completed in subsidiary ledgers. For this reason, the following exercises are to help you become more acquainted with master records in General Ledger Accounting.

However, in order to learn about the transaction for G/L account postings, you will post an increase in capital for IDES Germany in the next exercise. To do this, you need a new G/L account.

To access General Ledger Accounting:

Accounting → Financial accounting → General Ledger

1-1 <u>**The chart of accounts**</u>

The general ledger of a company code is set up according to the definition of a chart of accounts.

1-1-1 **Display chart of accounts**

The chart of accounts used most often by the IDES group is <u>chart of accounts INT</u>. Use a program to view this chart of accounts.

Information system → General ledger reports → Master data → Chart of accounts → SAP minimal variant

1-1-2 **Display account in chart of accounts**

Access the definition of <u>account 160000</u> by double-clicking it.

What is the long text of this G/L account in the maintenance language?

Which account group does this account belong to?

____

Check whether it is possible to translate the name of this account into other languages and whether you can create key words.

____

Can you add other information to the G/L account?

____

The definition of the account contains some control parameters. Here, for example, you define whether the account is a P&L statement account or a balance sheet account. What type of account is account 160000?

____

Now go back to the SAP Easy Access menu.

1-2 **Company-code specific settings**

Company-code data has to be entered in the definition of the G/L account in order to provide the settings specific to the company code.

1-2-1 **Display account currency**

An important setting in the G/L account definition is the specifying a currency, in which the account is kept. Look at the company-code specific settings of G/L account 160000 in company codes 1000 and 2000. What is the account currency in:

Company code 1000? ______________________

Company code 2000? ______________________

Master records → Individual processing → In company code

1-2-2 **Identify reconciliation accounts**

View the company code specific settings of G/L account 160000 in company code 1000. Is this account a reconciliation account? If so, for which subsidiary ledger?

____

Also view the following accounts: 161000, 140000, 141000, 1000, and 2000.

Account 161000 Reconciliation account for ______________

Account 140000 Reconciliation account for ______________

Account 141000 Reconciliation account for ______________

Account 1000 Reconciliation account for ______________

Account 2000 Reconciliation account for ______________

Can you make G/L account postings to these accounts?

____

____

Master records → Individual processing → In company code

Now go back to the SAP Easy Access menu.

1-2-3 **Display G/L account list**

Create the G/L account list of company code 3000 (IDES USA). Does this tell you which chart of accounts is used by this company code?

Chart of accounts for company code 3000: ______________________________

Information system → General ledger reports → Master data → G/L account list → SAP minimal variant

Now go back to the SAP Easy Access menu.

1-2-4 **Difference between chart of accounts and G/L account list**

How is the G/L account list different than the chart of accounts?

____

____

____

1-3 **Financial statement versions**

The balances of the G/L accounts are needed to create the balance sheet and profit and loss statement. All G/L accounts thus have to be put financial statement items of the financial statement version. Various financial statement versions can be used for various purposes.

The financial statement version for creating the financial statements for company code 1000 is INT, the same name as the chart of accounts. Note the financial statement item and all items above it in the hierarchy.

Financial statement items:

____

____

____

____

Master records → Individual processing → In company code

Now go back to the SAP Easy Access menu.

1-4 Creating a G/L account

For the planned increase in capital, IDES Germany (company code 1000) needs a new G/L account. This G/L account is not available in the chart of accounts either.

1-4-1 Checking the chart of accounts

The American parent company is responsible for assigning account numbers and maintaining charts of accounts for the IDES group. Based on the requirement, the parent company should have created G/L account 700XX in chart of account INT.
Check whether this account was created.

Master records → Individual processing → In chart of accounts

Now go back to the SAP Easy Access menu.

1-4-2 Maintaining the company-code specific settings

Before postings can be made to account 700## in company code 1000, you need to include the company-code specific settings. The account should have a structure similar to that of account 70000. For this reason, use this account as a reference. Make certain that:

The account in company code 1000 uses the UNI currency

Line item display is activated

- Key 001 is entered as the sort key for line items

Remove the alternative account number.

Master records → Individual processing → In company code

1-4-3 Maintaining the financial statement version

The new account has to be entered in financial statement version INT. Enter is in the same financial statement item as reference account 70000.

Master records → Individual processing → In company code

When a user is maintaining the financial statement version, it cannot be maintained by any other user. You should therefore carry out this task quickly and exit the transaction at once so that another user can access the transaction.

Now go back to the SAP Easy Access menu.

Self-Study: Accounting Transactions in a Period

At the conclusion of this topic, you will be able to:

- Post G/L account documents using the Enjoy posting transaction and the general posting transaction
- Explain how a FI document is structured
- Display G/L balances

Exercises

Unit: G/L Accounting

Topic: Daily accounting transaction in the general ledger

At the conclusion of these exercises, you will be able to:

- Post a G/L account document
- Complete an account query

At the last stockholder's meeting, an increase in capital of 200,000 UNI was agreed upon by converting open reserves of the stockholder's equity.

To access General Ledger Accounting:

Accounting → Financial accounting → General ledger

2-1 **Posting an increase in capital**

Post the increase in capital of 200,000 UNI to the account (700##) you created earlier. Use account 78200 "Transfer of reserves" for the offsetting posting. The posting record is:

78200 (Transfer of reserves) to 700## (Increase in capital)

Use the "With business area" creation variant. Post the transaction to business area BA##.

Enter "Increase in capital, group ##" for the short text.

Document entry → G/L account posting

Now, display the document. What is the meaning of the "PK" column and its entries 40 and 50?

PK: ____

40: ____

50: ____

Document→ Display

Now go back to the SAP Easy Access menu.

2-2 **Account query**

To make certain that the posting was actually completed properly, check the balance of account 78200 for your business area and drilldown to the document.

2-2-1 **Balance display**

Check the transaction figures and the balance of account 78200 in company code 1000 and business area BA##.

Account → Display balances

Why do you only see one balance of 200,000 UNI? Did not all groups make their credit posting to this account? What happened to the postings of the other groups?

____

____

____

____

____

What do you have to do in order to see the entire amount that was posted by all groups to this account during the last exercise?

____

____

Account → Display balances

2-2-2 **Line item display**

From the balance display, display all line items that were posted to this account.

Test various display variants in order to display the line item list.

2-2-3 **Document display**

Go to the document display from the line item display.

Now go back to the SAP Easy Access menu.

2-3 **Complex posting**

Post the same accounting transaction (increase in capital) using the "complex/general posting" transaction. Use document type SA.

Document entry → Others → General posting

Now go back to the SAP Easy Access menu.

2-4 Account balances

To display a list of all G/L account balances, SAP offers standard reports. Run these reports.

2-4-1 **Create the G/L account balance list report.**

Start the G/L account balance list for the current posting period and company code 1000. Find the balances of account 78200. What is the balance in your business area BA##?

Balance: ____

Information system → General ledger reports → Balance lists → General → G/L account balances → SAP minimal variant

Now go back to the SAP Easy Access menu.

2-4-2 **Run the structured balance list report.**

The structured balance list presents the G/L account balances in the form of a balance sheet. Start this for the current posting period and company code 1000. Use financial statement version INT.

Information system → General ledger reports → Account Balances → General → Structured account balances → SAP minimal variant

Now go back to the SAP Easy Access menu.

Unit Summary

You are now able to:

- **Describe how General Ledger Accounting is set up in the R/3 System**
- **Maintain and view G/L accounts**
- **Complete accounting transactions within a period in General Ledger Accounting**

Solutions

Unit: G/L Accounting

Topic: G/L account master data

To access General Ledger Accounting:

Accounting → Financial accounting → General ledger

1-1 <u>**The chart of accounts**</u>

1-1-1 **Display a chart of accounts**

Information system → General ledger reports → Master data → Chart of accounts → SAP minimal variant

Field name or data type	Values
Chart of accounts	*INT*

Run the report

1-1-2 **Display an account in the chart of accounts**

Double-click on line 160000. Then select the display symbol.

G/L account long text <u>*Trade Payables - domestic*</u>

Account Group: <u>*General G/L accounts*</u>

"Key word/translation" tab: Here, you can translate the account name and enter key words.

"Information" tabs: Here, you can enter long texts for various purposes.

"Type/Description" tab: The account is marked as a balance sheet account.

Now go back to the SAP Easy Access menu.

1-2 Company-code specific settings

1-2-1 **Checking the account currency**

Master records → Individual processing → In company code

Field name or data type	Values
G/L account	*160000*
Company code	*1000*

Select the "Display" symbol

→ The account currency is UNI.

Field name or data type	Values
G/L account	*160000*
Company code	*2000*

Select the "Display" symbol

→ The account currency is GBP.

1-2-2 **Identify reconciliation accounts**

Master records → Individual processing → In company code

Field name or data type	Values
G/L account	*160000*
Company code	*1000*

Select the "Display" symbol

"Control data" tab: The "Reconciliation ID" field is in the "Account control for company code" section The value "Vendors" is entered in this field. This account is thus a reconciliation account for accounts payable.

View the other accounts listed in the same manner.

Account 161000 Reconciliation account for_____*Vendors*__________

Account 140000 Reconciliation account for _____*Customers*________

Account 141000 Reconciliation account for _____*Customers*________

Account 1000 Reconciliation account for ______*Assets*______

Account 2000 Reconciliation account for ______*Assets*______

Reconciliation accounts cannot be posted to directly in the general ledger. They can only be posted to indirectly using subsidiary ledgers.

Now go back to the SAP Easy Access menu.

1-2-3 **Displaying a G/L account list**

Information system → General ledger reports → Master data → G/L account list → SAP minimal variant

Field name or data type	Values
Company code	*3000*

Run the report by hitting execute

The name of the chart of accounts is in the third line of the report. CAUS

Now go back to the SAP Easy Access menu.

1-2-4 **Difference between chart of accounts and G/L account list**

The chart of accounts contains the definitions of accounts of a certain account structure.

The G/L account list contains the company-code specific settings of the G/L accounts for a specific company code.

1-3 **Financial statement versions**

Master records → Individual processing → In company code

Field name or data type	Values
G/L account	*160000*
Company code	*1000*

Select the "Display" symbol

Select the "Edit financial statement version" button.

Field name or data type	Values
Financial statement version	*INT*

Continue

Account 160000 is found in the financial statement version as follows:

LIABILITIES→ Payables→ Accounts Payable → Due within one year

Note: If the language displayed in the financial statement version is not the language of your country, click on the display/change icon and the language will switch to the language you logged on with.

Now go back to the SAP Easy Access menu.

1-4 Creating a G/L account

1-4-1 Checking the chart of accounts

Master records → Individual processing → In chart of accounts

Field name or data type	Values
G/L account	*700## (## is your group number)*
Chart of accounts	*INT*

Select the "Display" symbol

The account should exist.

Now go back to the SAP Easy Access menu.

1-4-2 Maintaining the company-code specific settings

Master records → Individual processing → In company code

Field name or data type	Values
G/L account	*700##*
Company code	*1000*

Select the "Create with reference" symbol

Field name or data type	Values
G/L account	*70000*
Company code	*1000*

Continue

Check that the default entries are correct and remove the alternative account number in the control data tab.

SAVE the account.

DO NOT EXIT from this screen. Remain in this screen to continue with exercise 1-4-3.

1-4-3 Maintaining the financial statement version

Select the "Change" symbol

Select the "Edit financial statement version" button.

Field name or data type	**Values**
Financial statement version	*INT*

Continue

The financial statement version should be automatically expanded to show you where the reference account, 70,000 is located in the financial statement version.

Select "Subscribed capital" and choose the "Assign accounts" button. Insert the interval of 700## to 700##. Select D & C (for debit and credit balance).

Continue.

SAVE the financial statement version.

Note: If you exited the screen from the previous exercise and then re-entered the company code screen of the master record, the financial statement version will not expand automatically to show the location of the reference account, 70,000. In that case, you will need to do the following after hitting the financial statement version button for INT, as described above:

Select "Expand subtree" (second icon from the left on the pushbutton bar).

The financial statement version will be expanded completely. With the "Find" button, search for account 70,000 (Ordinary Share Capital). The account is found under the financial statement item "Subscribed capital".

Select "Subscribed capital" and choose the "Assign accounts" button. Insert the interval of 700## to 700##. Select D & C (for debit and credit balance).

Continue.

SAVE the financial statement version.

Now go back to the SAP Easy Access menu.

Solutions

Unit: G/L Accounting

Topic: Daily accounting transaction in the general ledger

To access General Ledger Accounting:

Accounting → Financial accounting → General ledger

2-1 **Posting an increase in capital**

Document entry → G/L account posting

Enter the company code, if the pop-up box for company code appears. This should not occur if you entered the company code in a previous exercise.

If you do not need to enter a company code, then the company code has already been determined (“set”) at an earlier date. You can see which company code has been set by choosing *Environment → Set company code*.

Field name or data type	Values
Company code	*1000*

Continue

Basic data:

Field name or data type	Values
Document date	*Today’s date*
Posting date	*Today’s date*

Continue

Basic data:

Field name or data type	Values
Short text	Increase in capital ##

Continue

Select the “tree-on” button if no screen variants appear on the left.

In the left column, select the "with business area" screen variant under the “Screen variants for items” folder.

1. Item

Field name or data type	Values
G/L account	*700##*
D/C	*Credit*
Doc. currency amount	*200,000*
Business area	*BA##*

2. Item

Field name or data type	Values
G/L account	*78200*
D/C	*Debit*
Doc. currency amount	*200,000*
Business area	*BA##*

Select the post button (the save icon).

Document→Display

PK: *Posting key*______________________________________

40: *Posting key for debit postings in general ledger*

50: *Posting key for credit postings in general ledger*_______________

Now go back to the SAP Easy Access menu.

2-2 Account query

2-2-1 Balance display

Account →Display balances

Field name or data type	Values
G/L account	*78200*
Company code	*1000*
Fiscal year	*Current year*
Business area	*BA##*

Execute

You see a balance of 200,000 UNI because you have limited the selection to your own business area BA##. All other groups posted to different business areas. Since the transaction figures are kept per business area, you can view the account balance for your business area.

To view the total balance for all business areas, choose "Other business area" and select "All business areas" or run the report leaving the business area field blank.

2-2-2 **Line item display**

Double-click the balance of the current period.

In the line item list, press "Select layout" in order to choose a different line layout.

2-2-3 **Document display**

Double-click the line item with business area BA##. You access the detail view of the item.

Choose "Document overview" to access the document display.

Now go back to the SAP Easy Access menu.

2-3 **Complex/general posting**

Document entry → Others → General posting

Field name or data type	**Values**
Document date	*Today's date*
Document type	*SA*
Company code	*1000*
Posting date	*Today's date*
Period	*Current period*
Currency	*UNI*
Posting Key	*40*
Account	*78200*

Choose Enter

Field name or data type	**Values**
Amount	*200,000*
Business area	*BA##*
Posting key	*50*
Account	*700##*

Choose *Continue (enter)*

Field name or data type	Values
Amount	*200,000*
Business area	*BA##*

Post

Now go back to the SAP Easy Access menu.

2-4 Account balances

2-4-1 Creating G/L account balance lists

Information system → General ledger reports → Account Balances → General → G/L account balances → SAP minimal variant

Field name or data type	Values
Company code	*1000*
Fiscal year	*Current year*
Reporting periods	*Current posting period*

Execute

Scroll to account 78200 in the list.

Balance in business area BA##: **400,000**

Now go back to the SAP Easy Access menu.

2-4-2 Displaying structured balance lists

Information system → General ledger reports → Account Balances → General → Structured account balances → SAP minimal variant

Field name or data type	Values
Company code	*1000*
Financial statement version	*INT*
Reporting year	*Current year*
Reporting periods	*Current posting period*

Execute

Now go back to the SAP Easy Access menu.

Accounts Payable

Contents:

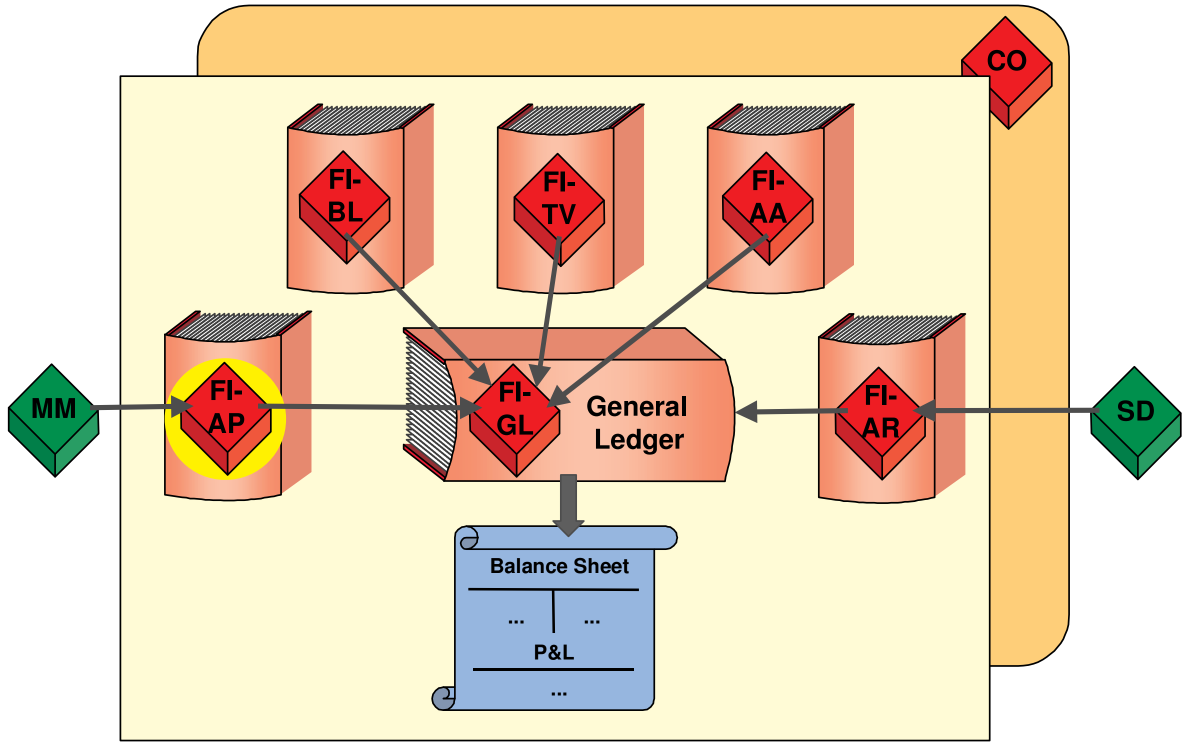
- **Master Data in Accounts Payable**
- **Daily Accounting Transactions in Accounts Payable (using the SAP Business Workplace)**
- **Integration with Materials Management**
- **Closing Operations in Accounts Payable**

Accounts Payable: Unit Objectives

At the conclusion of this unit, you will be able to:

- Describe how accounts payable accounting is set up in the R/3 System
- Maintain and view vendor master data
- Complete accounting transactions within a period in Accounts Payable
- Describe how Accounts Payable is integrated with Materials Management
- Describe how SAP supports the financial statement preparations in Accounts Payable

Overview Diagram: Accounts Payable



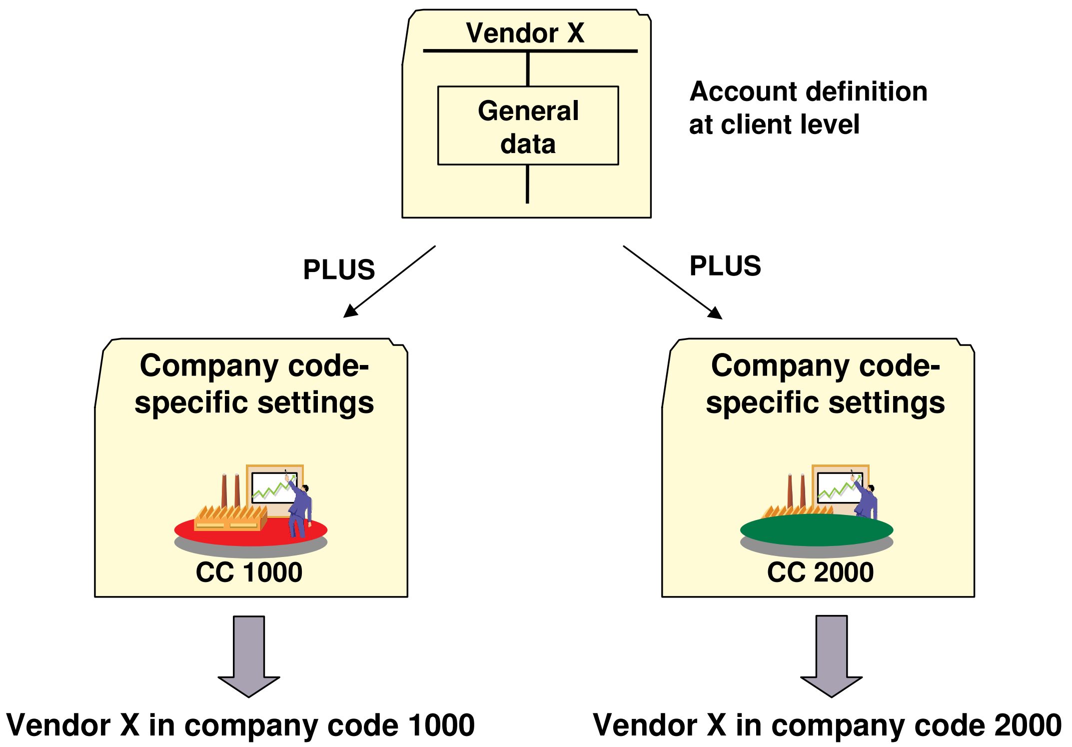
- **Accounts Payable** records all accounting transactions for dealings with vendors. Much of its data is obtained from purchasing (**Materials Management**).

Master Data in Accounts Payable

Account definitions and company code-specific settings

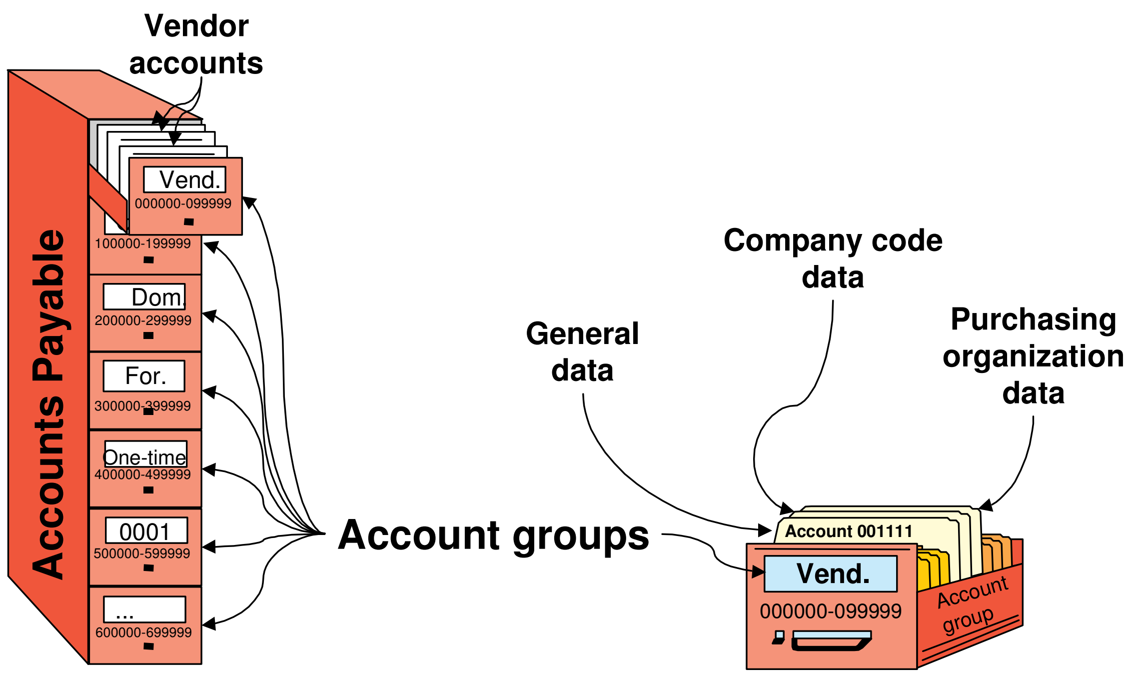
Account groups

Vendor Account in SAP FI



- As with G/L accounts, **vendor accounts** are made up of two areas:
  - A vendor account is defined for all company codes at the client level. General data, such as the vendor's address, is also stored here.
  - Postings cannot be made to the account in a company code until company code-specific settings have been made, such as the agreed upon terms of payment.

Account Groups for Vendors



- In the same way as G/L accounts, vendor accounts can be combined in various account groups so that they can be organized and managed more easily.
- The accounts in an account group usually have similar characteristics. For example, you could have one account group for domestic vendors, one for vendors abroad, one for affiliated vendors, and one for one-time accounts.

Presentation:

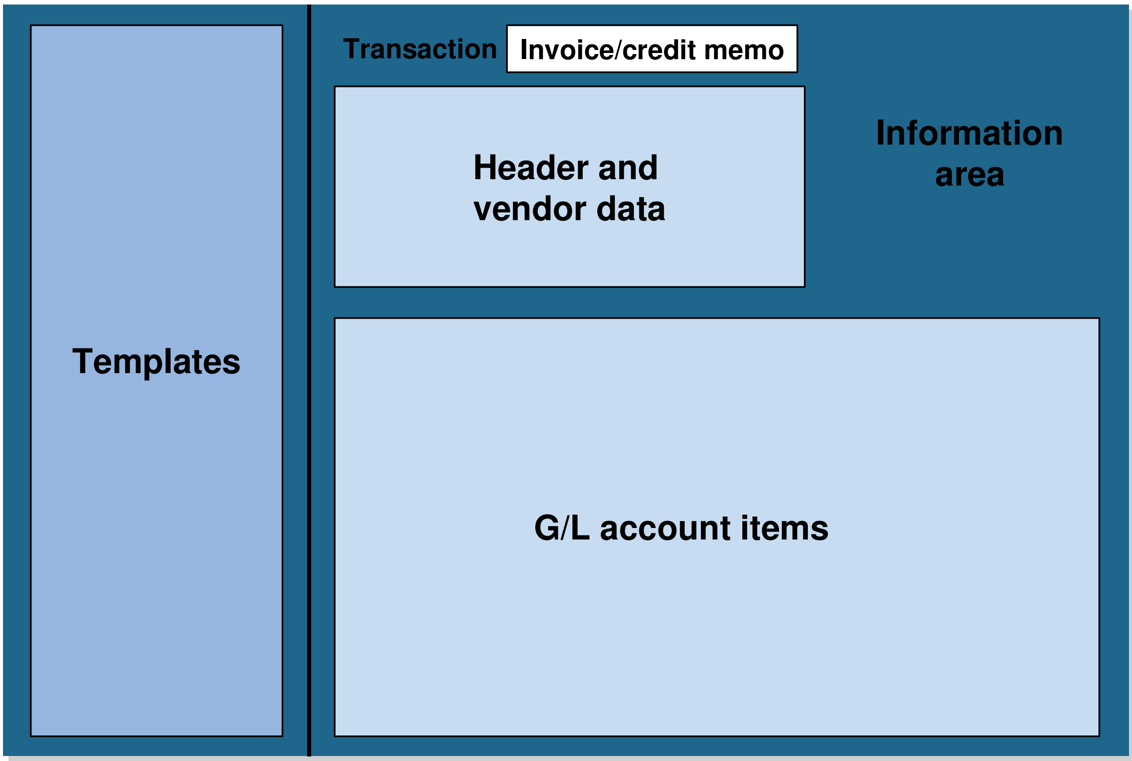
Daily Accounting Transactions in Accounts Payable

Enjoy Invoice/Credit Memo Entry

Recurring entries

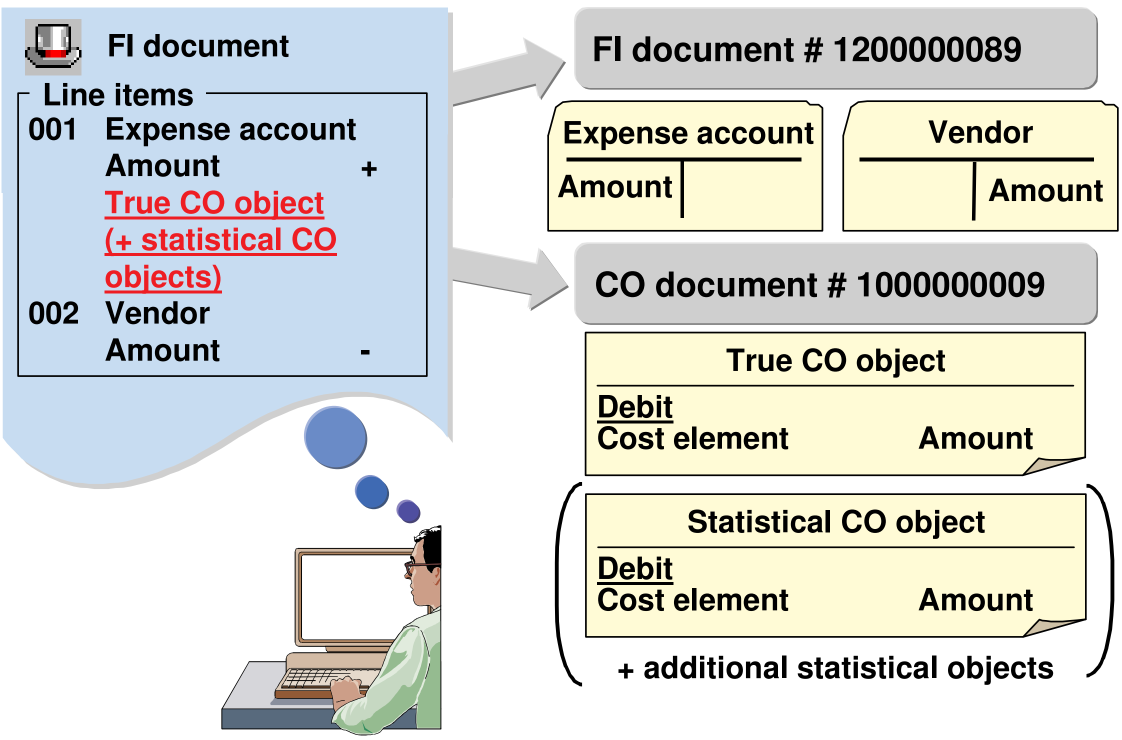
Manual and automatic outgoing payments

Enjoy Invoice/Credit Memo Entry



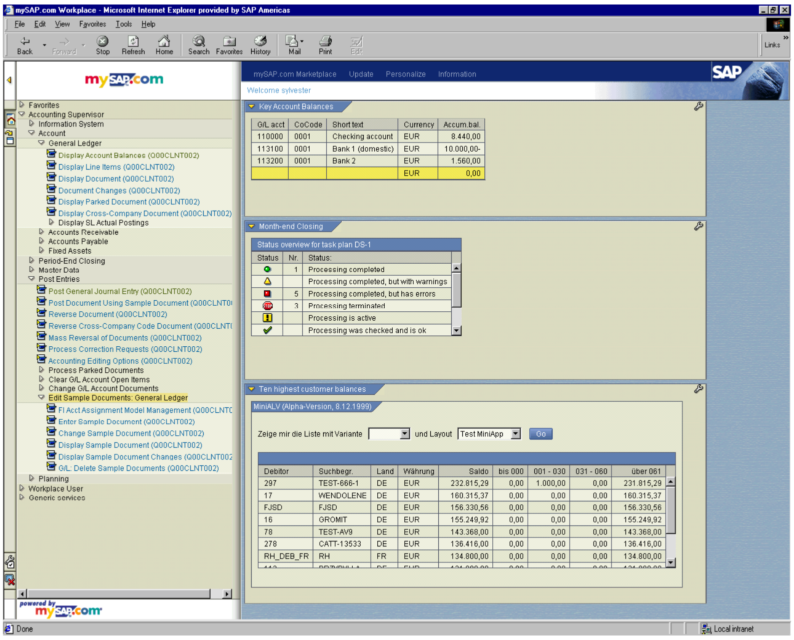
- Since Release 4.6 (**Enjoy** Release), you can easily create and post a **vendor invoice** or **credit memo** using a one-screen transaction. The entry screen is divided into the following areas:
  - Work templates (here, you can select screen variants, account assignment templates, or held documents as references)
  - Header and vendor data (document header and vendor line item data is entered here)
  - Line item information (the G/L line items for the document are entered here)
  - Information area (The document balance and information about the vendor are displayed here.)
- This transaction can also be used to create documents in a foreign currency. The foreign currency amount is translated into local currency using defined exchange rates.

CO Account Assignment Logic



- When entering an expense item for an operating expense, you must also enter one true CO object. This means that when the item is posted, a CO document is created as well as an FI document. The CO document posts the costs corresponding to the expense to the true CO object.
- In addition to the true CO object, you can also enter additional statistical CO objects to which the costs are statistically posted (which means they are "not allocatable" and are posted for information purposes only).

Workplace and User Roles



SAP meets the challenge of giving users just what they need by creating preconfigured user workplaces tailor-made for real people and based on real-world experience. Currently, we offer the following Workplaces for Accounting:

Accounting Supervisor

Staff Accountant

Accounts Receivable Supervisor

Accounts Receivable Accountant

Credit Manager

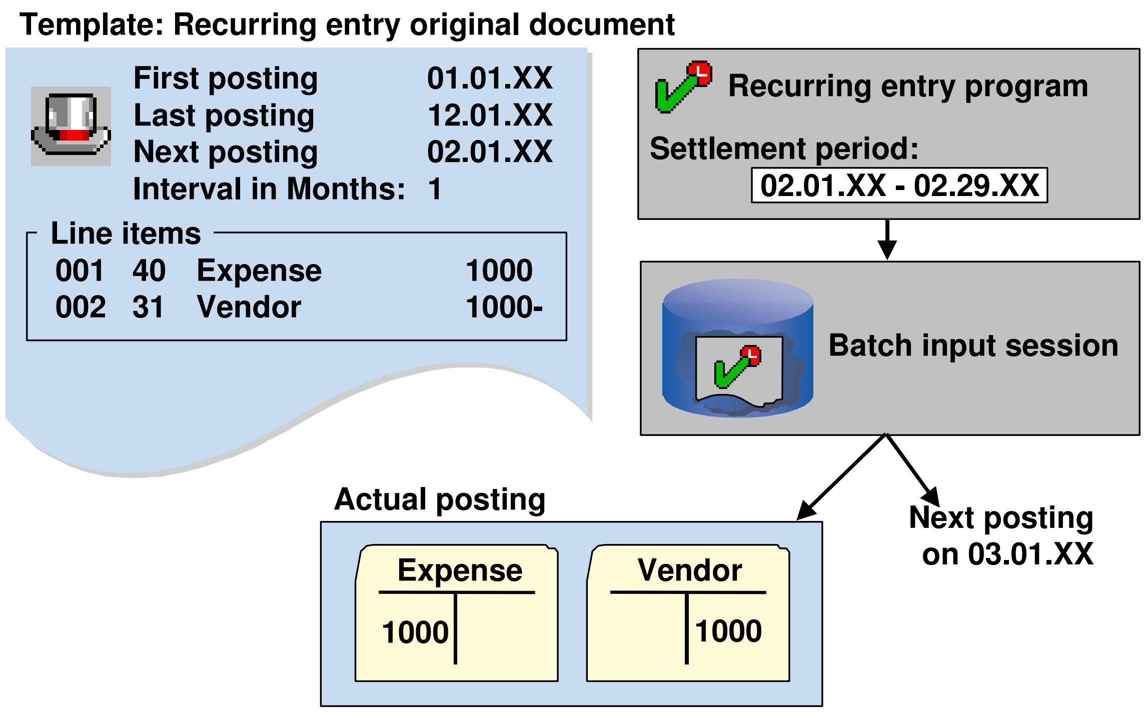
Accounts Payable Supervisor

Accounts Payable Accountant

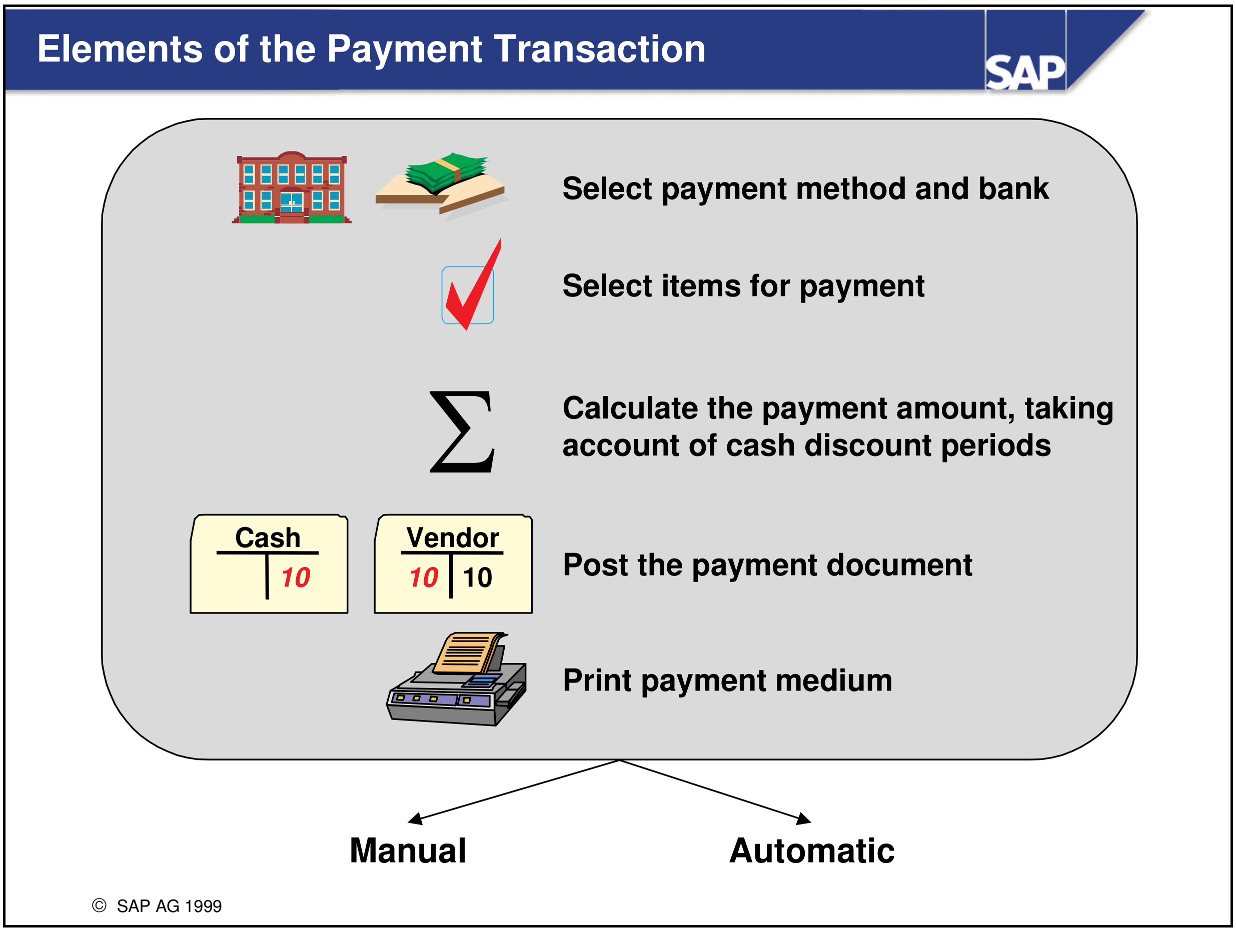
Cash Management Specialist

- The vendor invoice created with the SAP standard menu could also be created using a specialized menu and screen designed for someone working in Accounts Payable using **Workplace** and **User Roles.** The 2 day course**, My301**, covers this configuration.
- **Benefits**: Access through *one* portal to all the applications users need: Multiple systems neatly presented in one place; important information summarized right on the desktop; links to other information available at all times; unnecessary information and functions filtered out. A user's ***Workplace*** Launch Pad is based on his or her role in your organization, in this case a person working in Accounts Receivable.
- ***Single Roles*** provide useful bundles of functions that can be grouped together in any combination to create composite roles. Single Roles can be assigned to various systems and combined in ***one composite role***. Since one position can have many different jobs, this composite role can consist of many single roles. Single Roles are delivered with pre-configured authorization profiles to speed up implementations. For example, display-only functions can be provided in one role to many users, while sensitive items in another role can be added with one click for key personnel.
- The ***Workspace*** is available for SAP and non-SAP applications that you start from your Launch Pad. Users can start several sessions and switch between applications and the Miniapps they need. ***Miniapps*** are designed to give users important information in brief and available at all times without having to search through applications. In accounting, this could be key account balances, the status of the monthly closing process, or a list of one's ten customers with the highest outstanding balances, as shown here.
- ***Users*** can personalize their Workplaces with links to any intranet or internet site, providing constant access to key information. Users can also customize which Miniapps they want to see and how they are presented on the screen.

The Recurring Entry Program

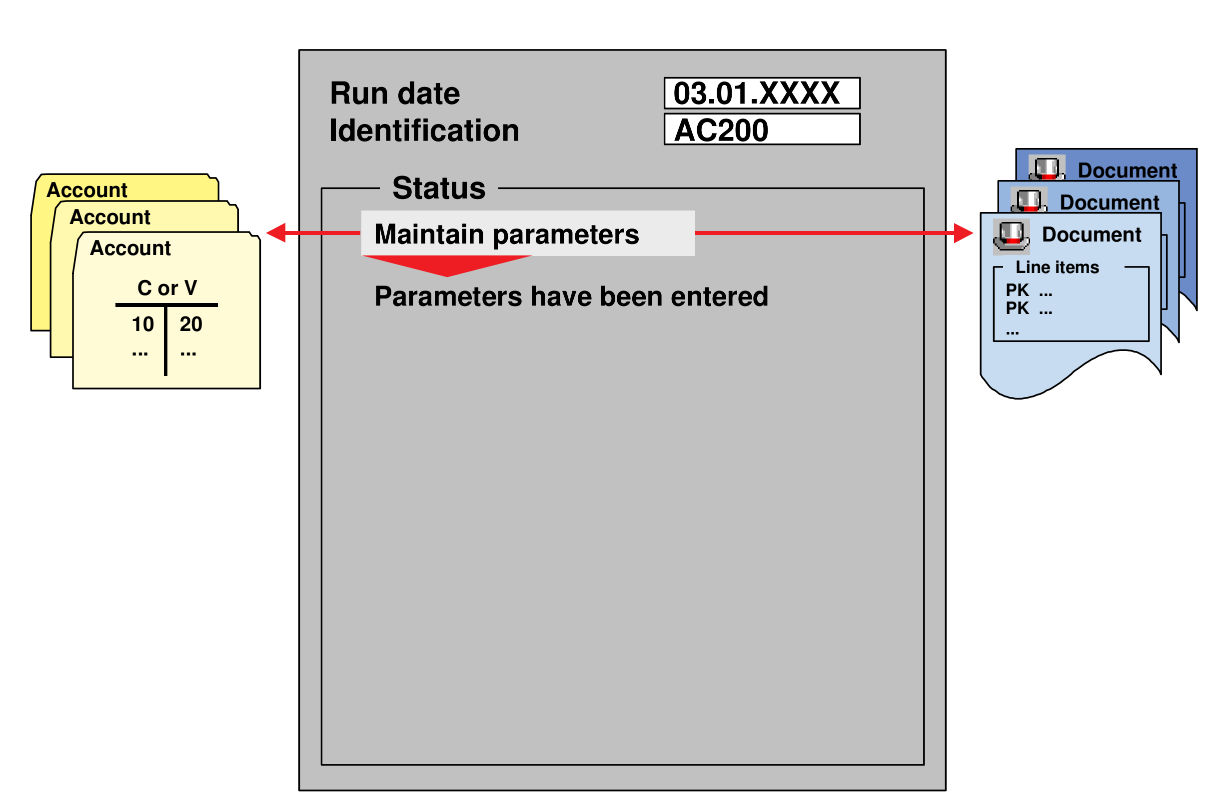


- For postings that recur on a regular basis, such as payments for rent or interest, legal fees, and property taxes, you can use the **recurring entry program** to have the necessary documents generated automatically.
  - The recurring business transactions must be stored in the system as recurring entry original documents for this to be possible. Each recurring entry original document contains the date of the first and last posting, the frequency at which the posting should be made, and the date of the next planned posting.
  - The recurring entry program must be started at regular intervals within a specified period. The program selects all recurring entry original documents in which the date of the next posting falls within the specified period, and then generates a batch input session.
  - When the session is processed, an FI document that corresponds to the original document is posted, and the date of the next posting is changed accordingly in the recurring entry original document.



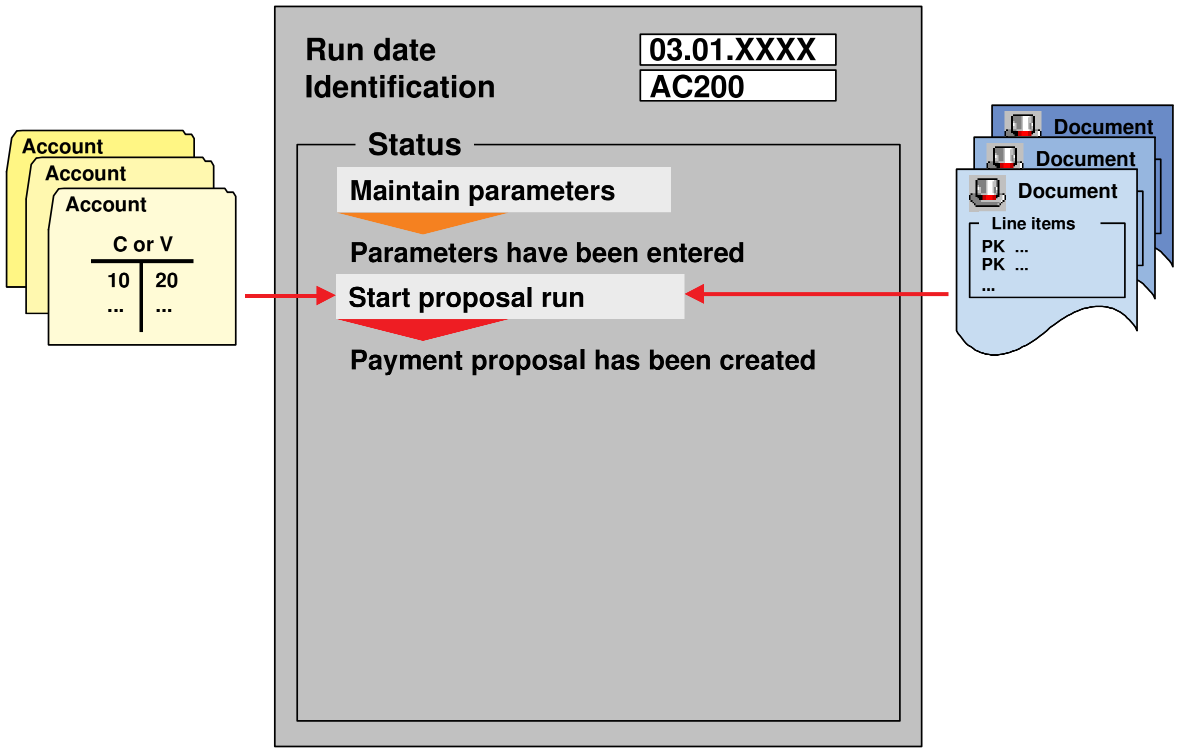
- All **payment transactions** include the elements shown on the slide.
- A payment transaction can be carried out either **manually** via A/P → document entry → outgoing payments… or **automatically** by means of the payment program.
- The standard system contains common payment methods and corresponding forms that have been defined separately for each country.

Parameters



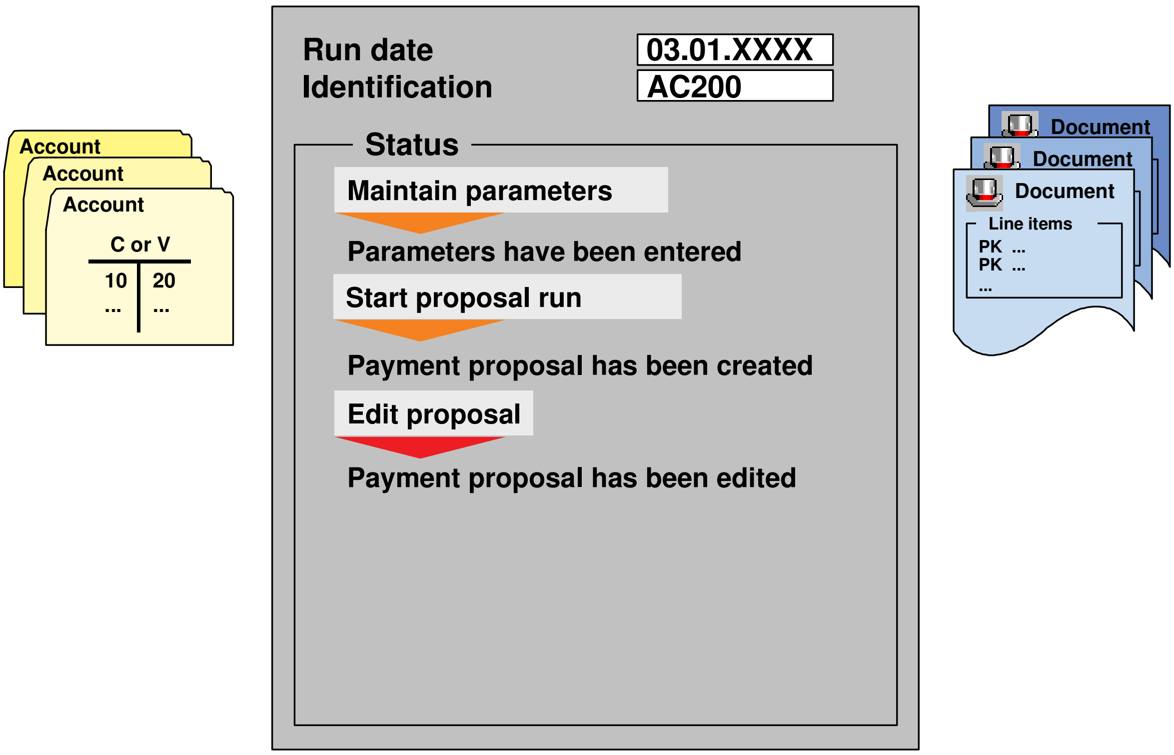
- The **payment program** was developed for international payment transactions with customers and vendors, and can be used for both incoming and outgoing payments. However, it is more commonly used for outgoing payments.
- The automatic payment process comprises several stages.
- The first stage involves maintaining the **parameters**. You use the parameters to define which accounts and items the payment program is to include in the automatic payment run.

Proposal Run



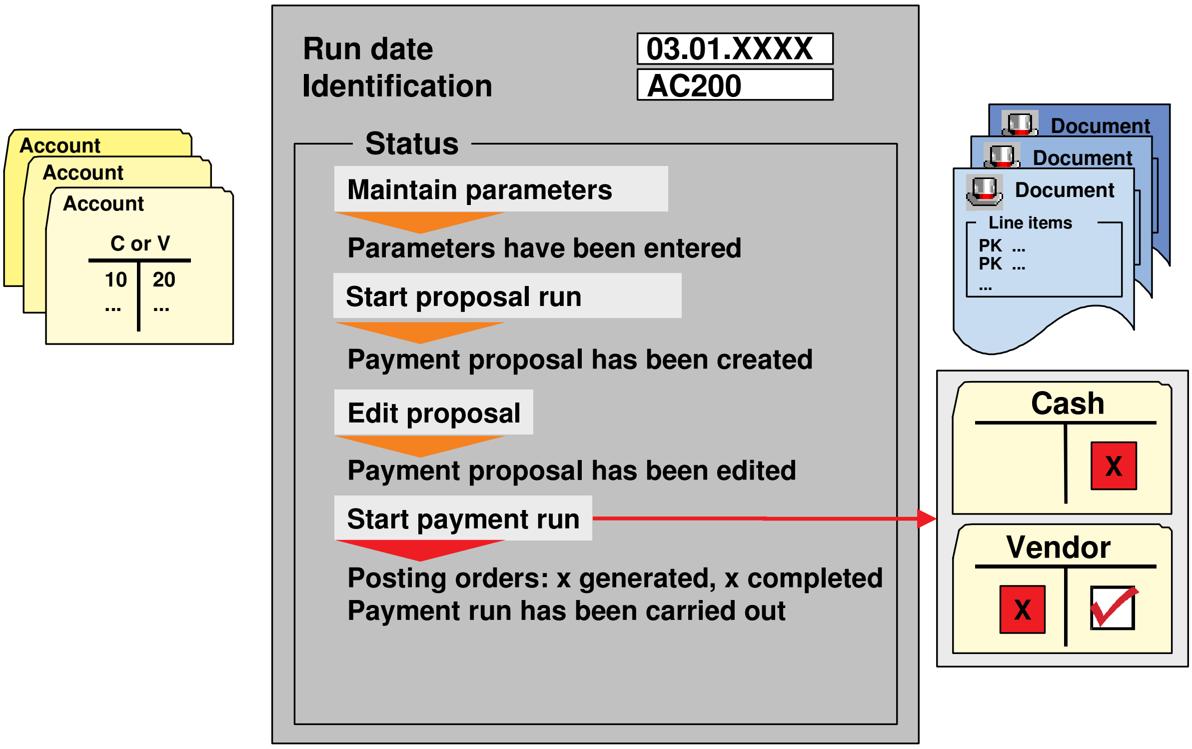
- The second stage is the **<u>proposal run</u>**. During the proposal run, the system:
  - Checks the accounts and documents specified in the parameters for due items
  - Groups due items for payment
  - Selects the relevant payment methods, house banks, and partner banks

Edit Proposal

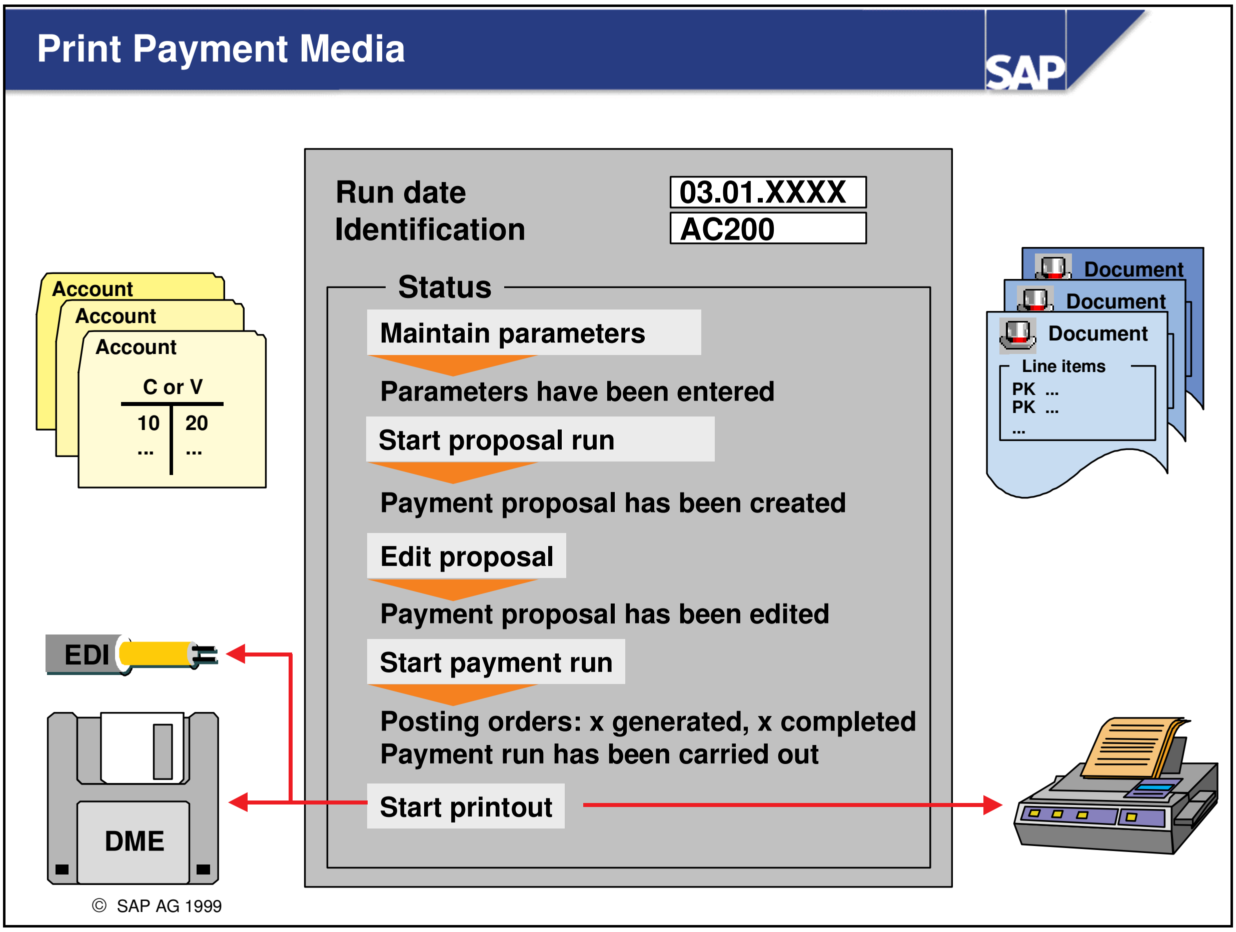


- The third stage involves **checking and editing the payment proposal**. This step can be omitted, but you are advised to check that the data is accurate before actually running the payment program.

Payment Run



- The fourth stage is the actual **payment run**.
- During the payment run, the system:
  - Posts payment documents
  - Clears open items
  - Prepares data for the printing of payment media



- The final stage is **printing**.
- Payment media are generated in this step, which means that:
  - Payment media are printed
  - IDocs are generated for EDI
  - Payment data is sent to DME administration
- If you do not wish to work with the payment proposal, you can combine the steps "Start proposal run", "Edit proposal", "Start payment run", and "Start printout" in one step. Immediately after entering the parameters, you can create, post, and print payments.

Presentation:

Integration with Materials Management

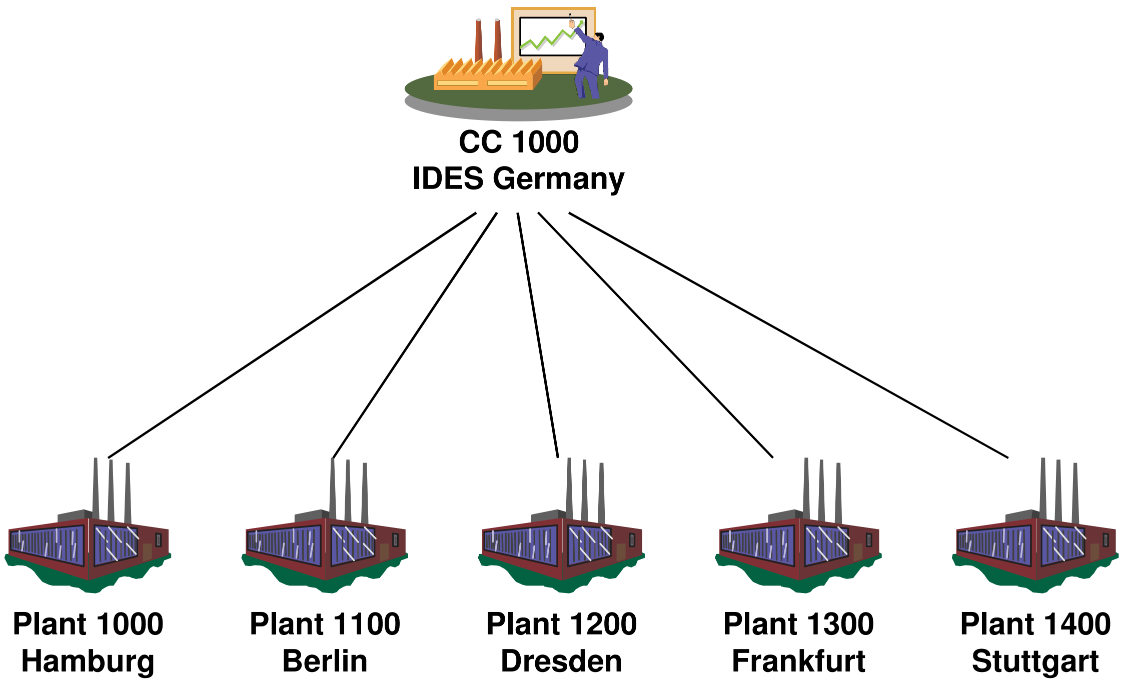
Plants

Purchasing organizations

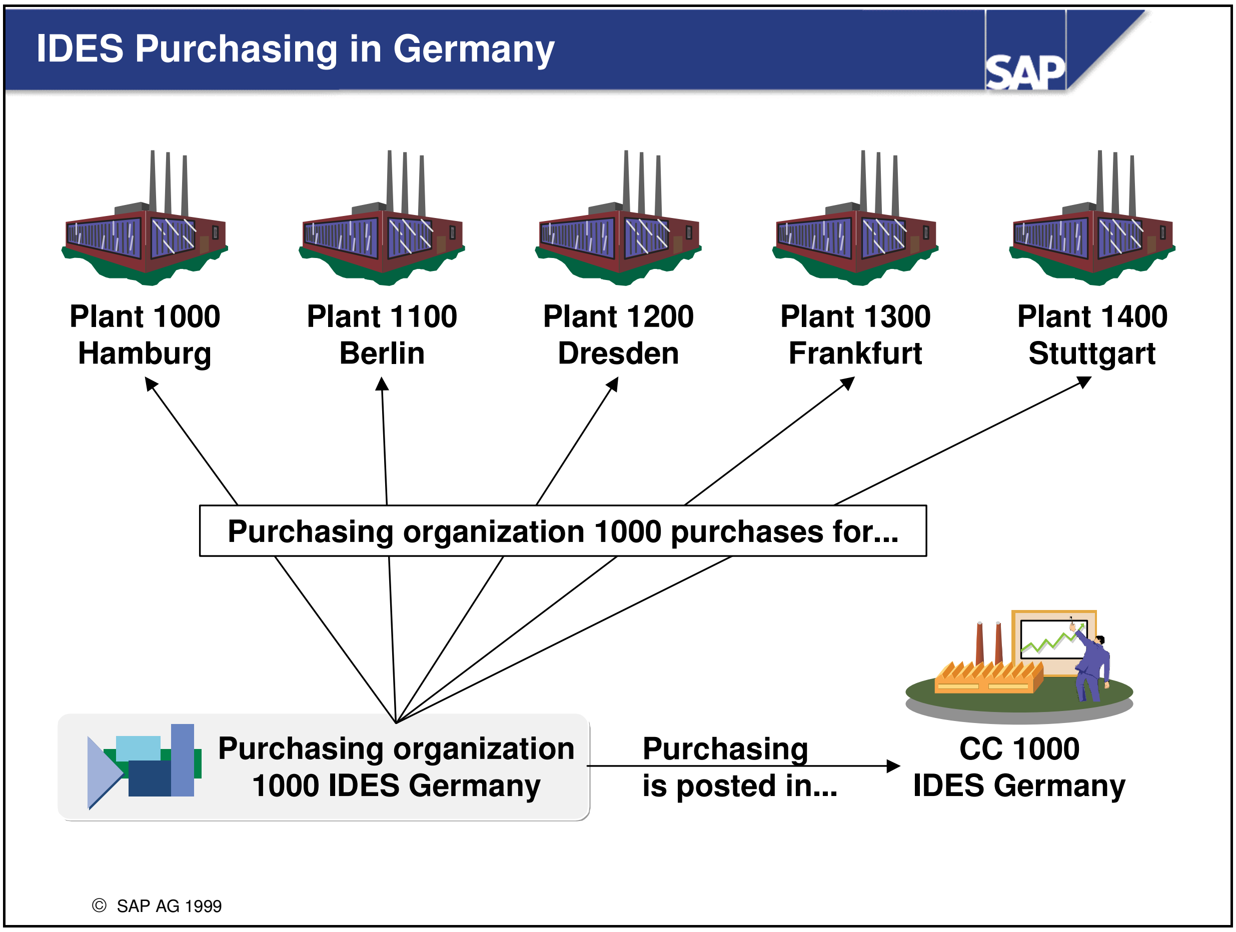
MM view of the vendor master record

Purchase order, goods receipt, invoice verification

IDES Plants in Germany

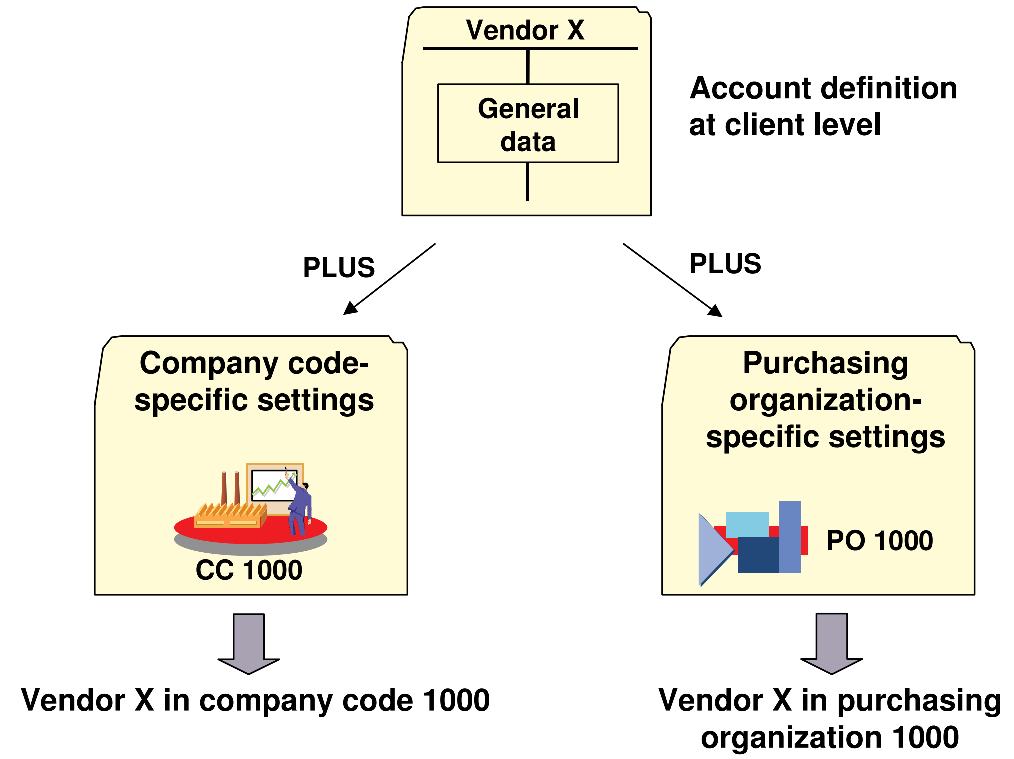


- The central organizational object in Logistics in the **plant**. Multiple plants can be contained in a company code. That is, they are assigned to the same company code.
- IDES company code 1000 (Germany) contains, for example, the plants:
  - 1000 (Hamburg)
  - 1100 (Berlin)
  - 1200 (Dresden)
  - 1300 (Frankfurt)
  - 1400 (Stuttgart)
- All company-code relevant transactions from these plants are posted in company code 1000.

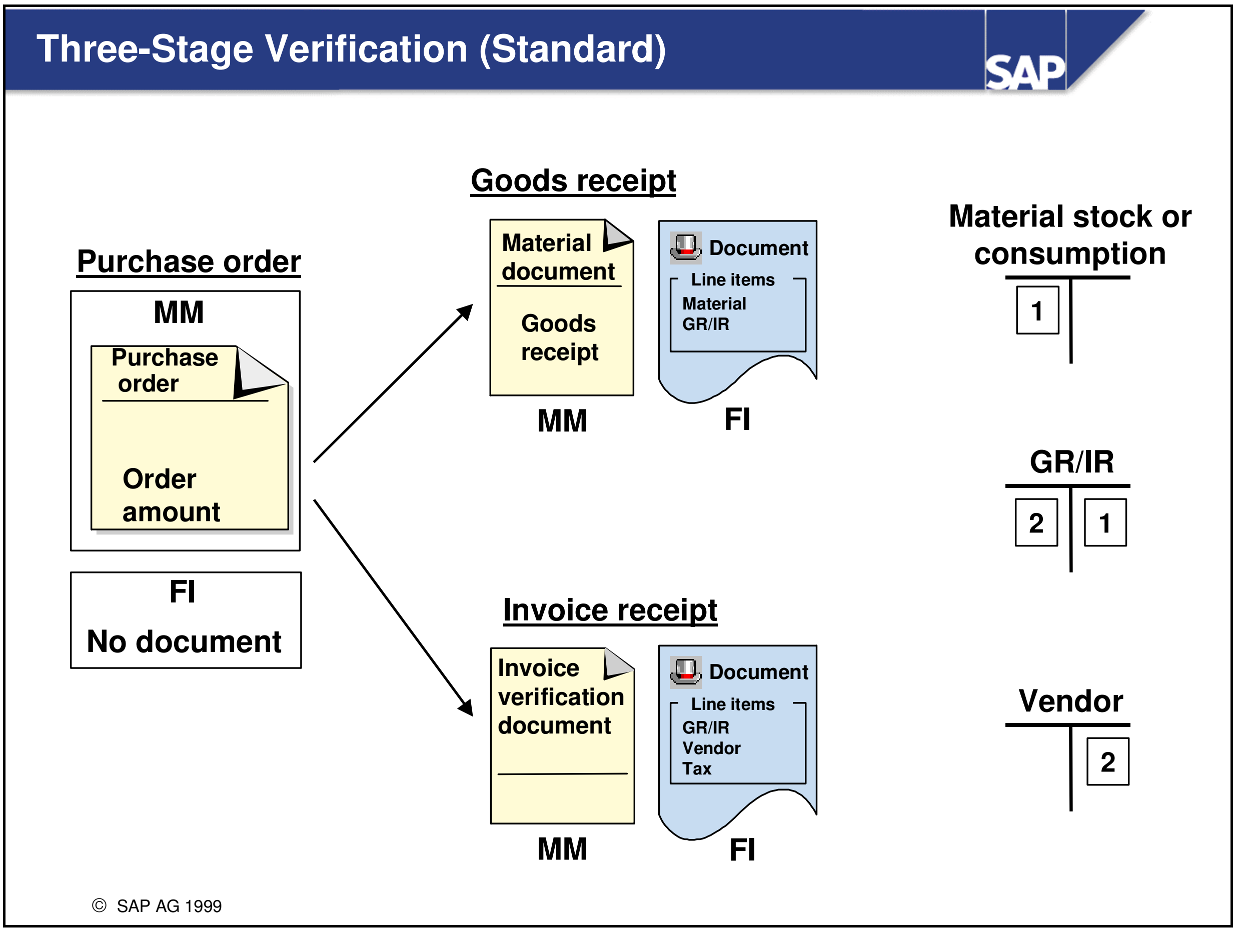


- Purchasing for the plants is completed by the **purchasing organization**. Each country, in which IDES plants operate, has one purchasing organization. They purchase for all plants in the country and post the purchases in the company code of that country.
- In Germany, for example, purchasing organization 1000 takes care of purchasing for all German plants (Hamburg, Berlin, Dresden, Frankfurt, Stuttgart). Postings are made in the German company code 1000.

Purchasing Data in the Vendor Master Record



- The purchasing organizations purchase goods and services from suppliers, who are paid by accounts payable. The various purchasing organizations of the group have to enter data **specific to purchasing in the vendor master record** before the supplier's master record can be used.



- The **three-step verification** (3-way match) is the standard procedure for posting procurement transactions in FI. The procedure contains the following three steps:
  - **Purchase order**
    This transaction is completed in MM. No postings are made in FI.
  - **Goods receipt**
    To update the inventory, a material document is created in MM. At the same time, a document is created in FI with which the value of the goods is posted to the materials account (debit) and the goods receipt/invoice receipt account (credit) in the general ledger.
  - **Invoice receipt**
    The vendor invoice is posted in MM, which automatically creates a document in FI. The FI document contains the invoice amount that is posted to the goods receipt/invoice receipt account (debit) and the vendor account (credit).
- The last two steps can be completed in reverse order, depending on the order in which the goods and the invoice are received.
- The goods receipt/invoice receipt account ensures that goods were received for each invoice and vice versa.

Presentation:

Closing Operations in Accounts Payable

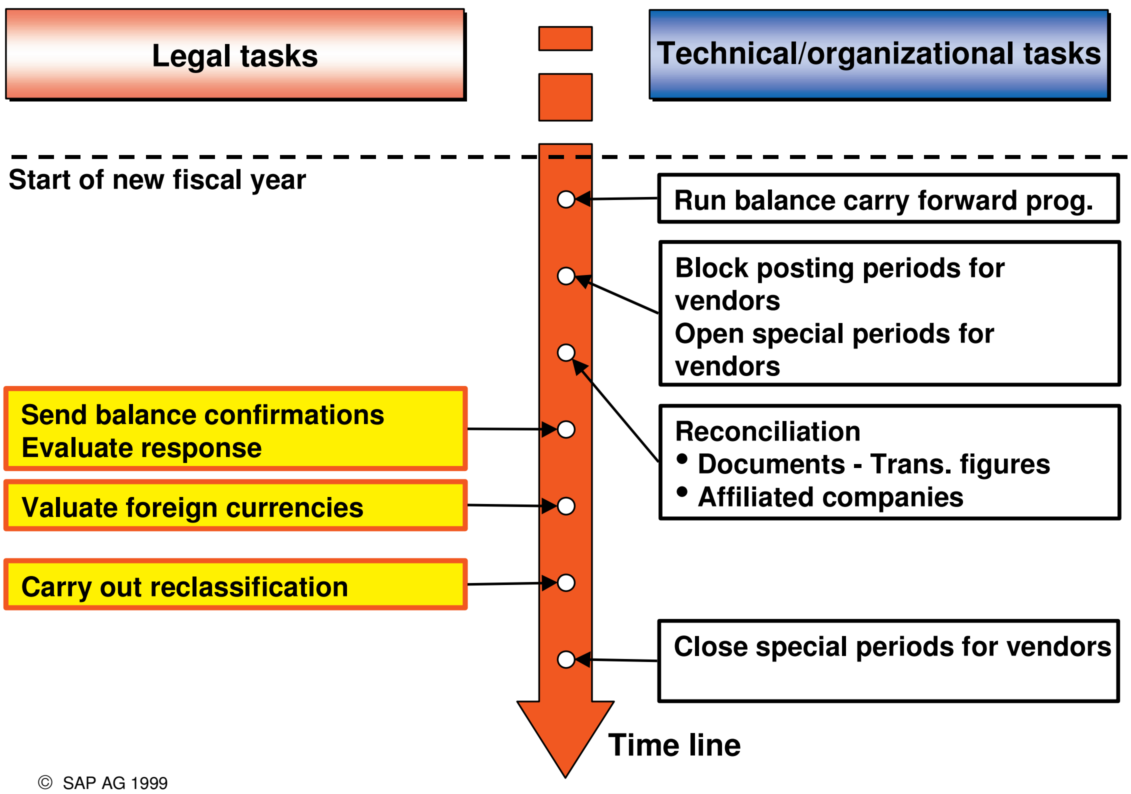
Overview: Accounts Payable closing operations

Balance confirmations

Foreign currency valuation

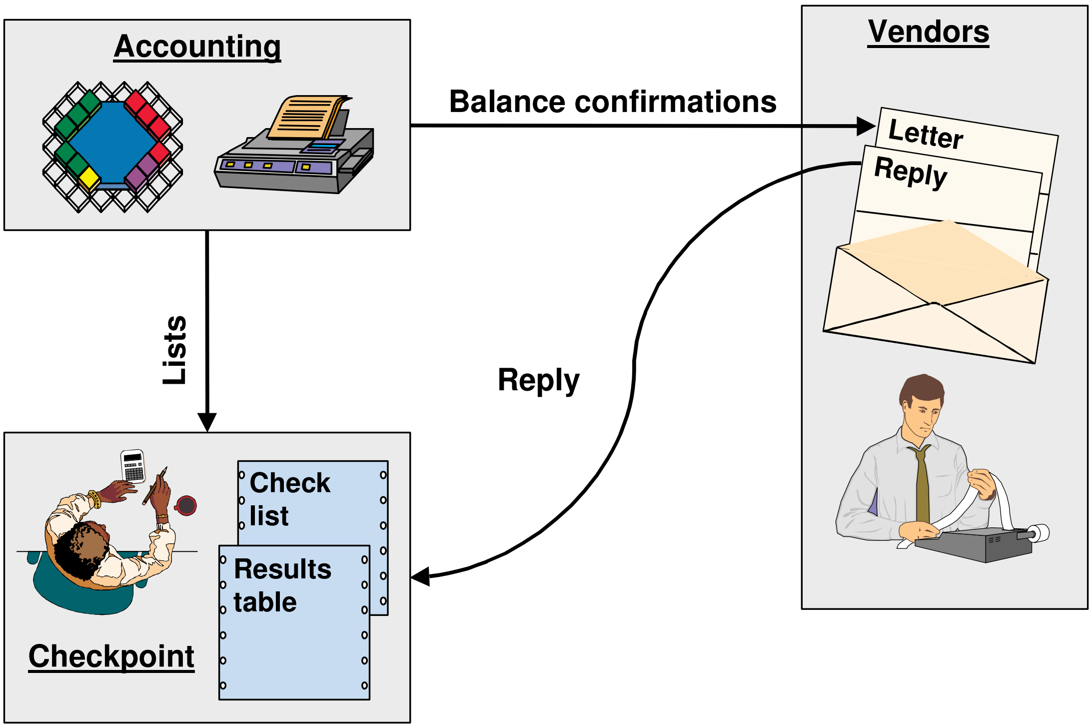
Reclassification of payables

Overview: Accounts Payable Closing Operations

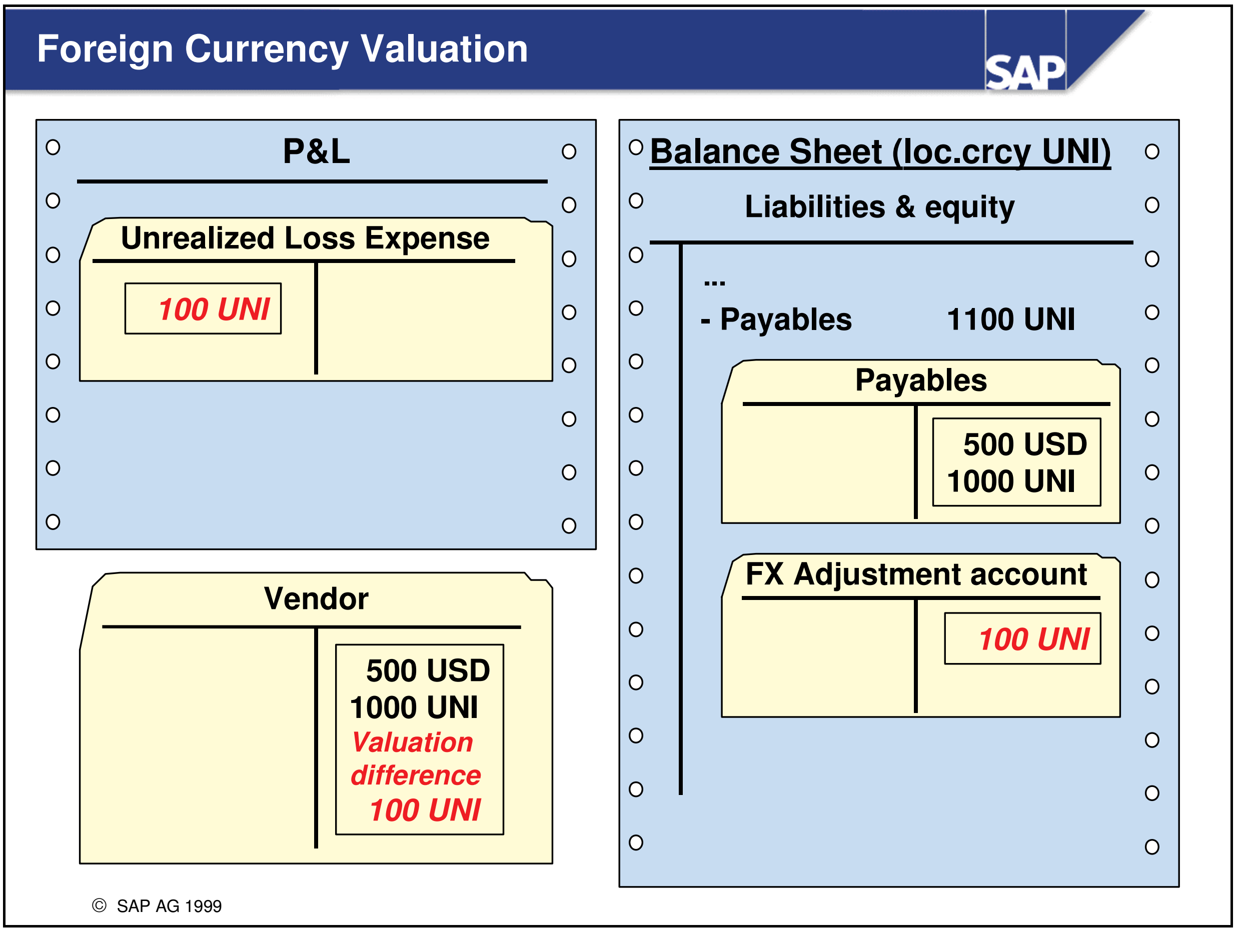


- Year-end closing can be divided into two main sections:
  - Legal requirements (procedures required by the tax authorities)
  - Technical and organizational requirements (procedures that are technically required or needed to support the accounting organization)
- In this course, we will focus only on the legal requirements.
- At the beginning of the fiscal year, the balance carry forward program is run, carrying forward the balances of the vendor accounts to the next fiscal year.
- The posting periods of the old fiscal year are blocked and the special periods for closing postings for fiscal year end adjustments are opened. A technical reconciliation guarantees that the posting of documents is problem-free.
- Afterwards, the balances are confirmed, the foreign currency documents are valuated, and the payables are regrouped.
- Once fiscal year end adjustments are complete, the special periods can be closed.
- <u>**Note:**</u> The closing procedures may vary from country to country. You trainer can provide you with information on special procedures that may be required in your country.

Balance Confirmations

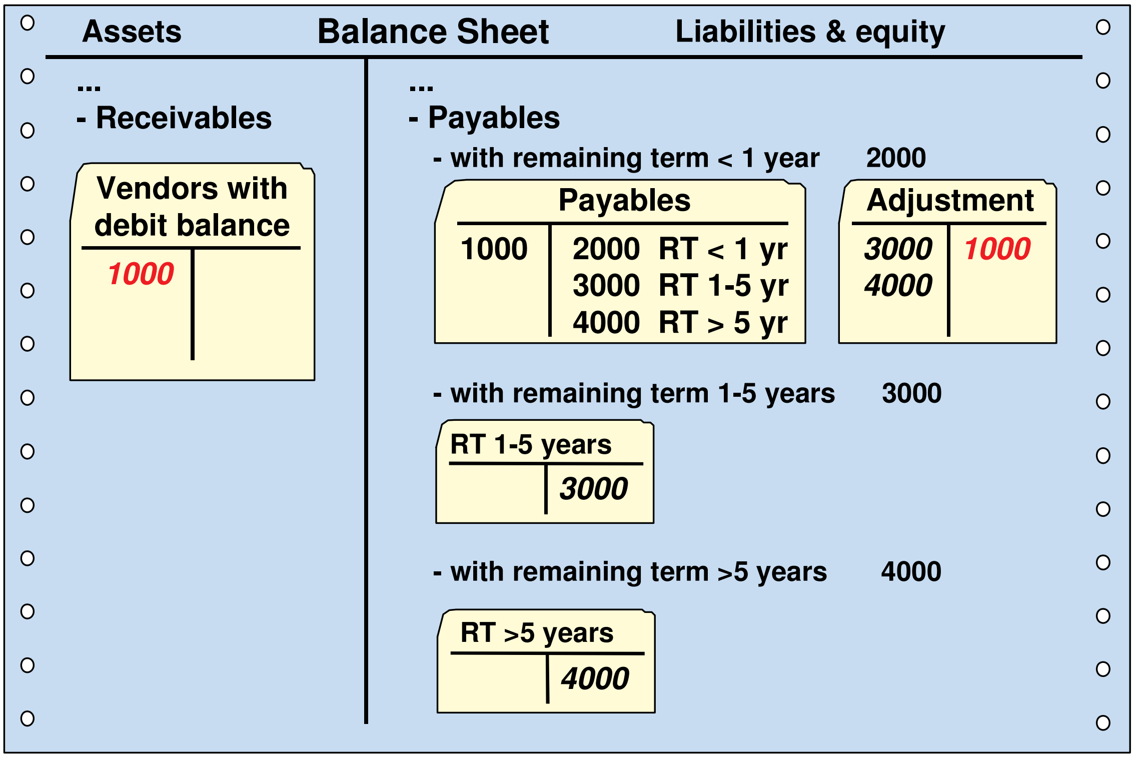


- The program for creating **balance confirmations** creates the balance confirmations including reply requests for a freely definable number of vendors, a reconciliation list, and a results table. The balance confirmations and reply requests are sent to the vendors; the lists are used as a control measure. For IDES, this control is carried out by the internal audit department.
- The vendors check the balance information they receive and send their replies to the control center audit department, which compares the replies with the reconciliation list and enters the results in the results table.



- A **foreign currency valuation** is necessary if vendor accounts contains open items in a foreign currency. The amounts of these open items were translated into the local currency at the time they were entered using the current exchange rate (for example, 500 USD to 1000 UNI, the local currency).
- The exchange rate is probably different at the time of closing, and open items need to be valuated again. A program valuates the open items using the new exchange rate and enters the valuation difference (100 UNI on the slide) in the valuated line items. It also creates the valuation postings:
  - Debit: unrealized loss; credit: foreign exchange adjustment account
- A valuation cannot be made by posting to the payables account, since reconciliation accounts cannot be directly posted to. For this reason, the amount is posted to an adjustment account, which appears in the same line of the balance sheet as the reconciliation account.
- A valuation method determines how the individual line items are valuated. This has to be set up in conjunction with the country-specific valuation regulations. It defines, for example, whether the lowest value principle, the strict lowest value principle, or a general principle (also with revenue from the valuation) is to be used for valuation.

Reclassify Payables



- Payables and receivables have to be listed separately in the balance sheet. Since it is possible for some vendors to have a debit balance, these accounts need to be changed to vendors with a debit balance prior to creating the financial statements.
- In many countries it is also required to group payables in the balance sheet based on their remaining life.
- Both regroupings are carried out using a special program. At the same time, these regrouping are reversed on the first day of the next period, since regrouping is not necessary for daily processing.
- On the slide, you can see that the receivables with long remaining terms have be reposted to different accounts to facilitate the creation of the financial statements. Additionally, vendors with a debit balance are regrouped. An adjustment account is used as the offsetting account here as well, since adjustments cannot be posted directly to a reconciliation account.
- **Note:** The foreign currency valuation as well as the regrouping can be completed in different ways to meet various legal requirements. The results are then posted to various accounts that are used by different financial statement versions.
- **Note:** This program is also used when the reconciliation account of a vendor has been changed during the year.

Self-Study: Vendor Master Data in FI

At the conclusion of this topic, you will be able to:

- **Create a list of vendors**
- **Maintain vendor master data in FI**

Exercises

Unit: Accounts Payable

Topic: Vendor Master Data

At the conclusion of these exercises, you will be able to:

- Create a list of vendors
- Create and maintain a vendor master record

Accounting transactions involving vendors are recorded in the accounts payable subledger. The accounts are divided up into account groups so that the large number of vendors can be organized more easily.

To access Accounts Payable:

Accounting → Financial accounting → Accounts payable

1-1 **Creating a vendor list**

You wish to have the system create an overview of the existing vendor master data by listing this data. You are particularly interested in the accounts in account group KRED.

Information system → Reports for Accounts Payable Accounting → Master data → Vendor List

1-1-1 **Create the whole vendor list**

Create a list of all vendors in company code 1000.

1-1-2 **Create the list for a specific account group**

Use a dynamic selection to create a list of all vendors in account group KRED.

Now go back to the SAP Easy Access menu.

1-2 **Maintaining a vendor master record**

IDES Germany is expecting a foreign employee to arrive next month who will be spending a year in Germany. A real estate agency is helping IDES to find an apartment for the employee. The rental agreement has been signed, and the accounting department now has to create a master record for the landlord that can be used for making the monthly rental payments and monitoring them.

1-2-1 **Create a vendor master record**

In company code 1000, create the master record VMIETER## for the landlord. The master record should belong to account group VEND. IDES has created a reference account for each account group so that master data can be entered as easily and accurately as possible. The reference account for the account group VEND is AGENCY00.

Enter the search term **AC010** and make up a name and address for the vendor. Enter a complete address, including a street name and city, since this is needed to successfully run the payment program in a future exercise.

Accept all the values that are copied from the reference account as default values.

Master records → Create

Now go back to the SAP Easy Access menu.

1-2-2 **Maintain the master record**

Check the terms of payment. According to the rental agreement, the rent is always to be paid immediately and without cash discount. Which terms of payment could you use? Enter one of these in the master record.

____

The landlord wishes to receive the rental payment by check. Define the appropriate payment methods.

Master records → Change

SAVE

Now go back to the SAP Easy Access menu.

Self-Study: Accounting Transactions Within a Period

At the conclusion of this topic, you will be able to:

- Post vendor invoices in FI
- Create a recurring entry document and generate recurring entries
- Post an outgoing payment manually and print a check
- Carry out automatic payments
- Monitor vendor accounts

Exercises

Unit: Accounts Payable

Topic: Accounting transactions within a period in Accounts Payable

At the conclusion of these exercises, you will be able to:

- Post a vendor invoice
- Post a manual outgoing payment and print a check
- Create a recurring entry document and generate recurring entries
- Carry out automatic payment

IDES uses R/3 as an integrated system, and so the open vendor items normally arrive in Accounts Payable via invoice verification in Materials Management (MM). Vendor invoices are only posted directly in Accounts Payable in exceptional cases, such as the previous rent scenario.

To access Accounts Payable:

Accounting → Financial accounting → Accounts payable

2-1 **Posting a vendor invoice and checking the posting**

The real estate agency charges a commission of 4400 UNI for finding the apartment, including 10% input tax (tax code 1I), that is 400 UNI. As IDES has often used the services of this real estate agency, a master record already exists for it. The number of the master record is AGENCY##. The commission invoice has the previous day as the invoice date and was sent directly to the accounting department, without going via invoice verification in MM. The invoice contains the invoice number 1##.

2-1-1 **Post the invoice**

Post the invoice to your cost center “CC##”. Use the "With cost center" entry variant. Use G/L account 470000 as the offsetting account. Enter the invoice number in the “Reference” field and enter “Real estate commission group ##” as the text.

Write down the accounting document number:

____

Document entry → Invoice

Now go back to the SAP Easy Access menu.

2-1-2 **Check the vendor account**

Use the balance display to check whether an open item was created for the vendor account when your document was posted. Identify the open item that was generated by your document.

View this document in the document overview. Although you only entered two items (a vendor item and an expense item), the displayed document also contains a third item. What sort of item is it, and how was it generated?

____

____

____

Account → Display balances

Now go back to the SAP Easy Access menu.

2-1-3 **Check the reconciliation account**

Which reconciliation account is defined in the master record of the <u>vendor AGENCY ##</u>?

Reconciliation account: ____

Master records → Display

Check whether the amount has been posted to the reconciliation account in the General Ledger. To do so, limit the balance display to your <u>business area, BA##</u>.

G/L Accounting:

Account → Display balances

Now go back to the SAP Easy Access menu.

2-2 **<u>Creating recurring entries</u>**

The rent is 2000 UNI a month (input tax is 0%, tax code 0I), and is due on the 1st of every month. The rental payments should start next month. The rental agreement has the number 0815 and is valid for exactly one year, since the employee will then return to his native country. To ensure that the posting and payment of the open rent item is not forgotten, the open item should be generated automatically.

2-2-1 Create a recurring entry document

Create a recurring entry document for the rent payable. The document should be <u>document type KR</u>. Enter <u>“Contract 0815”</u> as the <u>reference</u>. You have already created the vendor account <u>VMIETER##</u> for the landlord. Use the <u>text edit format RENT</u> for the <u>item text</u>. The offsetting entry is made to <u>account 470000 (occupancy costs)</u>. The employee works for cost center CC##. Debit the rent to this account.

Which posting key should you use for these items?

____

____

Document entry → Reference documents → Recurring document

Now go back to the SAP Easy Access menu.

2-2-2 **Start the recurring entry program**

The recurring entry program must be run once a month so that actual documents are generated from the monthly recurring entry documents.

Start the recurring entry program.

To assist you with the entries on the selection screen, report variant AC010 was created.

Use this variant and replace ## with your group number. Enter the 1st of the next month as the settlement period.

It is important that you use only the recurring entry documents for your own user, AC010##, so that each group can carry out its own recurring entries.

Periodic processing → Recurring entries → Execute

Now go back to the SAP Easy Access menu.

2-2-3 **Process the batch input session**

The recurring entry program generates a batch input session that has to be processed so that the actual documents are posted.

Have the system process the batch input session in the foreground so that you can see how batch input processing works. The batch input session would normally be much larger (depending on the number of recurring entry documents), and would then be processed in the background.

Warning: Process only the session that you have created yourself.

System → Services → Batch input → Sessions

Now go back to the SAP Easy Access menu.

2-2-4 **Check the vendor account in A/P**

Check whether the batch input session has generated an open item for the rent payable.

Account → Display balances

Now go back to the SAP Easy Access menu.

2-3 Manual outgoing payment with check printing

The real estate agency, AGENCY##, requires the money urgently, and asks the accounting department to make the payment quickly.

2-3-1 Post the outgoing payment

Post a manual outgoing payment with simultaneous check printing. The payment is to be made via house bank 1000. Enter LP01 as the printer. Have the system calculate the payment amount.

Use either payment method S (non-prenumbered checks) or payment method C (prenumbered checks). For payment method C, use check lot 1. This indicates a lot of prenumbered check forms that are already in the printer.

Your trainer will tell you which payment method you should use.

Write down the number of the payment document:

____

Document entry → Outgoing payment → Post + print forms

Now go back to the SAP Easy Access menu.

2-3-2 Check the vendor account

Check whether the outgoing payment has cleared the original open item, and write down how much cash discount was calculated and posted.

Cash discount:

____

Account → Display balances

Now go back to the SAP Easy Access menu.

2-4 Automatic payment

IDES has the system run the payment program once a week. The rent is paid automatically by the payment program at the beginning of the next month, together with all the other open vendor items.

Periodic processing → Payments

2-4-1 Create a payment run and maintain the parameters

Create your own payment run with the 1st of the next month as the "Run date", and your business area, "BA##", as the identification.

Maintain the payment run parameters so that the payment run selects all documents that have been entered up until today for your landlord's account, VMIETER-##, in company code 1000. Any payments in this run should be made by check (payment method S) and posted on the 1st of the next month. You must enter the posting date of the next payment run so that the system can decide whether the payment has to be made in this payment run, or whether it could wait until the next payment run. The next payment run is a week after the posting date.

IDES normally has the system include all vendors in the payment run, of course, and also specifies all payment methods that are used.

For test purposes, it is sensible to activate the additional log so that any errors that occur can be more easily traced. Activate the additional log for your payment run.

2-4-2 **Schedule the payment proposal**

Have the system start generating the payment proposal by scheduling the proposal to start immediately. IDES usually schedules the payment proposal to be processed in the background at times when the system is less busy (at night, for example).

Keep updating the status until a message is displayed to tell you that the payment proposal has been created.

2-4-3 **Edit the proposal**

Accounts Payable clerks print out the payment proposal and check the payments before the actual payment run takes place. This prevents any incorrect payments from being made. If necessary, you can then edit the payment proposal by editing the exception list, removing items from the payment run, or changing payments.

Have the system display the payment proposal on the screen.

If no payments are displayed on the screen, or only the exception list is displayed, you have made an error somewhere. Look at the proposal log from the initial screen (***Edit → Proposal → Display log***) and see if you can find the error. Delete the payment proposal (***Edit → Proposal → Delete***) and remove the error. Then restart the payment proposal. Repeat this process until payments are displayed in the proposal.

2-4-4 **Select a variant to run the print program**

You need to define variants for the print programs before the payment media and payment advice notes can be printed. Since payments can only be made by check in this payment run, you only need to choose a variant for the appropriate print program, RFFOD__S. Use the SCHECK variant that has already been set up.

2-4-5 **Schedule the payment run and print the cheque**

After the payment proposal has been checked and accepted as correct, the actual payment run is started, which posts the payments. By having selected a variant for the print program ahead of time, we can also print the cheque in this step.

Start the payment run by scheduling it to start immediately. IDES usually schedules the payment run in the same way as the payment proposal, to be processed in the background at times when the system is less busy. Select “Create payment medium” to print out the cheque with the payment run.

Keep updating the status until a message is displayed to tell you that the payment run has been executed and all postings created.

Go to the output controller to view the automatically-created check.

System → Services → Output controller

Now go back to the SAP Easy Access menu.

2-4-6 **Check the vendor account**

Check whether the automatic payment run has cleared the original open item.

Account → Display balances

Now go back to the SAP Easy Access menu.

2-5 **Due date analysis**

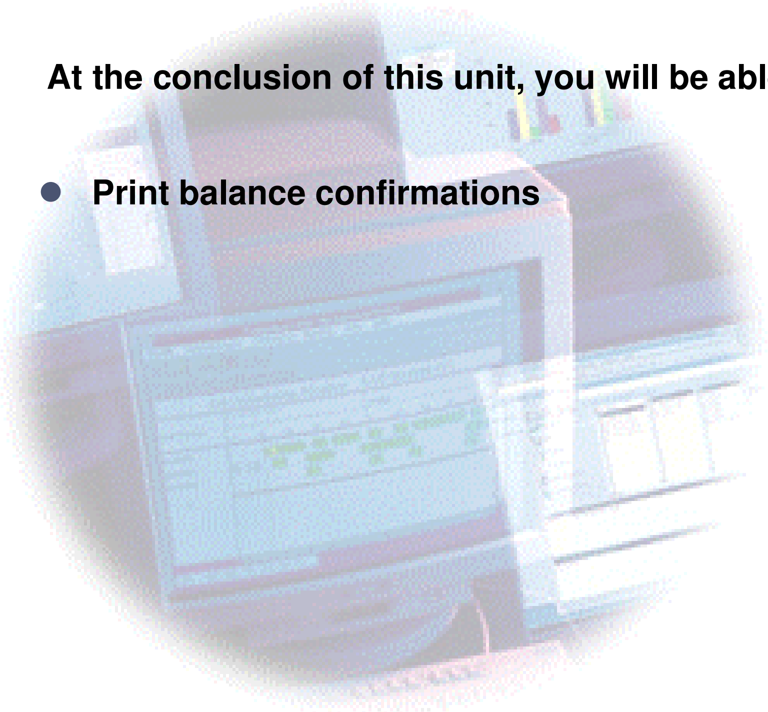
To gain an overview of the open items that are due in the future, you can display a drilldown report for due date analysis. Carry out this report for company code 1000.

Drilldown reporting is another SAP reporting tool, in addition to the classic ABAP reports, SAP Query, and the Accounts Receivable/Accounts Payable Information System.

Information system → Reports for Accounts Payable Accounting → Vendors: Items → Due Date Analysis for Open Items

Now go back to the SAP Easy Access menu.

Self-Study: Accounts Payable Closing Operations



At the conclusion of this unit, you will be able to:

- **Print balance confirmations**

Exercises

Unit: Accounts Payable

Topic: Closing operations in Accounts Payable

At the conclusion of these exercises, you will be able to:

- Print balance confirmations
- Valuate open items in foreign currency
- Regroup payables by remaining term (optional)

Depending on legal requirements, various procedures need to be completed in the subsidiary ledgers before financial statements can be created in the general ledger.

To access Accounts Payable:

Accounting → Financial accounting → Accounts payable

For the purposes of the following exercises, we will assume that the closing procedures have already been completed for the previous month.

3-1 **Print balance confirmations**

Print a balance confirmation for vendor 1000.

To assist you with the entries in the selection screen, report variant AC010 was created.

What is the reconciliation key date for the balance confirmation?

____

By which date does IDES expect to have the balance confirmations returned by the vendors?

____

View the balance confirmation in the output control.

Periodic processing → Closing → Check/count → Balance confirmations: Print

A balance confirmation would not normally be sent for month-end closing. We will only do so here as a learning exercise.

Now go back to the SAP Easy Access menu.

3-2 **Foreign currency valuation**

Vendors abroad often create their invoices in the currency of their own country. If this currency is not the same as the company code currency, the system treats it as a foreign currency and translates it into local currency using a defined exchange rate.

When the financial statement is prepared, the open items in foreign currency have to be revaluated according to country-specific requirements because the exchange rate may have changed since the open items were created.

3-2-1 **Post a foreign currency invoice**

The accounting department discovers an invoice from the vendor AGENCY## that has not yet been posted. It is dated from the 15th of the previous month. Fortunately, the last posting period is still open, so the invoice can still be posted in this period before the month-end closing is carried out. It is an invoice in foreign currency, without any tax on sales/purchases (tax code 0I).

Post the invoice with the number 2## (reference) for 5,000 USD on the last day of the previous month. Use account 470000 as the offsetting account. Use tax code 0I. Use the entry variant "With cost center" to post the cost to your cost

center, CC##.

Before posting the document, select the tab "Local currency". Here you will find the amount translated into local currency using the latest exchange rate from the table. Change the exchange rate to 2.00000. We are changing the rate so that there will be a different rate between the invoice and the rate the system uses when we run the foreign currency revaluation program.

Document entry → Invoice

Write down the accounting document number:

____

Now go back to the SAP Easy Access menu.

3-2-2 **Carry out foreign currency valuation**

Carry out the foreign currency valuation for the vendor account AGENCY## only.

To assist you with the entries in the selection screen, report variant AC010 was created.

Use this variant and replace ## with your group number in all relevant tabs.

On which key date is the valuation carried out?

____

Run the batch input session in the foreground.

Now go back to the SAP Easy Access menu.

IDES runs the valuation report for all accounts simultaneously, of course.

Since this valuation does not form a part of the legal year-end closing, the valuations are not noted in the documents, and the postings will be reversed on the 1st of the next period.

Periodic processing → Closing → Valuate → Open items in foreign country

3-3 Regroup payables (optional)

Many governments require that payables (and receivables) be ordered according to remaining term. In Europe, for example, accounting convention 93 requires this classification, and the standard SAP System provides the necessary sorted list.

3-3-1 Post an invoice with a remaining term of 2 years

Post an invoice with the number 3## (reference) for 6000 UNI for vendor AGENCY##. Use account 470000 as the offsetting account. Use tax code 0I. The invoice and posting dates are both the 15th of the previous month. Use the entry variant "With cost center" to post the cost to your cost center, CC##.

Before posting the document, select the tab "Payment". You will find the terms of payment here, as well as other information. **Change the terms of payment to ZB99. These terms of payment have been defined with a term of 24 months.**

Write down the accounting document number:

____

Now go back to the SAP Easy Access menu.

Document entry → Invoice

3-3-2 **Carry out regrouping**

Carry out the regrouping by remaining term.

To assist you with the entries in the selection screen, <u>report variant AC010</u> was created. Use this variant and replace ## with your group number on all tab pages.

What is the reconciliation key date for the regrouping?

____

On which document date is the regrouping canceled?

____

Run the batch input session in the foreground.

Now go back to the SAP Easy Access menu.

Periodic processing → Closing → Regroup → Receivables/payables

3-3-3 **Check the regrouping**

Go to the balance display for <u>account 160020</u> in business area <u>BA##</u>. This is the balance sheet account that is configured to record payables with a remaining term of 1 to five years. What do the transaction figures show?

Now go back to the SAP Easy Access menu.

G/L Accounting:
Account → Display balances

Unit Summary

You are now able to:

- Describe how accounts payable accounting is set up in the R/3 System
- Maintain and view vendor master data
- Complete accounting transactions within a period in Accounts Payable
- Describe how Accounts Payable is integrated with Materials Management
- Describe how SAP supports the financial statement preparations in Accounts Payable

Solutions

Unit: Accounts Payable
Topic: Vendor Master Data

To access Accounts Payable:

Accounting → Financial accounting → Accounts payable

1-1 **Creating a vendor list**

Information system → Reports for Accounts Payable Accounting → Master data → Vendor List

1-1-1 **Create the whole vendor list**

Field name or data type	**Values**
Company code	*1000*

Execute

1-1-2 **Create the vendor list for a specific account group**

Field name or data type	**Values**
Company code	*1000*

Choose “Dynamic selections” (third icon from the top left).

In the hierarchy structure on the left side of the screen, double-click on “Account group” to bring it under “the dynamic selections”list on the right.

Field name or data type	**Values**
Account group	*KRED*

Execute

Now go back to the SAP Easy Access menu.

1-2 Maintaining a vendor master record

1-2-1 Create a vendor master record

Master records → Create

Field name or data type	Values
Vendor	*VMIETER##*
Company code	*1000*
Account group	*VEND*
Reference	
Vendor	*AGENCY00*
Company code	*1000*

Continue

1st Screen: Address

Field name or data type	Values
Name	*A name of your choice*
Search term	*AC010*
Language	*The language of your country*
Other fields	*Any -- enter a complete address including a street, city, etc.*

Continue

2nd Screen: Control

Leave all fields blank.

Continue

3rd Screen: Payment transactions

Leave all fields blank.

Continue

4th Screen: Accounting information Accounting

The displayed data was copied from the reference vendor. Do not change the data.

Continue

5th Screen: Payment transactions Accounting

The displayed data was copied from the reference vendor. Do not change the data.

Continue

6th Screen: Correspondence Accounting

The displayed data was copied from the reference vendor. Do not change the data.

SAVE

Now go back to the SAP Easy Access menu.

1-2-2 **Maintain the master record**

Master records → Change

Field name or data type	Values
Vendor	*VMIETER##*
Company code	*1000*
Company code data *Payment transactions*	*Select*

Continue

***Payment transactions Accounting* screen:**

0001 or ZB00 should be entered as the payment terms.

Payment methods: Confirm that C and S are entered.

SAVE

Now go back to the SAP Easy Access menu.

Solutions

Unit: Accounts Payable

Topic: Accounting transactions within a period in Accounts Payable

To access Accounts Payable:

Accounting → Financial accounting → Accounts payable

2-1 **<u>Posting a vendor invoice and checking the posting</u>**

2-1-1 **Post an invoice**

Document entry → Invoice

Enter the company code, if the company code pop-up box appears.

Field name or data type	Values
Company code	*1000*

Continue

Basic data

Field name or data type	Values
Vendor	*AGENCY##*

Continue

Basic data

Field name or data type	Values
Invoice date	*Yesterday's date*
Posting date	*Today's date*

Continue

The master record of the vendor is displayed on the upper right hand side of the screen.

Basic data

Field name or data type	Values
Amount	*4400*
Tax amount/tax code	*400 (code **1I** 10% input tax)*
Reference	*1##*
Text	*Real estate commission group ##*

Select the button: “Tree-on”. In the “Screen variants for items” folder, select the "with cost center" screen variant by double-clicking on it.

Line items

Field name or data type	**Values**
G/L account	*470000*
D/C	*Debit*
Doc. currency amount	*4000*
Tax code	*1I*
Cost center	*CC##*

Post by choosing the Save icon.

Write down the accounting document number.

Now go back to the SAP Easy Access menu.

2-1-2 **Check the vendor account**

Account → Display balances

Field name or data type	**Values**
Vendor	*AGENCY##*
Company code	*1000*
Fiscal year	*Current year*

Execute

Double-click on the balance of the current month.

A list of open items appears. Use the document number you wrote down to identify your document.

Double-click on this line item, and then choose the document overview.

An input tax item has been automatically generated. The tax code you entered determines which account the tax is posted to.

Now go back to the SAP Easy Access menu.

2-1-3 **Check the reconciliation account**

Master records → Display

Field name or data type	Values
Vendor	*AGENCY##*
Company code	*1000*

The reconciliation account is found on the *Accounting Info* screen of the company code data. In this case, it has the number 160000.

G/L Accounting: Account → Display balances

Field name or data type	Values
G/L account	*160000*
Company code	*1000*
Fiscal year	*Current year*
Business area	*BA##*

Execute

Now go back to the SAP Easy Access menu.

2-2 Creating recurring entries

2-2-1 **Create a recurring entry document**

Document entry → Reference documents → Recurring document

Enter Recurring Entry: Header Data

Field name or data type	Values
First run on	*1st of the next month*
Last run on	*1st of the preceding month of next year*
Interval in months	*1*
Run date	*1*
Document type	*KR*
Reference	*Contract 0815*
Posting key (PstKy)	*31*
Account	*VMIETER##*

Continue

Field name or data type	Values
Amount	*2000*
Payment terms	*ZB00*
Text	*=RENT*
Posting key (PstKy)	*40*
Account	*470000*

Continue

Field name or data type	Values
Amount	*2000*
Tax code	*0I (0% input tax)*
Cost center	*CC##*

SAVE

Now go back to the SAP Easy Access menu.

2-2-2 **Start the recurring entry program**

Periodic processing → Recurring entries → Execute

Goto → Variants → Get... or use the "Get Variant" icon

Select variant "AC010".

The displayed variant should contain the following data:

Field name or data type	Values
Company code	*1000*
Settlement period	*1st of the next month*
User	*AC010-##*
Batch input session name	*SAPF120-##*
User name	*AC010-##*

Replace ## with your group number.

Execute

A message should appear in the status bar informing you that session SAPF120-## has been created. If this message does not appear, one of the following has happened:

- The recurring entry original document was not created correctly
- Your selections for the recurring entry program were incorrect
- Another group has generated your recurring entry

2-2-3 **Process the batch input session**

From the top of any screen follow: System → Services → Batch input → Sessions

On the overview screen, select the session SAPF120. Choose “Process”.

Select the run mode “Process/Foreground”, remove the Dynpro selection, and select “expert mode”. Then, select the Process button. Now observe how the system enters values from the session on a sequence of screens. Accept each screen by choosing “Continue” (enter).

When you see “Processing of batch input completed”, select “Exit batch input” to go back to the SAP Easy Access menu.

2-2-4 **Check the vendor account in A/P**

Account → Display balances

Field name or data type	**Values**
Vendor	*VMIETER##*
Company code	*1000*
Fiscal year	*Current year*

Execute

You should see a balance of 2,000 UNI.

Double-click on the balance of the current month.

The automatically generated rent item is displayed. Double-click on this item to reach the document item itself, and then choose the document header pushbutton (the hat) to display the document header. The document header dialog box contains a reference to the recurring entry document.

Now go back to the SAP Easy Access menu.

2-3 <u>**Manual outgoing payment with check printing**</u>

Before beginning this exercise, change the language of vendor Agency## to the language of your country. This field is found on the first screen of the vendor master record: Master Record →Change. Save your change.

2-3-1 **Post the outgoing payment**

Document entry → Outgoing payment → Post + print forms

Payment with Printout: Header Data

Field name or data type	**Values**
Company code	*1000*
Payment method	*S or C (ask instructor)*
If payment method C is used: Check lot number	*1*
House bank	*1000*
Printer for forms	*LP01*
Calculate payment amount	*Selected*
Recipient's lang.	*Selected*

Choose "Enter payments".

Field name or data type	**Values**
Vendor	*AGENCY##*

Adopt all of the other data.

Choose "Process open items".

Deselect all items except the item with your own business area, BA##, or the document number you wrote down in exercise 2-1-1.

Post.

Write down your document number.

Confirm information.

Choose "Internationaler Scheck" or "Check".

Place the cursor on the correct spool file.

Choose "Display contents" (eye glasses) → The check is displayed and can be printed from the printer that is installed. You may need to hit "page down" to reach the second page of the cheque.

Now go back to the SAP Easy Access menu.

2-3-2 **Check the vendor account**

Account → Display balances

Field name or data type	**Values**
Vendor	*AGENCY##*
Company code	*1000*
Fiscal year	*Current year*

Execute

Double-click on the balance of the current month.

The original open item has been cleared and a payment item with the number you wrote down has been added.

Double-click on the payment item and go to the document display from here. In the document, you will see the item for posting the cash discount received.

Because the vendor AGENCY ## grants a 3% cash discount for payment made within 14 days, you receive a cash discount of 120 UNI on your payment of 4000 UNI. 12 UNI are posted to the input tax account as a tax on sales/purchases correction.

Now go back to the SAP Easy Access menu.

2-4 Automatic payment

2-4-1 Create a payment run and maintain the parameters

Periodic processing → Payments

Field name or data type	Values
Run date	*1st of the next month*
Identification	*BA##*

Continue (enter)

The status of the new payment run is: No parameters entered as yet.

Choose the tab “Parameter”:

Field name or data type	Values
Posting date	*1st of the next month*
Documents entered up to	*Tomorrow’s date*
Company codes	*1000*
Payment methods	*S*
Next posting date	*One week after the posting date*
Vendor	*VMIETER##*

Save

Choose the tab “Additional log”.

Field name or data type	Values
Due date check	*Select (first box)*

Payment method selection in all cases	*Select (second box)*
Line items of the payment documents	*Select (fourth box)*
Vendors	*VMIETER##*

Save

Go back to the tab “Status”.

2-4-2 **Schedule the payment proposal**

Choose “Schedule proposal”.

Select “Start immediately”.

Continue

Keep updating the status until a message is displayed to tell you that the payment proposal has been created.

2-4-3 **Edit the proposal**

Choose “Display proposal”. Choose “All accounting clerks. Continue.

If no payments are displayed on the screen, you have made an error somewhere. Look at the proposal log from the initial screen with the tabs: (***Edit → Proposal → Display log***) and see if you can find the error. Delete the payment proposal (***Edit → Proposal → Delete***) and remove the error. Then restart the payment proposal. Repeat this process until payments are displayed in the proposal.

2-4-4 **Select a variant to run the print program for the cheque**

Choose the tab “Printout/data medium”.

Field name or data type	**Values**
Variant for RFFOD__S	*SCHECK*

Save

Go back to the tab “Status”.

2-4-5 **Schedule the payment run and print the cheque**

Choose “Schedule payment run”.

Select “Start immediately”.

Select “Create Payment medium”

Continue

Keep updating the status until a message is displayed to tell you that the payment run has been executed and all postings created.

View the cheque in the spool list:

System → Services → Output controller

Field name or data type	**Values**
Created by	*AC010-##*

Execute

Select the spool request for the check and view it (by choosing the glasses).

Now go back to the SAP Easy Access menu.

2-4-6 **Check the vendor account**

Account → Display balances

Field name or data type	**Values**
Vendor	*VMIETER##*
Company code	*1000*
Fiscal year	*Current year*

Execute

Double-click on the balance of the current month.

The original open item has now been cleared and a payment item (document type ZP) has been created.

Now go back to the SAP Easy Access menu.

2-5 <u>**Due date analysis**</u>

Information system → Reports for Accounts Payable Accounting → Vendors: Items → Due Date Analysis for Open Items

Field name or data type	**Values**
Company code	*1000*
Open items at key date	*Today's date*

Execute

At the bottom of the screen, you see all the due and non-due items ordered by days.

The column on the left contains the characteristics you can use to restrict the display. If you select the characteristic “Vendor”, for example, a list of all vendors and the totals of each of their due and non-due open items is displayed on the right.

By selecting a vendor (double-click on a vendor), you can limit the day period split on the bottom part of the screen to this one vendor.

Now go back to the SAP Easy Access menu.

Solutions

Unit: Accounts Payable

Topic: Closing operations in Accounts Payable

To access Accounts Payable:

Accounting → Financial accounting → Accounts payable

3-1 **Print balance confirmations**

Periodic processing → Closing → Check/count → Balance confirmation: Print

Goto → Variants → Get...

Select variant “AC010”.

Execute

The balance confirmation is displayed.

Scroll down the screen to display the other sections (including the reply print preview).

Note: The subsequent lists can be sent to the output control by selecting the printer symbol. Do not print them during this exercise.

Choose the green arrow to go back.

The check list is displayed.

Choose the green arrow to go back.

The results list is displayed.

Choose the green arrow to go back.

The selection criteria for the program are displayed.

Now go back to the SAP Easy Access menu.

3-2 **Foreign currency valuation**

3-2-1 **Post a foreign currency invoice**

Document entry → Invoice

Enter the company code, if the pop-up box appears.

Field name or data type	Values
Company code	*1000*

Continue

Basic data

Field name or data type	Values
Vendor	*AGENCY##*

Continue

Basic data

Field name or data type	Values
Invoice date	*15th of the previous month*
Posting date	*Last day of the previous month*

Continue

A warning appears, informing you that a posting is being made to the previous period. Confirm this message by pressing “Enter”.

The master record of the vendor is displayed on the upper right hand side of the screen.

Basic data

Field name or data type	Values
Amount	*5000 USD*
Tax amount/code	*0 (tax code 0I – input tax training 0%)*
Reference	*2##*

Local Currency tab:

Field name or data type	Values
Exchange rate	*2.00000*

Note: We are changing the exchange rate from the latest rate in the table so that when the revaluation program is run in the next step, the exchange rate it uses (from the table) will be different than the one in the invoice. As a result, an unrealized gain or loss will be calculated.

Continue past any messages

In the left column, select the "with cost center" entry variant in the “Screen variants for items” folder.

Line items

Field name or data type	Values
G/L account	*470000*
D/C	*Debit*
Doc. currency amount	*5000*
Tax code	*0I*
Cost center	*CC##*

Post

Write down the accounting document number.

Now go back to the SAP Easy Access menu.

3-2-2 **Carry out foreign currency valuation**

Periodic processing → Closing → Valuate → Open items in foreign country

Goto → Variants → Get...

Delete the entry in the “created by” field and hit execute in the dialogue box.

Select variant “AC010”.

Replace ## with your group number on all tab pages.

Execute

A list of all items to be valuated appears.

Choose “Postings”. The two documents (valuation and reverse document) are displayed in list format.

Process the batch input session created by the program.

From the top of the screen follow:

System → Services → Batch input → Sessions

Select the session “SAPF100-##”.

Choose “Process”.

Select “Process/Foreground”

Deselect “Dynpro”. Select “expert”

Choose “Process”.

Confirm the following screens by pressing ENTER until the session has finished running.

Now go back to the SAP Easy Access menu by selecting “Exit batch input”.

3-3 <u>Regroup payables (optional)</u>

3-3-1 Post an invoice with a remaining term of more than 2 years

Document entry → Invoice

Enter company code, if not already entered.

Field name or data type	Values
Company code	*1000*

Continue

Basic data

Field name or data type	Values
Vendor	*AGENCY##*

Continue

Basic data

Field name or data type	Values
Invoice date	*15th of the previous month*
Posting date	*15th of the previous month*

Continue

A warning appears, informing you that a posting is being made to the previous period. Confirm this message by pressing “Enter”.

The master record of the vendor is displayed on the upper right hand side of the screen.

Basic data

Field name or data type	Values
Amount	*6000 UNI*
Tax amount	*0 (tax code 0I – no input tax)*

Reference	*3##*

In the left column, select the "with cost center" entry variant.

Line items

Field name or data type	Values
G/L account	*470000*
D/C	*Debit*
Doc. currency amount	*6000*
Tax code	*0I*
Cost center	*CC##*

Choose the **tab "Payment"**.

Field name or data type	Values
Terms of payment	*ZB99*

Post.

Confirm any warning messages by pressing enter.

Write down the accounting document number.

Now go back to the SAP Easy Access menu.

3-3-2 **Carry out regrouping**

Periodic processing → Closing → Regroup → Receivables/payables

Goto → Variants → Get...

Select variant "AC010".

On all tab pages, replace ## with your group number.

Execute

A list of all items to be regrouped appears.

Choose "Postings". The two documents (regrouping and reverse document) are displayed in list format.

Process the batch input session.

Menu from the top of the screen:

System → Services → Batch input → Sessions

Select the session “SAPF101-##”.

Choose “Process”.

Choose “Process/Foreground”.

Deselect “Dynpro”. Select “expert”.

Choose “Process”.

Confirm the following screens by pressing ENTER until the session has finished running.

Now go back to the SAP Easy Access menu.

3-3-3 **Check the regrouping**

G/L Accounting:
Account → Display balances

Field name or data type	**Values**
G/L account	*160020*
Company code	*1000*
Fiscal year	*Current year*
Business area	*BA##*

Execute

The transaction figures show that 6,000 UNI were posted to this account for the last period. This is your regrouping for the purpose of creating the financial statement. You can also see that the 6000 UNI posting was reversed in the current period.

Now go back to the SAP Easy Access menu.

Accounts Receivable

Contents:

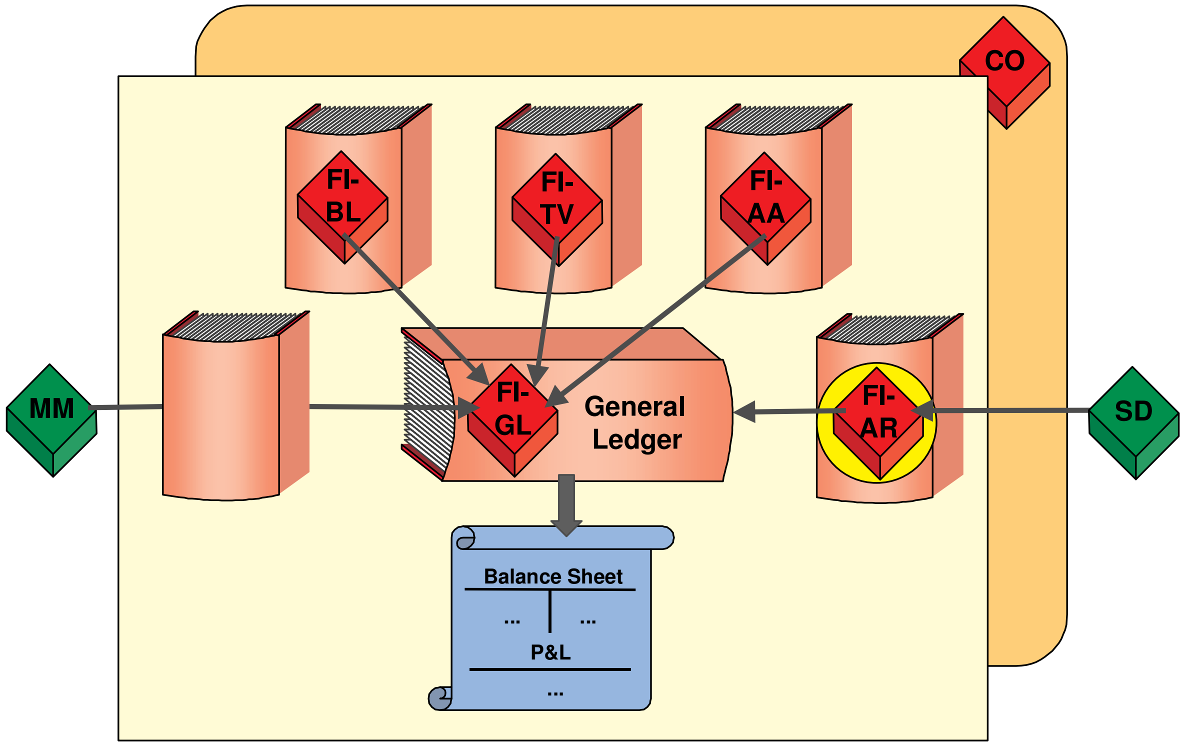
- Master Data in Accounts Receivable
- Daily Accounting Transactions in Accounts Receivable including an Easy Web Transaction
- Integration with Sales and Distribution
- Credit Management
- Closing Operations in Accounts Receivable

Accounts Receivable: Unit Objectives

At the conclusion of this unit, you will be able to:

- **Describe how accounts receivable accounting is set up in the R/3 System**
- **Maintain and view customer master data**
- **Complete accounting transactions within a period in Accounts Receivable**
- **Describe how Accounts Receivable is integrated with Sales and Distribution**
- **Use the functions of credit management**
- **Describe how SAP supports the financial statement preparations in Accounts Receivable**

Overview Diagram: Accounts Receivable



- **Accounts Receivable** records all accounting transactions related to business with customers. Much of its data is obtained from **Sales and Distribution**.

Accounts Receivable: Business Scenario

- Accounting transactions concerning customers are broken down in Accounts Receivable. Here, the open customer items are managed, monitored, and processed in special customer accounts.
- Open items can either be posted directly in FI or integrated via Sales and Distribution.
- The IDES credit department monitors whether customers stay within their credit limits.
- For financial statement preparation, the open customer items have to be adjusted for bad debt expense estimates.

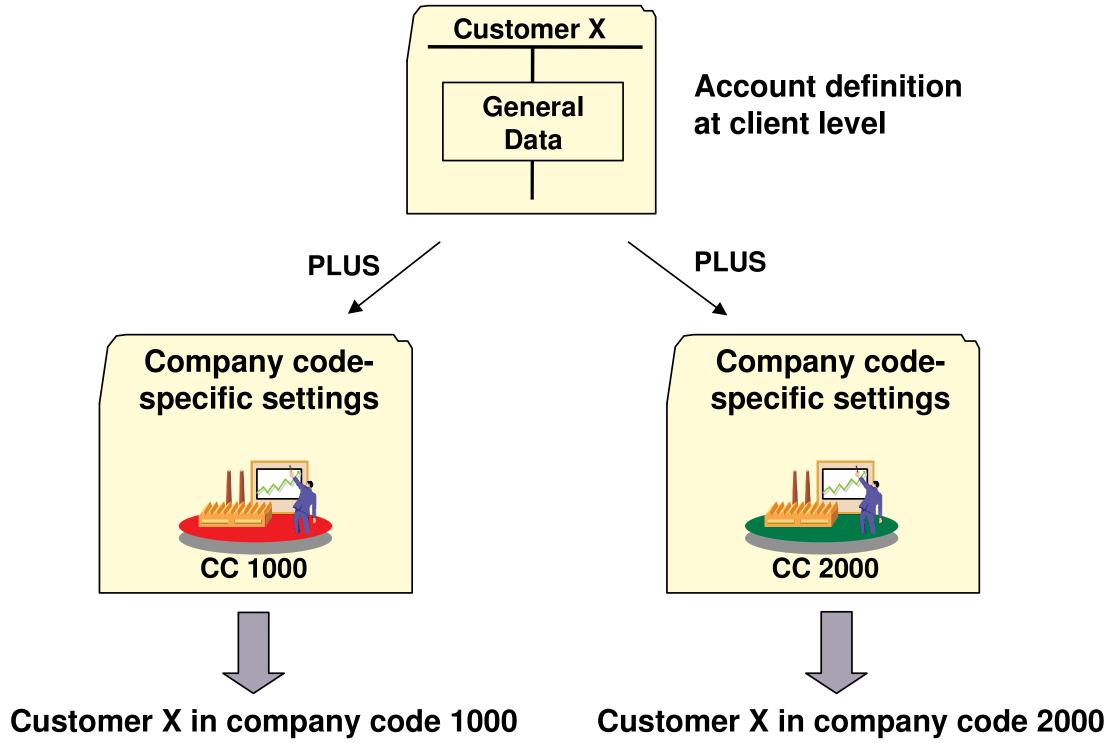
Presentation:

Master Data in Accounts Receivable

Account definitions and company code-specific settings

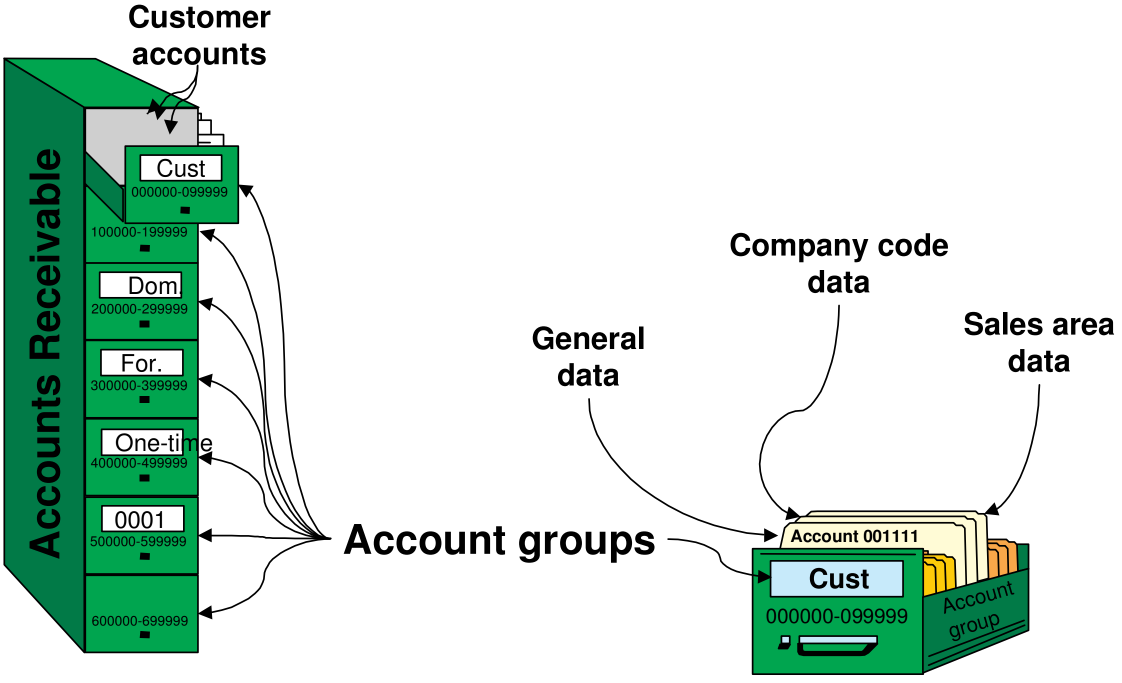
Account groups

Customer Account in SAP FI



- As with G/L accounts and vendor accounts, **customer accounts** are also made up of two areas:
  - A customer account is defined for all company codes at the client level. General data, such as the customer's address, is also stored here.
  - Postings cannot be made to the account in a company code until company code-specific settings have been made, such as the agreed upon terms of payment.

Account Groups for Customers



- In the same way as G/L accounts and vendor accounts, customer accounts can be combined in various **account groups** so that they can be organized and managed more easily.
- The accounts in an account group usually have similar characteristics. For example, you could have one account group for domestic customers, one for customers abroad, one for affiliated customers, and one for one-time accounts.

Presentation:

Daily Accounting Transactions in Accounts Receivable

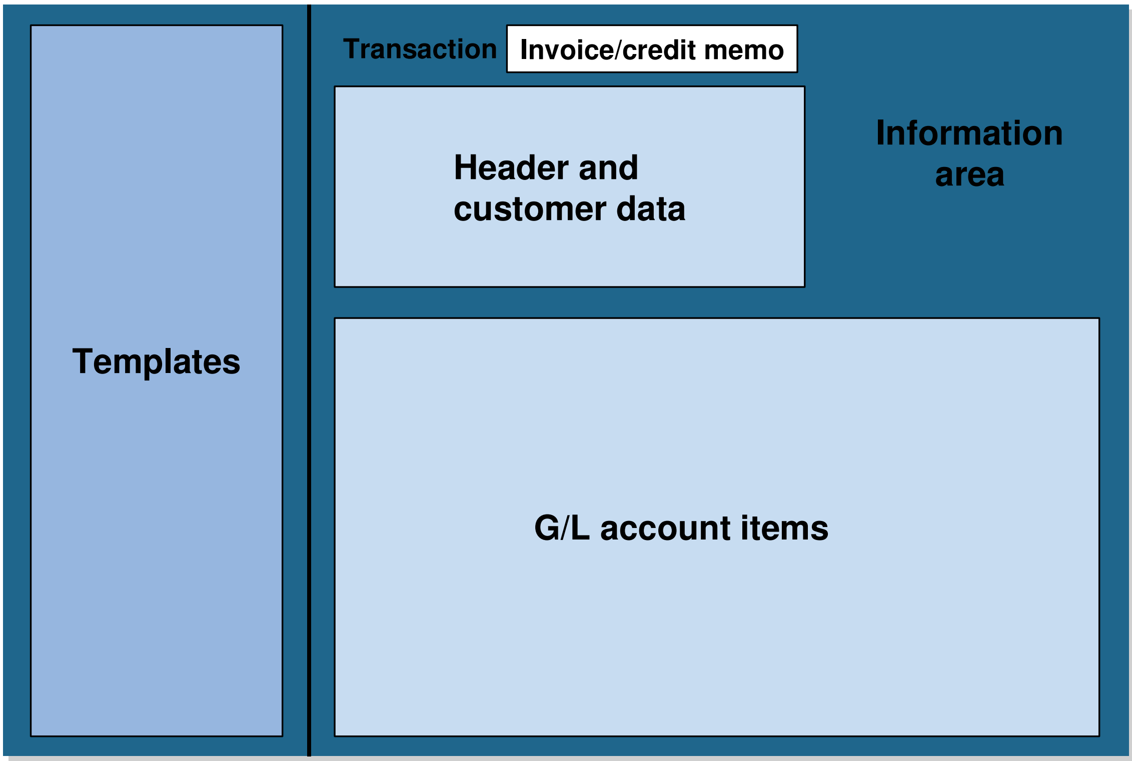
Invoices, credit memos

Payment differences

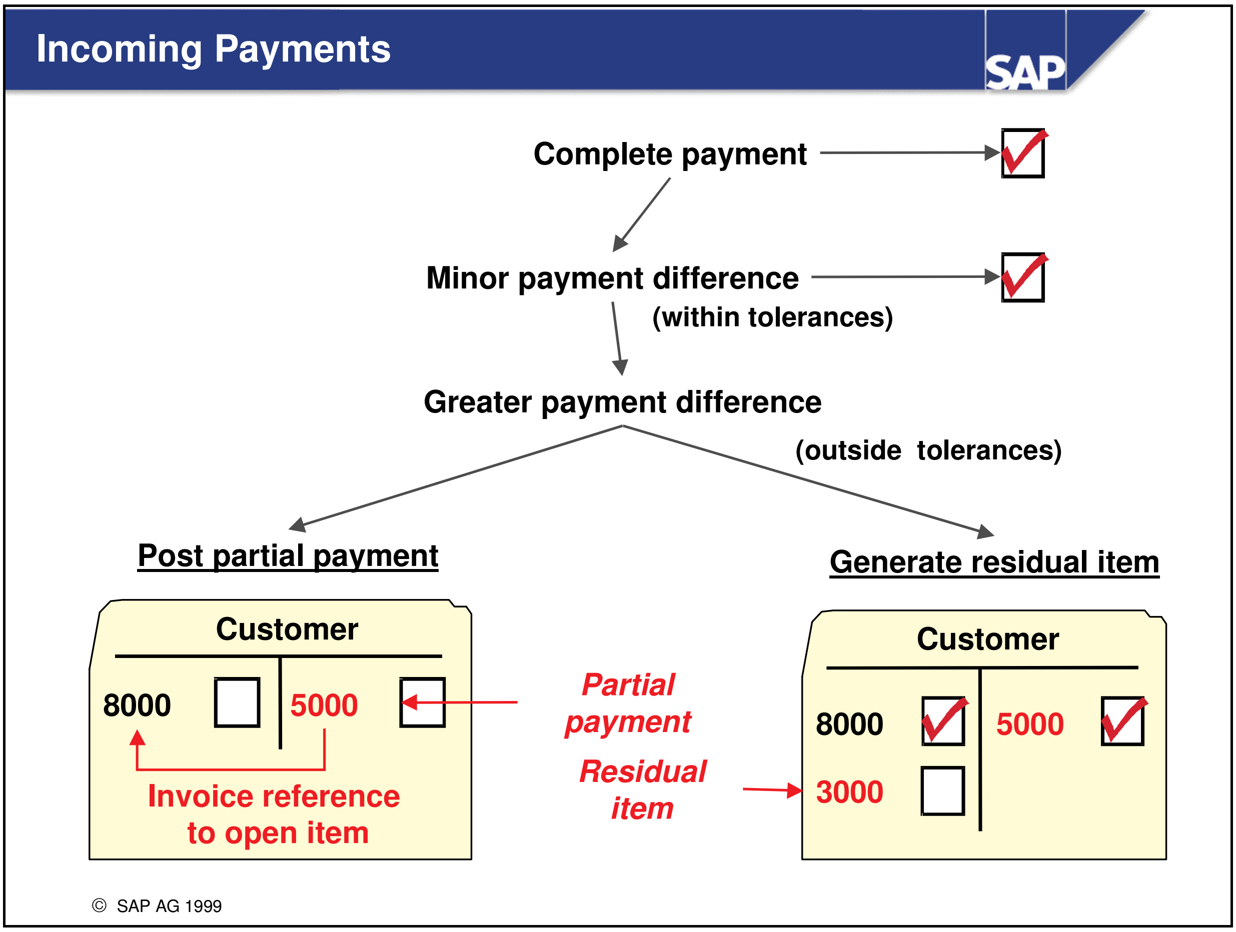
Automatic dunning

Correspondence

Enjoy Invoice/Credit Memo Entry



- Almost all customer invoices and credit memos reach Accounts Receivable via the integrated SD module, but it is also possible to use the **Enjoy transaction for invoice/credit memo entry** in exceptional cases. The entry screen is divided into the areas:
  - Work templates (Here, you can select screen variants, account assignment templates, or held documents as references.)
  - Header and customer data (Document header and customer line item data is entered here.)
  - Line item information (The line items for the document are entered here.)
  - Information area (The document balance and information about the customer are displayed here.)
- This transaction can also be used to create documents in foreign currency. The foreign currency amount is translated into local currency using defined exchange rates.
- **Note:** When entering revenue line items, you must also enter a profitability segment to which the revenues are posted, so that the profitability analysis is carried out for that segment.



- **Incoming payments** can be dealt with in a number of ways in different companies and countries. This subject is described in greater detail in the "Bank Accounting" unit. However, incoming payments are basically posted as shown on this slide:
  - If the customer pays his or her open items to the full amount, or with an authorized deduction of cash discount, the items are cleared.
  - If a minor payment difference exists, this can be charged off automatically. The maximum amount that constitutes a minor payment difference is defined in your system settings.
  - Any greater payment difference must be dealt with manually. There are two methods of posting short payments:
    - **Partial payment:** A new open item in the amount of the payment is created on the credit side, and an invoice reference is created to the open invoice.
    - **Residual item:** The open invoice is cleared and a new open item (residual item) in the amount of the payment difference is created.

Applying Cash - Easy Web Transactions

Vendor Sends E:mail To Customer Asking For Details On How To Apply Cash

↓

Customer Accesses Vendor’s R/3 System via Easy Web Transaction

↓

Customer Chooses Invoices To Apply Cash To

↓

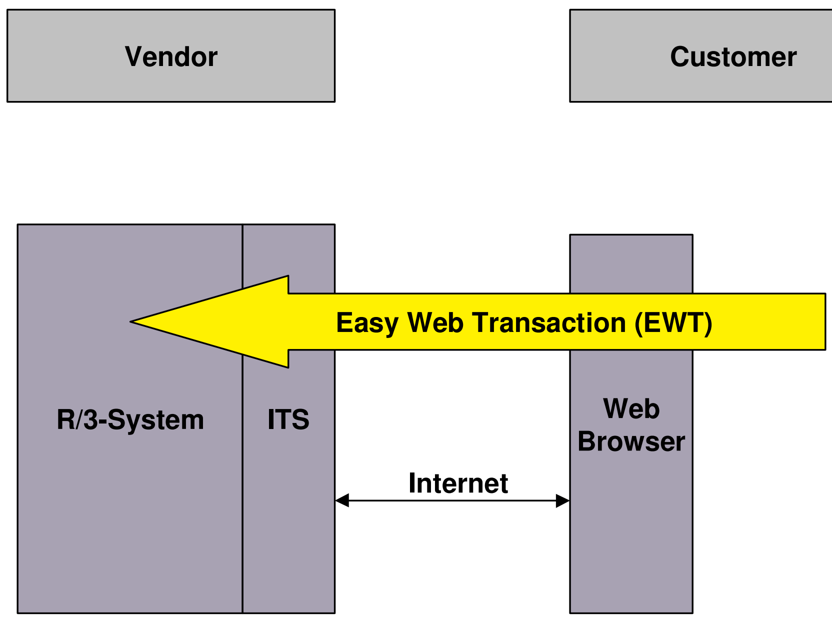
Customer Sends E:mail To Vendor Informing Of Decision On Cash Application

↓

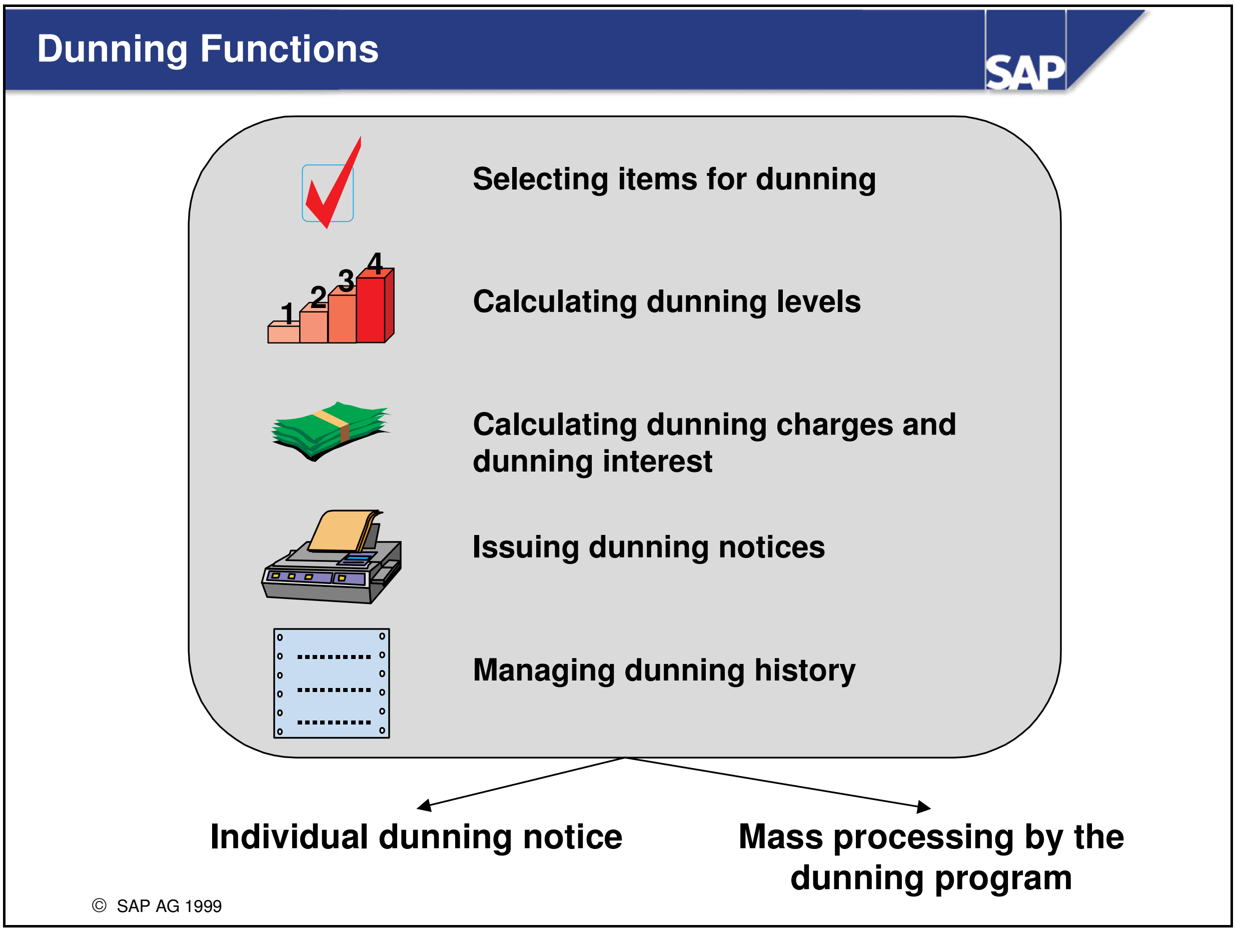
Vendor Reviews E:mail And Clears Open Items In R/3 System

- Easy Web Transactions facilitate the handling of cross system business processes between business partners via the Internet.
- In accounts receivable and accounts payable Easy Web Transactions allow users to change master data, summon up own data (open items still to be paid), and assign payments made to their corresponding open items, all over the Internet.
- In our demonstration a Vendor requests help from his Customer in applying cash. The Vendor sends an e:mail to the Customer that contains an Internet Link that the Customer uses to gain access to the vendor’s SAP System. The customer can see an overview of his account that includes all payments that he has made and all open items. Using this information, he is able to carry out the necessary assignment. The Vendor receives notification via e:mail of the assignment carried out by the Customer. With this information, the Vendor clears the items in the R/3 System.
- For Easy Web Transactions the Business Partner simply requires an Internet Browser. No further installation of software is necessary.

Access to R/3-System via internet and ITS



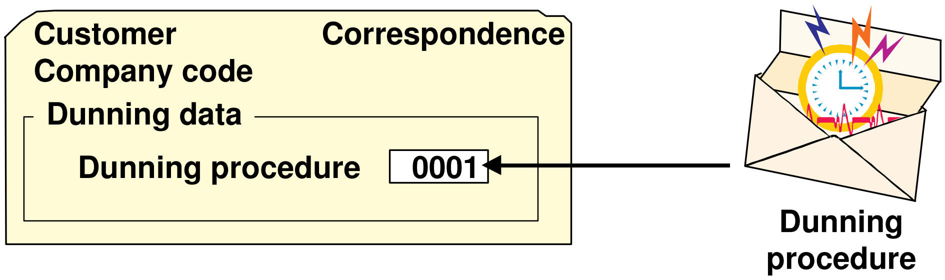
- The SAP **Internet Transaction Server** (ITS) is a piece of software. It converts SAP R/3 screens into HTML format, making it possible to access SAP systems with user-friendly Web technology, so called Easy Web Transactions (EWT).
- **Prerequisites on the Vendor's side:** Install the Internet Transaction Server (ITS), which is free of charge for R/3-Customers. You can download the software from the sites mentioned below. Create an internet-user-ID for your Customer (Transaction: SU05) and let your customer know it.
- **Prerequisites on the Customer's side:** Access via Web Browser (e.g. Internet Explorer, Netscape,...)
- **R/3 Online Documentation (Internet Application Components, ITS Administration Guide)**
  <4.6A: *Cross Applications -> Business Framework Architecture -> Web Basis* (CA-BFA-WEB).
  >=4.6A: *Basis Components -> Frontend Services -> Internet Transaction Server* (BC-FES-ITS).
- **Web Sites (General information, software download, various documentation)**
  http://www.saplabs.com/its http://service.sap.com/sap-its
- **Virtual Classroom Demonstration: Clear Open Items**
  http://service.sap.com/c-bs → Generic Scenarios → Financials → Accounting: Clear Open Items → „Click here for interaction view" → „Check out the related Virtual Classroom session "



- The R/3 System provides you with a tool that automatically analyzes all the open items and duns any items that are overdue. The system determines a dunning level, which is in accordance with the number of days in arrears. The dunning level determines which dunning charges and interest are charged, as well as which dunning text is selected. A dunning history keeps a record of which dunning notices have been issued.
- You can trigger automatic dunning for a single account (**individual dunning notice**), or you can have the **dunning program** carry out automatic dunning for a selected number of accounts.

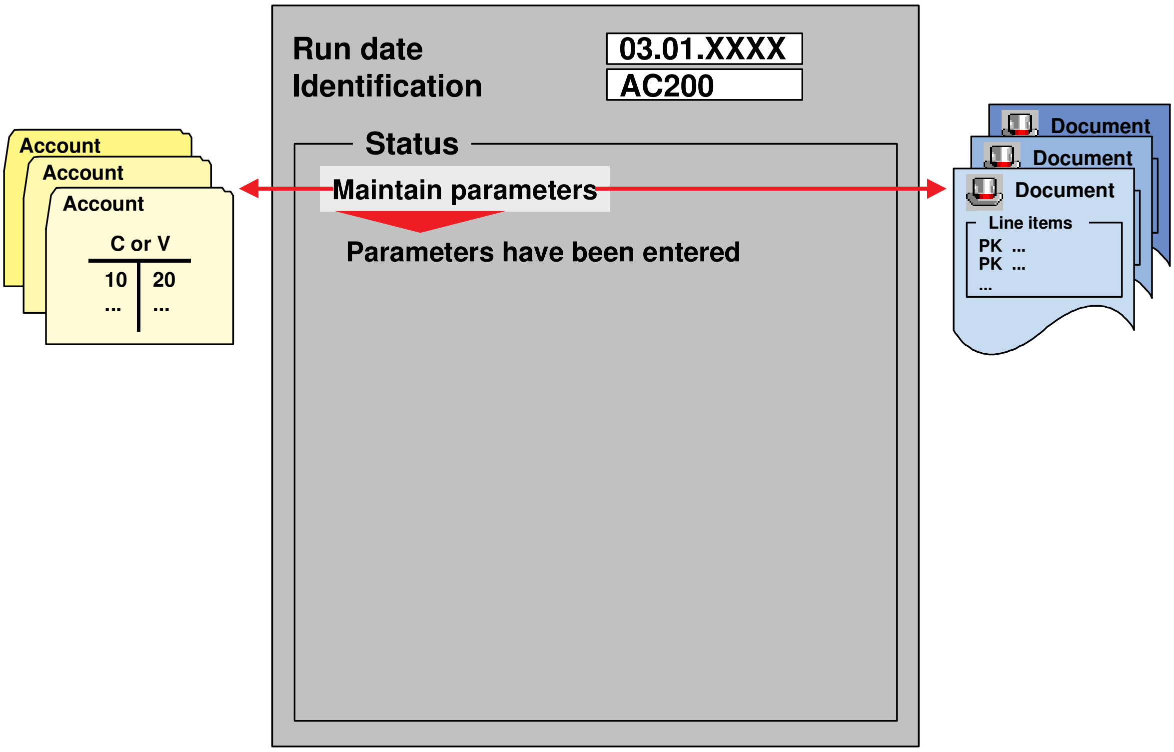
Dunning Procedure

Most of the settings for dunning are made in the "dunning procedure". You can access the dunning procedure directly from the application.



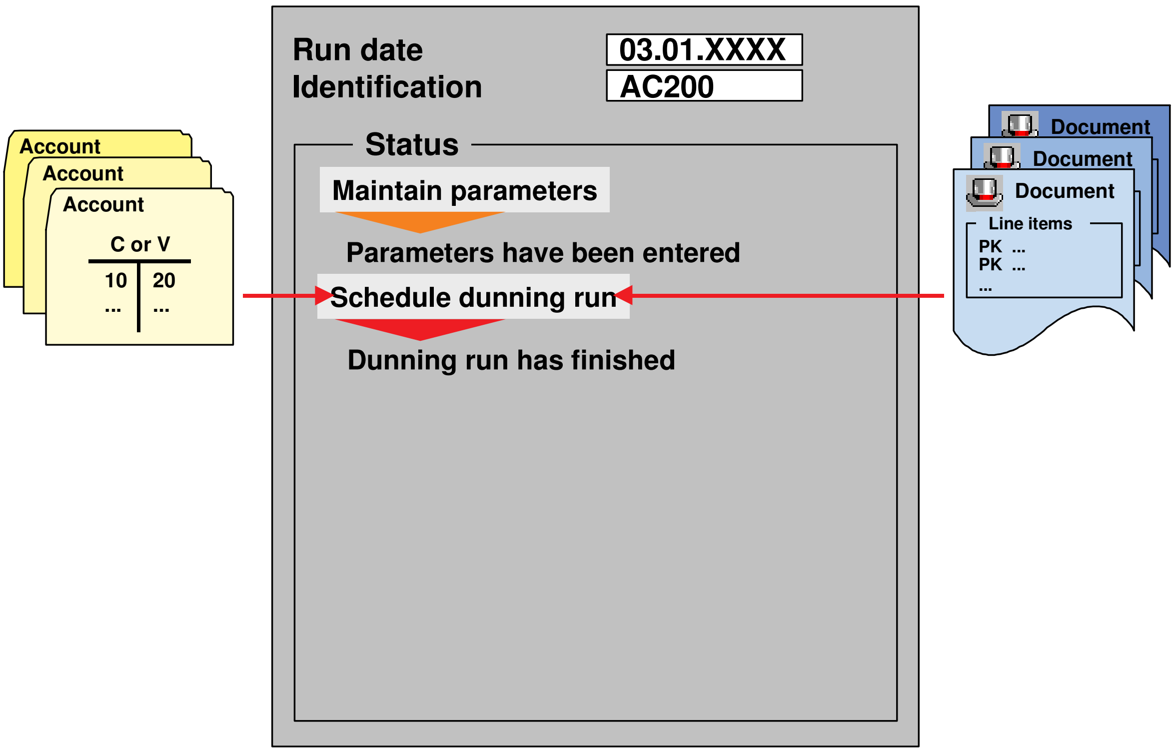
- Dunning is controlled by the **dunning procedure**. A dunning procedure must be entered in every account that is to be included in automatic dunning.
- A dunning procedure that is valid for one-time customers is entered in one-time accounts.
- You can define as many different dunning procedures as you wish. The R/3 System comes with a number of standard dunning procedures that can be used as a template for additional procedures.

Parameters



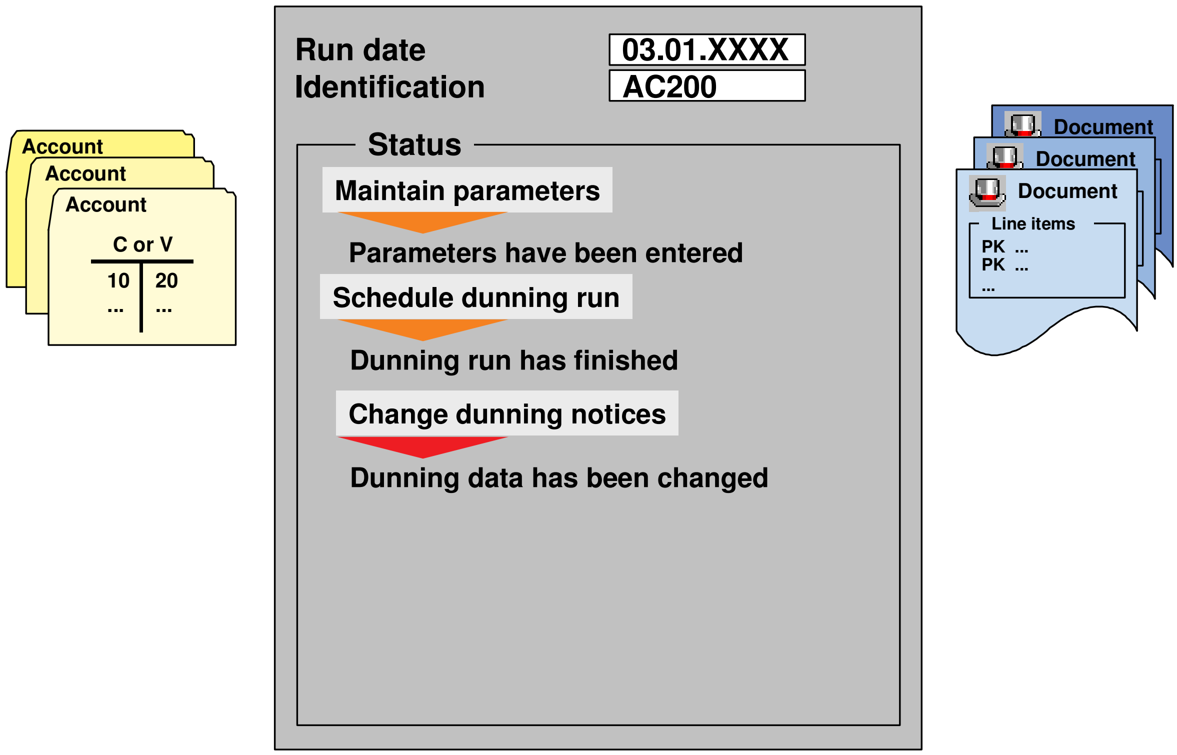
- You can specify how the dunning run is to be executed by entering **parameters** in the dunning program. You can use the parameters of an existing dunning run as a template and adjust the dates to meet your requirements. Typical parameters are the company codes and accounts that are to be included in the dunning run.

Dunning Run



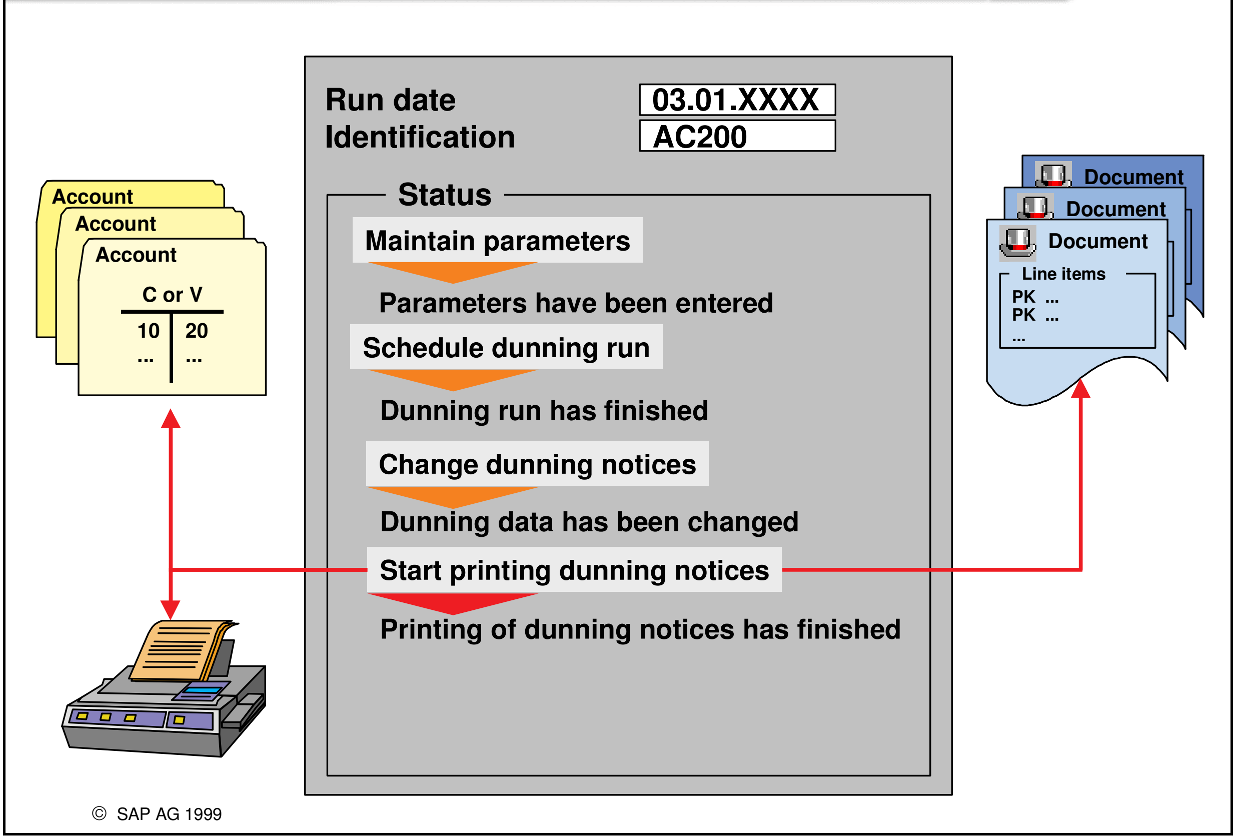
- During the **dunning run**, accounts are selected and checked for overdue items. The system then checks whether dunning notices should be sent and assigns the relevant dunning levels. All dunning data is stored in a dunning proposal.

Changing the Dunning Proposal

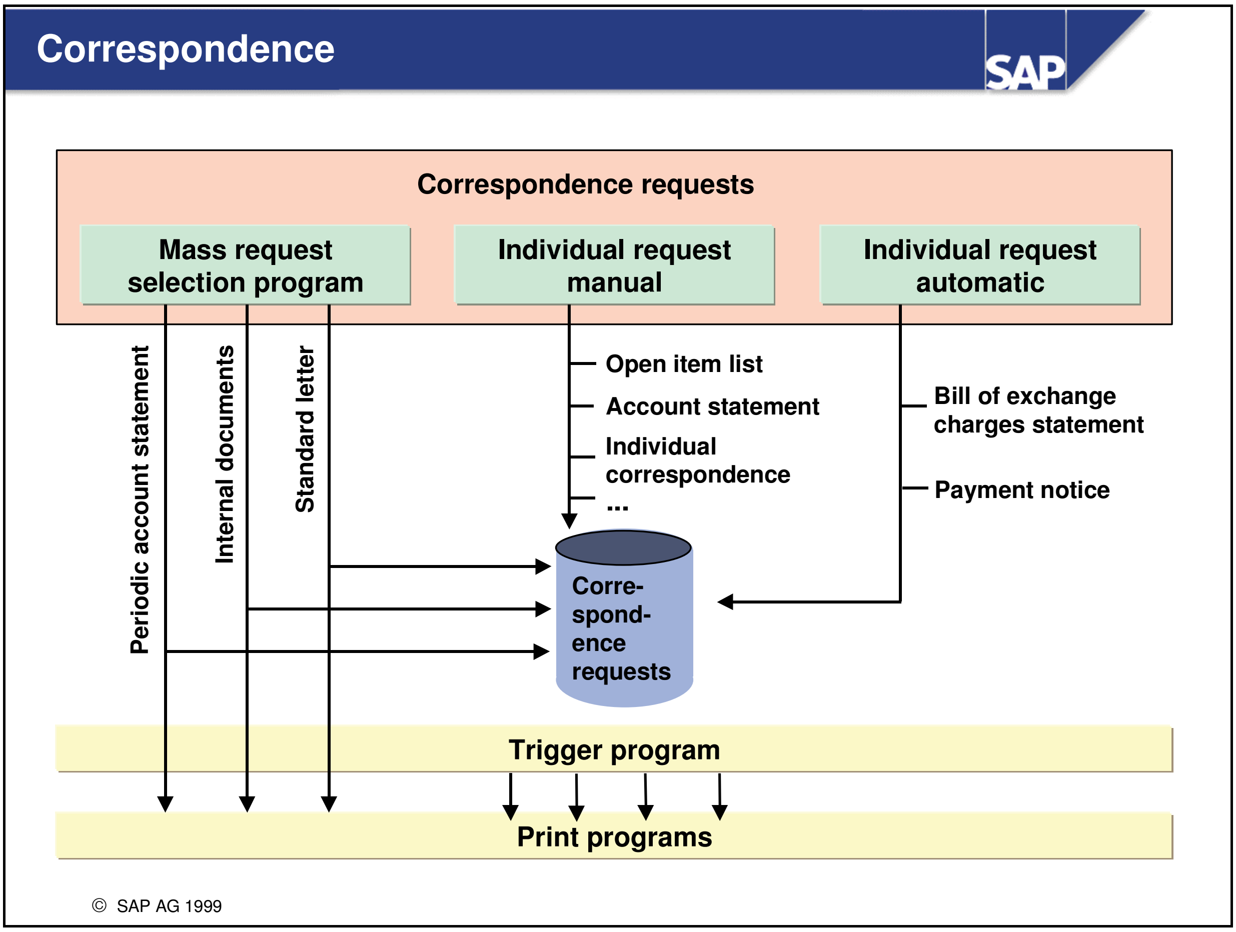


- The **dunning proposal** can be edited, deleted, and recreated as often as required until the accounting clerk is satisfied with the result.
- This step can be omitted. Dunning notices can be printed as soon as the dunning run is finished.

Printing Dunning Notices

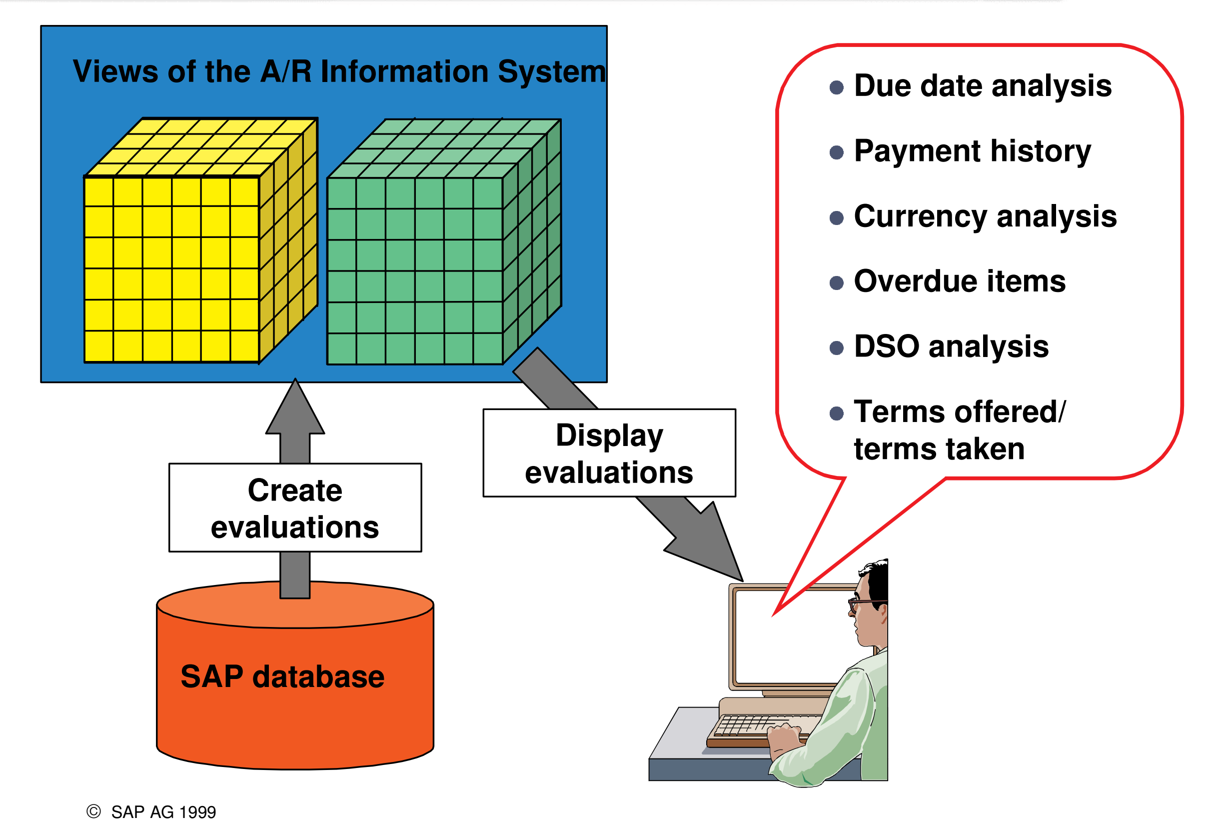


- In one step, the system **prints the dunning notices** and updates the dunning data in the master records and documents.



- **Correspondence** relating to daily business first has to be requested before it can be printed. A correspondence request can be carried out in the following ways:
  - Automatically when special transactions, such as bill of exchange charges (bill of exchange charges statement) or payment differences (payment notice) are posted.
  - Manually by the accounting clerk
  - Using a request program that creates a high volume of correspondence requests simultaneously (periodic account statements, internal documents, standard letters)
- Requested correspondence is stored in a correspondence request table and can be printed via a trigger program.

Accounts Receivable Information System



- The **Accounts Receivable information system** enables you to carry out quick analyses of important accounting data, such as:
  - Due date breakdown
  - Customer payment history
  - Currency risk for customers abroad
  - Overdue items
  - Number of days ("DSO days") that a customer takes on average to pay an invoice
  - Customer cash discount history (terms offered/terms taken)
- These analyses are based on preselected datasets (views) that have to be generated or updated at regular intervals by means of a background run from the SAP database.
- **Note 1**: Accounts Payable contains an Accounts Payable information system that is structured in the same way.
- **Note 2:** You can use the account analysis evaluations to analyze individual customer accounts.

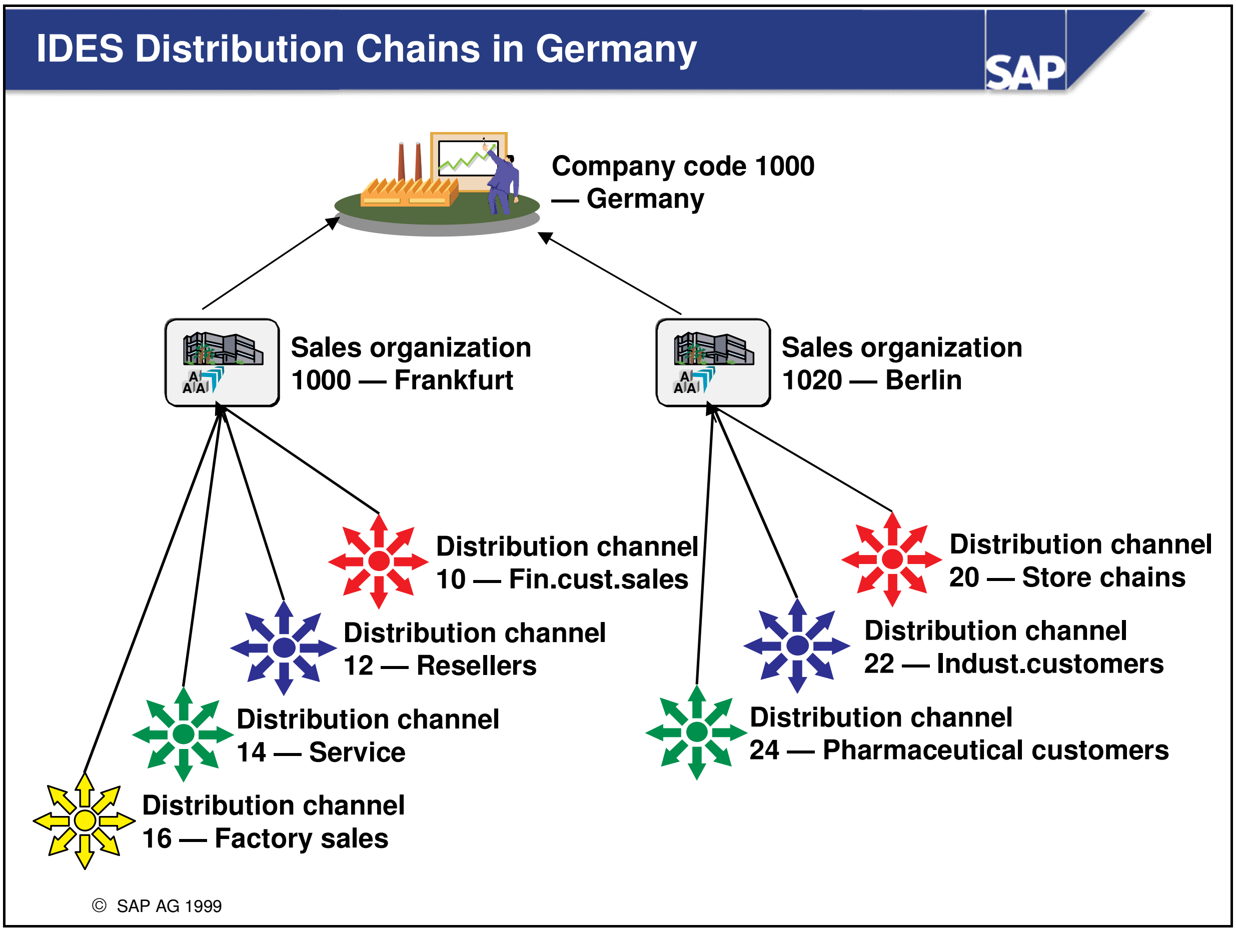
Presentation:

Integration with Sales and Distribution

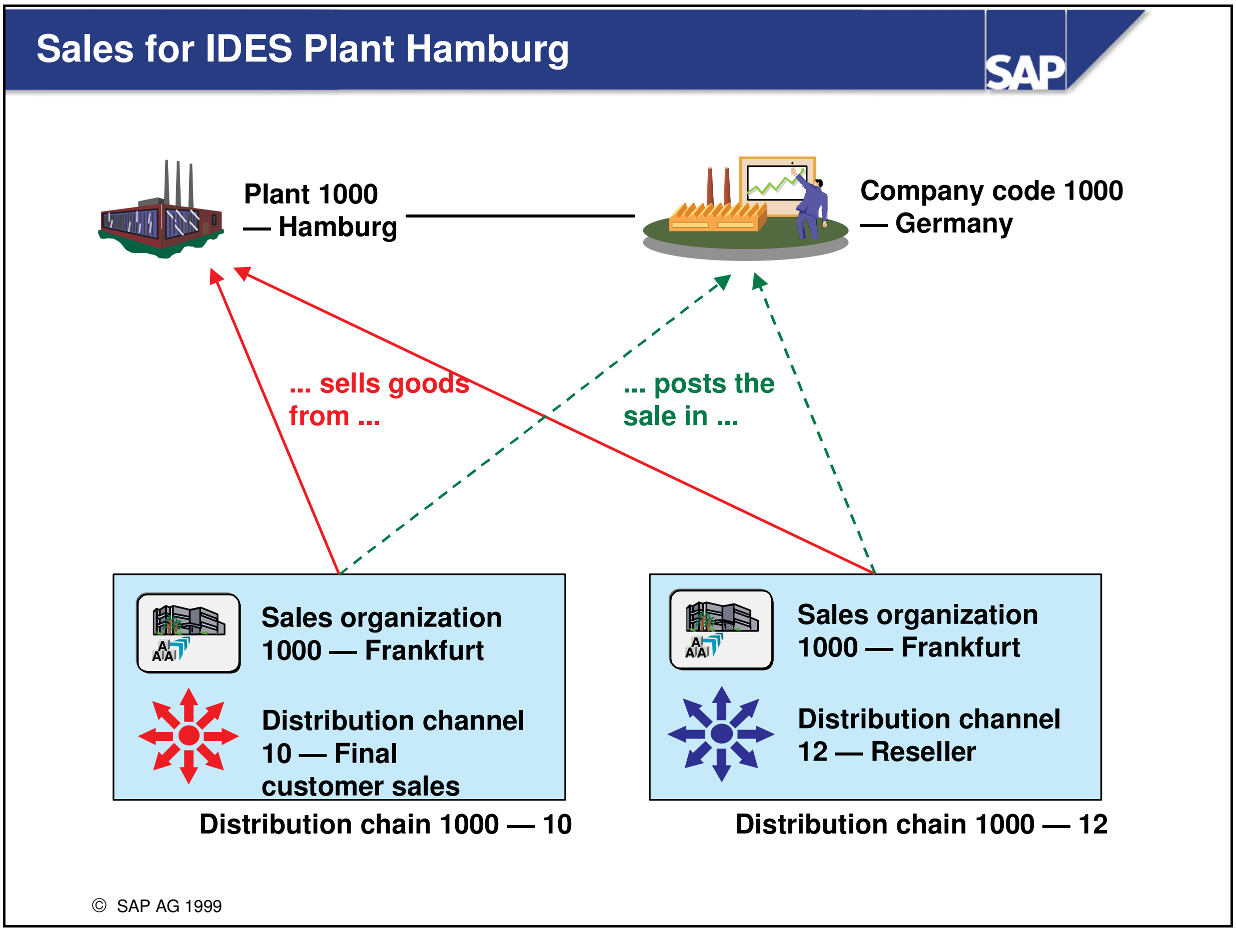
Sales organization, distribution channel, division

SD view of the customer master record

Sales, shipping, billing

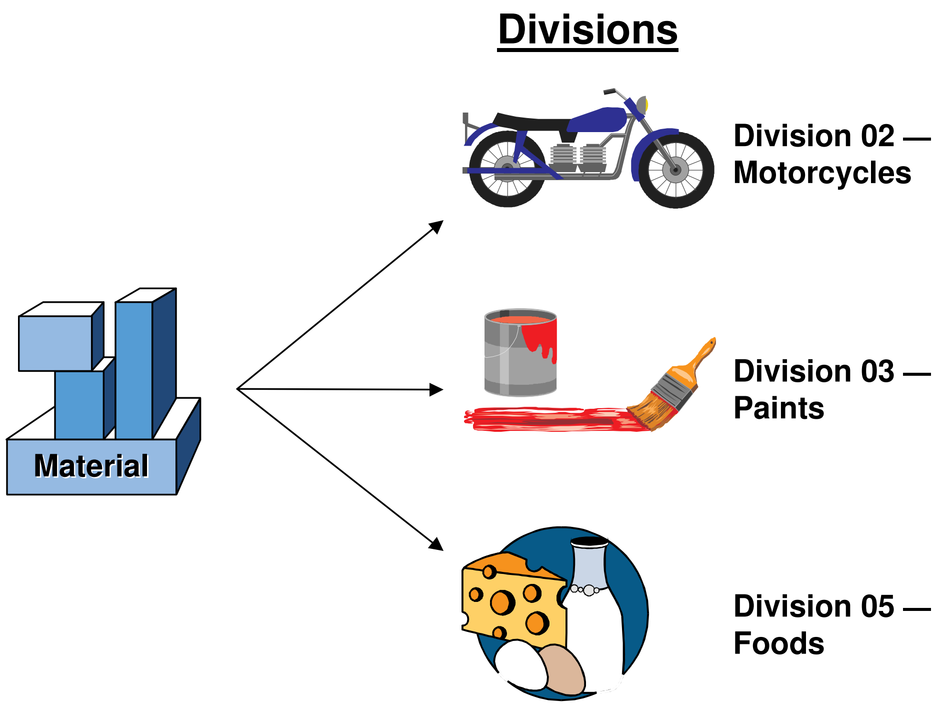


- The **sales organizations** are legally responsible for sales in R/3. One company code may contain several sales organizations. The IDES company code 1000 includes the sales organizations 1000 (Frankfurt) and 1020 (Berlin), for example. This means that any accounting-relevant transactions in either of these sales organizations are posted in company code 1000.
- Each sales organization can use different **distribution channels** to sell goods. In principle, a distribution channel can also be used by two different sales organizations. Distribution channels used by IDES are:
    - Final customer sales
    - Resellers
    - Service
    - Factory sales
    - Store chains
    - Industrial customers
    - Pharamceutical customers



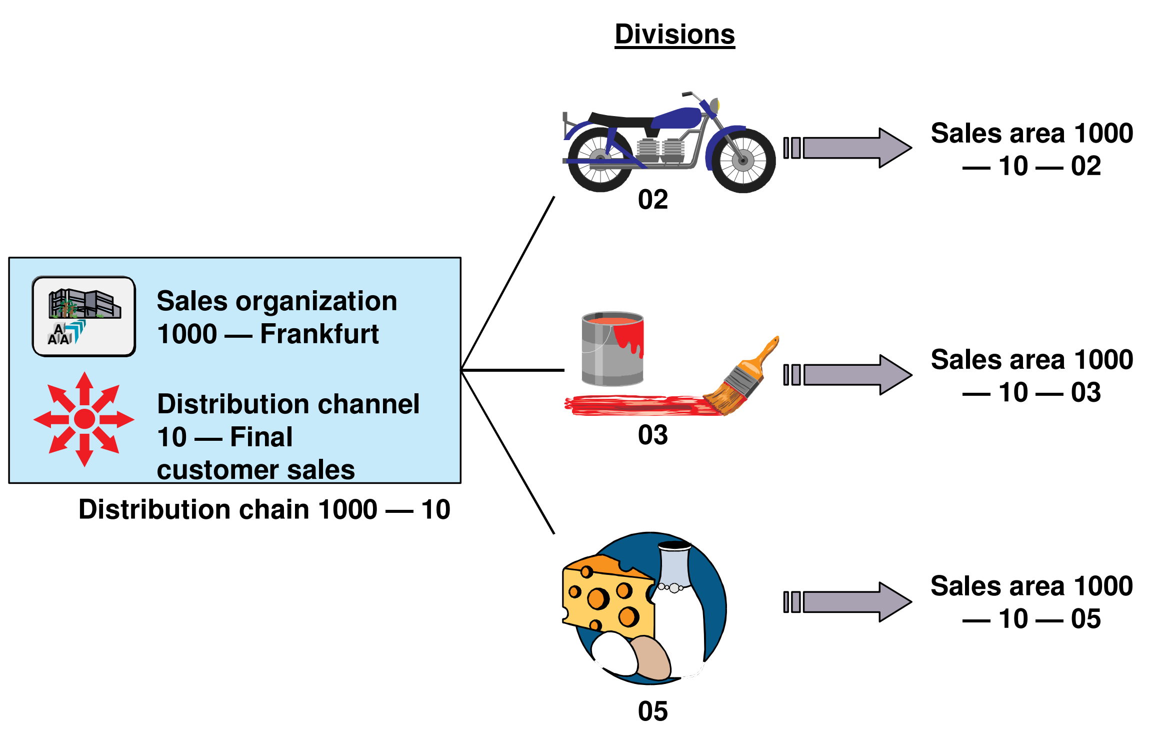
- The combination of a sales organization and a distribution channel is also known as a **distribution chain**.
- Distribution chains sell goods from the plants. Both of the IDES distribution chains, 1000-10 and 1000-12, sell goods from the IDES plant in Hamburg and post the sales in IDES company code, 1000, which is also assigned to the plant.

Divisions

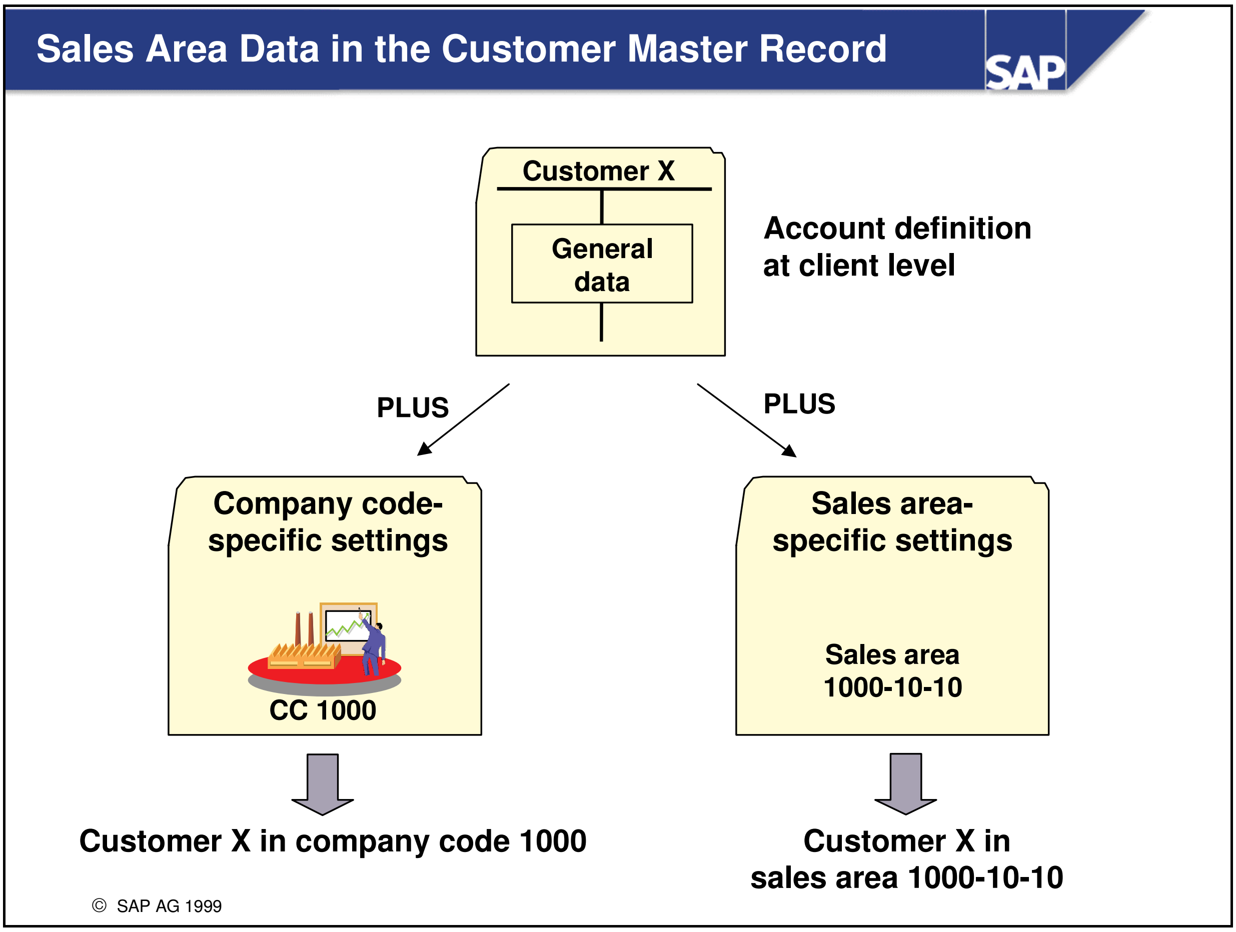


- Materials are divided into **divisions** in the R/3 System so that a large volume of different materials can be managed and processed more efficiently. The IDES group uses the divisions motorcycles, paints, and foods, for example.

Sales Areas

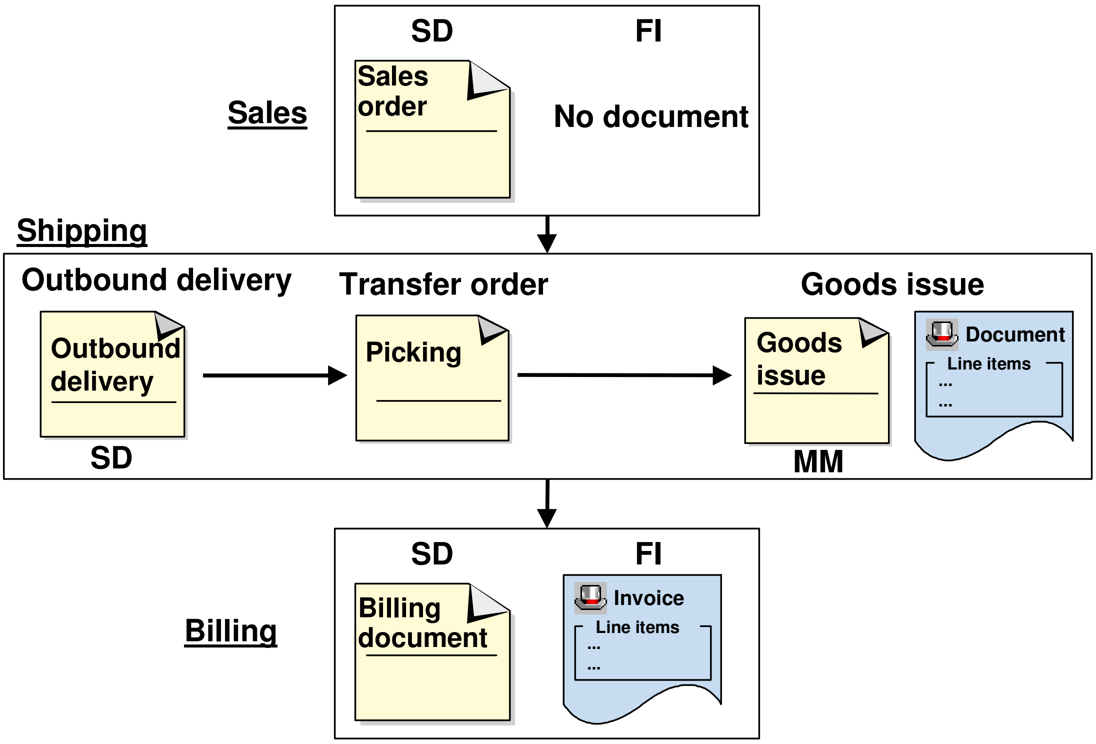


- The divisions are assigned to the distribution chain from which they can be sold. The combination of distribution chain and division is a **sales area**.
- Customer-specific arrangements, regarding partial deliveries or terms of payment, for example, can be made for each sales area. Statistics can be created and separate marketing activities carried out within a sales area.



- A sales area (combination of sales organization, distribution channel, and division) must define **sales area-specific settings** for a customer before it can start doing business with that customer. These could be special conditions and terms of payments that the customer has arranged with the specific sales area.

Sales Process



- The **sales order** forms the basis of the sales process. Once a customer has placed an order, a sales order must be created at the start of the process. The sales order is generated at the distribution chain level. The ordered items can be from different divisions. The sales order is a document in SD and does not cause any postings in Financial Accounting. When the sales order has been entered, the system carries out an availability check for the required delivery date.
- On the day of shipping, an **outbound delivery document** is created. Billing for the delivery can only take place when the goods have been taken from the warehouse stock and posted as a goods issue.
- The warehouse management function is used for **picking**. A transfer order has to be created, which generates the pick order. The requested goods are taken from the warehouse and prepared for delivery.
- The goods to be delivered are posted as a **goods issue**. A goods issue document is created in MM, and an accounting document is created in FI so that the goods issue is posted to the correct G/L accounts.
- The last stage in the sales process is **billing**. A billing document is created in SD, and a printed invoice is sent to the customer. At the same time, a document is created in FI so that the receivables and revenues can be posted to the correct accounts.

Presentation:

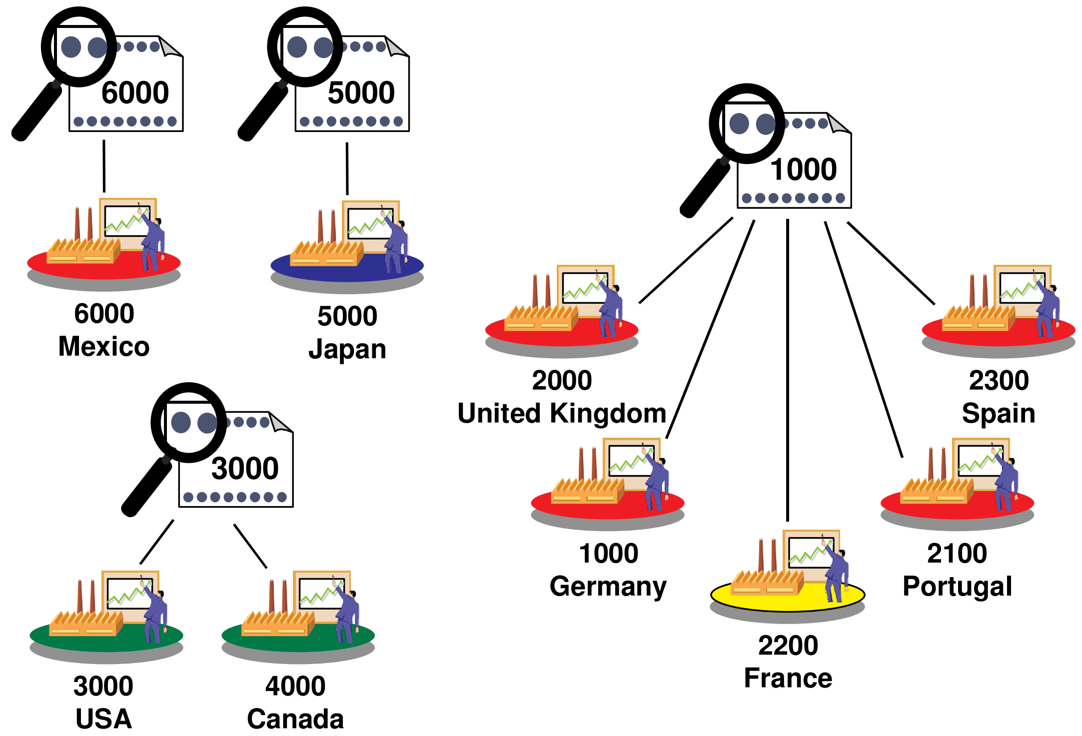
Credit Management

Credit control area

Credit management master data

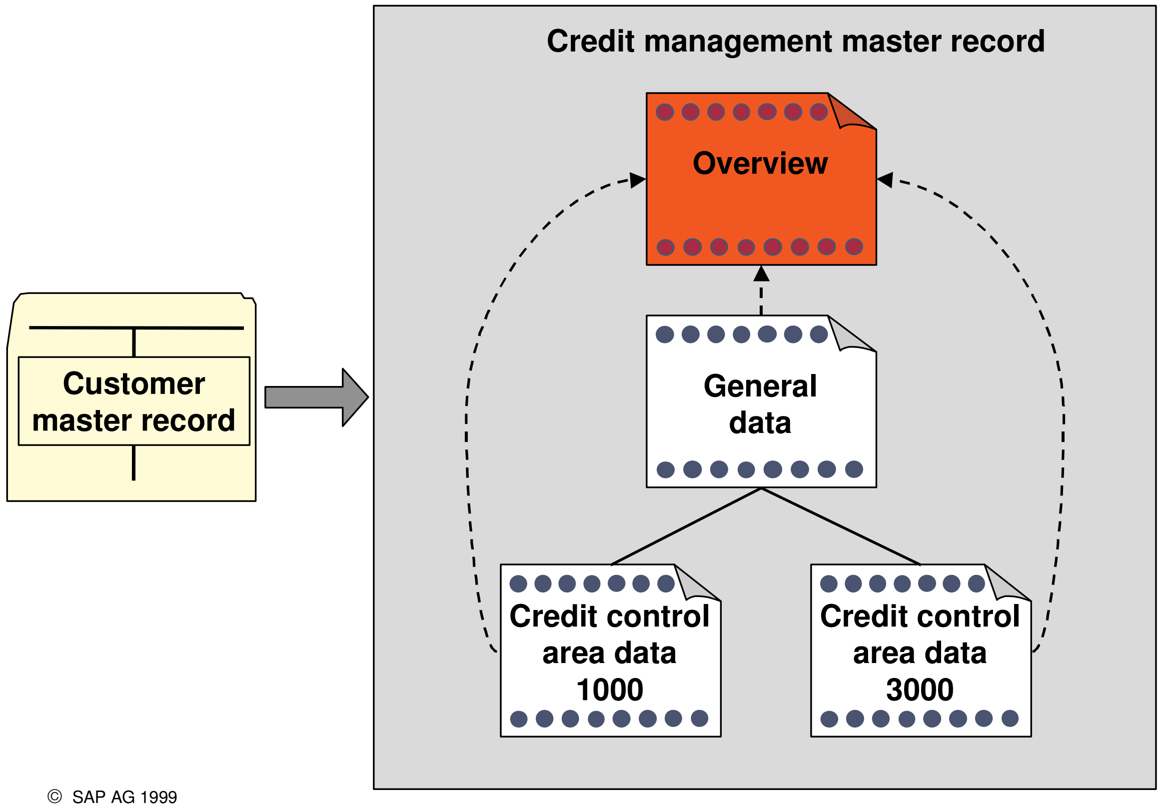
Credit control

IDES Credit Control Area

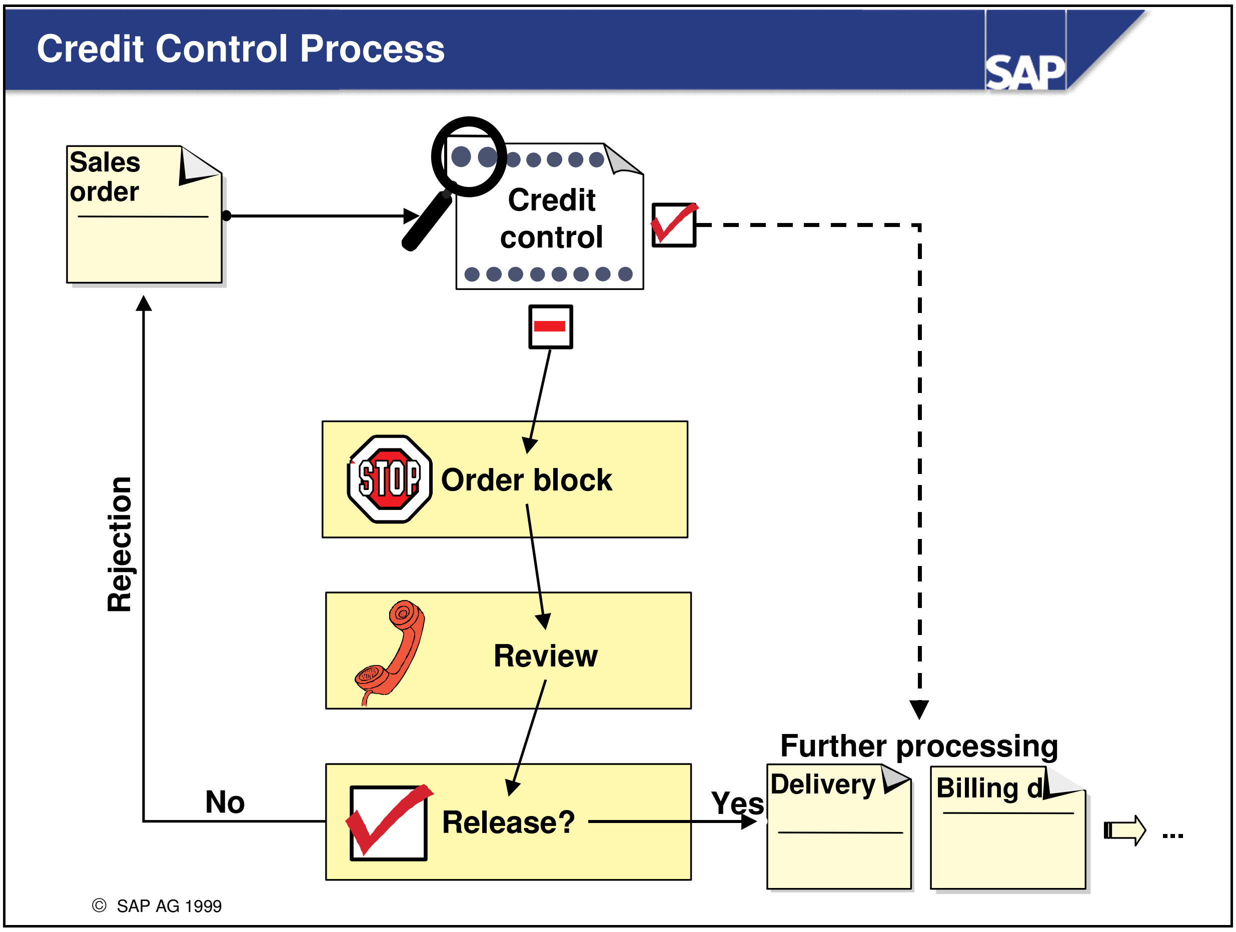


- The organizational unit used for credit control is the **credit control area**. A credit control area can be assigned to individual company codes (decentralized organization) or to a group of company codes (centralized organization).
- A credit control area is generally managed by a separate credit department, which is divided into a number of credit representative groups, with each group consisting of several credit representatives.
- The IDES group uses four credit control areas:
  - Mexico and Japan each have a separate credit department (credit control area 5000 and 6000)
  - The USA and Canada have centralized credit control in credit control area 3000
  - Credit control is also centralized for all company codes in Europe (credit control area 1000)

Credit Management Master Record



- The credit department sets up a separate **credit management master record**, which is an extension of the customer master record, so that data relevant to credit management can be maintained and monitored.
- The credit management master record consists of the following sections:
  - **General data,** which is relevant for all credit control areas. This could be the customer's address and communication data, or the maximum total limit that can be permitted for the sum of all granted credit limits.
  - **Credit control area data,** which is only relevant for a specific credit control area. This could be the credit limit at the credit control area level, or a customer's risk category.
  - An **overview**, which contains the most important data from all sections.



■ **Credit control** is carried out as follows at IDES:

- When the order is placed, a check is run to see whether the customer's credit limit would be exceeded if the order were to be accepted. If this is not the case, the sales process can be carried out in the usual way.
- If the credit limit is exceeded, the order is blocked, and the credit department has to act. The responsible credit representative can either be notified automatically via remote mail, or can regularly use a report to check a list of all blocked orders.
- The credit representative then clarifies the situation, either by using the credit information system, or by calling the customer.
- Once clarification has been made, the credit representative releases the order, and the transaction can be processed in SD in the usual way. If the credit representative decides not to release the order, the order is rejected.

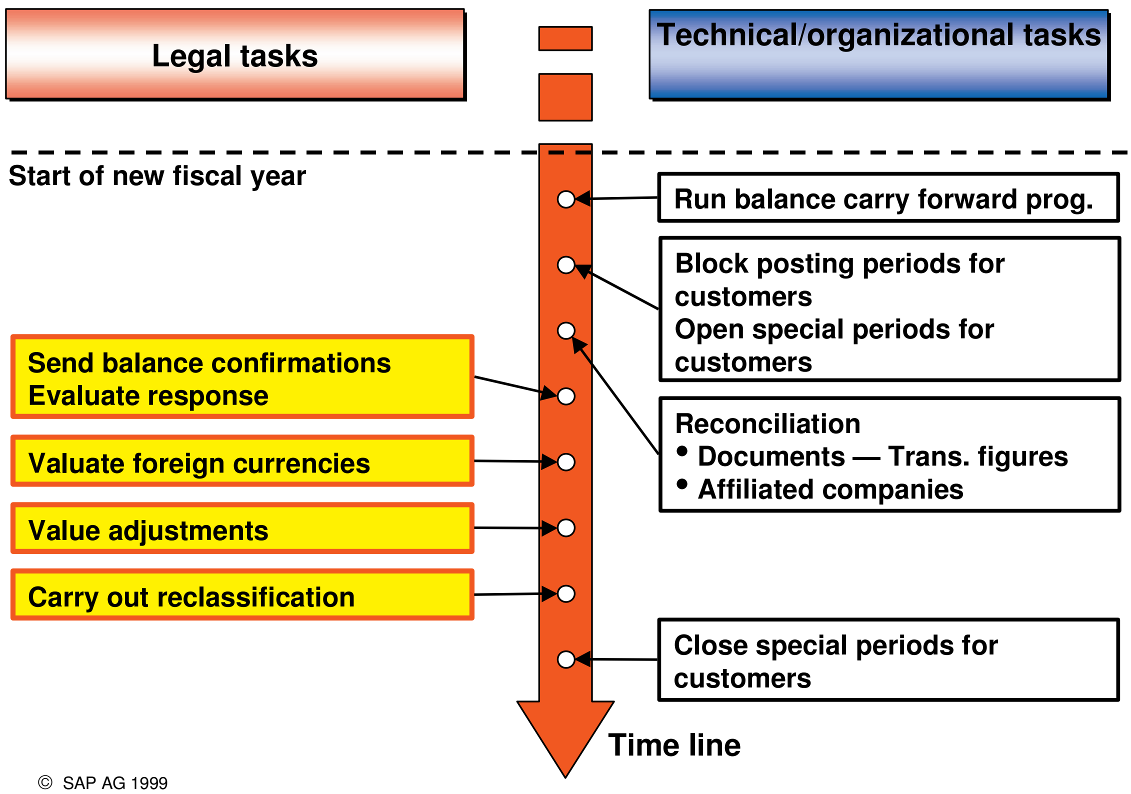
Presentation:

Closing Operations in Accounts Receivable

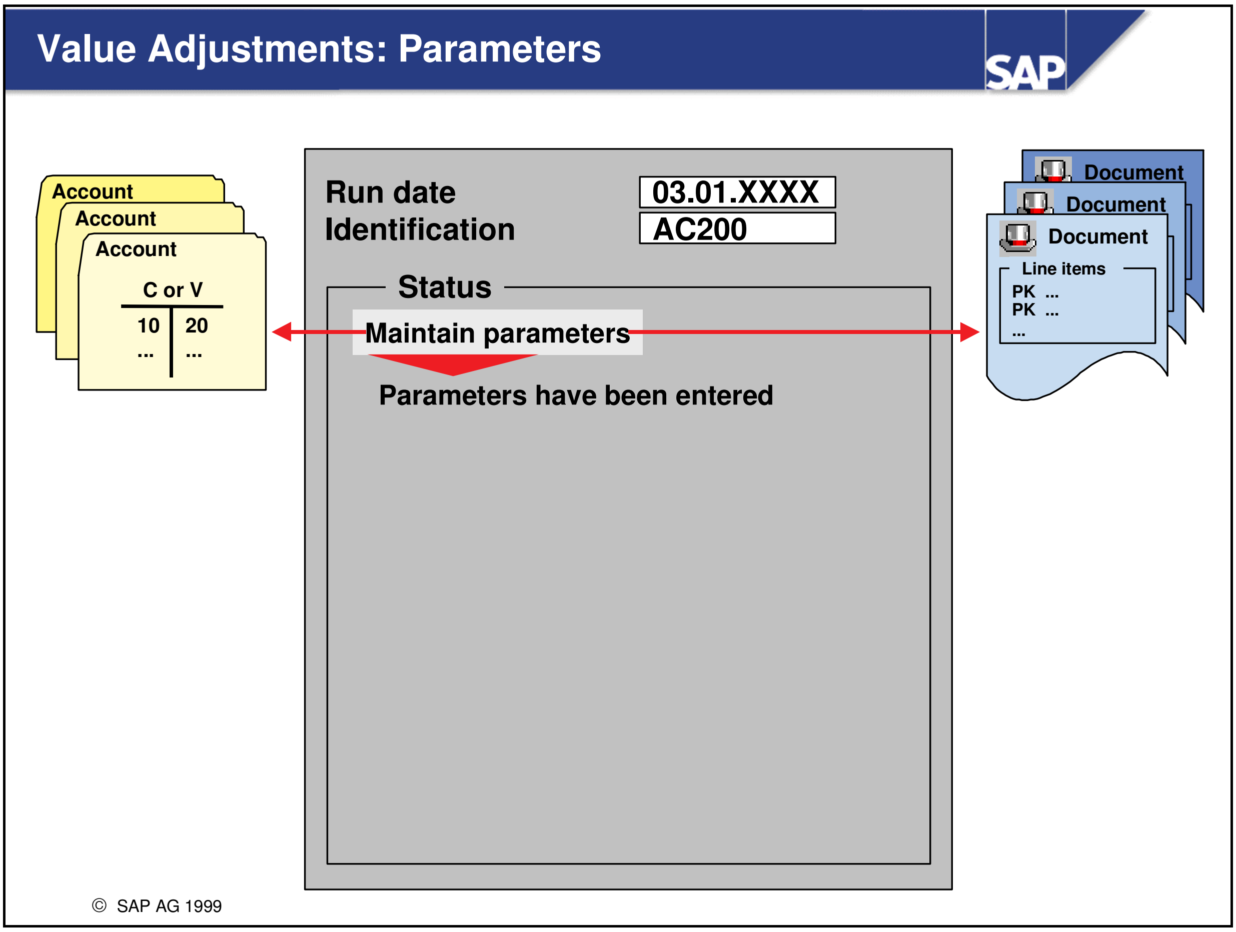
Overview: Accounts Receivable closing operations

Value adjustments

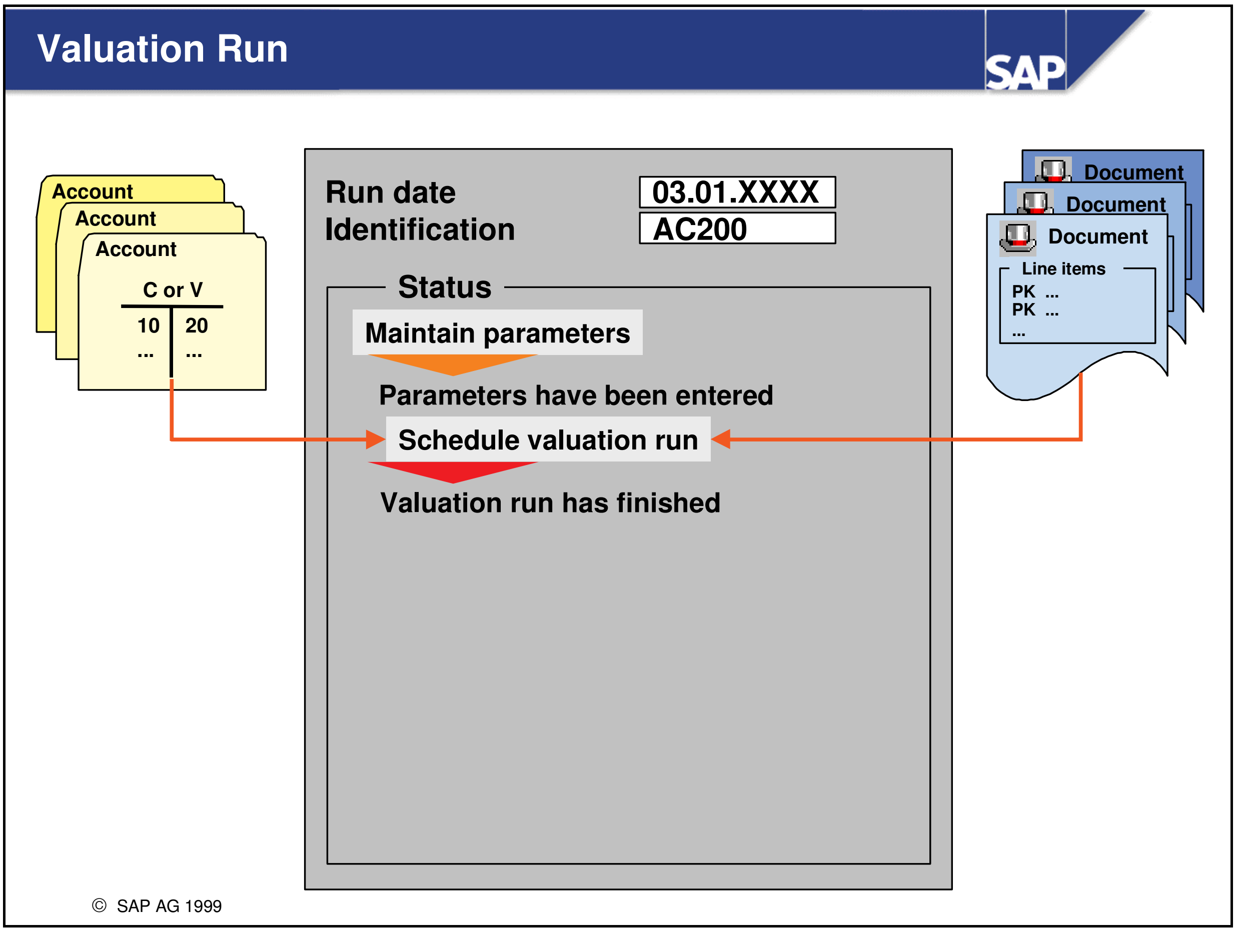
Overview: Accounts Receivable Closing Operations



- At the start of the new fiscal year, the balance carry forward program is run, which ensures that the balance of the customer accounts is carried forward to the new fiscal year. The posting periods of the old fiscal year are then blocked and the special periods for closing entries are opened. Technical reconciliation guarantees that documents are posted without any technical errors.
- After this, balance confirmations are sent, foreign currency documents are valuated, value adjustments are carried out, and receivables are reclassified for the financial statement.
- The special periods can then be closed.
- Balance confirmations, foreign currency valuations, and reclassifications are carried out in the same way as in Accounts Payable. For this reason, this unit only concentrates on how value adjustments are performed.
- <u>**Note:**</u> Different financial statement preparations may be necessary in certain countries. Your trainer will be able to explain the main features that are peculiar to your country.

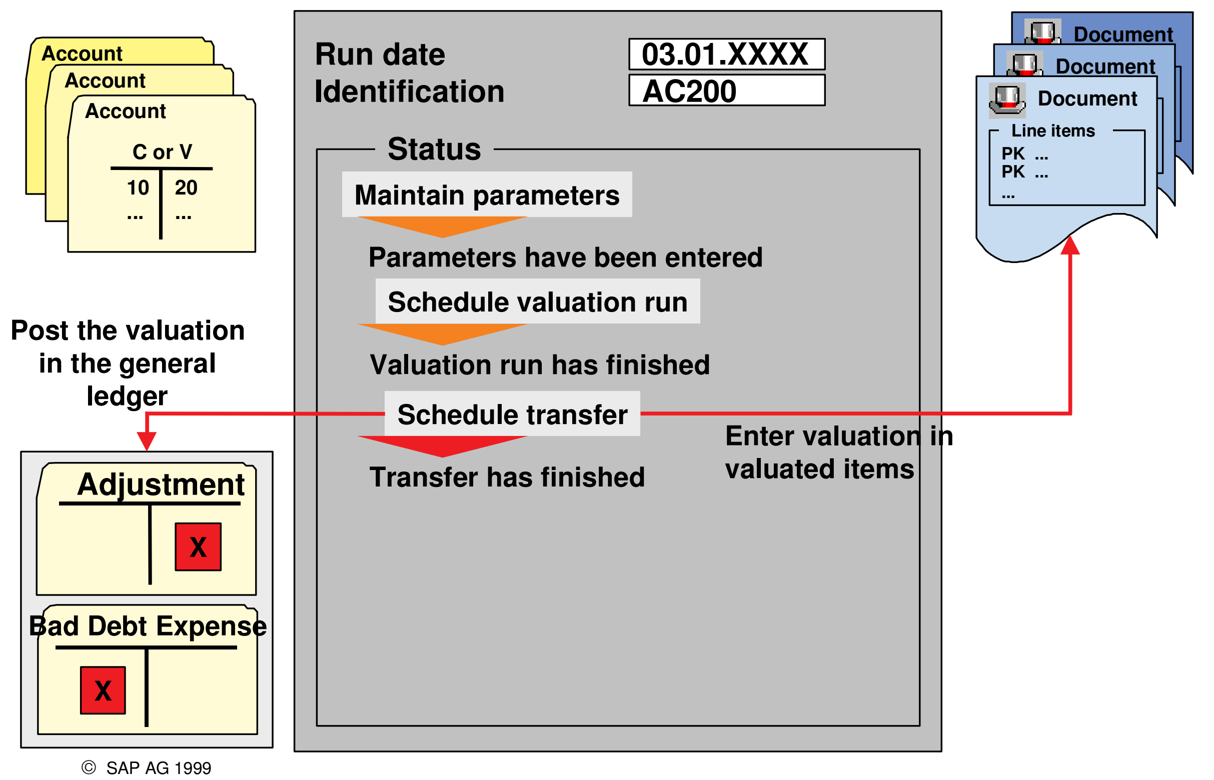


- From 4.5, you can use a valuation program to carry out value adjustments. The program functions in the same way as the dunning and payment programs. Each valuation run is clearly identified by the two fields, "run date" and "identification".
- You can specify how the valuation is to be executed by entering **parameters** for the valuation run. You can use the parameters of an existing valuation run as a template. These parameters include the valuation method, valuation area, and posting specifications.



- The **valuation run** analyzes the accounts and documents defined in the parameters and creates a valuation proposal, which can then be edited, if necessary. The valuations can be:
  - entered manually in the document at an earlier date (**individual value adjustment**)
  - determined using a value adjustment key contained in the customer master record. A valuation that is a certain percentage of the overdue amount is determined, based on the number of days in arrears (**flat-rate individual value adjustment**)

Transfer



- The last stage of the valuation process is the **transfer**. G/L documents are created that post the valuation, and the valuation is also entered in the valuated documents, so that the valuation can be traced at any time.
- **Note 1:** The valuations can be carried out in different ways if the financial statement is created using different sets of accounting standards. The differing results are then posted to separate accounts that are used in different financial statement versions.
- **Note 2:** The valuation run can also be used to discount open receivables, which means they are valuated at their net present value.

Self-Study: Customer Master Data in FI

At the conclusion of this topic, you will be able to:

- Maintain customer master data in FI

Exercises

Unit: Accounts Receivable

Topic: Customer master records

At the conclusion of these exercises, you will be able to:

- Create a list of customers
- Use the match code search function
- Maintain a customer master record

Accounting transactions involving customers are recorded in the accounts receivable subledger. The accounts are divided up into account groups so that the large number of customers can be organized more easily.

Customer master data is usually created centrally by Sales and Distribution, since they generally make the initial contact with customers. However, maintenance and entry can also be completed by accounting.

To access Accounts Receivable:

Accounting → Financial accounting → Accounts receivable

1-1 **Creating a customer list**

Create a customer list for company code 1000. Afterwards, create a list of all customers in account group KUNA.

Information system → Reports for Accounts Receivable Accounting → Master Data → Customer List

1-1-1 **Creating a customer list for all customers**

Create a list of all customers in company code 1000.

1-1-2 **Create a customer list for an account group**

Use a dynamic selection to create a list of all customers in account group KUNA.

Now go back to the SAP Easy Access menu.

1-2 **Maintaining customer master records**

The Becker company of Berlin-Harmsdorf (Postal code 134##) called IDES to inform IDES of a change to the company's address and bank information. The Becker representative does not know the IDES customer number.

Master records → Change

1-2-1 **Using the address attributes search**

Determine the account number of the customer using the search per address attributes. Use the postal code as the search criteria.

Write down the number of the customer account:

____

1-2-2 **Entering changes**

The company has moved to Alexander Pl. ##. The postal code has changed to 101##.

Make the changes to the customer master record.

Now go back to the SAP Easy Access menu.

1-2-3 **Make changes for a different company code?**

Becker is also a customer of IDES Canada. Do you need to send the changes to Canada, so that the accounting department there has the most current information?

If no, why not?

If yes, what additional steps does IDES Canada need to complete?

____

____

1-3 **Tracking changes**

So that changes to master records can be tracked, a change document is created for every change made, recording the exact changes made.

1-3-1 **Displaying change documents**

Display the change document for the changes you just made to the master record CUSTOMER##. What information is contained in the change document?

Master records → Display changes

Now go back to the SAP Easy Access menu.

1-3-2 **Displaying changes to multiple accounts**

To see what changes were made to all customer accounts today, start the related program.

Information system → Reports for Accounts Receivable Accounting → Master Data → Display Changes to Customers

Now go back to the SAP Easy Access menu.

Self-Study: Accounting Transactions Within a Period

At the conclusion of this topic, you will be able to:

- Maintain customer documents
- Manually post an incoming payment with a payment difference
- Request correspondence
- Monitor customer accounts
- Use the Accounts Receivable information system

Exercises

Unit: Accounts Receivable

Topic: Accounting transactions within a period in Accounts Receivable

At the conclusion of these exercises, you will be able to:

- Change a document
- Manually post an incoming payment with a difference
- Print periodic account statements
- Create automatic dunning notices (optional)

Since IDES uses the application component SD, customer invoices are usually posted directly in SD and not in Accounts Receivable. Thanks to the integrated software, these invoices are also posted in financial accounting. If, however, there are discrepancies and problems with the payment process, the customers normally contact the accounting department directly. In addition to the payment process, Accounts Receivable is also responsible for correspondence and dunning.

2-1 **Making and checking document changes**

Becker from Berlin (CUSTOMER##) also says that the 5000 UNI invoice for order 800000##, which it received recently from the IDES sales organization, contains incorrect payment terms. Instead of the usual 3 percent cash discount for payments within 14 days, the terms stated are due upon receipt. After speaking to the sales organization, you determine that the wrong terms were entered and the customer should receive the normal cash discount.

2-1-1 **Changing invoice documents**

IDES has configured their system in such a manner that the order number is always displayed in the "Assignment" field of the customer document. Select the invoice using this field and change the payment terms to ZB01. This is an invoice for 5000 UNI.

Make a note of the number of the changed document:

Now go back to the SAP Easy Access menu.

Account → Display/change item

2-1-2 **Tracking changes**

Check whether the system created a change document for the changes you just made.

Now go back to the SAP Easy Access menu.

Document→ Display changes

2-2 **Manual incoming payment with difference**

Accounts receivable receives a check and payment information saying that Becker (CUSTOMER##) is only paying 80% of the 5,000 UNI invoice amount, since the order was incomplete. Therefore, the check was made out for only 4000 UNI.

2-2-1 **Posting incoming payments**

Post the 4000 UNI check to "incoming checks" account 113108 using today's date for the document and posting dates and create a residual item for the payment difference. Record the document number:

____

Document entry → Incoming payment

Now go back to the SAP Easy Access menu.

2-2-2 **Checking customer accounts**

Check whether the open item for 5000 UNI was actually cleared and whether a residual item was created.

Account → Display/change line items

Now go back to the SAP Easy Access menu.

2-3 **Automatic dunning (optional)**

IDES uses the R/3 dunning program to inform customers of overdue payments on line items. Most of the dunning parameters are saved in so called dunning procedures, which have to be entered in the customer master record so that the account can be dunned. IDES runs the dunning program every week.

2-3-1 **Checking master records**

Check whether dunning procedure 0001 is entered in the master record of CUSTOMER##. If not, make this entry. Also, in order for the dunning letter to be printed out in the language of your country, you must change the language to the language of your country at the bottom of the address tab.

Master records → Change

2-3-2 Creating a dunning run and maintaining the parameters

Today is the day on which the dunning program is to be run. Create a dunning run using today's as the run date and your business area BA## as the identification.

Make your entries so that all documents that have been posted up to today for CUSTOMER## in company code 1000 are selected.

Normally, IDES makes the dunning run for all customers.

For test purposes, it is advisable to activate the additional log so that any errors that occur can be more easily traced. Activate the additional log for your dunning run.

Periodic processing → Dunning

2-3-3 Creating a dunning proposal

Have the system start generating the dunning proposal by scheduling the proposal to start immediately. Do not start the printing of the dunning. IDES usually schedules the dunning proposal to be processed in the background at times when the system is less busy (at night, for example).

Keep updating the status until a message is displayed to tell you that the dunning selection has been created.

2-3-4 Checking the dunning selection

Accounts Receivable clerks print out the dunning selection and check the dunning proposal before the actual dunning run takes place. This helps prevent the sending of incorrect dunning notices. You can also make changes to the dunning proposal such as removing items from the dunning run or lowering the dunning levels.

Check the dunning proposal on the screen and determine whether CUSTOMER## will be dunned.

If no items to be dunned are displayed on the screen, you have made an error somewhere. Look at the proposal log from the initial dunning screen where the *display log* appears to see if you can find the error. Delete the dunning proposal (***Delete Dunning run*** button) and remove the error. Then restart the dunning proposal. Repeat this process until the items to be dunned are displayed in the proposal.

2-3-5 Printing the dunning notices

After the dunning proposal has be checked and approved, the actual dunning run is started. It creates the dunning notices and enters the dunning data (dunning level and dunning date) in the master record and documents.

Start the dunning run by scheduling it to start immediately. Use printer LP01 as the output device.

IDES usually schedules the dunning run in the same way as the dunning proposal, to be processed in the background at times when the system is less busy.

Update the status by pressing the ENTER key until the dunning run has been completed and the postings are created.

Go to the output controller to view the automatically-created dunning notice.

System → Services → Output controller

Now go back to the SAP Easy Access menu.

2-3-6 Checking customer accounts

Check whether the dunning run updated the dunning data in the master record of CUSTOMER##.

Master records → Display

Now go back to the SAP Easy Access menu.

2-4 Printing account statements

Many customers would like a monthly statement from IDES in order to check their records. This needs to be indicated in the master records of these customers and a special program has to be started every month. The programs selects these customers and creates an account statement for them.

2-4-1 Checking the customer master records

Check whether this setting has been made for customer Becker of Berlin (CUSTOMER##) so that Becker gets a monthly account statement. If not, make this setting. Also, change the language to the language of your country, if you have not already done so in the optional dunning exercise.

Master records → Change

Now go back to the SAP Easy Access menu.

2-4-2 Requesting and printing monthly statements

In order to print monthly statements, a program has to be started once a month. It selects the master records with the entry "2" (monthly account statement) and requests the account statements. The account statements can be printed directly after the request is made or at a later time.

The request program for monthly account statements is normally started automatically on the first of the month by a job. IDES accounting will allow you to run this program manually to help you learn the system.

Use variant AC010 and select customer##.

Send the account statements directly to printer LP01 and check the output assignment.

Periodic processing → Print correspondence → Periodic account statements

Now go back to the SAP Easy Access menu.

2-5 **Using the A/R information system**

The information system is an additional reporting tool in FI. It does not access the entire database, but only a pre-selected dataset.

2-5-1 **Creating a pre-selected dataset (optional as your instructor may run this program for the whole class)**

Create the pre-selected dataset by creating a job with the name Info system## using the Job Wizard, which executes the ABAP program RFDRRGEN immediately using variant SAP VARI.

Access the job overview, where you can determine when the job is complete.

Technically speaking, your instructor or one student group could create the dataset. The purpose of this optional assignment is to help you become more familiar with job management.

If system response time is impeded by the scheduling of the jobs, skip this exercise and continue with exercise 2-5-2.

Information system → Tools → Configure → Create evaluations

Now go back to the SAP Easy Access menu.

2-5-2 **Due-date analysis using the customer information system**

Using the customer information system, create a due-date analysis for company code 1000 per business area.

What is the total due in your business area BA##?

Which customers in your business area still have outstanding balances?

Now go back to the SAP Easy Access menu.

Information system → Tools → Display evaluations

2-6 **Account analysis**

Use the account analysis to check the payment history of customer 1000.

Now go back to the SAP Easy Access menu.

Account → Analysis

Self-Study: Integration with Sales and Distribution

At the conclusion of this topic, you will be able to:

- **Describe and carry out a simple sales process in SD, and explain its effects on Financial Accounting**

Exercises

Unit: Accounts Receivable

Topic: Integration with R/3 SD

At the conclusion of these exercises, you will be able to:

- Create a sales order
- Create an outbound delivery
- Create a billing document

Customer invoices are not usually posted directly in FI, but are posted to Accounts Receivable from billing in SD. A normal sales process at IDES consists of receiving a sales order, creating an outbound delivery, and billing. Normally, these steps occur over several days. However, we will complete all steps as of today to facilitate the exercise.

To access Sales:

Logistics → Sales and Distribution

3-1 **Carrying out a sales process**

The sales organization in Frankfurt (1000) receives a purchase order from the company Becker (CUSTOMER##). The company orders two pumps, model “Cast steel IDESNORM 170-230”. The material has the material number P-109. The purchase order has the number 12## and is dated today.

3-1-1 **Create a sales order**

Create the sales order as a standard order. The distribution channel used is “Final customer sales”. The division is “Cross-division sales”. The customer has requested that delivery be made one week from today.

Write down the standard order number:

Sales → Order → Create

Now go back to the SAP Easy Access menu.

3-1-2 **Outbound delivery**

On the customer’s requested delivery date, shipping point 1000 creates the outbound delivery, the goods are taken from the warehouse (picking), and the goods issue is posted. Carry out this process.

In an real situation, collective transactions are usually used to generate and process a large volume of the following documents. You will carry out the steps for individual processing here so that the procedure is clearer.

3-1-2-1 **Create an outbound delivery**

Create the outbound delivery.

Write down the outbound delivery number:

Shipping and Transportation → Outbound delivery → Create → Single document → With reference to sales order

Now go back to the SAP Easy Access menu.

3-1-2-2 **Carry out picking**

Pick the delivery by creating a transfer order for warehouse management.

The goods are in the Hamburg warehouse (010). The process should be system-guided.

Write down the transfer order number:

Picking → Create Transfer Order → Single Document

Now go back to the SAP Easy Access menu.

3-1-2-3 **Post a goods issue**

Go back to the outbound delivery and post the goods issue. Choose **Environment** → **Document flow** to find out the number of the goods issue delivery document.

Write down the goods issue delivery document number:

View the goods issue delivery document. From here, go to the accompanying accounting document and write down the accounting transaction.

Post Goods Issue → Outbound Delivery Single Document

Now go back to the SAP Easy Access menu.

3-1-3 **Billing**

The customer must then be charged for the delivery. Bill the customer for the delivery.

Write down the billing document number:

____

Display the billing document on the screen and from here, go to the accompanying accounting document. What information does the accounting transaction contain?

____

____

Billing → Billing document → Create

Now go back to the SAP Easy Access menu.

3-1-4 **Transfer of billing document information to A/R**

Check that the billing document can be viewed from the customer's line items.

A/R → Account → Display/Change Line Items

Display the line items of Customer## as of one week from today. From the line items, drill down on the document with document type **RV**. Follow: ***Environment → Original*** **Document** to see the billing document and then ***Environment → Display Document*** **Flow** to see the documents in the sales order process. What is the status of each document?

Self-Study: Credit Management

At the conclusion of this self-study topic, you will be able to:

- Maintain credit management master data
- Check and release locked SD documents

Exercises

Unit: Accounts Receivable

Topic: Credit management

At the conclusion of these exercises, you will be able to:

- List customers with missing credit management data
- Maintain credit management master records
- Check and release locked SD documents

Credit department 1000 is responsible for the European IDES company codes. It monitors:

- Whether credit management data exists for every customer
- Whether credit limits have been exceeded and decides on appropriate action

To access credit management:

Accounting → Financial accounting → Accounts receivable → Credit management

4-1 **Listing customers with missing credit data**

Credit management master data must be maintained for each customer in order for the automatic credit control to work. To ensure that this is not forgotten, the credit department runs a program every day that lists all the customers for whom credit management master data has not yet been maintained.

Start this program for company code 1000. You will find CUSTOMER## among the listed master records.

An alternative procedure is to define credit data for new customers in Customizing, which is then used automatically. However, we will not use this method here.

Now go back to the SAP Easy Access menu.

Credit management info system → Customers with missing credit data

4-2 **Maintaining credit management master data**

Maintain the credit management master data for CUSTOMER##.

Central data:

Assign a maximum total limit of 1,000,000 UNI for all credit control areas, and a maximum limit of 500,000 UNI for each individual credit control area.

Data for credit control area 1000:

The customer should have a credit limit of 200,000 UNI for credit control area 1000. Assign the customer to the risk category for customers with low risk, and also to the relevant credit representative group.

Master data → Change

Now go back to the SAP Easy Access menu.

4-3 **Creating a large order**

CUSTOMER## gives the sales organization Frankfurt (1000) an unusually large order for 50 pumps, model “Cast steel IDESNORM 170-230” (material P-109). The purchase order has the number 13## and is from yesterday.

Create the sales order as a standard order. The distribution channel used is “Final customer sales”. The division is “Cross-division sales”. The customer has requested that delivery be made one week after the purchase order date.

The dynamic credit check reports that the credit limit has been exceeded. Save the order.

Write down the standard order number:

Logistics → Sales and Distribution → Sales → Order → Create

Now go back to the SAP Easy Access menu.

4-4 **Displaying and releasing a blocked SD document**

The credit department runs a program twice every day that lists all SD documents that have been blocked as a result of credit checks.

Start this program for the credit representative group for customers with low risk in credit control area 1000.

In urgent situations (such as for deliveries at short notice), the credit department can also be notified by mail (T code: SO01).

Select display variant 001.

Before you release the order, go to the credit overview and display the data for CUSTOMER##. You will also find the customer’s telephone number here.

By calling the customer, you establish that the customer now wishes to make IDES AG his main supplier of pumps, and that this order is only the first of many.

Release the order.

Credit Management → Exceptions → Blocked SD documents

Now go back to the SAP Easy Access menu.

4-5 **Raising the credit limit**

Increase the credit limit to 500,000 in credit control area 1000 for the new major customer, CUSTOMER##.

Master data → Change

Now go back to the SAP Easy Access menu.

Self-Study: Accounts Receivable Closing Operations

At the conclusion of this topic, you will be able to:

- **Post value adjustments**

Exercises

Unit: Accounts Receivable

Topic: Closing procedures in Accounts Receivable

At the conclusion of these exercises, you will be able to:

- Make adjustments to customer accounts in accounts receivable for bad debt expense estimates

Depending on legal requirements, various procedures need to be completed in the subsidiary ledgers before financial statements can be created in the general ledger.

To access Accounts Receivable:

Accounting → Financial accounting → Account receivable

5-1 Completing value adjustments for bad debt (optional exercise)

5-1-1 **Prepare a flat-rate individual value adjustment**

IDES wants to make a 5 percent adjustment on all foreign receivables that are overdue by more than 30 days at the time the adjustment is made. A value adjustment key was set up in the configuration and entered into the master record of all foreign customers.

Check whether valuation adjustment key AB has been entered in the master record of customer FOREIGN##. If not, enter it.

Now go back to the SAP Easy Access menu.

Master records → Change

5-1-2 **Starting a valuation run**

As part of closing procedures, a valuation run has to be started in order to carry out the valuation adjustment. Use today's date as the run date and your business area BA## as the identification.

The key date is the last day of last month. Use the valuation method "Individual value adjustment". Use the last day of last month as the posting date and the first day of the current month as the reversal date. The document type is SB. Remember to set the indicator to generate postings.

Using the "Selection options" button, make certain you only select your customer FOREIGN## in company code 1000, so that each group can complete the exercise on its own.

Activate the additional log by entering your customer FOREIGN## in the "Trace customer account" field.

Start the valuation run.

Periodic processing → Closing → Valuate → Further valuations

5-1-3 **Displaying the valuation proposal**

View the valuation list. Two items should have been selected, one of which should have been valuated with 500 UNI. A value adjustment is not yet necessary for the other item because it is not 30 days past due.

If no valuations are displayed on the screen, you have made an error somewhere. Look at the proposal log from the initial screen to see if you can find the error. Delete the proposal (***Edit → Proposal → Delete***) and remove the error. Restart the valuation run. Repeat this process until valuations are displayed in the proposal.

5-1-4 **Executing valuations**

Transfer the valuation to FI.

Now go back to the SAP Easy Access menu.

5-1-5 **Checking the valuation**

Check whether the postings were made by looking at the balances of account 142100 (Allowance for doubtful accounts) in company code 1000 in business area BA##.

G/L Accounting: Account → Display balances

If no balance exists in this account for your business area, check your batch jobs to see if job F107-AC010## exists. This job is created when the batch job did not process automatically. Process this batch job with the selection “display errors”. Correct any errors to finish processing the job. Then, re-check the balance of account 142100.

Unit Summary

You are now able to:

- Describe how accounts receivable accounting is set up in the R/3 System
- Maintain and view customer master data
- Complete accounting transactions within a period in Accounts Receivable
- Describe how Accounts Receivable is integrated with Sales and Distribution
- Use the functions of credit management
- Describe how SAP supports the financial statement preparations in Accounts Receivable

Solutions

Unit: Accounts Receivable
Topic: Customer master records

To access Accounts Receivable:

Accounting → Financial accounting → Accounts receivable

1-1 **<u>Creating a customer list</u>**

Information system → Reports for Accounts Receivable Accounting → Master Data → Customer List

1-1-1 **<u>Creating a customer list of all customers</u>**

Field name or data type	Values
Company code	*1000*

Execute

1-1-2 **<u>Create a list for an account group</u>**

Field name or data type	Values
Company code	*1000*

Choose “Dynamic selections” (fourth icon from left).

In the hierarchy structure on the left side of the screen, double-click on “Account group” to include the field in the dynamic selections.

Field name or data type	Values
Account group	*KUNA*

Execute

Now go back to the SAP Easy Access menu.

1-2 **<u>Maintaining customer master records</u>**

Master records → Change

1-2-1 **Using the address attributes search**

Select the "Search" button.

Field name or data type	**Values**
Postal code	*134##*

Continue

Write down the number of the customer account found: CUSTOMER##

Select the entry found with a double click.

Continue

1-2-2 **Entering changes**

Field name or data type	**Values**
Street/ number	*Alexander Pl. ##*
Postal code	*101##*

Save.

Hit enter to pass the message about the VAT tax.

Now go back to the SAP Easy Access menu.

1-2-3 **Make changes for a different company code?**

No, since the customer address is part of the general data, the address is valid for all company codes. IDES Canada does not need to do anything.

1-3 __**Tracking changes**__

1-3-1 **Displaying change documents**

Master records → Confirmation of Change → Display changes

Field name or data type	**Values**
Customer	*CUSTOMER##*
Company code	*1000*

Continue

Double-click on one of the fields listed.

→ The date of the change, the new value, and the old value are all displayed.

Double-click on the entry.

→ The time of the change and the user name of the person who made the change are displayed.

Now go back to the SAP Easy Access menu.

1-3-2 **Displaying changes to multiple accounts**

Information system → Reports for Accounts Receivable Accounting → Master Data → Display Changes to Customers

Field name or data type	**Values**
Change date	*Today's date*

Execute

A list of all changes made is displayed.

Now go back to the SAP Easy Access menu.

Solutions

Unit:Accounts Receivable

Topic:Accounting transactions within a period in Accounts Receivable

To access Accounts Receivable:

Accounting → Financial accounting → Accounts receivable

2-1 <u>**Making and checking document changes**</u>

2-1-1 **Changing invoice documents**

Account → Display/change line items

Field name or data type	Values
Customer account	*CUSTOMER##*
Company code	*1000*

Execute

Search for the open item using 800000## (order number) under "assignment", and double-click it.

Switch to change mode ("Display -> Change" button).

Change the payment terms to ZB01.

Write down the number of the document you are changing.

SAVE

Hit enter to by-pass the warning about changing the terms.

Now go back to the SAP Easy Access menu.

2-1-2 **Tracking changes**

Document→Display changes

The document number of the changed document should be defaulted. If it is not, enter it.

Continue

You can drilldown to the additional detail of any line item by double-clicking on that item.

Now go back to the SAP Easy Access menu.

2-2 Manual incoming payment with difference

2-2-1 Posting incoming payments

Document entry → Incoming payment

Field name or data type	**Values**
Document and posting dates	*Today's date*
Company code	*1000*
Bank data:	
Account	*113108*
Amount	*4000*
Open item selection:	
Account	*CUSTOMER##*

Choose the "Process open items" button.

De-select all but the 5000 UNI open item.

In the **"Res. items" tab:** Double-click on the empty field labeled "Resi" next to the item. The residual item amount is calculated and entered in the field automatically.

POST by choosing save.

Record the document number.

Now go back to the SAP Easy Access menu.

2-2-2 Checking customer accounts

Account → Display/change line items

Field name or data type	**Values**
Customer account	*CUSTOMER##*
Company code	*1000*
All items	*Select*

Execute

Search for the 5,000 UNI item.   It should now be a cleared item.

Search for the residual item using the document number you wrote down. It should appear as a new open item.

Now go back to the SAP Easy Access menu.

2-3 Automatic dunning (optional)

2-3-1 Checking master records

Master records → Change

Field name or data type	**Values**
Customer	*CUSTOMER##*
Company code	*1000*

Continue

Change the language to the language of your country at the bottom of the address tab.

Select the "Company code data" button.

"Correspondence" tab:

Field name or data type	**Values**
Dunn.procedure	*0001*

Save

Hit enter past the message about the VAT tax.

Now go back to the SAP Easy Access menu.

2-3-2 Creating a dunning run and maintaining the parameters

Periodic processing → Dunning

Field name or data type	**Values**
Run on	*Today's date*
Identification	*BA##*

Continue

The status of the new dunning run is: No parameters entered as yet.

Choose the "Parameter" tab

Field name or data type	**Values**
Dunning date	*Today's date*
Docmnts posted up to	*Today's date*
Company code	*1000*
Custom. account	*CUSTOMER##*

Save

Choose the **“Additional log” tab**

Field name or data type	**Values**
Custom. account	*CUSTOMER##*

Save

Go back to the tab “Status”.

2-3-3 Creating a dunning proposal

Choose the “Schedule dunning run” button

Select “Start immediately”.

Schedule

Keep updating the status by pressing enter until the message "Dun.selection is complete" is displayed.

2-3-4 Checking the dunning selection

Select the "Change dunning notices" button

Execute

If no items to be dunned are displayed on the screen, you have made an error somewhere. From the initial screen, look at the proposal log (***Extras → Dunning run log***) to see if you can find the error. Delete the dunning proposal (choose the **“Delete dunning run”** button) and remove the error. Then restart the dunning proposal. Repeat this process until the items to be dunned are displayed in the proposal.

Go back to the initial screen of the dunning program.

2-3-5 Printing the dunning notices

Return to the initial dunning screen.

Choose “Schedule dunning notice printout”

Select “Start immediately”.

Output device: LP01

Print

Keep updating the status by pressing enter until the message "Dun.printout is complete" is displayed.

View the dunning letter:

From the top of the screen follow:

System → Services → Output controller

Field name or data type	**Values**
Created by	*AC010-##*

Execute

Select the spool request "Script" and view it (by choosing the eye glasses icon).

Now go back to the SAP Easy Access menu.

2-3-6 **Checking the customer account**

Master records → Display

Field name or data type	**Values**
Customer	*CUSTOMER##*
Company code	*1000*

Continue

"Correspondence" tab: The "Last dunned" and "Dunning level" fields should contain entries.

Now go back to the SAP Easy Access menu.

2-4 **<u>Printing account statements</u>**

2-4-1 **Checking the customer master records**

Master records → Change

Field name or data type	**Values**
Customer	*CUSTOMER##*
Company code	*1000*

Continue

Change the language to the language of your country at the bottom of the address tab, if you have not already done so in the optional dunning exercise.

Select the "Company code data" button.

"Correspondence" tab: The "Bank statement" field should contain the value 2 (monthly account statement). If it is not there, enter it and SAVE.

Now go back to the SAP Easy Access menu.

2-4-2 **Starting the program for periodic account statements**

Periodic processing → Print correspondence → Periodic account statements

Goto → Variants → Get...

Choose AC010

Replace ## with your group number.

Execute

Confirm information

Answer "Yes" to "Would you like to issue the Request?"

(Output device LP01)

Continue

From the top of the screen follow: ***System → Services → Output controller***

Execute

Select and display the request (Display contents icon)

Now go back to the SAP Easy Access menu.

2-5 **Using the A/R information system**

2-5-1 **Creating a preselected dataset (optional as your instructor may have run this program for the class)**

Information system → Tools → Configure → Create evaluations

Choose the "Job wizard" button

Continue

Field name or data type	Values
Job name	*Info system ##*

Continue (twice)

Field name or data type	Values
ABAP program name	*RFDRRGEN*
Variant	*SAP_VARI*

Continue (twice)

Select "Immediately"

Continue (twice)

Complete

Select "Job overview"

Execute

Press "Refresh" (first icon from left) until the status "Finished" is displayed.

Now go back to the SAP Easy Access menu.

2-5-2 **Due-date analysis using the customer information system**

Information system → Tools → Display evaluations

Choose the "Change path" button

Path in the Information system tree:

Evaluation view → Customer standard evaluations → for business area (open folder for your business area) → Due date analysis → to company code

Double-click on company code IDES AG 1000.

Customers Becker## and Poirot## are shown as having overdue items.

Now go back to the SAP Easy Access menu.

2-6 **<u>Account analysis</u>**

Account → Analysis

Field name or data type	Values
Customer	*1000*
Company code	*1000*
Fiscal year	*Current year*

Continue

Choose the **“Payment history” tab**

Now go back to the SAP Easy Access menu.

Solutions

Unit: Accounts Receivable
Topic: Integration with R/3 SD

To access Sales and Distribution:

Logistics → Sales and Distribution

3-1 **<u>Carrying out a sales process</u>**

3-1-1 **Create a sales order**

Sales → Order → Create

Field name or data type	Values
Order type	*OR (Standard order)*
Sales org.	*1000*
Distribution channel	*10*
Division	*00*

Continue

Field name or data type	Values
Sold-to party	*CUSTOMER##*
Purch.order no.	*12##*
Purchase order date	*Today's date*
Req. delivery date	*Today's date plus seven days*
Material	*P-109*
Order quantity	*2*

SAVE

Hit enter past the information about the billing date.

Write down the number of the standard order .

Now go back to the SAP Easy Access menu by using the yellow arrow.

3-1-2 **Outbound delivery**

3-1-2-1 **Creating an outbound delivery**

Shipping and Transportation → Outbound delivery → Create → Single document → With reference to sales order

Field name or data type	Values
Shipping point	*1000*
Selection date	*Req. delivery date (one week from today)*

Continue

The delivery overview is displayed.

SAVE

Write down the delivery number.

Before the goods issue can be posted, the goods have to be picked, which will be our next step..

Now go back to the SAP Easy Access menu by using the yellow arrow.

3-1-2-2 **Carry out picking**

Shipping & Transportation → Picking → Create Transfer Order → Single Document

Field name or data type	Values
Warehouse number	*010*
Delivery	*Delivery number you wrote down (It should default in.)*
Control	*System-guided*

Continue

The transport order is displayed.

Save

Write down the transfer order number.

Now go back to the SAP Easy Access menu by using the yellow arrow.

3-1-2-3 **Post a goods issue**

Shipping & Transportation →Post Goods Issue → Outbound Delivery Single Document

Field name or data type	Values
Outbound delivery	*Delivery number you noted (It should default in.)*

Click on "Post goods issue"

The message "Deliver xxx has been saved" appears This is the changed delivery for which the goods issue is now ready.

From the top of the “Change Outbound Delivery” screen follow:

Environment → Document flow

The document flow is displayed. Write down the GD goods issue: delivery document number.

Select the GD goods issue document. Choose “Display document”.

The material document is displayed.

Choose “Accounting docss”.

Choose “Accounting document”.

The accounting transaction is:

Credit: Finished goods inventory 2073.86-

Debit: Cost of goods sold 2073.86

The amount of the goods issued was taken from the material master record and was calculated there by product cost controlling. The amount display could vary.

Now go back to the SAP Easy Access menu.

3-1-3 Billing

Billing → Billing document → Create

Field name or data type	Values
Document	*Delivery number you noted (It should default in.)*

SAVE

Write down the billing document number.

From the top of the “Create Billing Document” screen follow:

Billing document → Display

Field name or data type	Values
Billing document	*Billing document number you noted (It should default in.)*

Continue

The invoice is displayed.

Click on "Accounting Overview"

Choose “Accounting document”.

The accounting document is displayed. The accounting transaction is:

Debit: Customer## 12,100

Credit: Sales revenue 11,000-

Credit Output tax 1,100-

The amounts are determined by price determination in SD and could vary from the values here.

3-1-4 **Transfer of billing document information to A/R**

Check that the billing document can be viewed from the customer’s line items.

A/R → Account → Display/Change Line Items

Field name or data type	Values
Customer Account	*Customer##*
Open at key date	*One week from today*

Execute

Drill down on the “**RV**” document type document. From the top of the screen follow:

Environment → Original Document

The billing document is displayed

Follow***: Environment → Display Document Flow***

The key documents in the sales order process are displayed. All documents are completed, except for the accounting document which is “not cleared” because the customer has not yet paid the invoice.

Solutions

Unit: Accounts Receivable

Topic: Credit Management

To access credit management:

Accounting → Financial accounting → Accounts receivable → Credit management

4-1 **Listing customers with missing credit data**

Credit management info system → Customers with missing credit data

Field name or data type	Values
Company code	*1000*

Execute

CUSTOMER## should appear in this list. Use the search function to find your customer in the list.

Now go back to the SAP Easy Access menu.

4-2 **Maintaining credit management master data**

Master data → Change

Field name or data type	Values
Customer	*CUSTOMER##*
Credit control area	*1000*
Central data and status	*Select*

Continue

Field name or data type	Values
Total amount	*1,000,000*
Individual limit	*500,000*
Currency	*UNI*

Continue

Field name or data type	Values
Credit limit	*200,000 (do NOT hit enter at this point!)*
Risk category	*001*
Credit rep. group	*001*

SAVE

Check the credit master record to be sure that you have added the risk category and credit rep. group as indicated above.

Now go back to the SAP Easy Access menu.

4-3 **Creating a large order**

Logistics → Sales and Distribution → Sales → Order → Create

Field name or data type	Values
Order type	*OR (Standard order)*
Sales org.	*1000*
Distribution channel	*10*
Division	*00*

Continue

Field name or data type	Values
Sold-to party	*CUSTOMER##*
Purch.order no.	*13##*
Purchase order date	*Today's date less one day*
Req. delivery date	*P.O. date plus seven days*
Material	*P-109*
Order quantity	*50*

Save

Hit enter past the message about the billing date.

The message is displayed: "Dynamic credit check has been exceeded".

Confirm (press enter).

Write down the standard order number.

Now go back to the SAP Easy Access menu.

4-4 **<u>Displaying and releasing a blocked SD document</u>**

A/R →Credit Management → Exceptions → Blocked SD documents

Field name or data type	Values
Credit control area	*1000*
Credit rep. group	*001*

Execute

A list of all blocked SD documents is displayed.

Select "Choose display variant" (push-button "Choose")

Select "001"

Select the SD document of your CUSTOMER##, whose name is Becker ##.

Environment → Credit overview

Execute

In the credit overview, the most important credit information is displayed and you can branch from here to other evaluations.

Return to the list of blocked SD documents.

Select "Release" (second icon from left-the flag).

SAVE

Now go back to the SAP Easy Access menu.

4-5 **<u>Raising the credit limit</u>**

Master data → Change

Field name or data type	Values
Customer	*CUSTOMER##*
Credit control area	*1000*
Status	*Select*

Continue

Field name or data type	Values
Credit limit	*500,000*

Save

Now go back to the SAP Easy Access menu.

Solutions

Unit: Accounts Receivable

Topic: Closing procedures in Accounts Receivable

To access Accounts Receivable:

Accounting → Financial accounting → Accounts receivable

5-1 **<u>Completing value adjustments for bad debt (optional exercise)</u>**

5-1-1 **Preparing a flat-rate individual value adjustment**

Master records → Change

Field name or data type	**Values**
Customer	*FOREIGN##*
Company code	*1000*

Continue

Select the "Company code data" button

"Account management" tab

"AB" has to be entered in the "Value adjustment" field. If not there, enter it and save the change to the master record. Hit enter past the message about the VAT tax.

Now go back to the SAP Easy Access menu.

5-1-2 **Starting a valuation run**

Periodic processing → Closing → Valuate → Further valuations

Field name or data type	**Values**
Run on	*Today's date*
Identification	*BA##*

Continue

Click on "Maintain"

Field name or data type	**Values**
Key date	*Last day of the previous month*
Val. method	*3 (Reserve for bad debt)*
Currency type	*10*
Postings	*Select*
Posting date	*Last day of the previous month*
Rev.post.date	*First day of current month*
Document type	*SB (in left section of screen)*

Press the "Selection options" button

Field name or data type	**Values**
Company code	*1000*
Customer account	*FOREIGN##*
Customer account trace	*FOREIGN## (*This activates the additional log.*)*

Execute

Save

Click on "Dispatch"

Select “Start immediately”.

Continue (press enter)

Press "Enter" until the valuation run is finished.

5-1-3 **Displaying the valuation list**

Edit → Valuation run → Value list

Continue

A list with all proposed valuations is displayed. This should be a valuation for 500 UNI.

If no valuations are displayed on the screen, you have made an error somewhere. Look at the proposal log (***Edit → Valuation run → Display log***) and see if you can find the error. Delete the proposal (***Edit → Proposal → Delete***) and remove the error. Restart the valuation run. Repeat this process until valuations are displayed in the proposal.

Go back by choosing the green arrow.

5-1-4 **Executing valuations**

Click on "Forward"

Select “Start immediately”.

Continue (press enter)

Press "Enter" until you see the message "Transfer finished".

Now go back to the SAP Easy Access menu.

5-1-5 **Checking the valuation**

G/L Accounting: Account → Display balances

Field name or data type	**Values**
G/L account	*142100*
Company code	*1000*
Fiscal year	*Current year*
Business area	*BA##*

Execute

The account should have a credit balance of 500 UNI in the previous period. In the current month, the posting was reversed.

If you see no balance in the account, go to your batch jobs….

From the top of any screen follow:

***System → Services → Batch input → Session*s**

See if job F107-AC010## exists. If so, process it in “display errors” mode. As you hit enter to view the screens with errors, correct any errors that are preventing this batch job from proceeding automatically. Once the batch job is processed, check account 142100 again to see if there is a balance of 500 UNI as described above.

Asset Accounting

Contents:

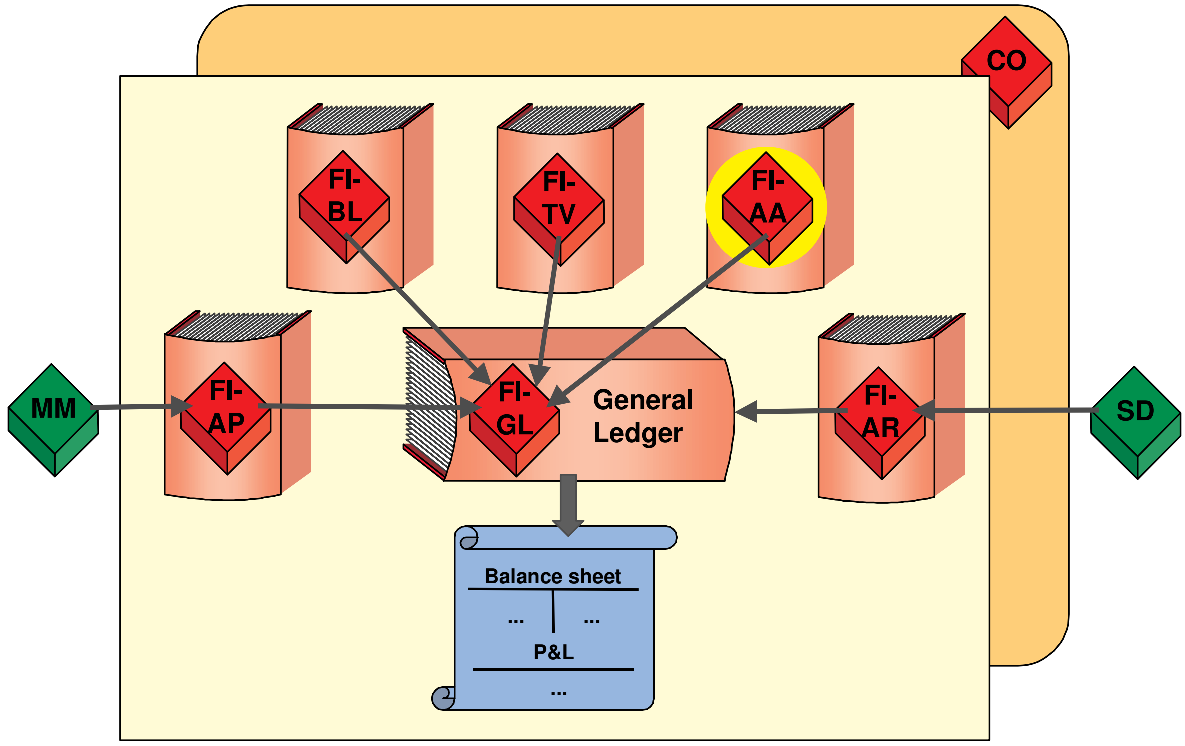
- **Asset Master Data**
- **Standard Accounting Transactions in Asset Accounting**
- **Closing Procedures in Asset Accounting**

Asset Accounting: Unit Objectives

At the conclusion of this unit, you will be able to:

- Maintain asset master data
- Post asset transactions
- Determine and post depreciation
- Describe how SAP supports closing procedures in Asset Accounting

Overview Diagram: Asset Accounting



- **Asset Accounting** records all accounting transactions relating to the management of assets.

Asset Accounting: Business Scenario

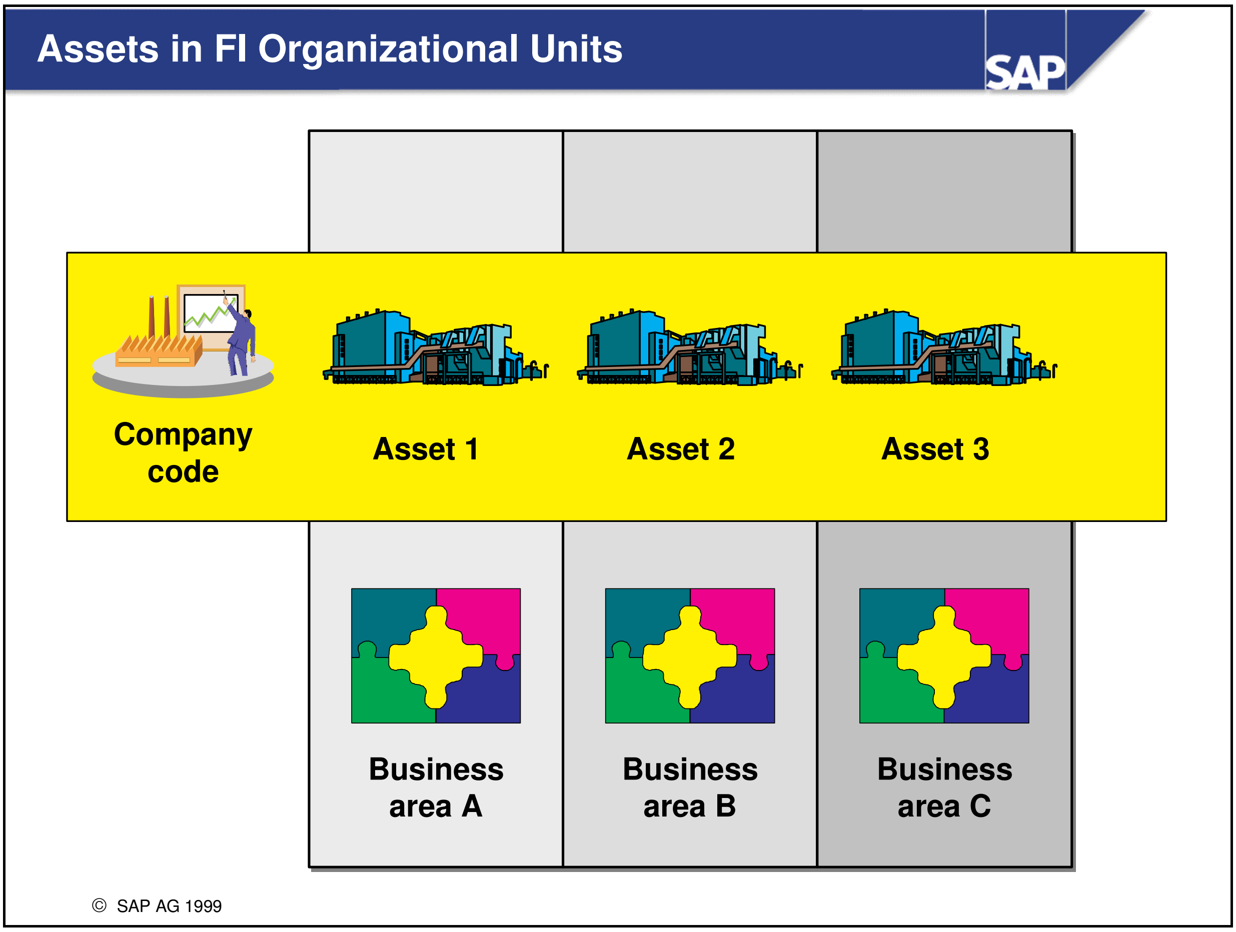
- **Accounting transactions relating to assets are broken down in Asset Accounting. Here, the adjustments to the values of assets are managed, monitored, and processed in special asset accounts.**
- **Asset transactions can either be posted in FI or from Materials Management, if integrated.**
- **For financial statement preparation, the values of assets have to be checked and adjusted.**

Presentation:

Asset Master Data

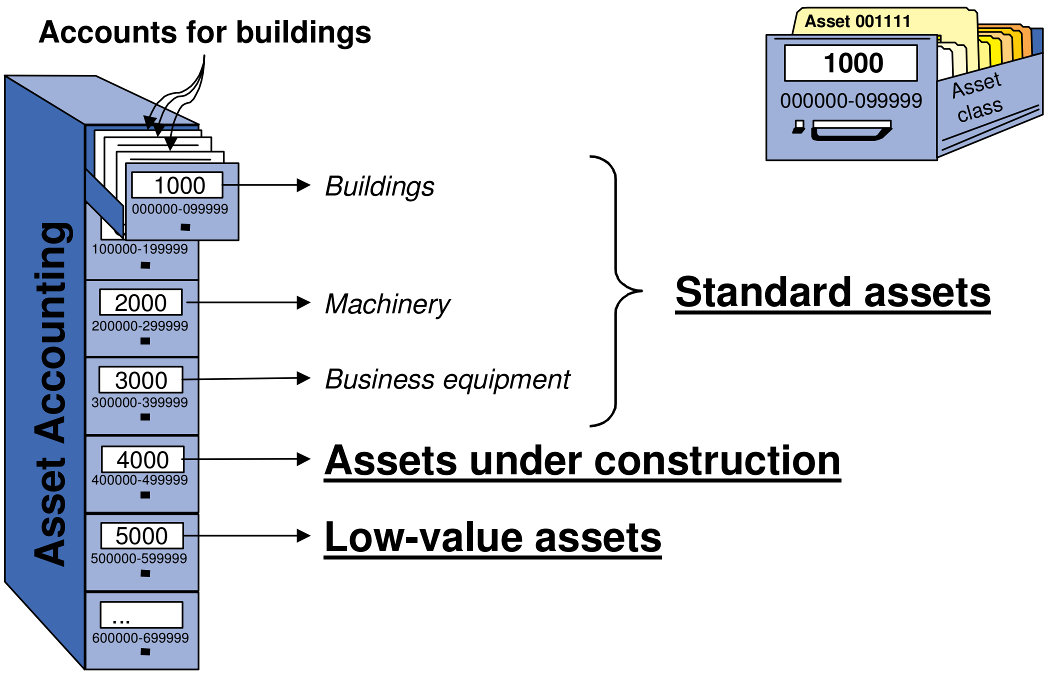
Asset classes

Depreciation areas



- Each asset belongs to a **company code** and **business area**. All postings made for the asset (acquisitions, retirements, depreciation, etc.) are applied in the assigned company code and business area.
- Additionally, you can assign the asset to various **CO objects** (cost center, internal order, activity type) and **logistic organizational units** (for selection purposes only).

Asset Class



- The asset class is the main criteria for defining the asset. Each asset has to be assigned to an asset class. In the asset class, you can define certain control parameters and default values for depreciation and other master data.
- Assets that do not appear in the same line item of the balance sheet (such as buildings and equipment) have to be assigned to different asset classes. Additionally, there is at least one special asset class for assets under construction and one for low-value assets. The asset classes used by IDES for this are:
  - 4000 For assets under construction
  - 5000 For low-value assets
- **Note 1:** You can also create asset classes for intangible assets and leased assets. There are functions available for processing leases.
- **Note 2:** The application component PM (Plant Maintenance) is used for the technical management of assets. The application component TR (Treasury) is used for managing financial assets.

Depreciation Areas

Asset xy in year 2000

	Asset value	Depreciation	Remaining value
Book Depreciation	100 000	40 000	60 000
Legal	100 000	40 000	60 000
Cost accounting	100 000	10 000	90 000
Parallel valuation	100 000	10 000	90 000

- It often occurs that asset balances and transactions need to be valuated differently for various purposes. You may, for example, use various valuation methods for:
  - Financial statements based on regional requirements
  - Financial statements for tax purposes (if a different deprecation method is allowed)
  - Controlling (costing)
  - Parallel accounting methods for group financial statements (per IAS, US-GAAP, etc.)
- In order to keep more than one valuation basis, so-called **depreciation areas** are kept in the R/3 System. Separate transaction figures are kept in each area:
  - per asset and depreciation area
  - for individual value components such as balances, depreciation, remaining book value, etc.

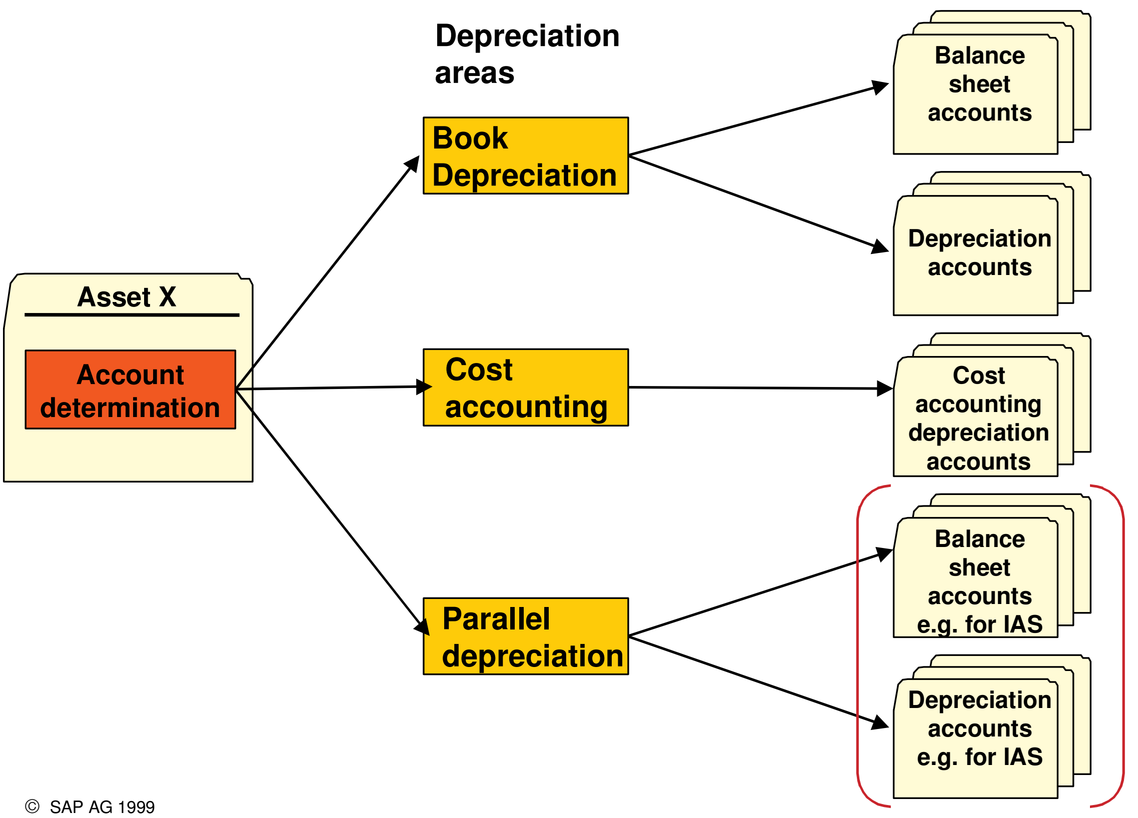
Control Data in Depreciation Areas

For example, depreciation area: book depreciation

Depreciation key		**What should be depreciated?**
Estimated life	Years, months	**How long will the asset be used?**
Normal depreciation start date		**When was the asset placed in service?**
Index		**Should higher replacement costs be determined each year?**
Previous usage	Years, months	**How long has the asset already been in service?**

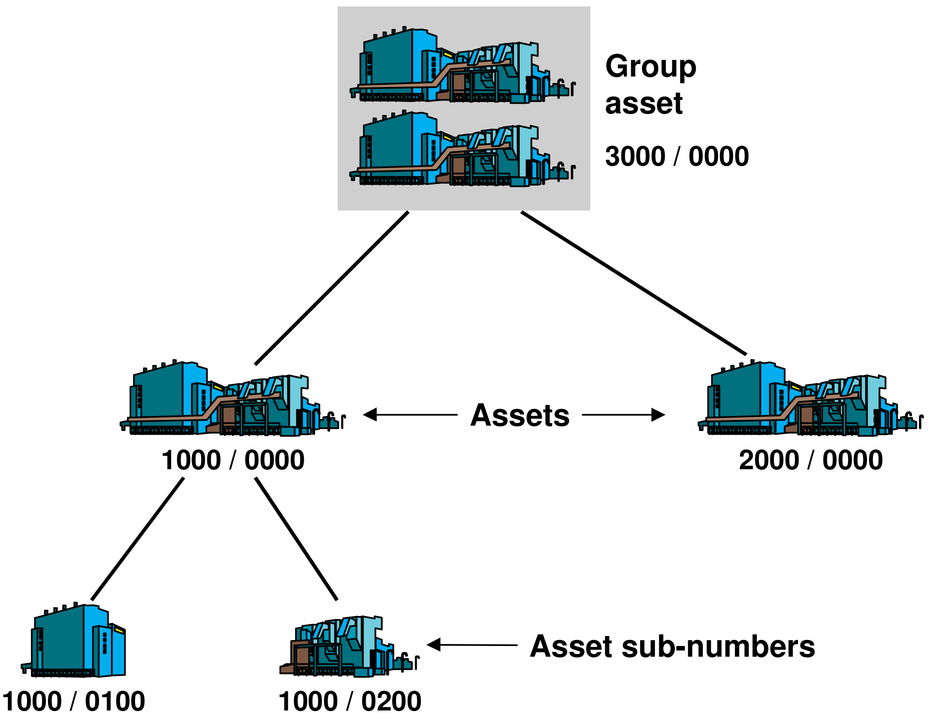
- Various data is stored in the asset master data for depreciation areas and controls the calculation of normal and special depreciation for the special depreciation areas. You can thus use a different depreciation method for general business procedures than the depreciation method required by the tax authorities.

Account Determination



- Since the depreciation areas in asset accounting do not exist in the general ledger, these values have to be posted to various G/L accounts in the general ledger. The G/L accounts are then used in various financial statement versions (financial statements per GAAP, financial statements for tax authorities, group financial statements, and so on).
- These G/L accounts are:
  - Balance sheet accounts, which record the adjustments to the asset's value
  - Depreciation accounts for depreciation and appreciation
- The assignment of the G/L accounts to various valuation areas is saved in a single account assignment key, which is entered in the asset master record. Assets of the same asset class all have the same **account assignment key**, that is, their values are all posted to the same reconciliation accounts.
- **Note:** Many companies prefer to keep parallel valuations in Asset Accounting (either statistically or for information purposes) and not in the general ledger. In this case, you do not need to make the related G/L account assignments.

Group Assets and Sub-Numbers



- For reporting purposes, parts of an asset can be kept under **asset sub-numbers**, and assets can be combined in **group assets**.
- The main asset is assigned the sub-number 0000, allowing the asset sub-numbers to be assigned as desired.
- A group asset has its own master data. Several main assets can be assigned to a group. This is important in the USA.

Presentation:

Standard Accounting Transactions in Asset Accounting

Transaction types

Asset transactions

Unplanned depreciation

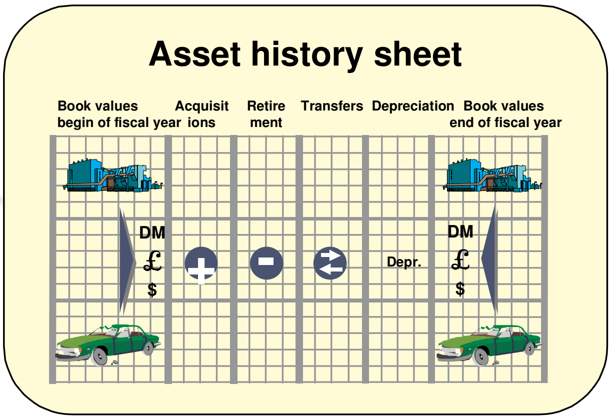
Assets under construction

Asset Explorer

Transaction Type

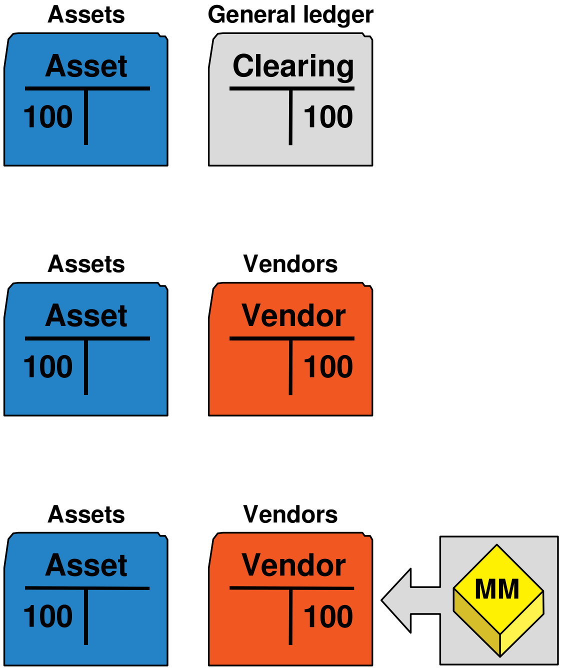
Asset posting
such as acquisition, asset retirement, allocation, depreciation, appreciation

Posting keys 70/75
Transation type xxx



- The **transaction type** is an addition to the asset posting keys 70 and 75 and it has to be included when posting to an asset account. The transaction type is necessary for asset accounting, since it specifies exactly where the asset posting is listed in the asset history sheet.
- The transaction type is the distinguishing characteristic of the various asset postings, which include:
  - Buying and selling
  - Credit memos
  - Acquisitions from internal production
  - Adjustment postings
  - Retirements without revenue
  - Depreciation and appreciation
  - and so on

Asset Transactions



- Asset transaction using (non-integrated) clearing accounts
- Asset transaction integrated with accounts payable or accounts receivable
- Asset transaction from MM

- **Asset transactions** (acquisitions, retirements) can be posted in various ways to meet the organizational and business requirements of the company. In FI-AA you can post:
  - Without a vendor or a purchase order. The offsetting entry is made in a G/L clearing account.
  - Integrated with A/P, but without reference to a purchase order.
  - Via materials management using the MM functions (purchase order, goods receipt, invoice receipt).
- When posting to accounts of two subsidiary ledgers, the reconciliation accounts of both subsidiary ledgers are updated in the general ledger.

Unplanned Depreciation

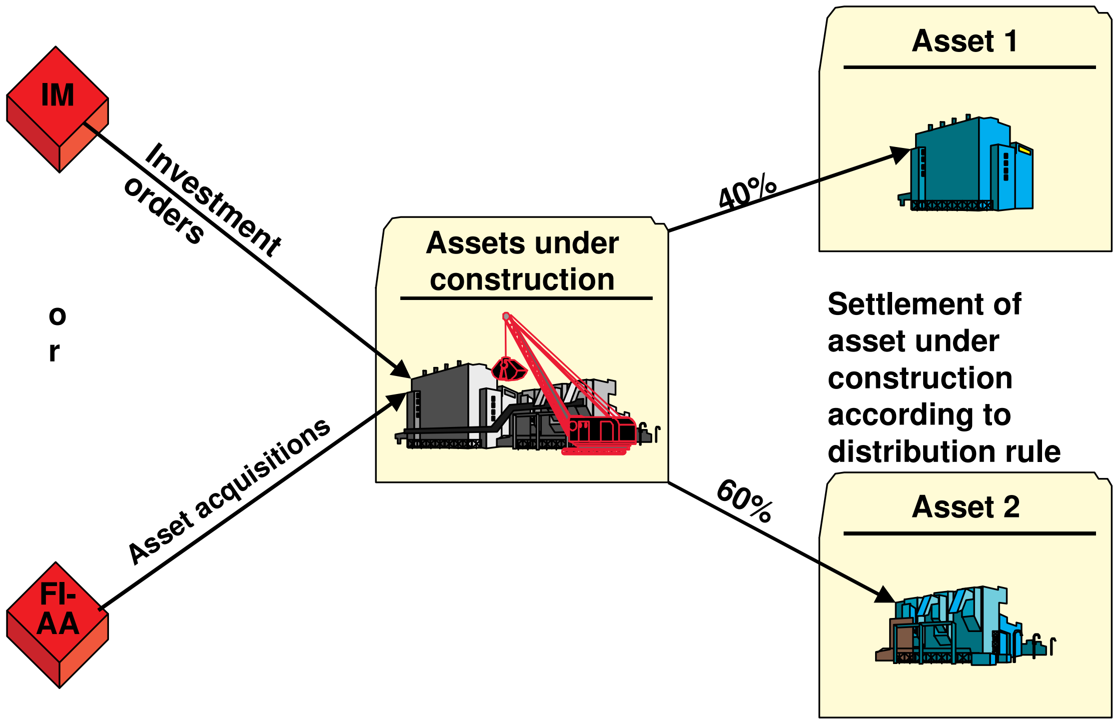
Transaction type for unplanned depreciation

Asset xy in year 2000 -- Plan values

	...	Unplanned Depreciation	...
Book Depreciation		40 000	
Legal		40 000	
Cost accounting		10 000	
Parallel valuation		10 000	
⋮			

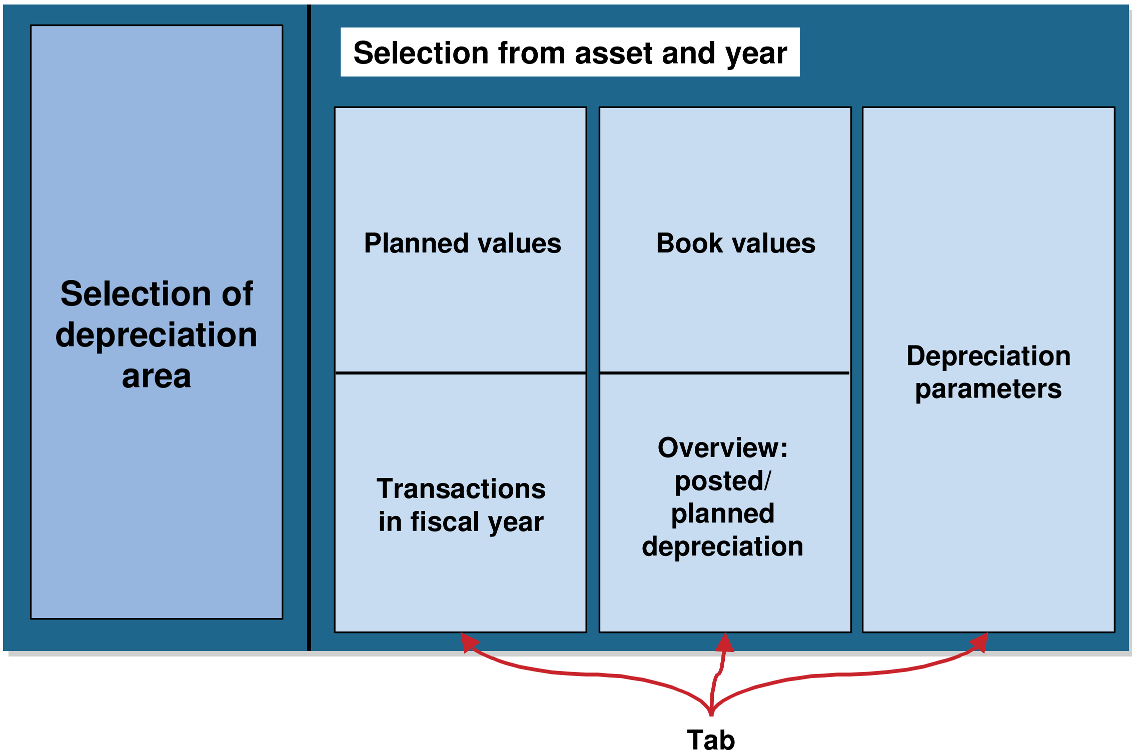
- **Unplanned depreciation** is posted if something happens to the asset which permanently lowers the asset’s value.
- As with every asset transaction, you need to use a specific transaction type for unplanned depreciation.
- It is possible to enter different values in the various valuation areas for the damages incurred. For example, the company may set the loss higher for cost accounting than for the company’s financial statements.
- After posting the transaction, the unplanned depreciation is saved as planned values. The actual amounts are posted when the depreciation posting run is carried out during closing.

Assets Under Construction



- The expenses for **assets under construction** can be managed in two ways:
  - In the application component IM (Investment Management), you can create, post, and manage investment orders. These orders are then reconciled with the asset under construction. IM provides extensive functions for supporting investment procedures.
  - If IM is not used, the asset under construction can be posted to directly in Asset Accounting, since assets under construction rarely occur.
- Once the asset is complete,
  - Master data has to be created for the completed assets.
  - The values from the asset under construction account have to be posted again as completed assets, and the assets have to be activated. In doing so, the expenses can be distributed to several asset accounts using a distribution rule.

Asset Explorer



- Beginning in Release 4.6, the Asset Explorer offers a clear overview per depreciation area, asset, and fiscal year for:
  - Planned values
  - Posted transactions
  - Posted amounts
  - Posted and planned depreciation
  - Depreciation parameters

Presentation:

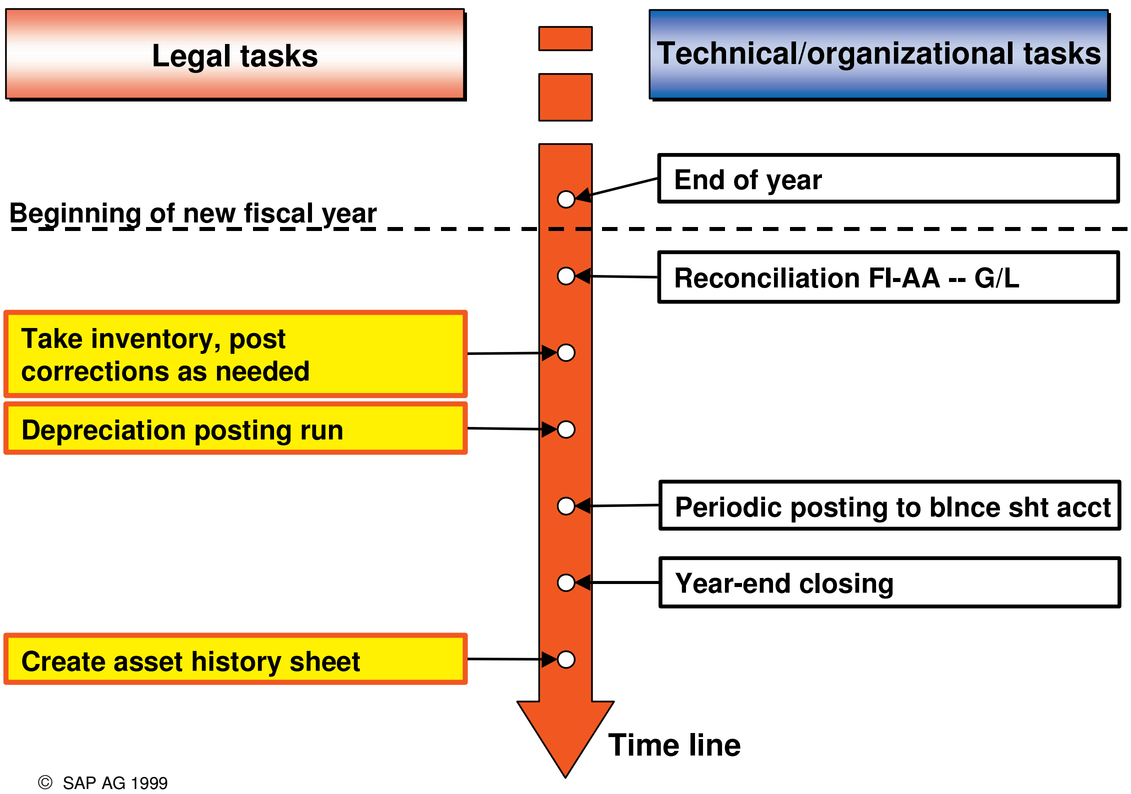
Closing Procedures in Asset Accounting

Inventory

Depreciation posting run

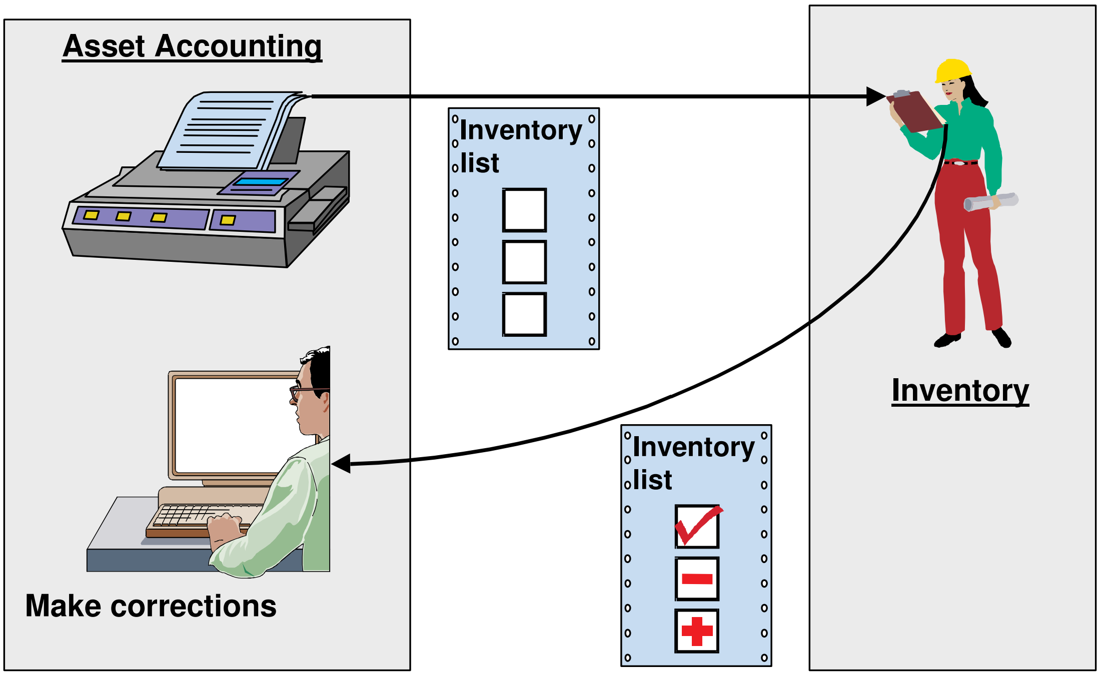
Asset history sheet

Overview: Asset Closing

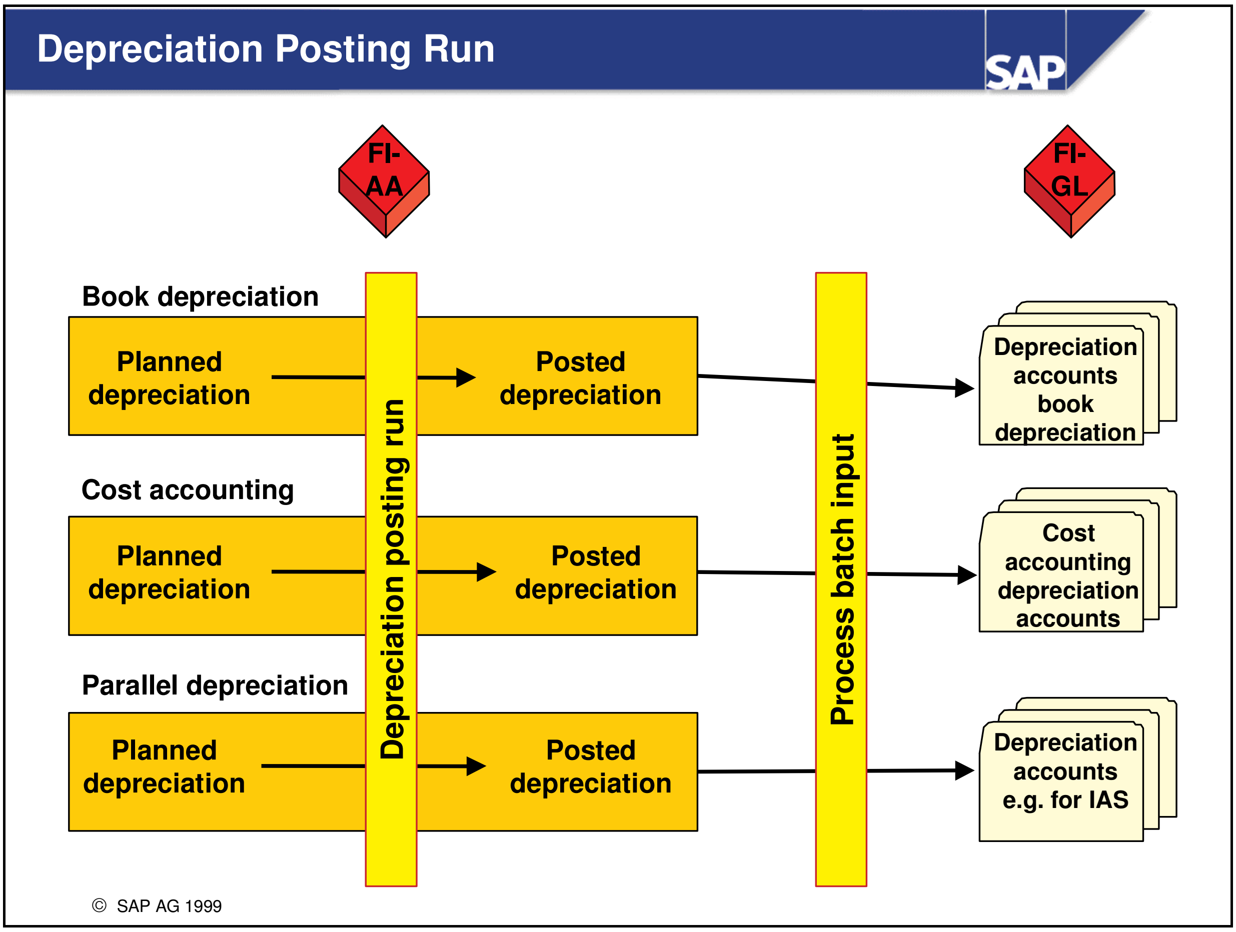


- **Closing** can roughly be divided up into two types of work:
  - Legal requirements (mandates required by the government)
  - Technical/organizational tasks (preparatory steps that are necessary technically or that support the accounting organization)
- With the FY change program, the switch to the new year is completed in the old fiscal year, thus carrying the balances of the asset accounts forward to the new fiscal year.
- At the beginning of the new fiscal year, a technical reconciliation is performed, which compares the transaction figures in Asset Accounting with the corresponding figures in the G/L accounts.
- Afterwards, inventory is taken and adjustment postings are made should any corrections need to be made. The depreciation posting run posts the depreciation to the general ledger.
- Since only one depreciation area can post its asset postings to the general ledger, the additional, relevant depreciation areas are posted to the general ledger using a program (periodic asset account postings).
- The asset history sheet can now be created.
- **Note:** Different steps in the closing process may be required in certain countries. Your trainer will be able to explain the main features that are specific to your country.

Inventory

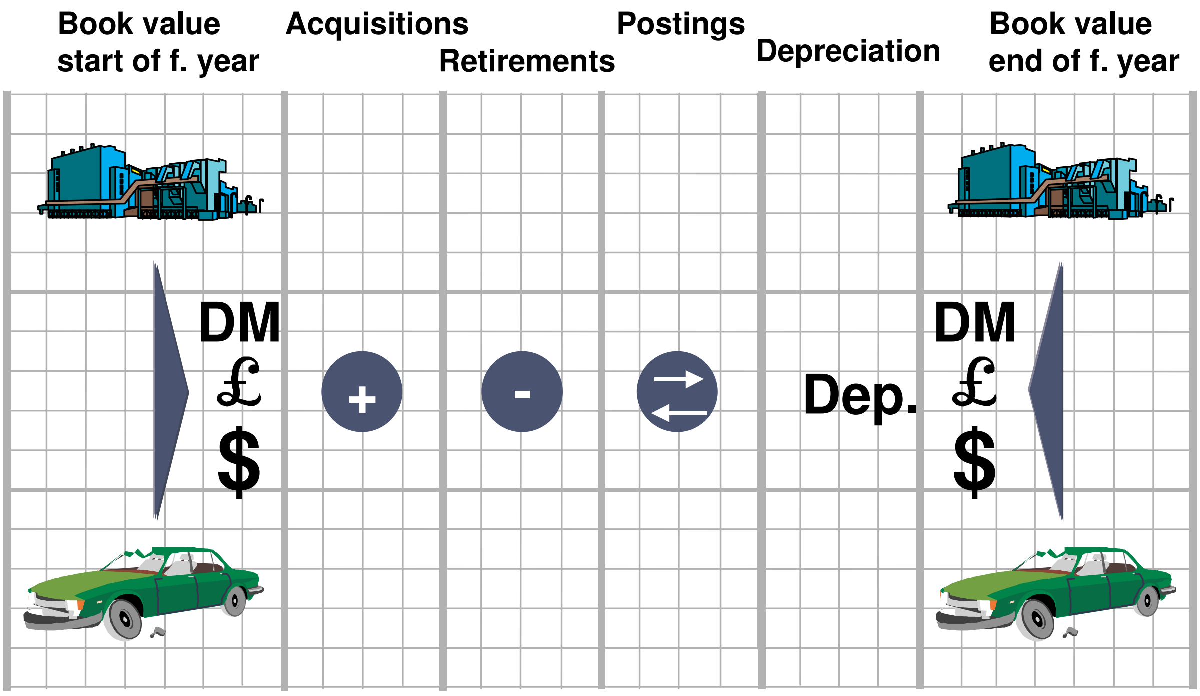


- You can create one or several inventory lists with the R/3 System for the inventory process. The lists are given to the employees who complete the inventory check. They note any discrepancies and return the list to the accounting department, and the accountants enter the corrections in the system.



- All depreciation (normal depreciation, special depreciation, unplanned depreciation) is initially kept in the form of planned values in Asset Accounting. Only after the depreciation posting run has been completed is the depreciation actually posted in Asset Accounting. Additionally, a batch input is created which contains the postings for the G/L accounts. When this is run, the depreciation is posted to the corresponding depreciation accounts.

Asset History Sheet



- The **asset history sheet** is the most important and most complete evaluation available for closing. As with financial statements, the structure of the asset history sheet is based heavily on country-specific requirements. It is thus possible to create various asset history sheet versions.
- Each asset history sheet version contains various history sheet groupings such as:
  - Book values at the beginning of the fiscal year
  - Acquisitions
  - Retirements
  - Adjustment postings
  - Depreciation
  - Book values at the end of the fiscal year

Self-Study: Asset Master Data

At the conclusion of this self-study topic, you will be able to:

- **Maintain asset master data**
- **Describe the role of depreciation areas**

Exercises

Unit: Asset Accounting

Topic: Asset master data

At the conclusion of these exercises, you will be able to:

- Create an asset balance list
- Create asset master data

Accounting transactions involving assets are recorded in the Asset Accounting subsidiary ledger. The asset accounts are divided up into asset classes so that the large number of assets are organized in a useful manner.

To access Fixed Assets Accounting:

Accounting → Financial accounting → Fixed assets

1-1 **Creating asset balance lists**

Create an asset balance list for company code 1000 in depreciation area 01 (book depreciation) on 12/31 of the current fiscal year. Afterwards, create a list of all personal computers in company code 1000.

Info system → Reports on Asset Accounting → Asset Balances → Balance Lists → Asset Balances → ...by Asset Class

1-1-1 **Creating a complete asset balance list**

Create a complete asset balance list of all assets in depreciation area 01, book depreciation, of company code 1000 as of 12/31 of the current fiscal year. List all assets.

1-1-2 **Balance list of an asset class**

Create a complete asset list of all personal computers in depreciation area 01 - book depreciation of company code 1000 as of 12/31 of the current fiscal year. List all assets.

1-1-3 **Asset a list of all low-value assets**

Create a list of all asset balances of all low value assets (asset class 5000) in company code 1000 as of 12/31 of the current fiscal year.

Create this asset balance list first for depreciation area 01 (book depreciation) and then for depreciation area 20 (cost accounting).

Why do the values in these two depreciation areas vary?

____

____

____

____

____

1-1-4 **Asset list of all assets under construction**

Create an asset balance list of all assets under construction (asset class 4000) in depreciation area 01, book depreciation, of company code 1000 as of 12/31 of the current fiscal year.

Why is the depreciation of the listed assets under construction zero?

____

____

____

Now go back to the SAP Easy Access menu.

1-2 **Creating asset master data**

IDES is to purchase an office building for the plant in Hamburg (1000). Before it can be activated, an asset master record has to be created in asset class 1100 (Buildings) with the name "Office building Hamburg ##". In Germany, buildings have a legal life of 50 years. Assign this building to your cost center CC## and business area BA##. Do not activate the building yet. Write down the asset number.

Office building: ____

In how many depreciation areas will the asset values be posted to? What are the main differences between depreciation area 01 and 20?

____

____

____

____

Asset → Create → Asset

Now go back to the SAP Easy Access menu.

Self-Study: Daily Accounting Transactions

At the conclusion of this self-study topic, you will be able to:

- Post an asset acquisition
- Schedule Unplanned depreciation
- Display transactions affecting the value of an asset
- Post the retirement of a transaction

Exercises

Unit: Asset Accounting

Topic: Accounting transactions within a period in Asset Accounting

At the conclusion of these exercises, you will be able to:

- Post an asset acquisition
- Schedule unplanned depreciation
- Scrap an asset
- Create, post to, and settle an asset under construction (optional)

Asset transactions are posted to using a transaction key.

2-1 **Asset acquisition**

IDES purchased the building from real estate agency AGENCY##. This agency has already done business with IDES. The building is worth 1,000,000 UNI.

2-1-1 **Posting the asset acquisition**

Post the asset acquisition completely, that is, post the asset acquisition and the amount payable to the vendor in one document. The date of the invoice is yesterday's date. Input tax of 10% (1I) is in addition to the net amount. Payment terms come from three installment payments. Make certain you use the correct payment terms (R001). Use transaction type 100 (External asset acquisition).

Record the document number:

____

Postings → Acquisition → External acquisition → With vendor

2-1-2 **Displaying documents**

View this document in the document overview.

Which three accounts were posted to in this document and to which ledgers do they belong?

____

____

____

How can you tell that the amount is due in three payments?

____

____

Now go back to the SAP Easy Access menu.

2-1-3 **Asset query**

Use the Asset Explorer to check the values of the new asset in depreciation area 01 (book depreciation).

What are the planned and posted depreciation values for the current year?

____

____

Asset → Asset Explorer

2-2 **Scheduling unplanned depreciation**

A powerful storm tore half of the roof off of the new building, causing significant damage! Schedule 50,000 UNI of unplanned depreciation in depreciation area 01 to cover this damage. Use this value in all other depreciation areas except for 20 (cost accounting). The controlling department has determined that the damage has a lower value, 40,000 UNI.

Use transaction type 650 (Unplanned depreciation on new acquisition).

Check your results using the Asset Explorer.

Postings → Manual val. correction → Unplanned depreciation

Now go back to the SAP Easy Access menu.

2-3 **Scrapping**

At the beginning of the current fiscal year, IDES purchased a used robot for 500,000 UNI and estimates that it can be used for another three years. Unfortunately, the company determined at the end of September of the current fiscal year that the technology of the robot is out of date. IDES decides to scrap the robot, even though the book value is still positive. The robot is being scrapped because no profit could be made in any attempt to sell it.

Post the scrapping of the robot with the asset number ROBOT## on 09/30 of the current fiscal year.

Postings → Retirement → Scrapping

Now go back to the SAP Easy Access menu.

Printing the asset chart for the Robot

In order to have the data for the scrapped asset (ROBOT##) in printed form, IDES accounting wants to create an asset record for this asset. To do so, start the asset history program and select the criteria needed.

Info system → Reports on Asset Accounting → History → Asset History

2-4 **Assets under construction (optional)**

The capacity of the purchased building in not sufficient for current needs and the building thus requires an addition. During construction, the expenses are posted to a master record for assets under construction (asset class 4000) and then calculated into the cost of the building.

2-4-1 **Creating master data for assets under construction**

Create a master data record for the asset under construction "Office building addition ##". Assign this building to your cost center CC##, your business area BA##, and the plant in Hamburg (1000).

Write down the asset number.

Asset under construction: ________________________________

Asset → Create → Asset

Now go back to the SAP Easy Access menu.

2-4-2 **Posting expenses to assets under construction**

For the construction of the addition, invoices are received that have to be posted to the asset under construction. Post an invoice to your asset under construction for 100,000 UNI plus input tax of 10 % (1I) UNI using today's date. The invoice is from vendor 1000. Use transaction type 100.

Postings → Acquisition → External acquisition → With vendor

Now go back to the SAP Easy Access menu.

2-4-2 **Settling an asset under construction**

Once the asset is completed, it has to be converted from an asset under construction into an asset.

2-4-2-1 Defining a distribution rule

Before you can convert an AuC, you have to define a distribution rule which determines which part of the AuC is to be converted into an asset.

Specify that the entire amount is to be charged to the building as of today.

Postings → Cap. asset u. const→.Distribute

Now go back to the SAP Easy Access menu.

2-4-2-2 Completing settlements

Complete the settlement for your asset under construction.

Postings → Cap. asset u. const→.Settle

Now go back to the SAP Easy Access menu.

2-4-3 Checking the settlement

Using the Asset Explorer, check whether the settlement was completed properly.

Asset → Asset Explorer

Now go back to the SAP Easy Access menu.

Self-Study: Asset Closing

At the conclusion of this self-study topic, you will be able to:

- Print inventory lists
- Create asset history sheets

Exercises

Unit: Asset Accounting

Topic: Closing procedures in Asset Accounting

At the conclusion of these exercises, you will be able to:

- Print an inventory list
- Create the asset history sheet

Depending on legal requirements, various procedures need to be completed in the subsidiary ledgers before financial statements can be created in the general ledger.

To access Fixed Assets Accounting:

Accounting → Financial accounting → Fixed assets

For the purposes of the following exercises, we will assume that the closing procedures where already completed for the previous month.

3-1 **Inventory list**

In order to carry out an inventory count, an inventory list needs to be created with the SAP System. Here, the variances between the actual inventory and the listed inventory can be noted. The variances determined then need to be posted in the system.

Create an inventory list for plant 1000 in company code 1000.

To assist you with the entries in the selection screen, report variant AC010 was created. Change the date of the report to 12/31/Current Year.

Which assets were listed in your cost center CC## on the report date?

____

Info system → Reports on Asset Accounting → Asset Balances → Inventory Lists → Physical Inventory List → ...by Plant

Now go back to the SAP Easy Access menu.

3-2 **Asset history sheet**

Create the asset history sheet for your business area BA## in company code 1000.

To assist you with the entries in the selection screen, report variant AC010 was created.

Use this variant and replace ## with your group number.

Which asset history sheet version is used in the variant?

____

Which depreciation area was used by this variant for the values displayed?

____

Info system → Reports on Asset Accounting → Balance Sheet Explanations → International → Asset History Sheet

Unit Summary

You are now able to:

- Maintain asset master data
- Post asset transactions
- Describe how SAP supports closing procedures in Asset Accounting

Solutions

Unit: Asset Accounting

Topic: Asset master data

To access Fixed Assets Accounting:

Accounting → Financial accounting → Fixed assets

1-1 <u>**Creating asset balance lists**</u>

Info system → Reports on Asset Accounting → Asset Balances → Balance Lists → Asset Balances → ...by Asset Class

1-1-1 **Creating the entire asset directory**

Field name or data type	**Values**
Company code	*1000*
Report date	*12/31 of current fiscal year*
Depreciation area	*01*
List assets	*Select*

Execute

1-1-2 **Balance list of an asset class**

Field name or data type	**Values**
Company code	*1000*
Asset class	*3200 (Personal Computer)*
Report date	*12/31 of current fiscal year*
Depreciation area	*01*
List assets	*Select*

Execute

1-1-3 **Asset list of all low-value assets**

Field name or data type	**Values**
Company code	*1000*
Asset class	*5000*
Report date	*12/31 of current fiscal year*
Depreciation area	*First 01, then 20*
List assets	*Select*

Execute

The book values for area 01 (book depreciation) are all zero. This is due to the nature of low value assets, since they can be completely written off.

In cost accounting deprecation area 20, the book values are greater than zero, since all costs are to be calculated in controlling (even small amounts).

1-1-4 **Asset list of all assets under construction**

Field name or data type	**Values**
Company code	*1000*
Asset class	*4000*
Report date	*12/31 of current fiscal year*
Depreciation area	*01*
List assets	*Select*

Execute

There is no depreciation since assets under construction may not be depreciated.

Now go back to the SAP Easy Access menu.

1-2 **<u>Creating asset master data</u>**

Asset → Create → Asset

Field name or data type	**Values**
Asset class	*1100 (Buildings)*
Company code	*1000*
Number of similar assets	*1*

Select the "Master data" button

Field name or data type	Values
Description	*Office building Hamburg ##*

"Time-dependent" tab

Field name or data type	Values
Business area	*BA##*
Cost center	*CC##*
Plant	*1000*

Save

Write down the asset number. Office Building: ________________________

Select the "Depreciation areas" button

Eight depreciation areas are used.

In depreciation area 01, the building is depreciated using the declining balance method. In depreciation area 20, straight-line depreciation is used. For calculating the replacement cost, an index is used in depreciation area 20.

Now go back to the SAP Easy Access menu.

Solutions

Unit: Asset Accounting

Topic: Accounting transactions within a period in Asset Accounting

To access Fixed Assets Accounting:

Accounting → Financial accounting → Fixed assets

2-1 <u>**Asset acquisition**</u>

2-1-1 **Posting the asset acquisition**

Postings → Acquisition → External acquisition → With vendor

Field name or data type	Values
Document date	*Today's date less one day*
Posting key (PstKy)	*31*
Account	*AGENCY##*

Continue

Field name or data type	Values
Amount	*1100000*
Tax amount	*100000*
Tax code	*1I (Input tax training 10%)*
Payment terms	*R001*
Posting key (PstKy)	*70*
Account	*Your asset*
Transaction type	*100 (Acquisition from purchase)*

Continue

Confirm warnings.

Field name or data type	Values
Amount	*
Tax code	*1I*
Asset value date	*Today's date*

Post

Write down your document number.

Do not exit this screen before proceeding to the next exercise, 2-1-2.

2-1-2 **Displaying documents**

Document→ Display

This document is posted to the accounts of the following ledgers:

Your asset	*Asset subsidiary ledger*
AGENCY##	*A/P subsidiary ledger*
154000	*General ledger*

You can see that the amount is due in three payments, since the total is divided into three items in accounts payable.

Now go back to the SAP Easy Access menu.

2-1-3 **Asset query**

Asset → Asset Explorer

Field name or data type	Values
Company code	*1000*
Asset	*Your asset*

Select depreciation area 01 (book depreciation)

Continue

The planned depreciation is 50,000 UNI. The posted depreciation is still zero, since the depreciation is posted by a depreciation run.

Now go back to the SAP Easy Access menu.

2-2 **Scheduling unplanned depreciation**

Postings → Manual val. correction → Unplanned depreciation

Field name or data type	Values
Company code	*1000*
Asset	*Your asset*
Transaction type	*650*

Continue

Field name or data type	Values
Posting amount	*50,000*
Text	*Storm damage*

Continue

You can use the arrow keys next to the enter icon in the pop up box to scroll back and forth between the depreciation areas. Note the depreciation area is shown at the top of the pop up box.

Use 50,000 UNI for the other depreciation areas excepts for depreciation area 20. Enter 40,000 UNI for it.

Enter

Save

Now go back to the SAP Easy Access menu.

Asset → Asset Explorer

Field name or data type	Values
Company code	*1000*
Asset	*Your asset*

Select depreciation area 01 (book depreciation)

Continue

The unplanned depreciation of 50,000 UNI also has to appear for the plan values. Check this.

Now go back to the SAP Easy Access menu.

2-3 **Scrapping**

Postings → Retirement → Scrapping

Field name or data type	Values
Asset	*ROBOT##*
Document date	*09/30 of current fiscal year*
Posting date	*09/30 of current fiscal year*
Asset value date	*09/30 of current fiscal year*

Save

Now go back to the SAP Easy Access menu.

Printing the asset chart for the Robot

Info system → Reports on Asset Accounting → History → Asset History

Field name or data type	Values
Company code	*1000*
Asset number	*ROBOT##*

Execute

2-4 Assets under construction (optional)

2-4-1 Creating master data for assets under construction

Asset → Create → Asset

Field name or data type	Values
Asset class	*4000 (Asset under construction)*
Company code	*1000*
Number of similar assets	*1*

Select the "Master data" button

Field name or data type	Values
Description	*Office building addition ##*

"Time-dependent" tab

Field name or data type	Values
Business area	*BA##*
Cost center	*CC##*
Plant	*1000*

Save

Write down the asset number.

Now go back to the SAP Easy Access menu.

2-4-2 Posting expenses to the asset under construction

Postings → Acquisition → External acquisition → With vendor

Field name or data type	Values
Document date	*Today's date*
Posting key (PstKy)	*31*
Account	*1000*

Continue

Field name or data type	Values
Amount	*110,000*
Tax	*10,000*
Tax code	*1I (Input tax training 10%)*
Posting key (PstKy)	*70*
Account	*Your asset under construction (office building addition)*
Transaction type	*100 (Acquisition from purchase)*

Continue

Field name or data type	Values
Amount	*
Tax code	*1I*
Asset value date	*Today's date*

Post

Now go back to the SAP Easy Access menu.

2-4-2 **Settling asset under construction**

2-4-2-1 **Defining a distribution rule**

Postings → Cap. asset u. const→.Distribute

Field name or data type	Values
Company code	*1000*
Asset	*Your asset under construction (office building addition)*

Execute

Select the document for 1000,00 UNI.

Choose “Enter distribution rules”.

Field name or data type	Values
CAT	*FXA (Asset)*
Settlement receivers	*Your office building*
%	*100*

Back

Save

Now go back to the SAP Easy Access menu.

2-4-2-2 **Completing settlements**

Postings → Cap. asset u. const→.Settle

Field name or data type	Values
Company code	*1000*
Asset	*Your asset under construction (office building addition)*
Document date	*Today’s date*
Posting date	*Today’s date*
Text	*Completion of addition*
Test run	*Deactivate*
Detail list	*Activate*

Execute

The receiver list is displayed.

Now go back to the SAP Easy Access menu.

2-4-3 **Checking the settlement**

Asset → Asset Explorer

Field name or data type	Values
Company code	*1000*
Asset	*Your office building*

Select depreciation area 01 (book depreciation)

Continue

The acquisition with the transaction type 346 should be in the planned values under “transactions”.

Now go back to the SAP Easy Access menu.

Solutions

Unit: Asset Accounting

Topic: Closing procedures in Asset Accounting

To access Fixed Assets Accounting:

Accounting → Financial accounting → Fixed assets

3-1 **Inventory list**

Info system → Reports on Asset Accounting → Asset Balances → Inventory Lists → Physical Inventory List → ...by Plant

Goto → Variants → Get... or use the "get variant" icon.

Double-click AC010 to select this variant.

Change the report date to 12/31 current year.

Execute

At the report date, your cost center CC## shows the asset ROBOT##. Since you scrapped the asset in a previous exercise, the value displayed here is 0 UNI.

Now go back to the SAP Easy Access menu.

3-2 **Asset history sheet**

Info system → Reports on Asset Accounting → Balance Sheet Explanations → International → Asset History Sheet

Field name or data type	Values
Company code	*1000*
List assets	*Select*
History sheet version	*0008*

Execute

The asset history sheet version is HGB1. The depreciation area is Book Depreciation.

Travel Management

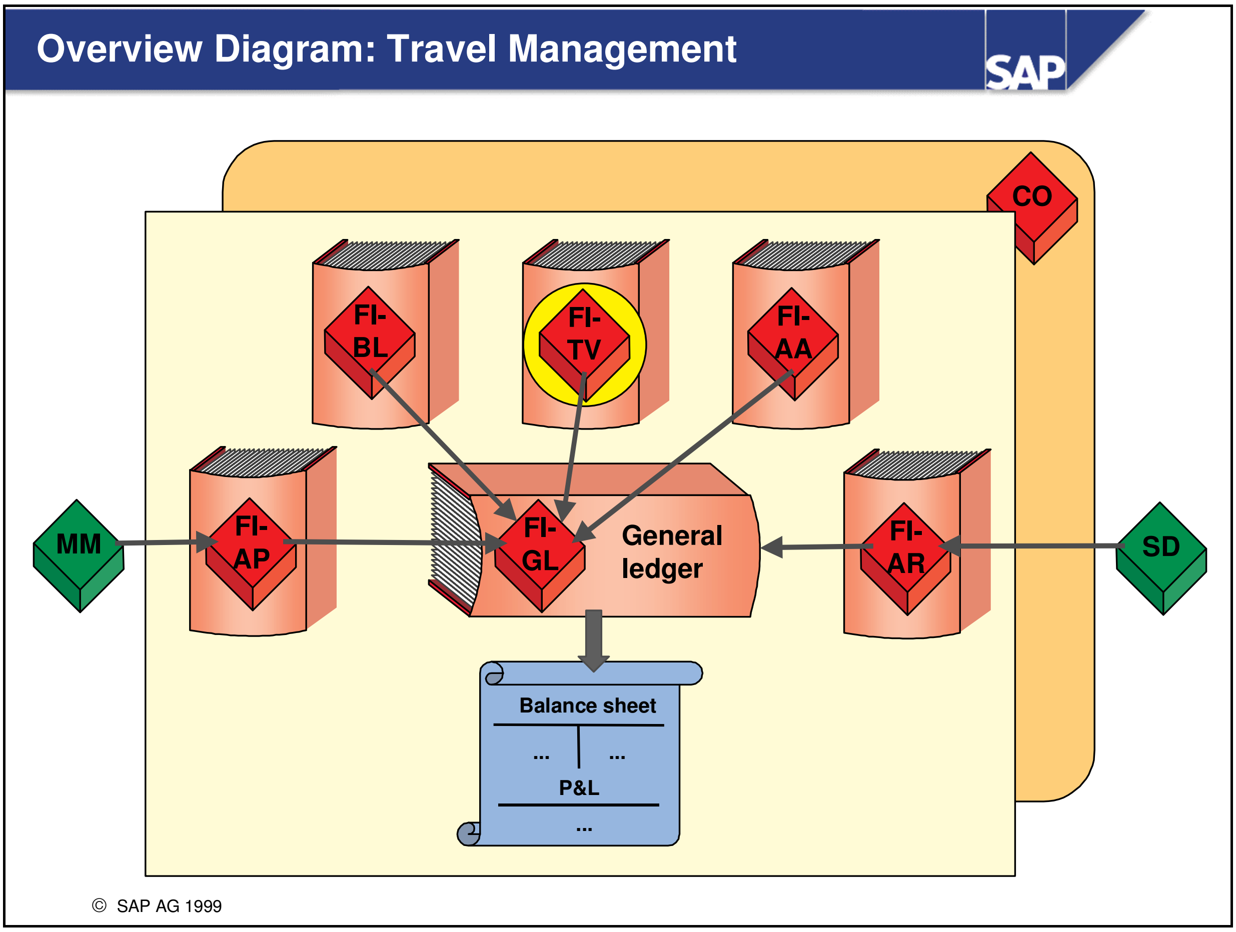
Contents:

- Master Data in Travel Management
- Accounting Transactions in Travel Management

Travel Management: Unit Objectives

At the conclusion of this unit, you will be able to:

- Maintain travel privileges
- Plan trips
- Enter trip costs



■ Travel Management manages and calculates travel costs and supports travel planning and travel reimbursement.

Travel Management: Business Scenario

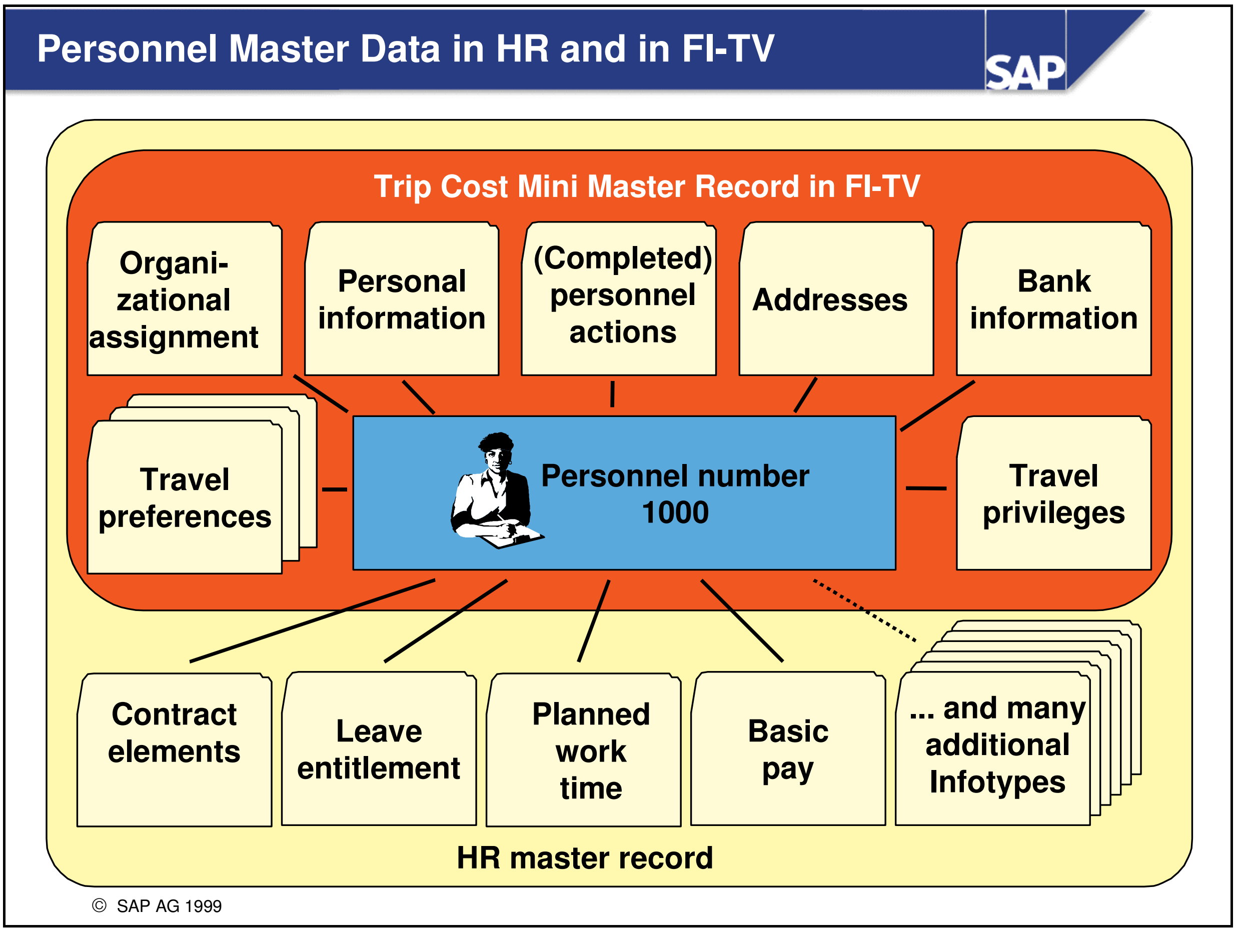
- Travel management is used to efficiently plan travel, to collect the travel information as easily as possible, and to calculate and post the trip costs and trip reimbursement amounts.
- The trip expenditures are transferred from Travel Management to FI, and the reimbursement amount could, for example, be paid to the employee by the accounts payable department.

Presentation:

Master Data in Travel Management

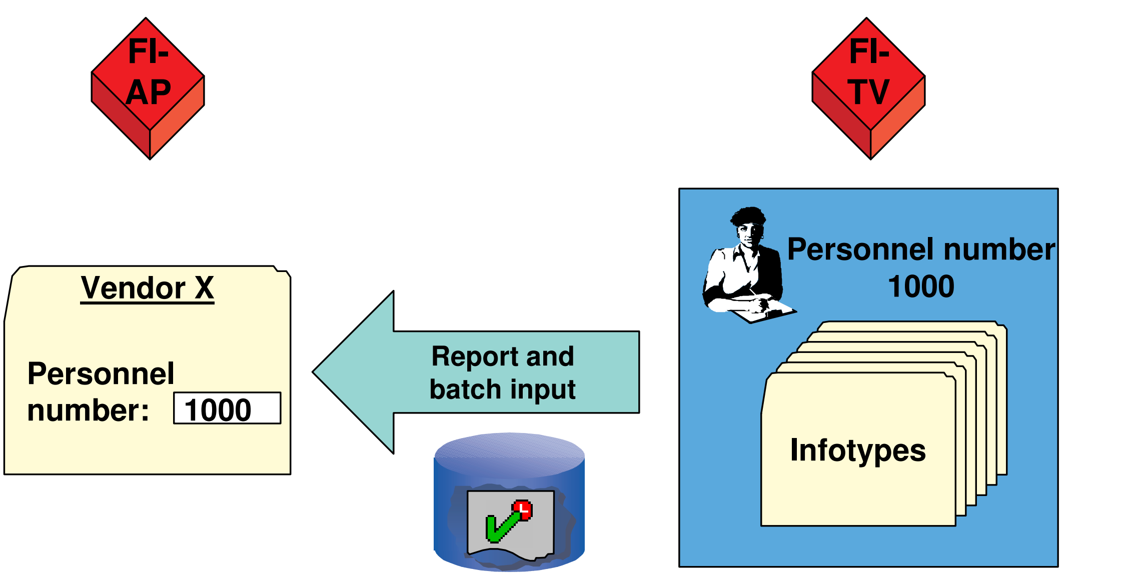
Setting Up Personnel Master Data

A/P Master Records for Employees



- Employee data is saved as **HR master data**. Since the HR master data can be quite large, its data is stored in data groups that are organized based on contents. One such data group is an **infotype**. For example, city, street, and number are part of the address of an employee and are thus saved (along with other data) in the infotype *Addresses*.
- IDES Group is using the HR application component and is thus able to save and valuate a large amount of data in the infotypes of HR master data.
- Companies, which are not using HR, are also able to create smaller HR master data, the so-called **mini master record in Travel Management**. The FI-TV mini master record only contains the following infotypes:
  - Personnel actions (list of all completed personnel actions)
  - Organizational assignment (such as company code, business area, and cost center)
  - Personal information
  - Addresses
  - Bank Details
  - Travel privileges (control parameters such as assignment of travel restrictions for the employee and for determining travel reimbursement)
  - Travel preferences (a row of infotypes for the support of travel planning)

Vendor Master Record for an Employee



- The IDES group reimburses employees for travel expenses using Financial Accounting. In order for the payment program to be able to complete this work, a **vendor master record** has to be created for every employee who travels. These personnel-related vendor records can be created automatically using a program. The program creates a batch input that then has to be run.
- The personnel number is entered in the vendor master record.

Presentation:

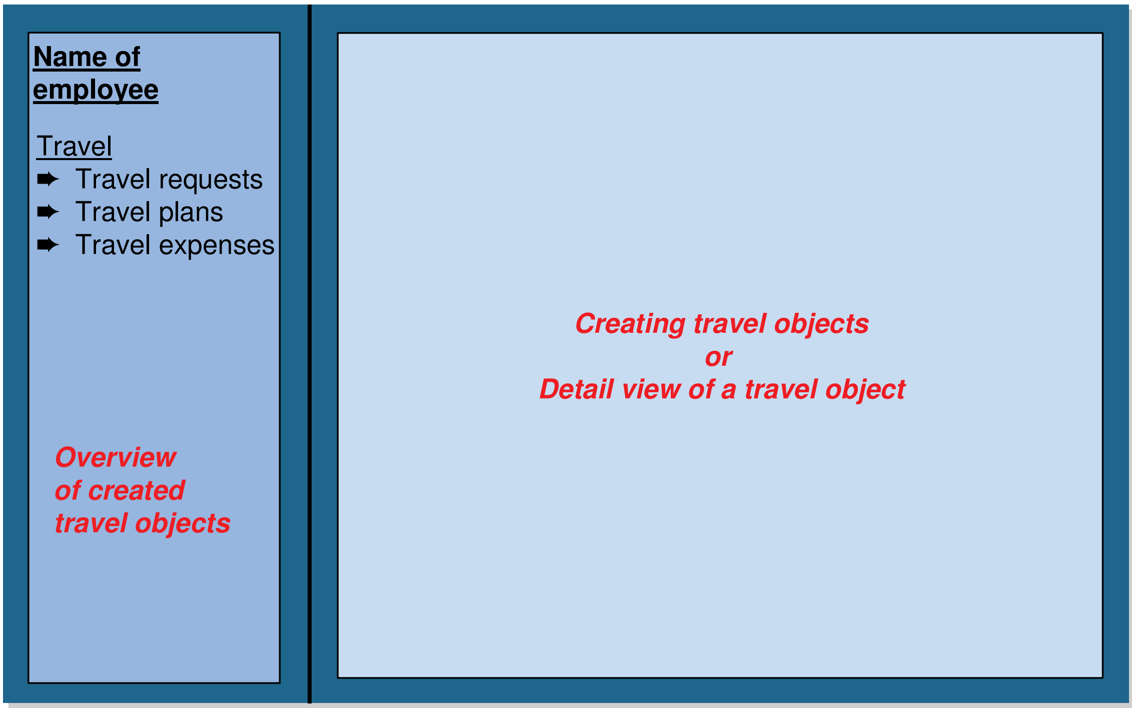
Accounting Transactions in Travel Management

Enter travel information

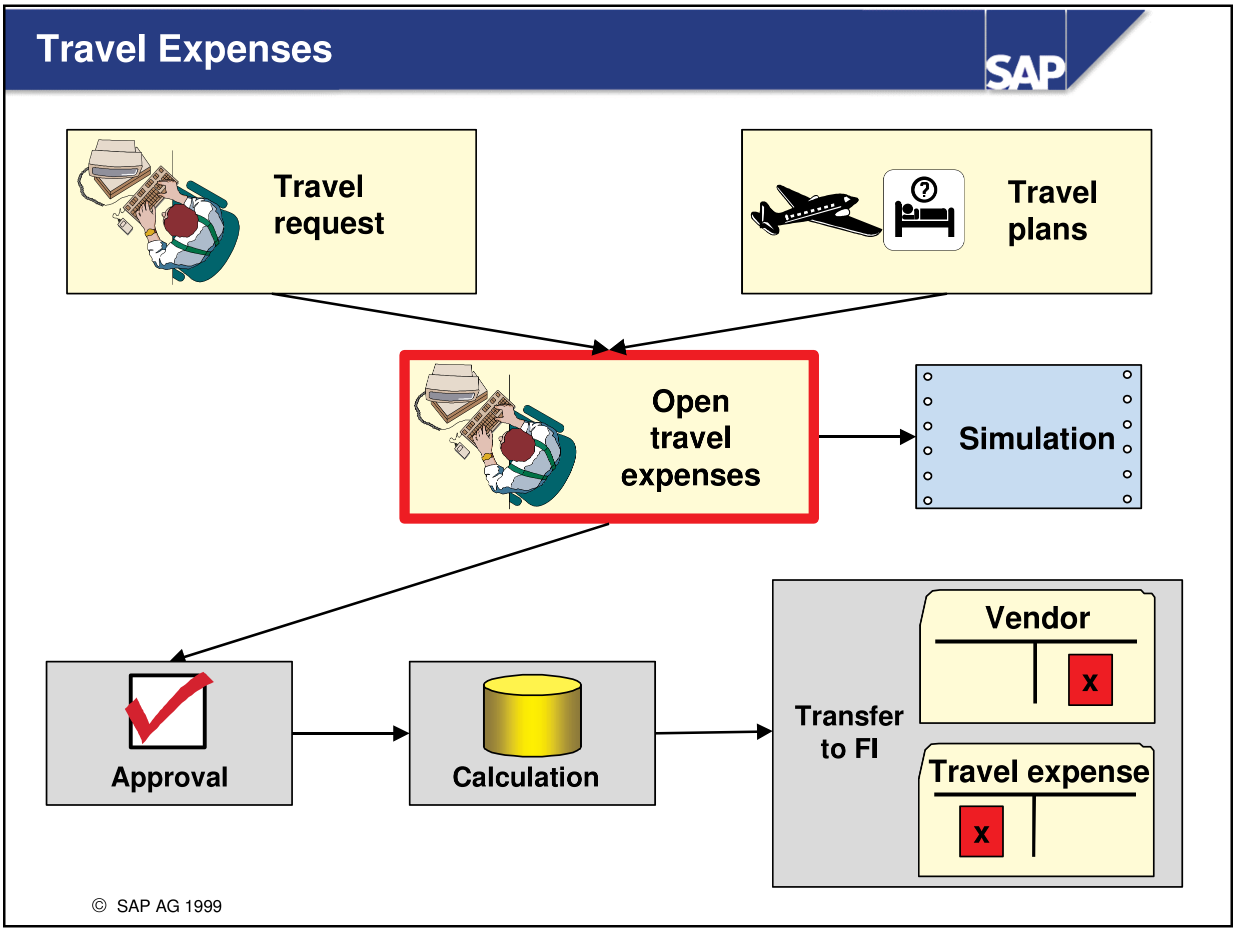
Enter travel costs

Transfer travel data to FI

Travel Manager (ENJOY)



- In **Travel Manager**, the employee has a complete overview of all his/her travel and the related travel objects. There are three types of travel objects: travel requests, travel plans, and travel reimbursement.
- Each of these objects can be created or changed with the Travel Manager.
- Depending on how travel management is organized in the company, all travel objects or only part of them can play a role in the travel process.
  - With **travel request**, the employee notifies the company that he/she is to take a business trip, and, depending on configuration, sends this information on to an internal travel office.
  - The **travel plan** can be used to plan the details of a trip and to book the means of travel. This takes the travel preferences that are saved as infotypes into consideration. A travel plan can be entered by an internal travel agent or by the employee.
  - **Travel expenses** are a collection of expense-related travel information. They are the basis for the calculation of travel reimbursement according to country-specific regulations and the posting in Financial Accounting. If the amounts are taxable for the employee, these amounts can be transferred to Human Resources.



- **Travel Expenses** are the central object in the travel process. The travel information is entered manually or can be obtained from the travel request or travel plan and then corrected. Although travel requests and travel plans offer optional functions, travel expenses are necessary for Travel Management. Prior to the actual calculation, the results can be simulated.
- The travel expenses can be entered by the employee or by the expense department. If the data was entered by the employee, the accounting department has to check and **approve** the documents prior to payment.
- For the **settlement**, the system calculates a total amount to be paid based on the travel information, reimbursement records, and settlement rules, and saves this information in the database.
- The settlement calculations are then sent to FI using a special posting run.

Self-Study: Master Data in Travel Management

At the conclusion of this self-study topic, you will be able to:

- Maintain travel privileges in HR master data
- Automatically create vendor master records for employees

Exercises

Unit: Travel Management

Topic: Master Data in FI-TV

At the end of these exercises, you will be able to:

- Expand a personnel master record to include travel privileges
- Generate vendors for personnel master records automatically

Travel Management is used to plan trips efficiently, to enter travel expenses as simply as possible, and to settle the trips.

The travel expenses are transferred from Travel Management to FI and the reimbursement amount is paid out to the employee by IDES Accounts Payable.

Accessing Travel Management:

Accounting → Financial accounting → Travel management

1-1 **Creating Travel Privileges**

An employee in the personnel area 1000 (Hamburg) goes on his first business trip for IDES Germany. So that his trip can be planned and settled in Travel Management, you have to expand his personnel master record to include the "trip privileges" area.

The employee has the personnel number 20##.

Accept the default values without making any changes.

Person-related master data → Maintain

Return to the SAP Easy Access menu.

1-2 **Creating Vendors**

At IDES Germany travel expenses are paid out by Financial Accounting using a payment program. To be able to do this, a vendor master record must exist for each employee who travels. This can then be used to process the payments. You can create these vendors automatically using a report.

1-2-1 **Starting Report for Creating Vendors from Personnel Master Records**

Use the report to create a vendor for employee 20##.

To help you fill in the selection screen use the report variant AC010.

Replace ## with your group number.

Make sure the client field at the bottom of the screen is the client you are working in.

Be sure to restrict the selection to your personnel number 20##, so that each group has the opportunity of creating their own vendor.

The variant AC010 forces you to restrict the selection to exactly one personnel number. In production operation the report would, of course, be run for a greater number of personnel numbers.

Person-related master data → Create vendors

Return to the SAP Easy Access menu.

1-2-2 **Starting the Batch Input Session**

The report has created a batch input session that has to be run to create the vendor master records.

Run the session A/P_ACC## in the foreground.

System → Services → Batch input → Sessions

Return to the SAP Easy Access menu.

1-2-3 **Checking Vendor**

Check the vendor that has just been created automatically. To find the correct vendor use the matchcode "Vendor by Personnel Number"

Make a note of the vendor number:

Accounts payable → Master records → Display

Self-Study: Accounting Transactions in Travel Management

At the conclusion of this self-study topic, you will be able to:

- **Enter travel costs**
- **Transfer travel data to FI**

Exercises

Unit: Travel Management

Topic: Accounting Transactions in FI-TV

At the end of these exercises, you will be able to:

- Query the travel overview of an employee
- Create travel expenses
- Settle trips
- Transfer trip receipts to FI

An employee goes on a business trip and enters the travel expenses incurred in the R/3 system on his return. The expenses department settles the trips and transfers the receipts to Financial Accounting.

Accessing Travel Management:

Accounting → Financial accounting → Travel management

2-1 <u>**Querying Trip Overview**</u>

Use the travel manager to obtain an overview of all the trips created for the employee Anja Muller <u>(personnel number 1000).</u>

Where did she go on her second trip and why? When did this trip begin and end?

Display the travel expenses for this trip. How much is the total reimbursement amount and to which FI and CO objects are the expenses or costs assigned?

Travel manager

Return to the SAP Easy Access menu.

2-2 **Entering Travel Expenses**

Since you have created the travel privileges for the employee John Doe ##, he can now go on his business trip to Berlin. He has to visit an important customer there. He will leave today at 16:00 and fly to Berlin. He will take a return flight tomorrow, to be back at 22:00. IDES Germany reimburses meals with a per diem amount. IDES has already paid for the flight, but this must still be entered by John Doe ## so that the total travel expenses can be calculated correctly. The flight costs 900 UNI. John Doe ## also has a receipt for a taxi journey for 25 UNI and a hotel bill of 200 UNI, both for today.

Enter the travel expenses for this trip. Always accept the input tax rates proposed by the system.

You can display the reimbursement amount John Doe ## will receive even before you save the trip. How much is the total reimbursement amount?

How high are the total costs of the trip?

After the trip has been saved and approved , John Doe ## transfers his trip receipts to the expenses department.

Travel manager

Return to the SAP Easy Access menu.

2-3 **Settling Trips**

Once the expense receipts have been checked the expenses departments wants to settle the trip. The employee 20## belongs to the payroll area D2.

Settle the trip using the variant AC010. Enter the period in which the trip ended and the personnel number 20##.

Travel expenses → Periodic processing → Settle trips

Return to the SAP Easy Access menu.

2-4 **Transferring the trip data to FI**

The transfer of receipts to FI consists of two steps. Carry these out one after another.

2-4-1 **Creating Trip Transfer Documents**

The first step in the transfer of travel expenses to FI is to create trip transfer documents.

Create these using the variant AC010. Enter the period in which the trip ended and the personnel number 20##. Call the posting run after your business area "BA##".

Travel expenses → Periodic processing → Transfer to accounting → Create posting run

Return to the SAP Easy Access menu.

2-4-2 **Creating Accounting Documents**

Now post the trips to FI.

Travel expenses → Periodic processing → Transfer to accounting → Manage posting runs

Return to the SAP Easy Access menu.

2-4-3 **Checking the Transfer**

Check how the document has posted in Financial Accounting by displaying the vendor line items for employee 20##.

Name the posting items.

____

____

____

____

____

____

____

Accounts payable → Account → Display/change line items

Return to the SAP Easy Access menu.

Unit Summary

SAP

You are now able to:

- Maintain travel privileges
- Enter travel costs
- Transfer travel information expense information to FI

Solutions

Unit: Travel Management
Topic: Master Data in FI-TV

Accessing Travel Management:

Accounting → Financial accounting → Travel management

1-1 **<u>Creating Travel Privileges</u>**

Person-related master data → Maintain

Field Name or Data Type	Values
Personnel number	*20##*

Continue

The Infotypes possible in the mini master record FI-TV are displayed. If there is a tick next to it, this means that the respective Infotype has been created. There is no tick next to the "Travel Privileges" Infotype so you must now create the travel privileges.

Select "Travel Privileges"

Click on "Create"

Do not make any changes

Save

Return to the SAP Easy Access menu.

1-2 **<u>Creating Vendors</u>**

1-2-1 **Starting Report for Creating Vendors from Personnel Master Records**

Person-related master data → Create vendors

Goto → Variants → Get

Double-click on variant "AC010"

Replace ## with your group number in the three fields at the bottom of the screen.

Field Name or Data Type	Values
Personnel number	*20##*
Client	*The client you are working in*

Execute

1-2-2 **Starting the Batch Input Session**

From the top of any screen follow:

System → Services → Batch input → Sessions

Select session A/P_ACC##

Click on "Process"

Select “Process/Foreground”

Click on "Process"

Confirm each screen by clicking on "Continue" until the whole session has been processed.

Return to the SAP Easy Access menu by selecting “Exit batch input”.

1-2-3 **Checking Vendor**

Accounts payable → Master records → Display

F4 in Vendor field

Choose "Vendors by Personnel Number" matchcode

Field Name or Data Type	**Values**
Personnel number	*20##*
Company code	*1000*

Continue

Choose the vendor displayed.

Make a note of the vendor number.

Select all views and go through all of these. Note that the personnel number is entered in the “Accounting Information Accounting ” screen.

Return to the SAP Easy Access menu.

Solutions

Unit: Travel Management

Topic: Accounting Transactions in FI-TV

Accessing Travel Management:

Accounting → Financial accounting → Travel management

2-1 <u>**Querying Trip Overview**</u>

Travel manager

Field Name or Data Type	Values
Personnel number	*1000*

Continue

Select “List of all trips” next to the overview icon.

Open the “Paid trips” folder to see a list of trips for Anja Muller.

Select the Travel Expenses icon under the Munich trip (second one from the bottom of the list) and select the “display” icon

Anja’s second trip took her to **Munich** to an **EnjoyProject**. She left on **01/02/98 at 10:00** and returned on **01/04/98 at 17:00.**

Select the information icon at the top left of the screen.

At the bottom you can see the reimbursement amount (**684 UNI**) and the cost assignments (**company code 1000, cost center 2200**).

Return to the SAP Easy Access menu.

2-2 <u>**Entering Travel Expenses**</u>

Travel manager

Field Name or Data Type	Values
Personnel number	*20##*

Continue

Click on "Creating a travel expense report"

Choose trip schema "Domestic Trip"

Continue

General trip data

Field Name or Data Type	Values
Trip beginning	*Today, 16.00*
Trip end	*Tomorrow, 22.00*
First destination	*Berlin*
Trip country	*DE*
Reason for trip	*Business trip*

Expense receipts

Field Name or Data Type	Values
Exp. receipt 001	*Airfare, paid (select from possible entries)*
On	*Today*
Amount	*900 UNI*

Click on "Add to table"

The receipt is displayed in the receipt list.

Field Name or Data Type	Values
Exp. receipt 002	*Taxi*
On	*Today*
Amount	*25 UNI*

Click on "Add to table"

The receipt is displayed in the receipt list.

Field Name or Data Type	Values
Exp. receipt 003	*NgtHotel*
On	*Today*
Amount	*200 UNI*

Click on "Add to table"

The receipt is displayed in the receipt list.

Click on "Results"

The employee receives a reimbursement of 255 UNI.

The total cost of the trip amounts to 1155 UNI.

Back (Green arrow)

Press the **Approve** push-button. This will save and approve the report in one step.

Confirm the question about trip receipts by pressing "Yes".

Return to the SAP Easy Access menu using the yellow arrow.

2-3 **Settling Trips**

Travel expenses → Periodic processing → Settle trips

Goto → Variants → Get

Double-click on variant "AC010"

Field Name or Data Type	Values
Other Period	*Period and year when the trip ended*
Personnel number	*20##*

Execute

Return to the SAP Easy Access menu.

2-4 **Transferring the trip data to FI**

2-4-1 **Creating Trip Transfer Documents**

Travel expenses → Periodic processing → Transfer to accounting → Create posting run

Goto → Variants → Get

Double-click on variant "AC010"

Field Name or Data Type	Values
Other Period	*Period and year when the trip ended*
Personnel number	*20##*
Posting Run Name	*BA## (replace ## with your group number)*

Execute

Return to the SAP Easy Access menu.

2-4-2 **Creating Accounting Documents**

Travel expenses → Periodic processing → Transfer to accounting → Manage posting runs

Put your cursor directly on the posting run "**BA##**"

Click on the "Post" push-button

Select the option to post the documents immediately

Return to the SAP Easy Access menu.

2-4-3 **Checking the Transfer**

Accounts payable → Account → Display/change line items

Field Name or Data Type	Values
Vendor account	*Vendor number for employee 20##*
Company code	*1000*

Execute

You should see a line item for 255 UNI displayed.

Double-click on the line item

Click on "Document overview"

The document items are:

John Doe ## 255.00-

Travel Expenses Clearing 900.00-

Travel exp./accommod. 200.00

Travel exp./meals 30.00

Travel Exp. Drive/Fl. 23.15

Travel Exp. Drive/Fl. 900.00

Input tax 1.85

Bank Accounting

Contents:

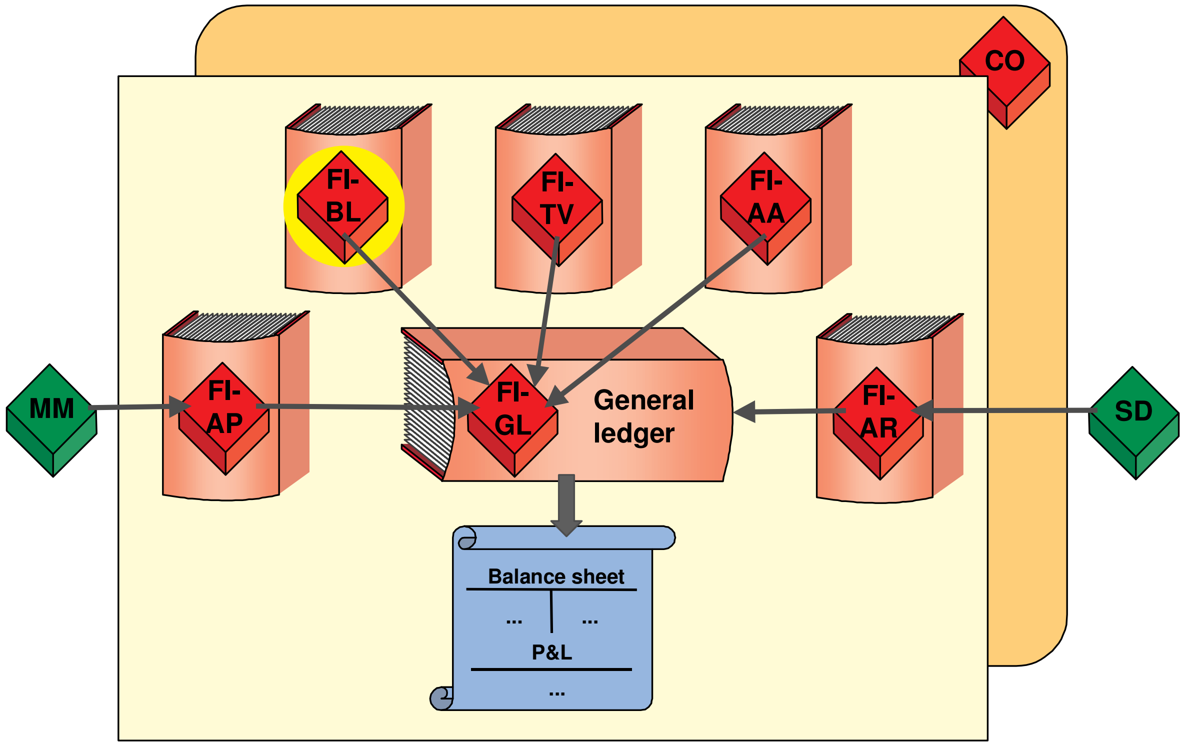
- Master Data in Bank Accounting
- Accounting Transactions in Bank Accounting

Bank Accounting: Unit Objectives

At the conclusion of this unit, you will be able to:

- **Maintain the bank directory**
- **Process various accounting transactions in bank accounting**

Overview Diagram: Bank Accounting



- **Bank ledger** supports the posting of cash flows.

Bank Accounting: Business Scenario

- All accounting transactions affecting incoming or outgoing payments can be completed centrally in Bank Accounting.
- Bank Accounting is, however, not a true subsidiary ledger, like A/P, A/R, and Asset Accounting, since it does not have its own set of sub-ledger accounts. Rather, it posts directly to G/L accounts.

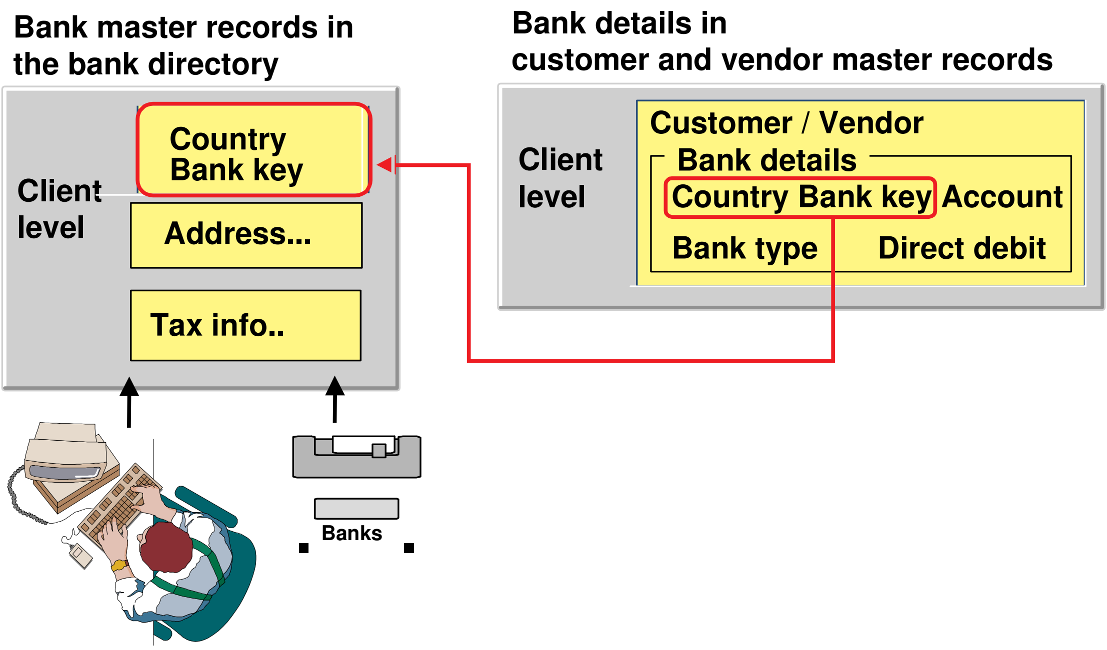
Presentation:

Master Data in Bank Accounting

Bank master records

Bank G/L accounts

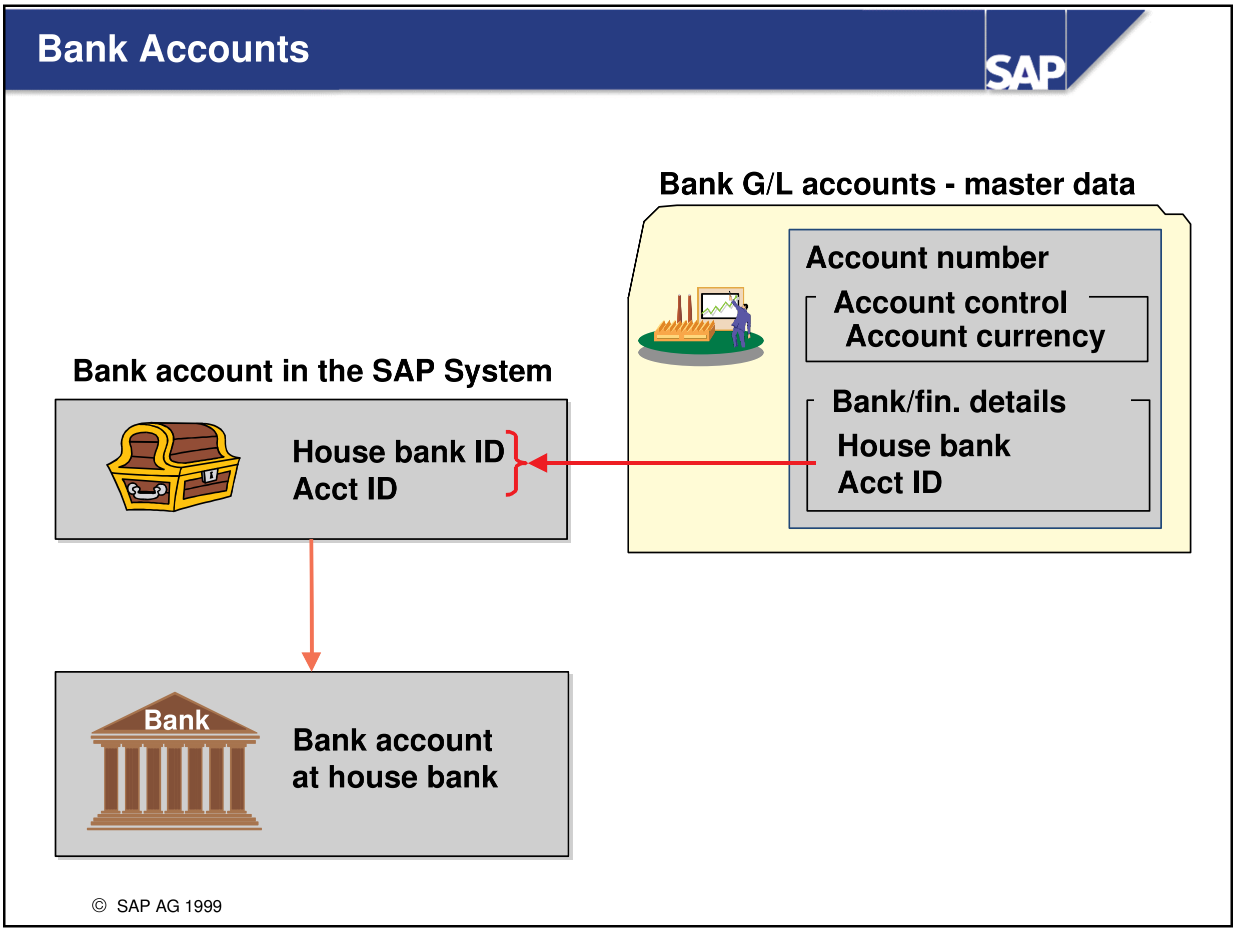
Bank Directory



- The bank directory contains the addresses and valid control data (such as Swift code) of all banks used in the SAP System.
- The bank directory can either be:
  - Automatically imported, as long as the bank directory is available on diskette and an import program exists for this data

  or

  - manually created
- If a bank is set up in the bank directory, this information could then, for example, be accessed when entering the bank information in a customer or vendor master record. You would only need to enter the country of the bank and the country key; the system would determine the name and address in the background.



- A **House Bank** is a bank where a company code has an account(s).
- Each bank account is represented in the SAP System by a combination of house bank ID and account ID. This combination is then entered in a G/L account and represents the bank account in the general ledger. There is thus a relationship:

  Bank account at house bank <--> combination house bank and account ID <--> G/L account

- The represented relationships should always be a one-to-one relationship.

Presentation:

Accounting Transactions in Bank Accounting

Cash journals

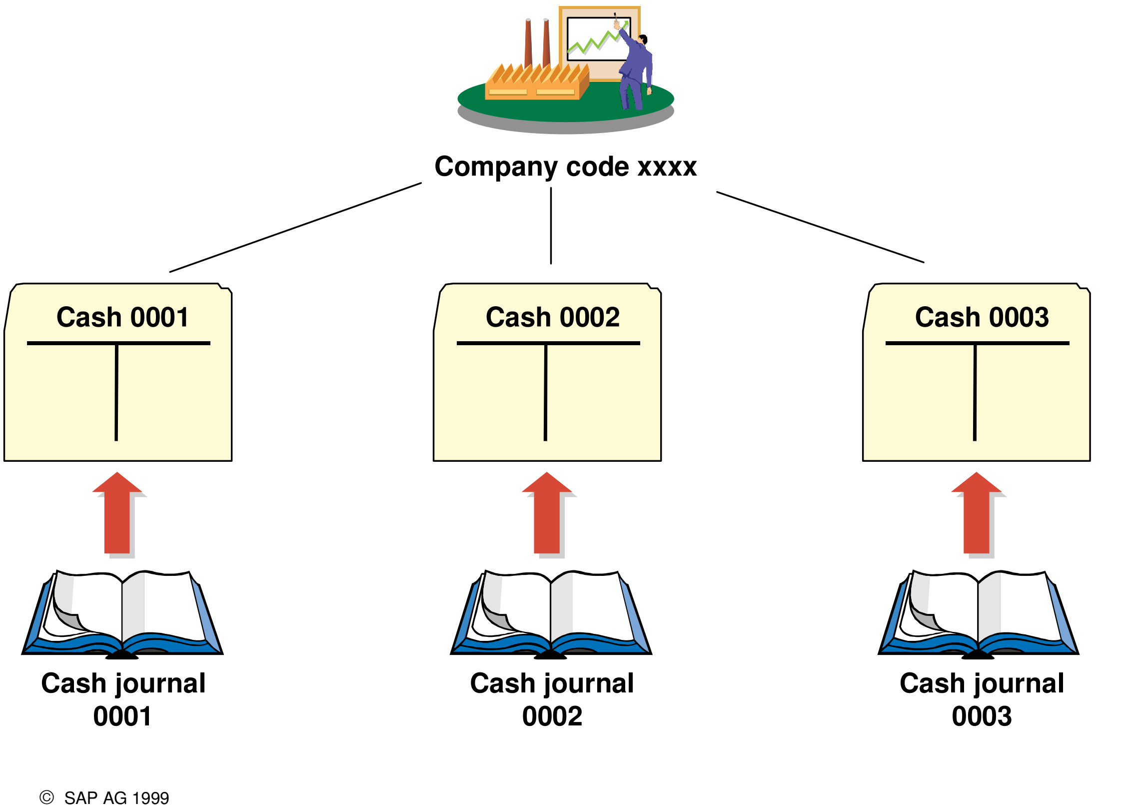
Check deposits

Lockbox

Account statements

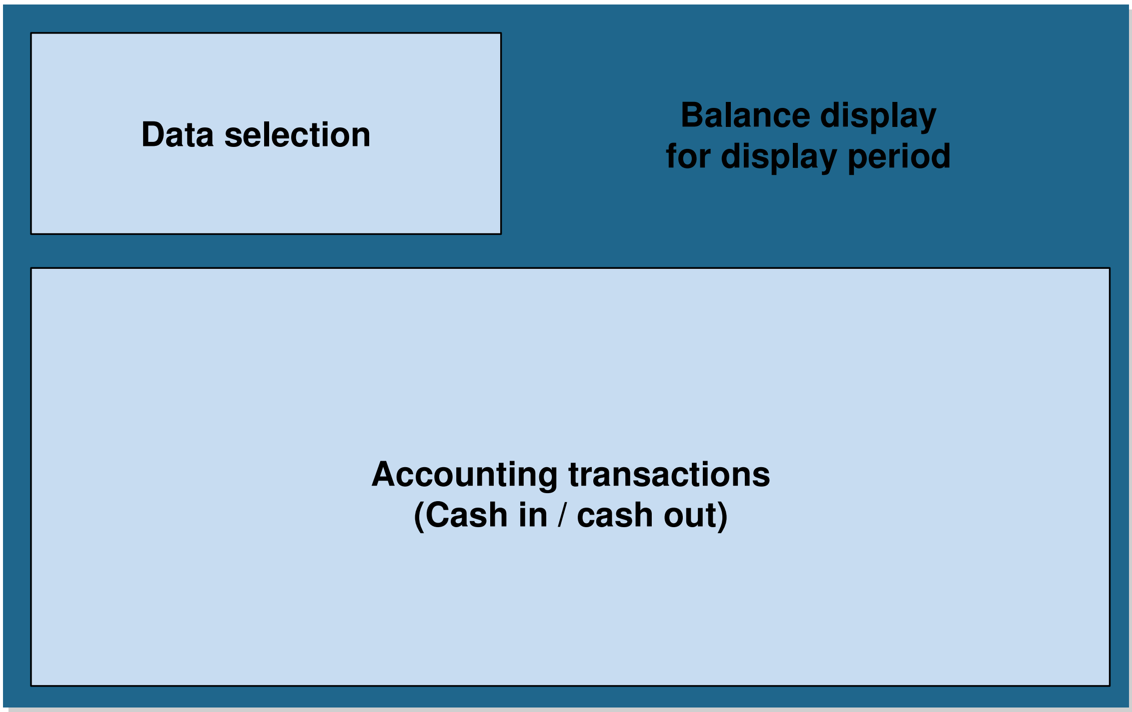
Check management

Cash Journals



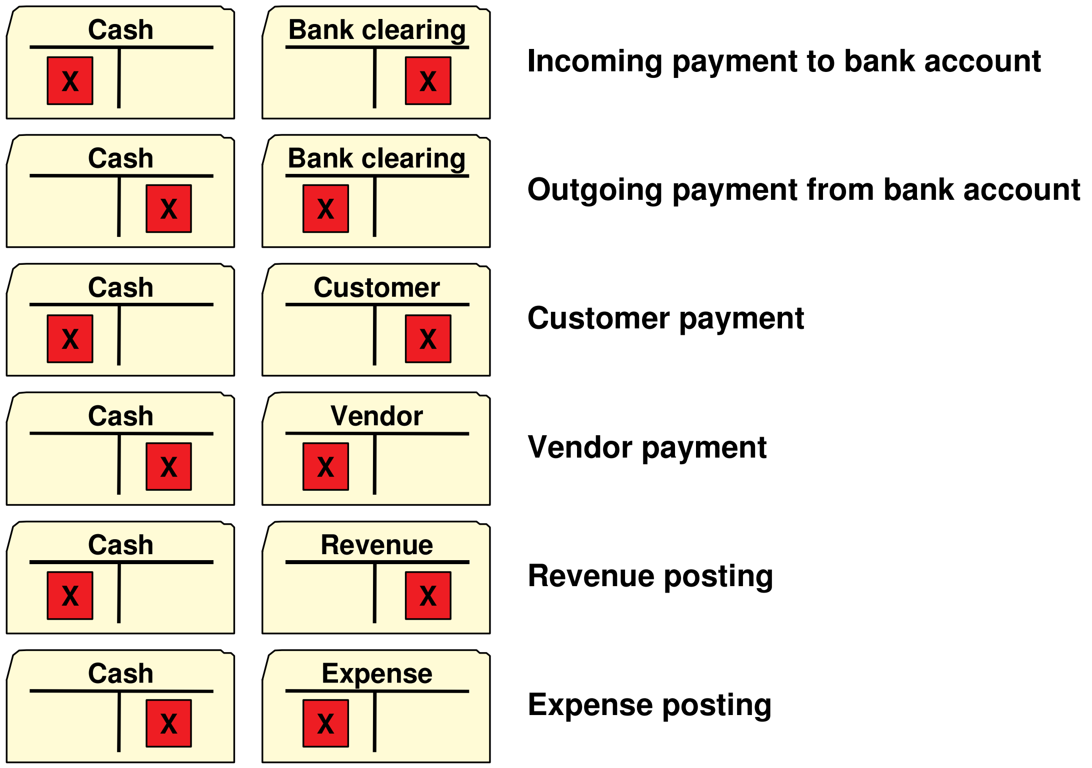
- Since the Enjoy Release (4.6), SAP offers cash journals to manage petty cash. You can create cash journals that are uniquely identified by a four character name.
- Each cash journal should be assigned to one G/L account, which represents the cash journal in the general ledger. It is, however, possible, to connect multiple cash journals with one G/L account. Cash transactions are saved separately in the cash journal and are transferred periodically (for example, daily) to the general ledger.

Cash Journal Transaction (ENJOY)

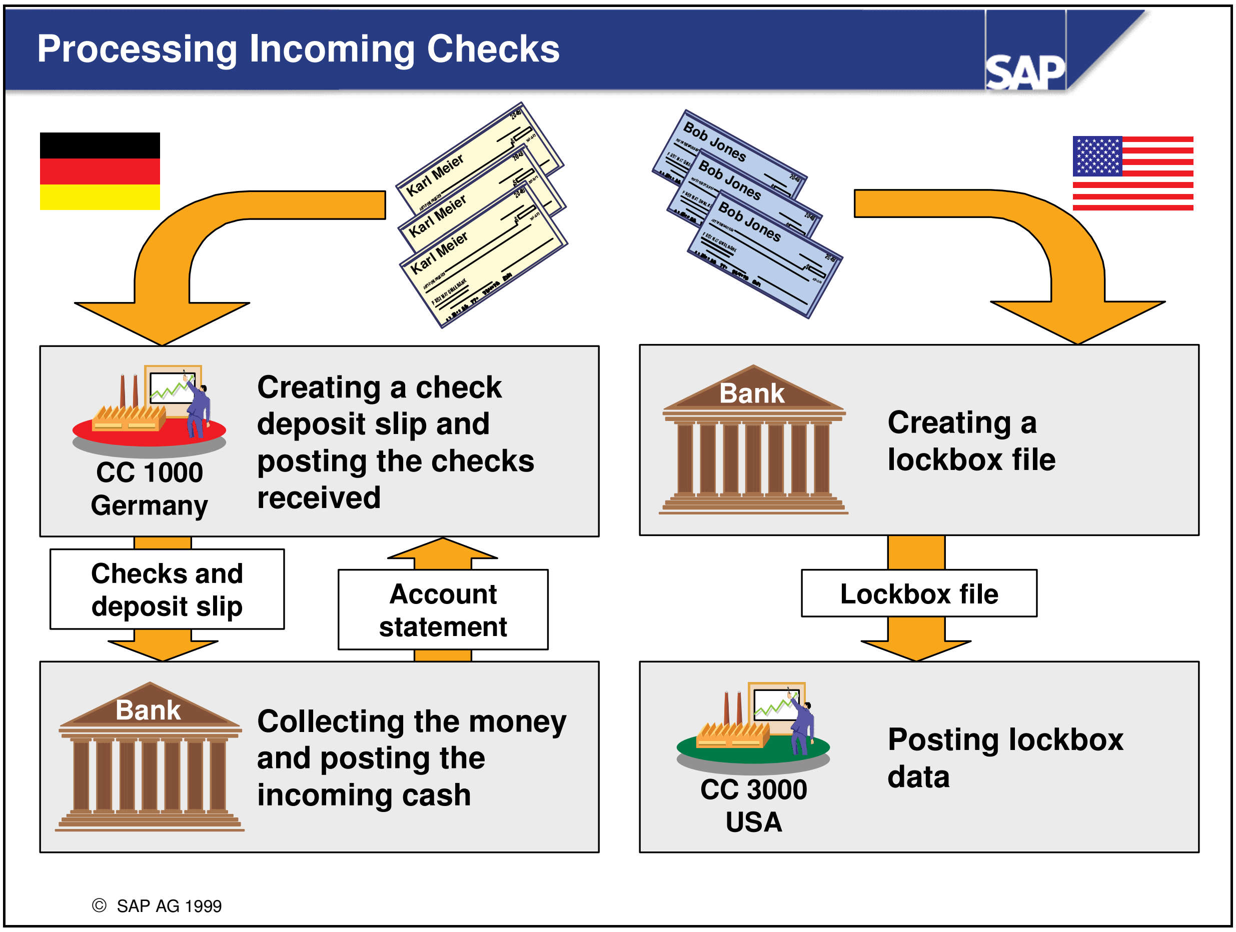


- The **cash journal** has the form of a new **ENJOY** transaction. The screen is divided into three sections:
  - Data selection: Here, the time period of the data can be selected.
  - Balance display: This displays the totals of incoming and outgoing cash and the beginning and ending balance.
  - Accounting transactions: Here, the cash journal transactions can be entered.
- Accounting transactions are saved separately in the cash journal and are transferred periodically (for example, daily) to the general ledger. The transferred transactions can be printed as a journal.
- A receipt can be printed for each individual transaction.

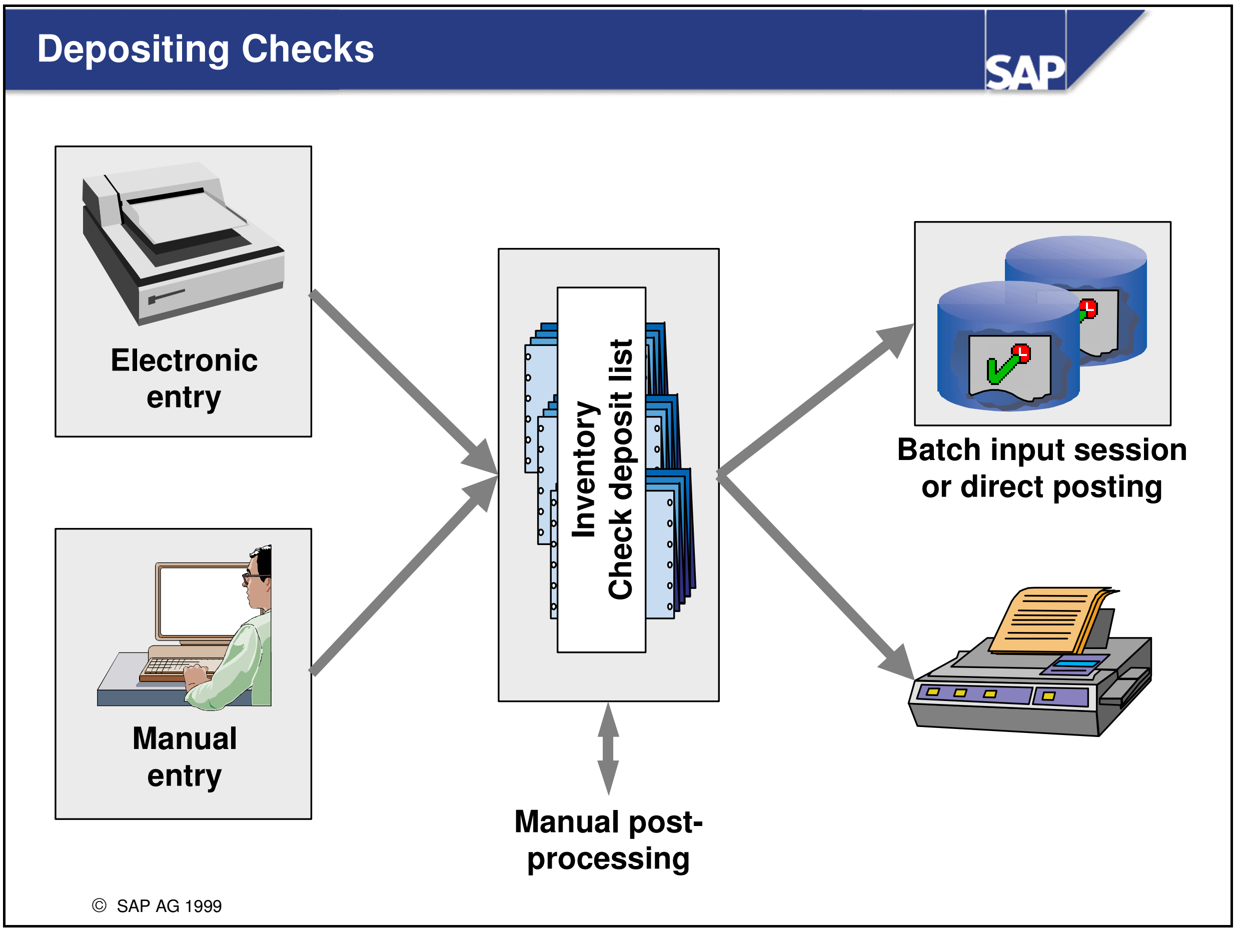
Types of Cash Journal Transactions



- On this slide, the possible **types of cash journal transactions** and their corresponding posting records are represented.
- There can be many concrete accounting transactions with specified bank clearing accounts, revenue accounts, and expense accounts, all with a descriptive text. An example of an accounting transaction of type "expense posting" would be "cash purchase of office supplies" using the expense account "Office supplies". The accounting transactions are set up in Customizing but can also be created directly from the application, if a new accounting transaction is deemed necessary during daily operations.
- **1.** Note: Customer and vendor payments cannot be executed using clearing. The payment must be cleared against an open item in a separate step in A/P or A/R.
- **2. Note:** Incoming and outgoing bank payments are not posted directly to bank accounts. Rather, they are first posted to bank clearing accounts. The bank clearing accounts are then cleared using the account statement posting.

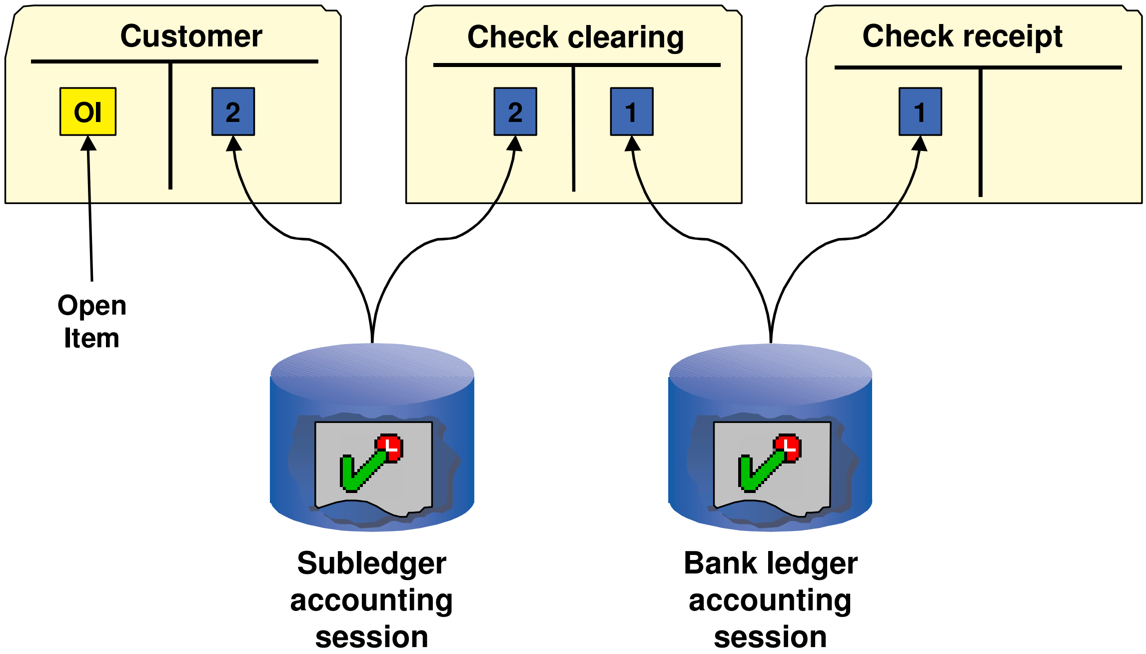


- The processing of incoming checks in handled differently internationally. The two most common procedures are represented on the slide based on IDES company codes 1000 (Germany) and 3000 (USA). In Germany, payments are often made using bank transfers. In the USA, checks are the most common method of payment. For this reason, the number of incoming checks in Germany is relatively small and can be handled by the accounting department. In the USA, many companies take advantage of a special service provided by their banks, the so-called lockbox, which relieves them of considerable work.
- **Germany:** The checks are sent directly from the customers to the accounting department. The paid items are cleared, the checks received are posted to special incoming check accounts, and the checks and a check deposit slip are sent to the bank. The bank collects the money and posts it to the bank account. The posting appears on the account statement and the amount received clears the incoming check account in the general ledger.
- **USA:** The checks are sent directly from the customers to the company's lockbox. The bank collects the money and records the checks and payment information in a lockbox file. The bank sends this file to the accounting department. By posting the lockbox data, the paid items are cleared and the check amounts are posted directly to the bank (G/L) account. With a lockbox account, the processing of the account statement is thus not necessary.
  Note: The lockbox account is only intended for incoming cash. Outgoing money is transferred to a different bank account, which is used to complete all other accounting transactions, such as travel costs, cash payments, and so on. The account statement has to be processed for these transactions.



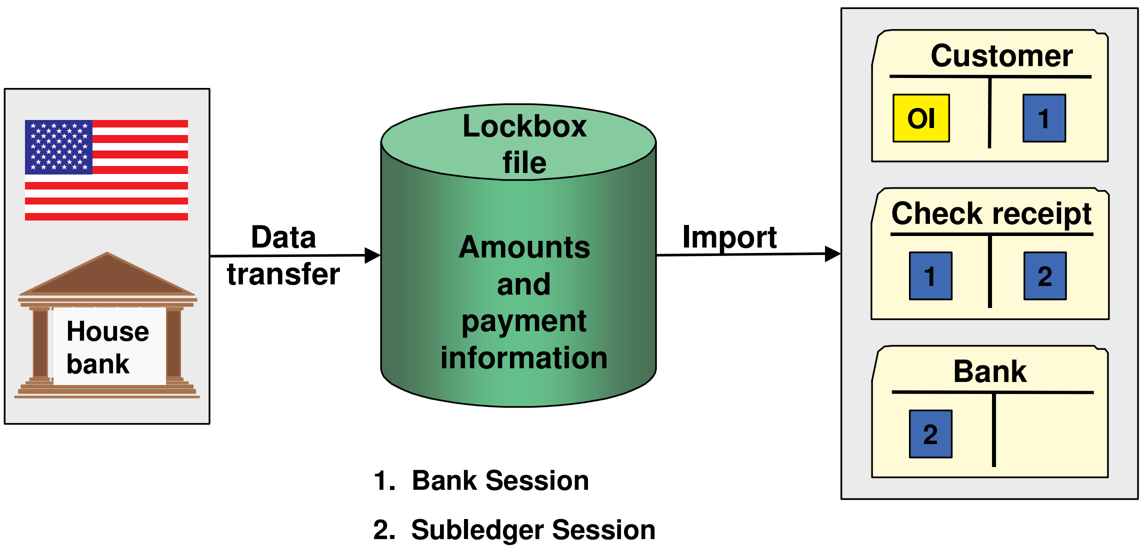
- The process of **depositing checks** is as follows:
  - The incoming checks can be processed manually or with a check scanner.
  - After all checks have been entered, a list of checks to be deposited is available in the system and can be corrected if necessary.
  - The check deposit lists can be printed out and sent to the bank along with the checks
  - Batch input sessions are created from the check deposit lists and have to be processed in order to create the related postings. Beginning with 4.0, posting can be completed directly, that is, without a batch input session.

Posting a Check Deposit

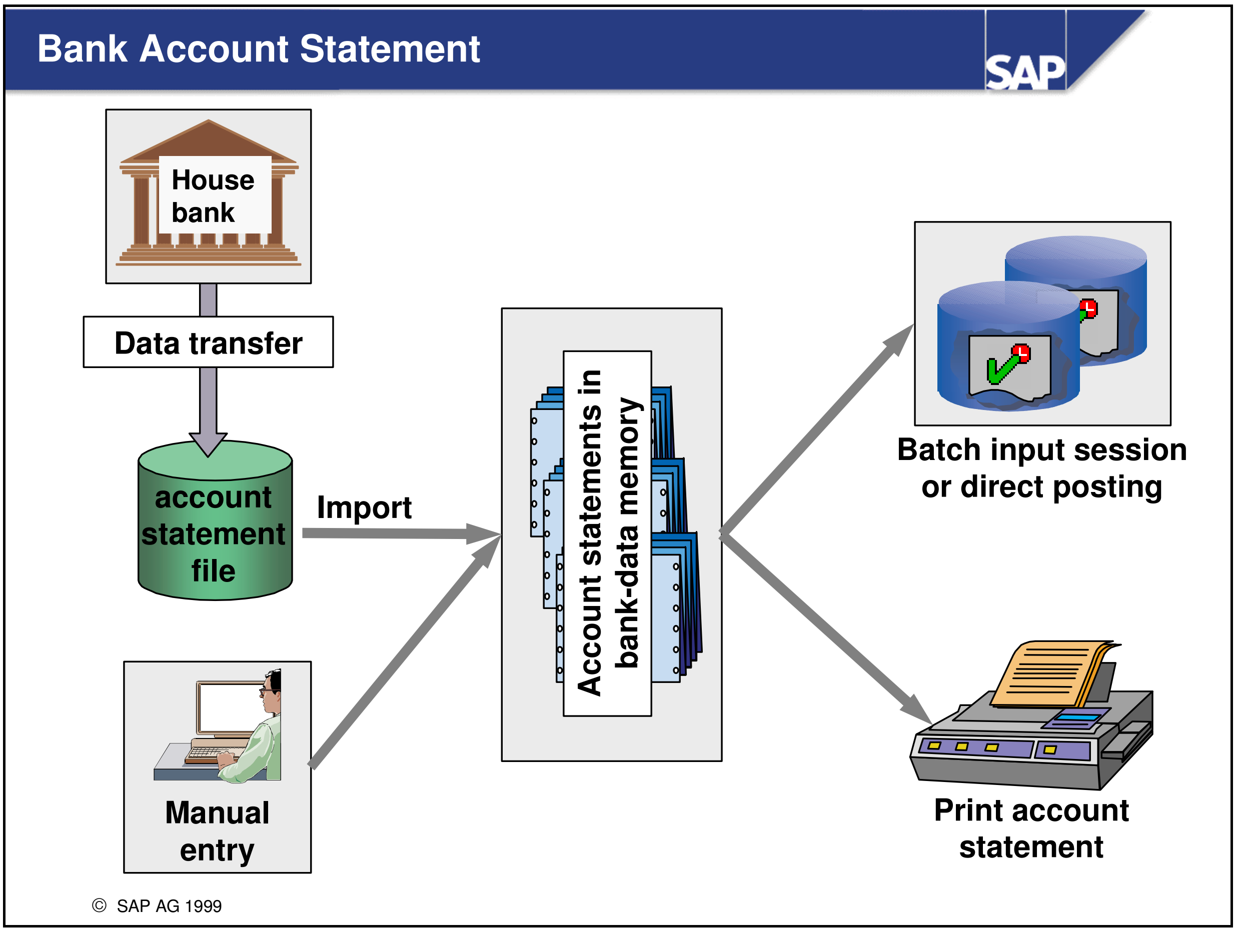


- **Two batch input sessions** are created from the check deposit lists, and both sessions have to be processed in order to create the related postings. These two sessions are: a subledger accounting session and a bank accounting session.
  - The **subledger accounting session** is generally processed from accounts receivable and clears the open items paid. The offsetting posting is made to a check clearing account. The items to be cleared are found based on the data included on the check deposit slip provided (such as delivery number, document number, and so on).
  - The **bank ledger accounting session** is generally processed by the banking department (or cash management) and posts the check amounts to the incoming check account; the offsetting posting is posted to the check clearing account.
- The bank ledger accounting session should be processed first, so that cash management receives the most up-to-date information in a timely manner. When processing the subledger accounting session, payment differences may, in certain cases, need to be dealt with.
- **Note:** For a smaller company, which does not have these various departments, the use of a check clearing account may not be necessary. The posting from the subledger accounting session could then be posted directly to the incoming checks account.

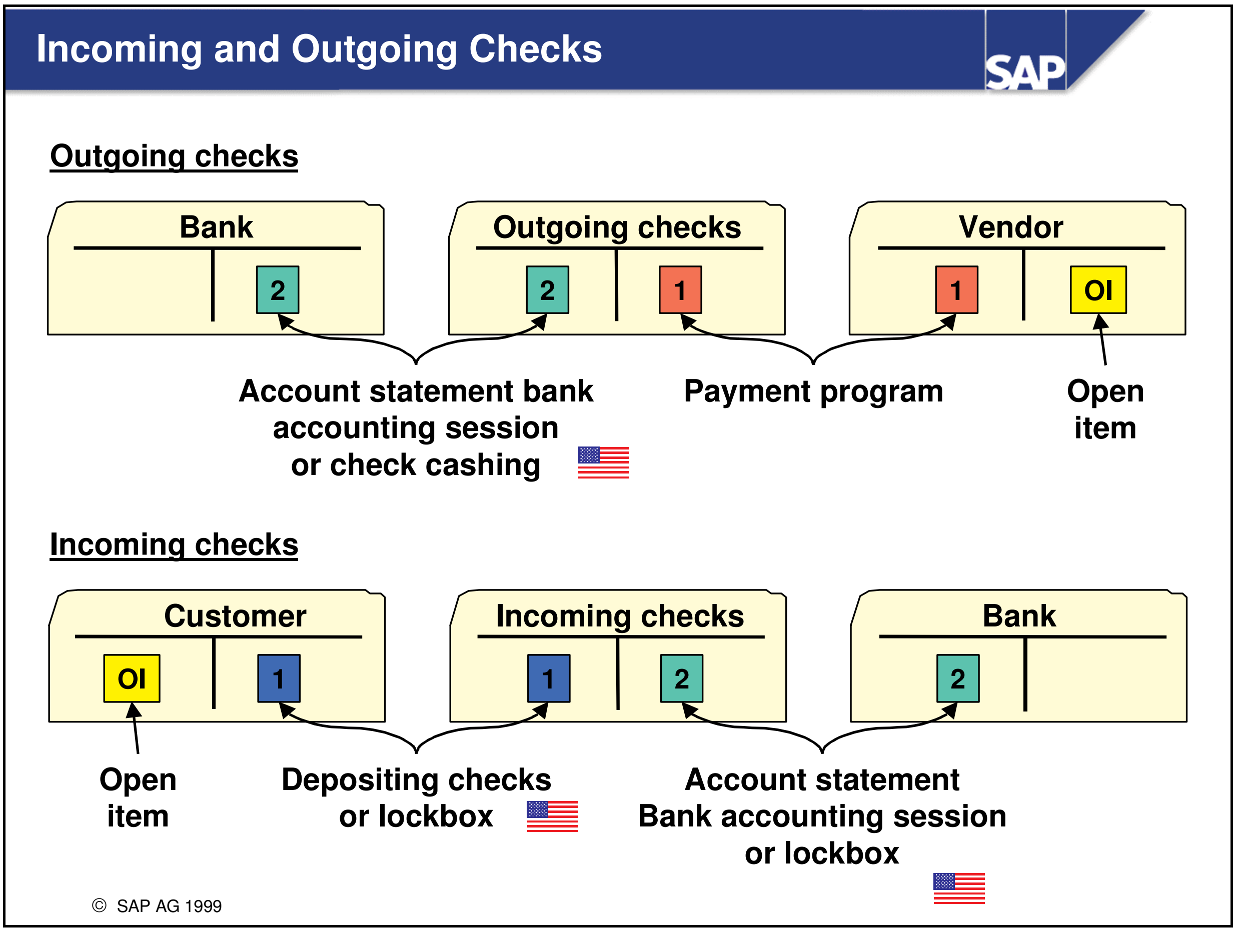
Lockbox



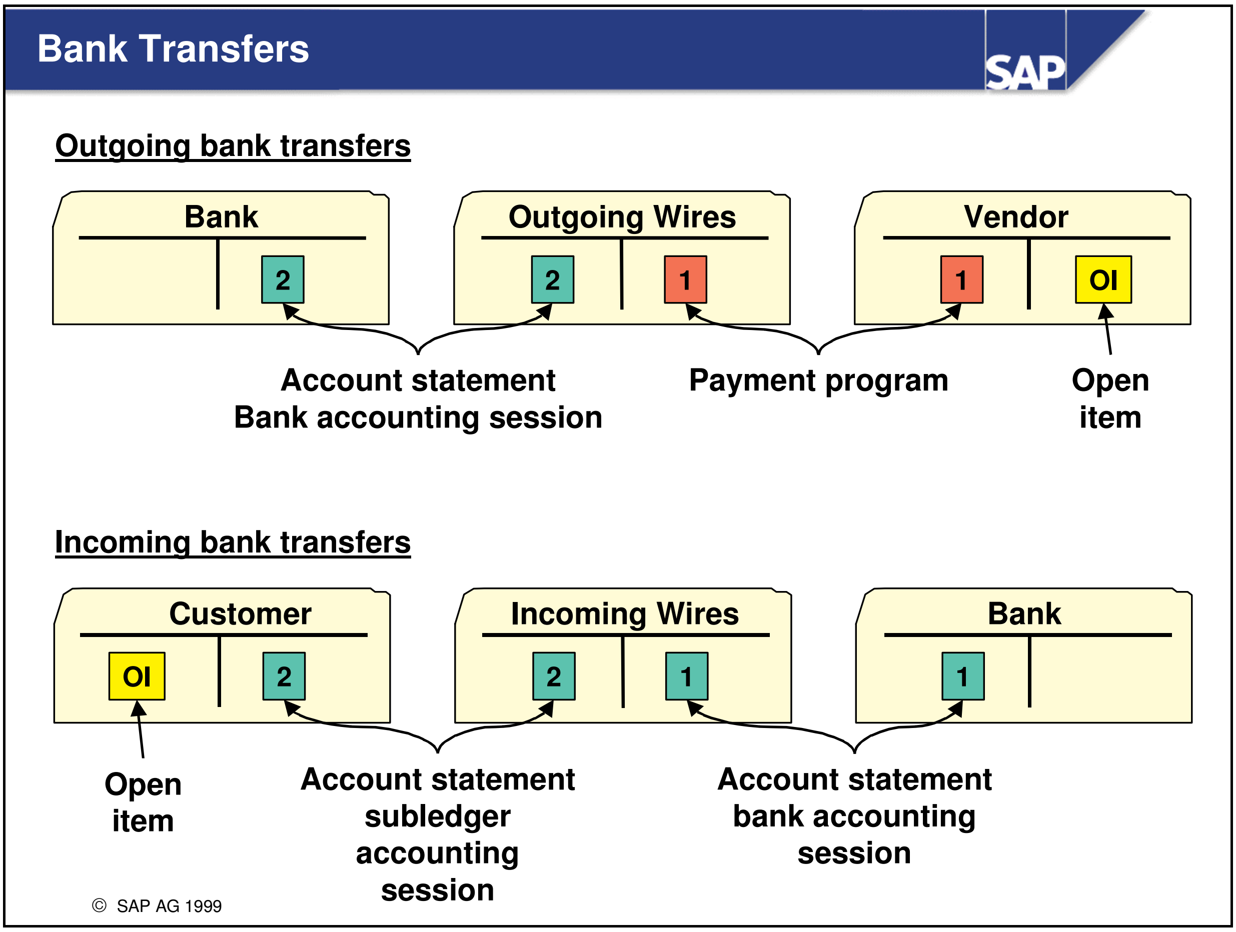
- When using a lockbox, the customers send their checks and payment information directly to the bank. The bank saves the check information and payment information in a file and sends it to the accounting department using data transfer (diskette, data line, EDI). The lockbox file is recorded in the SAP System with a program, the incoming check postings are activated, and the paid items cleared. Complete payment information allows the R/3 System to proceed reliably with the clearing. If an assignment is not possible, the payment information has to be processed afterwards using a special transaction.



- The bank informs the accounting department of the transactions in the bank account of the company using an **account statement**. The postings listed have to be understandable to the accounting department.
- The account statement can be sent to the company in one of two ways:
  - As a form: In this case, the account statement information has to be manually entered in the SAP System.
  - As a file: The file is either sent as a diskette or can be accessed from the bank using a (bank-specific) transfer program. A SAP program imports the information in the file to the bank temporary storage of the SAP System.
- The process continues as follows:
  - The account statements in the bank temporary storage can be printed for documentation purposes.
  - Batch input sessions are created from the account statements in the bank temporary storage, and the sessions have to then be processed in order to create the related postings. Beginning with 4.0, posting can be completed directly, that is, without a batch input.
  - Postprocessing, if needed, is completed by either running the batch input session online or by making the postings directly using a special postprocessing transaction.

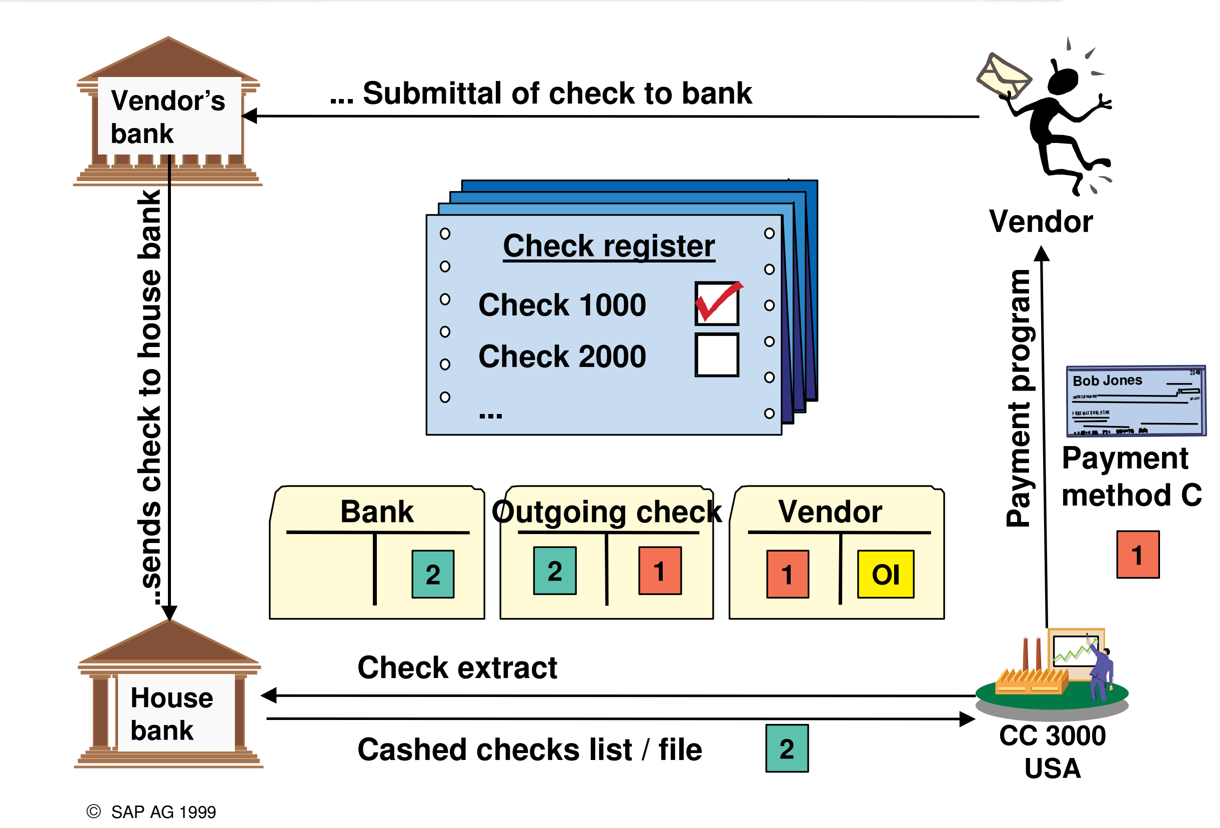


- During this course, you were introduced to various programs that provide accounting with support for processing checks. This slide contains an overview showing the programs and the various postings made with them.
- **Outgoing checks:** The payment program creates the check, posts the outgoing check, and clears the open item of the vendor. The outgoing check is posted to an outgoing check account. Once the check has been deposited by the vendor and the bank account debited, it will appear on the account statement, and the bank accounting session of the account statement function posts this as "outgoing check to bank". When using check management, this posting is activated by the check deposit.
- **Incoming checks:** You have already been introduced to two ways of doing this. In the USA, all required postings are completed using the lockbox functions. With the other procedure, you first post the incoming checks to an incoming check account and clear the open items. In a second step, the bank accounting session posts the incoming cash with the posting record "bank to incoming check".



- **Bank transfers** are used quite extensively in many countries. This slide contains an overview showing the programs which are responsible for various postings.
- **Outgoing bank transfers:** The payment program creates the bank transfer and posts in to the outgoing payment account. At the same time, the open vendor items are paid. The cash flow appears on the account statement and the bank accounting session creates the posting "Outgoing cash to bank".
- **Incoming bank transfers:** Incoming bank transfers appear on the bank statement. The account statement function posts the incoming cash using the bank accounting session. The posting record is "bank to incoming cash". The subledger accounting session clears the paid items in the customers account. The account statement function obtains the assignment information from the "notes to payee" field.

Managing Outgoing Checks



- **<u>Check management</u>** is used to establish the status of a check (open, cashed, void). SAP offers two payment methods for which check management can be completed:
  - **Payment method S** (not shown): The check contains the same number as the corresponding payment document. The payment documents are posted to the outgoing check account. The status of a check can be determined by viewing the outgoing check account, which is open item managed.
  - **Payment method C** (see slide) The check is pre-numbered or obtains a sequential number from a predetermined number range. The status of such checks is contained in a special check register. This is used quite frequently in the USA.
- The **payment process using payment method C** is as follows:
  - The payment program clears the open item, prints the check, and enters the check as open in the check register. A list of all sent checks is sent to the bank for confirmation of checks cashed (check extract).
  - The vendor receives the check and deposits it at his bank, which sends the check to the house bank of the company code of the customer.
  - The check payments appear on the account statement of the bank; they are ignored when the statement is read. Accounting receives a list of cashed checks or a file with this information from the bank. This is electronically or manually entered, the outgoing check postings are cleared, and the check(s) are marked as "cleared" in the check register.

Self-Study: Master Data in Bank Accounting

At the conclusion of this self-study topic, you will be able to:

- **Maintain the bank directory**
- **Describe the relationship of G/L accounts to bank accounts**

Exercises

Unit: Bank Accounting

Topic: Bank Master Data

At the conclusion of these exercises, you will be able to:

- Describe the connection between the bank account and the general ledger
- Change an entry in the Bank Directory

It is possible to perform all accounting-based business transactions involving direct incoming or outgoing payments centrally in bank accounting. Bank accounting is not really subledger accounting like accounts payable, accounts receivable or asset accounting, as it does not have subledger master records. Instead, it posts directly to general ledger accounts.

To access bank accounting:

Accounting → Financial accounting → Banks

1-1 **Identifying bank accounts**

Every IDES company code has accounts at one or several house banks. Every bank account is assigned to exactly one G/L account. On the general ledger, this G/L account then reflects all postings performed by the bank on the assigned bank account. In company code 1000, for example, G/L account 113100 is such a G/L account representing a bank account. Take a look in the company code-specific settings of the G/L account to see which bank account this G/L account represents.

House bank: ______________ with bank key:____________________________

Account: ____

G/L Accounting:

Master records → Individual processing → In company code

Now go back to the SAP Easy Access menu.

1-2 **Changing the Bank Directory**

The Bank Directory contains the addresses of all banks in a certain country. You can access the Bank Directory both from subledger accounting and from bank accounting when entering bank details in a customer master data record, for example.

In some countries (Germany and the US, for example), it is possible to automatically and regularly update the Bank Directory using a file available from the banks and an import report.

However, if you are aware of changes to bank data from accounting in advance, you can also enter these manually.

The bank group UNI Bank has been taken over by the bank group Interbank. Change the description of the bank with bank key 900000## from "UNI Bank ##" to "Interbank ##".

Banks → Master data → Bank master record → Change

Now go back to the SAP Easy Access menu.

Self-Study: Accounting Transactions

At the conclusion of this self-study topic, you will be able to:

- Enter and post transactions in a cash journal
- Create and process a check deposit slip

Exercises

Unit: Bank Accounting

Topic: Business Transactions in Bank Accounting

At the conclusion of these exercises, you will be able to:

- Enter business transactions in the cash journal
- Perform a manual check deposit transaction
- Manually process a bank statement (optional)

In different countries, the automatic handling of incoming payments by check is performed differently. Here are two examples:

- In Germany, the checks are sent from the customers directly to accounting of company code 1000. Here a check deposit transaction is created and this is passed, along with the checks, to the house bank.
- In the USA, company code 3000 uses the lockbox service of its house bank. The house banks receive the checks directly and enter the check data. This data is sent as a file to accounting and imported there.

Cashed, outgoing checks can also be handled differently.

- In Germany, the cashed checks appear individually as outgoing payments on the bank statement and are processed with this.
- In the USA, the cashed checks only appear as a total on the bank statement and accounting receives a list of the cashed checks as a separate file (cashed checks).

2-1 **Cash journal**

→

2-1-1 **Entering expenses**

The accounting department urgently needs paper for the printer and sends employee Paul Wahl to the nearest office supplies store. He pays the purchase price of 30 UNI from his own pocket and then goes to the company code's cash register to get his money back. Enter the outgoing cash payment for office supplies. Debit the expense to your cost center CC##.

Then print a receipt for the cash register. This must be signed by the cash recipient.

2-1-2 **Payment to the bank account**

At the end of the week, the total amount of petty cash is brought to the bank. Enter this transaction.

2-1-3 Forwarding to FI

At the end of every day, all entered transactions are forwarded to the general ledger where they are updated. Carry out this procedure and then display the accounting documents generated for each item.

Now go back to the SAP Easy Access menu.

2-2 Manual check deposit transaction

Every day, IDES Germany receives a very large number of checks that need to be deposited at the house banks. To keep the effort of entering all these checks to a minimum, IDES usually uses a check reader and imports the entered data into the R/3 system by means of a report.

To test the functions of the check deposit transaction and to better understand it, you should now enter two of the checks received manually.

These two checks reached the accounting department of company code 1000, each together with a payment advice note. The first check is from customer CUSTOMER## (Becker ##), the second one from customer FOREIGN## (Poirot ##). The companies specify in the payment advice note which of their orders they wish to pay for with the checks.

The accountant explains to them that the system is configured in such a way that the order number is always automatically entered in the field "Reference" on the accounting document when it is transferred to financial accounting.

Input → Check deposit → Manual entry

2-2-1 Entering specifications

The first time you use the check deposit transaction, you are asked to store specifications based on the following entries.

Select "Internal bank determination" to indicate that you wish to assign your house banks using the house bank ID (rather than with the bank key).

Use variant 1001 as the entry variant.

As further processing type, store "1" to have the postings created by means of batch input. This is always advisable if a large number of postings is involved, as is usually the case for IDES.

2-2-2 Editing the header of the check deposit transaction list

The checks are to be paid into the house bank with ID 1000 to the checking account with ID 1000.

Name the check deposit transaction list "##" (field "Group") and specify your user name.

The account the checks are posted to is stored as a transaction in configuration. Choose transaction "0001".

Use today as the posting date. Experience shows that the check amounts are credited to the bank account three working days later.

Name the batch input session with the bank postings "Bank ##", and that of the batch input session with the subledger postings "Customers ##".

2-2-3 **Entering items of the check deposit transaction list**

All data relevant for the bank for further processing and the data needed for the selection of the paid items is entered - per check - in the items of the check deposit transaction list. You receive the following data from the checks and the payment advice notes:

Check issuer	Check number	Bank key	Bank account	Check amount	Order paid for
Poirot ##	**145**	**10020030**	**222222**	**15,000**	**600000##**
Becker ##	**254**	**10050000**	**333333**	**9700**	**500000##**

Use this information to enter the items in the check deposit transaction list and then save your entries.

2-2-4 **Printing the check deposit transaction list**

Print the check deposit transaction list you entered (individual list) with printer LP01 and take a look at the print request. This list is given to the bank together with the checks.

Now go back to the SAP Easy Access menu.

2-2-5 **Processing the check deposit transaction list**

Create the batch input sessions for the updating of the check deposit list.

Check deposit → Post → Individual list or just hit Save.

First process the batch input session "Bank ##" and then the session "Customers##".

Go back to the screen "Edit check deposit list ".

Now go back to the SAP Easy Access menu.

2-2-6 **Controlling check processing**

To check and see whether check processing has in fact cleared the paid open items, display all the items for account CUSTOMER## (Becker ##).

How can you tell which item was created by the batch input session?

____

What is on the item lines of the posted document?

____

____

____

____

Accounts Receivable: Account → Display/change line items

Now go back to the SAP Easy Access menu.

Unit Summary

You are now able to:

- Maintain the bank directory
- Process various accounting transactions in Bank Accounting

Solutions

Unit: Bank Accounting
Topic: Bank Master Data

To access bank accounting:

Accounting → Financial accounting → Banks

1-1 **Identifying bank accounts**

G/L Accounting:

Master records → Individual processing → In company code

Field name or data type	Values
G/L account	*113100*
Company code	*1000*

Click on the symbol "Display"

Tab "Create/Bank/Interest": The fields "House bank" and "Account ID" are located under "Bank/financial details in company code". The entries here indicate that this account is assigned to **checking account 1000** at **house bank 1000** with the **bank key 20050000** (see the possible entries).

Now go back to the SAP Easy Access menu.

1-2 **Changing the Bank Directory**

Banks → Master data → Bank master record → Change

Field name or data type	Values
Bank country	*DE*
Bank key	*900000##*

Continue

Field name or data type	Values
Bank	*Interbank ##*

Save

Now go back to the SAP Easy Access menu.

Solutions

Unit: Bank Accounting
Topic: Business Transactions in Bank Accounting

To access bank accounting:

Accounting → Financial accounting → Banks

2-1 **Cash journal (petty cash)**

Outgoings → Cash journal

Field name or data type	Values
Company code	*1000*
Cash journal	*10##*

Continue

2-1-1 **Posting cash payments**

Tab "Cash Payments"

Field name or data type	Values
Business transaction	*Purchase of office supplies (select from possible entries after hitting enter in the restrictions pop up tab)*
Amount	*30*
Receipt recipient	*Paul Wahl*
Text	*Printer paper*
Cost center	*CC##*

Hit the “Save all Entries” push button

Select the business transaction

Click on "Print receipt"

Output device: LP01

Continue

The receipt is displayed.

Back

2-1-2 **Payment to the bank account**

Tab "Cash Payments"

Field name or data type	**Values**
Business transaction	*Cash transfer to the bank (select from possible entries)*
Amount	*Cash register closing balance*

Hit the “Save all Entries” push button

2-1-3 **Forwarding to FI**

Click on the "Post all entries” push button

To display the documents generated, select an item and then choose the "follow-on documents" push button. Select the accounting document.

Now go back to the SAP Easy Access menu.

2-2 **Manual check deposit transaction**

Banks → Input → Check deposit → Manual entry

2-2-1 **Entering specifications (note: if this pop up box does not appear, follow: Settings → Specifications)**

Field name or data type	**Values**
Internal bank determination	*Select*
Start variant	*1001*
Further processing type	*1*

Continue

Confirm information about line layouts

2-2-2 Editing the header of the check deposit transaction list

Field name or data type	Values
Company code	*1000*
House bank	*1000*
Account ID	*1000*
Group	*##*
User name	*AC010-##*
Transaction	*0001*
Posting date	*Today's date*
Value date	*Today's date + 3 days*
Currency	*UNI*
Bank posting session	*Bank ##*
Subledger session	*Customer ##*

Continue

2-2-3 Entering items in the check deposit list

Field name or data type	Values
1. Item	
Check number	*145*
Amount	*15,000*
Issuer	*Poirot ##*
Bank key	*10020030*
Bank account	*222222*
Reference	*600000##*
2. Item	
Check number	*254*
Amount	*9700*
Issuer	*Becker ##*
Bank key	*10050000*
Bank account	*333333*
Reference	*500000##*

Save

2-2-4 **Printing the check deposit list**

Click on "Print individual list"

Field name or data type	Values
Output device	*LP01*

Choose "Print Preview "

Go back to the screen "Edit Check Deposit List ".

2-2-5 **Processing the check deposit transaction list**

Check deposit transaction → Post → Individual list (or simply choose the "Post" icon)

The sessions have been created

From the top of the screen follow:

System → Services → Batch input → Sessions

First select "Bank ##", click on "Process", choose "Process/foreground"

Deselect “Dynpro”. Select “expert”

Choose "Process".

Confirm screens by pressing "Return" until the batch input session has been processed completely.

Click on "Session Overview"

Then select "Customer ##" and repeat the same steps.

Choose "Exit batch input" when the session has been processed.

Now go back to the SAP Easy Access menu.

2-2-6 **Controlling check processing**

Accounts Receivable: Account → Display/change line items

Field name or data type	Values
Customer account	*CUSTOMER##*
Company code	*1000*
All items	*Select*

Execute

The item created by the batch input session can be found with the cleared items. The item text for account 113117 includes the check number, the account number and the bank key (in Germany: Bank identification number).

Double-click on the item with the document type “DZ”

Click on "Document overview"

The document items include:

113117 Incoming checks clearing account 9700.00

880000 Customer cash discount 258.62

CUSTOMER## Becker ## 10000.00-

175000 Output tax 41.38

Choose the document header symbol. Here you will see that the document has been created by the session "Customers ##".

Now go back to the SAP Easy Access menu.

Preparing Financial Statements

Contents:

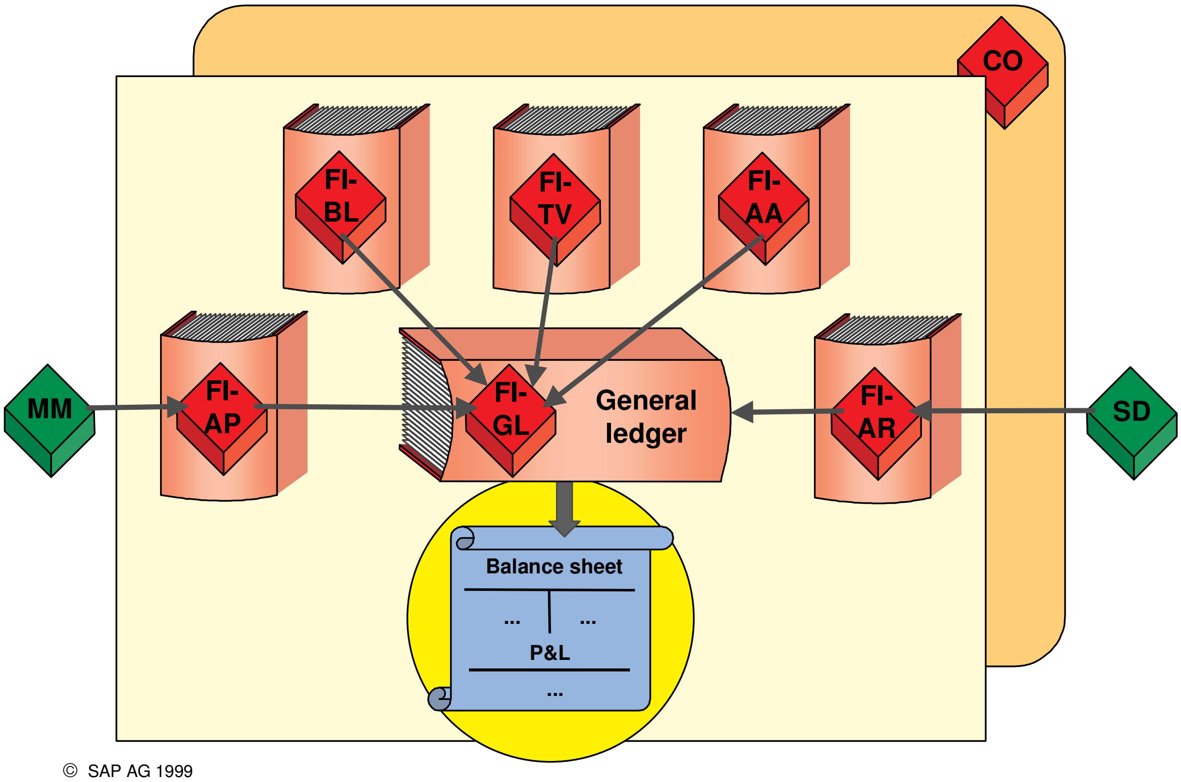
- Closing Procedures in the General Ledger
- Cost-of-Sales Accounting
- Consolidation

Preparing Financial Statements: Unit Objectives

At the conclusion of this unit, you will be able to:

- Describe the basic process for creating financial statements
- Describe how R/3 supports the preparation of financial statements in FI-GL
- Describe how a profit and loss statement can be created based on cost-of-sales accounting
- Name the various options for consolidation in R/3

Overview Diagram: Preparing Financial Statements



- The account balances in the general ledger as used to create the balance sheet and profit and loss statement.

Preparing Financial Statements: Business Scenario

- At the end of the fiscal year, the companies of the IDES group have to create financial statements based on the requirements of their respective countries.
- The profit and loss statement of many companies is set up based on period accounting, whereas other companies used cost-of-sales accounting.
- The group is also required to prepare a group financial statement. This requires the completion of consolidation measures.

Presentation:

Closing Procedures in the General Ledger

Schedule Manager

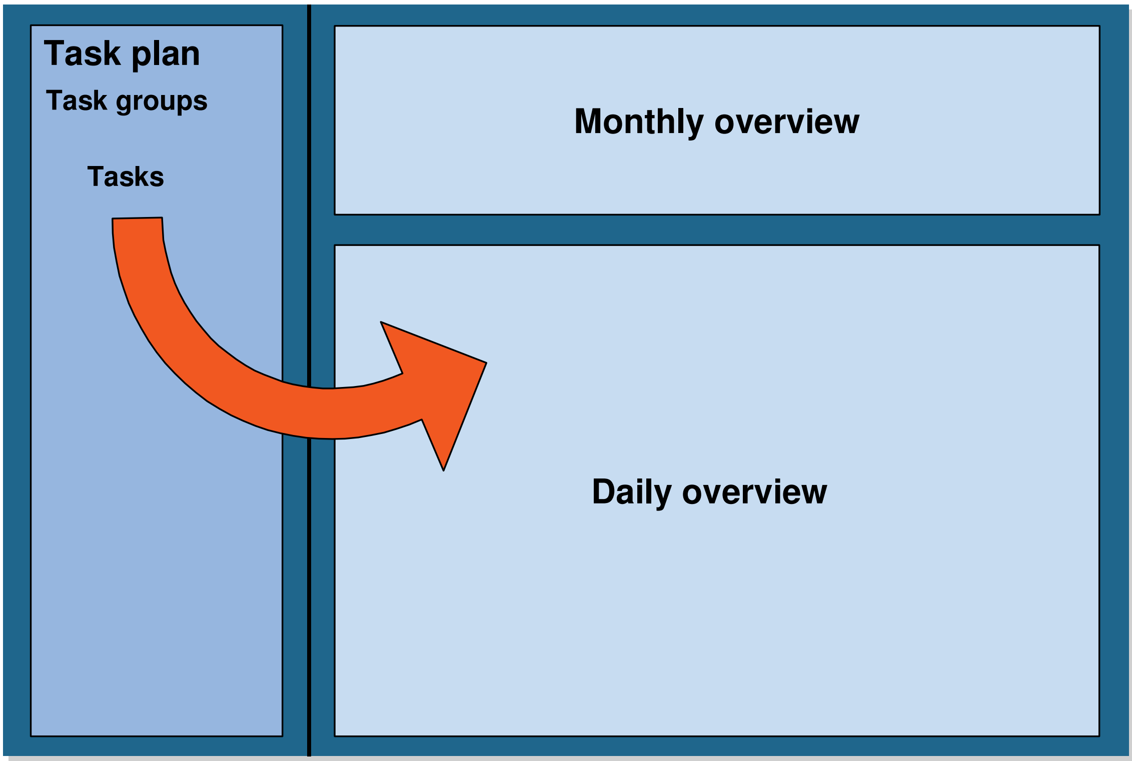
Overview: General ledger closing

Accruals/deferrals, GR/IR analysis

Balance audit trail, creating financial statements

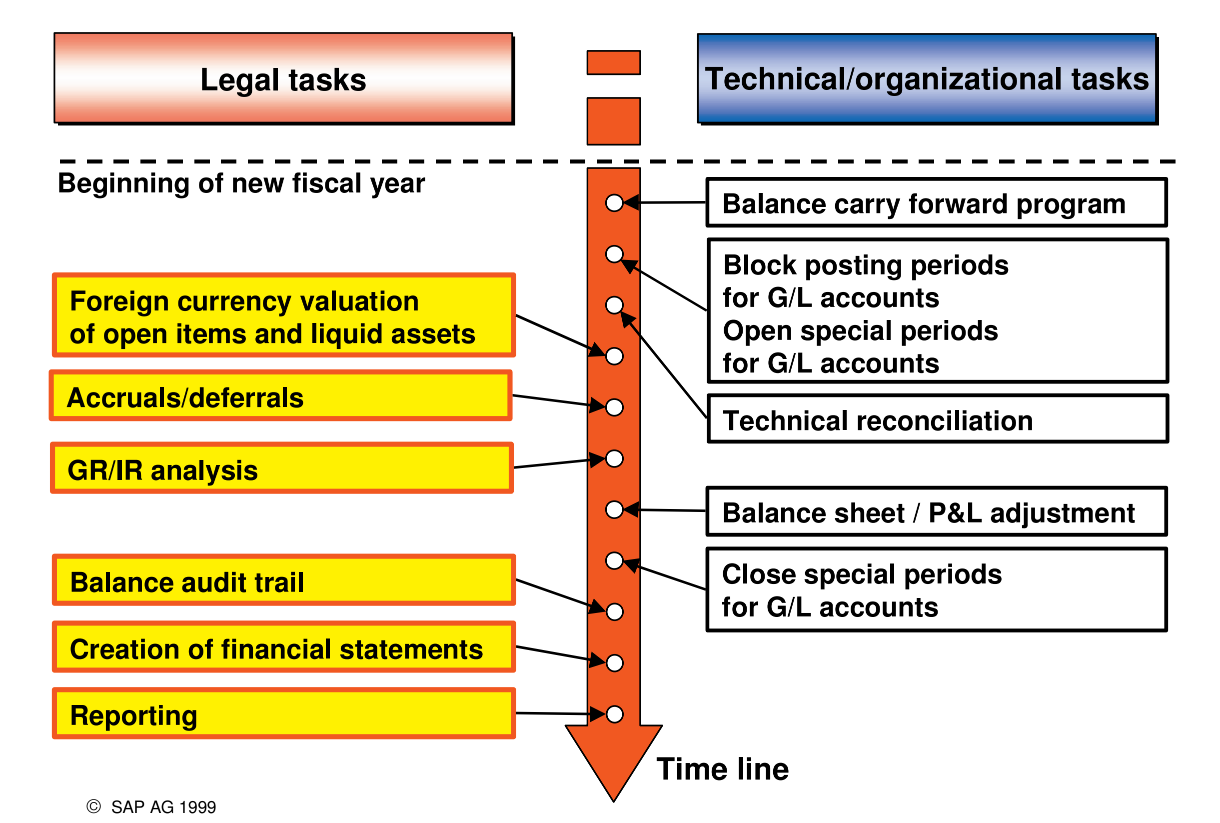
Reporting

Schedule Manager



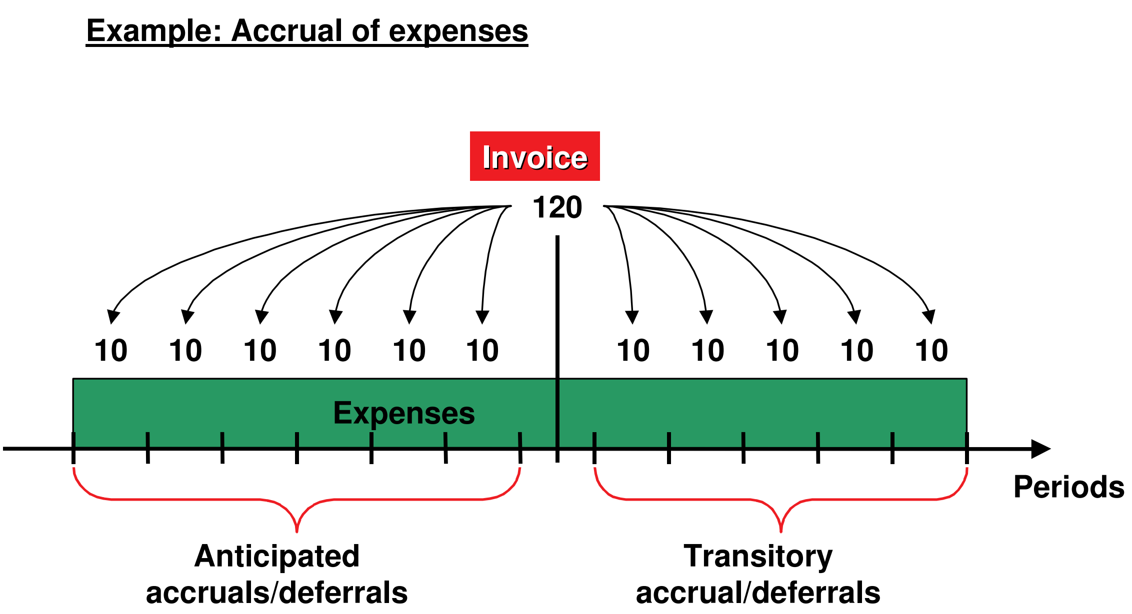
- In Release 4.6 (**ENJOY** Release), the **Schedule Manager** is available for planning, completing, and monitoring complex work processes.
- A work process is created as a **task plan** in the Schedule Manager. Such a task plan contains nothing more than a list of tasks. Within the work plan, the tasks can be grouped in task groups. Tasks can be:
  - Transactions or programs to be run online
  - Programs with a variant to be run in the background
  - Workflow definitions
  - Notes acting as place holders to describe tasks not processed in the R/3 System
- The employees who are given responsibility for a task can plan their task from the task plan, from the daily overview, or, if necessary, complete it online.
- The Schedule Manager is especially useful for closing procedures, but can also be used for daily processing. It can be used in all subsidiary ledgers of FI and in CO.

Overview: General Ledger Closing

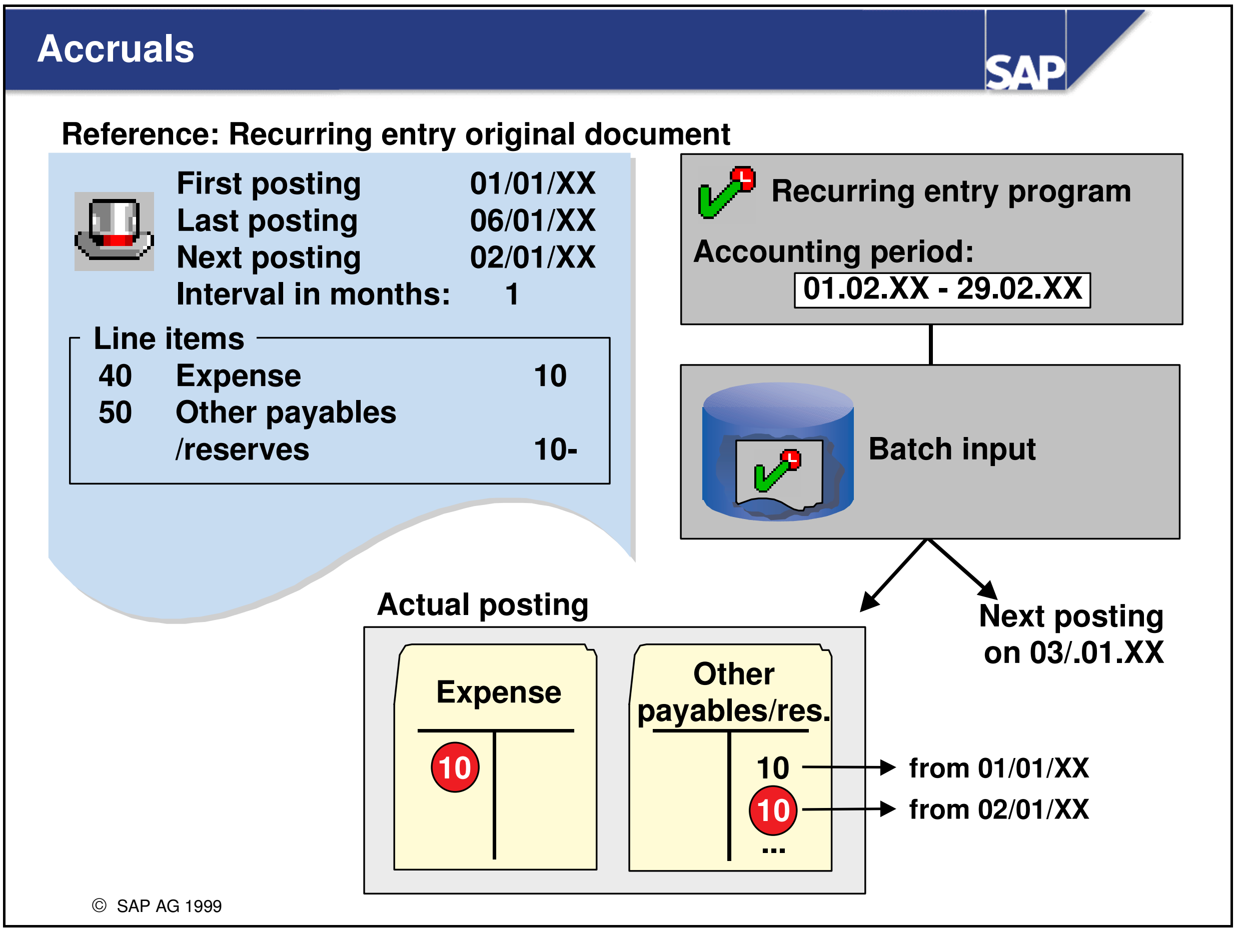


- At the start of the new fiscal year, the balance carry forward program is run. This ensures that the balances of the G/L accounts are carried forward to the new fiscal year.
- The posting periods of the old fiscal year are then blocked and special periods for closing entries are opened. Technical reconciliation between transaction figures and documents guarantees that documents are posted without any technical errors.
- The foreign currency documents are then valuated, accrual/deferral postings are made, and the GR/IR clearing accounts are analyzed, updating the accounts affected.
- If you wish to create business area financial statements, you need to make adjustment postings for the business areas. The balances of the business areas are then set to zero.
- The special periods can then be closed.
- For documentation purposes, the balance audit trail is made and the financial statements are created. Additional reports are prepared for legal reporting purposes.
- **Note:** Different financial statements may be necessary in certain countries. Your trainer will be able to explain the main features that are specific to your country.

Accruals/Deferrals for Revenues & Expenses

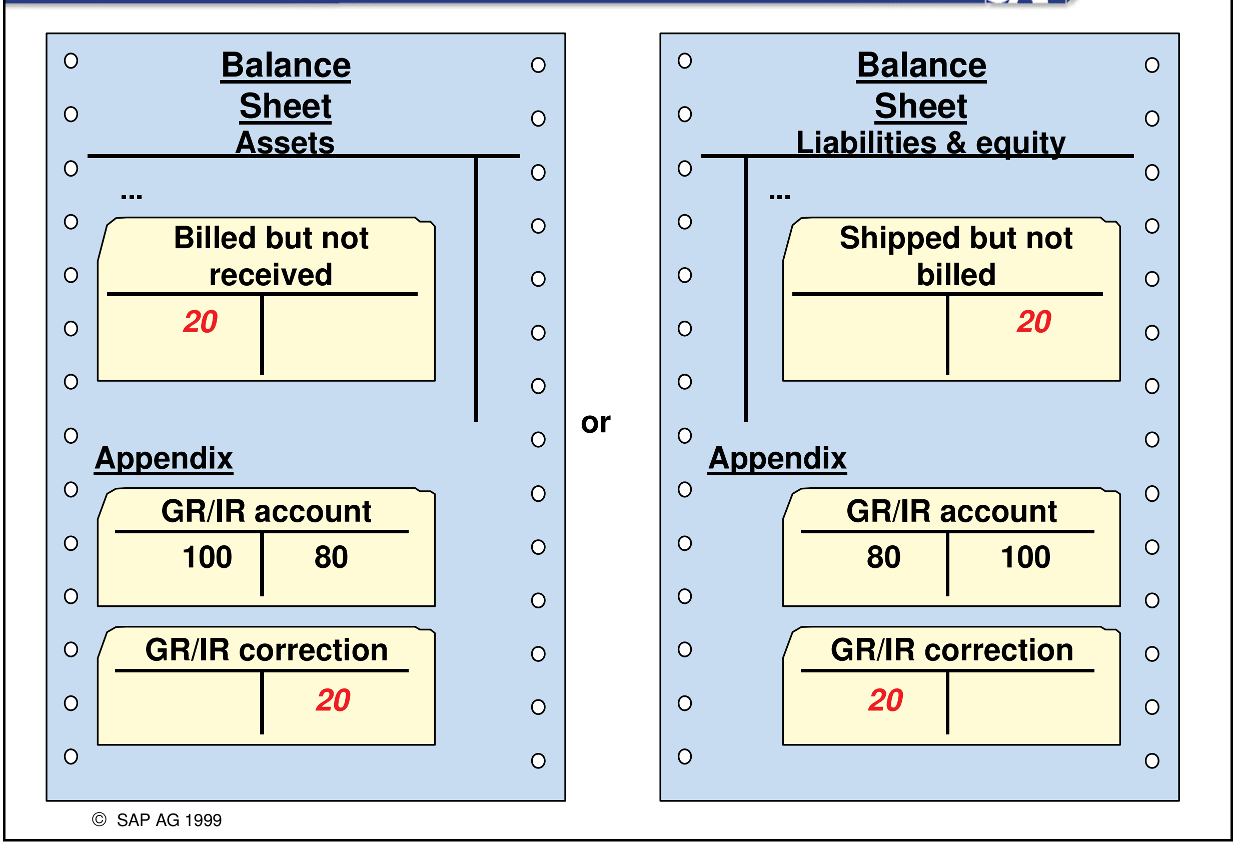


- Revenues and expenses, which were posted in a specific posting period, often originate in a different period. For this reason, such **revenues and expenses have to be accrued**, that is, they have to be divided up over the periods in which they are incurred.
- There are two methods available in the system to make these postings: accruals and deferrals.
  - **Accruals**
    Situation: The expense or revenue belongs to the current period from an accounting point of view, but the invoice is not posted until a later period because the invoice has not yet been sent/received.
  - **Deferrals**
    Situation: The expense or revenue was posted in the current period (invoice sent/received), but the actual business transaction, or part of it, is actually incurred in a future period.
- Accruals and deferrals are handled in FI in different ways.
- In the figure, you see an example of an invoice that is received and posted in the seventh period. Since this invoice was created for property that will be used during the entire year, the expense of 120 must be evenly divided over all periods. Accrual postings thus need to be made for the first six periods, each with the amount of 10. An amount of 50 has to be distributed over the last five months, once the invoice is received.



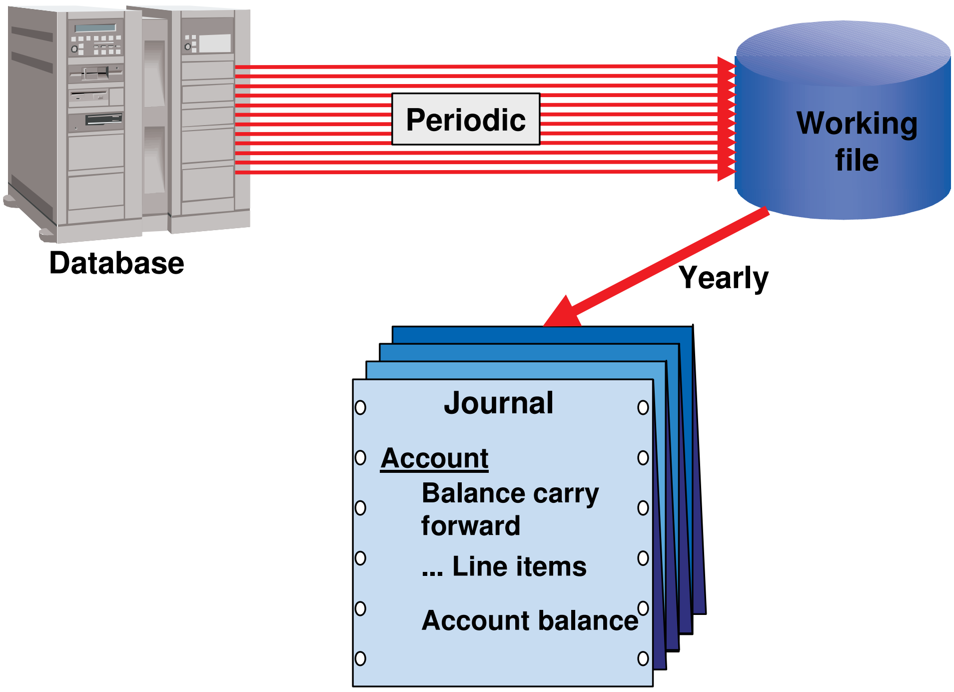
- **Accruals** always have to be made if an expense or a revenue will occur in the future, but the actual business transaction is completely or partially paid for in the current period. The recurring entry program is ideal for this situation, since the same amount (10) is posted in every period to the same accounts.
- The posting record for each period would be "Expense to other payables (provisions)". A posting is made to the account
  - Other payables: If the amount and reason for the accrual are known.
  - Provisions: If either the amount or reason for the accrual is uncertain and can thus only be estimated.
- With each period in which accruals are made, the credit balance of the ”Accrued liabilities" account increases.

GR/IR Analysis



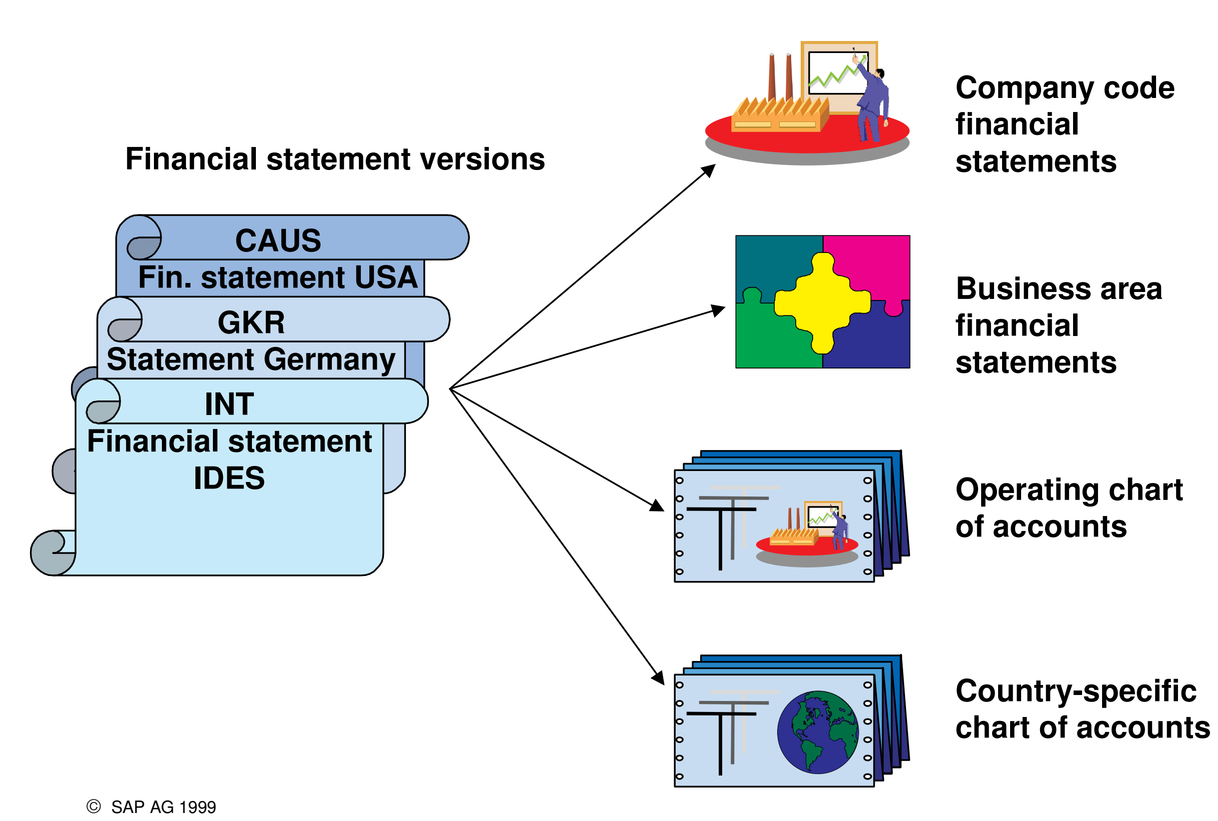
- The GR/IR clearing account contains a list of all goods and invoices received. If, at the end of a period, the balance of this account is not zero, there are either
  - *goods that were billed but yet delivered*, or
  - *goods that were delivered, but not yet invoiced*
  - The balance then needs to be listed as either an asset or a liability.
- A special program analyzes the GR/IR account and posts the balance to either a "Invoiced, but not received" account or a "Received, but not billed" account. The posting is reversed on the first day of the next period, since re-postings during daily business would lead to erroneous figures.
- A clearing posting is normally completed using a correction account. The GR/IR clearing account and its correction account are an appendix to the financial statement.

Balance Audit Trail



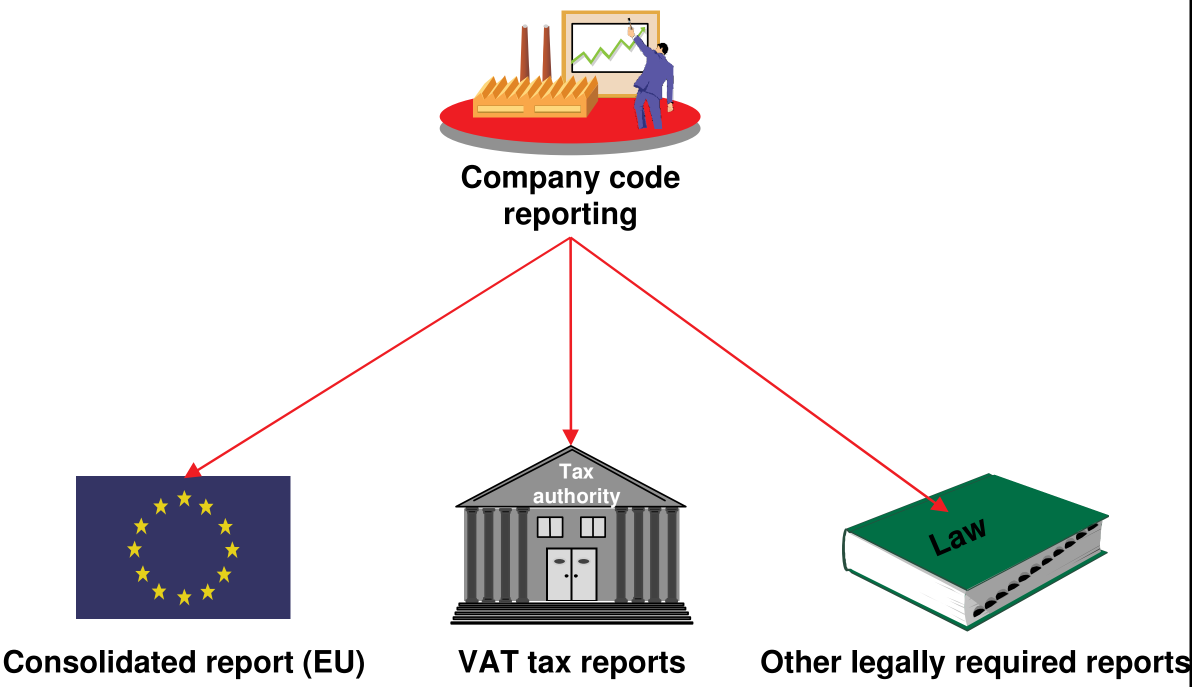
- Normally, there are legal requirements that make it necessary to determine (even years later) the balance of an account by totaling the document line items posted to the account. As long as the documents related to this account and period are still in the system, this is not a problem.
- It is usually necessary, however, to archive and delete older documents from the system, in order to improve system performance. To be able to track the account balance after archiving, you need to run the **balance audit trail** program prior to archiving. This program creates a compact journal and puts it in a file.
- Once a year, the accumulated contents of this working file can be archived or printed out.
- Note: If archiving is only completed once a year, a working file does not need to be created, since the compact journal can be created directly from the database.

Preparing Financial Statements for Period Accounting



- To assist in creating financial statements, there are two options available in the R/3 System:
  - Using an ABAP program
  - Using the G/L account information system
- Both options allow you to
  - Use various financial statement versions
  - Create individual and total financial statements for company codes
  - Create individual and total financial statements for business areas
  - Create financial statements using the operating chart of accounts
  - Create financial statements using the country-specific chart of accounts
  - Create comparative financial statements for comparing two fiscal years or for comparing plan and actual data

Reporting



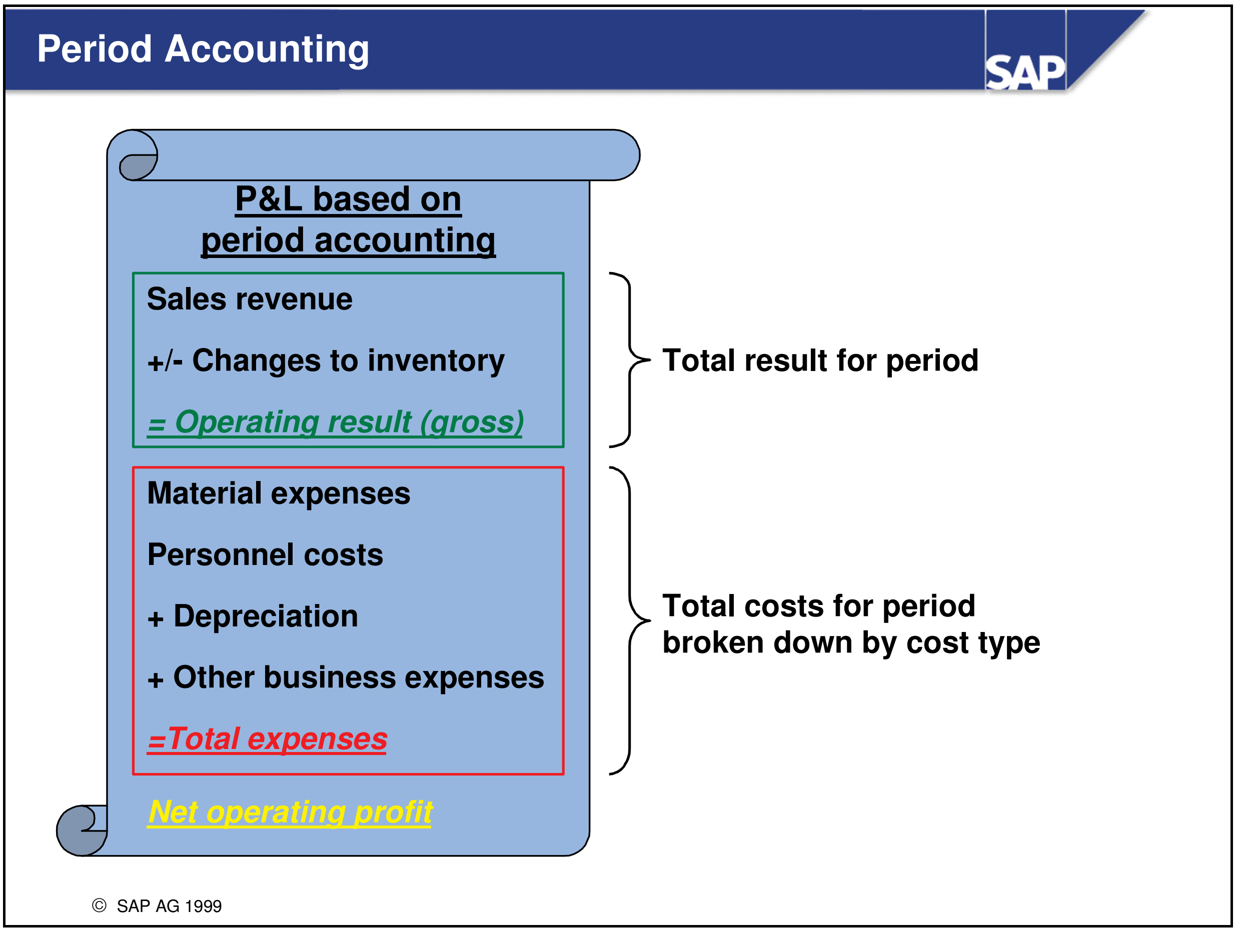
- To support **legal reporting requirements**, there are currently a number of reports that meet country-specific requirements. There is a list of country-specific reports for completing VAT tax forms, support for the consolidated EU report, and other reports for additional legal reporting requirements (such as a report for international trade as required by German law).

Presentation:

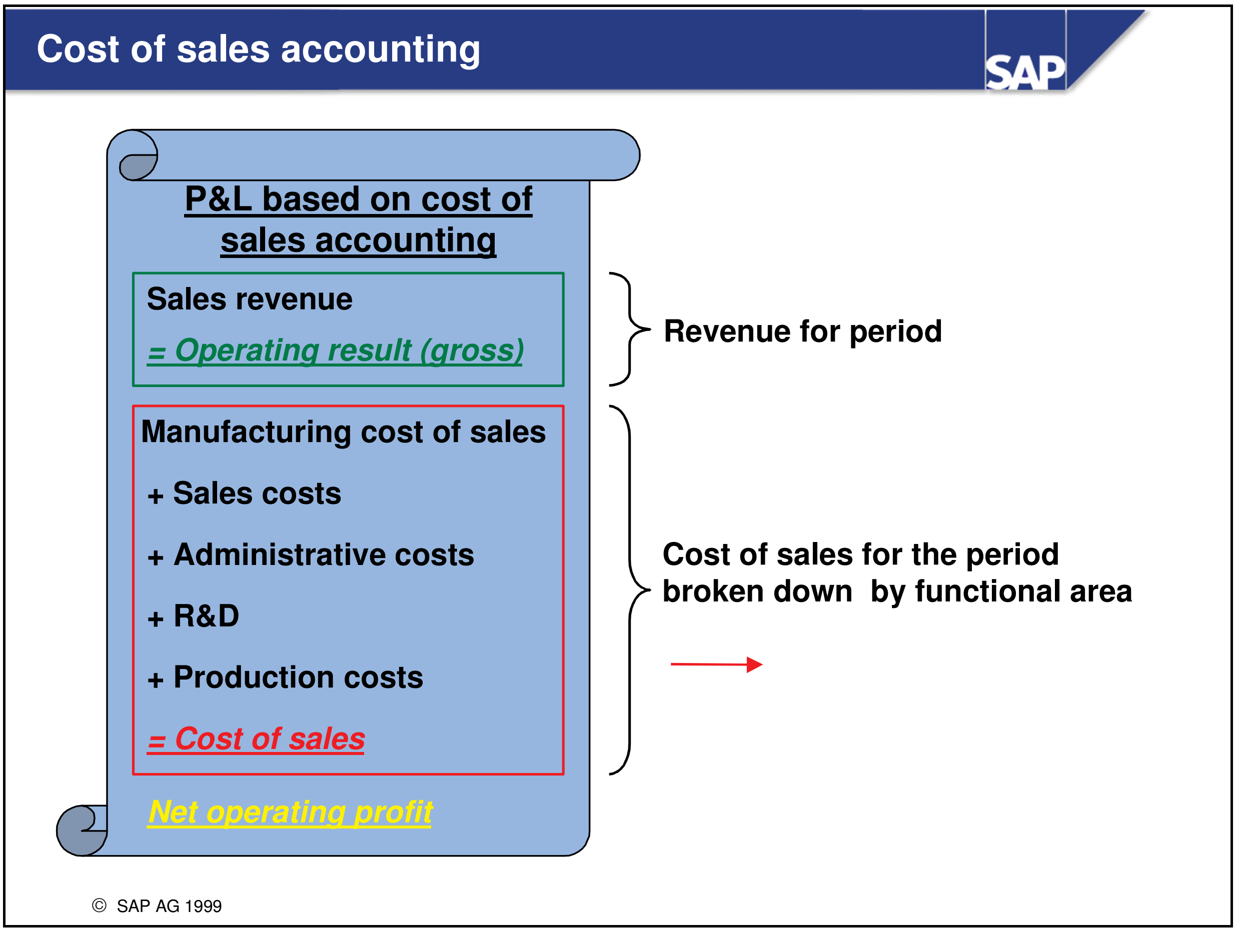
Cost of Sales Accounting

Functional areas

Cost of sales accounting ledger

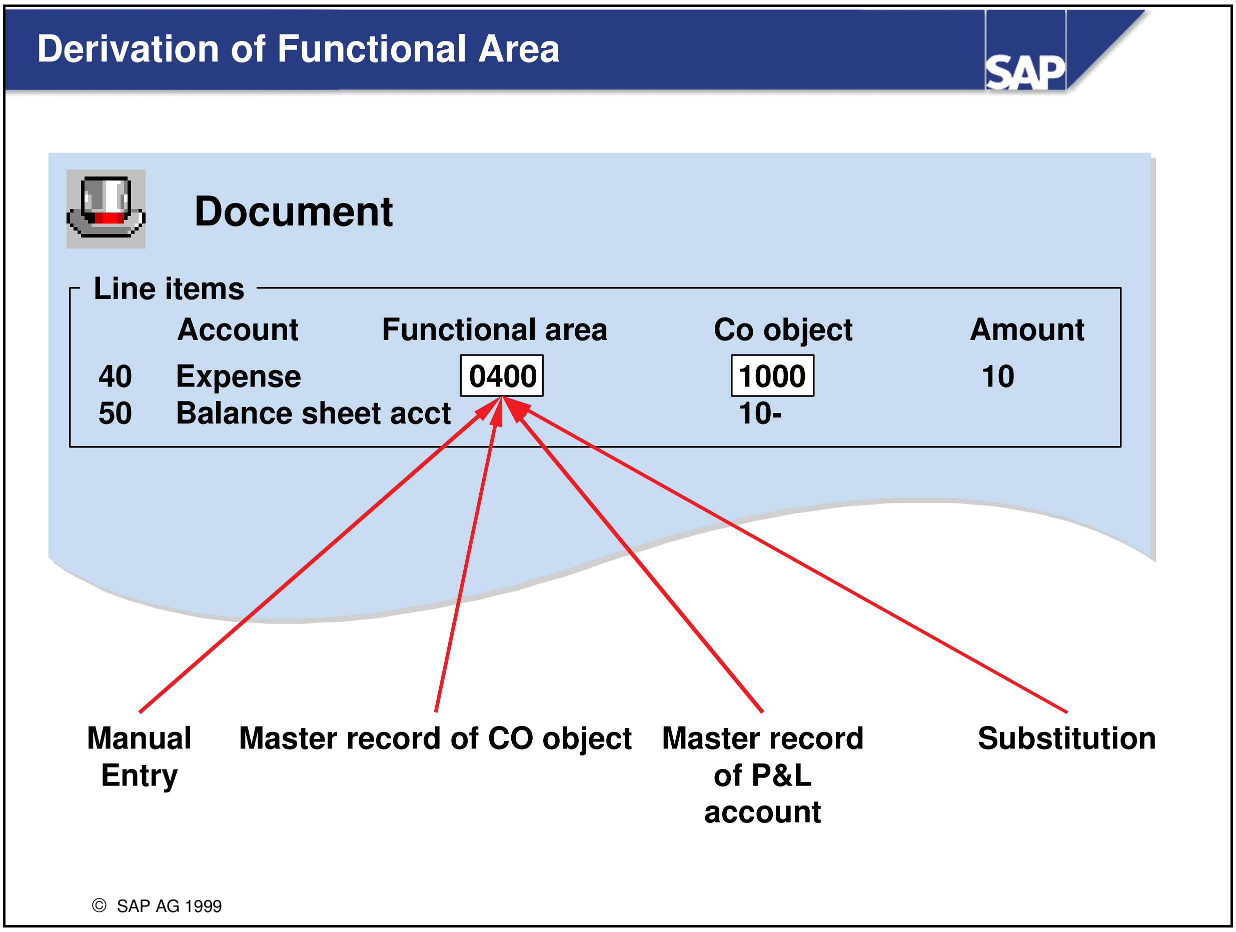


- Two basic methods for structuring profit and loss statements are available:
  - Period accounting
  - Cost of sales accounting
- Both methods result in the same profit or loss for the period. The method used is
  - either legally required
  - not legally required. In this case, the decision is made based on business considerations (for example, which would be better for international investors?).
- With period accounting, the total production for the period is used along with the entire costs for the period:
  - The **total production for a period** is calculated by adjusting the sales revenue by the change in inventory.
  - The total costs of a period are broken down by expense types, that is, the balances of similar expense accounts are added together (such as various accounts for personnel expense). This breakdown distributes the expenses to the various production factors.

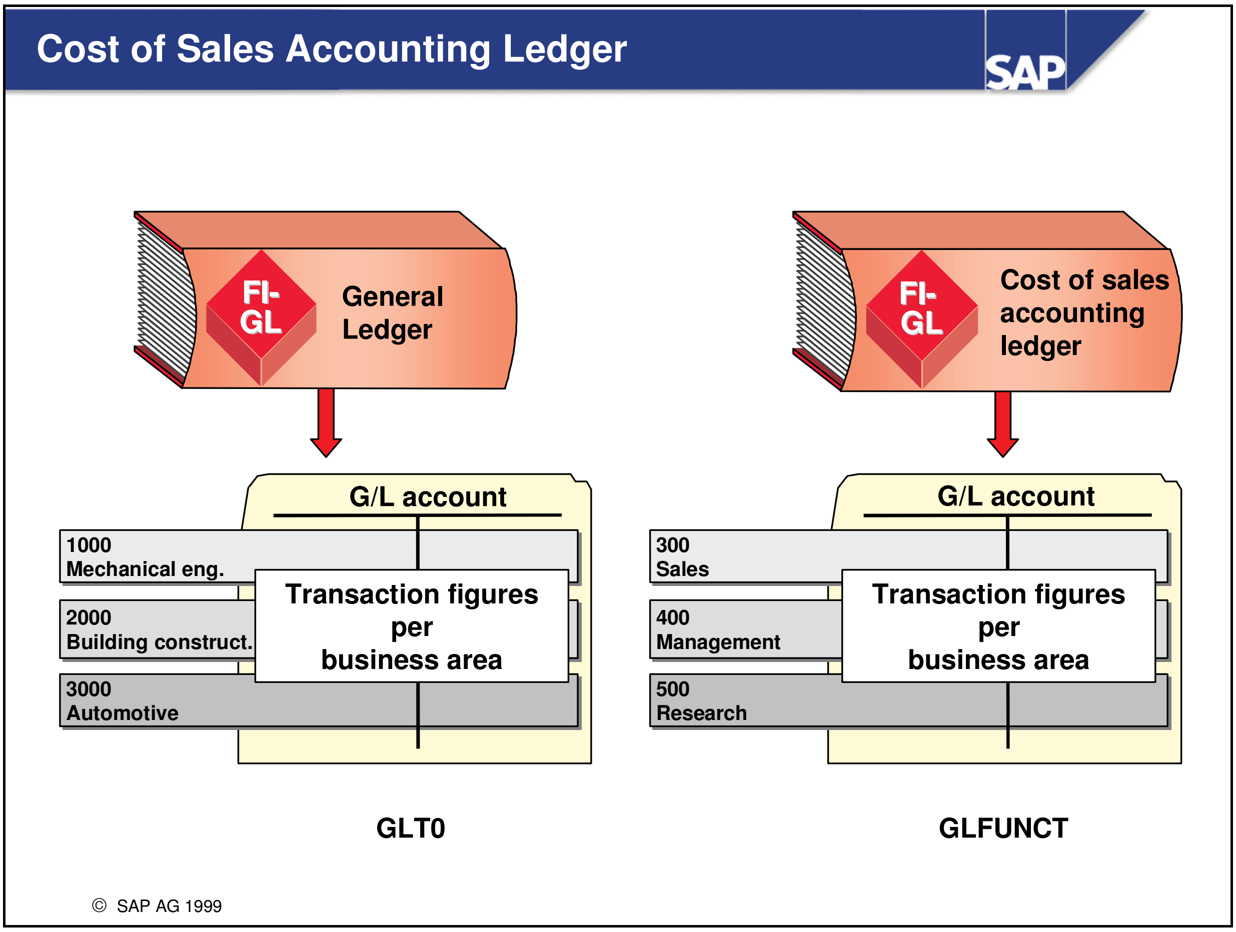


- With **cost of sales accounting**, the sales revenue for a period are used as well as the cost of sales for the period.
  - The sales revenue for a period is determined in the same manner as in period accounting. The changes to stock on hand, however, are not considered.
  - The **cost of sales of the period** quantify the expenses incurred to achieve the sales revenue for the period. Unlike period accounting, in which the expenses are broken down by expense types, the expenses are listed according to their origin, such as manufacturing, sales, administration, research and development (R&D), production, and so on.
- The manufacturing cost of the sales is calculated when the goods are shipped. When using period accounting , the posting record is "GR/IR clearing account to change in inventory". When using cost of sales accounting, the posting record is "GR/IR clearing account to manufacturing costs".
- To assign the remaining expenses to their origin, the SAP System requires an additional characteristic, the **functional area**. Typical functional areas are sales, production, marketing, administration, research and development.

Derivation of Functional Area



- When cost of sales accounting is selected, an additional field is included in the coding block (that is, the list of all account assignment objects) for the **functional area**. An entry is made in this field with:
  - A manual entry
  - Automatic copying of the functional area entered from the master data of the CO object
  - Automatic copying of the functional area entered from the master data of the P&L account
  - Automatic entry of the functional area through means of a substitution rule
- The aforementioned order is also the order of priority for deriving the functional area. In other words, manual entries have the highest priority and substitutions the lowest. The system should, however, be set up so that a manual entry is normally not necessary, but rather that the functional area is derived from the CO object, the P&L account, or a substitution rule.

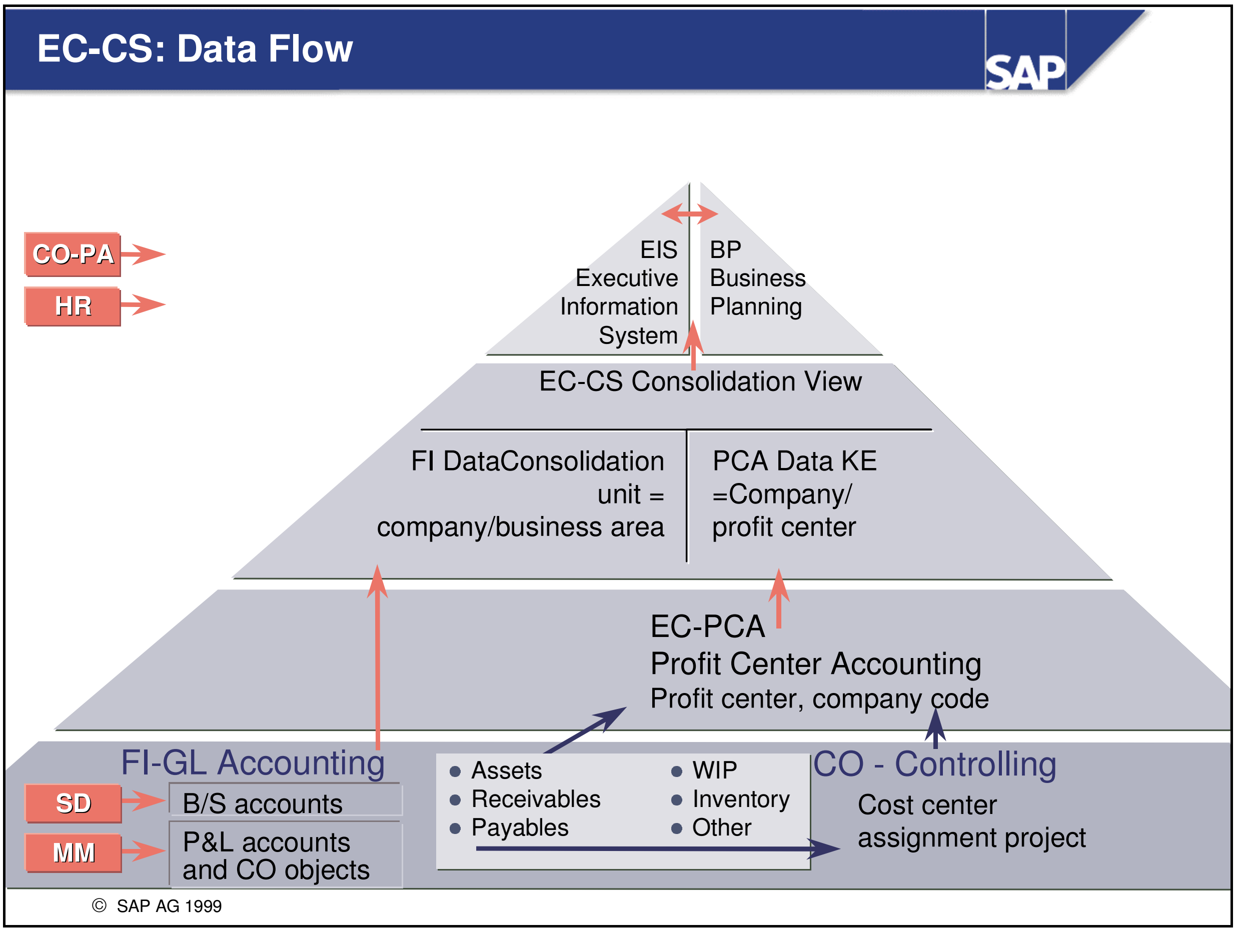


- To create financial statements based on cost of sales accounting, the SAP System needs transaction figures for the functional areas. In the standard general ledger, however, transaction figures are only kept for the organizational elements company code and business area. For this reason, a cost of sales accounting ledger has to be used, so that transaction figures for the functional areas can be kept as well.
- Using a special financial statement report, these transaction figures can be accessed and a profit and loss statement can be made based on cost of sales accounting.
- If additional transaction figures need to be kept for existing or new account assignment fields, the application component **Special Purpose Ledger** can facilitate this by:
  - Extend the coding block
  - Using a customer-defined ledger that contains additional transaction figures. These figures can then be valuated with the tools of the Special Purpose Ledger (Report Painter, Report Writer).

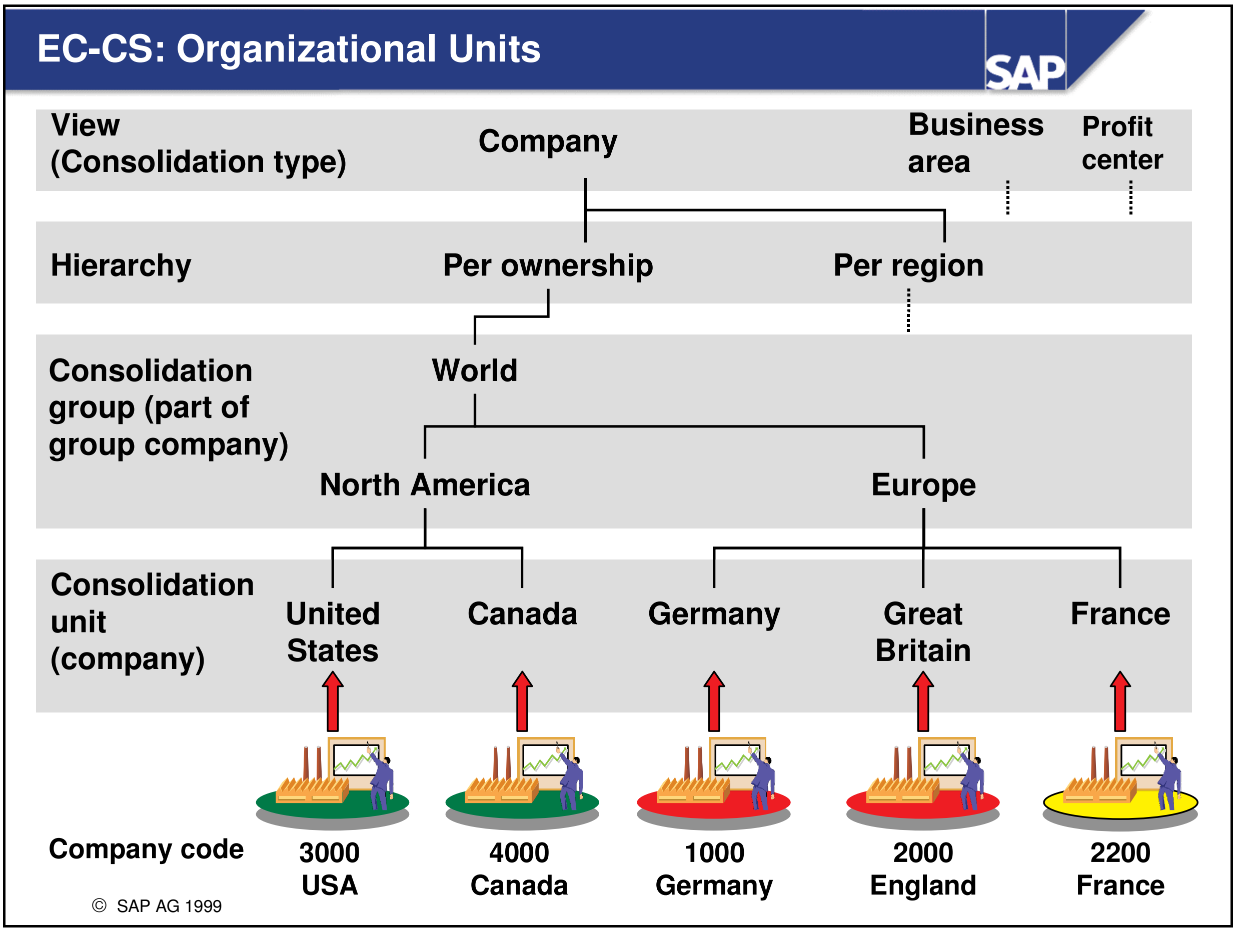
Presentation:

Consolidation

EC-CS, SEM-BCS

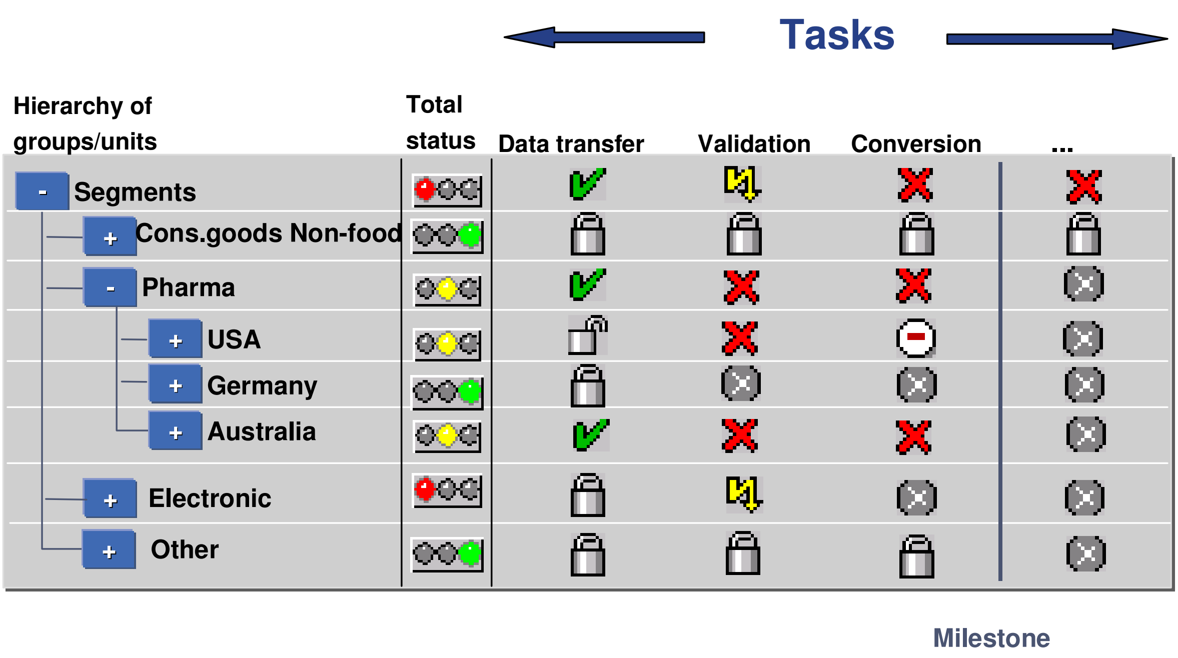


- EC-CS consolidates at the organizational units company, business area, and profit center. If the operating applications and the consolidation system are in one system and client, the data can be sent online to the consolidation system
- Additionally, data can be retrieved from other R/3 Systems per periodic extract or rollup.
  - Periodic extract:
    In the sender system, you extract the reporting data with the financial statement program.
    In the receiver system, a program reads the data extract and posts the information.
  - Rollup:
    Rollup is a standard tool in the SAP System for transferring data records from a sender table to a receiver table. It is used for the transfer of EC-PCA data to EC-CS. You can also implement it if you want to transfer data from various R/3 Systems or clients from EC-CS and want to set up the profit and loss statement based on cost of sales accounting.
- For data transfer from non-SAP Systems, you can send the data offline with EC-CS creation forms, MS-Access, or MS Excel.



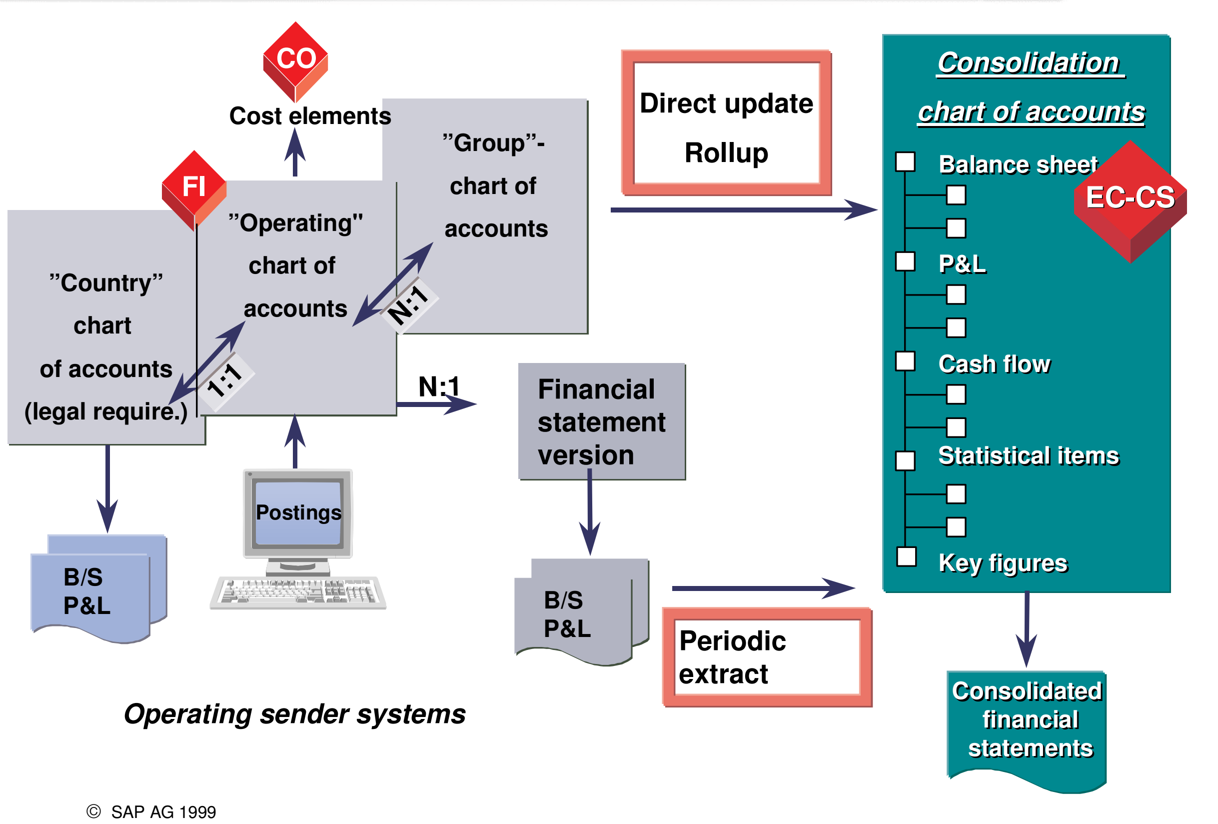
- With EC-CS, you can perform legal and management consolidations. The basis for this are the organizational units company, business area, and profit center. For each consolidation type, a **view** is created.
- The group structure with a view can be represented in various **hierarchies**. IDES uses a hierarchy for legal representation and one for regional representation.
- EC-CS forms the company structure using consolidation groups and units. Per hierarchy, **consolidation groups** are defined. They represent the levels at which the consolidation is completed. Consolidation groups can be: Subgroups (company consolidation), business areas (business area consolidation), profit centers, and hierarchy nodes (profit center consolidation).
- The objects to be consolidated that lie below consolidation groups are **consolidation units**. Depending on the consolidation type, these are companies, combinations of companies and business areas, or combinations of companies and profit centers.

Status Monitor

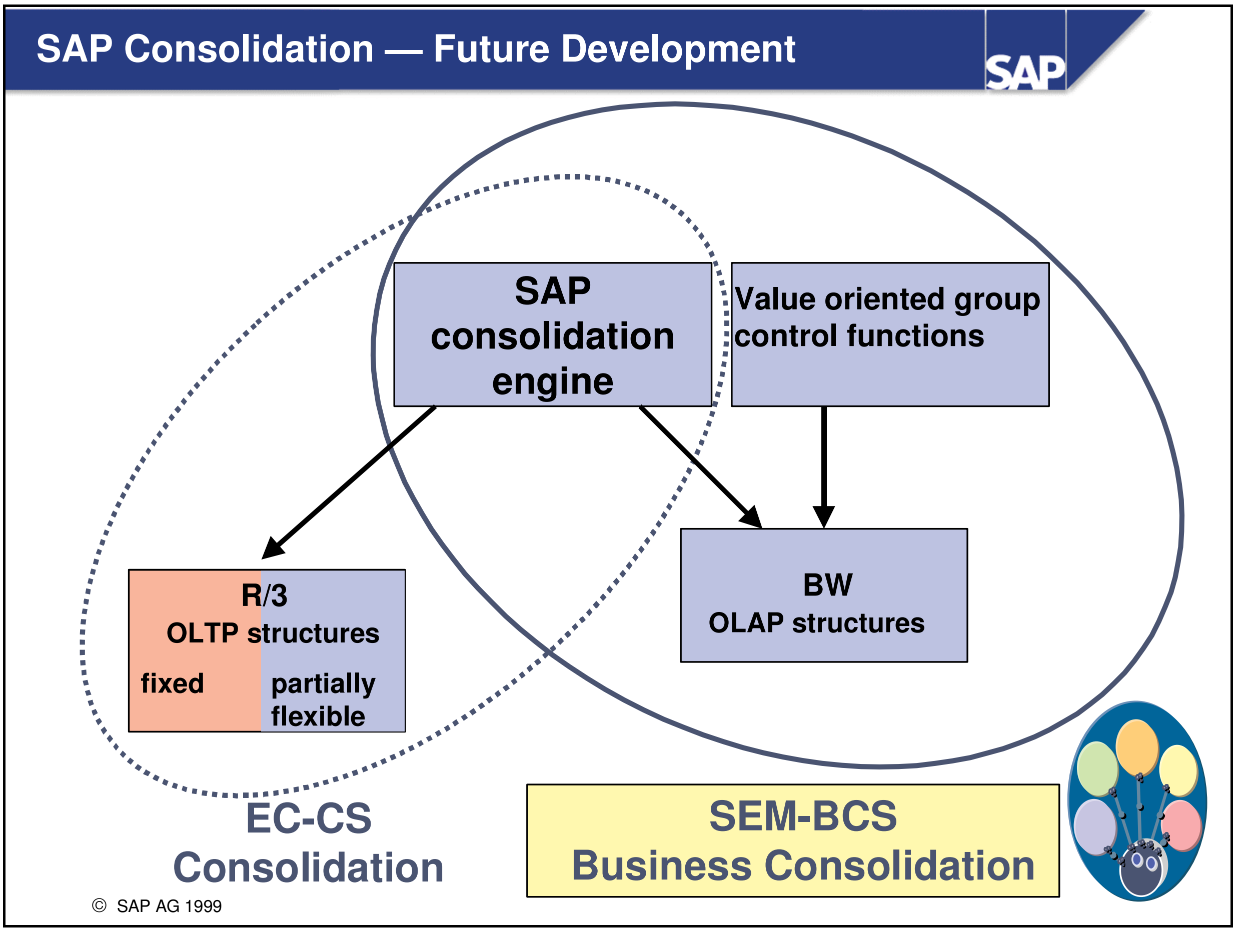


- **Consolidation** is performed with the help of two monitors. They contain all the tasks to be carried out.
  - **Data monitor:** Prior to consolidation, the data to be consolidated has to be prepared at the level of the consolidation units.
    The data monitor contains all preparatory tasks and their current status. Tasks in the data monitor could be: Creation of financial data and additional financial data (additionally, for the consolidation of relevant data), validation of the financial data, manual adjustment postings, currency translation, apportionment, validation of adjusted financial data.
  - **Consolidation monitor:** At the level of the consolidation group, the prepared data of the consolidation units is finally consolidated.
    Tasks in the consolidation monitor could be: Consolidation of payables, sales, costs and expenses, investment income, and capital. Also, the validation of consolidated values would be included.
- If the system settings are correct and the financial data was properly created, the system carries out the consolidation steps via the press of a button. The automatically created postings are displayed in the log. Milestones are used to stop the automatic consolidation update at the tasks that are marked accordingly. The next task is started separately.

Data Transfer to EC-CS



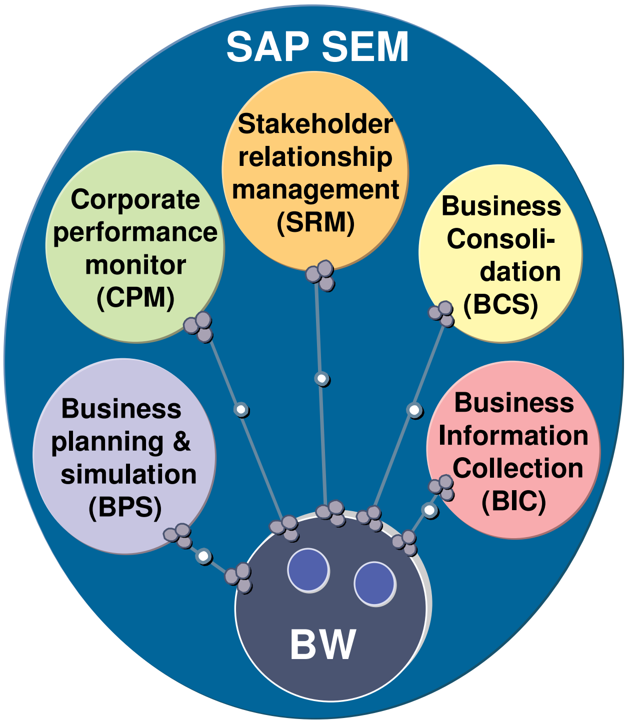
- The manner in which data is transferred to consolidation depends on the data transfer method.
  - Direct update/rollup:
    Value items with the same names as the accounts of the group chart of accounts have to be in the consolidation chart of accounts for EC-CS.In configuration, the operating chart of accounts is tied to a group chart of accounts.
  - Periodic extract:
    The operating accounts are assigned to a group financial statement version in the sender system. The items of the consolidation chart of accounts in the receiver system correspond to the line items of this financial statement version. In the FI sender system, you extract the financial data with the financial statement program.
    In the EC-CS receiver system, a program reads the data extract and posts the information.
- The EC-CS consolidation chart of accounts consists of value items, under which the values are kept, and totals items, which contain the totals of the value items below them in the structure.
  You can use multiple consolidation charts of accounts to meet various requirements.
  - Consolidation chart of accounts for financial accounting (group financial statement based on US-GAAP, for example)
  - Condensed chart of accounts
  - Chart of accounts with key figures



- The consolidation engine contains all of the consolidation functions.
- Consolidation is performed using the consolidation engine. The consolidated data can be updated in the OLTP System (R/3 EC-CS) or in BW (SEM-BCS - Strategic Enterprise Management - Business Consolidation).
- OLTP: Online Transactional Processing:
  The data structures are based on tables and can be partially defined by the customer.
- The Business Information Warehouse (BW) contains business data, including the consolidated data. This data is stored in a multidimensional data cube (OLAP: Online Analytical Processing).

SAP Strategic Enterprise Management

- BPS: Connection between strategic planning and enterprise planning/ simulation
- CPM: Balanced scorecards, Management cockpit, Key figure systems
- SRM: Inclusion of stakeholder expectations in company goals
- BCS: Legal and management consolidation with the press of a button
- BIC: Automatic information collection from external and internal company data
- BW: Integration of strategic, operative information and financial data



- Complex group companies have to be effectively managed.
  Since the success of top managers not only depends on the right company strategy but also on implementing it quickly, SAP has developed the new dimensions component **Strategic Enterprise Management** SEM for optimizing company management.
- SEM-BCS is the component with which you can perform legal and management consolidation.

Self-Study: Closing Procedures in General Ledger

At the conclusion of this self-study topic, you will be able to:

- Complete accruals/deferrals
- Analyze the GR/IR clearing account
- Run the financial statement program

Exercises

Unit: Closing and Reporting

Topic: Closing procedures in the general ledger

At the conclusion of these exercises, you will be able to:

- Post and reverse accrual/deferral postings
- Analyze the GR/IR clearing account (optional)
- Create financial statements

At the end of the fiscal year, the companies in the IDES group have to create financial statements based on the requirements of the countries in which they operate.

The profit and loss statement of some companies is based on period account, while other companies use the cost of sales accounting method.

To access General Ledger Accounting:

Accounting → Financial accounting → General ledger

1-1 **Creating accruals/deferrals**

The IDES group purchased an insurance policy which costs 6000 UNI (0% VAT) per year. The premium was paid in full last month, providing insurance for the twelve following months.

1-1-1 **Post invoice**

Post the insurance invoice for 6000 UNI using vendor 1921 "Global Insurance", and use the first of last month as the posting and document date. The insurance contract number is 100##. Use this as a reference. Enter "Insurance premium BA##" as text.

Use the "With cost center" creation variant

For the offsetting posting, use account 466000 "Insurance" and tax code 0I (Input tax training 0%). Charge the amount to your cost center CC##.

Write down the accounting document number:

____

Accounts Payable: Document entry → Invoice

Now go back to the SAP Easy Access menu.

1-1-2 Posting accruals/deferrals

Only part of the insurance premium can be charged to the last month. Thus, the insurance expense needs to be assigned to multiple periods. Create an accrual/deferral document, which moves the correct amount of the insurance premium to the next period. Post the document using document type SB, the last day of the previous period as the posting date, and the first of the current month as the reversal date. For the reversal reason, select "Accrual/deferral posting". The account for the invoice accrual/deferral postings is 98000. Enter "Accrual for insurance premium BA##" as the text for the item.

G/L Accounting: Periodic processing → Closing → Valuate → Enter Accrual/deferral doc.

Now go back to the SAP Easy Access menu.

1-1-3 Reversing accruals/deferrals

Reverse the accrual/deferral document by running the reversal report.

To assist you with the entries in the selection screen, report variant AC010 was created.

Use this report and replace ## with your group number.

Write down the document number of the reversal posting:

IDES only runs this program once in order to reverse all accrual/deferral documents at the same time.

Periodic processing → Closing → Valuate → Reverse Accrual/deferral document

Now go back to the SAP Easy Access menu.

1-1-4 Checking accruals/deferrals

Check the effect of the documents by viewing the transaction figures of account 466000 (Insurance) in your business area BA##.

What is the balance listed for this G/L account for the previous period?

What amount is posted to the current period?

Account → Display balances

Now go back to the SAP Easy Access menu.

1-2 Analysis of the GR/IR clearing account (optional)

The balance of the GR/IR clearing account displays the balance of goods billed but not received or goods delivered but not billed. This balance has to be posted to a balance sheet account for reporting purposes.

1-2-1 Posting an incoming invoice

Post an invoice receipt using the invoice verification for order 41010010## in the amount of 116 UNI (including 16% VAT) for a spiral housing material in your business area BA##. Charge this amount to your cost center CC##. Use the first of last month as the document and posting dates.

Logistics → Materials Management → Invoice Verification → Logistics Invoice Verification → Document Entry → Enter Invoice

Now go back to the SAP Easy Access menu.

1-2-2 Checking the GR/IR clearing account

View the balances of the GR/IR clearing account 191100 in your business area BA##.

What is the balance listed for this account for the previous period?

____

Where does this balance have to be listed in the balance sheet?

____

G/L Accounting: Account → Display balances

Now go back to the SAP Easy Access menu.

1-2-3 Starting the analysis program

Start the program for analyzing the GR/IR clearing account.

To assist you with the entries in the selection screen, report variant AC010 was created.

Use this report and replace ## with your group number on all tab pages.

What is the date of the GR/IR analysis?

____

What posting date will be used for the regrouping?

____

On what date will the regroupings be reversed?

____

Run the batch input session.

Normally, IDES runs the program for all business areas. For practice, you ran the program specifically for your business area BA##.

Periodic processing → Closing → Regroup → GR/IR clearing

Now go back to the SAP Easy Access menu.

1-2-4 **Checking regroupings**

Check whether the regroupings are correct, by viewing the balances of account 191101 (Goods/services not yet delivered) for your business area BA##. From there, drill down to the regrouping document.

What are the line items?

____

____

Account → Display balances

Now go back to the SAP Easy Access menu.

1-3 **Creating the compact journal (document journal)**

Create the compact document journal for company code 1000 and the current week.

Information system → General ledger reports → Document → General → Compact document journal → SAP minimal variant

Now go back to the SAP Easy Access menu.

1-4 **Creating financial statements**

Create financial statements for company code 1000 using an actual/actual comparison for the previous period. Use financial statement version INT. Create the report first for the entire company code and then for your business area BA##.

General ledger → Information system → General ledger reports → Balance sheet/profit and loss statement/cash flow → General → Actual/actual comparisons → Periodic actual/actual comparison

Now go back to the SAP Easy Access menu.

Self-Study: Cost of Sales Accounting

At the end of this self-study topic, you will be able to:

- Explain the need and the role of the functional area
- Start the program that creates a profit and loss statement based on cost of sales accounting

Exercises

Unit: Closing and Reporting

Topic: Cost of goods sold

At the conclusion of these exercises, you will be able to:

- Create a profit and loss statement based on cost of sales accounting

Based on legal requirements and options, a company creates a profit and loss statement based on period accounting or cost of sales accounting. To use the cost of sales method, functional areas have to be derived in the SAP System and included in the documents.

2-1 **Displaying the functional area in documents**

During this course, you have posted various invoices to the vendor account AGENCY##. View these invoices and find the functional area in the documents.

Functional area:

____

Accounts Payable: Account → Display/change item

Now go back to the SAP Easy Access menu.

2-2 **Creating a P&L based on cost of sales accounting**

Create a profit and loss statement based on cost of sales accounting for company code 1000. Use the classic drilldown report.

Now create the same report for your business area BA##.

G/L Accounting: Information system → General ledger reports → Balance sheet/profit and loss statement/cash flow → General → Actual/actual comparisons → Profit and Loss Statement using cost of goods sold

Now go back to the SAP Easy Access menu.

Unit Summary

You are now able to:

- Describe the main steps in the closing process
- Describe how R/3 supports you when creating financial statements in FI-GL
- Describe how you can create profit and loss statements based on cost of sales accounting
- Name the various options for consolidation in R/3

Solutions

Unit: Closing

Topic: Closing procedures in the general ledger

To access General Ledger Accounting:

Accounting → Financial accounting → General ledger

1-1 <u>**Create accruals/deferrals**</u>

1-1-1 **Post invoice**

Accounts Payable: Document entry → Invoice

Enter company code, if not already entered.

Field name or data type	Values
Company code	*1000*

Continue

Basic data

Field name or data type	Values
Vendor	*1921*

Continue

Basic data

Field name or data type	Values
Invoice date	*First day of the previous month*
Posting date	*First day of the previous month*

Continue

Confirm message.

The master record of the vendor is displayed in the upper right hand side of the screen.

Basic data

Field name or data type	Values
Amount	*6000*
Tax amount	*0 (0I Input tax training 0%)*
Reference	*100##*
Text	*Insurance premium BA##*

In the left column, select the "with cost center" screen variant.

If the screen variants are not visible, select “Tree on” and open the folder “Screen variants for items”.

Line items

Field name or data type	Values
G/L account	*466000*
D/C	*Debit*
Doc. currency amount	*6000*
Tax code	*0I*
Cost center	*CC##*

Post

Write down the accounting document number.

Now go back to the SAP Easy Access menu.

1-1-2 **Posting accruals/deferrals**

G/L Accounting: Periodic processing → Closing → Valuate → Enter Accrual/deferral doc.

Field name or data type	Values
Document date	*Last day of previous period*
Document type	*SB*
Company code	*1000*
Posting date	*Last day of previous period*
Currency	*UNI*
Reversal Reason	*05*
Reversal Date	*First day of current period*
Posting key (PstKy)	*40*
Account	*98000*

Choose *Continue*

Confirm message.

Field name or data type	**Values**
Amount	*5500*
Tax code	*0I*
Business area	*BA##*
Text	*Accrual for insurance premium BA##*
Posting key (PstKy)	*50*
Account	*466000*

Continue

Field name or data type	**Values**
Amount	*
Tax code	*0I*
Cost center	*CC##*
Text	+

Continue: Note the text is copied from the first line item to the second line item because of having typed "+" in the text field

Post

Now go back to the SAP Easy Access menu.

1-1-3 Reversing accruals/deferrals

Periodic processing → Closing → Valuate → Reverse Accrual/deferral document

Goto → Variants → Get

Double-click AC010

Replace ## with your group number.

Execute

Write down the document number of the reversal posting.

Now go back to the SAP Easy Access menu.

1-1-4 **Checking accruals/deferrals**

Account → Display balances

Field name or data type	**Values**
G/L account	*466000*
Company code	*1000*
Fiscal year	*Current fiscal year*
Business area	*BA##*

Execute

By looking at the transaction figures, you will see that the balance of the account in the previous period is only **500 UNI**, which is also the amount that was supposed to be charged to this period.

The remaining insurance premium paid of 5500 UNI was moved forward to the current period.

Now go back to the SAP Easy Access menu.

1-2 Analysis of the GR/IR clearing account (optional)

1-2-1 **Posting an incoming invoice**

Logistics → Materials Management → Invoice Verification → Logistics Invoice Verification → Document Entry → Enter Invoice

Field name or data type	**Values**
Invoice and Posting Date	*The first of last month*
Amount	*116*
Tax Amount	*16*
Tax Code	*VN (16% domestic input tax)*

Field name or data type	**Values**
Purchase order/scheduling agreement (first field in the middle of the screen)	*41010010##*

Hit ENTER. Continue past the information message about the date change.

Field name or data type	Values
Amount	*100*
Quantity	*1*
Tax Code	*VN*

Post (Save icon)

A warning appears that no goods receipt has been received for this invoice ("Quantity delivered is zero").

Confirm the warning by hitting enter.

Confirm other information if prompted to.

Write down your Invoice Receipt document number.

Now go back to the SAP Easy Access menu.

1-2-2 **Check the GR/IR clearing account**

G/L Accounting: Account → Display balances

Field name or data type	Values
G/L account	*191100*
Company code	*1000*
Fiscal year	*Current year*
Business area	*BA##*

Execute

In the previous period, the balance is a debit of **100 UNI**. For reporting purposes, the 100 UNI must appear in the **"Billed but not received" account** for closing.

Now go back to the SAP Easy Access menu.

1-2-3 **Starting the regrouping program**

Periodic processing → Closing → Regroup → GR/IR clearing

Goto → Variants → Get

Select variant "AC010".

In the postings tab, replace ## with your group number.

The date for the GR/IR analysis is the last day of last month. This is also the posting date.

The reversal posting date is the first day of the current month.

Select the “Dynamic selections” icon in the top left of the screen (third icon from the left).

Field name or data type	Values
Business area	*BA##*

Execute

A batch input session is created.

From the top of the screen follow:

System → Services → Batch input → Sessions

Select the "RFWERE00-##" session.

Click on "Process".

Ensure that "Process foreground" is selected.

Click on "Process" again.

Confirm all screens with Enter.

Choose "Exit" when the session has been processed.

Now go back to the SAP Easy Access menu.

1-2-4 **Checking regroupings**

Account → Display balances

Field name or data type	Values
G/L account	*191101*
Company code	*1000*
Fiscal year	*Current year*
Business area	*BA##*

Execute

The account should have a balance in the previous month of 100 UNI. This amount is reversed in the following period.

Select the balance for the previous period to display the line item list.

Select the line item to display that item.

Select "Document overview"

The document line items are:

191199 GR/IR External procurement correction 100,00-

191101 GR/IR Non-complete goods and services 100,00

Now go back to the SAP Easy Access menu.

1-3 **Create the compact document journal**

Information system → General ledger reports → Document → General → Compact document journal → SAP minimal variant

Field name or data type	Values
Company code	*1000*
Posting date	*Period of current week*

Execute

Now go back to the SAP Easy Access menu.

1-4 **Create financial statements**

General ledger → Information system → General ledger reports → Balance sheet/profit and loss statement/cash flow → General → Actual/actual comparisons → Periodic actual/actual comparison

Confirm information if prompted.

Field name or data type	Values
Company code	*1000*
Financial statement version	*INT*
Fiscal year (period)	*Current fiscal year*
Period (per eval)	*Last period*

Execute

The financial report for the last period compared to the same period of the previous year is displayed. You can drilldown for the transaction figures of the accounts in the financial statement.

Return to the selection screen and limit the selection to your business area BA##.

Now go back to the SAP Easy Access menu.

Solutions

Unit: Closing and Reporting
Topic: Cost of goods sold

To access General Ledger Accounting:

Accounting → Financial accounting → General ledger

2-1 **<u>Displaying the functional area in documents</u>**

Accounts Payable: Account → Display/change line items

Field name or data type	**Values**
Vendor account	*AGENCY##*
Company code	*1000*

Execute

Select an item with a double-click

Select "Document overview"

Double-click the expense item

Select "More"

You see the functional area here, such as 400 for administrative costs.

Now go back to the SAP Easy Access menu.

2-2 **<u>Creating a P&L based on cost of sales accounting</u>**

G/L Accounting: Information system → General ledger reports → Balance sheet/profit and loss statement/cash flow → General → Actual/actual comparisons → Profit and Loss Statement using cost of goods sold

Confirm information if prompted

Field name or data type	**Values**
Company code	*1000*
Fiscal year	*Current year*

Execute

The P&L based on cost of goods sold is displayed for company code 1000.

Double click on the functional area to see the P & L items by functional area.

Return to the selection screen and run the same report for your business area BA##.

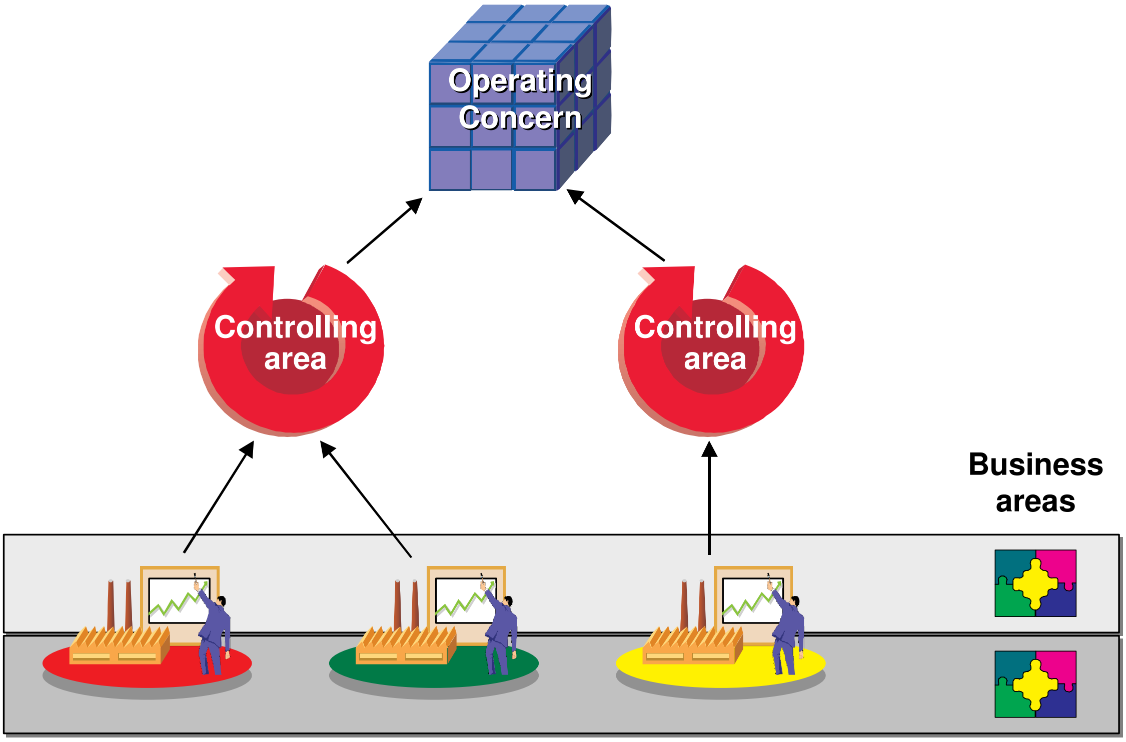
Now go back to the SAP Easy Access menu.

Summary

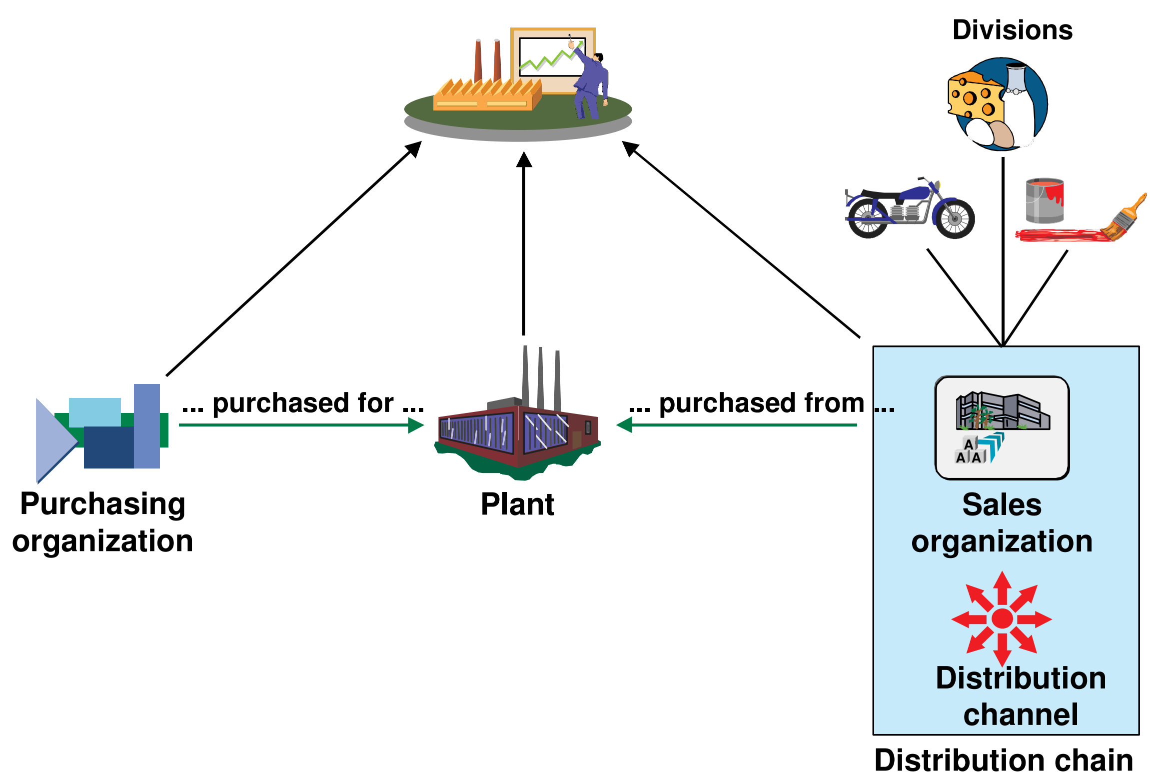
Contents:

- **Overview: Organizational Elements in Accounting**
- **Overview: Organizational Elements in Logistics**
- **Recommendations for Enhancing Understanding of Material**

Overview: Organizational Elements in Accounting



Overview: Organizational Elements in Logistics



Course Objectives

You should be able to:

- Explain the roles of the various applications in Financial Accounting
- Explain how the Financial Accounting application modules relate to each other
- Perform typical accounting transactions in the application components of Financial Accounting

Recommended Follow-up Courses

- AC200 General Ledger and Business Partner Configuration
- AC205 Financial Closing
- AC270 Travel Management
- AC305 Asset Accounting
- AC805 Cash Management

Increasing Understanding of Material

- Repeat the exercises at your own company, using the IDES data or your own data.
- Read the online documentation.
- Read the release notes.
- Read the notes in this manual

Appendix

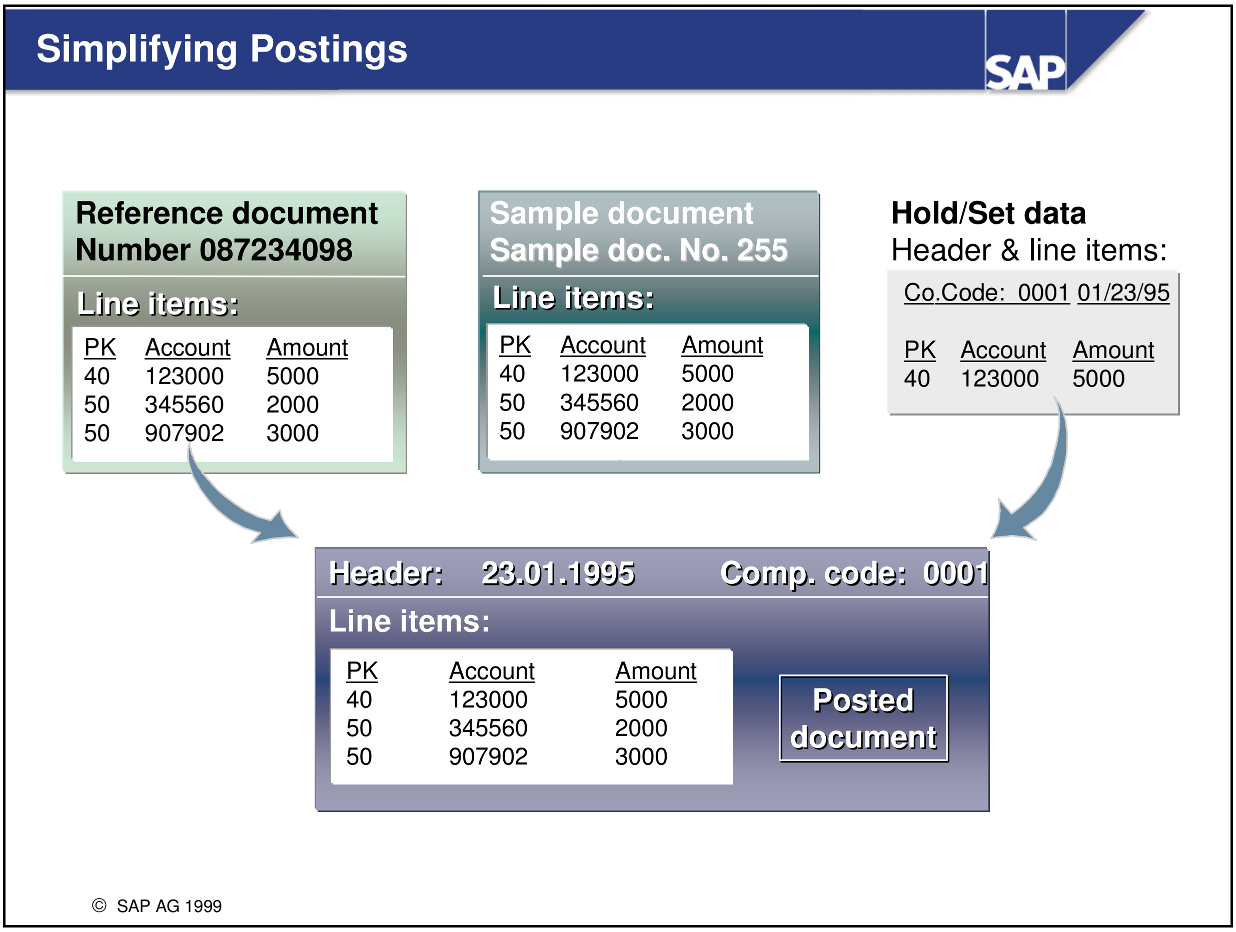
Contents:

- Posting tips
- Special Purpose Ledger
- Glossary
- Menu paths

Posting Tips

Contents:

- Reference documents
- Set/hold data
- Parameter IDs
- Document parking
- Validations and substitutions
- Report variants



- Reference documents, sample documents, and the hold/set data function all aid in reducing the number of entries necessary in a new document.
- Reference documents are previously posted documents, which can be used as a template.
- Sample documents are model documents which may also be copied into a new posting.
- The hold/set data function allows for the automatic entering of certain data when repeating a posting.

Posting Using Reference Documents

Document # 1 (Reference document):

Header: 01/19/1995 Comp. code: 0001

Line items:

PK	Account	Amount
40	123000	5000
50	345560	2000
50	907902	3000

Document # 2:

Header: 01/23/1995 Comp. Code: 0001

Line items:

PK	Account	Amount
40	123000	5000
50	345560	2000
50	907902	3000

- When posting a document, it is sometimes easier to use a previously (or frequently) used account assignment. This is done with reference documents.
- In this example, the user copies an existing document to post a new one. This is done by simply indicating the "Reference document" at the time of posting.

G/L Quick Entry of G/L Line Items

Screen Variants

SAP01 Standard 1 line

Line items:

PK	Account	Amount	St	BA	Cst Cntr	Order	PK
40	415000	5000	i0	9900	3200		3000
40	415000	4000	i0	990	310		3000
50	113100	9000					3000

Quick entry - Acct., Cost Ctr, Amount

Line items:

PK	Account	Cost center	Amount
40	123000	546	5000
50	345560	546	2000
50	907902	556	3000

The user selects a screen variant that meets his/her requirements.

- There is a separate screen for fast entry of G/L account line items.
- In regular line item posting, each line item requires a new screen with the possible fields available presented to the user. G/L fast entry uses line item templates which have only the predefined fields available. The limited selection usually has a length of 1 or 2 rows. This allows multiple line items to appear on the same screen. This simplifies the entry of multiple document line items.
- In Customizing, it is possible to configure various entry variants to fulfill different end-user requirements.

Account Assignment Model

Account assignment model

Account assignment model 9889

Items:

PK	Account	Amount
40	123000	5000
50	345560	2000
50	907902	3000

Posted document

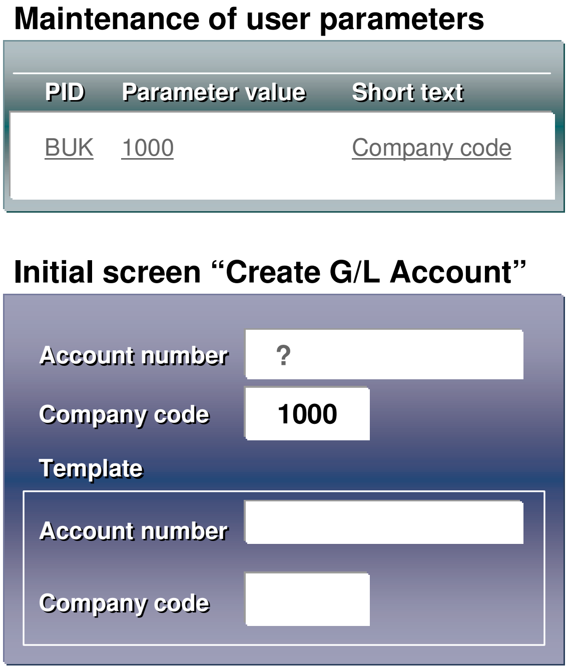
Header: 1/ 21/1995 Company code: 0001

Items:

PK	Account	Amount
40	123000	5000
50	345560	2000
50	907902	3000

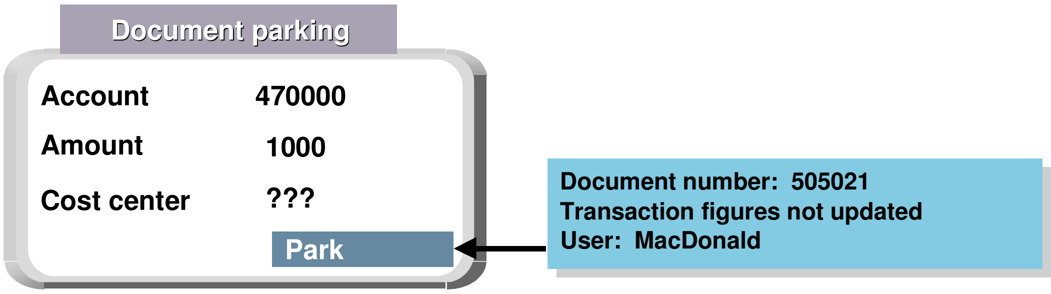
- The account assignment model includes the line items that will be defaulted into the document.
- The account assignment model can contain an indefinite number of line items and includes the posted amount and the posted document.
- The posting in the account assignment model does not need to be complete. For example, the account might be included in the model whereas cost center and amount fields are left blank to be completed in the final posting when the model is used.

Parameter IDs



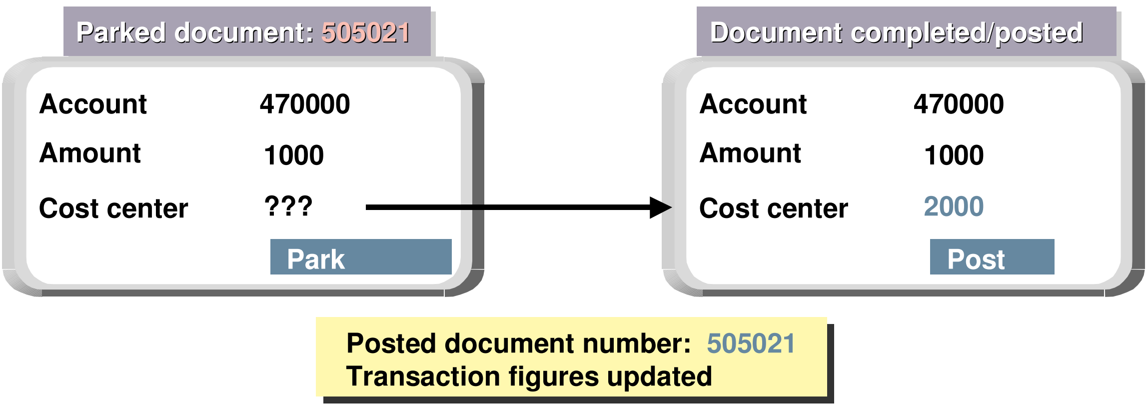
- Parameter IDs are used to determine the default value for a field in the user master record.
- The advantage of this procedure for the user is that he or she no longer has to specifically enter a field value on the screen.
- Example: If the user only has authorization for company code 1000, the system automatically enters the value 1000 in fields that display the company code.

Document Parking



- An incomplete document can be parked and posted at a later date. This can be completed by the same user or a different one.
- Document parking has the advantage, that document data can be used for online evaluations. However, is does not have to be maintained until the document(s) are completely entered and posted. For example, you can use amounts from parked documents for the advance tax on sales/purchase report.
- Substitutions and validations are not available for document parking. However, they can be used when the document is posted.

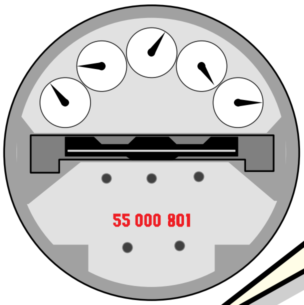
Posting a Parked Document



- You can post parked documents either individually or via a list. If you post several parked documents via a list, the system issues a list when you have finished which details which documents were successfully posted.
- From this list you can then carry out any necessary post-processing to any parked documents that could not be posted due to missing vital information such as missing account assignment. You can also create a batch input session to post the parked documents.

Validation

Validation improves the control of the data integrity!



Account = "Heat"	Cost ctr. = 05	✓
Account = "Heat"	Cost ctr. = 01	X

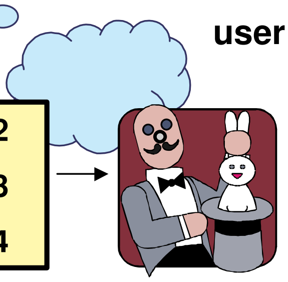
Is the account / cost center combination valid?

Validations are completed using the criteria IF, THEN, ELSE !

Substitution

- A Substitution is the process of replacing values when they are entered into the R/3 System
- Substitutions are completed prior to the validation (have priority)
- No error messages are output during substitution
- Substitutions are transparent for the user entering the data

Asset 1 cost center 2
Asset 2 cost center 3
Asset 3 cost center 4



All assets in cost centers 2 to 4 are posted to cost center 5.

Report Variants

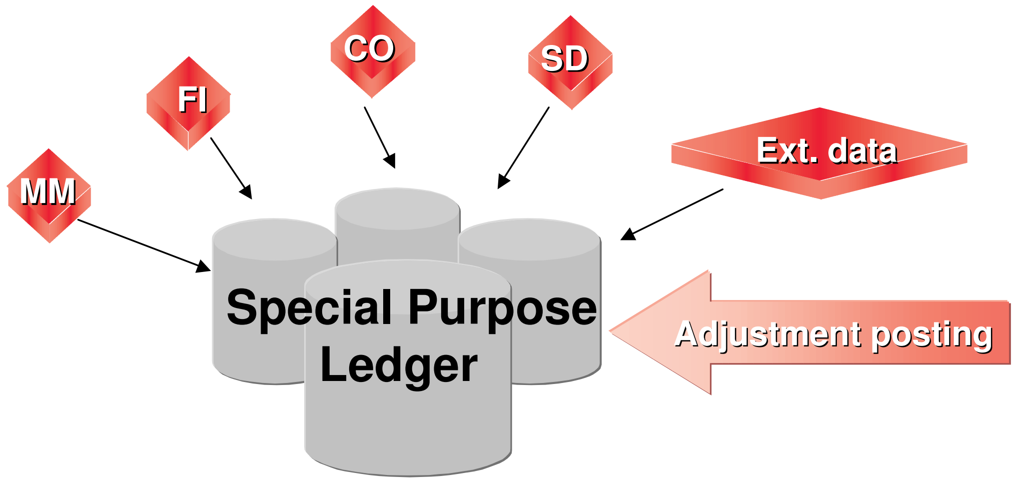
- A report variant provides a way of storing predefined selection criteria for a report.
- An individual report can have multiple report variants defined for it. However, an individual variant can be used for only one report.
- Variants are required for reports run in background.
- Report variants allow standardized report settings in order to provide consistent report output. They are also helpful when executing reports which require complex data selection criteria.

Special Purpose Ledger

Contents:

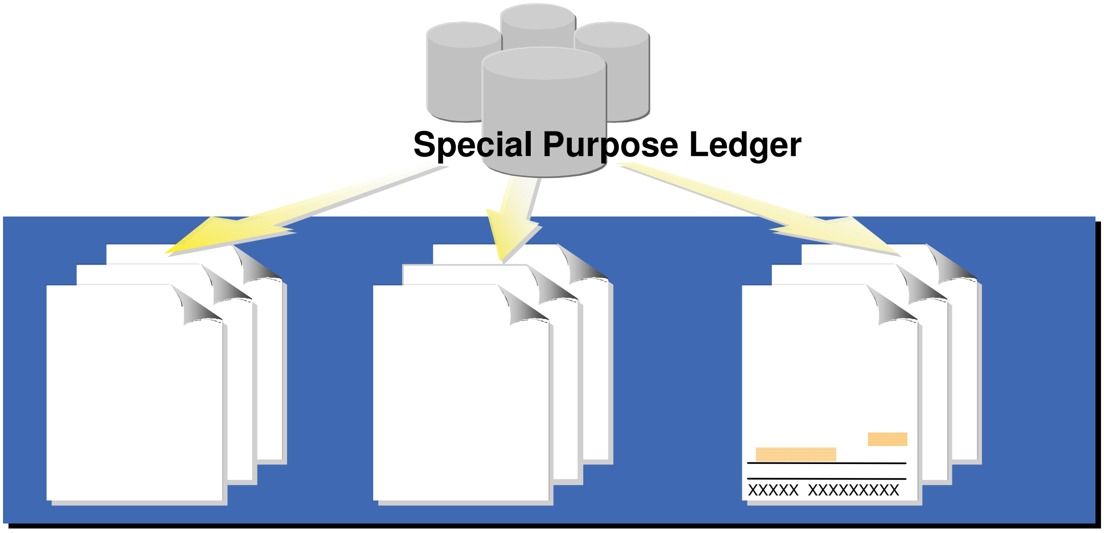
- Set up of Special Purpose Ledger
- Reporting capabilities in the Special Purpose Ledger

Customer-Defined Special Purpose Ledgers



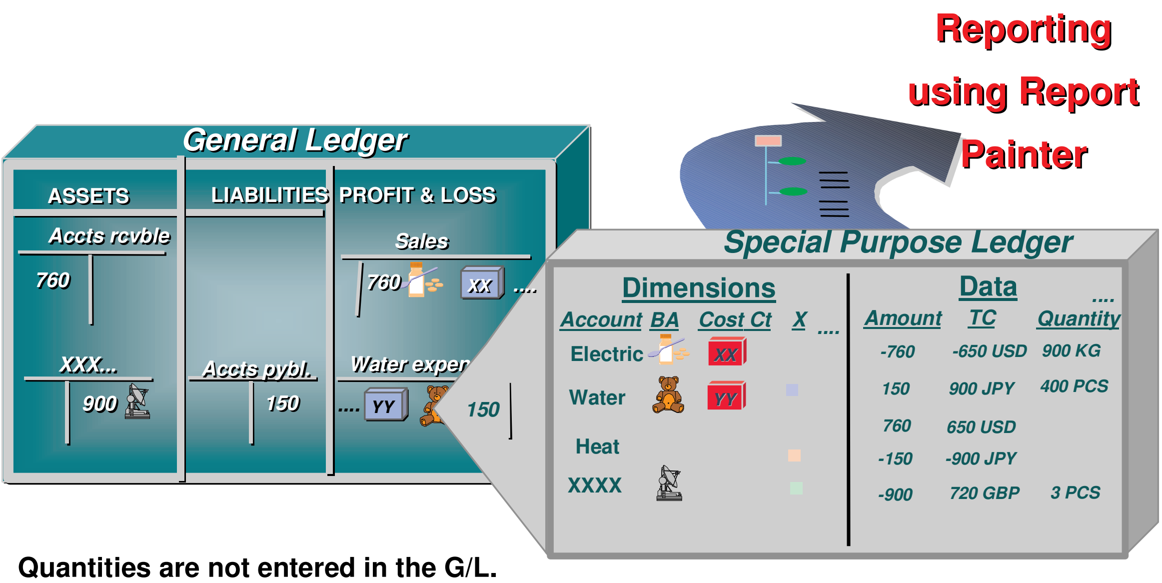
- **Customer-defined Special Purpose Ledgers are a collection of information from other R/3 application components (FI, MM, CO, SD), external data transfers and FI-SL adjustment postings in customer-defined tables**

Special Purpose Ledger and Reporting



- **If data is collected in the customer-defined ledgers, you can use the Report Writer and Report Painter to create your own specific reports**

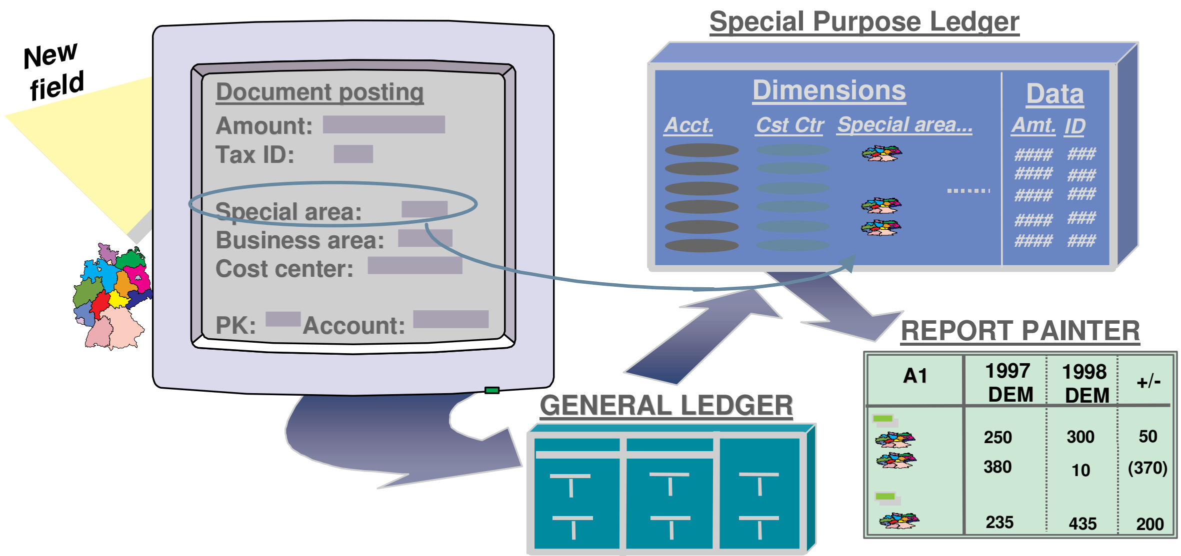
The Structure of FI-SL



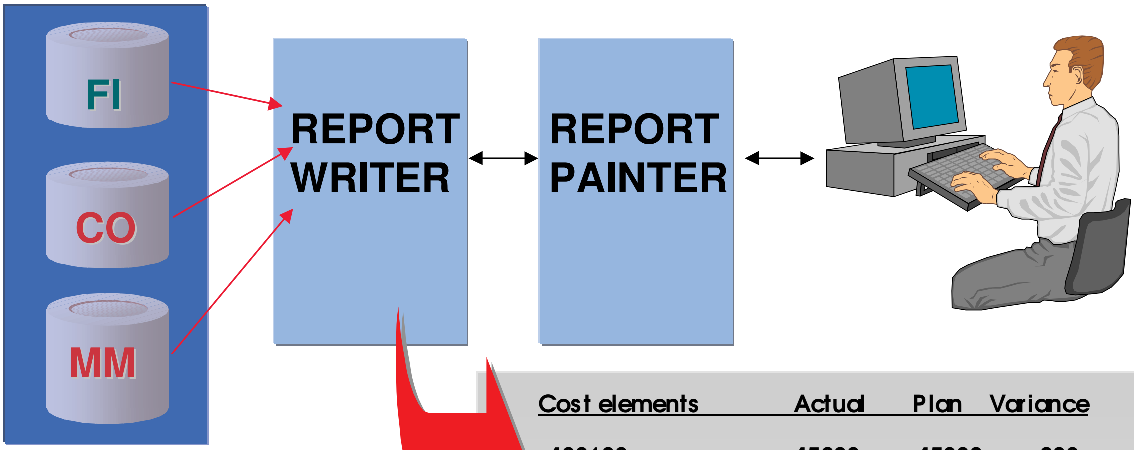
Quantities are not entered in the G/L. In this example, the "Quantity" field is included by using a special purpose ledger.

Coding Block Enhancement

The coding block defines the dimensions of the account assignments during document entry. It is possible to insert a new field in the coding and then to include information in reporting using the functions of the Special Purpose Ledger



Report Painter / Report Writer

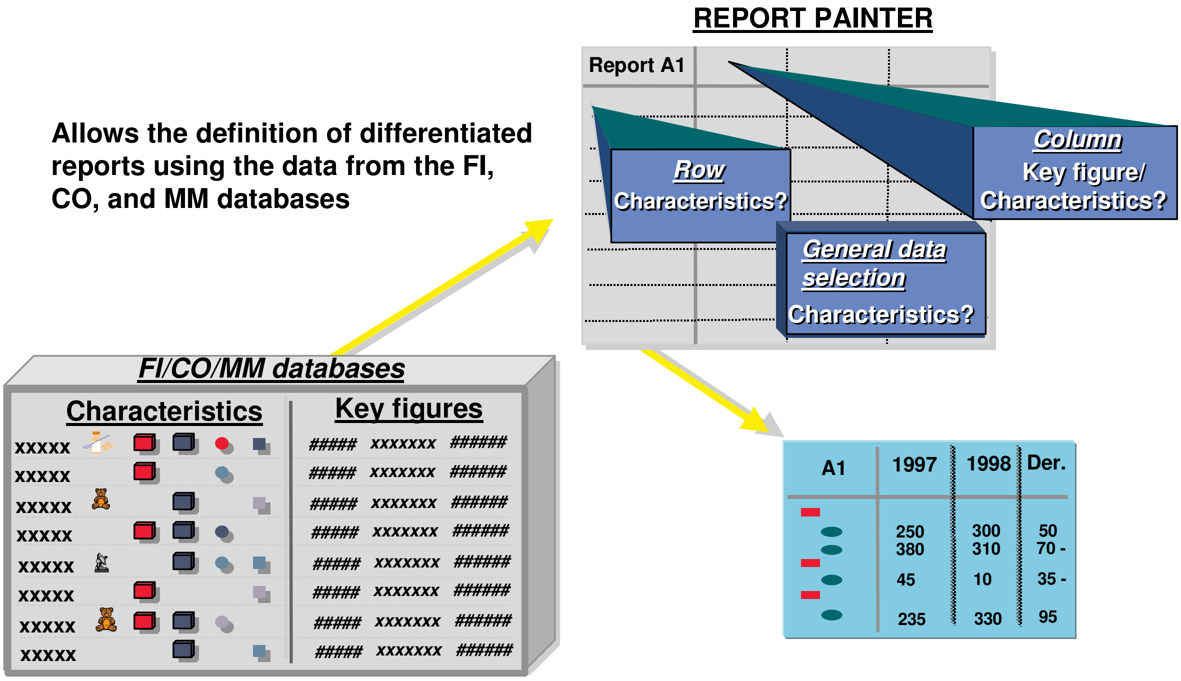


Cost elements	Actual	Plan	Variance
400100	45600	45000	600
400200	95000	94500	500
400300	35600	40000	4400-
600000	5600	6000	400-
Total	181800	185500	3700-

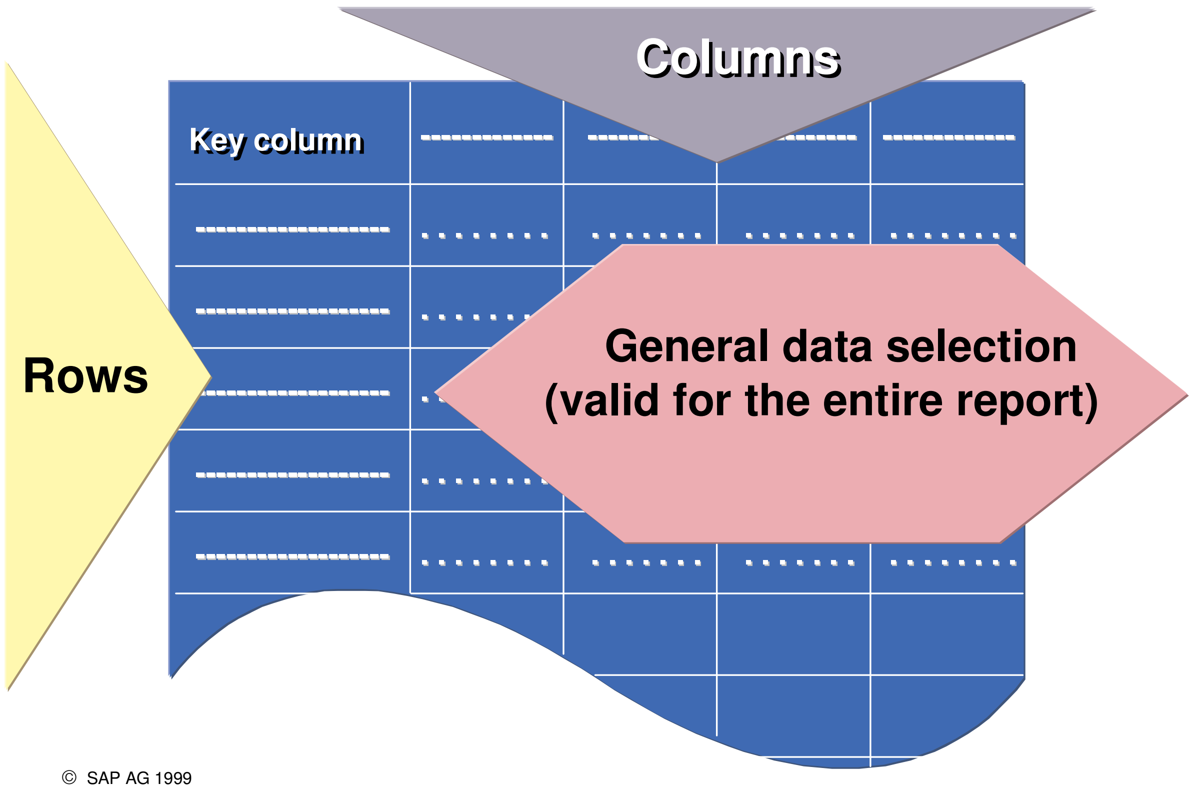
The Report Painter offers a user-friendly WYSIWYG (what you see is what you get) interface to the Report Writer.

Report Painter

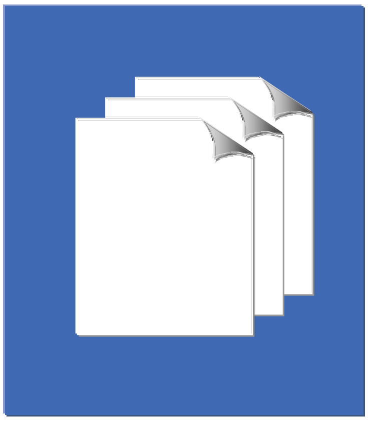
Allows the definition of differentiated reports using the data from the FI, CO, and MM databases



Basic Structure of Reports



Additional Painter Functionality



- Reports can be defined using Variables
- Reports can be designed to interface with other reports
- Reports can be exported to an EXCEL spreadsheet for further processing

Glossary

Unit: Appendix

Topic: Glossary

ABAP/4 Advanced Business Application Programming Language

ABAP/4 Query ABAP/4 Queries provide user with basic lists, sorted and totalled by various criteria. Statistics and ranked lists are also available.

Account Assignment Model The account assignment model is a template for posting documents. It includes the line items that will be defaulted into a document to facilitate data entry. It can contain an indefinite number of line items and include the posted amount or it can use an equivalency factor to spread an amount proportionally.

Account Groups Account Groups are a classifying feature for G/L, Vendor and Customer master records. The account group assists in screen display and account numbering. Each master record must be assigned to an account group.

Account Types When posting line items, there are 5 types of accounts that may be entered: Customer, Vendor, G/L Account, Asset and Material. The posting key defines which type of account is being used.

Accrual Entries Accrual & Deferral Entries are adjustment postings which are necessary at the end of a posting period. They are typically reversed in the following period. R/3's accrual program books the accrual to the G/L, then specifies the date upon which the reversal should be effective. A reversal program is executed to select and reverse the applicable accrual documents.

Activity Types Activity Types describe the activity produced by a cost center and are measured in units of time or quantity. Examples: Machine hours, Labor hours.

Additional Account Assignments All entries that are made in the line item in addition to the account number, amount and posting key. These include terms of payment, payment method, cost center and others.

Allocation Field The 'Allocation' field is an additional reference field for line items. It is contained on every posted line item. Line items can be sorted in the line item directory by the content of this field. The ’Allocation’ field is either filled automatically (sort key in the master record) or manually (entry in a line item).

ASAP (Accelerated SAP) ASAP is SAP’s comprehensive implementation solution to streamline R/3 projects. AcceleratedSAP optimizes time, quality and efficient use of resources. It focuses on the coordination of all elements that make an implementation successful.

Asset Class The asset class provides the classification for fixed assets. It provides account determination, number ranges and screen display options.

Automatic Account Assignment Automatic function (in financial accounting) during posting transactions, whereby the system assigns the items to their appropriate accounts, without the user having to make any entries.

Balance Audit Trail Recording of all transactions in an account within a certain period. The balance audit trail shows the balance at the beginning of the period and the development of the account until period end.

Balance Carried Forward The transfer of an account balance from the previous year. A balance is carried forward for balance sheet accounts.

Balance Sheet Readjustment Program Program SAPF180 ensures zero balances per business area necessary for creating business area balance sheets. If profit center accounting is activated, readjustments are made for profit centers as well. It distributes Receivables & Payables, tax postings, cash discount postings and valuated exchange rate differences.

Balance Sheet Account Valuation Program RFSBEW00 valuates General Ledger accounts managed in a foreign currency at a key date specified in the selection parameters.

Bank master data Information on a bank that is required in order to carry out business transactions with the bank. It is stored in the bank directory, which contains data on all the banks required. Bank master data includes, for example, the name of the bank, the address and country specifications.

Baseline Date The Baseline Date defines the date on which terms of payment are to begin. R/3 allows customization of this date to meet user requirements.

Bill of Exchange Promise to pay in the form of an abstract payment paper detached from the original legal transaction.

Branch Account Account that is used to represent the head office/branch relationship of a customer or vendor in the R/3 system. Purchase orders, deliveries or invoices entered for branch accounts are posted to the head office account. Every branch account must refer to a head office account.

Business Area Business areas are used for internal purposes to create balance sheet and profit and loss statements or alternatively can be used to meet external segment reporting requirements.

Chart of Accounts Systematically organized list of all the G/L account master records that are required in a company code or several company codes. The COA contains the account number, the account name and control information for G/L account master record. There are several types of charts. See Operating COA, Corporate COA and Country COA.

Clearing Procedure where open items in an account are marked as cleared. You ca clear open items if you can assign an amount of equal value to the opposite side of the account. Example: if a customer pays an invoice, you can clear the open items belonging to it.

Client Each client is a self-contained technical unit. It does not have any business related meaning. General data and tables which are used by multiple organizational structures are usually stored at this level. Data records carry a client key. There are only a few client independent tables (item sorting, for example). A user master record must be created for each user needing access to the client.

Company Code A company code is an independent accounting entity. It is the smallest organizational unit for which a complete self-contained set of accounts can be drawn up. Several company codes can be set up per client to mange the accounts of independent companies simultaneously.

Company Code Currency/ Local Currency This is the currency of the company code in which the document is attached. R/3 will always store the company code currency.

Controlling Area A controlling area identifies an independent organizational structure for which costs and revenues are collected. Each controlling area can have one or more company codes assigned to it.

Corporate Chart of Accounts The Corporate Chart of Accounts groups dissimilar charts of accounts together for consolidated reporting. It is sometimes referred to as the Group Chart of Accounts.

Cost Center Cost centers are organizational units that collect the costs arising within areas of responsibility. They are defined within a Controlling Area.

Cost Element A cost element is used to classify and assign values to the consumption of productive resources.

Country Chart of Accounts The Chart of Accounts provides an alternative account number structure to meet localized reporting requirements. It is sometimes referred to as the Alternative Chart of Accounts.

Credit Control Area The Credit Control Area is the organizational structure that tracks and monitors customers' credit in R/3. It is used by the Sales & Distribution components of R/3 as well as the Accounts Receivable component to provide integrated credit management.

Cross Company Posting Posting transaction involving several company codes. The system creates a document for each company code involved. Cross company code posting are used to process centralized purchasing or payments.

Correspondence All evaluations and reports sent to business partners are considered correspondence. Correspondence includes, account statements and open item lists in letter form, individual and standard letters, balance confirmations, document extracts, payment notices and statements of bill of exchange charges.

Document Change Rules Documents can be changed using the original document number based on Document Change Rules. They determine which fields and under what circumstances fields can be changed.

Document Principle The R/3 system records at least one document for every business transaction. Each document receives a unique document number. The document remains as a complete unit and can be displayed at any time until it is archived.

Document Type Accounting documents are managed within R/3 through the use of Document Types. The document type is located on the header portion of every document. Documents can be viewed, sorted and archived by document type.

Drill Down Reporting User definable reporting tool which allows interactive data evaluation.

Dunning The structured process of reminding overdue customers of the status of their accounts. Within R/3 customers are assigned to a dunning procedure which defines exactly how and when the dunning will take place.

ERS (Evaluated Receipt Settlement) Evaluated Receipt Settlement is a type of Invoice Processing. In this method, you do not receive any invoices from your vendors, but generate them yourself based on information contained in purchase orders and goods receipts.

Exchange Rate Tables Exchange Rate Tables are user maintainable. They contain dates with applicable translation rates for foreign currency transactions. The system will default to the rates entered in this table if no rate is specifically entered on a transaction.

Exchange Rate Types Exchange Rate Types allow multiple rates to be stored and used for different purposes. You can use Exchange Rate Types to define a bank buying & selling rate, an average rate for translation of foreign currency amounts, rates for financial report translations, or a rate for any specialized currency requirement within your company.

FI-CO Reconciliation Program The RKAKALFI report is used when a business has one or more companies tied to the same controlling area and cross-company CO allocations and cross-business area postings take place. This report will then compare total postings in FI and CO per company and create adjusting entries.

Field Status The goal of R/3 is to ensure accurate and efficient data entry. The use of field status functionality allows the appropriate combination of fields to be presented at data entry time preventing errors of inclusion and exclusion. Individual fields can be required, suppressed or optional, depending on the user defined configuration of R/3.

Financial Calendar The Financial Calendar provides a quick, centralized overview of Accounting Activities planned or already performed, where the user can monitor and plan Financial Accounting tasks centrally as they arise.

Financial Management Area The financial management area is found in the treasury component of R/3. It subdivides an enterprise into units that can carry out independent cash budget management and independent funds management.

Financial Statement Version Versions are created to provide row and hierarchy structure to the balance sheet and profit and loss statement. You can define versions for a special chart of accounts, for a corporate chart of accounts, or without any special allocation. You assign groups of accounts to the items at the lowest levels of the hierarchy.

Functional Area Functional areas classify operating expenses according to the requirements of cost-of- sales accounting by production, administration, sales and distribution, marketing, research and development etc. By breaking costs down into these functional areas, cost-of-sales accounting shows why costs accrued in an enterprise and indicates the economic purpose of the expense.

General Ledger Account Master Record Data record containing information that controls the entering of data to a G/L account and the management of the account. This includes for example the currency in which an account is managed.

General Ledger Information System The general ledger information system, which is based on R/3's Executive Information System (EIS) functionality, is a dialog-oriented information system that is capable of evaluating a dataset according to all characteristics contained in the data description. Both G/L account transaction figures as well as balance sheet and P&L structures serve as the primary database for the general ledger information system. Balance sheet key figure reports and financial statement versions are available as report types.

G/L Fast Entry In regular line item posting, each line item requires a new screen with the possible fields available presented to the user. G/L fast entry uses line item templates that have only the predefined fields available. This limited selection is usually 1 or 2 lines in length, therefore many line items fit on the same screen, making multiple line item entry much quicker for standardized entries.

GR/IR Account This General Ledger account that includes postings for goods received but not yet invoiced, and also postings for goods invoiced but not yet received.

Goods Received / Invoice Received Reclass This program, (RFWERE00), analyzes goods receipts and invoices received clearing accounts and generates adjustment posting to classify business transactions correctly for balance sheet presentation.

Group Company A group Company is the legal unit of consolidation to which company codes are assigned.

Holdback/Retainage Holdback/ Retainage are payment terms which consist of proportional installment payments. Each installment payment can carry its own payment term definition.

IMG (Implementation Guide) The IMG or Implementation Guide is the central element of Customizing. It leads the user online through all the steps required for the implementation of the R/3 system, for subsequent changes and for system upgrades and release upgrades. The IMG is valid system wide and is client independent.

Input Tax Tax that is charged by the vendor.

Internal Order Internal orders are used to plan, collect, monitor, and settle the costs of specific operations and tasks performed within a controlling area. The SAP R/3-System allows you to control your internal orders throughout their entire life cycle (from initial creation through the planning and posting of actual costs right up to final settlement).

Invoice Verification Invoice verification is the R/3 process of matching a vendor's invoice with the purchase order for the goods, and the actual receipt of the goods.

Lockbox Processing Payment transactions in the USA are largely made in the form of checks. In order to process these payments quickly, banks offer lockbox services where customers can send their payments directly to a lockbox at a bank. The bank deposits the checks and sends check deposit information to the payee via file transfer.

Net procedure Procedure where cost or inventory postings are reduced automatically by the expected cash discount when an invoice is posted. As a result, it is possible to post exact acquisition values less the cash discount.

Noted Item Special item that does not affect the account balance. When you post a noted item, a document is generated; the item can be displayed via a line item display. Certain noted items are processed by the payment program or dunning program. Example: down payment request

Number Ranges Within the Financial Modules number ranges are configured to meet individual business requirements. Number Ranges can be an externally or internally defined. Several number ranges are reserved for special uses in R/3. Number ranges are defined for master records and documents.

One time accounts One time accounts are managed for business partners with whom business is carried out only once or rarely One special master record is needed for all one time accounts. Specific data on the business partner, such as address and bank data, is not entered in the master record but in the document itself.

Open FI Interface The standard financial accounting functions are not always sufficient to meet the specific demands of certain customers or industries. It is not always practical to extend the standard system. At the same time modifications to the standard system should be avoided or at least kept to a minimum. The Open FI Interface enables enhancement of standard functions without having to modify the standard system.

Open Item Management Specification that the items in an account must be cleared by other items in the account. The sum of the items involved in the clearing procedure must be zero. As a result, the account balance always results from the sum of the open items.

Open Item Valuation Open Item Valuation (SAPF100) carries out foreign currency valuation for accounts managed on an open item basis such as A/P and A/R.

Operating Chart of Accounts Each company code in R/3 uses the G/L accounts from only one chart of accounts for account validation at journal entry time. This is called the operating chart.

Operating Concern An operating concern is the central organizational element in profitability analysis. Controlling areas are mapped to one and only one operating concern for internal management segment reporting.

Output Tax Tax that is charged to the customer.

Parameter ID's (PID's) Parameter ID's are used to determine the default value for a field in the user master record. The advantage of this procedure for the user is that he or she no loner has to specifically enter a field value on the screen.

Parked Document An incomplete document may be temporarily stored within R/3 and then posted at a later date; this may be done by the same or a different user.

Parallel Currency R/3 always stores the transaction currency and the local currency of a transaction. It is possible to configure R/3 to capture 2 additional or parallel currencies. The user can display the transaction in any of the currencies being stored. Postings to exchange rate difference accounts are made automatically.

Payment Terms Payment terms are defined as 4 character alphanumeric keys.

R/3 is delivered with typical payment term keys; however, new payment terms can be defined in configuration. Each term consists of up to 3 possible combinations of due date and discount availability.

Personnel Area The personnel area is an organizational unit that represents a specific area of the company and is organized according to aspects of personnel, time management and payroll. Each personnel area is allocated to one company code.

Payment Program The payment program has been developed for international payment transactions with vendors and customers, and it handles both outgoing and incoming payments. It is flexible enough to allow you to define those payment features that vary from country to country such as payment method, payment form or data carrier specifications.

Plant The Plant is an operating area or branch within an enterprise. It plays an important role in material valuations, inventory management, MRP, production, costing and plant maintenance. In configuration a plant is assigned to a company code. A plant can only belong to one company code; however, multiple plants can be assigned to the same company code.

Posting Key One and only one posting key is associated with every document line item processed within R/3. It is the posting key that controls whether a line item will be a debit or a credit. The posting key controls the specific type of account of the line item, and also influences screen display.

Posting Period Variant Company codes are attached to a posting period variant. This variant controls the opening and closing of fiscal periods within R/3.

Primary Cost Primary elements are cost or revenue items in the chart of accounts with corresponding general ledger (G/L) accounts in Financial Accounting. When creating a primary cost element or revenue element, it must be listed first as a G/L account in the Financial Chart of Accounts.

Profitability Segment Profitability segments represent marketing and management views of an organization as opposed to legal reporting views. They are defined within an Operating Concern and are found in the Profitability Analysis module.

Profit Center Profit centers collect revenues, and costs from the cost centers for which they are responsible.

Purchasing Organization The purchasing organization is responsible for the complete processing of purchasing activities (such as requests for quotations and purchase orders). It maintains information relevant to vendors and pricing to support the most efficient and cost effective acquisition of goods.

Reconciliation Account A general ledger account that ensures real-time integration of subledger accounts with the general ledger. Each subledger account has a reconciliation account defined within the company code portion of its master record. In this way, all postings to subledger account are also posted automatically to the G/L reconciliation account.

Recurring Journal Entries Recurring Journal Entries are business transactions that are repeated regularly. Therefore recurring reference documents can be created within R/3 to speed periodic processing. These reference documents are then selected and processed at periodic intervals. The actual update to the G/L uses batch entry processing.

Reference Documents or Master Records are previously posted documents or master records, which can be copied, then modified to aid in data entry.

Report Painter An ABAP/4 coded generator, which allows the end user the opportunity to define report rows and columns for customized reporting. Painter has a GUI front end for definitions.

Report Trees Report Trees are graphical displays of reports organized by application area. R/3 contains standard report trees for each area, but users can customize to meet individualized company requirements.

Report Variant A report variant provides a way of storing predefined selection criteria for a report. An individual report can have multiple report variants defined for it. However an individual variant can be used for only one report. They allow standardized report settings in order to provide consistent report output.

Sales Organization A sales organization represents a selling unit in the legal sense and is allocated to a company code. This establishes a link between the SD and FI systems. Since a sales organization belongs to just one company code all financial transactions for this sales organization are posted to the linked company code. More than one sales organization can be linked to the same company code.

Sapscript Sapscript is the integrated text management system of the SAP R/3 System. It is tightly integrated into the R/3 System. You will therefore be using it for many different text-processing tasks all over the R/3 System.

Secondary Cost Element Secondary cost elements are created and maintained exclusively in Controlling (CO). They serve to assist in internal value flows, such as in internal activity allocation, surcharge accounting, and settlement transactions.

Special G/L Indicator Indicator that identifies a special G/L transaction. Special G/L transactions include down payments and bills of exchange. The indicator triggers the use of an alternative reconciliation account for special business transactions in the subledger. These transactions are not balanced with the receivables and payables form goods and services.

Special Period Special posting perod that divides the last normal posting period for closing operations. Up to 4 special periods are possible with FI.

Special Purpose Ledgers (Customer Defined) Customer Defined Special Purpose Ledgers are collections of information from R/3 applications (FI, MM, CO, SD), external data transfers and FI-SL adjustment postings in customer defined tables. These customer-defined tables then provide a database for user defined reporting.

Standard Hierarchy One main hierarchy reflects the overall structure of a company's profit and cost center management, and is mandatory. This is called the standard hierarchy within R/3.

Statistical Key Figures Statistical key figures represent activities or statistics in controlling. They are measured in units of time of quantity and are used as an allocation basis for assessments and distributions.

Substitution A Substitution is the process of replacing one value with another as it is input into R/3. Substitutions are transparent to the user inputting the data.

SWIFT Code Society for Worldwide Interbank Financial Telecommunication. In foreign payment transactions, the identification of a bank is possible via the SWIFT code. This code is standard throughout the world.

Tax Code Two digit code that reporesents the information required for identifying and calculating tax. It controls the tax rate, type of tax and calculation method.

Transaction Currency This is the currency that is input on the header of the document. R/3 will always store the document in transaction currency.

Validation A validation is the process of checking values as they are entered into the R/3 system. If the conditions of the validation are not met, the resulting message can be either an error or warning message depending on user defined configuration.

Valuation Balance Sheet term: the calculation of the value of all goods belonging to fixed and current assets as well as all payables at a certain time point according to legal requirements.

Vendor Master Record Data record containing all the information on the vendor that is required to carry out business transactions. It includes, for example, address and bank data.

Worklist When displaying account balances or line items, you can use work lists to rapidly query a series of accounts at the same time. Work lists can be defined for the following objects: BUKRS (company code), KUNNR (customer), LIFNR (vendor) and SAKNR (G/L account).

Menu Paths

Unit: Appendix

Topic: Menu Paths

Activities	**Menu Path**
Cross-Application Menu Paths (Menu Bar):	
Maintain user profile	***System → User profile → Own data***
Call up help	***Help → SAP Library***
Create session	***System → Create session***
End session	***System → End session***
Display output controller	***System → Services → Output controller***
Maintain batch input sessions	***System → Services → Batch input → Sessions***
General reporting	***System → Services → Reporting***
G/L Accounting:	
Initial screen	***Accounting → Financial accounting → General ledger***
Master Data	
Display chart of accounts	***Information system → General ledger reports → Master data → Chart of accounts***
Display G/L account list	***Information system → General ledger reports → Master data → G/L account list***
Maintain account definition	***Master records → Individual processing → Chart of accounts***
Maintain company code-specific settings	***Master records → Individual processing → In company code***
Business Transactions	
G/L account posting (ENJOY)	***Posting → G/L account posting***
Complex/general posting	***Document entry → Others → General posting***
Balance display	***Account → Display balances***
Line item display	***Account → Display/change line items***
Reporting	
Display G/L account balances	***Information system → General ledger reports → Account balances → General → G/L account balances***

Activities	**Menu Path**
Display structured account balances	***Information system → General ledger reports → Account balances → General → Structured account balances***
Accounts Payable:	
Initial screen	***Accounting → Financial accounting → Accounts payable***
Master Data	
Create vendor list	***Information system → Reports for accounts payable accounting → Master data → Vendor list***
Create vendor master record	***Master records → Create***
Change vendor master record	***Master records → Change***
Display vendor master record	***Master records → Display***
Track changes in an individual master record	***Master records → Display changes***
Display changes to multiple accounts	***Information system → Reports for accounts payable accounting → Master data → Display changes to vendors***
Business Transactions	
Post a vendor invoice	***Document entry → Invoice***
Balance display	***Account → Display balances***
Line item display	***Account → Display/change line items***
Display documents	***Document→ Display***
Display document changes	***Document→ Display changes***
Manual outgoing payment with form printout	***Document entry → Outgoing payment → Post + print forms***
Create recurring document	***Document entry → Reference documents → Recurring document***
Execute recurring entry program	***Periodic processing → Recurring entries → Execute***
Automatic payment	***Periodic processing → Payments***
Reporting	
Carry out due date analysis	***Information system → Reports for accounts payable accounting → Vendors: Items → Due date analysis for open items***
Purchasing	
Initial screen	***Logistics → Materials Management → Purchasing***
Create a purchase order	***Purchasing: Purchase order → Create → Vendor/supplying plant known***
Post a goods receipt	***Purchasing: Purchase order → Follow-on functions → Goods receipt***

Activities	**Menu Path**
Carry out invoice verification	***Purchasing: Purchase order → Follow-on functions → Logistics invoice verification***
<u>Closing Activities</u>	
Print balance confirmations	***Periodic processing → Closing → Check/count → Balance confirmations: Print***
Carry out foreign currency valuation	***Periodic processing → Closing → Valuate → Open items in foreign country***
Regroup receivables and payables	***Periodic processing → Closing → Regroup → Receivables/payables***
Accounts Receivable:	
Initial screen	***Accounting → Financial accounting → Accounts receivable***
<u>Master Data</u>	
Create customer list	***Information system → Reports for accounts receivable accounting → Master data → Customer list***
Create customer master record	***Master records → Create***
Change customer master record	***Master records → Change***
Display customer master record	***Master records → Display***
Track changes in an individual master record	***Master records → Display changes***
Display changes to multiple accounts	***Information system → Reports for accounts receivable accounting → Master data → Display changes to customers***
<u>Business Transactions</u>	
Post a customer invoice	***Document entry → Invoice***
Balance display	***Account → Display balances***
Line item display	***Account → Display/change line items***
Display documents	***Document → Display***
Display document changes	***Document → Display changes***
Manual incoming payment	***Document entry → Incoming payment***
Print account statements	***Periodic processing → Print correspondence → Periodic account statements***
Automatic dunning	***Periodic processing → Dunning***
<u>Reporting</u>	
Create dataset for Accounts Receivable information system	***Information system → Tools → Configure → Create evaluations***

Activities	Menu Path
Use the A/R information system	***Information system → Tools → Display evaluations***
Account analysis	***Account → Analysis***
Sales and Distribution	
Initial screen	***Logistics → Sales and Distribution***
Create a sales order	***Sales and Distribution: Sales → Order → Create***
Create an outbound delivery	***Sales and Distribution: Shipping and Transportation → Outbound delivery → Create → Single document → With reference to sales order***
Carry out picking	***Sales and Distribution: Shipping and Transportation → Picking → Create transfer order → Single document***
Billing	***Sales and Distribution: Billing → Billing document → Create***
Post a goods issue	***Sales and Distribution: Shipping and Transportation → Post goods issue → Outbound delivery single document***
Credit Management	
Initial screen	***Accounting → Financial accounting → Accounts receivable → Credit management***
Listing customers with missing credit data	***Credit Management: Credit management info system → Customers with missing credit data***
Maintain credit management master data	***Credit Management: Master data → Change***
Display and release a blocked SD document	***Credit Management: Exceptions → Blocked SD documents***
Closing Activities	
Print balance confirmations	***Periodic processing → Closing → Check/count → Balance confirmation: Print***
Carry out foreign currency valuation	***Periodic processing → Closing → Valuate → Open items in foreign currency***
Regroup receivables and payables	***Periodic processing → Closing → Regroup → Receivables/payables***
Start a valuation run	***Periodic processing → Closing → Valuate → Further valuations***
Asset Accounting	
Initial screen	***Accounting → Financial accounting → Fixed assets***
Master Data	
Create asset balance lists	***Info system → Reports on Asset Accounting → Asset balances → Balance lists → Asset balances***

Activities	Menu Path
Create asset master data	***Asset → Create → Asset***
Business Transactions	
Post asset acquisition (integrated with Accounts Payable)	***Assets → Posting → Acquisition → External acquisition → With vendor***
Asset query	***Asset → Asset Explorer***
Schedule unplanned depreciation	***Posting → Manual val. correction → Unplanned depreciation***
Scrapping	***Posting → Retirement → Scrapping***
Asset under construction: Define distribution rules	***Posting → Cap. asset u. const→.Distribute***
Asset under construction: Complete settlements	***Posting → Cap. asset u. const→.Settle***
Reporting and Closing	
Print asset charts	***Info system → Reports on Asset Accounting → History → Asset History***
Print inventory lists	***Info system→ Reports on Asset Accounting→ Asset balances→ Inventory lists→ Inventory list***
Asset history sheet	***Info system → Reports on Asset Accounting → Balance sheet explanations → International → Asset history sheet***
Travel Management:	
Initial screen	***Accounting → Financial accounting → Travel management***
Master Data	
Create travel privileges	***Person-related master data → Maintain***
Create vendors	***Person-related master data → Create vendors***
Business Transactions	
Maintain trip	***Travel manager***
Settle trip	***Travel expenses → Periodic processing → Settle trips***
Create trip transfer document	***Travel expenses → Periodic processing → Transfer to Accounting → Create posting run***
Create accounting documents	***Travel expenses → Periodic processing → Transfer to Accounting → Manage posting runs***
Bank Accounting:	
Initial screen	***Accounting → Financial accounting → Banks***
Master Data	
Maintain list of banks	***Master records → Bank master record → Change***

Activities	Menu Path
Business Transactions	
Manage cash journal	***Outgoings → Cash journal*** **or** ***Incomings → Cash journal***
Manual check deposit transaction	***Incomings → Check deposit → Manual entry***
Manual bank statement	***Incomings → Bank statement → Manual entry***
Closing in the General Ledger	
Initial screen	***Accounting → Financial accounting → General ledger***
Create accrual/deferral	***Periodic processing → Closing → Valuate → Enter accrual/deferral doc.***
Reverse accruals/deferral	***Periodic processing → Closing → Valuate → Reverse accrual/deferral document***
Analyze GR/IR clearing account	***Periodic processing → Closing → Regroup → GR/IR clearing***
Create compact journal	***Information system → General ledger reports → Document → General → Compact document journal → SAP minimal variant***
Create balance sheet according to period accounting	***Information system → General ledger reports → Balance sheet/profit and loss statement/cash flow → General → Actual/actual comparisons → Periodic actual/actual comparison***
Create balance sheet according to cost of sales accounting	***Information system → General ledger reports → Balance sheet/profit and loss statement/cash flow → General → Actual/actual comparisons → Profit and loss statement using cost of goods sold (German trade law)***