1. Summary of Lecture 3: Financial Accounting

2. Summary of Lecture 4: Procurement

3. Tutorial Weeks 4 and 5

Lecturer/Tutor: Dr. Farshid Keivanian

Overview of Financial Accounting in ERP Systems:

Lecture 3 focuses on the integration of financial accounting within Enterprise Resource Planning (ERP) systems, specifically using SAP as the primary example. Financial accounting in ERP systems is essential for capturing and managing all transactions that have financial impacts on the enterprise. This includes activities related to:

- **General Ledger (G/L) Accounting**

- **Accounts Receivable (A/R) and Payable (A/P)**

- **Asset Management**

- **Bank Accounting**

These components are crucial for preparing financial statements such as bal

and income statements, which are vital for both internal and external stakeholders such

as executives, auditors, banks, and shareholders.

Key Financial Accounting Components:

1. **General Ledger Accounting:** The backbone of financial systems, recording all

   business transactions in detail.

2. **Accounts Receivable and Payable:** Tracking of all receivables from customers and

   payables to vendors, integrated with sales and procurement.

3. **Asset Accounting:** Management of company assets, from acquisition to

   depreciation.

4. **Bank Accounting:** Handling all transactions with financial institutions.

Master Data:

The lecture highlights the importance of master data in financial accounting, which includes:

- **Chart of Accounts:** Defines all accounts used in the organization.

- **General Ledger Accounts:** Specific accounts within the G/L for detailed tracking.

Practical Example in Australia:

To provide a practical example, consider a scenario where an Australian subsidiary of a global company uses SAP for its financial accounting. The subsidiary needs to adhere to both local Australian accounting standards and the global policies of its parent company.

Scenario:

The Australian subsidiary of "Global Bike Inc." needs to report its financials both locally and as part of the global consolidation. The chart of accounts must adhere to Australian standards, but also align with the group's reporting requirements.

Example of G/L Transaction Recording:

Imagine the subsidiary sells bicycles to a local retailer. This transaction would involve several steps in the financial accounting module of SAP:

1. **Sales Entry:** Record the sale in the accounts receivable ledger, debiting A/R and crediting sales revenue.

2. **Receipt of Payment:** When payment is received, cash/bank account is debited, and A/R is credited.

Here, we see a visualization of the impact of such transactions over a month on the subsidiary's cash flow.
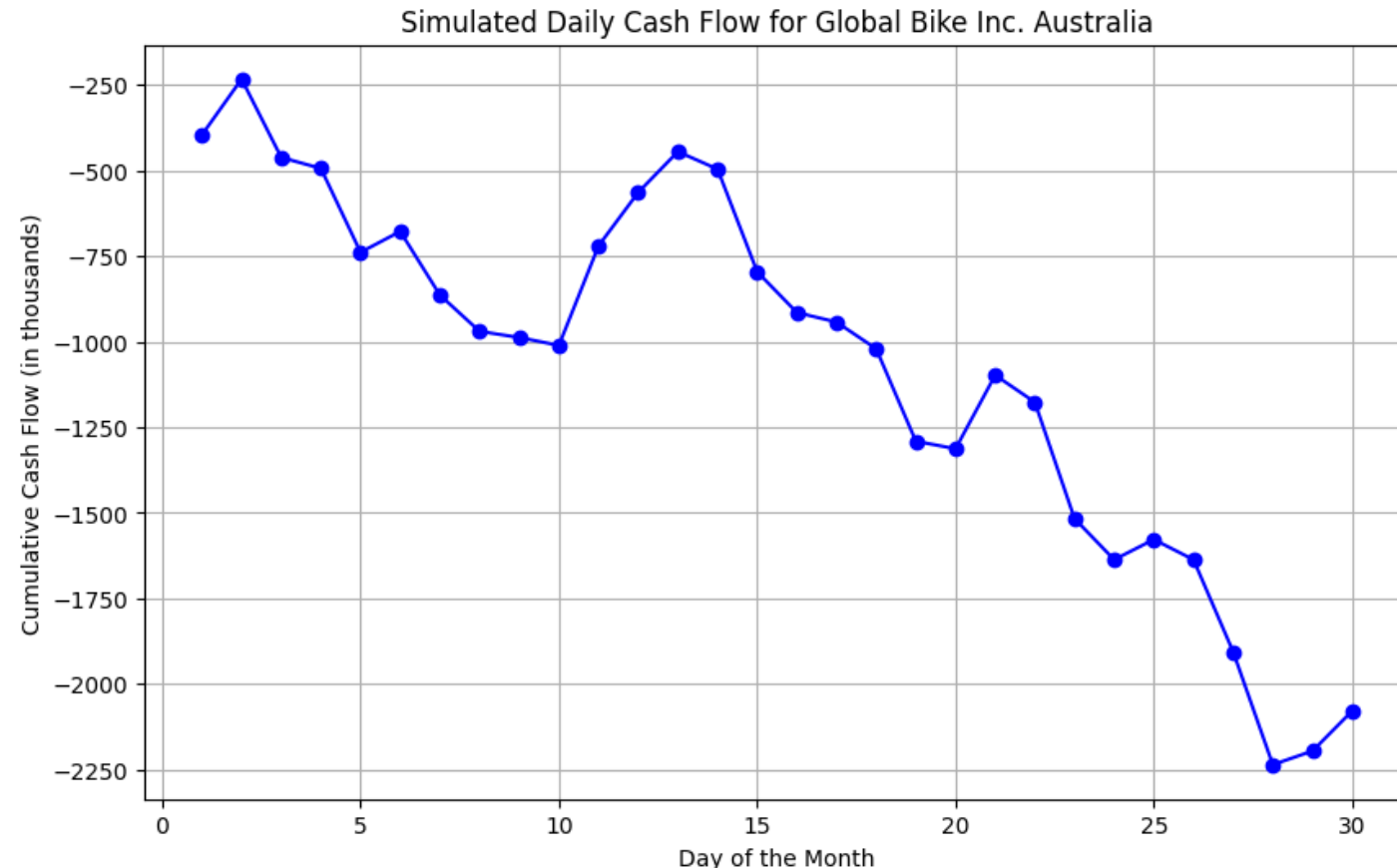
Simulated Daily Cash Flow for Global Bike Inc. Australia

The graph presents the cumulative cash flow for Global Bike Inc. Australia over a month, bas

The trend is decidedly negative, indicating that the company is spending more than it is receiving almost every day.

The cumulative cash flow starts at a slightly negative value and continues to decline, reaching its lowest point by the end of the month. There are a few days where the cash flow improves slightly, suggesting days when payments received were higher than sales made. However, these are not enough to counter the overall negative trend. It's important to note that this analysis is based on randomized data and does not reflect any real financial situation. In a real-world context, such a consistent negative trend could be alarming and might suggest the need for urgent financial restructuring or investigation into the causes of the deficit.

Simulated Daily Cash Flow for Global Bike Inc. Australia
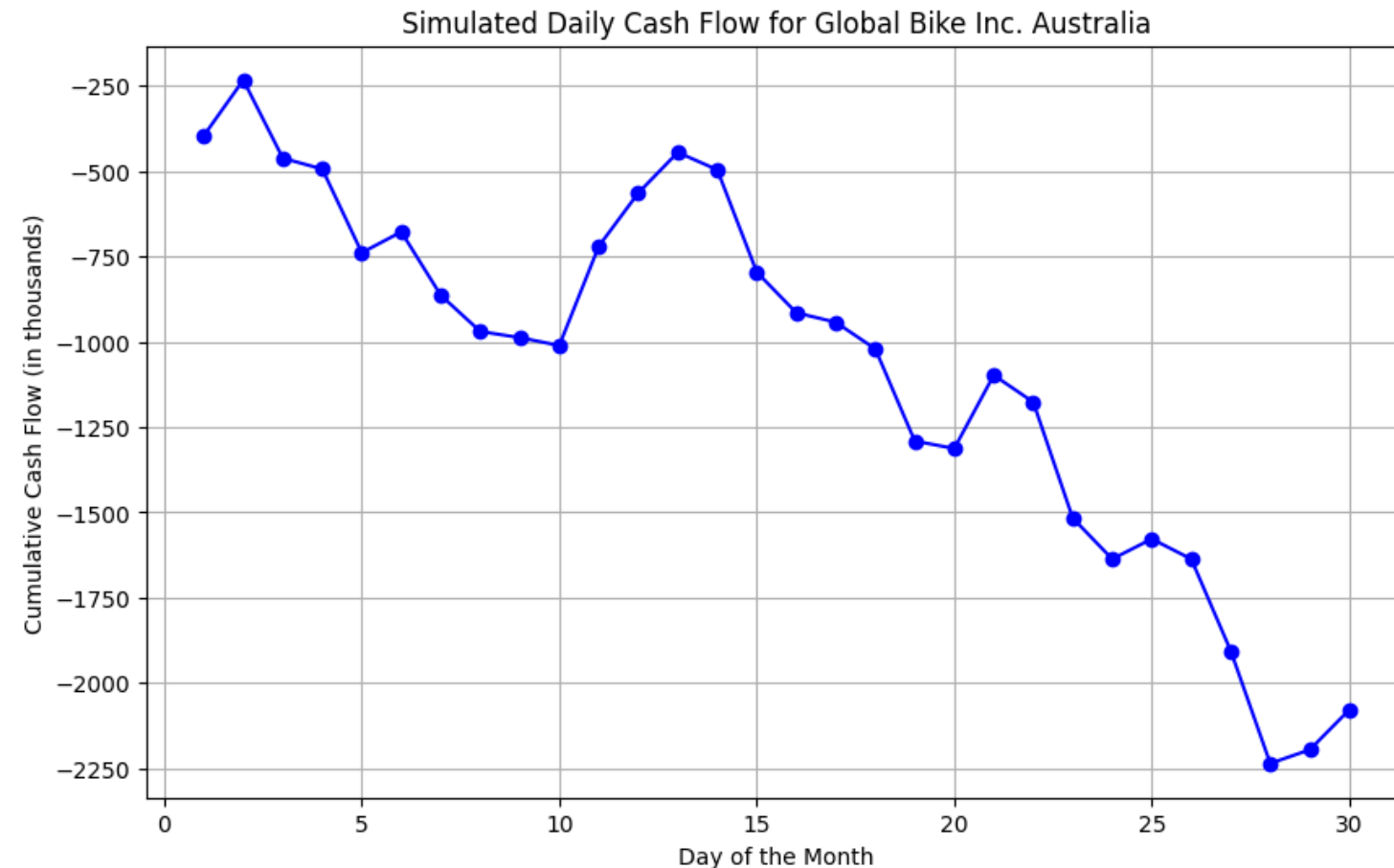
This plot provides a visual representation of how cash flow might vary day-to-day ba[...] receipts, helping you grasp the dynamic nature of financial accounting in a real-world business context.

The integration of financial accounting into SAP allows for seamless reporting and financial management across different geographical locations, adhering to both local and global standards. This example not only illustrates the practical use of ERP systems in financial accounting but also highlights the importance of adapting to different regulatory environments.
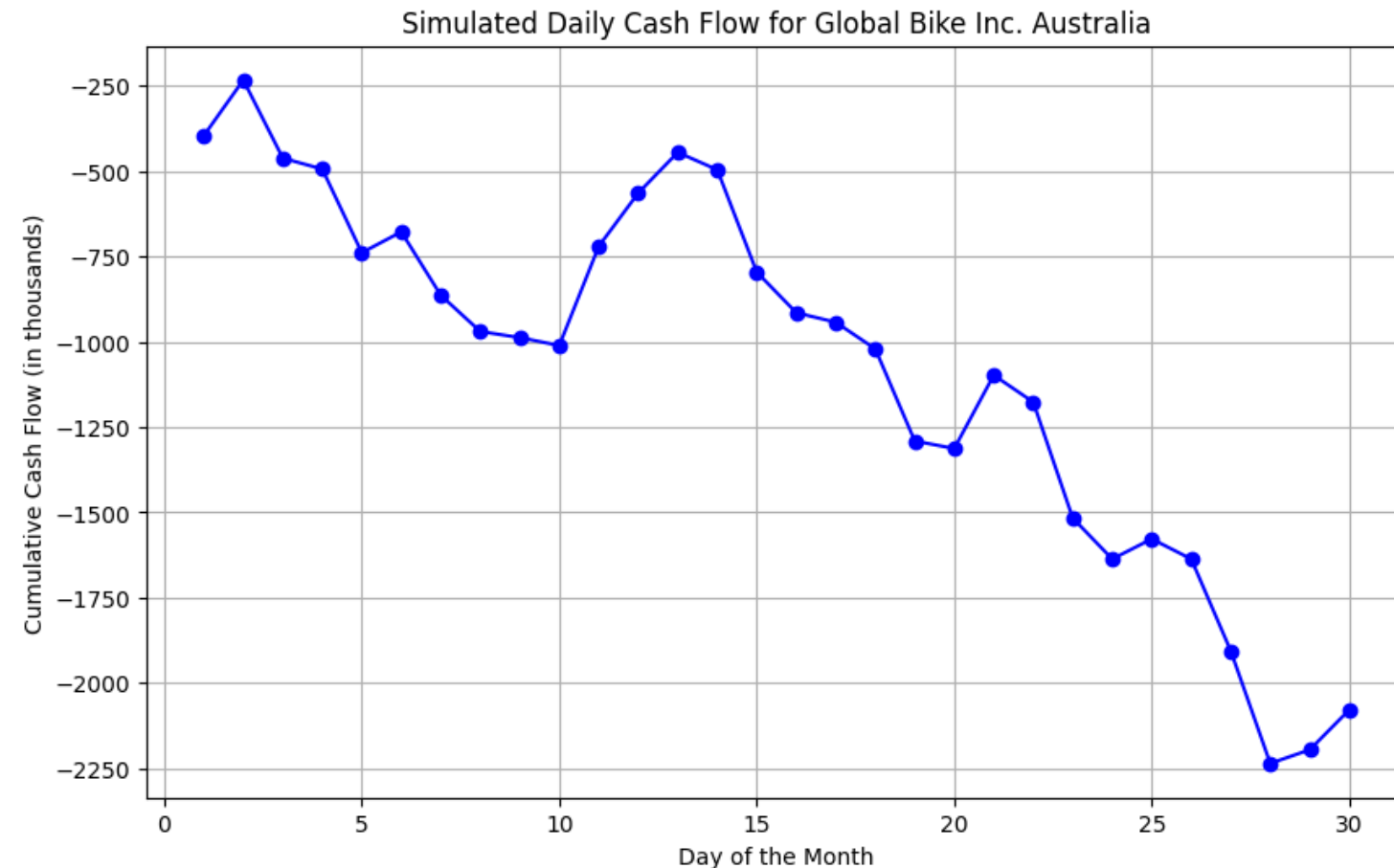
Simulated Daily Cash Flow for Global Bike Inc. Australia

2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Organizational Units and Master Data

- **Organizational Structure:** The lecture emphasizes the importance of organizing procurement around distinct units such as companies, plants, and storage locations. This structure facilitates localized management of resources, crucial in a geographically diverse market like Australia, where supply chain operations might span across multiple states or regions.

- **Master Data Management:** Critical for efficient procurement, master data includes information on materials, vendors, and accounts. In Australia, managing this data accurately ensures compliance with local regulations and standards, streamlining operations across different jurisdictions.

Procurement Process

- **Steps of the Procurement Cycle:** Starting with determining requirements and ending with payment processing, each step is integral to maintaining a robust procurement system. In an Australian context, particular attention must be given during the vendor selection process to ensure alignment with local supplier standards and ethical sourcing practices.

- **Material Requirements Planning (MRP):** This process involves planning order quantities and timings based on production needs. For Australian companies, this means adapting to local market demands and seasonal variations, which can significantly affect inventory levels and procurement needs.

2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Procurement Reporting and Technologies

- **SAP Material Management (MM):** Utilized to manage procurement activities within an organization, SAP MM integrates with other business functions such as finance and sales. In Australia, leveraging SAP MM can help businesses better manage their procurement activities by providing detailed reporting and analytics, essential for making informed decisions in a dynamic economic environment.

- **Technological Integration:** With the rise of digital transformation in Australia, integrating advanced technologies like AI for predictive analytics in procurement processes can lead to more proactive management of resources and improved operational efficiencies.

2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Inventory Management Systems

- **Types of Inventory Systems:** The lecture discusses various systems such as fixed order quantity and fixed time period models. In Australia, choosing the right system could depend on the nature of the goods, market conditions, and the geographical spread of operations.

- **Just-In-Time (JIT) Systems:** Particularly beneficial for Australian industries where reducing inventory holding costs is crucial due to high real estate prices. JIT can help minimize waste and improve cash flow, which is vital for maintaining competitiveness in the market.

Practical Applications

- Implementing effective inventory management practices such as JIT and cycle counting can significantly reduce overhead costs and improve the responsiveness of businesses to market changes.

- The strategic selection of vendors and the careful management of supplier relationships are critical in Australia, where distance and logistics can impact supply chain efficiency.

Master Data in Procurement

1. Material Master Data: Central to procurement, this includes detailed descriptions, units of measure, weight, and material groups. In Australia, where standards and regulations may vary, having detailed master data ensures compliance and aids in accurate procurement operations across different states.

2. Vendor Master Data: Essential for maintaining information about suppliers. This data includes addresses, payment terms, and contact details which are critical for establishing and maintaining supplier relationships within the Australian market.

3. Purchasing Info Record: Links specific vendors to materials or groups of materials, including conditions such as pricing and discounts. For Australian businesses, this record is crucial for negotiating terms that meet local market dynamics and competitive conditions.

Master Data in Procurement

Procurement Process Steps

1. Purchase Requisition: Initiates the procurement process; can be created manually or automatically by Material Requirements Planning (MRP). This step is vital for Australian companies to manage inventory efficiently, especially in industries like manufacturing where material needs can fluctuate due to market demands.

2. Source of Supply: Involves identifying whether to source from internal (like distribution centers) or external suppliers. This decision is particularly significant in Australia where the choice between local versus international suppliers can impact lead times, costs, and compliance with trade regulations.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market

3. Vendor Selection: Involves a Request for Quotation (RFQ) process, crucial for selecting the most cost-effective and reliable suppliers. Australian businesses need to consider local vendor capabilities and competitive pricing to optimize their supply chain.

4. Purchase Order Processing: Formal request to a vendor to supply goods or services under specified conditions. For Australian businesses, creating purchase orders with accurate vendor and material data ensures that operations are streamlined and compliant with legal requirements.

Practical Application in Australia

- **Compliance and Localization:** Adhering to Australian standards and regulations is crucial. Businesses must ensure that their procurement processes are designed to meet local requirements such as safety standards, environmental regulations, and labor laws.

- **Supplier Relationships:** Establishing strong relationships with local suppliers can lead to better pricing, loyalty discounts, and improved supply chain reliability. This is especially important in Australia's often geographically dispersed market.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market

- **Technology Integration:** Implementing advanced procurement technologies like SAP ECC helps Australian companies enhance efficiency. The integration of ERP systems can automate many procurement tasks, reduce errors, and provide real-time analytics to support decision-making.

- **Strategic Sourcing:** Australian companies benefit from strategic sourcing practices that reduce costs and improve efficiency. This includes negotiating bulk purchase agreements or long-term contracts with key suppliers to ensure price stability and supply continuity.

By focusing on these advanced procurement strategies and their practical applications within the Australian context, businesses can optimize their procurement processes to achieve greater efficiency, compliance, and profitability in a competitive market.

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2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration

- **Goods Receipt (GR)**

- **Process Overview:** In this stage, goods received from external vendors or produced internally are officially recorded. This step is crucial as it impacts stock levels and financial records.

- **Relevance to A** Given Australia's strict trade and import regulations, ensuring accurate goods receipt documentation is essential for compliance. This includes verifying that the goods match the purchase orders, which is critical for customs and quarantine processes.**ustralia:**

Invoice Verification

- **Process Overview:** Invoice verification involves matching the invoices received from vendors with the purchase orders and the goods receipts. Discrepancies can lead to invoices being blocked until resolved, which is crucial for maintaining financial accuracy.

- **Relevance to Australia:** For Australian businesses, particularly those in sectors like retail or manufacturing where large volumes of goods are procured, efficient invoice verification processes can prevent financial discrepancies and help in managing cash flows effectively. Automating this process can reduce human error and improve operational efficiency.

Payment Processing

- **Process Overview:** This final step involves the actual payment of invoices, which is only executed after successful invoice verification. This step closes the procurement cycle.

- **Relevance to Australia:** Effective payment processing is vital for maintaining healthy supplier relationships, crucial in the Australian market where late payments can affect business credibility and lead to supply chain disruptions. Implementing electronic payment systems that comply with Australian banking standards can expedite this process.

Integration with Other Processes

- The procurement process doesn't operate in isolation but is integrated with other business functions such as accounting, quality management, and inventory control. This integration is facilitated by systems like SAP, which can handle complex data needs and reporting requirements.

- **Relevance to Australia:** Integration is particularly important in Australia due to the need for detailed reporting to regulatory bodies, effective stock management across potentially vast geographic distances, and alignment with local financial practices.

2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration

Practical Example: Victoria University Procure to Pay Process

- **Case Study Insights:** Victoria University's approach to handling 25,000 invoices annually with a "No PO No Pay" policy demonstrates a practical application of procurement principles. By enforcing this policy, the university streamlined its processes, significantly reducing per invoice costs from $37 to best practice costs of $3.09.

- **Relevance to Australian Institutions:** This case highlights the importance of strict procurement policies to ensure financial discipline and efficiency, a practice that can be adopted by other Australian institutions to optimize costs and improve process speeds.

2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration

This detailed explanation of the procurement process provides insights into how each step can be tailored to meet the specific business and regulatory needs in Australia, emphasizing the importance of compliance, efficiency, and integration with broader business systems.

HS2041 – Enterprise Systems

Workshop 2 - Accounting

- The function of accounting is to provide financial documentation and information for an enterprise and other interested parties that are associated with it. There are two types of accounting:

- External accounting is oriented more towards satisfying the information requirements of external parties. This is referred to as Financial Accounting (FI).

- Internal accounting meets the reporting demands of internal enterprise groups. This is referred to as Cost Accounting (CO).

	Financial accounting	Management accounting
Focus	External	Internal
Purpose	Legal reporting (financial statements) Tracking financial impact of processes Communicate with investors	Managing the firm with regard to costs and revenues
Content	Defined by laws and regulations	Defined by management needs

- The main components of Financial Accounting are the General ledger(G/L) and Sub ledger accounting (accounts payable, accounts receivable, and asset accounting) and consolidation.

  - General Ledger (G/L) is the foundation of the accounting function. It serves as a complete record of all business transactions. It is the centralised, up-to-date reference for the maintaining of accounts. Actual individual transactions can be checked at any time in real-time processing by displaying the original documents, line items, and transaction figures at various levels, such as:

    - Account information
    - Journals
    - Totals/transaction figures
    - Balance sheet/profit and loss evaluations

- Sub-ledger accounting includes:
  - ➤ Accounts Payable records all accounting transactions for dealings with suppliers. Much of its data is obtained from procurement. This supports the procure to pay business scenario.
  - ➤ Accounts Receivable records all accounting transactions for dealings with customers. This supports the order to cash business scenario
  - ➤ 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.
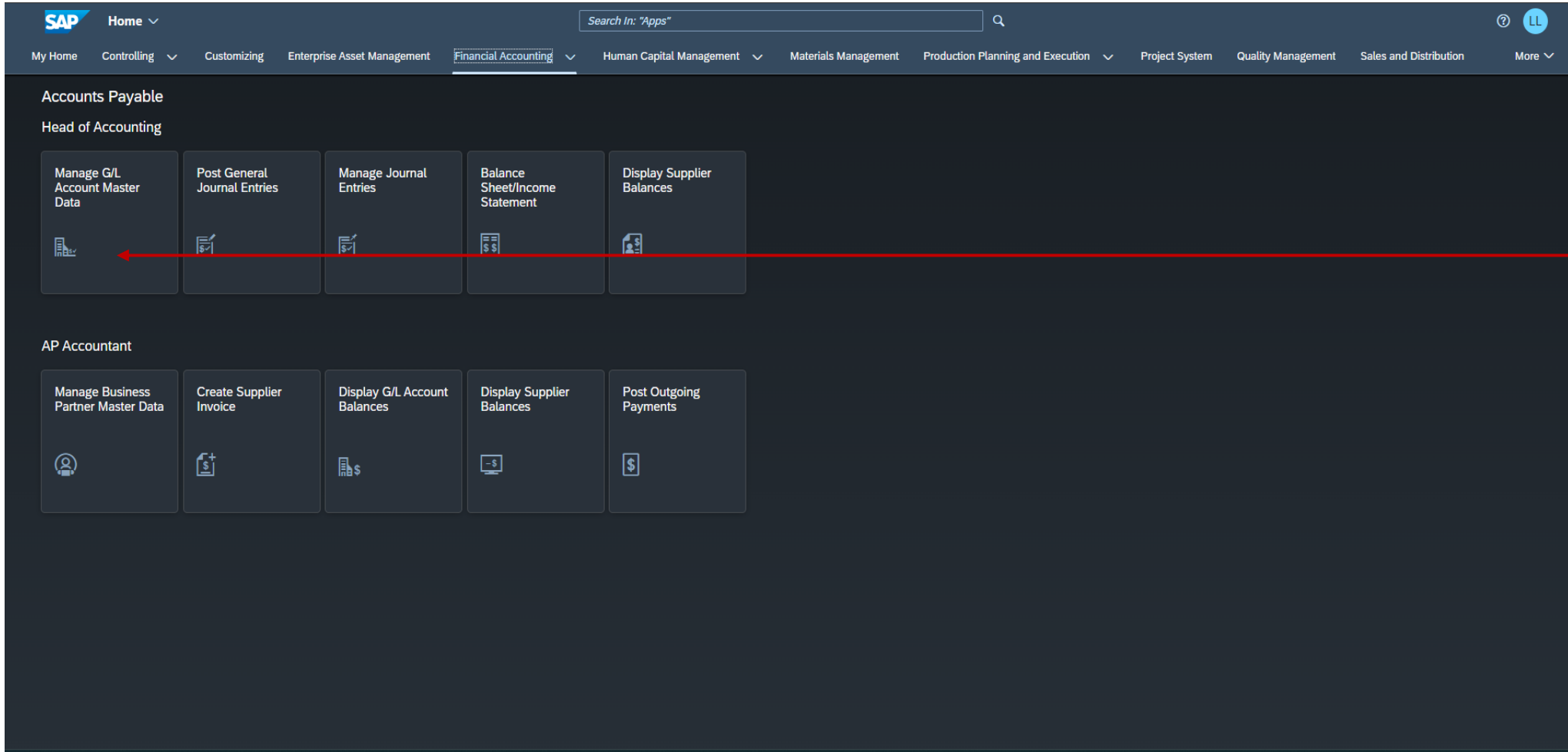
Financial Accounting

- For the Introduction workshop (Week 4 & 5), we will be using the Controlling space from the Selection bar.
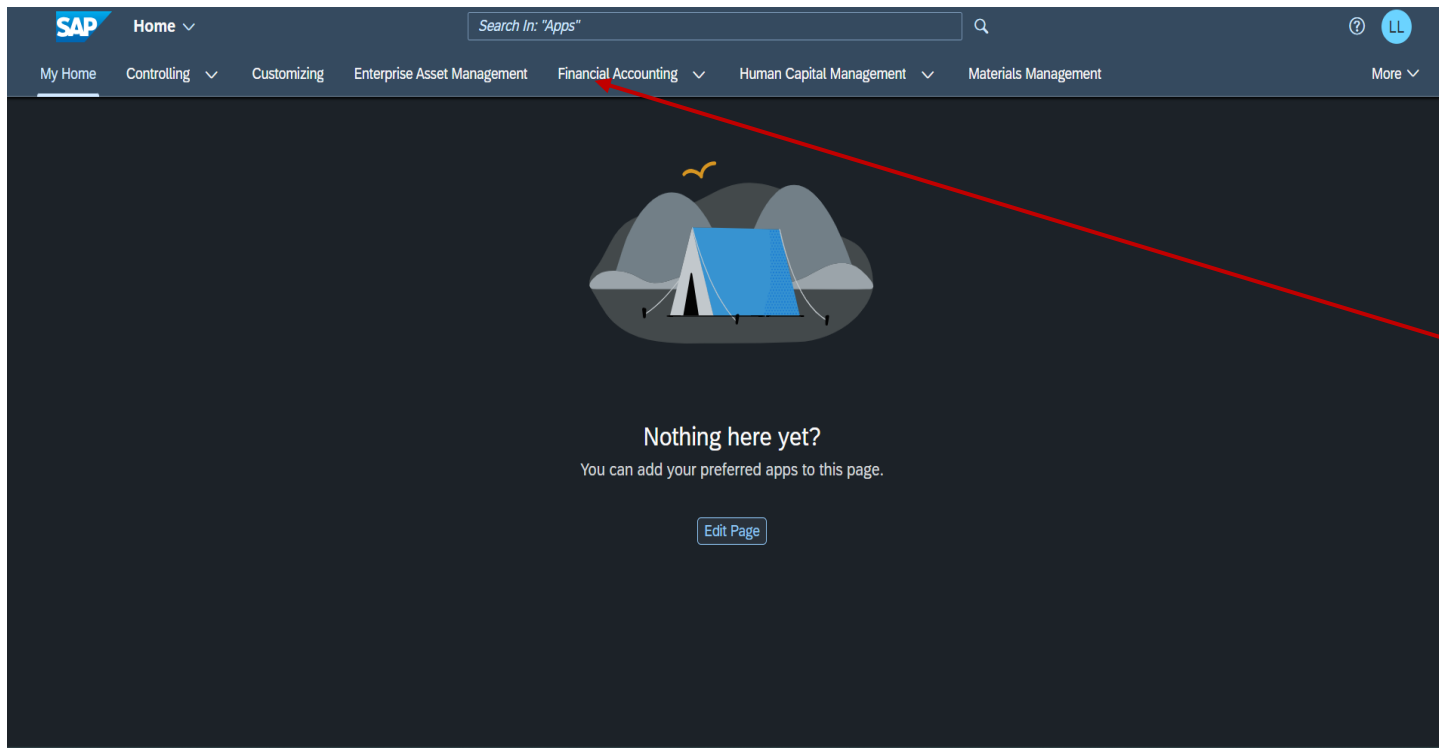
Click on **Financial Accounting** in the Space Selection Bar
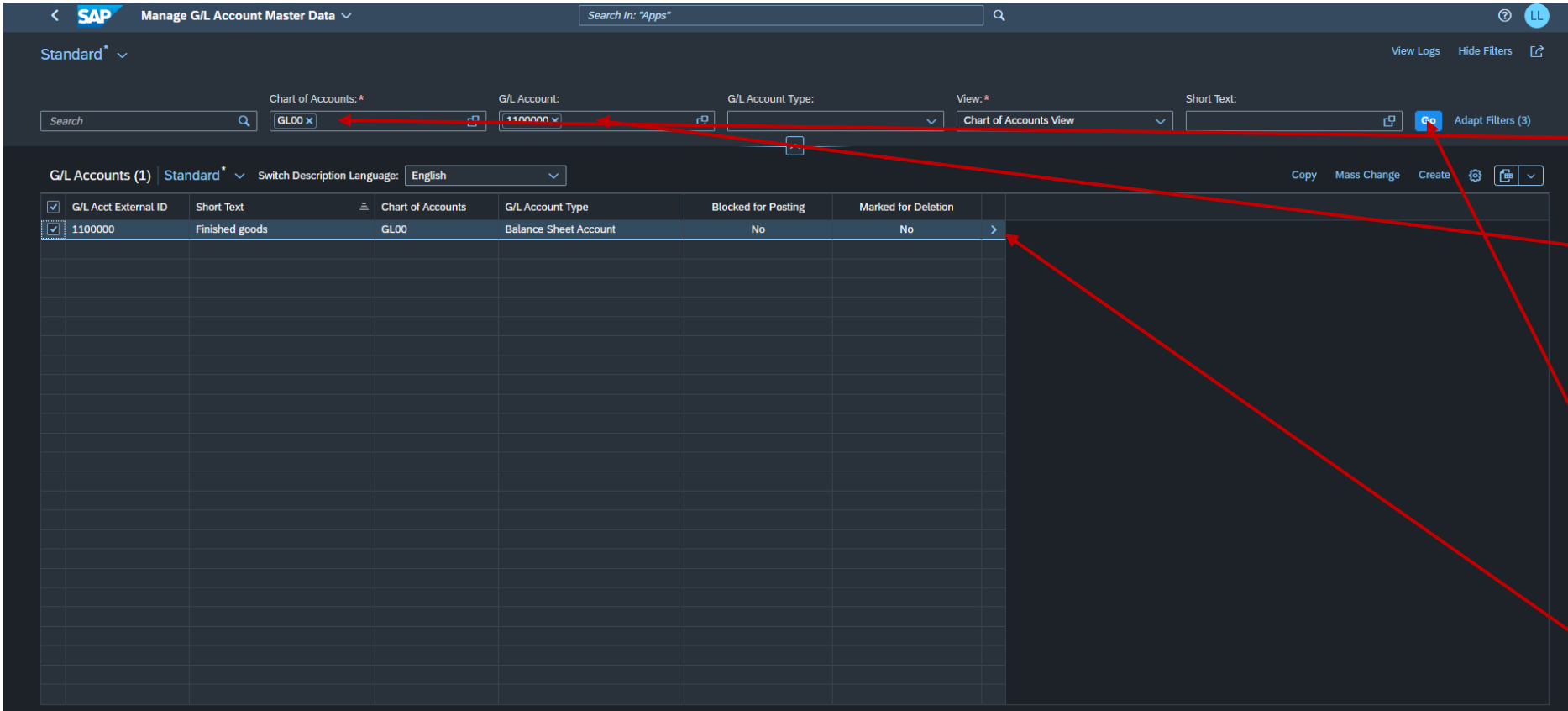
- To understand the structure of G/L Account, view the Chart of Accounts

To view the Chart of Accounts, Click on Manage G/L Account Master Data

- To view the Chart of Accounts for GBI Global

Enter GL00 or select from the search screen in the Chart of Accounts field.
Enter 1100000 (Finished Goods) or select from the search screen in the G/L Account field
Press GO
Click > on the account list

- The Chart of Accounts is displayed

What Account Group is this G/L assigned to?

What type of Account is this?

- The Chart of Accounts applied to General Ledger (G/L)

To view the company code specific data, click on Company Code Data

- The properties of the account are displayed

Shows that this account is used by DE00 and US00 company codes.

Also shows that this account has Euros (EUR) for DE00 and US Dollars (USD) for US00 company codes.

Display Financial Statements

Display Financial Statements
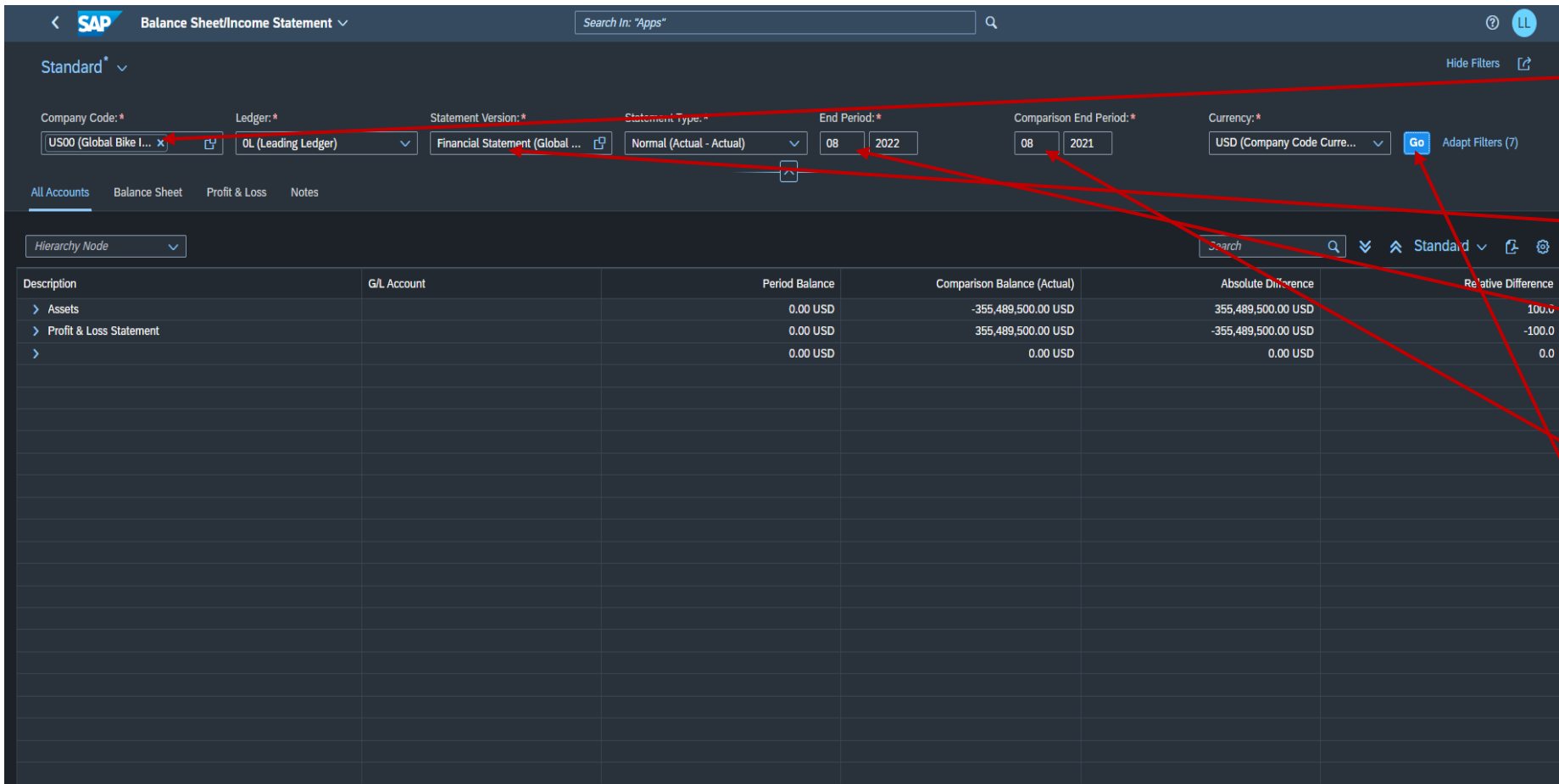
- Click on **SAP** to return to the home screen.
- Click on Financial Accounting Space.
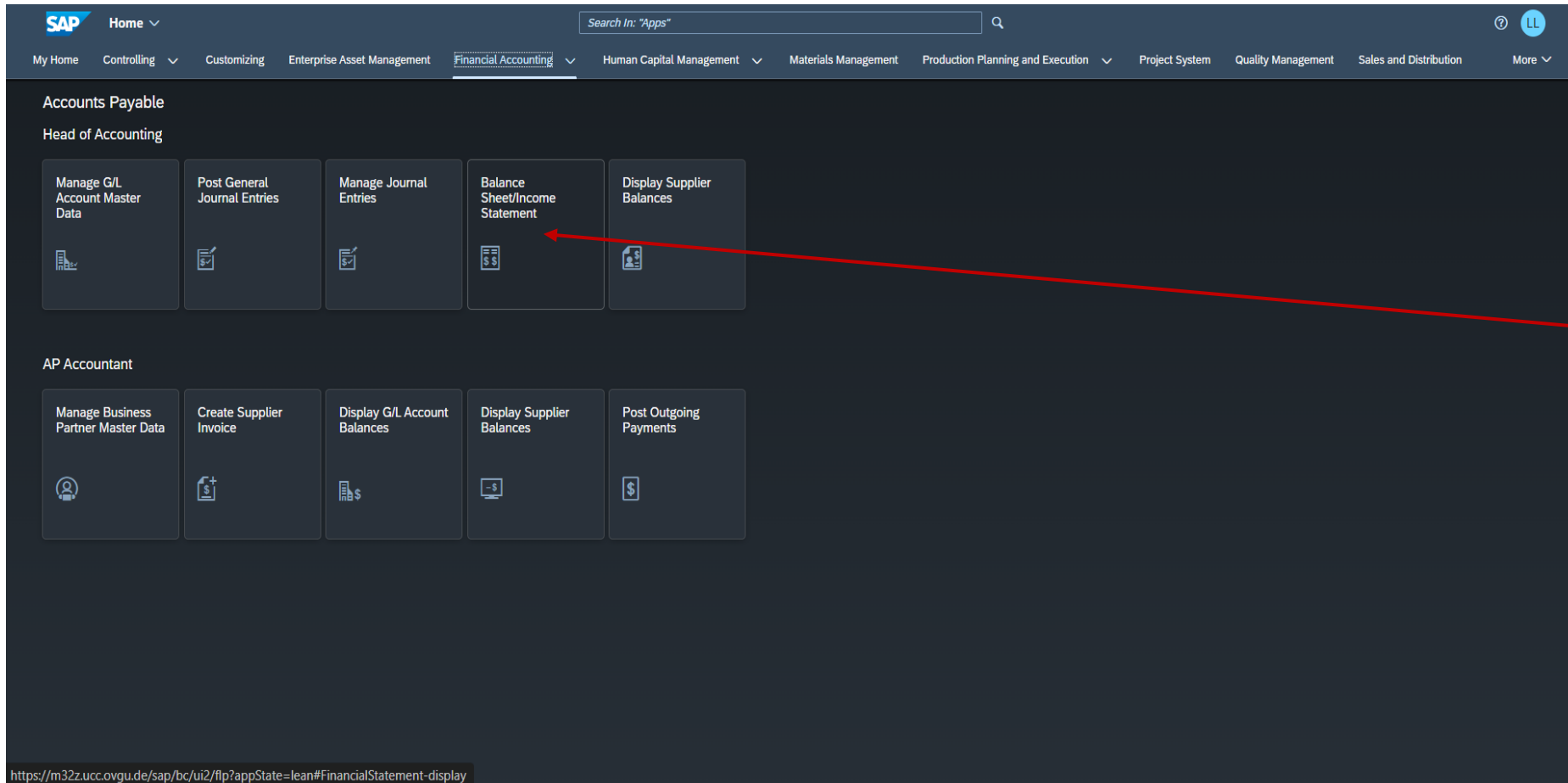
Click on
Balance
Sheet/Income
Statement.

- To gain insight into the company performance, display financial statements (Balance Sheets, Profit & Loss Statements etc)

Enter US00 in the company code field.
Enter G000 in the Statement Version field.
Enter 08 2022 in the End Period field.
Enter 08 2021 in the Comparison End Period field.
Click Go.

Display Financial Statements

- The financial statements are displayed

Displays the assets and Profit & Loss Statements

- Each statement is hierarchical and needs to expand for details.

Expand the statements by clicking expand/collapse icons.

Display Financial Statements

- **Highlighted** data allows drill down for further details.

Click on the Comparison Balance (Actual) for Merchandise inventories.

Display Financial Statements

- Select Display Line Items in General Ledger for Journal details.

- Click on any line to view the Journal Entry details.

Click to Manage Journal Entries to view amount, quantity, business area, control area etc.

Post Transfer of Funds to an Account

- Click on **SAP** to return to the home screen and Click on Financial Accounting Space.
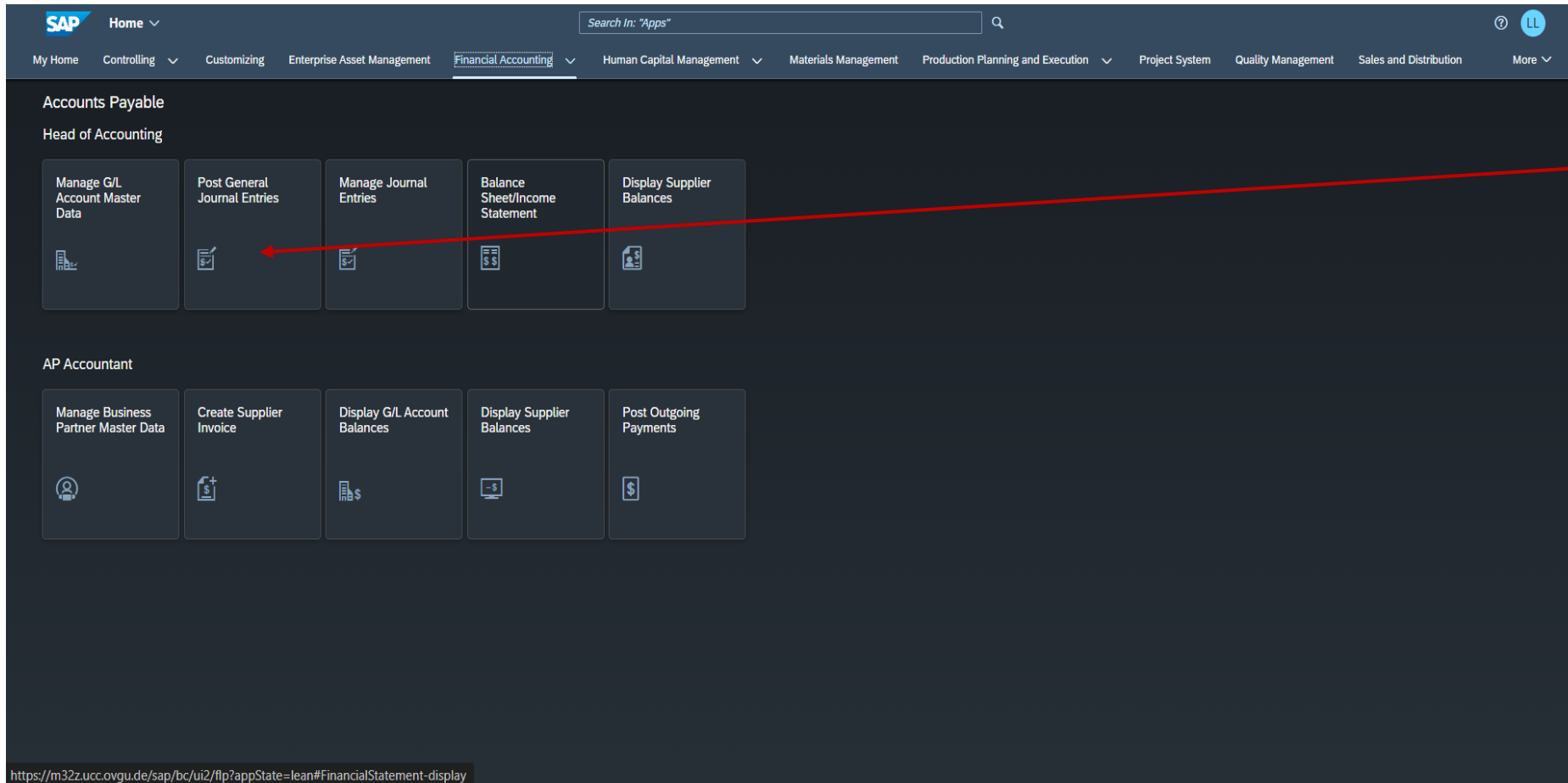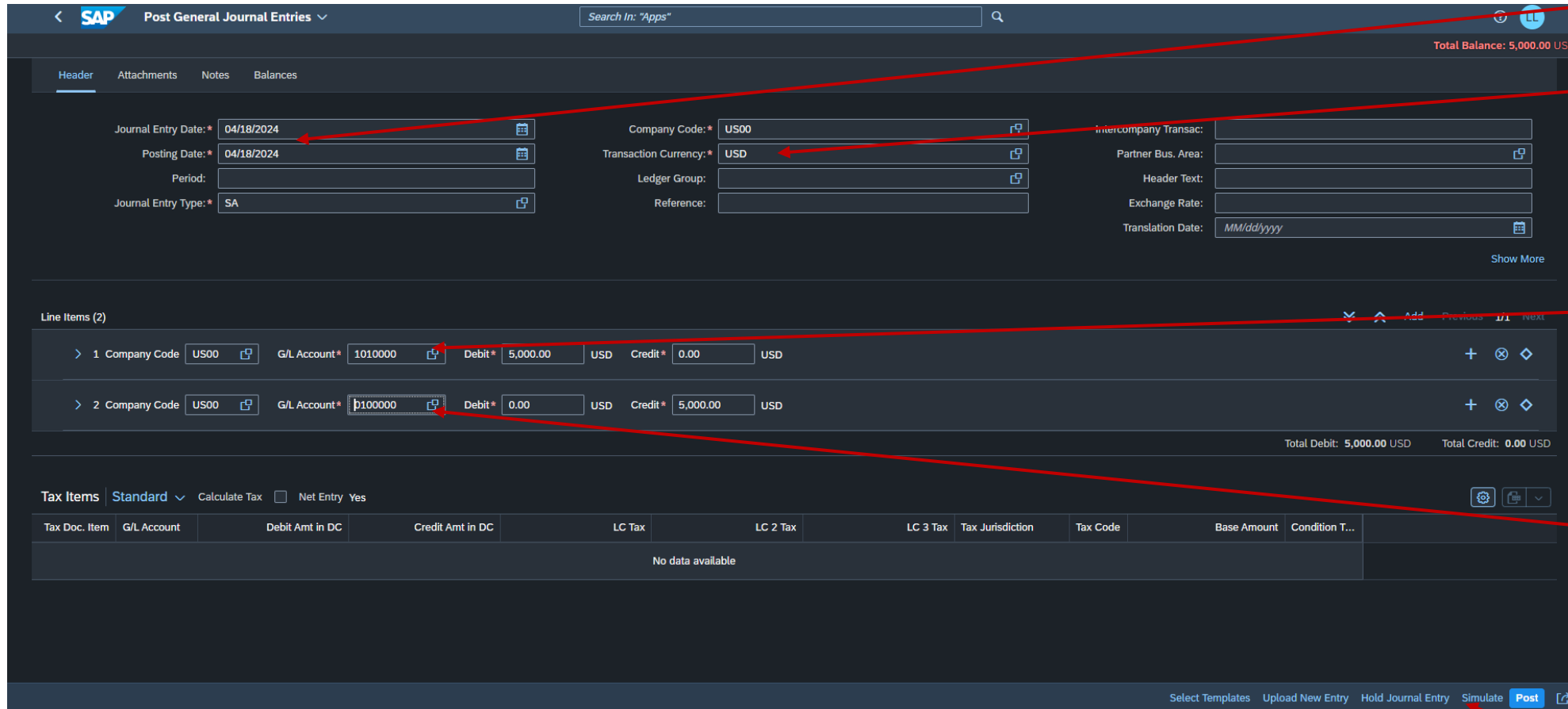
Click on **Post General Journal Entries.**

Scenario: Transfer $5000 from the Consumables Account into the Concessions Banks Account.

- ## The Post General Entries Screen is displayed.

Enter Journal **Entry Date** and **Posting Date**.

Enter **US00** in the Company Code and Select **USD** in the Transaction Currency field.

Enter **1010000** (Consumables) in the G/L account field and **5000** in the Debit field.

Enter **0100000** (Concessions Bank Account) and 5000 in the Credit field.

Click **Simulate**

- The transaction fits the accounting criteria and no errors are indicated.

Click **Post** to complete the transaction

- To check the Journal Entry impact on account Balance, return to the home screen and select Financial accounting.

Click on
Display G/L
Account
Balance

Post Funds Transfer to an Account

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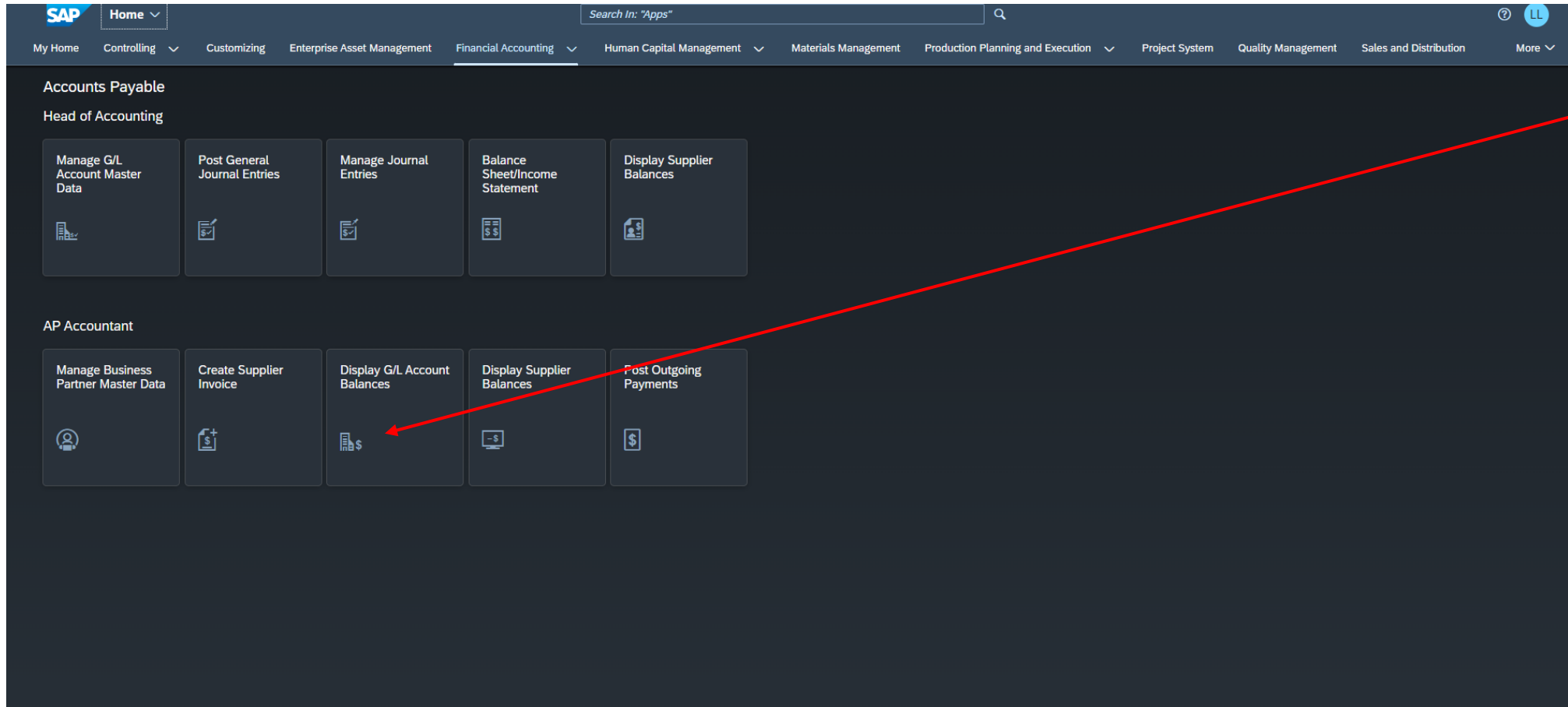
Click on
Display G/L
Account
Balance

The
Consumables
account
should have a
Debit of
$5000 and
Concessions
Bank Account
a Credit of
$5000.
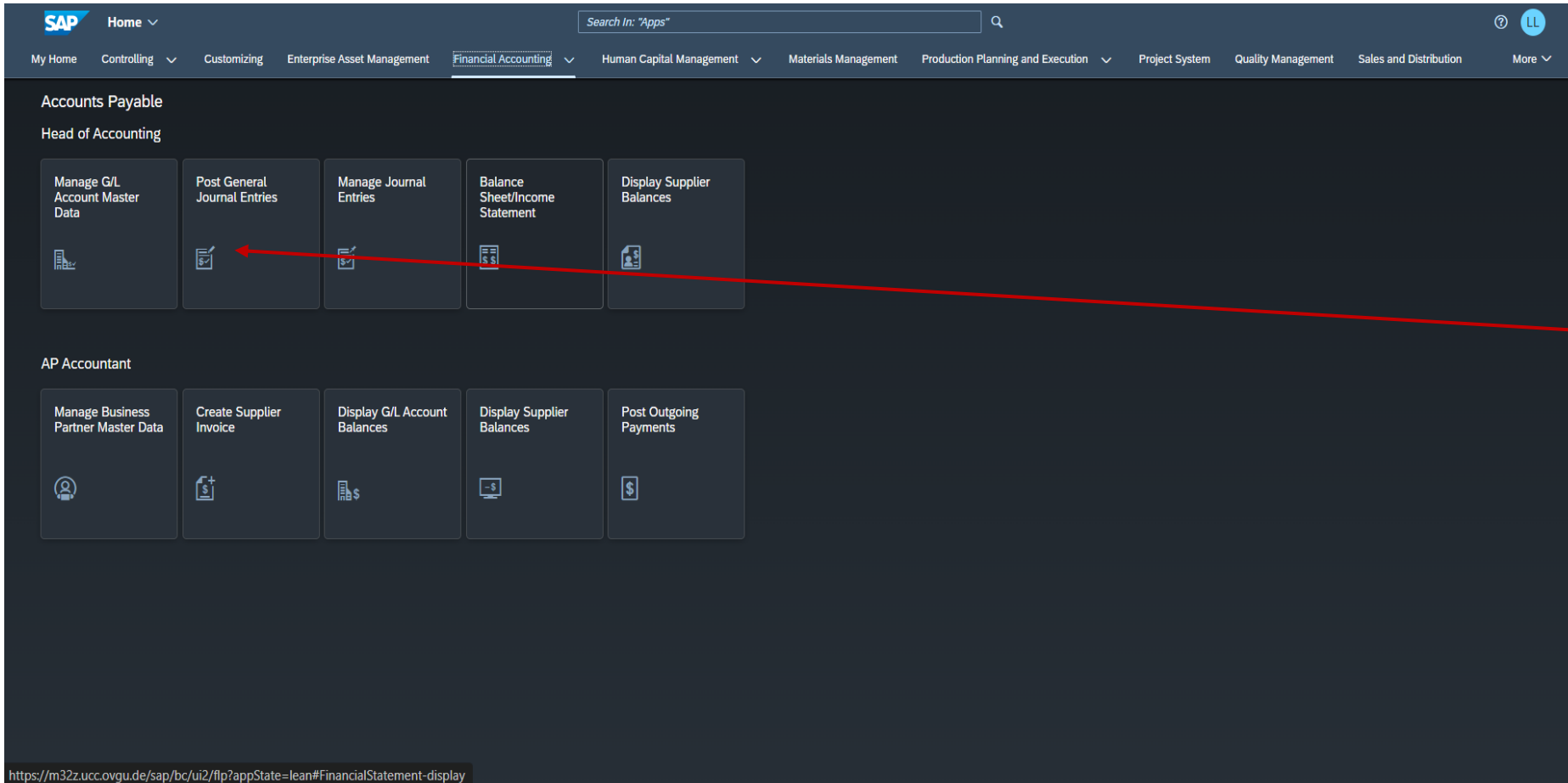
Create a Journal Entry

Create a Journal Entry

- Click on SAP to return to the home screen.
- Click on Financial Accounting Space.

Click on Post General Ledger Entries

- Scenario: Some Office supplies have been purchased and need to be reconciled in the accounts.

Enter Journal Entry Date and Posting Date.

Enter US00 in the Company Code and Select USD in the Transaction Currency field.

Enter 6815000 (Office Supplies) in the G/L account field and 80 in the Debit field. NA1510000 Cost Centre must be used.

Enter 6850000 (Other Oper. Supplies) in the G/L account field and 95 in the Debit field. NA1510000 Cost Centre must be used.

Enter 1010000 (Consumables) in the G/L account field and 175 in the Debit field. Click Simulate.

- The transaction fits the accounting criteria and no errors are indicated.

Click on **Post**

You may run the G/L Account balance to check the balances in the:

- Consumables account
- Internal Services account

Logging Off

Logging Off

- Always Log off to protect the data and to avoid unauthorised use.
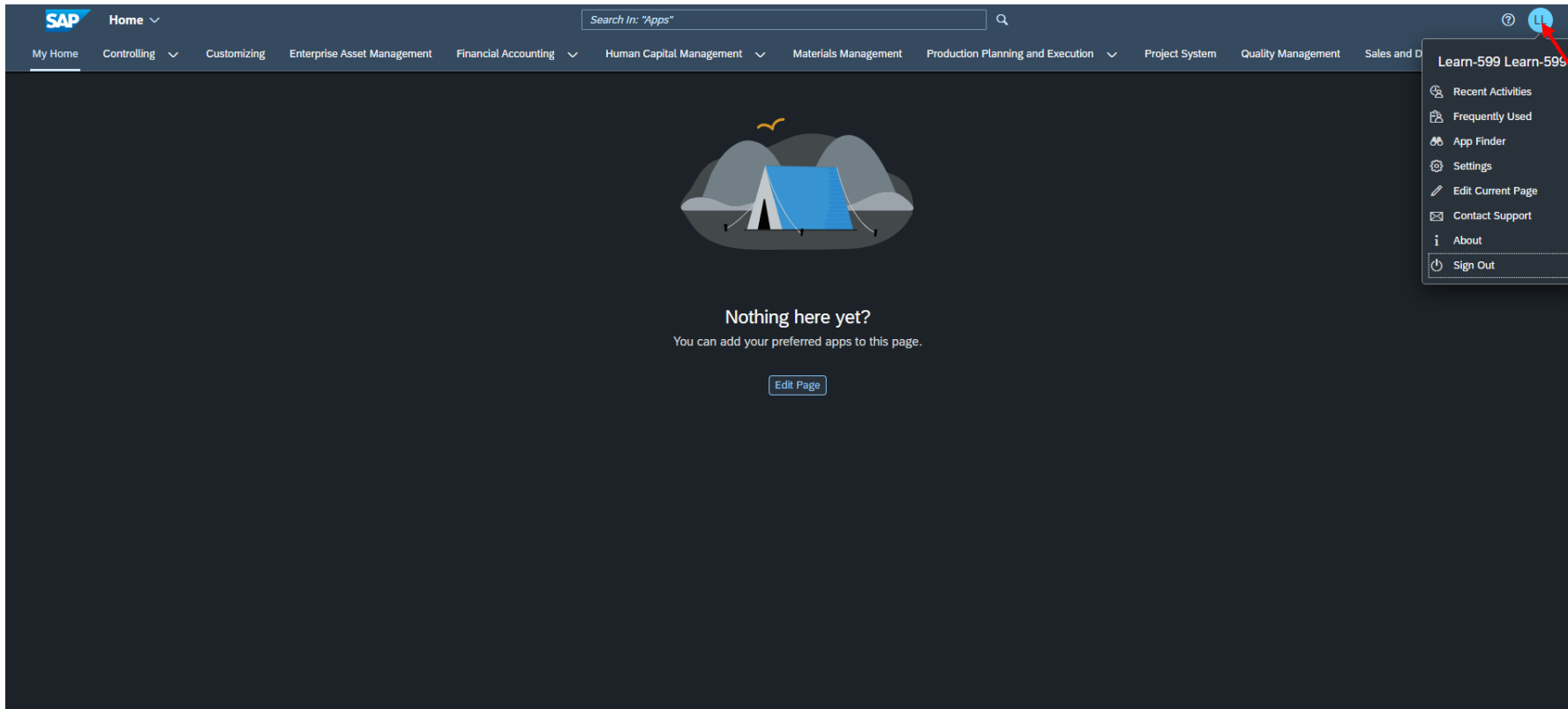
To Log Off, Click on LL Profile and select Sign Out, and press OK.

End of Workshop 1
Week 2 & 3

Holmes Institute
SAP Tutorial

MOTIVATION

This tutorial is an introduction to the SAP S/4HANA enterprise system.

It can be used in the classroom or for self-study.

On completion of the course, students will be able to understand the basic navigation and functionality concepts of the enterprise systems

The material also serves as a reference for occasional users of SAP systems.

LEARNING METHOD

The learning method used is "guided learning." The benefit of this method is that knowledge is imparted quickly. Students also acquire practical skills and competencies.

Exercises, in the end, enable students to put their knowledge into practice.

SAP ERP: S/4HANA Accounting

MOTIVATION

This material is an introduction to SAP S/4HANA financial functionality. It is aimed at students at universities and other educational institutions with limited experience with accounting

It can be used in the classroom or for self-study.

On completion of the course, students will understand the basic concepts of general ledger accounting.

The material also serves as a reference for occasional users of SAP systems.

LEARNING METHOD

The learning method used is "guided learning." The benefit of this method is that knowledge is imparted quickly. Students also acquire practical skills and competencies. As with an exercise, this method explains a process or procedure in detail using the GBI case study

Exercises in the end enable students to put their knowledge into practice.

Product

SAP S/4HANA

Level

Introductory

Focus

ERP Systems- Finance

Author

Professor Paul Hawking

Version V3 2024

Accounting

The function of accounting is to provide financial documentation and information for an enterprise and other interested parties that are associated with it. There are two types of accounting:

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	Financial accounting	Management accounting
Focus	External	Internal
Purpose	Legal reporting (financial statements) Tracking financial impact of processes Communicate with investors	Managing the firm with regard to costs and revenues
Content	Defined by laws and regulations	Defined by management needs

Each accounting area comprises a number of business scenarios and reporting requirements.
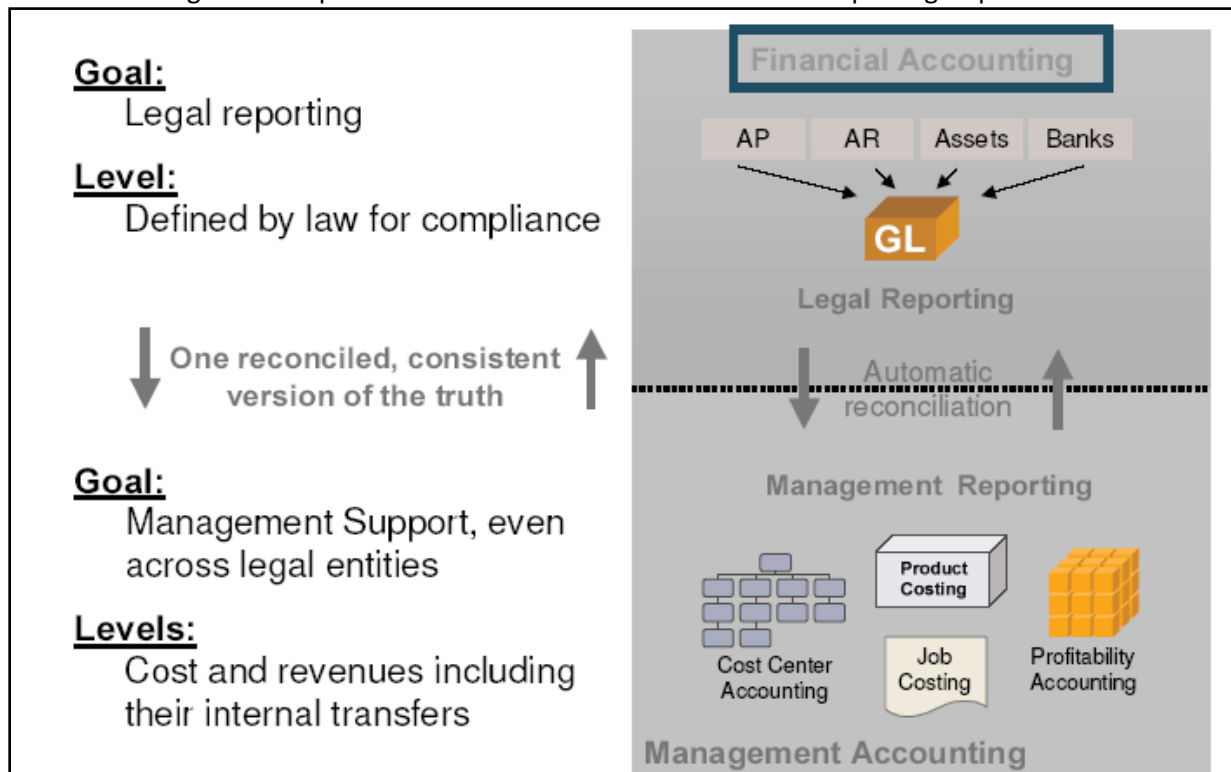
Financial Accounting

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- **Bank ledger** supports the posting of cash flows.

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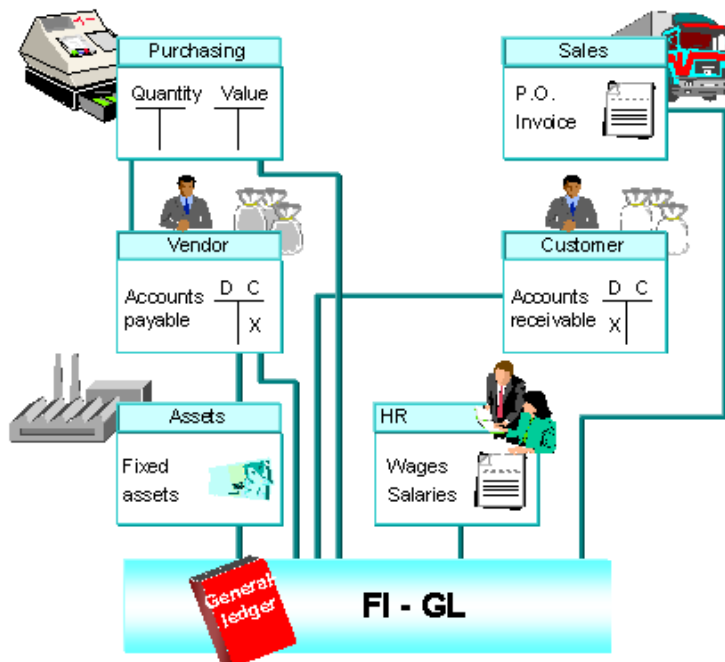
General Ledger Master Records

General Ledger (G/L) account master records contain the data that is always needed by the general ledger to determine the account's function. The G/L account master records control the posting of accounting transactions to G/L accounts and the processing of the posting data. Before you can make postings to a G/L account, you need to create a master record in that account's system.

G/L account master records are divided into two areas so that companies (company codes) with the same chart of accounts can use the same G/L accounts.

- Chart of accounts area

    The chart of accounts area contains the valid data for all company codes, such as the account number. It is a list of all G/L account master records which are used in one or several company codes. For every G/L account master record, the chart of accounts contains the account number, the account name and controlling information. This information is consistent across companies in the same organisation.

- Company code specific area
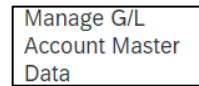
    The company code specific area contains data that may vary from one company code to another, such as the currency in which the account may be posted.

The **G/L account master record in the company code** contains company code-specific information which controls the entry of data to this account and the management of the account.
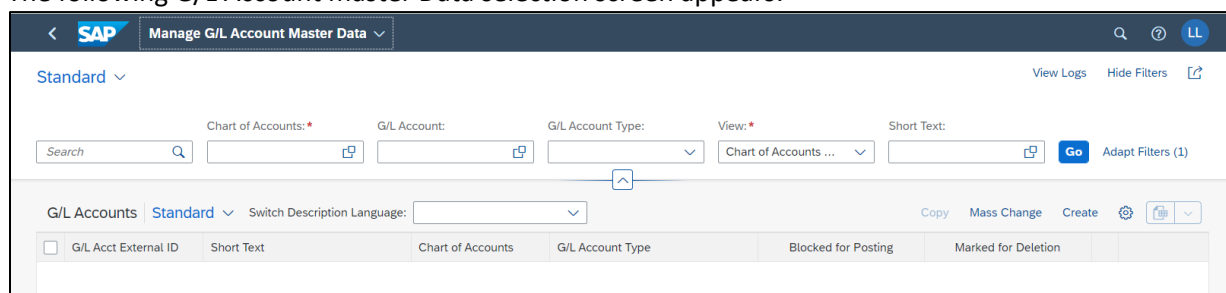
Displaying the Chart of Accounts

Many company codes may share a chart of accounts in the same organisation. For example, Apple Australia and Apple Singapore. Each company code must be assigned a chart of accounts. Once assigned to a company code, it is used to capture information for both Financial Accounting (FI) and Cost Accounting (CO). For each G/L Account, the chart of accounts contains the account number, the account name, and additional technical information

You want to view the Chart of Accounts to understand the structure of General Ledger better.

1. Logon to SAP S/4HANA if not already logged on.
2.
3. Click **Financial Accounting** on the Space Selection Bar to display this Space.
4. Click **Manage G/L Account Master Data** to select this function.

The following G/L Account master Data selection screen appears:

You want to view the **Chart of Accounts** for GBI Global
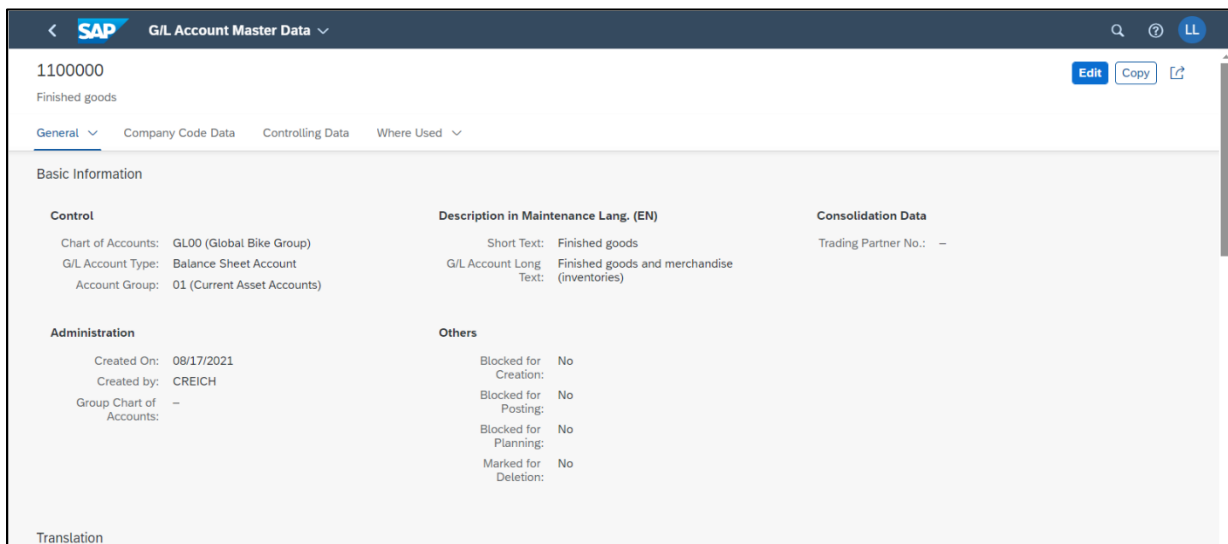
5. Click ⬚ in the Chart of Accounts* field to display the Search screen.

6. Click ☐ for **GL00 (**Financial Statement (GBI) 000) to select this Chart of Accounts.

7. Click **OK** to continue and return to the selection screen.

8. Click **Go** to display the account definitions for the GBI Chart of Accounts.

As you can see there are a lot of G/L accounts in this Chart of Accounts. You can filter the list to a particular account by using the search facilities in the header of the page. For example, to view the accounts associated with Finished Goods (acct. 1100000) you:

9. Click ⬚ in the G/L Account: field to display the Search screen.

10. Type **Finished Goods** or **1100000** in the text field.

11. Click **Go** to display the accounts that match the selection criteria.

12. Click ☐ for 1100000 (Finished Goods) to select this account.

13. Click **OK** to continue and return to the selection screen.

14. Click **Go** to display the account.

To view further details:

15. Click ❯ of the account.

The Chart of Accounts includes a structure for Account codes.

What Account Group is this G/L account assigned to?

_____

What type of account is this account?

_____

The Chart of Accounts Applied to the General Ledger

The General Ledger is a version of the Chart of Accounts implemented for each Company. Each G/L Account being used by a company code is defined by the Charts of Accounts (Account Group, Numbering, Type, Description). Although there is a consistent definition of accounts in the General Ledger additional information needs to be added for specific company codes especially when these companies operate in different countries for example Currency, tax etc. In this way, in an organisation, a chart of accounts may be used by several company codes, with each having its own unique information and settings (different countries) but at the same time facilitating the integration of accounting information across the organisation. For example, Account 600000 would reflect sales transactions in each company.

16. Click **Company Code Data** to view company code specific data for the Finished Goods account (110000).

.

The screen indicates that this Account is used in the DE00 – Global Bike Germany GmbH and US00 Global Bike Inc. Company Codes. Also, it indicates that the currency for DE00 is euros (EUR) and US dollars (USD) for US00.
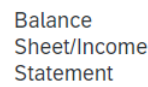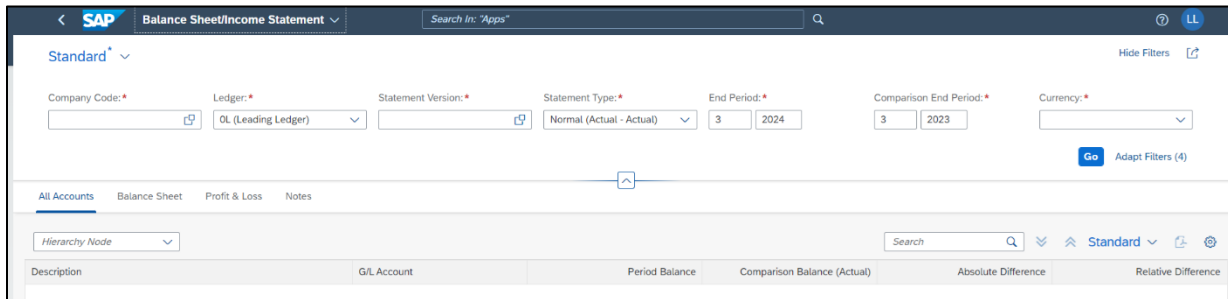
Display Financial Statements

Often Financial staff need to display financial statements which involves Balance Sheets and Profit and Loss statements for a company to gain insight to company's performance. These reports are generated by analysing all the relevant accounting line items. From these reports, a user can also access the line items of a specific G/L account or customer/supplier line items. To do this:

17. Click [SAP] to return to the home screen.

18. Click [Financial Accounting] on the Space Selection Bar to display this Space.

19. Click Balance Sheet/Income Statement to display a selection screen.

20. Type **US00** (Company Code for Global Bike Inc.) in the **Company Code*** field.
21. Type **G000** in the **Statement Version*** field.
22. Type **08 2022** in the **End Period*** field.
23. Type **08 2021** in the **Comparison End Period*** field
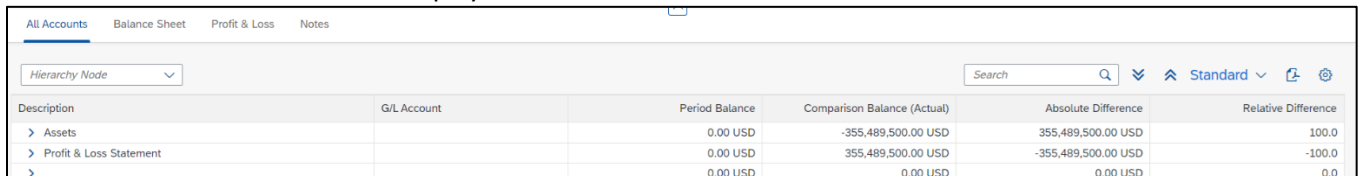
Similar to below:

24. Click [Go] to display the results.

The data is displayed in a hierarchy to assist the user with navigation. To display all the data:

25. Click ⌄⌄ .

Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
⌄ Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
⌄ 1 Current Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
Inventories of raw materials, consumables and supp	1000000	0.00 USD	6,009,500.00 USD	-6,009,500.00 USD	-100.0
Work in progress (inventories)	1040000	0.00 USD	915,465,500.00 USD	-915,465,500.00 USD	-100.0
Finished goods and merchandise (inventories)	1100000	0.00 USD	-1,277,509,500.00 USD	1,277,509,500.00 USD	100.0
Merchandise inventories	1140000	0.00 USD	505,250.00 USD	-505,250.00 USD	-100.0
Bank 1	1810000	0.00 USD	-5,250.00 USD	5,250.00 USD	100.0
Bank 2	1820000	0.00 USD	45,000.00 USD	-45,000.00 USD	-100.0
⌄ Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
⌄ Revenues		0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
Sales	4000000	0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
⌄ Expenditure		0.00 USD	355,534,500.00 USD	-355,534,500.00 USD	-100.0

You will notice that the aggregated period balances on appear at the top of each hierarchy level.

As mentioned previously one of the strengths of these types of systems is to be quickly navigate to related data enabling a user to gain an insight as to the factors that contribute to balance. The highlighted data on the screen indicates that a user can drill-down to further detail. For example:

26. Click the **Comparison balance (Actual)** for **Merchandise inventories**.

A dialog screen appears;

Related Apps

Display Line Items in General Ledger
Display G/L Balances
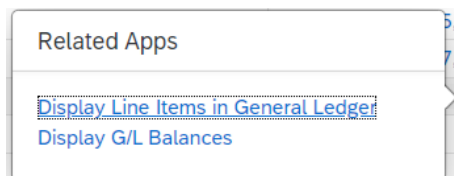
27. Click Display Line Items in General Ledger

The following screen appears;

Line Items (1,002) | Standard ⌄   Line Item Details ⚙ 🗔 ⌄

Status	Assignment Reference	Journal Entry	Journal Entry T...	Posting Date	Posting Key	Amount in Company Code ...	Tax Code	Clearing Journal Entry	Profit Center	Segment	Journal En
> Company Code: US00 - Global Bike Inc.						505,250.00 USD					
						505,250.00 USD					

28. Click > next to Company Code: US00 - Global Bike Inc. to expand the hierarchy.

The G/L Account associated with the balance is displayed.

29. Click > of this account to display the Journal Entries which contributed to the merchandise inventories balance.

30. Click the first **Journal Entry** number to display its details.

A dialog screen appears.

4900000001

Manage Journal Entries

More Links
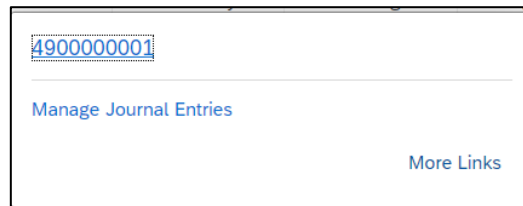
31. Click **Manage Journal Entries** .

Details of the Journal Entry appear. This includes the amount, quantity, business area, and controlling area.

Post Transfer of Funds to an Account

The General Ledger contains a number of accounts. In some scenarios, funds may need to be transferred between accounts.   In this exercise you are going to generate a journal entry for the US GBI company to transfer funds ($USD5,000) from the Consumables account (1010000) to the Concessions bank account (100000).

To create a Journal Entry you are going to use the **Post General Journal Entries** app.

Post General
Journal Entries

32. Click **SAP** to return to the home screen.

33. Click **Financial Accounting** on the Space Selection Bar to display this Space.

34. Click **Post General Journal Entries** to display the posting screen.

First you need to indicate the Journal Entry Date.

35. Click [calendar icon] in the **Journal Entry Date** field to display the calendar.

You will notice that today's date is highlighted.

36. Click **<ENTER>** to transfer today's date to the **Journal Entry Date** field.

The Posting Date has defaulted to the same date but you could make the Posting date sometime in the future. For this exercise you will leave it as it is. You now need to indicate the company which is involved in the transfer.

37. Type *US00* in the **Company Code** field to indicate GBI US.

As monies are often transferred in different currencies to need to indicate the currency type.

38. Type *USD* in the **Transaction Currency** field.

Now you need to enter the details of the transfer. Transfer funds ($USD5,000) from the Consumables account (debit) to the Concessions bank account (credit)

39. Type the following details

You can test if the postings are correct by simulating the posting.

40. Click **Simulate** to test the postings

No errors should appear and a summary of the Journal Entry appears. You are now ready to make the transfer of post it.

41. Click **Post** to complete the transfer.

The details of the posting appears. Notice that it indicates which user was involved what time it occurred.

Display G/L Account Balance

You can now view the impact that the Journal Entry had on the accounts involved. It is important for users to be able to quickly view the balance of different accounts. The accounting function underpins all businesses process in a company. The General Ledger and its accounts is the area where accounting activity is recorded. Throughout the exercises you will be continually reviewing the general ledger accounts to get an understanding how the various business processes and their associated transactions impact on the accounting function.

42. Click **SAP** to return to the home screen.

43. Click **Financial Accounting** on the Space Selection Bar to display this Space.

44. Click **Display G/L Account Balances** app to start this application.

The following screen appears:

You will notice that there are a number of fields in the **Header** area which require data.

45. Type **US00** in the **Company Code** field.

As you type the relevant data for US GBI Bike is displayed.

46. Click **US00** to select it and transfer the details to the **Company Code** field.
47. Type **1010000** (Consumables) in the **Account** field.

Again, notice that as you type, the available accounts are being searched automatically and those which match are being displayed.

48. Click 101000 Consumables to select it.

49. Ensure that the **Ledger Fiscal Year** matches the current year.

50. Click Go to display the details.

A screen similar to below appears:

Period	Debit Amount in Company Code Currency	Credit Amount in Company Code Currency	Balance Amount in Company Code Curre...	Ending Balance Amount in Company Cod...
Opening Balance				0.00
001/2024				0.00
002/2024				0.00
003/2024	5,000.00	0.00	5,000.00	5,000.00
004/2024				5,000.00

Notice that this account has been debited.

If your numbers are different, can you explain why?

Answer: Other students have also been using this account.

Now you need to view the account balance of the account that was to be credited to ensure that the posting has occurred. Rather than enter most of the same details again you can just change the account number.

51. Click the ✕ in **G/L Account**: field.
52. Type **100000** in the **G/L Account** field.

53. Click Go to display the details.

A screen similar to below appears:

Period	Debit Amount in Company Code Currency	Credit Amount in Company Code Currency	Balance Amount in Company Code Curre...	Ending Balance Amount in Company Cod...
Opening Balance				0.00
001/2024				0.00
002/2024				0.00
003/2024	0.00	5,000.00	-5,000.00	-5,000.00
004/2024				-5,000.00

Notice that this account has been credited indicating the posting has been successful.

Journal Entry - Business Scenario

The business scenario is that you need some office supplies immediately. You drive down to OfficeWorks and buy $175 of supplies (paper, folders, and a software package) and pay for the purchase with a company check drawn on your alternate bank account. Two Cost Center's budgets (Internal Services-$80, IT Costs-$95) in the company will incur these costs.

54. Click **SAP** to return to the home screen.

55. Click **Financial Accounting** on the Space Selection Bar to display this Space.

56. Click **Post General Journal Entries** to display the posting screen.

First you need to indicate the Journal Entry Date.

57. Click 📅 in the **Journal Entry Date** field to display the calendar.

You will notice that today's date is highlighted.

58. Click **<ENTER>** to transfer today's date to the **Journal Entry Date** field.

You now need to indicate the company which is involved in the transfer.

59. Type *US00* in the **Company Code** field to indicate GBI US.

As monies are often transferred in different currencies to need to indicate the currency type.
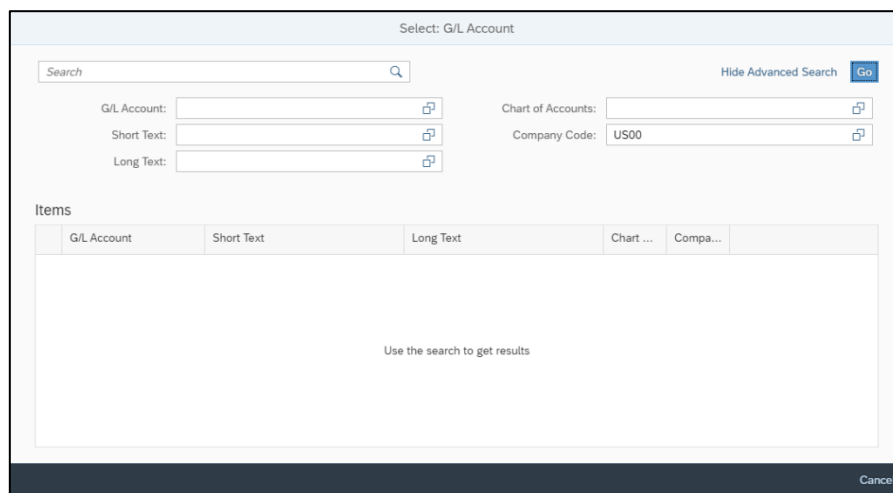
60. Type **USD** in the **Transaction Currency** field.
61. Type **###** (your id) in the **Reference** field.
62. Type **OfficeWorks** in the **Header Text** field.

You now need to provide the sending account details, the type of transfer, and the amount. However, you are not sure what the account number for the Supplies Expense account. You will need to search for it.

63. Click ⧉ in the first row of the **G/L Account** field to display the search facility.

		Select: G/L Account			

Search 🔍   Hide Advanced Search Go

G/L Account:	⧉	Chart of Accounts:	⧉
Short Text:	⧉	Company Code: US00	⧉
Long Text:	⧉		

Items

G/L Account	Short Text	Long Text	Chart ...	Compa...

Use the search to get results

Cancel

The screen is requesting the G/L Account number but you are unsure what this number is. You need to search by description.

64. Type   Supplies* in the **Short Text:** field.

65. Click   [Go] to display the search results.

The following results appear:

Select: G/L Account					
G/L Account Description ∨ supplies ✕ Q				Go Show Filters	
Items (3)					
G/L Acct External ID	Company Code	Chart of Accou...	G/L Account Name	G/L Account Long Name	Alternative G/L
6815000	US00	GL00	Office supplies	Office supplies	
1020000	US00	GL00	Production Supplies	Production Supplies (inventories	
6850000	US00	GL00	Other oper. supplies	Other operating supplies	

The account you require is the Office supplies account.

66. Click   the first column to select this record and transfer these details.
67. Type   *80* in the **Debit** field.
68. Press   **<ENTER>** to display additional fields

You now need to indicate which Cost Centre's budget will be impacted. This data is displayed in the **Account Assignment** area.

69. Type   *NAIS1000* for (Internal Services).in the **Cost Center:** field.

Now you need to repeat the process for the second Cost Center.

70. Scroll down to the next input area.

> 2 Company Code US00	G/L Account*	Debit* 0.00	USD	Credit* 0.00	USD

71. Type   *6850000* (Other oper. supplies) in the **G/L Account** field.
72. Type   *95* in the **Debit** field.
73. Press   **<ENTER>** to display additional fields

You now need to indicate which Cost Centre's budget will be impacted.

74. Type   *NAIS1000* for (Internal Services).in the **Cost center** field.

At the bottom of the screen there is a summary of the transactions.

Total Debit: **175.00** USD   Total Credit: **0.00** USI

You have indicated which cost center accounts will be contributing to the purchase of the office supplies. However, funds from the Consumables account will be used to pay OfficeWorks. The debited amounts need to be credited to the Consumables account. To do this you need to add an additional line item.

75. Scroll   to the top of the screen and click ➕ to add another line item (3).

76. Scroll	to the bottom of the screen to access the new line item.
77. Type	*1010000* (Consumables) in the **G/L Account** field on the first line.
78. Type	**175** in the **Credit** field.
79. Press	**<ENTER>** to check the details.

You have entered all the required details and should simulate the posting to detect any errors.

80. Click [Simulate] to test the postings

A screen similar to below should appear:

As there are no errors you are now ready to make the transfer of post the Journal Entry.

81. Click [Post] to complete the transfer.

Display General Ledger Account Balances

You now need to display and confirm by individual account number the activity and associated balances for several accounts in the general ledger of the US GBI company.

Previously you displayed account balances in the general ledger (steps 25 to 31)

82. Repeat these steps for each of the accounts involved in the purchase of office supplies

What is the account balance for:

- Consumables?
- Supplies Expenses?

You have now completed the exercises on Financial Accounting. However, as accounting underpins all other company processes the exercises will continually be referring to accounting functions.