

Credit Management

Types of Credit Management

Simple Credit Check	In simple credit check , system check the credit value and reacted as Error, Information or Warning.
Automatic Credit Check	In automatic credit check we can set parameters as per our requirement.

Basic steps to activate the credit management

- 1 Define credit control area. FI

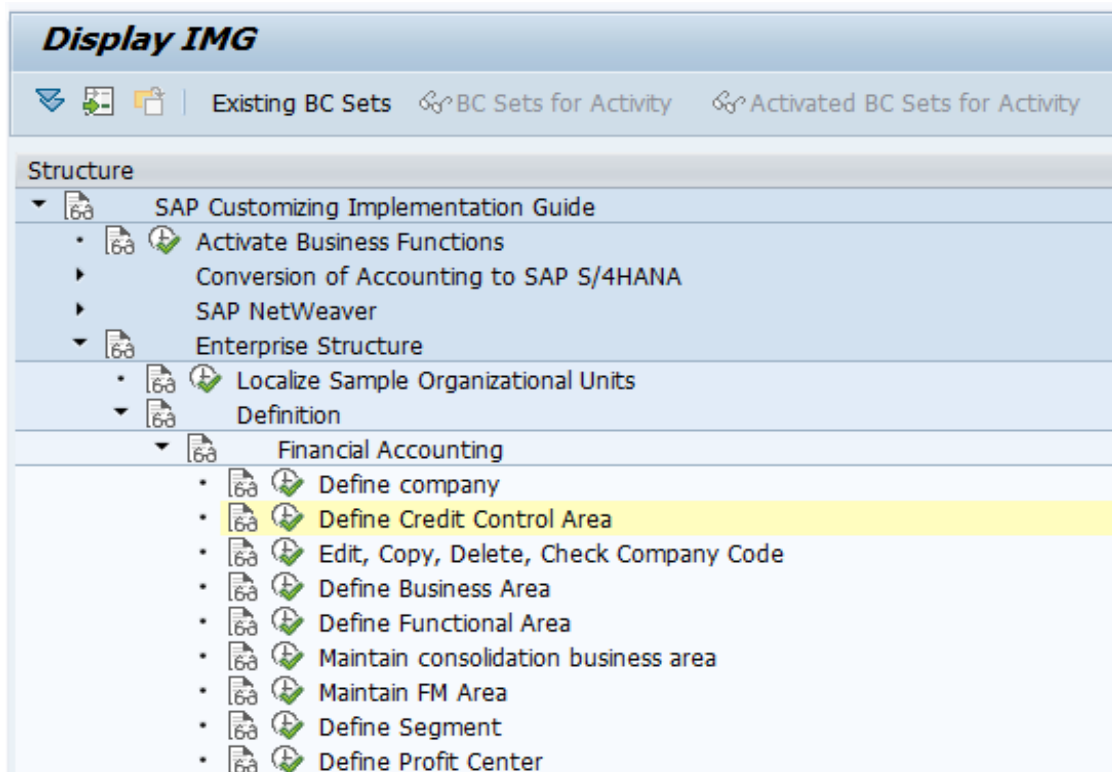


Table View Edit Goto Selection Utilities System Help

Change View "Credit Control Areas": Details

New Entries

Cred.Contr.Area 8442 Credit control area 8442

Currency INR

Data for updating SD

Update 000012

FY Variant V3

Default data for automatically creating new customers

Risk category

Credit limit 100,000.00

Rep. group

Organizational data

☐ All CoCodes

Knkk table will not create if credit limit is not mention

Credit update for open order/delivery/billing document valu...

Update Short Descript.

No update from SD documents

000012 Open order value on time axis, delivery and bill.doct value

000015 Open delivery and billing document value

000018 Open delivery value for sales order, open billing doct value

Credit Management: Risk Category New Customer (1) 3 Entries fo...

Restrictions

Credit control area: 8442

Risk Cat.	Name
001	CMIPL Category 001
D	CMIPL Category D
V	Risk category V

Currency

mention the currency for country in which business is run

Update

Controls the values of open sales orders, deliveries and billing document

Open order values become relevant only if schedule lines of item are relevant for delivery.

Update Group 00012

Sales order	Increases open order value only for delivery relevant schedule lines.
Delivery	Reduces open order value Increases open delivery doc value
Billing	Reduces open delivery doc value Increases open billing doc value
Financial accounting Doc	Reduces open billing doc value Increases open item

Update Group 00015

Delivery	Reduces open order value Increases open delivery doc value
Financial accounting Doc	Reduces open billing doc value Increases open item

Update Group 00018

Sales order	Increases open order value only for delivery relevant schedule lines.
Billing	

Reduces open delivery doc value
Increases open billing doc value

Financial accounting Doc

Reduces open billing doc value
Increases open item

2 CREATE CREDIT SEGMENT

Display IMG

Existing BC Sets BC Sets for Activity Activated BC Sets for Activity Release

Structure

- ▼ SAP Customizing Implementation Guide
 - Activate Business Functions
 - ▶ Conversion of Accounting to SAP S/4HANA
 - ▶ SAP NetWeaver
 - ▶ Enterprise Structure
 - ▶ Cross-Application Components
 - ▶ Financial Accounting (New)
 - ▼ Financial Supply Chain Management
 - ▶ Biller Direct
 - ▶ Billing Consolidation
 - ▶ Cash and Liquidity Management
 - ▶ Collections Management
 - ▼ Credit Management
 - ▼ Credit Risk Monitoring
 - ▼ Master Data
 - Create Credit Segments
 - Define Rating Procedure
 - Define Customer Credit Group
 - Define Formulas
 - Create Rule for Scoring and Credit Limit Calculation
 - Create Risk Classes
 - Define Attributes Display
 - Integration of External Credit Information
 - ▶ Business Partner
 - ▶ Credit Limit Request
 - ▶ Credit Limit Check
 - ▶ Documented Credit Decision
 - ▶ Credit Exposure Update
 - ▶ Processes
 - ▶ Subprocesses

Change View "SAP Credit Management: Segment Data": Overview

New Entries

SAP Credit Management: Segment Data

Cr.Segment	Name of Credit Segment
0000	Main Credit Segment
0001	Business Area 0001
0002	Business Area 0002
0003	Business Area 0003
1000	Main Credit Segment CMIPL
VSAB	Credit Management

Change View "SAP Credit Management: Segment Data": Details

 New Entries     

Credit Segment

SAP Credit Management: Segment Data

Name

Currency

Exch. Rate Type

☐ Add. Contribution to Main Credit Segment

3 CREATE RISK CLASSES

Change View "SAP Credit Management: Assignment of Risk Class to Score"

 New Entries     

SAP Credit Management: Assignment of Risk Class to Score

Risk Class	Name of Risk Class	Score From	Score To	
A	No Default Risk	80	100	
B	Low Default Risk	60	79	
C	Medium Default Risk	40	59	
D	High Default Risk	20	39	
E	Very High Default Risk	0	19	
V	High Risk Order	101	119	

4 ASSIGN CREDIT CONTROL AREA AND CREDIT SEGMENT

Display IMG

Existing BC Sets BC Sets for Activity Activated BC Sets for Activity Release

Structure

- SAP Customizing Implementation Guide
 - Activate Business Functions
 - Conversion of Accounting to SAP S/4HANA
 - SAP NetWeaver
 - Enterprise Structure
 - Cross-Application Components
 - Financial Accounting (New)
 - Financial Supply Chain Management
 - Bill Direct
 - Billing Consolidation
 - Cash and Liquidity Management
 - Collections Management
 - Credit Management
 - Credit Risk Monitoring
 - Integration with Accounts Receivable Accounting and Sales and Distribution
 - Integration with Accounts Receivable Accounting
 - Deactivate SAP Credit Management
 - BAdI: Activation of SAP Credit Management
 - Define Credit Segment
 - Assign Credit Control Area and Credit Segment**
 - Define Credit Exposure Categories
 - Assign Permitted Credit Control Areas to Company Code
 - Define Reconciliation Accts Without Credit Management Update
 - Customer Enhancements
 - Integration with Sales and Distribution
 - Dispute Management
 - Bank Communication Management
 - In-House Cash
 - Treasury and Risk Management

Change View "Credit Control Area and Segment": Overview

New Entries

CCAr	Description	Crcy	All CoCodes	Cr.Segment	Update
0001	Credit control area 0001	EUR	<input type="checkbox"/>		000012
8442	Credit control area 8442	INR	<input type="checkbox"/>	1000	000012
AMER	Credit control area (America)	USD	<input type="checkbox"/>		000012
EURO	Credit control area (Europe)	DEM	<input type="checkbox"/>		000012
KW01		KWD	<input type="checkbox"/>		No up
VCMP	Credit control area vcmp	INR	<input type="checkbox"/>	VSAV	000012

5 ASSIGN PERMITTED CREDIT CONTROL AREA TO COMPANY CODE





Change View "Permitted Credit Control Areas per Company Code": Overview

New Entries






























Company Code	Cred. Contr. Area
8442	8442
8442	VCMB

6 ASSIGN SALES AREA TO CREDIT CONTROL AREA






Display IMG

 Existing BC Sets  BC Sets for Activity  Activated BC Sets for Activity  Release Notes

Structure

- ▼  SAP Customizing Implementation Guide
 -   Activate Business Functions
 - ▶ Conversion of Accounting to SAP S/4HANA
 - ▶ SAP NetWeaver
 - ▶  Enterprise Structure
 - ▶  Cross-Application Components
 - ▶ Financial Accounting (New)
 - ▼ Financial Supply Chain Management
 - ▶ Biller Direct
 - ▶ Billing Consolidation
 - ▶ Cash and Liquidity Management
 - ▶ Collections Management
 - ▼ Credit Management
 - ▶ Credit Risk Monitoring
 - ▼ Integration with Accounts Receivable Accounting and Sales and Distribution
 - ▶ Integration with Accounts Receivable Accounting
 - ▼ Integration with Sales and Distribution
 -   Deactivate SAP Credit Management
 -   BADI: Activation of SAP Credit Management
 -   Define Credit Segment
 -   Assign Credit Control Area and Credit Segment
 -   Assign sales area to credit control area
 -   Define Credit Exposure Categories
 -   Enter Settings
 -   Determine Active Receivables Per Item Category
 - ▶ Maintain Authorizations
 -   Define Credit Groups
 -   Assign Sales Documents and Delivery Documents
 -   Define Automatic Credit Control
 -   Define Risk Categories

Change View "Sales Area: Allocation to Credit Control Area": Overview

68     

SOrg.	DChl	Dv	CCAr	
1000	01	40		
1000	10	01		
1000	10	10	8442	
1000	10	20	8442	
1000	10	30	8442	
1000	10	40	8442	
1000	20	01		
1000	20	10	8442	
1000	20	20	8442	
1000	20	30	8442	
1000	20	40	8442	
1000	30	01		
1000	30	10	8442	
1000	30	20	8442	
1000	30	30	8442	
1000	30	40	8442	
1000	40	01		
1000	40	10		
1000	40	20		
1000	40	30		
1000	40	40		

7 ASSIGN SALES DOCUMENTS AND DELIVERY DOCUMENTS

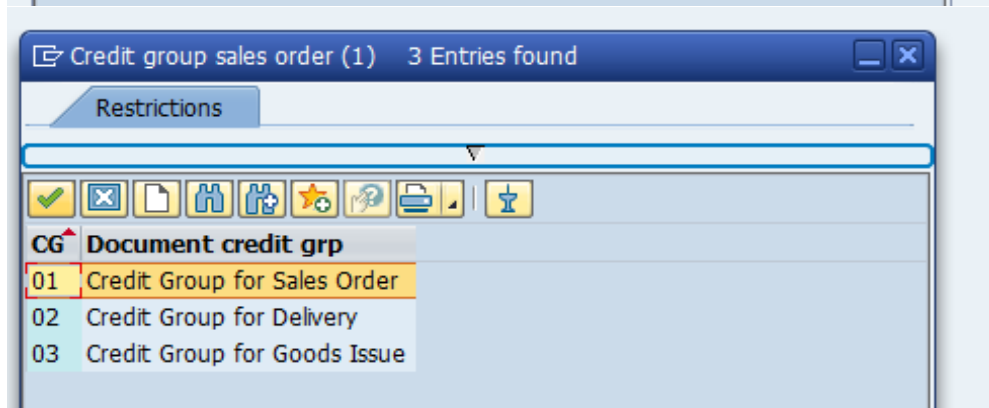
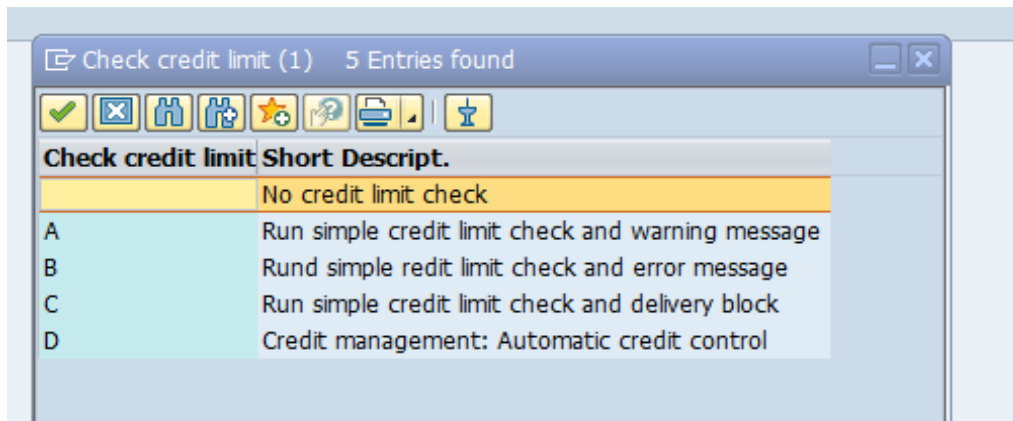
Select Activity:

Activities	
Pe...	Name of Activity
	Credit limit check for order types
	Credit limit check for delivery types

Change View "Sales Document Types - Credit Limit Check": Overview



SaTy	Description	Check credit	Credit group
WK1	Value Contract- Gen.		
WK2	Matl-rel. Value Cont		
WL			
WMPP	WM Prod.Supply		
WV	Service and Maint.	D	01
ZC&F	C&F Agebt Sales	D	
ZCCR	Credit Memo Request		
ZCDL	ZSTO Order type		
ZCDR	Debit Memo Request		
ZCIN	Inquiry	D	01
ZCON	Consignment Issue		
ZCPV	Item Proposal		
ZCQT	Quotation		
ZCRE	Returns		
ZDIS	Distributor order	D	01
ZECO	E-Commerce Sale		
ZKE	Consignment Issue		
ZMT	Modern Trade order		
ZSST	Super Stockies order	D	01



DELIVERY DOCUMENT

Change View "Delivery Types - Credit Limit Check": Overview



DivTy	Description	Div.credit group	GI credit group
HOD	Outb.Deliv.GI Mvmnt		
HTP	Deliv.for Post.Chge		
JF	Outbound delivery IN		
JIT2			
JITD	JIT Outbd. Delivery		
LB	Delivery for Subcon.		
LB2	DFPS: Reloc. Shpmnts		
LD	Outbound Del.Decentr		
LF	Outbound Delivery	02	03
LFKO	Correction Delivery		
LK			

Delivery credit group (1) 3 Entries found

Restrictions



CG Document credit grp

- 01 Credit Group for Sales Order
- 02 Credit Group for Delivery
- 03 Credit Group for Goods Issue

Goods issue credit group (1) 3 Entries found

Restrictions



CG Document credit grp

- 01 Credit Group for Sales Order
- 02 Credit Group for Delivery
- 03 Credit Group for Goods Issue

8 DEFINE AUTOMATIC CREDIT CONTROL

Change View "View for Maintenance of Automatic Credit Control": Overvi

CCAr	Risk Cat.	CG	Credit control
0001	001	01	High Risk Sales Orders
0001	001	02	High Risk Deliveries
0001	001	03	High Risk Goods Issue
8442	001	01	CM IPL High Risk Sales Orders
8442	001	02	High Risk Deliveries
8442	001	03	High Risk Goods Issue
8442	D	01	CM IPL High Risk Sales Orders
8442	D	02	CM IPL High Risk Deliveries
8442	D	03	CM IPL High Risk Goods Issue
8442	V	01	High Risk Sales Orders 8442
8442	V	02	High Risk Deliveries 8442
8442	V	03	High Risk Goods Issue 8442
VCMP	V	01	High Risk Sales Orders

Change View "View for Maintenance of Automatic Credit Control": Detail

CCA RkC CG Credit control Curr. Update
8442 D 01 CM IPL High Risk Sales Orders INR 000012

Document controlling

Released documents are still unchecked

No credit check ☐

☒ Item check

Deviation in %

Number of days

Checks

Reaction Status/Block

☒ SAP Credit Mngt

B
☒

input field

Deviation in %

This field is use to give deviations to credit limit

eg. If credit limit is set 10000 Rs for customer and after some time customer wants to amend the order with qty whi

To add this deviation we add 10% in deviation field (in short extend credit limit with minimum value) this field is use

After consuming the total credit limit the document will be blocked

Input Field

Number of Days

This is to specify the number of days after which the amended document is rechecked for credit.
For eg.

Set 10 % deviation to credit limit.

Change the order hence value amended.

Here system rechecks the value with credit limit + 10 % deviation ask to release the document.

Here if we set number of days as 1 then this document will remain open for only for 1 day, on next immediate day the document will be again blocked.

If while amending the order value is more than the credit limit + 10 % deviation the document will be blocked automatically.

9 DEFINE RISK CATEGORIES

Change View "Credit Management Risk Categories": Overview			
New Entries			
Risk Category	CCAr	Name	
001	0001	Risk category 001	
001	8442	CMIPL Category 001	
001	AMER	Risk category 001	
001	EURO	Risk category 001	
D	8442	CMIPL Category D	
V	8442	Risk category V	
V	VCMP	Risk category 001	

Change View "Control": Overview

New Entries

Dialog Structure

- Procedures
 - Control

Procedure: J1HFA IN:Factory sale

Control

Reference Step Overview

Step	Co...	Co...	Description	F...	T...	Ma...	R...	St...	P. Sub...	Re...	CaTy...	BasT...	Acc...	Acct...
560	0	J1BH	JA/R LST Surcharge	560									BR3	
600	0		Base + ED + ST	420	560									
720	0	J0CG	IN:Central GST - OP	10	25							16	J0C	
740	0	J0CS	IN: State GST - OP	10	25							16	J0S	
760	0	J0IS	IN: Integrated GST	10	25							16	J0I	
770	0	J0UG	IN:Union Ter. GST-OP	10	25							16	J0U	
800	0	J1BV	IN: Zero base											
927	0	J0CS	IN:GST Comp.CESS-OP	10	10								J0C	
980	0	ZRCM	Credit value	600	927					X A				

Position...

Entry 28 of 36

PREREQUISITE OF CREDIT MANAGEMENT

VOV8







Active credit check at sales document

1 type

Change View "Maintain Sales Order Types": Details			
New Entries			
Sales document type	ZDIS	Distributer order	
SD Document Cat.	C	Sales document block	<input type="checkbox"/>
Indicator	<input type="checkbox"/>		
Number systems			
No.range int.assgt.	41	Item no.increment	10
No. range ext. assg.	02	Sub-item increment	10
General control			
Reference mandatory	<input type="checkbox"/>	Material entry type	<input type="checkbox"/>
Check division	2	<input checked="" type="checkbox"/> Item division	
Probability	100	<input checked="" type="checkbox"/> Read info record	
Check credit limit	D	Check purch.order no	<input type="checkbox"/>
Credit group	01	<input type="checkbox"/> Enter PO number	
Output application	V1	Commitment date	<input type="checkbox"/>
Transaction flow			
Screen sequence grp.	AU	Sales Order	Display Range
Incompl.proced.	11	Standard Order	FCode for overv.scr.
Transaction group	0	Sales order	Quotation messages
Doc. Price Procedure	A		Outline agrmt mess.
Status profile	ZSALEAPL		Message: Mast.contr.
Alt.sales doc. type1			ProdAttr.messages
Alt.sales doc. type2			<input type="checkbox"/> Incomplet.messages
Variant			

2 Active credit check at item level in item category

Change View "Maintain Item Categories": Details

 New Entries
 





Item category

Business Data

Item Type	<input type="text"/>	<input checked="" type="checkbox"/> Business Item
Completion Rule	<input type="text"/>	<input checked="" type="checkbox"/> Sched.Line Allowed
Special Stock	<input type="text"/>	<input type="checkbox"/> Item Relev.for Div
Billing Relevance	<input type="text" value="A"/>	<input type="checkbox"/> Returns
Billing Plan Type	<input type="text"/>	<input checked="" type="checkbox"/> Wght/Vol.Relevant
Billing Block	<input type="text"/>	<input checked="" type="checkbox"/> Credit Active
Pricing	<input type="text" value="X"/>	<input checked="" type="checkbox"/> Determine Cost
Statistical Value	<input type="text"/>	
Revenue Recognition	<input type="text"/>	
Delimit. Start Date	<input type="text"/>	

General Control

☒ Autom.batch determ.
 ☐ Rounding permitted
 ☐ Order qty = 1

RBA Control

Transaction Flow

Incompletion Proc.	<input type="text" value="20"/>	Standard Item	Screen Seq.Grp	<input type="text" value="N"/>
PartnerDetermProc.	<input type="text" value="N"/>	Standard item		
TextDetermProcedure	<input type="text" value="01"/>	Sales Item	Status Profile	<input type="text"/>
Item Cat.Stats.Group	<input type="text" value="1"/>	Order, Debit Memo	<input type="checkbox"/> Create PO Automatic.	

Bill of Material/Configuration

IN BP ROLE
TESTING

ASSIGN CREDIT CONTROL AREA IN SALES AND DISTRIBUTION -- CREDIT CONTROL AREA

CREATE BUSINESS PARTNER

300473

Change Organization: 300473, new role SAP Credit Management

Person Organization Group **Credit Segment Data** Relationships

Business Partner: 300473 MAY 29 / 121212 Navi Mumbai
Change in BP role: UKM000 SAP Credit Manage

Worklist Find

Find: 3 Organizations
By: 8 Customer Num.
Customer: []
Start

Partner Description

Address Address Overview Identification Control Payment Transactions Status **Credit Profile** Creditworthiness Data Additional Information

Name
Title
Name: MAY 29
Salutation

Search Terms
Search Term 1/2: MAY 29

Standard Address
Print Preview

Street Address
Street/House number
Postal Code/City: 121212 Navi Mumbai
Country: IN India Region: 13 Maharashtra
Time zone: INDIA

Change Organization: 300473, new role SAP Credit Management

Person Organization Group **Credit Segment Data** Relationships

Business Partner: 300473 MAY 29 / 121212 Navi Mumbai
Change in BP role: UKM000 SAP Credit Manage

Worklist Find

Find: 3 Organizations
By: 8 Customer Num.
Customer: []
Start

Partner Description

Address Address Overview Identification Control Payment Transactions Status **Credit Profile** Creditworthiness Data Additional Information

Scoring
Rules: 82B-EXB-T Rule for Existing Custo... Score for Business Customers
Score: 0 Valid To: [] Changed On: []
Description: V High Risk Order Calculated Changed On: 29.05.2018
Check Rule: 01 Default - All Checks Active (Sta... Default - All Checks Active (Stat. Credit Limit)
Customer Group: []

External Credit Information

Rating	Priced...	Allowed	Rating	Trend	Def...	Valid From	Valid To	Rated On	ID number	Test
		<input checked="" type="checkbox"/>			<input type="checkbox"/>					
		<input checked="" type="checkbox"/>			<input type="checkbox"/>					
		<input checked="" type="checkbox"/>			<input type="checkbox"/>					
		<input checked="" type="checkbox"/>			<input type="checkbox"/>					
		<input checked="" type="checkbox"/>			<input type="checkbox"/>					

Change Organization: 300473, new role SAP Credit Management

Person Organization Group General Data Credit Segment Data Relationships

Business Partner: 300473 MAY 29 / 121212 Navi Mumbai
Change in BP role: UKM000 SAP Credit Manage...

Worklist Find

Find: 3 Organizations
By: 0 Customer Num...
Customer: Start

Partner Description

Credit Segment: 1000 Main Credit Segment CMIPL Delete Data in Segment

Credit Limit and Control Payment Behavior Key Figures KPI Payment Behavior

Credit Limit

Rules: B2B-EXIST Rule for Exis... Credit Limit for Business Customers

Limit Not Defined
Limit Defined: Limit: 34,000.00 INR Valid To: 31.05.2018
Calculated: 0.00 Changed On: 29.05.2018
Credit Exposure: 0.00
Utilization %: 0.0

Control Data

Blocked in Credit Management: Block Reason
Special Attention
Resubmission On

SAP 200

Simulation of Credit Check

BusinessPartner: 0000300473 MAY 29 / 121212 Navi Mumbai
Credit Segment: 1000 Main Credit Segment CMIPL
Rules: B2B-EXIST Rule for Existing Customers - Business Area
Amount: 0.00
Currency: INR Indian Rupee
Transaction Date: 00.00.0000

Check Result

Partner	Cr.Segment	C	Score	Limit Valid To	Ris...	Credit Limit	Crcy	Limit Valid To	B	S	Total Credit Expos.	Horizon
300473	1000	X	0		V	34,000.00	INR	31.05.2018			0.00	

Message Text

- Credit check executed with rule 01
- Credit segment 1000 of partner 300473
- Total liability 0.00 INR does not exceed the credit limit 34,000.00 INR
- Dunning level 0 does not exceed the maximum dunning level 2
- Oldest open item is less than 180 days overdue
- Invalid or initial data for payment behavior index in credit segment 1000
- Check was successful

Credit Exposure

Credit Exposure Tot.

BP Message	Mess. Sgt	Ty...	Cr. Expos. Cat.	Σ	Cr. Expos.	Cr. Expos.	Curre...	Credit Exposure	Hedged Liab.	Mess...
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CREDIT LIMIT GIVEN TO THE CUSTOMER 34000
 PLACE ORDER BELOW 34000 IT WILL CALCULATE TO THE CUSTOMER AS CREDIT EXPOSURE

Simulation of Credit Check

BusinessPartner: 0000300473 MAY 29 / 121212 Navi Mumbai
 Credit Segment: 1000 Main Credit Segment: CMIPL
 Rules: B2B-EXIST Rule for Existing Customers - Business Area
 Amount: 0.00
 Currency: INR Indian Rupee
 Transaction Date: 00.00.0000

Check Result

Partner	Cr.Segment	C	Score	Limit Valid To	Ris...	Credit Limit	Crcy	Limit Valid To	B	S	Total Credit Expos.	Horizon
300473	1000	X	0		V	34,000.00	INR	31.05.2018			12,600.00	

Message Text

- Credit check executed with rule 01
- Credit segment 1000 of partner 300473
- Total liability 12,600.00 INR does not exceed the credit limit 34,000.00 INR
- Dunning level 0 does not exceed the maximum dunning level 2
- Oldest open item is less than 180 days overdue
- Invalid or initial data for payment behavior index in credit segment 1000
- Check was successful

Change Organization: 300473, role SAP Credit Management

Business Partner: 300473 MAY 29 / 121212 Navi Mumbai
 Change in BP role: UKM000 SAP Credit Manage...

Find: 3 Organizations
 By: 6 Customer Num...
 Customer:
 Start

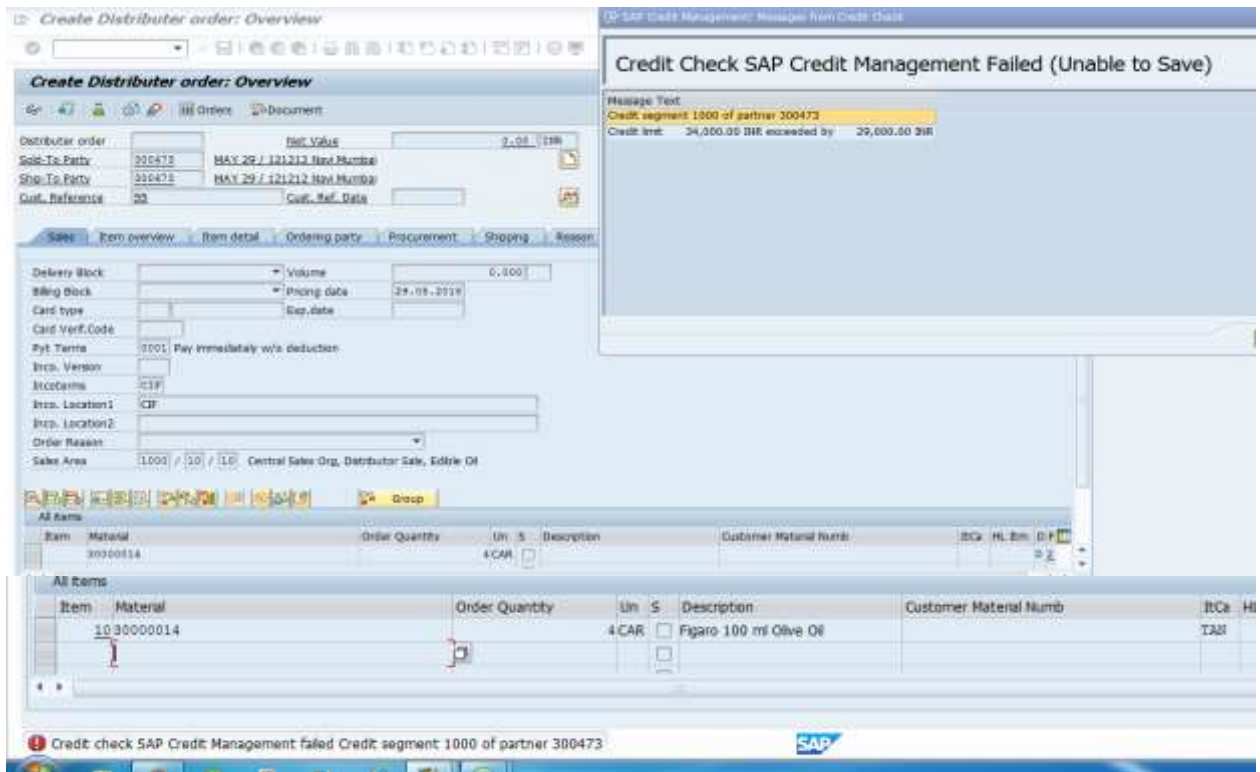
Credit Segment: 1000 Main Credit Segment: CMIPL... Delete Data in Segment

Credit Limit and Control

Rules: B2B-EXIST Rule for Existin... Credit Limit for Business Customers

☐ Limit Not Defined
☒ Limit Defined Limit: 34,000.00 INR Valid To: 31.05.2018
 Calculated: 0.00 Changed On: 29.05.2018

Credit Exposure: 12,600.00
 Utilization %: 37.1



AS THE PREVIOUS ORDRS WILL CLEAR THAT AMOUNT WILL BE
CONSIDER AS CREDIT LIMIT TO THE CUSTOMER.