

SAP: Systems and Application Products in Data Processing

What is SAP R/3

- A series of highly integrated core business application modules for business processing
- A set of modules that implement multinational best business practices
- Client/server software that processes business transactions
- R/3 stands for Real Time Three Tier Architecture

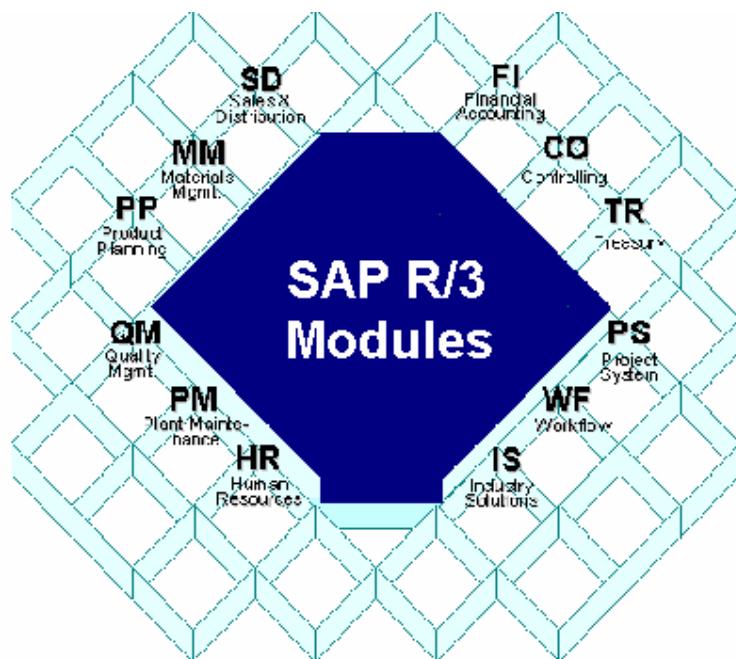
The History

SAP is founded in 1972 by Wellenreuther, Hopp, Hector, and Plattner & Tchira. The first module for Finance (FI) was developed for Naturin (an IBM customer). The first customer for SAP was Imperial Chemical Industries (ICI). R2 – Mainframe based package with more than 2000 sites. R3 – Client/Server 3-Tier Architecture based introduced in 1992. More than 44,500 installations for R3 across 50 countries

Characteristics of SAP

- Incorporates 30 years of experience with international orientation
- Rich in functionality and highly configurable
- tight integration across modules
- Minimum data redundancy, maximum data consistency
- Advanced planning and optimization

SAP Modules - At a Glance



FI : - Finance

CO : - Controlling

Finance		Controlling	
01	Basic Settings	01	Basic Settings for Controlling
02	General Ledger	02	Cost Element Accounting
03	Accounts Payable	03	Cost Centre Accounting
04	Accounts Receivables	04	Internal order
05	Asset Accounting	05	Profit Centre Accounting
06	Closing producers	06	Profitability Analysis

Basic Settings

Define Company

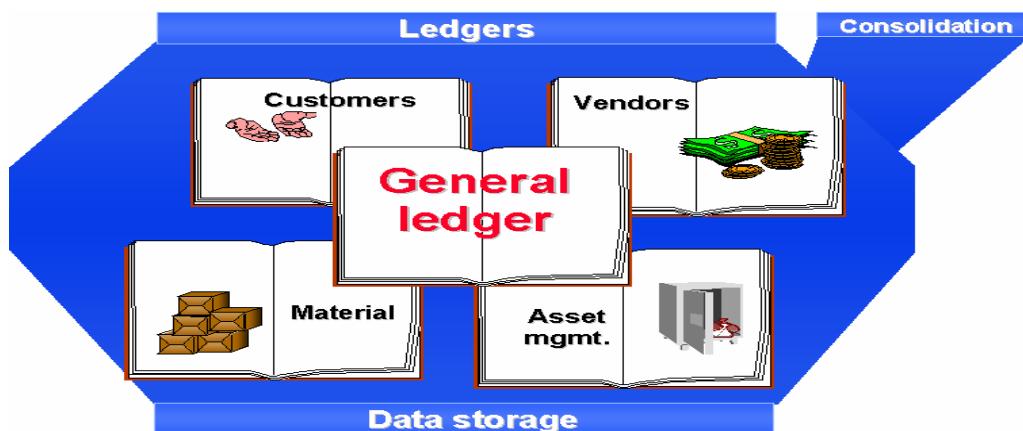
Define Company Code

Assign Company Code to Company

Define Business Area

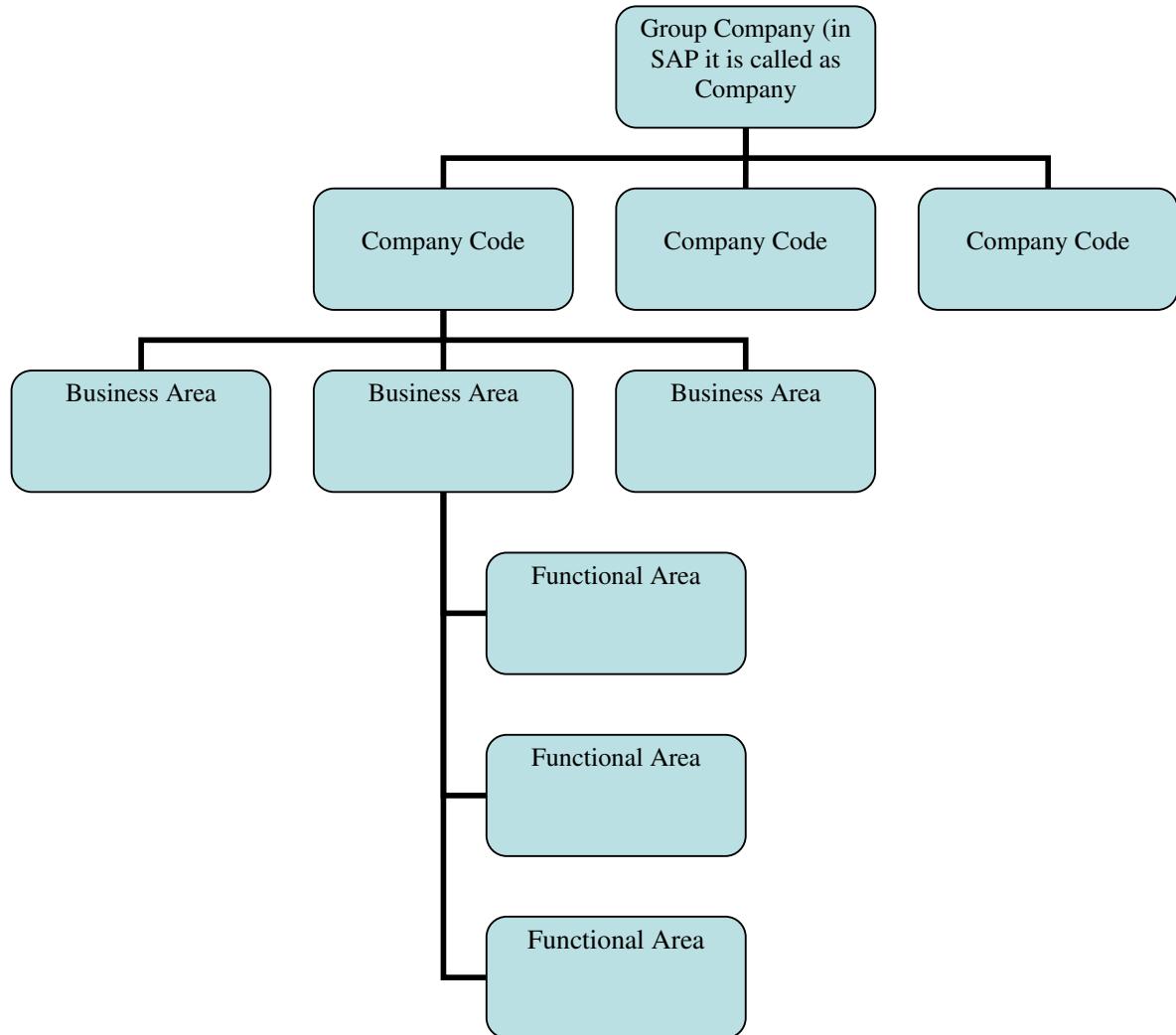
Define Functional Area

Finance – Modules



This module is designed for automated management and external reporting of general ledger, accounts receivable, accounts payable, and other sub-ledger accounts.

Organization Structure



Basic Settings

Creation of Company

SPRO → Enterprise Structure → Definition → Financial Accounting → Define Company

Select the New Entries

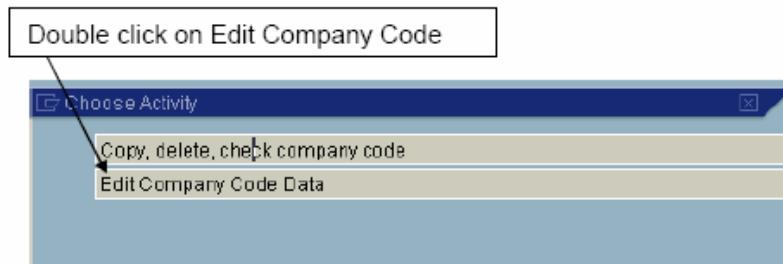
Give the Company IBS

Name: Indian Business Solutions limited

Company: Smallest organizational unit for which individual financial statements can be drawn up according to the relevant commercial law. A company can consist of one or more company codes. All company codes within a company must use the same transaction chart of accounts and the same fiscal year breakdown. The company code currencies, on the other hand, can be different. A company code has one local currency in which its transaction figures are recorded.

Creation of Company Code

SPRO → Enterprise Structure → Definition → Financial Accounting → Define, Copy, Delete, Check Company Code



Give the Company Code: IBS

Description: India business Solutions

Give the Address, Currency, Country and Save

Company Code: The smallest organizational unit for which a complete self-contained set of accounts can be drawn up for the purposes of external reporting. The process of external reporting involves recording all relevant transactions and generating all supporting documents required for financial statements (balance sheets, profit and loss statements and so on.)

Assignment of Company Code to Company

SPRO → Enterprise Structure → Assignment → Financial Accounting → Assign Company Code to Company

- Select Position button
- Give your Company Code **IBS** and assign to Company

Save

Change View "Assign Comp. Code -> Fiscal Year Variant": Overview

Co...	Company Name	Fiscal Year Variant	Description	
7000	IDES Brazil	K4	Calendar year, 4 spec. periods	

Creation of Business Area

Configuration of FICO Modules

SPRO → Enterprise Structure → Definition → Financial Accounting → Define Business Area

- Select new Entries
- Give the business Area: HYD
- Description: Business Area for HYD

Save

Business Area: Organizational unit of financial accounting that represents a separate area of operations or responsibilities within an organization and to which value changes recorded in Financial Accounting can be allocated. Business areas are used in external segment reporting (over and above company codes) based on the significant areas of operation (for example, product lines) of a business enterprise. A segment is an isolated area of activity.

All essential balance sheet items, such as fixed assets, receivables, payables, and inventories, and all items of the profit and loss statement can be assigned directly to a business area. The balance sheet items for banks, capital, and taxes, however, cannot be directly assigned to business areas. They need to be assigned manually. This means that business area financial statements cannot be drawn up for commercial and tax law. Business area balance sheets and income statements are used only for internal reporting purposes.

The system determines the appropriate business area from information such as the material, plant, or cost center we enter in a business transaction like a goods movement. Assignments we make (between cost centers and business areas for example) or the combination of information we specify (a plant and a particular division for example) are the basis on which the system determines the appropriate business area.

Maintain Fiscal Year Variant (OB29)

SPRO → Financial Accounting → FAGS → Fiscal Year → Maintain Fiscal Year Variant (Maintain Shortened Fiscal Year)

- Select the New Entries
- Give fiscal year Variant IB and Select the Calendar year Check Box
- Normal periods are 12 and Special periods 4

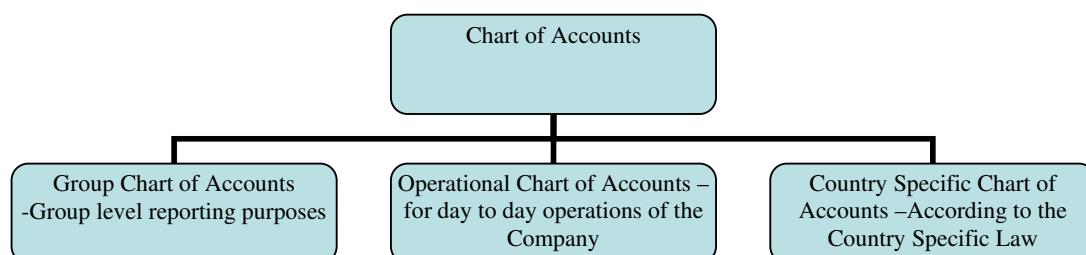
Save

Assign Company Code to Fiscal Year Variant (OB37)

SPRO → Financial Accounting → FAGS → Fiscal Year → Assign Company Code to a Fiscal Year Variant

- Select the Position button
- Give the fiscal year variant assigns and **Save**

Char of Accounts



Define Chart of Accounts

Path: - *SPRO → Financial Accounting → General Ledger Accounting → GL Accounts → Master Records → Preparations → Edit Chart of Accounts List*

Select the New entries

Give the Char of accounts : **IBS**

Description: Chart of Accounts for: IBS

Length of GL Account Number: **06**

Controlling integration : **Manual creation of Cost Elements**

Save

The chart of accounts is a variant which contains the structure and the basic information about general ledger accounts.

Information to be given in Chart of Accounts: Maintenance Language, Length of GL Account Number, Manual or automatic creation of cost elements, Group chart of accounts etc.

Charts of accounts can have three different functions in the system:

• **Operating chart of accounts**

The operating chart of accounts contains the G/L accounts that you use for posting in your company code during daily activities. Financial Accounting and Controlling both use this chart of accounts.

You have to assign an operating chart of accounts to a company code.

• **Group chart of accounts**

The group chart of accounts contains the G/L accounts that are used by the entire corporate group. This allows the company to provide reports for the entire corporate group.

The assigning of a corporate group chart of accounts to a company code is optional.

• **Country-specific chart of accounts**

The country-specific chart of accounts contains the G/L accounts needed to meet the country's legal requirements. This allows you to provide statements for the country's legal requirements.

The assigning of a country-specific chart of accounts to a company code is optional

Integration

Configuration of FICO Modules

The operating chart of accounts is shared by Financial Accounting as well as Controlling. The accounts in a chart of accounts can be both expense or revenue accounts in Financial Accounting and cost or revenue elements in cost/revenue accounting.

Assign Company Code to Chart of Accounts (OB62)

SPRO → Financial Accounting → General Ledger Accounting → GL Accounts → Master Records → Preparations → Assign Company Code to Chart of Accounts

- Select the position button
- Give the chart of Accounts, assign and Save

Define Account Groups (OBD4)

SPRO → Financial Accounting → General Ledger Accounting → GL Accounts → Master Records → Preparations → Define Account Groups

Char of Accounts	Account Group	Name	From Number	To Number
IBS	SHAR	Share Capital	100000	100099
IBS	RESL	Reverse & Surplus	100100	100199
IBS	CL&O	Current liabilities & others	100200	100299
IBS	TERL	Term Liabilities	100300	100399
IBS	LTL	Long Term Liabilities	100400	100499
IBS	FIXD	Fixed Assets	200000	200099
IBS	Acc.D	Acc. Depreciation	200100	200199
IBS	INVS	Investments	200200	200299
IBS	CAOT	Current Assets & Others	200300	200399
IBS	SALE	Sales	300000	300099
IBS	OTHI	Other Income	300100	300199
IBS	PURH	Purchases	400000	400099
IBS	DIRE	Direct Expenses	400100	400199
IBS	ADMN	Admn. Expenses	400200	400299
IBS	DEP	Depreciation	400300	400399
IBS	INT	Interest	400400	400499

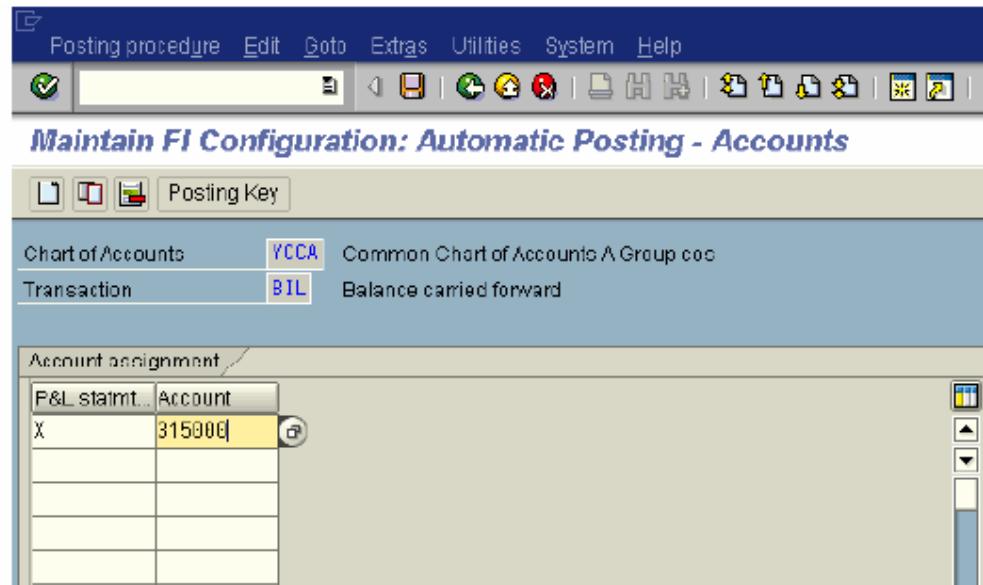
Save

Define Retained Earnings Account (OB53)

SPRO → Financial Accounting → General Ledger Accounting → GL Accounts → Master Records → Preparations → Define Retained Earnings Account

- Give the chart of Accounts N001
- Give the Profit & Loss : X
- Give GL Master : 100100 and Save

Configuration of FICO Modules



Undistributed Profit we will transfer to the Reverse and Surplus Account

Define Posting Period Variant (OBBO)

SPRO → Financial Accounting → FAGS → Document → Posting Periods → Define Variants for Open Posting Periods

Select the New Entries

Give the posting Period variant: - IBS

Description: - Posting Period Variant for IBS

Save

Assign Variants to Company Code (OBBP)

Path: SPRO → Financial Accounting → FAGS → Document → Posting Periods → Assign Variants to Company Code

Select the Position button

Give the Company Code: IBS

Assign the Posting period Variant: IBS

Save

Open & Close Posting Periods (OB52)

Path: - SPRO → Financial Accounting → FAGS → Document → Posting Periods → Open & Close Posting Periods

To define the periods those are open for postings.

Posting period Variant	Account Type	From period	Fiscal year	To period	Fiscal year	From period	Fiscal year	To period	Fiscal year
N001	+ (all the accounting Types)	01	2007	12	2007	13	2007	16	2007

Define Document Types & Number Ranges (OBA7)

SPRO → Financial Accounting → FAGS → Document → Document Header → Define Document Types

- Select the document type – SA
- Select details button and give the company Code
- Select change intervals button and insert interval button give the number ranges
- Number range 01
- Fiscal year: 2007 from number 000001 to 100000

Save & Close

Define Tolerance Groups for GL Accounts (OBAO)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Open Item Clearing → Clearing Differences → Define Tolerance Groups for GL Accounts

- Select the New Entries
- Give the Company Code IBS
- Description: Tolerance for IBS
- **Note:** - don't give the Tolerance Group

Save

Define Tolerance Groups for Employees (OBA4)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Open Item Clearing → Clearing Differences → Define Tolerance Groups for Employees

Select the New Entries

Give the Company Code: IBS

Amount Per document: 999999999

Amount per Open Item Account: 999999999

Cash Discount: - 5.00

Save

Define Field Status Variant

SPRO → Financial Accounting → FAGS → Document → Line Item → Controls → Maintain Field Status Variants

- Select the Field Status Variant **0001**
- Select Copy as button
- Give Field Status Variant Name : IBS
- Description : Field Status Variant for IBS

Save

Assign Company Code to Field Status Variant (OBC5)

SPRO → Financial Accounting → FAGS → Document → Line Item → Controls → Assign Company Code to Field Status Variant

Select the position button

Give the Company Code: IBS

Assign field status Variant: IBS to Company Code

Configuration of FICO Modules

Save

Enter Global Parameters (OBY6)

SPRO → Financial Accounting → FAGS → Company Code → Enter Global Parameters

Accounting organization	
Chart of Accts	N001 Country chart/accts
Company	207004 FM Area
Credit control area	0086 Fiscal Year Variant NG
Ext. co. code	<input type="checkbox"/> Global CoCde AE10
Company code is productive	<input type="checkbox"/> VAT registration no.
Processing parameters	
Document entry screen variant	<input type="checkbox"/> Business area fin. statements
Field status variant	NE00 <input checked="" type="checkbox"/> Propose fiscal year
Pstng period variant	AE10 <input checked="" type="checkbox"/> Define default value date
<input type="checkbox"/> Negative postings allowed Check Box	

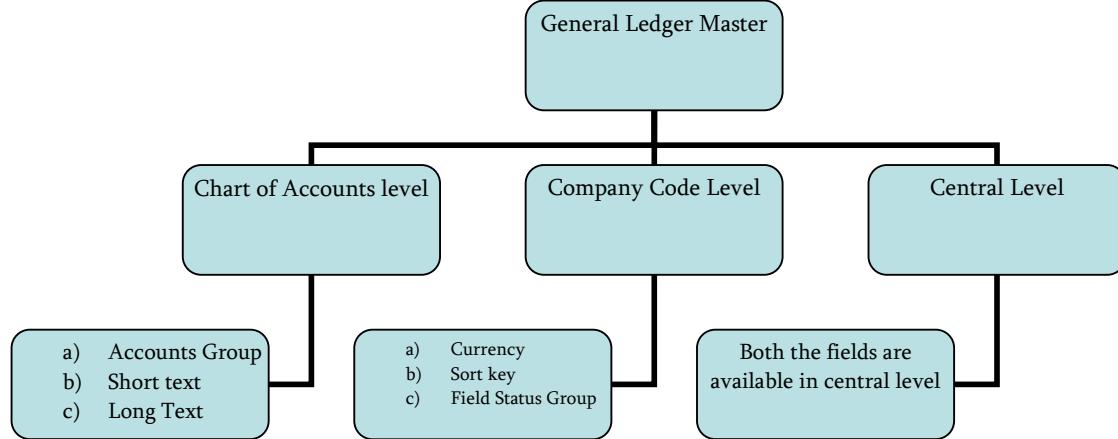
And Select the Negative postings allowed Check Box

Save

General Ledger Accounting

The central task of G/L accounting is to provide a comprehensive picture for external accounting and accounts. Recording all business transactions (primary postings as well as settlements from internal accounting) in a software system that is fully integrated with all the other operational areas of a company ensures that the accounting data is always complete and accurate.

The GL Master Can be created in Three Levels



Creation of GL Master Centrally (FS00)

**Accounting → Financial Accounting → General Ledger → Master Records → Individual Processing
→ Centrally**

- Select the New Entries
- Give the GL Account: 100000
- Give the Company Code: IBS
- Give the Account Group: **Share Capital**, Shot Text: **Share Capital Account**
- Long Text: **Share Capital**
- **Select the Control data**
- Select the line item display Check box
- Give the Sort Key **001**
- **Select the Create/bank/Interest tab**
- Field Status Group: **G001**

Creation GL Master (SBI Current Account)

- Select the New Entries
- Give the GL Account: **200300**
- Give the Company Code: IBS
- Give the Account Group: **SBI Current Account** Shot Text: **SBI Current Account**
- Long Text: SBI Current Account
- **Select the Control data**
- Select the line item display Check box
- Give the Sort Key **001**
- **Select the Create/bank/Interest tab**
- Field Status Group: **G005**
- **Select Relevant to Cash Flow Check box and Save**

Save

Posting of GL Transaction (F-02)

Accounting → Financial Accounting → General Ledger → Document Entry → Others → General Posting

- Give the Document date, Posting Date, Company Code: IBS, Currency: **INR**
- Give the posting key: 40
- Give the GL Account: 200300 (SBI Current Account) Enter
- Give Amount: INR 100000
- Text: Share application money
- Give the posting key: 50
- GL Account: 100000(Share Capital Account) Enter
- **Amount ***
- **Text +**
- **Enter**

From Menu → Document – Simulate and Save

Display Document (FB03)

Accounting → Financial Accounting → General Ledger → Document → Display

From menu → Document → Display

Display GL Account (FS10N)

Configuration of FICO Modules

Accounting → Financial Accounting → General Ledger → Account → Display Balances

Give the GL Account Number 200300

Company Code: IBS

Fiscal year : 2007

Execute

To make a default Line Layout (FB00)

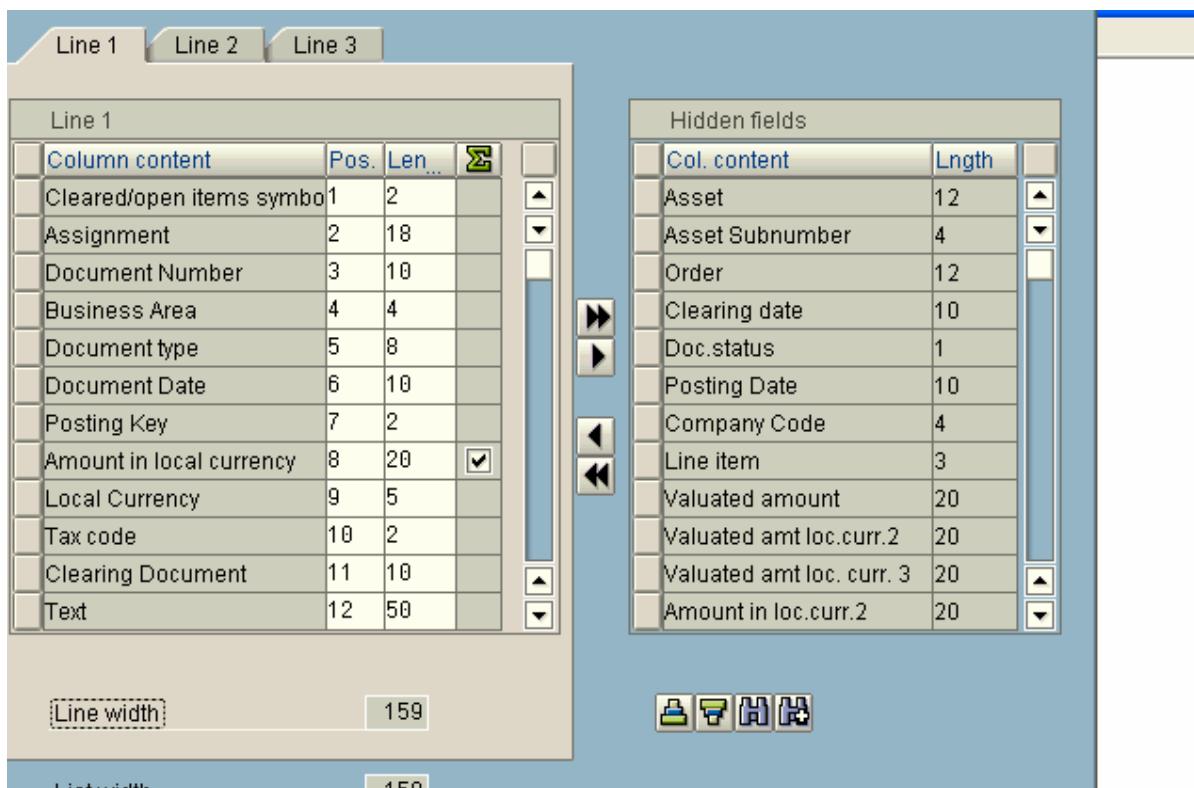
Accounting → Financial Accounting → General Ledger → Environment → User Parameters → Editing Options

We can decide what data is displayed in this line by specifying the line layout. We can define several variants for line layout. When displaying a document, we can switch between the variants. We can define our own variant by selecting from Current Display Variant.

- Select the Change layout button
- Select the Hidden fields
- Select the left arrow
- Select copy button

Enter

Save the Lay out



Configuration of FICO Modules

Display/ Changes to GL Master Records (FS04)

Accounting → Financial Accounting → General Ledger → Master Records → Display Changes
→Centrally

Give the GL Account Number 200300

Give the Company Code: IBS

Select the Change button and change fields what ever you want

Save

Blocking & Unblocking of GL Account (FS00)

Accounting → Financial Accounting → General Ledger → Master Records → Display Changes
→Centrally

From Menu → GL Account → Block/Unblock

Blocking:

- Blocked for Creation
- Blocked for Posting
- Blocked for Planning
- Blocked for Posting (in Company Code)

If you want unblock the GL Master please uncheck the all the above selections

Parked Documents

You can park data relating to customer, vendor, G/L, and asset accounts. There is an additional fast entry function for G/L accounts. For assets, you can only enter acquisitions. In addition, you can park tax information and special G/L indicators, although you cannot park special G/L indicators for bills of exchange and down payments

SAP provides two transactions for document parking: The standard transaction and the single screen transaction (Enjoy).

Document parking is linked to the account display and reporting functions in *Financial Accounting*. You can:

- Display parked documents in the document journal
- Display parked documents in the line item display

Parking a GL Document (F-65)

Accounting → Financial Accounting → General Ledger → Document Entry → Parked Document

- Give the Document date, Posting Date, Company Code: IBS, Currency: INR
- Give the posting key: 40
- Give the GL Account: 200300 (SBI Current Account) Enter
- Give Amount: INR 100000
- Text: Share application money
- Give the posting key: 50
- GL Account: 100000(Share Capital Account) Enter
- **Amount ***
- **Text +**
- **Enter**

From Menu → Document → Parking

Display Parked Documents pending for approval and release (FBV3)

Accounting → Financial Accounting → General Ledger → Document → Parked Documents → Display

Display Parked Document: Initial Screen

The screenshot shows a software interface for displaying parked documents. At the top is a toolbar with 'Document list' and 'Editing Options' buttons. Below this is a large input field labeled 'Key for Parking' containing the following data:

Company Code	IBS	
Doc. Number	100000	
Fiscal Year	2007	

Enter

Post/Delete Parked Documents pending for approval and release (FBV0)

Accounting → Financial Accounting → General Ledger → Document → Parked Documents → Post/Delete

(To change the amount – Double Click the amount

To change the date – Select Document Header Button

To change the GL Account – Delete Line Item and re-enter the new GL account Line Item)

Reversals

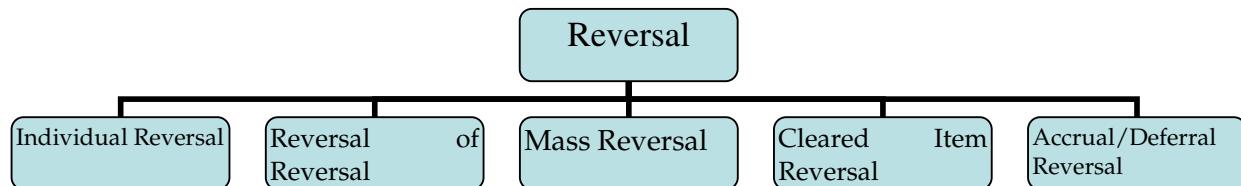
If you have entered an incorrect document, you can reverse it, thereby also clearing the open items.

A document can only be reversed if:

- It contains no cleared items
- It contains only customer, vendor, and G/L account items
- It was posted with Financial Accounting
- All entered values (such as business area, cost center, and tax code) are still valid

Documents from SD can be reversed with a credit memo. Documents from MM must be reversed with functions in that component because the reversal function in FI does not reverse all the values required. For more information on reversals in SD and MM, see the documentation for those applications.

You generally post the reversal document in the same posting period as the corresponding original document. If the posting period of the source document has already been closed, you have to enter a date that falls in an open posting period (for example, the current one) in the *Posting date* field.



Creation of Reversal Reason for Individual Reversal

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Document Reversal → Define Reasons for Reversal

(Reversal Reason is '03' 'Actual Reversal in Current Period' & Select Alternative Posting Date)

The reversal Reason will specify the why the document is reversing

Document Reversal – Individual Reversal (FB08)

Accounting → Financial Accounting → General Ledger → Document → Reverse → Individual Reversal

Reverse Document: Header Data

Document Details	
Document Number	100000
Company Code	IBS
Fiscal Year	2007

Specifications for Reverse Posting	
Reversal reason	03
Posting Date	
Posting Period	

Check management specifications	
Void reason code	

Select Display before Reversal

Save

Reversal of Reversal (F-02)

Accounting → Financial Accounting → General Ledger → Document Entry → Others → General Posting

From Menu → Post with Reference

Give the document Number

Fiscal year 2007

Select the check box general the Reversal posting

Mass Reversal (F.80)

Accounting → Financial Accounting → General Ledger → Document → Reverse → Mass Reversal

Cleared Item Reversal – Reset & Reverse (FBRA)

Accounting → Financial Accounting → General Ledger → Document → Reset Cleared Items
(Select 'Resetting & Reverse')

Foreign Currency Settings

Currencies:

In Financial Accounting, we have to specify for each of the company codes, in which currency ledgers should be managed. This currency is the national currency of the company code, that is, the local currency (or company code currency). From a company code view, all other currencies are then foreign currencies.

The ledgers can be managed in two parallel currencies in addition to the local currency, for example, group currency or hard currency. Group currency is used in the consolidated financial statements. Hard Currency or Country-specific second currency used in countries with high rates of inflation.

Global company Currency: Currency used for an internal trading partner.

Global company currency is defined when defining the company that is assigned to the company code.

Exchange Rate Types (OB07)

SPRO → General Settings → Currencies → Check Exchange Rate Types

Exchange Rate Type: - Key used to define exchange rates in the system.

For each currency pair we can define different exchange rates.

The different exchange rates are used for the purposes of Valuation, Conversion, Translation, Planning etc.

Standard Translation at Bank Buying rate – G Type

Standard Translation at Bank selling rate – B Type

Average rate – M Type

Historical exchange rate - 1003

Define Translation Ratios for Currency Transactions (OBBS)

**SPRO → General Settings → Currencies → Define Translation Ratios for Currency Transactions
(Define Ratios for G Type, B Type and M Type)**

Translation Ratio: The (consistent) relationship between the monetary units of two foreign currencies.

Enter Exchange Rates (OB08)

SPRO → General Settings → Currencies → Enter Exchange Rates

(Enter Exchange Rates for G Type, B Type and M Type)

Set Default Exchange Rate Type for Document Type SA (OBA7)

SPRO → Financial Accounting → FAGS → Document → Document Header → Overview

(In Document Type specify the Default Exchange Rate Type)

Foreign Exchange Revaluation

G Type – Bank Buying

- Open Item
- Non Open Item

B Type – Bank Selling

- Open Item
- Non Open Item

We can create different valuation methods for valuing foreign currency. For each valuation method, we have to define:

- Parameters for the valuation procedure
- Parameters for exchange rate determination

Define Valuation Methods (OB59)

SPRO → Financial Accounting → GL Accounts → Business Transactions → Closing → Valuating → Foreign Currency Valuation → Define Valuation Methods

(Define 4 methods namely B Type Open Item, B Type Non Open Item, G Type Open Item and G Type Non Open Item & Select ‘Exchange Rate Type from Invoice Reference’ for Open Item Type & Select ‘Determine Rate Type from Account Balance’ for Non Open Item Type)

Valuation Method : A unique key determining foreign currency valuation method.

Prepare Automatic Postings for Foreign Currency Valuation (OBA1)

SPRO → Financial Accounting → GL Accounts → Business Transactions → Closing > Valuating > Foreign Currency Valuation > Prepare Automatic Postings for Foreign Currency Valuation

(Specify the GL Accounts of FC Loan, Forex Loss and Forex Gain in ‘Exchange Rate difference in Open Items’ KDF as well as in ‘Exchange Rate difference in FC Balances’ KDB and Specify ‘Exchange Rate Difference Key’ to be attached to the FC Loan Account in the next step)

Attach the ‘Exchange Rate Difference Key’ in FC Loan Account (FS00)

Forex Run on Closing Date (F.05)

Accounting → Financial Accounting → GL Accounts → Periodic Processing → Closing → Valuate → Valuation of Open Items in Foreign Currency

(Specify Valuation Method & Select ‘Balance Sheet Preparation Valuation’ for year end valuation postings. the entries will be posted automatically.)

Interest Calculations

- S Type – Balance Interest Calculation (for GL Accounts)
 - Is applied to the entire balance of a GL or Customer Account, applying a particular interest rate for a specified period of time
- P Type – Item Interest Calculation (for Customers & Vendors)
 - Interest on arrears is applied to individual items in accounts receivable or accounts payable. A certain interest rate is applied to the items that are still open or unpaid at a specified date.

Interest calculation configuration:

- **Interest calculation Indicator**
 - Interest calculation types set basic parameters used in calculation. To calculate interest for an account (GL, Customer, Vendor), the master data for that account must include the interest calculation indicator that applies. Each interest ID must be assigned an interest calculation type, indicating whether it is used for balance interest calculation or item interest calculation.
- **General terms**
 - General terms specify further parameters about how each interest calculation indicator works.
 - Here we specify interest calculation ID, interest calculation frequency, settlement day, calendar type (G type for rupee loans & F type for FC loans).
- **Define reference interest rates**

Configuration of FICO Modules

- Define reference interest rate ID, 'effect from date' and 'currency'
- **Time dependent terms**
 - Time-based terms set validity dates and relationships to interest rates. Here we specify interest calculation ID, currency, valid from, sequence number (1&2), term (credit interest balance interest calculation for 1 & debit interest balance interest calculation for 2) and reference interest rate ID.
- **Interest rates**
 - Interest rates establish reference interest rates that interest calculations can be tied to. Here we specify Reference interest rate ID, valid from and interest rate.
- **Account determination**
 - Account determination establishes which accounts the results of an interest calculation will be posted to.

Define Interest Calculation Types (OB46)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Bank Account Interest Calculation → Interest Calculation Global Settings → Define Interest Calculation Types

- Give the interest Calculation indicator : R1
- Name : Balance interest Cal. Term
- Give Calculation Type : S(Balance Interest Calculation)
Save

Prepare Account Balance Interest Calculation (OBAA)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Bank Account Interest Calculation → Interest Calculation Global Settings → Prepare Account Balance Interest Calculation

- Give the Interest Calculation Indicator : R1
- Give the Interest Calculation Freq : 01
- Give the Calendar Type : G
- Select Balance plus Interest Calculation Check box

Save

Define Interest Reference Rates (OBAC)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Bank Account Interest Calculation → Interest Calculation → Define Interest Reference Rates

Select the New Entries

Give the Ref interest Rate : R2
Long Text : Ref. interest rate type
Short Text : Ref. interest rate type
Date : 01-01-2007
Currency : INR and **Save**

Define Time Dependant Terms (OB81)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Bank Account Interest Calculation → Interest Calculation → Define Time Dependant Terms

Enter Interest Values (OB83)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Bank Account Interest Calculation → Interest Calculation → Enter Interest Values

Configuration of FICO Modules

Select the New Entries button
Give the Ref. Interest type: XX
Give the Effective : 01/01/2007
Give the Interest Rate : 10%
Save

Creation of 2 GL Masters

TC: FS00

1. **SBI Term Loan Accounts – A/c group (long term liabilities)**
Field status Group: G005
Select Relevant to Cash Flow Check Box
Give the Interest Calculation Indicator: XX
Save

2. Interest Account- Account Group (Interest Account)
Field status Group: G001
Save

Assignment of Accounts for Automatic Interest Postings (OBV2)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Bank Account Interest Calculation → Interest Posting → Prepare GL Account Balance Interest Calculation

(Account Symbol	Currency	GL Account
0002	INR	Interest Account Number (Expense)
2000	+	++++++
0001	INR	Interest Account Number (Income)
1000	+	++++++)

Term Loan Receipt – TC: F-02

Debit: Bank Account
Credit: Term Loan Account

Term Loan Repayment – TC: F-02

Debit: Term Loan Account
Credit: SBI Current Account

Interest Calculation Run (F.52)

Accounting → Financial Accounting → General Ledger → Periodic Processing → Interest Calculation → Balances

Give the Chart of Accounts: IBS
Give GL Account Number: (SBI Term Loan Account)
Give the Company Code: IBS
Give the calculation period: 01/01/2007 to 31/05/2007
Select the Standard Interest Calculation Check box
Select update Master Records Check box
Give the Session Name
Give the Posting data of the Session
From –menu → Execute in Background

FI-Accounts Payable

The **Accounts Payable** application component records and administers accounting data for all vendors. It is also an integral part of the purchasing system: Deliveries and invoices are managed according to vendors. The system automatically makes postings in response to the operative transactions. In the same way, the system supplies the Cash Management application component with figures from invoices in order to optimize liquidity planning.

Payables are paid with the payment program. The payment program supports all standard payment methods (such as checks and transfers) in printed form as well as in electronic form (data medium exchange on disk and electronic data interchange). This program also covers country-specific payment methods.

If necessary, dunning notices can be created for outstanding receivables (for example, to receive payment for a credit memo). The dunning program supports this function.

Postings made in Accounts Payable are simultaneously recorded in the General Ledger where different G/L accounts are updated based on the transaction involved (payables and down payments, for example). The system contains due date forecasts and other standard reports that you can use to help you monitor open items.

You can design balance confirmations, account statements, and other forms of reports to suit your requirements in business correspondence with vendors. There are balance lists, journals, balance audit trails and other internal evaluations available for documenting transactions in Accounts Payable.

Vendor Master Data

Business transactions are posted to accounts and managed using those accounts. You must create a master record for each account that you require. The master record controls how business transactions are recorded and processed by the system.

Specifications you make in master records are used:

- As default values when you post items to the account. For example, the terms of payment you specify in the master record are defaulted for document entry.
- For processing business transactions For instance, bank details and the payment methods (check or bank transfer, for example) are required for automatic payments.
- For working with master records. You can prevent certain users from accessing an account by setting up authorization groups.

Reconciliation accounts are managed implicitly using Sub Ledger Open Item function.

Posting Keys

Vendor Debit: 25, Vendor Credit: 31

Document Types

KR – Vendor Invoice,

KZ – Vendor Payment

KA – Vendor Document (Transfers/Reversals)

AP (Vendor Accounts) is a Subsidiary Ledger of Sundry Creditors. Sundry Creditors is a Reconciliation Account under Current Liabilities.

Basic Settings for Accounts Payable

- a) Creation of Vendor Account Groups like FI Vendors (Services), MM Vendors (Materials) and One-time Vendors with Reconciliation Account Field mandatory.
- b) Creation of Number Range Groups and Numbers for Vendors.
- c) Assignment of Number Range Group to Vendor Account Group
- d) Creation of GL Masters (Inventory Raw Materials – Current Assets)
 - a. (Sundry Creditors – Current Liabilities)
- e) Define Tolerance Groups for Vendors and Customers
- f) Creation of Vendor Master.
- g) Document Types and Number Ranges for KR, KZ and KA.
- h) Purchase Invoice Positing
- i) Display the Vendor Line item balances

Define Vendor Account Groups (OBD3)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Records → Preparations for creating Vendor Master Records → Define Account Groups with Screen Layout (Vendors)

Select the New Entries

Give the Vendor Group: NASD

Description: Domestic Vendors for NAS

Save

Double Click the Company Code Data

Double Click the Account Management

Make it reconciliation account is required entry and Cash management Suppress

The Vendor Account Group controls

The number ranges of the accounts, the status of the fields in the master record and whether the account is a one time vendor

One-time Vendor:

Vendors who have a business transaction only once are called one-time vendors. You create collective master record for one-time vendors. The complete details of the Vendor will be given at the time of Invoice Posting. (While creating the group a ‘One-time Vendor Group’ should be created.)

Create Number Ranges for Vendor Accounts (XKN1)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Records → Preparations for creating Vendor Master Records → Create Number Ranges for Vendor Accounts

Give the Company Code: NAS

Select the Change Intervals Button

Configuration of FICO Modules

Select the insert intervals button

Give the number rangers

02 2007 100000 300000

Save

Assign Number Ranges to Vendor Account Groups (OBAS)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Records → Preparations for creating Vendor Master Records → Assign Number Ranges for Vendor Accounts

- Select the Position Button
- Give the Vendor Accounts Group and Assign the Number range

Save

Define Tolerance Groups for Vendors (OBA3)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Manual Outgoing Payments → Define Tolerances (Vendors)

- Select the New entries button
- Give the Company Code : IBS
- Save

Tolerances: Rules that define acceptable differences during posting

Tolerance Groups for Vendors:

The tolerances are used for differences in payment and residual items which can occur during payment settlement. We can specify the tolerances under one or more tolerance groups. Allocate a Tolerance Group to each Vendor via the master record. For each Tolerance Group we specify:

1. Tolerances up to which differences in payment are posted automatically to expense or revenue account when clearing open items.
2. The handling of the terms of payment for residual items, if they are to be posted during clearing.

Employee Tolerances also can be specified. Employee Tolerance is used to control the Upper limits for posting procedures (Posting Authorizations) and Permitted Payment Differences. While clearing, the lower limit of the 2 will be taken.

Creation of Vendor Master (XK01)

Accounting → Financial Accounting → Accounts Payable → Master Records → Maintain Centrally → Create

(The account group is entered on the initial create screen. In FI, once the vendor account is created, its account group cannot be changed.

Give Reconciliation Account Number, Sort Key 012 Vendor Name, Payment Terms, Tolerance Group & Select 'Check Double Invoicing')

Save

Line item display and open item management are always preset to "on" for every vendor account.

Configuration of FICO Modules

A complete Vendor Account consists of 3 segments – 1. General Data at the client level 2. Company code segment and 3. Purchasing Organization segment

General data consists Address, Control data, Payment transactions etc. The account number is assigned to the Vendor at the client level. This ensures that the account number for a Vendor is the same for all company codes and sales areas.

Company data consists of Accounting information, Payment transactions, Correspondence, Insurance, Withholding tax etc.

Note: If MM creates their segment of the master record and then FI creates their segments of the master record, there is the risk of creating incomplete or duplicate master records. To find and correct these incomplete accounts, we can run report RFKKAG00 and make the necessary corrections.

Creation of duplicate accounts can be prevented by:

- Using the match code before creating a new account
- Switching on automatic duplication check

Important Fields

- Search Item: Should be filled with a short version of the vendor name according to company rules/desires. An additional search field also can be filled up.
- Group Key: Vendors who belong to one corporate group can be bundled together by a user-defined group key. This group key can be used for running reports, transaction processing or for match codes.
- Accounting clerk: The accounting clerk's name has to be stored under an ID and this ID can be entered in the vendor master record of the account he or she is responsible for. The accounting clerk's name is then printed on correspondence and this ID is used to sort dunning and payment proposal lists.

Document Types & Number Ranges (OBA7)

SPRO → Financial Accounting → FAGS → Document → Document Header → Overview

Select the document type : KR

Select the details Button

Select the Number Range Information button

Give the Company Code: IBS

Select the change intervals button

Give the Number ranges and Save

Same way for all the Number ranges

(Define Document Number Ranges for Doc Types KR, KZ & KA)

Purchase Invoice Posting (F-43)

Accounting → Financial Accounting → Accounts Payable → Document Entry → Other → Invoice General

Give the Doc. Date, Company Code: IBS and Currency INR

Posting Key: 31

Give the Vendor Accounts Number: 1000001

Enter

Configuration of FICO Modules

Give the Amount: 100000
Text: Vendor Invoice posting
Posting key 40
Accounts Number: 200100 (Inventory Raw Material)
Amount * Text +
Document → simulate and Save

Vendor Account Display (FBL1N) with Open Item, Cleared Item and Special GL Item details

Accounting → Financial Accounting → Accounts Payable → Account → Display/Change Line Items

Vendor Line Item Display

The screenshot displays the SAP FBL1N Vendor Line Item Display interface. It consists of several sections for selecting vendors and line items:

- Vendor selection:** Fields for Vendor account (100088615) and Company code (GB11), each with a 'Help' button.
- Selection using search help:** Fields for Search help ID, Search string, and Complex search help, each with a 'Help' button.
- Line item selection:** A section for filtering line items based on status:
 - Status:** Radio buttons for "Open items" (selected), "Cleared items", and "All items".
 - Open at key date:** Date field set to 24.04.2007.
 - Cleared items:** Fields for Clearing date and Open at key date, each with a 'Help' button.
 - All items:** Fields for Posting date and a date range (from/to), each with a 'Help' button.

Configuration of FICO Modules

Vendor Line Item Display

The screenshot shows the SAP Fiori-style Vendor Line Item Display interface. At the top, there are status indicators for open, parked, cleared, and overdue payments. Below that, vendor details are displayed: Vendor 100018650, Company Code GB11, Name AXA PPP Healthcare Limited, and City Tunbridge Wells. A table below lists payment documents:

St	Assignment	DocumentNo	Type	Doc..Date	S	DD	Amount in local curr.	LCurr	Clrng doc.	I
<input type="checkbox"/>	20070302	5100000000	RN	02.03.2007			100,00-	GBP	20000000000	
<input type="checkbox"/>	20070302	2000000000	ZP	02.03.2007			100,00	GBP	20000000000	
*	<input checked="" type="radio"/>						0,00	GBP		
**_Account 100018650							0,00	GBP		

Vendor Account Display (FK10N)



Vendor Balance Display

The screenshot shows the SAP Fiori-style Vendor Balance Display interface. It features input fields for Vendor (20000), Company code (IBS), and Fiscal year (2007). There are also buttons for activating the worklist and navigating between screens.

Give the Vendor Number: 200001

Give the Company Code: IBS

Fiscal Year: 2007

Execute

Configuration of FICO Modules

Outgoing Payments

Define House Bank and Assign GL Account Number for the Account ID (FI12)

SPRO → Financial Accounting → Bank Accounting → Bank Accounts → Define House Banks

Give the Company Code

The screenshot shows the SAP Fiori interface for defining house banks. The title bar reads 'Change View "House Banks": Details'. The main area has a tree view on the left under 'Dialog Structure' with 'House Banks' selected. On the right, there are two tabs: 'House Bank Data' and 'Communications data'. In 'House Bank Data', the company code is set to 'GB11' and the house bank is 'HSB01'. Under 'Bank country', it shows 'GB' and 'United Kingdom'. In 'Communications data', the telephone number is '0181 919 4801'. The bottom navigation bar includes icons for New Entries, Save, and Cancel.

Change View "Bank Accounts": Details

The screenshot shows the SAP Fiori interface for defining bank accounts. The title bar reads 'Change View "Bank Accounts": Details'. The main area has a tree view on the left under 'Dialog Structure' with 'Bank Accounts' selected. On the right, there are two tabs: 'Bank Account Data' and 'Bank Account Data' (repeated). In the first 'Bank Account Data' tab, the company code is 'GB11', the house bank is 'HSB01', the account ID is 'ARCRY', and the description is 'Accounts Receivable - SAP'. In the second tab, the bank account number is '81756176', the alternative account number is '40184181756176', the currency is 'GBP', and the control key is '1071300'. The bottom navigation bar includes icons for New Entries, Save, and Cancel.

House Banks: Bank ID, Bank Account, Account ID and GL Account Number

Save

Creation of Check Lots (FCHI)

Accounting → Financial Accounting → Accounts Payable → Periodic Processing → Payments → (sub menu) → Environment → Check Information → Number Ranges

Check Lots

The screenshot shows the SAP Fiori interface for creating check lots. The title bar has icons for Change status and Archive information. The main area contains three checkboxes: 'Paying company code' (checked), 'House bank' (checked), and 'Account ID' (checked).

Give the Paying Company Code: IBS

Give the House Bank : SBI

Configuration of FICO Modules

Give the House Bank Account ID: SBICC

Select change button and Select Create button

Give the Check lot Number: 101

Give the Check Numbers: 100000 to 200000

Save

(Select 'Non-Sequential' for manual payments & don't select for Automatic Payment Program)

Outgoing Payment with clearing (F-53)

Accounting → Financial Accounting → Accounts Payable → Document Entry → Outgoing Payment → Post

Manual Check Updating (FCH5)

Accounting → Financial Accounting → Accounts Payable → Environment → Check Information → Create → Manual Checks

(Enter Payment Document Number, House Bank & Bank ID and Check Number) and Enter

Give the Check Number **and Save**

Display Check Register (FCHN)

Accounting → Financial Accounting → Accounts Payable → Environment → Check Information → Display → Check Register

Give the paying Company Code : IBS

House Bank : SBI

Give the Bank Account ID : SBICC

Execute

Check Encashment Date (FCH6)

Accounting → Financial Accounting → Accounts Payable → Environment → Check Information → Change → Additional Info/Cash

Give the paying Company Code: IBS

House Bank : SBI

Give the Bank Account ID : SBICC → **Enter**

Give the Check encashment Date: 30/05/2007

Save

Define Void Reason Codes (FCHV)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Automatic Outgoing Payments → Payment Media → Check Management → Define Void Reason Codes

Display View "Check Void Reason Codes": Overview

Reason	Void reason cde	Reserved for print programs
1	Test printout	Sample printout
2	Page overflow	Page overflow
3	Form closing	Form closing
4	Ripped during printing	0
5	Divided document	n

Give the Reason: 01

Give the Void Reason Code: Ripped during Printing

Reserved for Print Programs: Page overflow

Save

Unused Checks Cancellation (FCH3)

Accounting → Financial Accounting → Accounts Payable → Environment → Check Information → Void → Unused Checks

Give the paying Company Code: IBS

Give the House Bank : SBI

Give the Account ID : SBICC

Give the Check Number : 100000

Give the Void Reason Code : 01

Select Void and Save

Issued Checks Cancellation (FCH8)

Accounting → Financial Accounting → Accounts Payable → Environment → Check Information → Void → Cancel Payment

Give Check Number, Void Reason Code, Document Reversal Reason and Select 'Cancel Payment' Button)

Result: Resets the cleared item, Cancels the Check and Reverses the Payment

Down Payments to Vendors

You normally enter and post **down payments made or received** after the amount is debited or credited to your bank account and is shown on your bank statement.

Down payments can be processed in two ways

Posting a Down Payment without a Down Payment Request, Posting a Down Payment with a Down Payment Request and Other Functions: Down Payments

Special GL Transaction

Special G/L transactions are special transactions in accounts receivable and accounts payable that are displayed separately in the general ledger and the sub ledger. This may be necessary for reporting or for internal reasons. For example, down payments must not be balanced with receivables and payables for goods and services. Consequently, they are treated as special G/L transactions in the General Ledger (FI-GL) Accounts Payable (FI-AP) and Accounts Receivable (FI-AR) application components.

Configuration of FICO Modules

Special G/L transactions are special transactions in accounts receivable and accounts payable that are displayed separately in the general ledger and the sub ledger. This is achieved by posting to alternative reconciliation accounts, instead of posting to the reconciliation accounts for receivables and payables.

The following special G/L transactions are available:

1. Down payments and down payment requests
2. Bills of exchange receivable, bills of exchange payable and checks/bills of exchange
3. Bank bills, Payment requests, Guarantees, Reserves for bad debt and Security deposits

Configuration Settings

- Create Special GL Account 'Advance to Vendors (Reconciliation Account)' under Current Assets
- Create Link between 'S/Creditors' and 'Advance to Vendors' (Special GL Indicator: A)
- Down Payment Posting
- Purchase Invoice Posting
- Transfer of Down Payment from Special GL to Normal item by clearing Special GL Account
- Clearing of Normal Item

Creation of GL Master – Advance from Vendors – FS00

Give the Company Code: IBS and GL Account Number: 200105 → (Select the Create Button)

A/c Group: Current Assets & Others

Description: Advance from Vendors

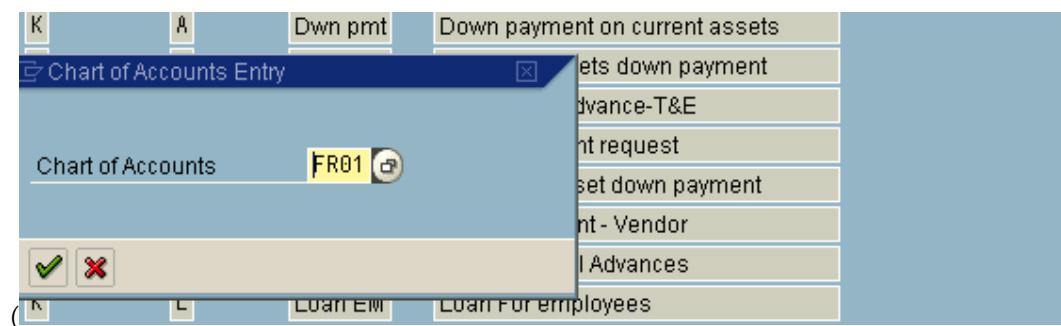
Reconciliation Account: - Vendors, Sort Key: 012 and Filed Status Group: G067

Save

Link between S/Creditors and Advance to Vendors (OBYR)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Down Payment made → Define Alternative Reconciliation Account for Down Payments

- Double Click Special GL Indicator : A (Down Payment on Current Assets)



Maintain Accounting Configuration : Special G/L - Accounts

Chart of Accounts	N001	GLOBe Chart of Accounts	
Account type	K	Vendor	
Special G/L ind.	1	Loans To Third Party Vendors	
Account assignment			
Recon. acct	Special G/L account	Planning level	Input tax clearing
2000010	1025010		
2000020	1025010		
2014110	1025010		

Setup Company Code for Payment Transaction (To avoid Short Dump Error while posting Down Payments)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Automatic Outgoing Payments → Payment method/Bank selection for Payment Program → Setup all Company Codes for Payment Transactions

Display View "Company Codes": Details

Company Code	0001	SAP A.G.	Paying company code
Control data			
Sending company code			
Paying company code	0001	SAP A.G.	H
<input type="checkbox"/> Separate payment per business area			
<input type="checkbox"/> Pyt meth suppl.			

- Give the Company Code: **IBS**
- Give Paying Company Code: **IBS**
- Select the Maxi. Cash Discount Check Box
- **Save**

Down Payment Posting (F-48)

Accounting → Financial Accounting → Accounts Payable → Document Entry → Down Payment → Down Payment

Give the Document Date: 30/05/2007

Give the Company Code: IBS, Currency INR

Give Bank Account: 200100 and → Give Special GL Indicator “A”

Amount: 100000 and → Give the Vendor number 200001

Text: Advance payment to Vendor

Select Display Document over View button → Amount * and Text + document → simulate and Save

Purchase Invoice Posting (F-43)

Accounting → Financial Accounting → Accounts Payable → Document Entry → Other → Invoice General

Configuration of FICO Modules

Give the Doc. Date, Company Code: IBS and Currency INR

Posting Key: 31

Give the Vendor Accounts Number: 1000001

Enter

Give the Amount: 100000

Text: Vendor Invoice posting

Posting key 40

Accounts Number: 200100 (Inventory Raw Material)

Amount * Text +

Document → simulate and Save

Transfer of Down Payment from Special GL Account to Normal item by clearing Special GL Account (F-54)

Accounting → Financial Accounting → Accounts Payable → Document Entry → Down Payment → Clearing

Give the Document Date: 30/05/2007, Company Code: IBN and Currency: INR

Give the Vendor Account: 100001

Select the Process Down payment button

Give the Transfer Amount: 100000

Document → Simulate and Save

Clearing of Normal Item (F-44)

Accounting → Financial Accounting → Accounts Payable → Accounts → Clear

Give the Vendor Number: 1000001

Select the process Open Items buttons, double click both the line items → From Menu → Document → Simulate and save

Extended Withholding Tax (TDS)

In Accounts Payable, the vendor is the person subject to tax, and the company code is obligated to deduct withholding tax and pay this over to the tax authorities on their (the vendor's) behalf.

At the time of Invoice Posting

Service Charges A/c.	Dr. 100000
To Contractors A/c.	98000
To TDS A/c.	2000

At the time of Advance Payment Posting

Contractors A/c.	Dr. 100000
To Bank A/c.	98000
To TDS A/c.	2000

Withholding Tax

With extended withholding tax, you can process withholding tax from both the vendor and customer view.

In Accounts Payable, the vendor is the person subject to tax, and the company code is obligated to deduct withholding tax and pay this over to the tax authorities on the vendor's behalf. In Accounts Receivable, the company code itself is subject to tax, and the customers that do business with this company code deduct withholding tax and pay this over to the tax authorities on the company code's behalf. In both cases, the business partner of the person/entity subject to tax deducts the tax and pays it over to the tax authorities.

Withholding tax is calculated and posted to the appropriate withholding tax accounts at different stages, depending on the legal requirements in each country. As a rule, withholding tax is posted at the same time that the payment is posted, in other words the outgoing payment (Accounts Payable) or incoming payment (Accounts Receivable), is reduced by the withholding tax amount.

Classic and Extended Withholding Tax Functions

Individual Functions		Classic Withholding Tax	Extended Withholding Tax
Withholding tax on outgoing payment	X	X	
Withholding tax on incoming payment		X	
Withholding tax posting at time of payment	X	X	
Withholding tax posting at time of invoice		X	
Withholding tax posting on partial payment		X	
Number of withholding taxes for each document item	Max. 1	Several	
Withholding tax base:	Net amount	X	X
	Modified net amount		X
	Gross amount	X	X
	Tax amount		X
	Modified tax amount		X
Rounding rule		X	
Cash discount considered		X	
Accumulation			X

Individual Functions	Classic Withholding Tax	Extended Withholding Tax
Minimum/maximum amounts and exemption limits		X
Number assignment on document posting (certificate numbering)		X
Calculation formulas	X	X

Country-Specific Requirements

Due to legal requirements, the following countries use **extended withholding tax**:

America	Europe and Africa	Asia/Pacific
Argentina	United Kingdom	India
Brazil	Slovakia	The Philippines
Chile	Turkey	South Korea
Colombia		Thailand
Mexico		
Peru		
Venezuela		

Check the With Holding Tax Countries

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Basic Settings → Check Withholding Tax Countries

Select the Position Button

Give the Country IN (Check and Save)

Define Withholding Tax Type for Invoice Posting

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Calculation → Withholding Tax Type → Define Withholding Tax Type for Invoice Posting

- (Give a name for Type & Description like 2% TDS on Contractors Invoice Posting)
- Base Amount → Select 'Gross'
- Rounding Rules → Select 'Withholding Tax Commercial Rounding'
- Select 'Post Withholding Tax amount'
- Accumulation Type → Select 'No Accumulation'
- Control Data → Select 'Withholding Tax Base Manual' (This should not be selected while creating the Type for Payment Posting)
- Select 'No Certificate Numbering')

Save

Define Withholding Tax Type for Payment Posting

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Calculation → Withholding Tax Type → Define Withholding Tax Type for Payment Posting

- (Give a name for Type & Description like 2% TDS on Contractors Invoice Posting)
- Base Amount → Select 'Gross'
- Rounding Rules → Select 'Withholding Tax Commercial Rounding'

Configuration of FICO Modules

- Cash Discount → Select 'Cash Discount Pre-withholding tax'
 - Select 'Post Withholding Tax amount'
- Accumulation Type → Select 'No Accumulation'
- **Do Not Select 'Withholding Tax Base Manual' (This should be selected while creating the Type for Invoice Posting)**
- Select 'No Certificate Numbering')

Save

Define Withholding Tax Codes

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Calculation → Withholding Tax Codes → Define Withholding Tax Codes

- (Withholding Tax Code: Give a Code
- Base Amount → Percentage Subject to Tax: 100%
- Calculation → Withholding Tax Rate: Give the applicable Rate
- Postings → Posting Indicator: 1 (Standard Posting Bank/Vendor/Customer Line Item reduced))

Save

Define Formulas for calculating Withholding Tax

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Calculation → Withholding Tax Codes → Define formulas for calculating Withholding Tax

- (Give Withholding Tax Type & Code
- Valid from: Give the date (Fiscal Year start date)
- Select the Line created and double click 'Formulas for calculating Withholding Tax'
- 'To' Base amount: Rs. 99999999
- Withholding Tax: Give the applicable Rate)

Save

Assign Withholding Tax Types to Company Codes

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Company Code → Assign Withholding Tax Types to Company Codes

(Assign all the Withholding tax Types to Company Code)

Activate Extended Withholding Tax

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Company Code → Activate Extended Withholding Tax

- Select the Position button
- Give the Company Code: **IBS**
- Activate the Extended with holding Tax check Box
- **Save**

Define Accounts for Withholding Tax to be paid over (OBWW)

Configuration of FICO Modules

SPRO → Financial Accounting → FAGS → Withholding Tax → Extended Withholding Tax → Postings → Accounts for Withholding Tax → Define Accounts for Withholding Tax to be paid over

Display FI Configuration: Automatic Posting - Rules

The screenshot shows the SAP Fiori interface for 'Display FI Configuration: Automatic Posting - Rules'. At the top, there are two tabs: 'Accounts' (selected) and 'Posting Key'. Below the tabs, there are two input fields: 'N001' (Chart of Accounts) and 'WIT' (Transaction). A callout box highlights the 'Select Account' button. A detailed configuration section follows, titled 'Accounts are determined based on'. It includes three checkboxes: 'Debit/Credit' (checked), 'Withholding tax code' (checked), and 'Withholding tax type' (checked).

(Assign TDS on Contractors, TDS on Rent, TDS on Interest etc. open item managed accounts created under Current Liabilities to the respective Tax Type and Code)

Display FI Configuration: Automatic Posting - Accounts

The screenshot shows the SAP Fiori interface for 'Display FI Configuration: Automatic Posting - Accounts'. At the top, there are two tabs: 'Posting Key' (selected) and 'Rules'. Below the tabs, there are two input fields: 'Chart of Accounts' (N001) and 'Transaction' (WIT). A callout box highlights the 'Chart of Accounts' field. Below these fields is a section titled 'Account assignment' containing a table with four rows of data.

Withholdin...	Withholdin...	Debit	Credit
01	00	2061020	2061020
01	01	2061030	2061030
01	02	2061040	2061040

Assigning Withholding Tax Codes in Vendor Master (XK02)

Accounting → Financial Accounting → Accounts Payable → Master Records → Maintain Centrally
→ Change

Change Vendor: Initial Screen

Vendor	100000062
Company Code	6B41
Purch. Organization	
General data <input type="checkbox"/> Address	
<input type="checkbox"/> Control	
<input type="checkbox"/> Payment transactions	
Company code data	
<input checked="" type="checkbox"/> Accounting info	
<input checked="" type="checkbox"/> Payment transactions	
<input checked="" type="checkbox"/> Correspondence	
<input checked="" type="checkbox"/> Withholding tax	
Purchasing organization data	
<input type="checkbox"/> Purchasing data	
<input type="checkbox"/> Partner functions	

Enter

Change Vendor: Accounting information Accounting

Vendor	100000062	Lyreco UK Ltd.
Company Code	6B41	Nestle Waters Powwow Ltd.
Accounting information		
Rec. Account	2080020	
Head office		
Authorization	Cash mgmt group	V09 Sundries
Minority indic.	Release group	
	Certificatn date	
Interest calculation		
Interest indic.	Last key date	
Interest freq.	Last interest run	
Withholding tax		
W. Tax Code	Exemption number	
WH Tax Country	Valid until	
Recipient type	Exempt authority	
Reference data		

Configuration of FICO Modules

Give the Withholding Tax Code

Save

Vendor Statement of Account

Assign Programs for Correspondence (OB78)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Line Items → Correspondence → Carryout and Check Correspondence Settings → Assign Programs for Correspondence

(Select 'SAP06' Account Statement, Copy As and Attach the Statement Type to Company Code & Save)

Request for Correspondence (FB12)

Accounting → Financial Accounting → Accounts Payable → Account → Correspondence → Request (Select 'SAP06', Give Vendor A/c. No. & specify statement period. Select 'Continue')

Maintain Statement (F.64)

Accounting → Financial Accounting → Accounts Payable → Account → Correspondence → Maintain Statement

(Correspondence: SAP06, Company Code: XYZ, Account Type: K, Execute and Double click anywhere on the report & the statement is displayed)

Terms of Payment & Cash Discounts

Maintain Terms of Payment (OBB8)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Invoices/Credit Memos → Maintain Terms of Payment

Terms of payment are conditions established between business partners to settle the payment of invoices. The conditions define the invoice payment due date and the cash discount offered for early settlement of the invoice.

Configuration of FICO Modules

The screenshot shows the SAP Fiori interface for configuring payment terms. The top navigation bar includes 'Table View', 'Edit', 'Goto', 'Selection', 'Utilities(M)', 'System', and 'Help'. The SAP logo is in the top right. The main title is 'Display View "Terms of Payment": Details'. The form contains several sections:

- Payment terms:** 0001, Sales text: Pay immediately w/o deduction.
- Day limit:** 0, Own explanation: [empty field].
- Account type:** Customer, Vendor.
- Baseline date calculation:** Fixed day: 0, Additional months: 0.
- Pmnt block/pmnt method default:** Block key: [empty field], Payment method: [empty field].
- Default for baseline date:** Radio buttons: No default, Posting date (selected), Document date, Entry date.
- Payment terms:** Installment payment checked, Rec. Entries: Supplement fm Master checked. Table rows:

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	0,000 %	0		0	0
2.	0,000 %	0		0	0
3.		0		0	0
- Explanations:** Payable immediately Due net.

Give the Payment Methods and Save

Define Accounts for Cash Discounts taken (OBXU)

SPRO → Financial Accounting → Accounts Payable and Accounts Receivable → Business Transactions → Outgoing Payments → Outgoing Payment Global Settings → Define Accounts for Cash Discounts taken

Display FI Configuration: Automatic Posting - Accounts

The screenshot shows the SAP Fiori interface for defining accounts for cash discounts received. The top navigation bar includes 'Posting Key' and 'Rules'. The main title is 'Display FI Configuration: Automatic Posting - Accounts'. The form contains:

- Chart of Accounts:** N001, GLOBE Chart of Accounts.
- Transaction:** SKE, Cash discount received.
- Account assignment:** A table showing tax codes and accounts:

Tax code	Account
0	3028030
01	30100
02	2080100
03	2080100
04	2080100

Define Accounts for Cash Discounts granted (OBXT)

SPRO → Financial Accounting → Accounts Payable and Accounts Receivable → Business Transactions → Incoming Payments → Incoming Payment Global Settings → Define Accounts for Cash Discounts granted

Display Accounting Configuration : Special G/L - List

Acct type	Sp.G/L	Sp.G/L ind	Description
K	D	Disc	Discounts
K	G	Guaran.	Guarantee received

Payment Differences

Define Reason Codes for Payment Differences

SPRO → Financial Accounting → Accounts Payable and Accounts Receivable → Business Transactions → Incoming Payments → Incoming Payment Global Settings → over payment/under payments → Define Reason Codes

Give the Company Code: IBS

Define the Reason Codes

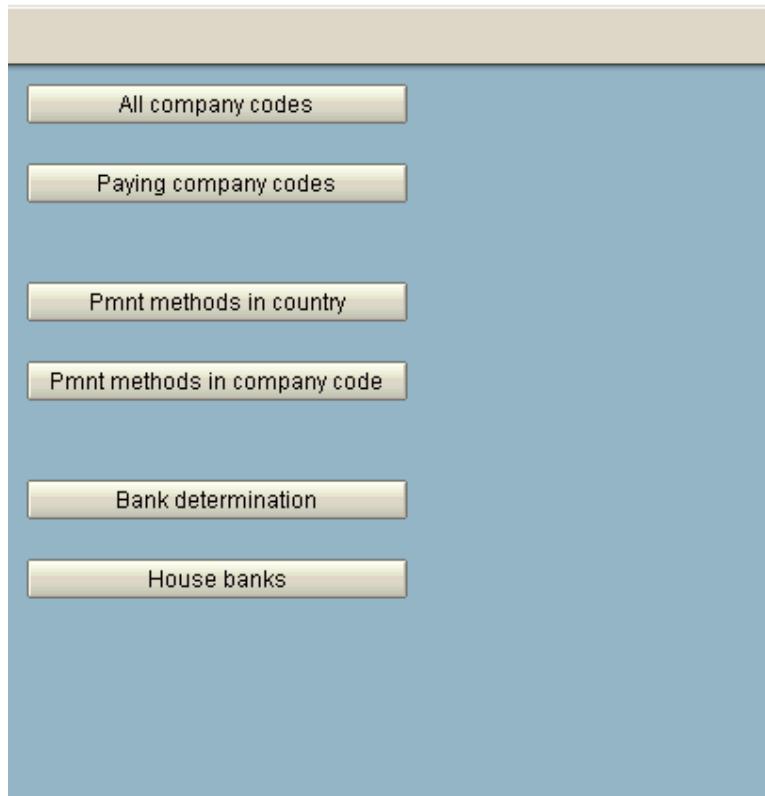
Display View "Classification of Payment Differences": Overview

R...	Short text	Long text	CorrT	CCD	
050	Cash discount period	Cash discount period exceeded	SAP50		
051	Cash discount rate	Cash discount rate not kept to	SAP51		
052	Cash discount f. net	Cash discount deduction for net terms	SAP52		
053	Cash discount retro.	No csh disc.retrograde calc.frm crd.memo	SAP53		
054	Disc.period and rate	Disc.per.exceeded and disc.rate incorr.	SAP54		
055	Pmnt on acct	General payment on account	SAP55		
056	Pmnt advice error	Pmt adv.on acct is missing or incomplete	SAP56		
057	Calculation error	Customer calculation error	SAP57		
058	Debit reduced	Debit reduced instead of paid	SAP58		
059	Debit paid twice	Debit paid twice	SAP58		
060	Credit memo paid	Credit memo paid instead of reduced	SAP60		
061	Credit memo twice	Credit memo reduced twice	SAP60		
200	*Unexplained Deduct	Unexplained Deduction	Z0005		

Automatic Payment Program (FBZP)

Every company needs some way to pay their vendors. The automatic payment program is a tool that will help users manage payables. Accounts payable invoices have to be paid on time to receive possible discounts.

Customizing: Maintain Payment Program



How the Payment Program Works

Purpose

With the payment program you can process international payment transactions involving your customers and vendors.

Prerequisites

The [Payment Methods](#), [House Banks](#), and [Forms](#) you use must be defined or adapted before the payment run is executed.

If the above-mentioned steps are to be carried out automatically, the payment program requires the following information:

- Rules according to which it can determine the open items to be paid and, if expedient, group them together for payment. For example, you can specify grace periods for incoming items, which are taken into consideration when calculating the due date.

Configuration of FICO Modules

- Specifications for selecting the payee. You can enter an alternative payee in your customer/vendor's master record or in the document itself.
- Rules used by the payment program to select the payment methods. You can specify payment methods via your customer or vendor's master record or via the open items, or you can have the payment program select them using specified rules.
- Rules used by the payment program to select the house bank from which the payment is made. House banks are banks where your company (company code) maintains accounts. You can specify a house bank in your customer/vendor's master record or in the line item, or you can have the payment program select it using specified rules.
- Specifications for automatic postings. The payment program requires information such as document types, posting keys and accounts, in order to carry out the automatic postings.

Process Flow

The program processes open items in three steps (see the figure [Processing Open Items](#)):

1. It determines the open items to be paid and creates a proposal list. You can process the proposal list on-line. Among other things, you can change payment methods or banks, block items, or cancel payment blocks.
2. The payment program carries out payment using the proposal list. The payment run includes only the open items contained in the proposal list. The payment program posts documents and provides the data for the form printout and for creating the data carriers, the payment advice notes and the payment summaries.
3. It uses the print program to print the forms and create the data carriers.

Payment methods

The payment method specifies the procedure, such as check, transfer or bill of exchange, by which payments are made.

The following payment methods are usual in Accounts Payable and Accounts Receivable:

Payment Methods in the System

Accounts payable	Accounts receivable
Check	Bank collection
Transfer	Bank Direct Debit
Postal giro transfer	Refund by check
Bills of Exchange	Refund by bank transfer
Check/bill of exchange	Bank bills
	Bill of exchange payment request

You define the payment methods in two steps:

1. You first make all the specifications that are required for each payment method in each country. This is necessary for all the payment methods used by your organization in each country. If you have companies (company codes) in Germany, France and the USA for example, you define the payment method "check" for each country.
2. You then define the payment methods you use for each company code. When in this Configuration function, you also specify the conditions of their use.

For more information, see [Notes for the Payment Method](#)

House Banks

The banks with which your company (company code) maintains a bank account are referred to as house banks.

You define these banks in the system under a house bank key (bank ID). You store the accounts that you maintain at these banks under an account ID. For each bank account, you create a G/L account in the SAP system.

Bank master data is stored centrally in the SAP system. This includes address data and other control data, such as the SWIFT code. You require bank master data for your house banks and for your customer or vendor's banks. By specifying the country and a country-specific key, such as the bank number or the SWIFT code, you establish the connection between your house banks and the bank master data (see the figure below). The bank details are required for printing the payment forms.

Forms

Various programs are available for printing payment forms. In some cases, the print programs are country-specific. You specify the program to use for a payment method when you make the country specifications for the payment method. See [Country-Specific Definitions for the Payment Method: Graphic \(4\)](#) this prevents the payment program from selecting the wrong print program when printing is carried out.

You also specify a name for the print job in print administration, under which the data for the payment transfer is stored temporarily. See [Country-Specific Definitions for the Payment Method: Graphic \(4\)](#)

To ensure that the programs print the forms correctly, the system specifies which data is printed in which position. The form layout is defined with SAP Script. You specify the name of the defined payment form when you make the company code specifications for the payment method. See the figure below, (1). You also determine how many invoice items can be printed out in the part of the form which serves as the note to the payee. See the figure below, (2). If more items are to be paid than can be listed on a form, you specify whether

The settings are divided into the following categories:

All company codes

- Inter-company payment relationships
- The company code(s) that process payments

Configuration of FICO Modules

- Cash discounts
- Tolerance days for payments
- The customer and vendor transactions to be processed

Paying company codes

- Minimum amounts for incoming and outgoing payments
- Forms for payment advice and EDI (Electronic Data Interchange)
- Bill of Exchange parameters

Payment methods / country

- Methods of payments such as Cheque, Bank Transfer etc.
- Define the basic requirements and specifications for each payment method
- Create a Cheque, bank transfer, bill of exchange, etc.
- Master record requirements, i.e. address required
- Document types for postings
- Print programs
- Permitted currencies

Payment methods / company code

Define for each payment method and company code

- Minimum and maximum payment amounts
- Whether payments abroad and foreign currencies are allowed
- Grouping options
- Bank optimization
- Forms for payment media

Bank Determination

These components need to be taken into consideration when selecting the paying house bank ...

- Ranking order (per pmt method, define, 1. which house bank should be considered for payment first, second, third, etc., 2. Currency, 3. Bill of exchange)
- Accounts & Amounts (per house bank and payment method combination, define, 1. The offset account to the sub-ledger posting, 2. Clearing accounts for bills of exchange 3. The available amount of funds in each bank)
- Charges (Assess additional bank charges for incoming and outgoing payments, Used with bills of exchange, Additional automatic posting configuration)
- Value date (per house bank and payment method combination, value date is ... 1. Used with cash management and forecast 2. The number of "days until value date" plus the posting date)

Steps

- Set up all company Codes for payment Transactions
- Set paying Company Code for Payment Transaction
- Set up Payments for Country for payment Transactions
- Set up Payment methods for Company Code
- Set up Banks Determination for Payment Transactions

Set up all company Codes for payment Transactions

New Entries: Details of Added Entries

Company Code

Paying company code

Separate payment per business area

Pyt meth suppl.

Tolerance days for payable

Outgoing pmnt with cash disc.from %

Max.cash discount

Sp. G/L transactions to be paid

Sp. G/L trans. for exception list

Give the Sending the Company Code

Give the Paying Company Code

Select the max Cash Discount Check Box

Save

Set paying Company Code for APP

New Entries: Details of Added Entries

The screenshot shows the SAP Fiori interface for configuring FICO modules. At the top, there are icons for edit, save, cancel, and close. Below that, the company code is set to 200 (SS Enterprises) and a link to 'Company Codes' is available. The main area is divided into sections: 'Control Data', 'Forms', and 'Sender Details'. In 'Control Data', settings include minimum amounts for incoming and outgoing payments (both INR), and checkboxes for exchange rate differences, separate payment for each ref., and bill/exch pymt. In 'Forms', it lists the form for Payment Advice (F110_D_AVIS) and the EDI accompanying sheet form (F100_FOOTER). In 'Sender Details', it shows the Text ID (ST) and various text elements like Letter header, Footer text, Signature text, and Sender.

Minimum amount for incoming payment	:	Rs.100
Minimum amount for outgoing payment	:	Rs.100
Form for the Payment Advice`	:	F110_D_AVIS
Text ID	:	ST
Letter header	:	F110_HEADER
Footer Text	:	F100_FOOTER
SENDER	:	F100_SENDER

Separate Payment for each Payment Reference

This indicator means that only invoices and credit memos which have the same payment reference can be settled with one payment

When dividing up payments by reference number, you should note that an outgoing payment cannot be generated for payment references which only refer to credit memos.

When payments are made by payment reference, offsetting between customers and vendors does not usually occur, unless the payment reference in a customer line item becomes the same as the payment reference in a vendor line item as a result of a change in the document.

Set Payment Methods in Country

Payment Method/Country : Details

Country	IN INDIA	<input type="button" value="→"/> Use in company codes
Pmt method	C	
Description	Cheque	
Payment method for <input checked="" type="radio"/> Outgoing payments <input type="radio"/> Incoming payments		
Payment method classification <input type="radio"/> Bank transf <input checked="" type="radio"/> Check <input type="radio"/> Bill/ex <input type="radio"/> Check/bill/ex.		
<input type="checkbox"/> Post office curr.acct method? <input checked="" type="checkbox"/> Allowed for personnel payments <input type="checkbox"/> Create bill/exch.before due date		<input type="checkbox"/> Bill of exch. accepted <input type="checkbox"/> POR payment procedure <input type="checkbox"/> EU Internal Transfer
Required master record specifications <input checked="" type="checkbox"/> Street,P.O.box or P.O.box pst code <input type="checkbox"/> Bank details <input type="checkbox"/> SWIFT Code and IBAN <input type="checkbox"/> Collection authorization		Posting details Document type for payment ZP Clearing document type ZV Sp.G/L ind.b/ex. / b/ex.pmnt req. <input type="checkbox"/> Payment order only

Payment Methods for Company code level

Indicator: One Payment per Item?

Causes open items which contain this payment method to be paid individually.

Use

All items, for which the **payment method** so indicated is entered explicitly, are paid individually. If the payment method is not specified explicitly but is instead selected by the payment program, several items can be paid together.

Indicator: Payment per Due Day

Indicator which specifies that only items that are due on the same day will be paid with a single payment.

Configuration of FICO Modules

Use

The due date of the paid items (the same for all of them) is stored in the header record of the payment. This date can be referred to in the payment medium print and in the data medium exchange, in order, for example, to pass on an individual run date to the bank for every payment.

Special features

If the due date of an item is earlier than the posting date of the payment run, it is replaced by the payment run posting date. This ensures that all items which are overdue on the posting date are paid with a single payment.

The baseline date for determining the value date is the due date of the payment and not, as was previously the case, the posting date of the payment.

Even though the total items to be paid may give a credit balance, which would require an outgoing payment, it is possible that there is a debit balance for certain due dates. In this case, the items due on that date are paid together with the items from the next available due date.

The screenshot shows the SAP Fiori configuration interface for FICO modules. The top navigation bar includes icons for New Entries, Save, Print, and others. The main area is divided into several sections:

- Paying co. code:** 0001, SAP Singapore
- Payment method:** C, Cheque
- Pymt meth. in ctry:** (highlighted in yellow)
- Amount limits:** Minimum amount (SGD), Maximum amount (SGD), Distribution amnt (SGD).
- Grouping of items:** Single payment for marked item, Payment per due day.
- Foreign payments/foreign currency payments:** Foreign business partner allowed, Foreign currency allowed, Cust/vendor bank abroad allowed?
- Bank selection control:** No optimization (selected), Optimize by bank group, Optimize by postal code.
- Form Data:** Form for the payment transfer medium: FPAYM_INT_DMEE, Next form: Form.
- Drawer on the form:** Lenovo Singapore Pte., Changi Business Center 1, Singapore.
- Sorting of the:** Correspondence (K2), Line items (E2).
- Bank determination:** (highlighted in yellow)

Configuration of FICO Modules

Display View "Bank Selection": Overview

Bank Selection

Paying company code	Name
0001	SAP Sinc
0100	# #è#R#
0101	IDES Jap
0102	Sunny D
0110	IDES Jap

Ranking Order

Pmt method	Currency	Rank.order	House bank	House accts
B	JPY	1	5100	
B	JPY	2	5200	
C	JPY	1	5100	
C	JPY	2	5200	
E		1	5100	
E		2	5200	
E	USD	1	5000	
T	JPY	1	5100	
T	JPY	2	5200	
T	JPY	3	5000	

Bank Accounts

House b...	Pmt ...	Curr...	Account ...	Bank subaccount	Clear.acct	Comments
5000	E	USD	5010	111203		
5000	T	JPY	5000	111202		
5100	B	JPY	5100	111211	111380	
5100	C	JPY	5100	111201		
5100	E		5100	111203		
5100	T	JPY	5100	111202		
5200	B	JPY	5200	111311	111380	
5200	E		5200	111303		
5200	T	JPY	5200	111302		

Creation of Check Lots (FCHI)

Accounting → Financial Accounting → Accounts Payable → Periodic Processing → Payments
From Menu → Environment → Check Information → Number Ranges

Give the Paying Co.Code : IBS

House Bank : SBI

Give the Bank Account ID : SBICC

Select Change button

Select the Create button

Give Check lot number: 101

From Number: 100000 to 200000

Note: Don't Check on 'Non-Sequential' (Should be sequential for the payment program)

Save

Payment Run (F110)

Configuration of FICO Modules

Accounting → Financial Accounting → Accounts Payable → Periodic Processing → Payments

(4 steps to the payment process:

Parameters: In this step, the following questions are asked and answered

- Who is going to be paid?
- What payment methods will be used?
- When will they be paid?
- Which company codes will be considered?
- How are they going to be paid?

Proposal: Once the parameters have been specified, the proposal run is scheduled and it produces a list of business partners and open invoices that are due for payment. Invoices can be blocked or unblocked for payment.

Program: Once the payment list has been verified, the payment run is scheduled. A payment document is created and the general ledger and sub-ledger accounts are updated.

Print: The accounting functions are completed and a separate print program is scheduled to generate the payment media.)

Run Date: Current Date

Identification: ABC (any)

Click 'Parameters' Tab

Company Code: XYZ

Payment Method: D

Next Payment Date: Current Date+1

Vendor Account: Give Range

Click 'Additional Log' Tab

Vendor Account: Give Range

Check on 'Due Date Check'

Check on 'Payment method selection in all cases'

Save & Back

Click 'Schedule Proposal'

Select 'Start Immediately'

Target: BBY

'Enter' till Payment Proposal has been created

Click 'Edit Proposal'

Select Line Items

Click 'Reallocate'

Payment Method: D

House Bank: UTI

A/c. ID: UTI1

Save & Back

Click 'Printout/Data Medium'

Program: RFFOUS_C

Variant: D

Environment > Maintain Variant

Program Run Date: Current Date+1 (Next Payment Date mentioned in the Program)

Identification: ABC

Paying Company Code: XYZ

Payment Method: D

Configuration of FICO Modules

Business Area: XYZH

House Bank: UTI

A/c. ID: UTI1

Currency Key: INR

Print Control:-

Select 'Print Checks'

Select 'Print Immediately'

Select 'Print Payment Summary'

Select 'Print Immediately'

No. of Sample Printouts: 0

No. of items in Payment Summary: 9999

Save & Back Arrow twice

Click 'Payment Run' Tab

Select 'Start Immediately'

'Enter' till Payment Run is carried out

Click 'Schedule Print' Tab

Select 'Start Immediately'

Job Name:

'Enter' till Payment Run is carried out

System → Services → Output Controller (SP01)

Execute

Select the item in the report

Click 'Display Contents' Icon

Report can be viewed.

Accounts Receivable

The **Accounts Receivable** application component records and administers accounting data of all customers. It is also an integral part of sales management.

All postings in Accounts Receivable are also recorded directly in the General Ledger. Different G/L accounts are updated depending on the transaction involved (for example, receivables, down payments, and bills of exchange). The system contains a range of tools that you can use to monitor open items, such as account analyses, alarm reports, due date lists, and a flexible dunning program. The correspondence linked to these tools can be individually formulated to suit your requirements. This is also the case for payment notices, balance confirmations, account statements, and interest calculations. Incoming payments can be assigned to due receivables using user-friendly screen functions or by electronic means such as EDI and data telecommunication.

The payment program can automatically carry out direct debiting and down payments.

There are a range of tools available for documenting the transactions that occur in Accounts Receivable, including balance lists, journals, balance audit trails, and other standard reports. When drawing up financial statements, the items in foreign currency are revalued, customers who are also vendors are listed, and the balances on the accounts are sorted by remaining life.

Accounts receivable is not only one of the branches of accounting that forms the basis of adequate and orderly accounting. It also provides the data required for effective credit management, (as a

Configuration of FICO Modules

result of its close integration with the Sales and Distribution component), as well as important information for the optimization of liquidity planning, (through its link to Cash Management).

To process receivables-related [dispute cases](#), for example, payment reductions, you can use the component **SAP Dispute Management**.

Posting Keys

Customer Debit: 01, Customer Credit: 15

S/Debtors Bill of Exchange Debit: 09, S/Debtors Bill of Exchange Credit: 19

Document Types

DR – Customer Invoice, DZ – Customer Payment, DA – Customer Document (Transfers/Reversals)
AR (Customer Accounts) is a Subsidiary Ledger of Sundry Debtors & Sundry Debtors is a Reconciliation Account under Current Assets.

Basic Settings for Accounts Receivables

- a) *Creation of Customer Account Groups like FI Customers and SD Customers with Reconciliation Account Field mandatory.*
- b) *Creation of Number Range Groups and Numbers for Customers.*
- c) *Assignment of Number Range Group to Customer Account Group.*
- d) *Creation of GL Master*
 - a. *Sundry Debtors*
 - b. *Sales Accounts*
- e) *Creation of Customer Master.*
- f) *Document Types and Number Ranges for KR, KZ and KA.*
- g) *Customer Invoice Posting*
- h) *Display the Customer line items*

Creation of Customer Account Groups (OBD2)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Customer Accounts → Master Records → Preparations for creating Customer Master Records → Define Account Groups with Screen Layouts (Customers)

Select the New Entries

(Create FI Customer Group & SD Customer Group and save

Company Code Data → Account Management → Reconciliation Account Required Entry and cash management Group is Suppress)

Create Number Ranges for Customer Accounts (XDN1)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Customer Accounts → Master Records → Preparations for creating Customer Master Records → Create Number Ranges for Customer Accounts

The Customer Account Group controls →

The number ranges of the accounts, the status of the fields in the master record and whether the account is a one time customer.

Give the Company Code: IBS

Configuration of FICO Modules

Select the Change Intervals button

Select the insert intervals button

Give the Number ranges and **Save**

Assign Number Ranges to Customer Account Groups (OBAR)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Customer Accounts → Master Records → Preparations for creating Customer Master Records → Assign Number Ranges to Customer Account Groups

Select the position button

Give the Customers Account Group: XYZ

Assign the Number range: 02

Save

Creation of Customer Master (XD01)

Accounting → Financial Accounting → Accounts Receivable → Master Records → Maintain Centrally → Create

Give the Customer Account Group: IBS Customers Group

Give the Company Code: IBS

Description: Customer Name (XYZ Limited) and select **Next Screen button** → Select Company Code Data Button - Give Reconciliation Account Number,

Give the Sort Key

Save

Line item display and open item management are always preset to “on” for every customer account.

A complete Customer Account consists of 3 segments – 1. General Data at the client level 2. Company code segment and 3. Sales Area segment

General data consists Address, Control data, Payment transactions etc. The account number is assigned to the Customer at the client level. This ensures that the account number for a customer is the same for all company codes and sales areas.

Company data consists Accounting information, Payment transactions, Correspondence, Insurance, Withholding tax etc.

Note: If SD creates their segment of the master record and then FI creates their segments of the master record, there is the risk of creating incomplete or duplicate master records. To find and correct these incomplete accounts, we can run report RFDKAG00 and make the necessary corrections.

Creation of duplicate accounts can be prevented by:

- Using the match code before creating a new account
- Switching on automatic duplication check

Important Fields

- Search Item: Should be filled with a short version of the customer name according to company rules/desires. An additional search field also can be filled up.
- Group Key: Customers who belong to one corporate group can be bundled together by a user-defined group key. This group key can be used for running reports, transaction processing or for match codes.
- Accounting clerk: The accounting clerk’s name has to be stored under an ID and this ID can be entered in the customer master record of the account he or she is responsible for. The accounting clerk’s name is then printed on correspondence and this ID is used to sort dunning and payment proposal lists.

Document Types & Number Ranges (OBA7)

SPRO → Financial Accounting → FAGS → Document → Document Header → Overview

Select the document type: DR – Customer Invoice

Select the document type: DA – Customer Document

Select the document type: DZ – Customer Payment

Select the Document type and Select the Details button

Select the Number range information → Give the Company Code → Select the change intervals button → select the insert intervals button

(Give Number Ranges for Document Types DR, DZ and DA)

Save

Sale Invoice Posting (F-22)

Accounting → Financial Accounting → Accounts Receivable → Document Entry → Other → Invoice General

Give the Doc. Date, Company Code: IBS and Currency INR

Posting Key: 01

Give the Customer Accounts Number: 1000001

Enter

Give the Amount: 100000

Text: Customer Invoice Posting

Posting key 50

Accounts Number: 300000 (Sales Account)

Amount * Text +

Document → simulate and **Save**

Display Customer Account (FBL5N) with Open Item, Cleared Item and Special GL Item details

Accounting → Financial Accounting → Accounts Receivable → Account → Display/Change Line Items

Give the Customer Account Number: 100000

Give the company Code : IBS

Fiscal year : 2007

Execute

Display Customer Account (FD10N)

Incoming Payment Posting (F-28)

Accounting → Financial Accounting → Accounts Receivable → Document Entry → Incoming Payment

Give the Document Date : 04/06/2007

Company Code: IBS

Give the GL Account Number : 200300

Amount : 100000

Text is incoming payment

Give the Customer account and select the process open item button

Document → Simulate and Save

Down Payments from Customers

- Create Special GL Account 'Advances from Customers (Reconciliation Account)' under Current Liabilities
- Create Link between S/Debtors' and 'Advances from Customers' (Special GL Indicator: A)
- Down Payment Receipt Posting
- Sale Invoice Posting
- Transfer of Down Payment from Special GL to Normal item by clearing Special GL Account
- Clearing of Normal Item

Link between S/Debtors and Advances from Customers (OBXR)

SPRO → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Down Payments Received → Define Reconciliation Accounts for Customer Down Payments

Display Accounting Configuration : Special G/L - List

Accttype	Sp.G/L	Sp.G/L ind	Description
D	1	Loan3rd	Loans to 3rd Party Customers
D	A	Dwn pmt	Down payment
D	C	SecDep.	RE Rent deposit

Chart of Accounts Entry

Chart of Accounts N001

Properties

Assign the Reconciliation Account to Special GL Account

Display Accounting Configuration : Special G/L - Accounts

Chart of Accounts	N001	GLOBe Chart of Accounts
Account type	D	Customer
Special G/L ind.	A	Down payment

Account assignment

Recon. acct	Special G/L account	Planning level	Output tax clearing
1046000	1046050		
1046020	1046050		
1048110	1046050		
1048240	1046050		

Save

Customer down Payment Posting (F-29)

Configuration of FICO Modules

**Accounting → Financial Accounting → Accounts Receivable → Document Entry → Down Payment
→ Down Payment**

- Give the Document Date: 30/05/2007
- Give the Company Code: IBS, Currency INR
- Give Bank Account: 200100 and → Give Special GL Indicator “A”
- Amount: 100000 and → Give the Customer Account number 300001
- Text: Advance payment from Customer
- Select Display Document over View button → Amount * and Text + document → simulate and **Save**

(Special GL Indicator ‘A’)

Sale Invoice Posting (F-22)

Accounting → Financial Accounting → Accounts Receivable → Document Entry → Other → Invoice General

Give the Doc. Date, Company Code: IBS and Currency INR

Posting Key: 01

Give the Customer Accounts Number: 1000001

Enter

Give the Amount: 100000

Text: Customer Invoice Posting

Posting key 50

Accounts Number: 300000 (Sales Account)

Amount * Text +

Document → simulate and **Save**

Transfer of Advance from Special GL to Normal by clearing Special GL (F-39) Down Payment Clearing

Accounting → Financial Accounting → Accounts Receivable → Document Entry → Down Payment → Clearing

Transfer amount and save

Clearing of Normal Item (F-32)

Accounting > Financial Accounting > Accounts Receivable > Account > Clear

Dunning

System defined reminder letters

Dunning Area: South, North, East, West

Dunning Levels: 4 (Maximum levels 9)

Dunning Frequency: 10/20/30 days

Grace Period: 3/4/5 days

The Dunning Program settings are divided into the following categories:

- Dunning Procedure
 - Define the key for the dunning procedure to be used
 - Give a description for the dunning procedure
 - Define dunning interval in days
 - Specify minimum days in arrears after which a dunning notice will be sent
 - Grace period per line item
 - Interest calculation indicator for calculation of dunning interest

Configuration of FICO Modules

- Dunning levels (Each item to be dunned gets a dunning level according to its days in arrears)
 - Define minimum number of days, referring to the due date of net payment, to reach a certain dunning level
 - Define whether interest is to be calculated
 - Define print parameters
- Charges
 - Define dunning charges, depending on the dunning level
 - Dunning charges can be either a fixed amount or a percentage of the dunned amount
 - A minimum amount for the dunning charges can be set
- Minimum amounts
 - Define minimum amount or percentage of the overdue items to reach a dunning level
 - Minimum amount to be reached in order to calculate interest per dunning level
- Dunning texts
 - Define the name of the form that will be used at each dunning level
- Environment
 - Company code data
 - Sort fields
 - Sender details
 - Dunning areas
 - Dunning keys (A dunning key determines that the line item can only be dunned with restrictions or is to be displayed separately on the dunning notice. By assigning dunning keys to certain items we can prevent these items from exceeding a certain dunning level.)
 - Dunning block reasons (A dunning block prevents accounts and items to be dunned)
 - Interest
 - Dunning grouping

Define Dunning Areas (OB61)

SPRO > Financial Accounting > Accounts Receivable and Accounts Payable > Business Transactions > Dunning > Basic Settings for Dunning > Define Dunning Areas
(F5, Company Code: XYZ, Area: leave blank, Text: Dunning Area for XYZ)

Define Dunning Procedure (FBMP)

SPRO > Financial Accounting > Accounts Receivable and Accounts Payable > Business Transactions > Dunning > Dunning Procedure > Define Dunning Procedures
(Select 'New Procedure')

Name: XYZ Text: Dunning Procedure for XYZ

Dunning Interval: 10 days

Number of Dunning Levels: 4 (max)

Line Item Grace Period: 3 days

Select 'Standard Transaction Dunning'

Reference Dunning Procedure: XYZ

Reference Interest Indicator: Item Interest calculation key if any

Select 'Dunning Text' Button (ignore the warning message & enter)

Co. Code: XYZ

Select 'Customer' & Enter

Select 'New Company Code' Button

Give: XYZ & Enter

Select 'Separate Notice per Dunning Level'

Configuration of FICO Modules

Back arrow twice & say 'Yes' to the message 'Data to be saved?'

Select 'Dunning Text' Button once again

Co. Code: XYZ

Select 'Customer' & Enter

{Open one more session with FBMP & Double Click 0001 System defined Dunning Procedure

Select 'Dunning Text' Button and give Co. Code: 0001

Select 'Customer' & Enter}

Copy the Forms from here and Paste in XYZ's FBMP

Select Back Arrow

Select 'Dunning Levels' Button & specify interest settings if any

Select 'Charges' Button to specify Dunning Charges if any

Save, Ignore the warning message & Enter)

Assignment of Dunning Procedure in the Customer Master (XD02)

Accounting > Financial Accounting > Accounts Receivable > Master Records > Maintain Centrally > Change

(In Company Code Data > Correspondence Tab > Assign Dunning Procedure)

Dunning Run (F150)

Accounting > Financial Accounting > Accounts Receivable > Periodic Processing > Dunning

Steps in Dunning Run

- Maintain Parameters (specify the accounts and documents that are to be considered in the dunning run)
- Proposal Run
- Editing Proposal
- Printing Dunning Notices

(Run on: Current Date

Identification: XYZ1 (any)

Select 'Parameters' Tab

Dunning Date: Current Date

Documents Posted up to: Current Date

Company Code: XYZ

Customer A/c. No.: Give the range & Save & Select Back Arrow

Select 'Schedule' Button

Start Date: Current Date

Select 'Start Immediately'

Output Device: LP01 & Select Schedule Button

Till you get complete message keep on entering

Select 'Dunning Printout' Button

Select 'Print' Button

Till you get complete message keep on entering

Select 'Sample Printout' Button

Customer Number: Give Range & Select Print Button

Till you get complete message keep on entering

Configuration of FICO Modules

Select 'Individual Dunning Notice' Button
Output Device: LP01 & Select Continue Button
Co. Code: XYZ & Give Customer Range
Select Printout Button)

Note: Dunning Level completed will be updated in Customer Master Record.

Sales Tax

Input Tax or Purchase Tax

Base		100
2% Tax	2	

Inventory RM		102

Define Calculation Procedure (OBQ3)

SPRO > Financial Accounting > FAGS > Tax on Sales/Purchases > Basic Settings > Check Calculation Procedure

Double click ‘Define Procedures’

(F5, Procedure: TaxXYZ {any}, Desc: Sales Tax India & Save

Select the Record Created

Double click 'Control Data' & Select 'New Entries'

Step: 1

Condition Type: BASB Base Amount

Step: 2

Condition Type: MWVS Input Tax

From: 1 To: 1

Account Key: VST Input Tax

Step: 3

Condition Type: MWAS Output Tax

From: 1 To: 1

Account Key: MWS Output Tax

Save)

Assign County to Calculation Procedure

SPRO > Financial Accounting > FAGS > Tax on Sales/Purchases > Basic Settings > Assign County to Calculation Procedure

(For Country 'IN' attach the procedure 'TaxXYZ')

Define Tax Codes for Sales & Purchases (FTXP)

SPRO > Financial Accounting > FAGS > Tax on Sales/Purchases > Calculation > Define Tax Codes for Sales and Purchases

(For Input Tax →

Country: IN & Enter

Tax Code: V1 {Any} Desc: 2% Input Tax

Configuration of FICO Modules

Tax Type: 'V' Input Tax & Enter

Input Tax: 2% (Give Input Tax Rate)

Deactivate the Output Tax Line & Save)

(**For Output Tax →**

Country: IN & Enter

Tax Code: A1 (Any) Desc: 4% Output Tax

Tax Type: 'A' Output Tax & Enter

Output Tax: 4% (Give Output Tax Rate)

Deactivate the Input Tax Line & Save)

Define Tax Accounts (OB40)

SPRO > Financial Accounting > FAGS > Tax on Sales/Purchases > Posting > Define Tax Accounts

(Double click 'VST' Input Tax key

Chart of Accounts: XYZ & Save

Give the GL Account Number to which Input Tax should go: Inventory-RM A/c.

Select Back Arrow & Double click 'MWS' key for Output Tax

Chart of Accounts: XYZ

Check On 'Tax Code wise' & Save

Tax Code: A1 Account Number: ST Payable A/c.)

Assign Sales Tax Code in Customer Master (XD02)

Accounting > Financial Accounting > Accounts Receivable > Master Records > Maintain Centrally > Change

(General Data Button > Control Data Tab > Tax Code1: A1 the defined tax code)

Assign Sales Tax Code in GL Account Sales (FS00)

Control Data Tab > Tax Category: * (All Tax Codes allowed)

Check on 'Posting without Tax allowed'

Posting of Sale Transaction in FI (F-22)

The Entry will be

Customer A/c. Dr. 1,04,000/-

To Sales 1,00,000/-

To ST Payable 4,000/-

Asset Accounting Overview

Purpose

The Asset Accounting (FI-AA) component is used for managing and supervising fixed assets with the SAP R/3 System. In SAP R/3 Financial Accounting, it serves as a subsidiary ledger to the FI General Ledger, providing detailed information on transactions involving fixed assets.

Implementation Considerations

The R/3 *Asset Accounting* component is intended for international use in many countries, irrespective of the nature of the industry. This means, for example, that no country-specific valuation rules are hard-coded in the system. You give this component its country-specific and company-specific character with the settings you make in Customizing. To minimize the time and energy

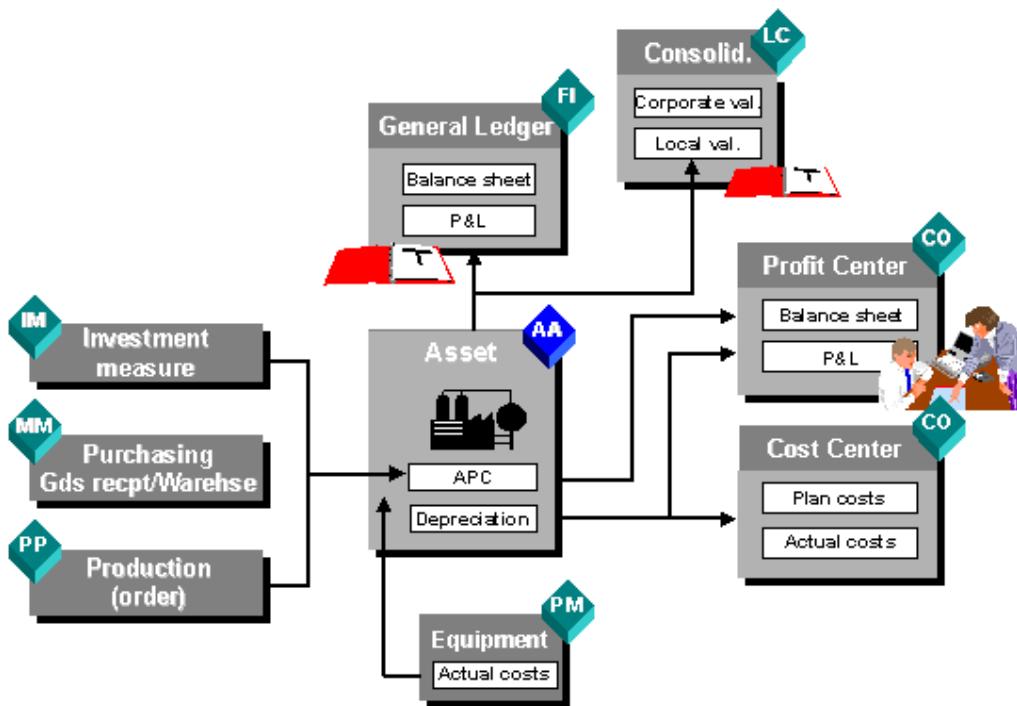
Configuration of FICO Modules

involved in Customizing, country-specific defaults are provided in the standard system where possible.

The Implementation Guide (IMG) provides the necessary functions for this in Asset Accounting.

Integration

As a result of the integration in the R/3 System, Asset Accounting (FI-AA) transfers data directly to and from other R/3 components. For example, it is possible to post from the *Materials Management* (MM) component directly to FI-AA. When an asset is purchased or produced in-house, you can directly post the invoice receipt or goods receipt, or the withdrawal from the warehouse, to assets in the *Asset Accounting* component. At the same time, you can pass on depreciation and interest directly to the *Financial Accounting* (FI) and *Controlling* (CO) components. From the *Plant Maintenance* (PM) component, you can settle maintenance activities that require capitalization to assets.



Integration of Asset Accounting

Features

The *Asset Accounting* component consists of the following parts:

- Traditional asset accounting
- Processing leased assets
- Preparation for consolidation
- Information System

Configuration of FICO Modules

Traditional asset accounting encompasses the entire lifetime of the asset from purchase order or the initial acquisition (possibly managed as an asset under construction) through its retirement. The system calculates, to a large extent automatically, the values for depreciation, interest, insurance and other purposes between these two points in time, and places this information at your disposal in varied form using the Information System. There is a report for depreciation forecasting and simulation of the development of asset values.

The system also offers special functions for leased assets, and assets under construction. The system enables you to manage values in parallel currencies using different types of valuation. These features simplify the process of preparing for the consolidation of multi-national group concerns. The *Plant Maintenance* (PM) component offers functions for the technical management of assets in the form of functional locations and as equipment. The *Treasury* (TR) component offers special functions for managing financial assets

Flow of Asset Accounting

	Account determination	Asset Class	Asset masters	Sub Asset masters
Purchases	Land	Free hold Land Less hold Land		
Sales	Buildings	Factory buildings		
Profit on Sales of Assets	Plant & Machinery	Non-Factory buildings	Machinery	Motor
Scrap and Depreciation	Furniture & Fixtures	Dept -A Dept -B Dept -C		
Acc. depreciation	Vehicles	Indigenous Imported		
	Capital Work in progress	Expansion -1 Expansion -2		

Rules in Asset Accounting

1. Sub Asset Master has to be create with reference to Main Asset Master
2. Main Asset Master is to be create with reference to Asset Class
3. In Asset Class we specify Account Determination
4. For Account determination we assign GL A/c based on the Nature of Transactions

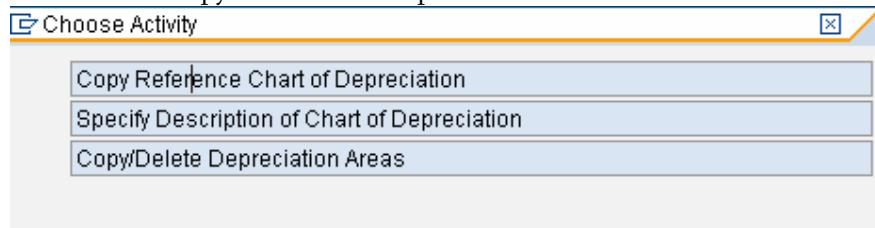
Basic Settings

Copy Reference chart of Depreciation Areas

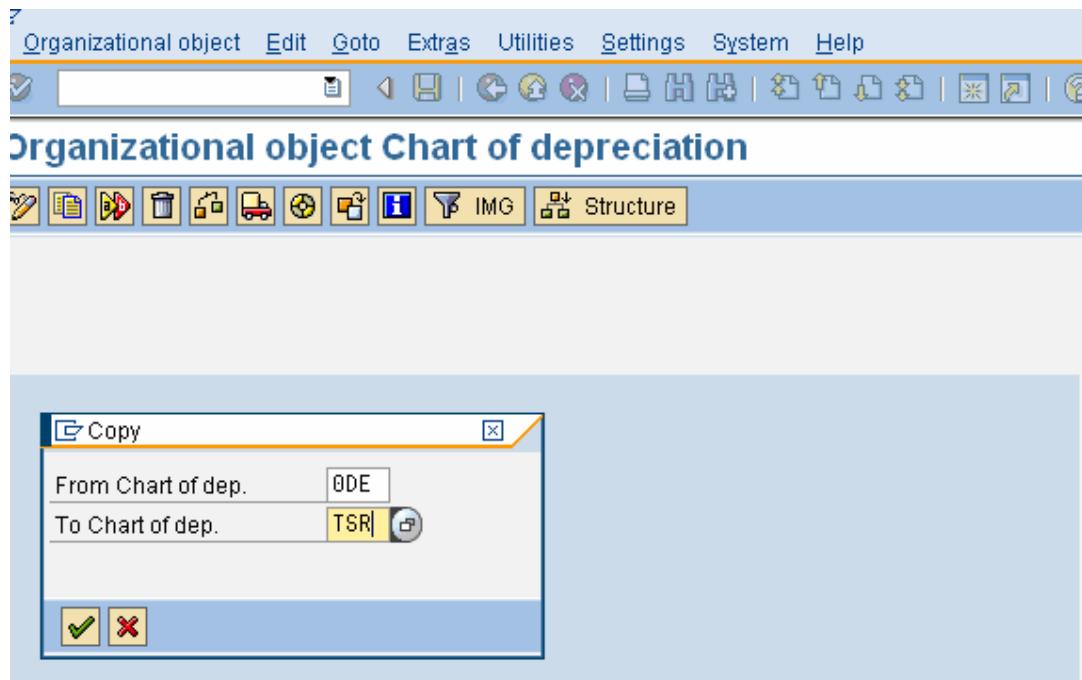
Charts of depreciation. The chart of depreciation is a list of **depreciation areas** arranged according to business and legal requirements. The chart of depreciation enables you to manage all rules for the valuation of assets in a particular country or economic region.

Path: Spro → Financial Accounting → Asset accounting → organization Structures → Copy Ref chart of Depreciation / Depreciation Areas

Double Click Copy Ref Chart of Depreciation

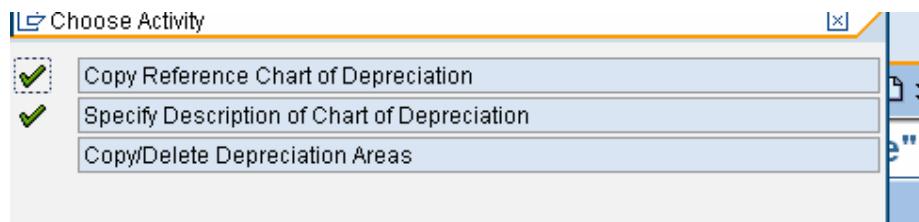


From Menu → Organization object → Copy Business object



Select Back arrow

Configuration of FICO Modules



Select Position button

Give the Chart of Depreciation **TSR**

The screenshot shows a SAP Fiori application window titled 'Change View "Chart of depreciation: Specify name":'. The main area is a table with two columns: 'ChD...' and 'Description'. The table lists several chart entries, with one row selected:

ChD...	Description
F100	Chart of depreciation for banking
K001	K001 IBM Egypt branch Chart of Dep.
M02	chart of depreciation: India MM02
TCSL	Chart of depreciation: TCSL
TSR	Chart of Depreciation for TSR
UNI	Sample chart of depreciation: Universal
VFT	CHART OF DEPRECIATION FOR VFT
WXIT	Wei's Italy Depreciation
Z910	Chart of Depreciation - A Ltd

Save

Select back Arrow

- Double Click copy Delete Depreciation Areas

Give the Chart of Depreciation **TSR**

Delete the Depreciation other than 01 (Book Depreciation)

Configuration of FICO Modules

The screenshot shows the SAP Fiori interface for defining depreciation areas. The title bar reads "Change View \"Define Depreciation Areas\": Overview". Below the title bar is a toolbar with various icons. The main area contains a table titled "Define Depreciation Areas" with columns: Ar., Name of depreciation area, Real, G/L, and Trgt Group. The table lists several depreciation areas, each with a checkbox in the "Real" column. The "Real" column for row 1 (Book depreciation) is checked, while others are unchecked. The "G/L" and "Trgt Group" columns are empty for most rows.

Ar.	Name of depreciation area	Real	G/L	Trgt Group
1	Book depreciation	<input checked="" type="checkbox"/>	1	
2	Special tax depreciation for APC in fin.statement	<input checked="" type="checkbox"/>	0	
3	Special reserves because of special tax depreciat.	<input type="checkbox"/>	2	
10	Net worth valuation	<input checked="" type="checkbox"/>	0	
15	Tax balance sheet	<input checked="" type="checkbox"/>	0	
20	Cost-accounting depreciation	<input checked="" type="checkbox"/>	0	
30	Consolidated balance sheet in local currency	<input checked="" type="checkbox"/>	0	
31	Consolidated balance sheet in group currency	<input checked="" type="checkbox"/>	0	
32	Book depreciation in group currency	<input checked="" type="checkbox"/>	0	
41	Investment support deducted from asset	<input checked="" type="checkbox"/>	0	
51	Investment support posted to liabilities	<input checked="" type="checkbox"/>	1	

Go on press Enter & Save till below message

The screenshot shows the SAP Fiori interface for defining depreciation areas, identical to the previous one but with a different state. The title bar and toolbar are the same. The main area contains a table titled "Define Depreciation Areas" with columns: Ar., Name of depreciation area, Real, G/L, and Trgt Group. The table lists several depreciation areas, each with a checkbox in the "Real" column. The "Real" column for row 1 (Book depreciation) is checked, while others are unchecked. The "G/L" and "Trgt Group" columns are empty for most rows.

Ar.	Name of depreciation area	Real	G/L	Trgt Group
1	Book depreciation	<input checked="" type="checkbox"/>	1	
2	Special tax depreciation for APC in fin.statement	<input type="checkbox"/>		
3	Special reserves because of special tax depreciat.	<input type="checkbox"/>		
10	Net worth valuation	<input checked="" type="checkbox"/>		
15	Tax balance sheet	<input checked="" type="checkbox"/>		
20	Cost-accounting depreciation	<input checked="" type="checkbox"/>		
30	Consolidated balance sheet in local currency	<input checked="" type="checkbox"/>		
31	Consolidated balance sheet in group currency	<input checked="" type="checkbox"/>		
32	Book depreciation in group currency	<input checked="" type="checkbox"/>		
41	Investment support deducted from asset	<input checked="" type="checkbox"/>		
51	Investment support posted to liabilities	<input checked="" type="checkbox"/>		

Path: Spro → Financial Accounting → Financial Accounting Global Settings → Tax on Sales / Purchases → calculations → Define Tax Codes on Sales & Purchases

The screenshot shows two SAP FICO configuration screens:

Maintain Tax Code: Initial Screen

Country Key	IN	India
Tax Code	V0	Input Taxes in India

Maintain Tax Code: Tax Rates

Properties Tab selected.

Country Key	IN	India
Tax Code	V0	Input Taxes in India
Procedure	TAXI	
Tax type	V	Input tax

Percentage rates

Tax Type	Acct	Key	Tax Percent.	Rate	Level	From Lvl	Cond. Type
Base Amount					100	0	BASB
Output Tax	MWS		1		110	100	MWAS
Input Tax	VST		0,000		120	100	MWVS
Non-deduct.Input Tax	NAV				130	100	MWVN
Non-deduct.Input Tax	NVV				140	100	MWVZ
Acqu.Tax Outgoing	ESA				150	100	NLXA
Acquisition Tax Deb.	ESE				160	150	NLXV

Select back arrow

Configuration of FICO Modules

Maintain Tax Code: Initial Screen

Copy

Country Key	IN	India
Tax Code	A5	% OUTPUT TAX

Enter

Make it out put tax as 0

Maintain Tax Code: Tax Rates

Properties Tax accounts Deactivate line

Country Key	IN	India
Tax Code	A5	0% OUTPUT TAX
Procedure	TAXI	
Tax type	A	Output tax

Percentage rates

Tax Type	Acct Key	Tax Percent.	Rate	Level	From Lvl	Cond. Type
Base Amount				100	0	BASB
Output Tax	MWS	0,000		110	100	MWAS
Input Tax	VST			120	100	MWVS
Non-deduct.Input Tax	NAV			130	100	MWVN
Non-deduct.Input Tax	NVV			140	100	MWVZ
Acqu.Tax Outgoing	ESA			150	100	NLXA
Acquisition Tax Deb.	ESE			160	150	NLXV

Save

Assign Tax Code Company Code for Non – Taxable Transactions TC: OBCL

In this activity you define an incoming and outgoing tax code for each company code, to be used for posting non-taxable transactions to tax-relevant accounts. Transactions posted like this are, for example; goods issue delivery, goods movement, goods receipt purchase order, goods receipt production order, order accounting.

Path: Spro → Financial Accounting → Financial Accounting Global Settings → Tax on Sales and purchases → Postings → Assign Tax Code for Non – Taxable Transactions

Co...	Company name	City	Input ta...	Output ...	Jurisdict. c...
TSR	♂ R Group of Companies	Bangalore	V0	A5	
TTTT t2pl		pune	V0	A0	
TVS	TVS Industries Ltd	HYderabad			
TVSM	TVS Motors Ltd	Chennai			
UCAB	US Division of CAB	SAPBerg			
VD01	Test Videocon	Delhi	V0	A0	
VYSP	TATA MOTORS	pune	V0	A0	
WXIT	Wei's Italy company Code			N1	
X901	ABC COMPANY LIMITED	Bangalore			
X902	Training X902	Bangalore			

Assign Chart of Depreciation to Company Code TC: OAOB

Path: - Spro → Financial Accounting → Asset Accounting → Org. Structure → Assign Chart of Depreciation to Co. Code

Co...	Company name	Chrt dep	Description
TSR	♂ R Group of Companies	TSR	Chart of Depreciation for TSR
TTTT t2pl		1DE	Sample chart of depreciation: Germany
TVS	TVS Industries Ltd		
TVSM	TVS Motors Ltd		
UCAB	US Division of CAB		
VD01	Test Videocon		
VE00	Venezuela FI-CO		
VVVV	ibm		

Specify the Account Determination

The key of an account determination must be stored in the asset class **asset class**. In this way, the account determination links an asset master record to the general ledger accounts to be posted for an accounting transaction using the asset class.

You specify the general ledger accounts to be posted for the individual accounting transactions in later implementation activities. You can specify various accounts for each **depreciation area** to be simultaneously posted to.

Path: Spro → Financial Accounting → Asset Accounting → Org. Structure → Asset Classes → Specify Account Determinations

Select New Entries

The screenshot shows a SAP Fiori application window titled "Change View "FI-AA: Account determination": Overview". The top navigation bar includes "Table View", "Edit", "Goto", "Selection", "Utilities", "System", and "Help". Below the navigation is a toolbar with icons for search, refresh, and other functions. The main area displays a table with two columns: "Acct. determ." and "Name for account determination". The table contains the following data:

Acct. determ.	Name for account determination
T2000	Building
T3000	Plant & Machinery
T4000	Vehicles
T5000	Asset under construction
TCSBLDG	TCS BUILDINGS

Save

Create Screen Layout Rules

Path: Spro → Financial Accounting → Asset Accounting → Org. Structure → Asset Classes → Create Screen Layout Rules

Screen layout for maintaining asset master data.

Using the screen layout rule, you can define:

- which fields are required, optional and suppressed
- the maintenance level in the asset hierarchy
- Which fields are copied, when creating an asset using another asset master record as a reference?

You can define screen layout rules for general master data and for depreciation parameters within depreciation areas.

The screenshot shows a SAP Fiori application window titled "Change View "Asset Accounting: Screen layout for master data"". The top navigation bar includes "Table View", "Edit", "Goto", "Selection", "Utilities", "System", and "Help". Below the title is a toolbar with various icons. The main area displays a table with a single column labeled "Name of screen layout rule". The rows contain the following data:

Scr...	Name of screen layout rule
ACCE	accenture MACHINERY
T100	Land
T200	Buildings
T300	Plant & machinery
T400	Vehicles
T500	Assets under construction
TCSB	TCSL BUILDING
TCSM	TCSL MACHINERY
ZWX1	Normal Asset
ZWX2	Assets under construction

Define Number Range Information

Path: Spro → Financial Accounting → Org. Structure → Asset Classes → Create Number Range Intervals

The screenshot shows a SAP Fiori application window titled "Asset Number Ranges". The top navigation bar includes "Number range object", "Edit", "Goto", "Interval", "Utilities", "System", and "Help". Below the title is a toolbar with various icons. The main area has a header "Asset Number Ranges" with icons for "New" and "List". It contains several buttons and input fields:

- "Company code....." followed by a dropdown menu with "TSR" selected.
- Buttons: "Intervals" (highlighted), "Status", and another "Intervals" button.

The screenshot shows the SAP Fiori interface for maintaining number range intervals. The title bar reads "Number range object" and includes links for Edit, Goto, Interval, System, and Help. Below the title bar is a toolbar with various icons. The main area is titled "Maintain Number Range Intervals". A sub-header "Asset Number" is displayed above a table. The table has a header row "Ranges" with columns: No, From number, To number, Current number, and Ext. The body of the table contains five rows of data:

No	From number	To number	Current number	Ext
01	00000000000001	0000000100000	0	<input type="checkbox"/>
02	00000001000001	0000000200000	0	<input type="checkbox"/>
03	00000002000001	0000000300000	0	<input type="checkbox"/>
04	00000003000001	0000000400000	0	<input type="checkbox"/>
05	00000004000001	0000000500000	0	<input type="checkbox"/>

Define Asset Class

The asset class is the most important criteria for structuring fixed assets from an accounting point of view. Every asset has to be assigned to exactly one asset class. The asset class is used to assign the assets (and their business transactions) to the correct general ledger accounts. Several asset classes can use the same account assignment. You can see that it is possible to make finer distinctions at the level of the asset class than at the level of the general ledger accounts.

Change View "Asset classes": Overview

The screenshot shows the SAP Fiori interface for changing asset classes. The title bar includes links for New Entries and other navigation icons. The main area displays a table with columns: Class, Short text, and Asset class description. The table contains the following data:

Class	Short text	Asset class description
TCSMACH	TCS MACHINARY	TCS MACHINARY
TS- LAND	Land	Land
TS-AUC	Asset under Construc	Asset under Construction
TS-BUIL	Buildings	Buildings
TS-VECH	Vechiles	Vechiles
TS_P&M	Plant & Machinary	Plant & Machinary
WX02D	Land Improvement Den	Land Improvement Den

Configuration of FICO Modules

Change View "Asset classes": Details

	New Entries							
Asset class TS-BUIL Buildings								
Short text Buildings								
Asset type Account determ. T2000 Building Scr.layout rule T200 Buildings Base Unit								
Number assignment Number range 02 External sub-no <input type="checkbox"/>								
Inventory data <input checked="" type="checkbox"/> Include asset								
Status of AuC <input checked="" type="radio"/> No AuC or summary management of AuC <input type="radio"/> Line item settlement <input type="radio"/> Investment Measure								
Lock status <input type="checkbox"/> Asset class is blocked								

For All the Asset Class you have create asset Class

Creation of Asset Class for Asset under Constructions

Class	Short text	Asset class description
TCSMACH	TCS MACHINERY	TCS MACHINARY
TS- LAND	Land	Land
TS-AUC	Asset under Construc	Asset under Construction
TS-BUIL	Buildings	Buildings

Configuration of FICO Modules

The screenshot shows the SAP Fiori interface for configuring Asset classes. The title bar reads "Change View 'Asset classes': Details". The top navigation bar includes "Table View", "Edit", "Goto", "Selection", "Utilities", "System", and "Help". Below the title bar are several icons for navigation and search.

The main content area is divided into sections:

- Asset class:** TS-AUC (highlighted in yellow) / Asset under Construction
- Short text:** Asset under Construc (with edit icon)
- Asset type:**
 - Account determ.: T5000 / Asset under construction
 - Scr.layout rule: T500 / Assets under construction
- Number assignment:**
 - Number range: 05
 - External sub-no:
- Inventory data:**
 - Include asset
- Status of AuC:**
 - No AuC or summary management of AuC
 - Line item settlement
 - Investment Measure
- Lock status:**
 - Asset class is blocked
- History status:**
 - Manage historically

Specifies that the assets under construction in this asset class are managed **with** the option for final line item settlement to receiving assets or cost centers.

SPRO → Financial Accounting → Asset Accounting → Valuation → Determine Depreciation Areas in the Asset Class

Asset class	Asset class description
ACTMACH	accenture MACHINERY
NLM001	Assets under construction in investment measures
NLM002	AuC for Simulation
TCSBLDG	TCS BUILDINGS
TCSMACH	TCS MACHINERY
TS- LAND	Land
TS-AUC	Asset under Construction
TS-BUIL	Buildings
TS-VECH	Vechiles
TS-P&M	Plant & Machinery
WX02D	Land Improvement Dep
WY100	Buildings

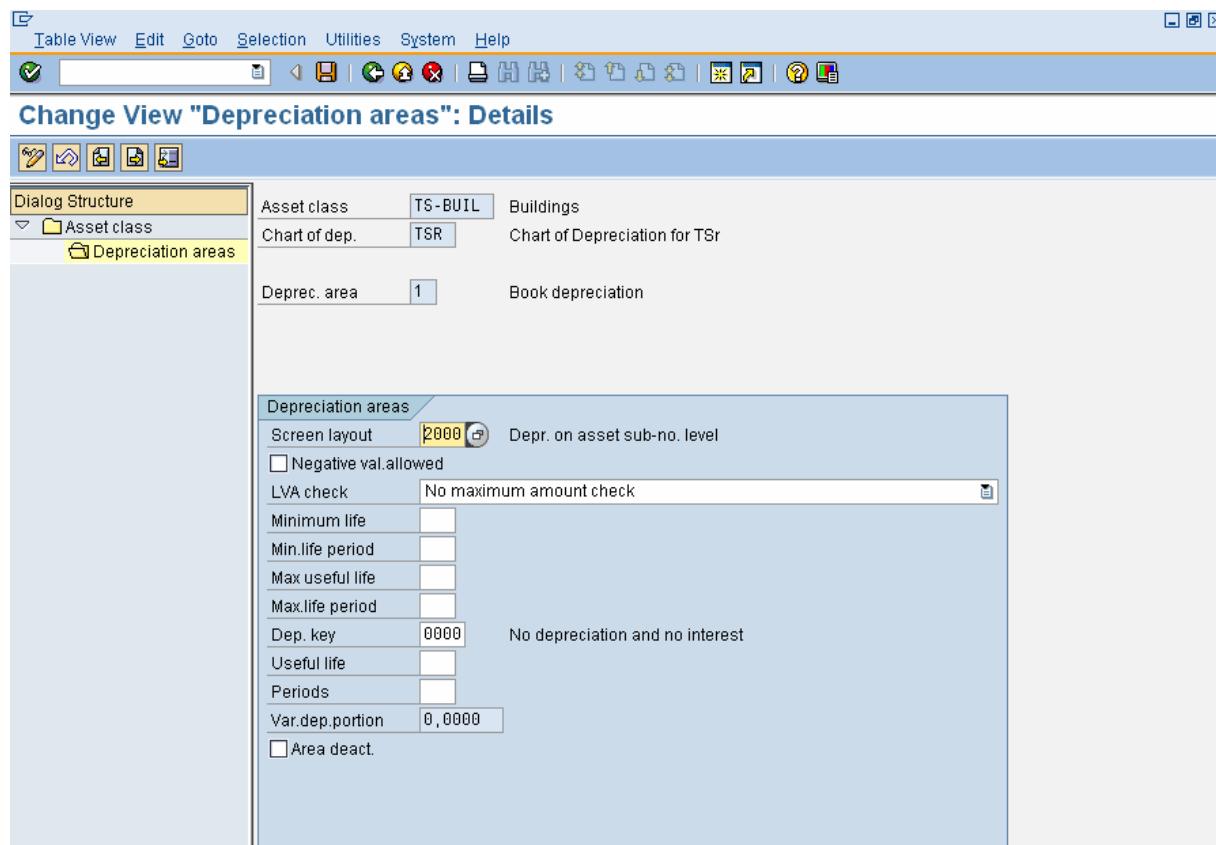
Determine Depreciation Areas in the Asset Class

Generally, the assets in an asset class use the same depreciation terms (depreciation key, useful life). Therefore, you do not have to maintain the depreciation terms in the asset master record. Instead, they can be default values from the asset class.

In this step, you determine the depreciation terms that are to be used in your asset classes. Depending on the definition in the screen layout control used, these depreciation terms are offered either as optional or mandatory defaults when you create an asset.

For each asset class, you can maintain as many charts of depreciation with their depreciation areas as you need. This allows you to use the asset class in all countries belonging to the client.

Configuration of FICO Modules



Same way for the Remaining Asset Class

Creation of GL Accounts

- | | | |
|----|--------------------------------|-----------------------------|
| 1) | Land Accounts | |
| 2) | Buildings Accounts | A/c Group : Fixed Assets |
| 3) | Plant & Machinery | Field Status variant : G067 |
| 4) | Furniture & Fixtures | Sort key : 018 |
| 5) | Vehicles | |
| 6) | Capital – Work – in – Progress | |

- a) Accumulated Depreciation on Buildings
- b) Accumulated Depreciation on Plant & Machinery
- c) Accumulated Depreciation on Furniture & Fixtures
- d) Accumulated Depreciation on Vehicles

(Account group: Acc. Depreciation, field Statuses group: (G067)

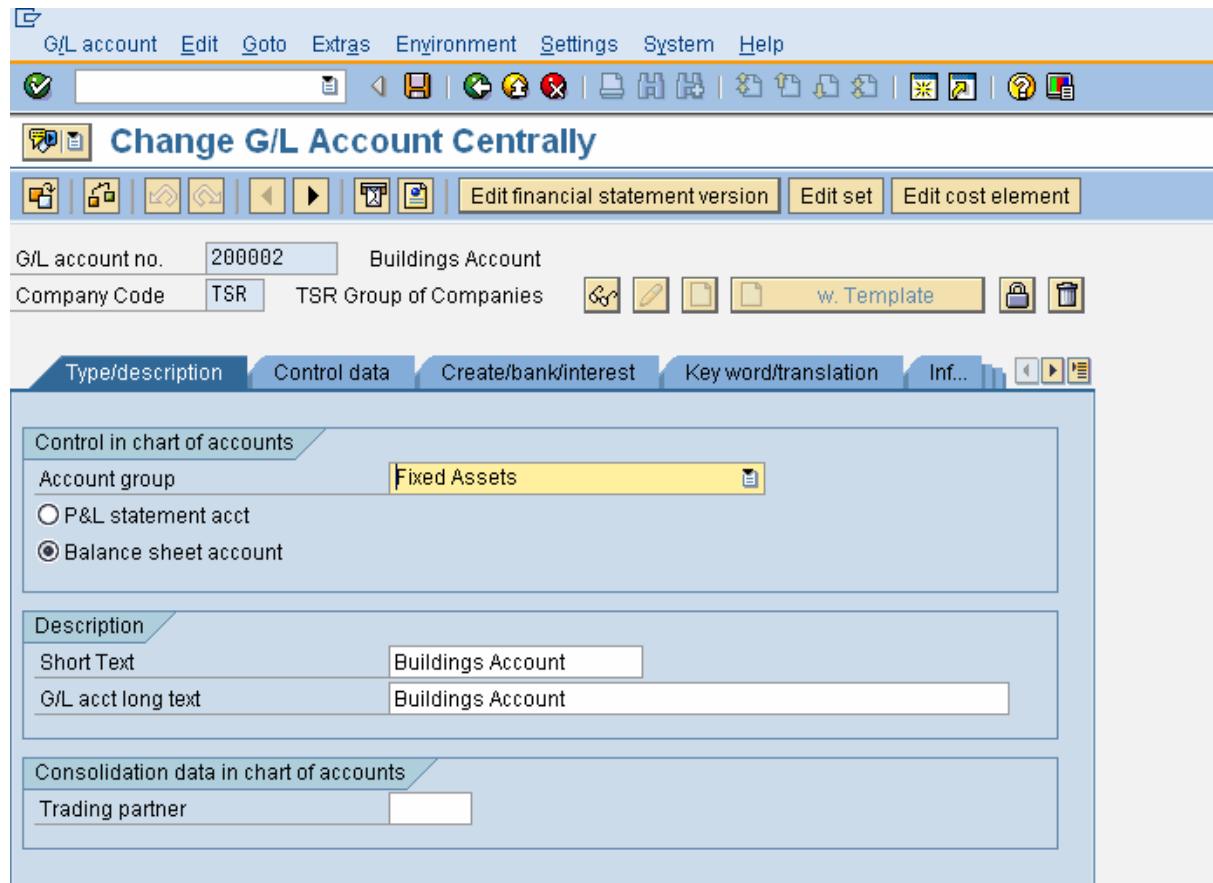
Asset Sales : Field Status Group: G052 (Group: Other Income)

Configuration of FICO Modules

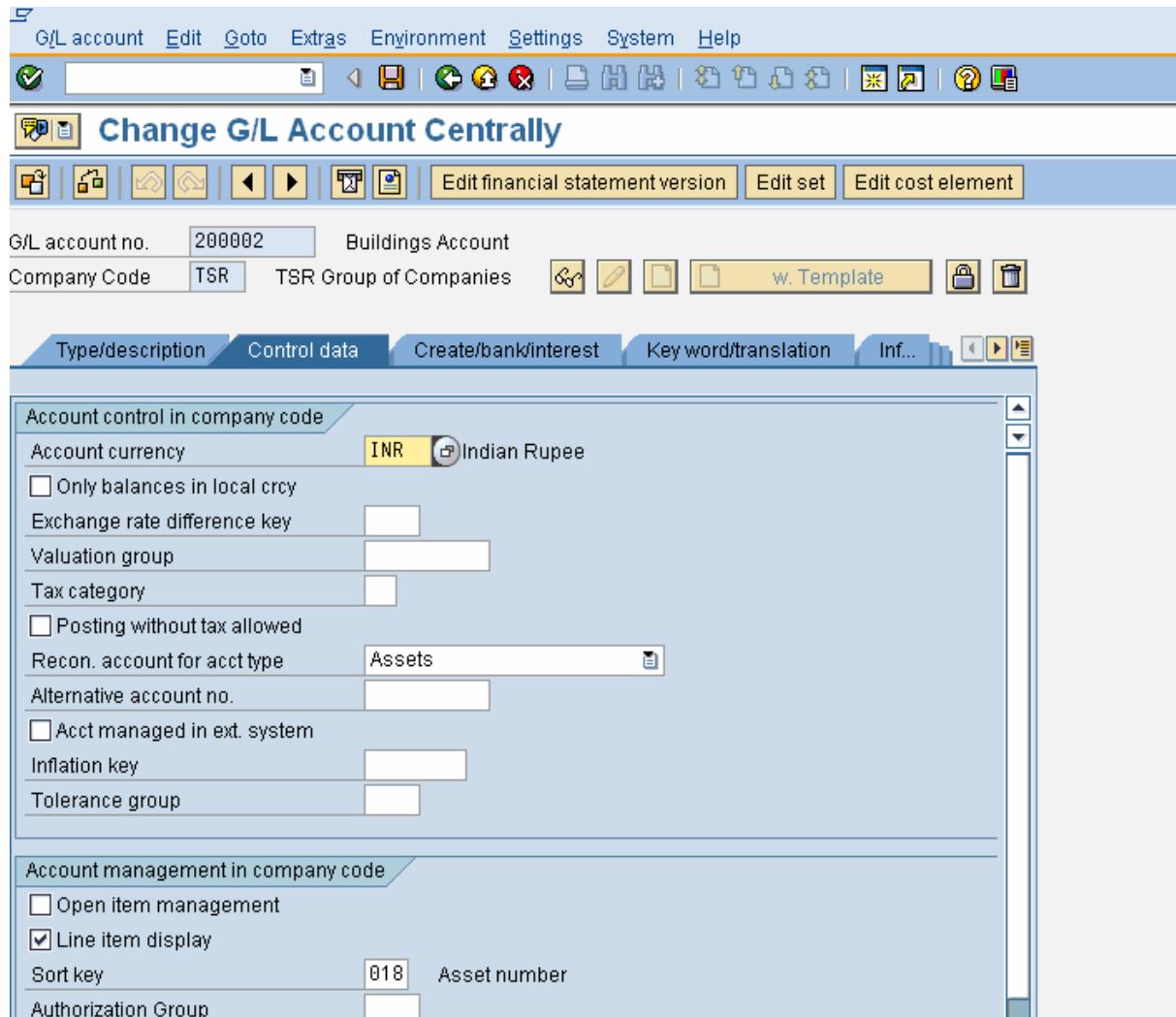
- Profit on Asset Sales : Field Status Group: G001 (Group: Other Income)
- Loss on Asset Sales : Field Status Group: G001 (Group: Admn)
- Loss due to Scrapping : Field Status Group: G001 (Group: Admn)
- Depreciation : Field Status Group: G001 (Group: Depreciation)

Creation of GL Master

TC: FS00



Configuration of FICO Modules



Configuration of FICO Modules

The screenshot shows the SAP Fiori interface for 'Change G/L Account Centrally'. The top navigation bar includes links for G/L account, Edit, Goto, Extras, Environment, Settings, System, and Help. Below the navigation is a toolbar with various icons for file operations like save, print, and search. The main title 'Change G/L Account Centrally' is displayed in bold blue text. Below the title are several buttons: 'Edit financial statement version', 'Edit set', and 'Edit cost element'. The central area contains input fields for 'G/L account no.' (200002) and 'Company Code' (TSR), both labeled 'Buildings Account' and 'TSR Group of Companies'. To the right of these fields are icons for copy, paste, and delete, along with a 'w. Template' button and a lock icon. A tab bar below the input fields includes 'Type/description', 'Control data' (which is selected), 'Create/bank/interest', 'Key word/translation', and 'Inf...'. The main content area is divided into three sections: 'Control of document creation in company code', 'Bank/financial details in company code', and 'Interest calculation information in company code'. Each section contains several input fields and checkboxes.

G/L account no. 200002 Buildings Account
Company Code TSR TSR Group of Companies

Type/description Control data Create/bank/interest Key word/translation Inf...

Control of document creation in company code

Field status group G067 Reconciliation accounts

Post automatically only
 Supplement auto. postings
 Recon. acct ready for input

Bank/financial details in company code

Planning level
 Relevant to cash flow

House bank
Account ID

Interest calculation information in company code

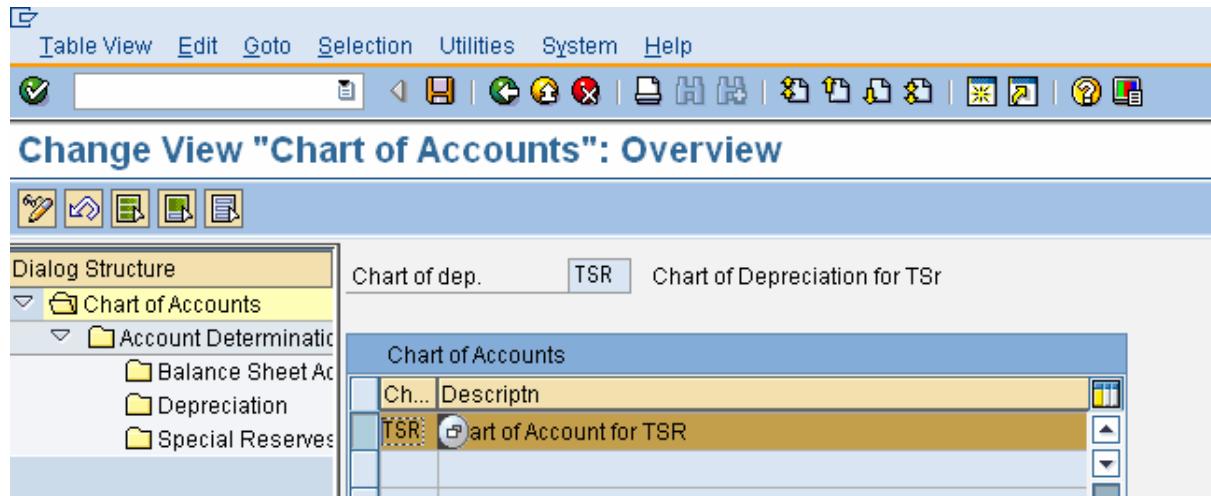
Interest indicator
Interest calc. frequency
Key date of last int. calc.
Date of last interest run

Assignment of GL Accounts

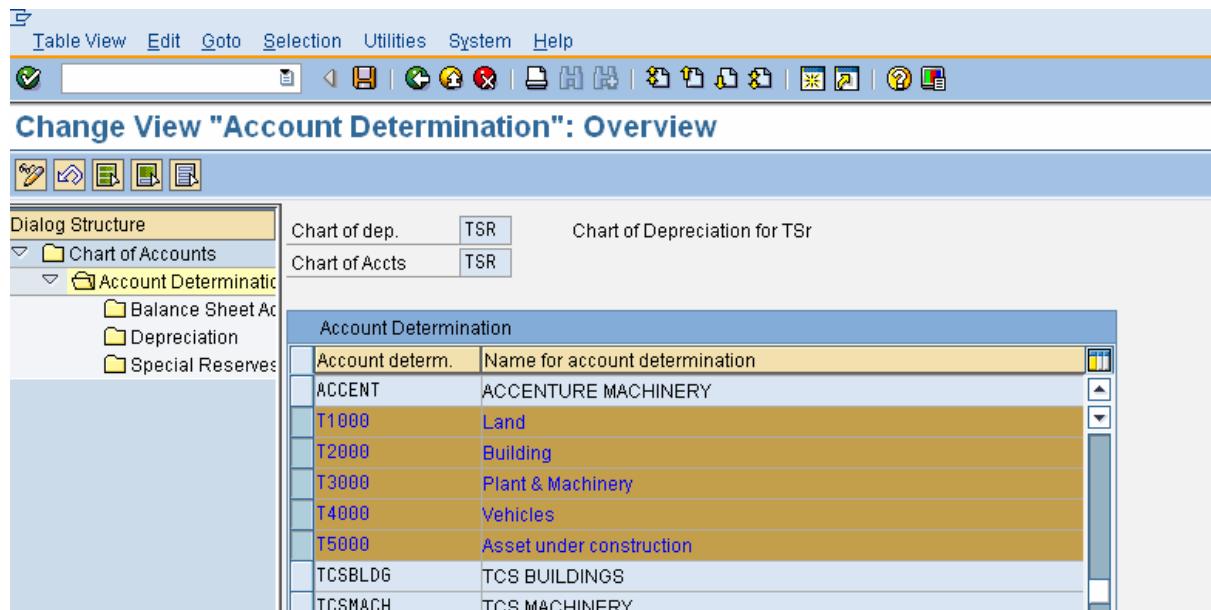
Configuration of FICO Modules

Spro → Financial Accounting → Asset Accounting → Integration with the General Ledger → Assign GL Accounts

Select the Chart of Depreciation: TSR



Double Click Account Determination



In this step, you specify the balance sheet accounts, special reserve accounts, and the depreciation accounts for Asset Accounting.

Double Click Balance Sheet Accounts

Configuration of FICO Modules

Table View Edit Goto Selection Utilities System Help

Change View "Balance Sheet Accounts": Details

Dialog Structure

- Chart of Accounts
 - Account Determination
 - Balance Sheet Accts
 - Depreciation
 - Special Reserves

Chart of dep. TSR Chart of Depreciation for TSR
Chart of Accts TSR Chart of Account for TSR
Account determ. T2000 Building
Deprec. area 1 Book depreciation

Acquisition account assignment

Acquisition: Acquis. and production costs	200002	Buildings Account
Acquisition: down payments		
Contra account: Acquisition value		
Down-payments clearing account		
Acquisition from affiliated company		
Revenue frm post-capitaliz:		

Retirement account assignment

Loss made on asset retirement w/o reven.	400107	Loss due to Scrappin
Clearing acct. revenue from asset sale	300101	Asset Sales
Gain from asset sale	300105	Profit on sales of A
Loss from asset sale	400106	Loss on Asset Sales
Clear.revenue sale to affil.company		

Revaluation account assignment

Revaluation acquis. and production costs	
Offsetting account: Revaluation APC	

Double Click Depreciation

Configuration of FICO Modules

The screenshot shows the SAP Fiori interface for configuring depreciation settings. The title bar reads "Change View "Depreciation": Details". The top menu includes "Table View", "Edit", "Goto", "Selection", "Utilities", "System", and "Help". Below the menu is a toolbar with various icons. On the left, a "Dialog Structure" tree view shows nodes like "Chart of Accounts", "Account Determination", "Balance Sheet Accts", "Depreciation", and "Special Reserves". The main area contains several configuration sections:

- Chart of Dep.**: TSR (selected).
Chart of Depreciation for TSR
- Chart of Accts**: TSR (selected).
Chart of Account for TSR
- Account determ.**: T2000 (selected).
Building
- Deprec. area**: 1 (selected).
Book depreciation

Ordinary depreciation account assignment

Acc.dep. acnt for ordinary depreciation	100400	Acc. Depr for Buil
Expense account for ordinary depreciat.	400201	Depreciation
Expense account for ord. dep. below zero		
Revenue from write-up on ord.deprec.		

Special depreciation account assignment

Accumulated dep. account special dep.	
Expense account for special depreciation	
Expense account for spec.dep.below zero	
Revenue from write-up on special deprec.	

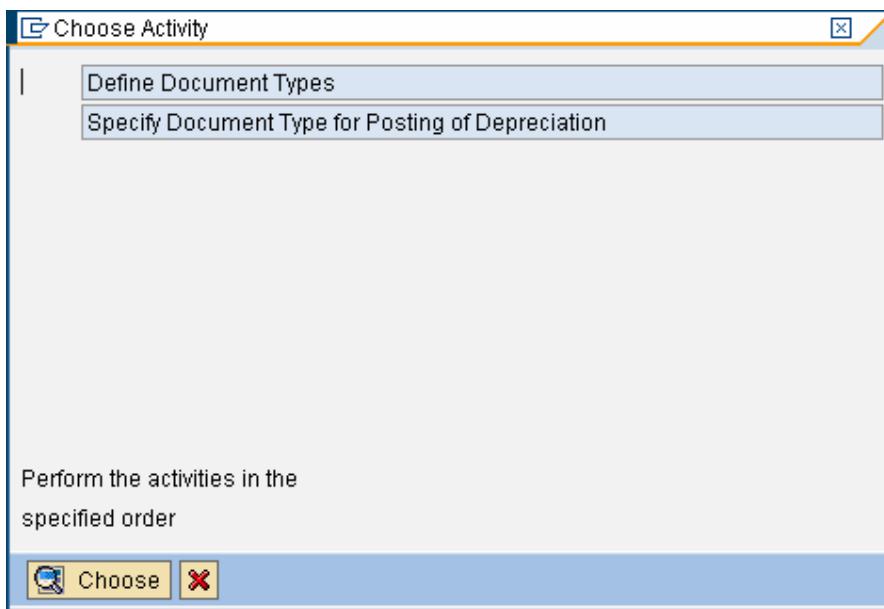
Save

- We have to assign the GL Accounts to All Asset Class

Define Document Types for posting of Depreciation

Spro → Financial Accounting → Asset Accounting → Integration With GL → Post Depreciation to General Ledger → Specify Document types for Posting of Depreciation

Configuration of FICO Modules



Double Click Define Document types

The screenshot shows the SAP "Change View 'Document Types': Overview" screen. The table lists document types with their descriptions. The row for "AF Dep. postings" is highlighted with a yellow background.

Type	Description
04	Authorized Exp 04
22	Authorised Exp (GR22)
AA	Asset posting
AB	Accounting document
AC	Asset Capitalization
AD	Reversal Asset Cap
AE	MinCap Expense
AF	Dep. postings
AG	Depreciation Write-u
AI	Investment Grant
AM	AM Check deposit-clg
AN	Not account posting

➤ Select details Button

Configuration of FICO Modules

Table View Edit Goto Selection Utilities System Help

New Entries |

Change View "Document Types": Details

Document type AF Dep. postings

Properties

Number range AF	Number range information
Reverse DocumentType AF	
Authorization Group	

Account types allowed

- Assets
- Customer
- Vendor
- Material
- G/L account

Special usage

- Btch input only

Control data

- Net document type
- Cust/ vend check
- Negative postings allowed
- Inter-company postgs
- Enter trading partner

Default values

Ex.rate type for forgn crncy docs

Required during document entry

- Reference number
- Document header text

Joint venture

Debit Rec.Indic	
Rec.Ind. Credit	

Select Number Range Information

Number range object Edit Goto Interval Utilities System Help

Number Ranges For Accounting Documents

Company Code..... TSR

Intervals Status

Intervals

Configuration of FICO Modules

Select Change Intervals

The screenshot shows the SAP interface for maintaining number range intervals. The title bar reads "Number range object" and includes standard SAP menu items like Edit, Goto, Interval, System, and Help. Below the menu is a toolbar with various icons. The main title "Maintain Number Range Intervals" is displayed in bold blue text. A navigation bar below it has tabs for "Interval" and "Accounting document", with "Interval" being active. The company code selected is "TSR". The central area contains a table titled "Ranges" with columns: No, Year, From number, To number, Current number, and Ext. The data in the table is as follows:

No	Year	From number	To number	Current number	Ext
01	2006	0000100000	0000200000	100003	
03	2006	0000400001	0000500000	0	
X1	2006	0000200001	0000300000	0	
X2	2006	0000300001	0000400000	300001	

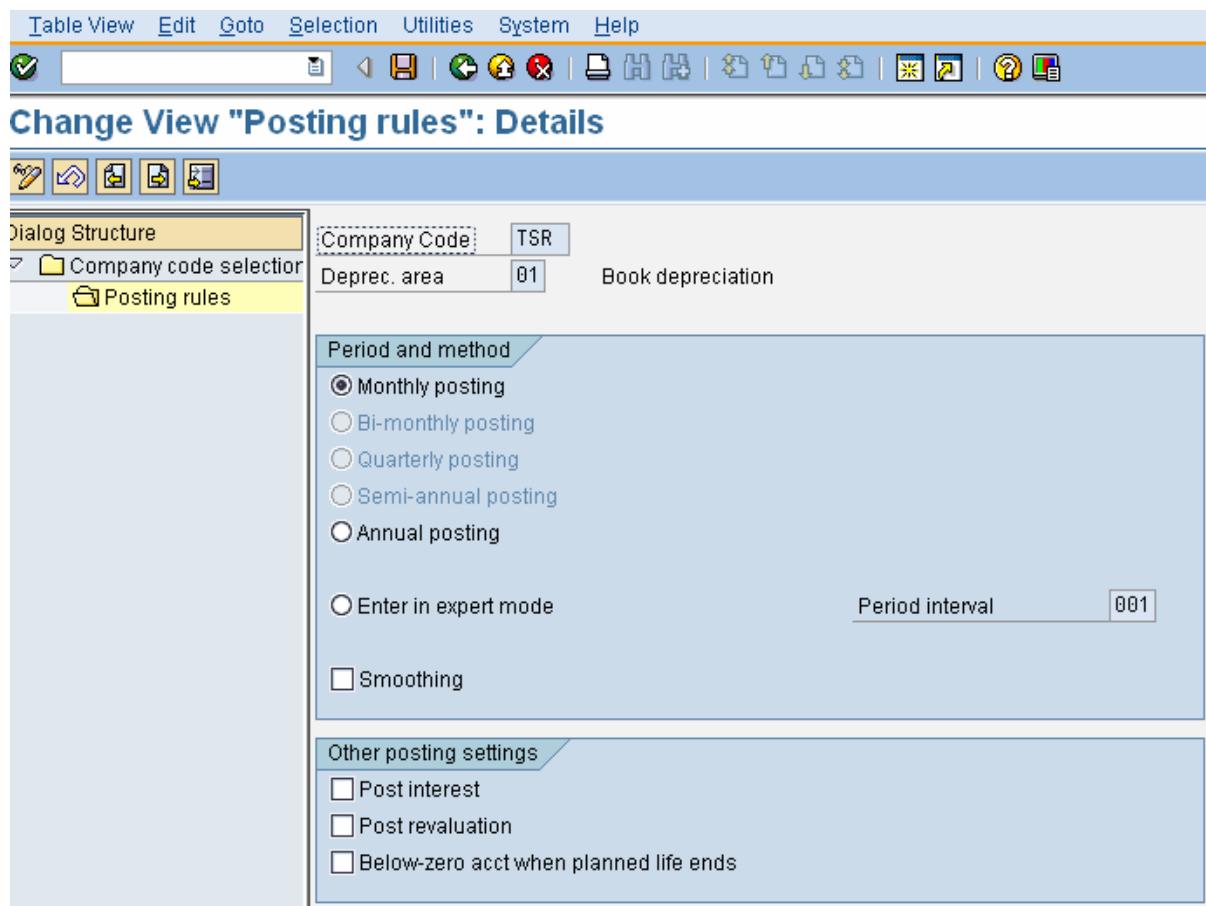
Save

Specify the Intervals & Posting Rules

Spro → Financial Accounting → Asset Accounting → Integration With GL → Post Depreciation to General Ledger → Specify Intervals & Posting Rules

The screenshot shows the SAP interface for changing the company code selection. The title bar reads "Table View" and includes standard SAP menu items like Edit, Goto, Selection, Utilities, System, and Help. Below the menu is a toolbar with various icons. The main title "Change View 'Company code selection': Overview" is displayed in bold blue text. On the left, there is a "Dialog Structure" tree view with nodes for "Company code selection" and "Posting rules", where "Company code selection" is expanded. The right side displays a table with columns: Company code and Company name. The data in the table is as follows:

Company code	Company name
TSR	TSR Group of Companies
TTT	t2pl
WYTT	Wels Italy company Code



Select the Monthly Postings button

Smoothing (deprec. for past) when posting depreciation

If you set this indicator, the depreciation posting program calculates the periodic depreciation to be posted by distributing the remaining depreciation to be posted equally over the remaining periods of the fiscal year.

Otherwise the system calculates in each period (based on the total annual depreciation) the amount of depreciation that must be posted from the start of the fiscal year to the current period. The depreciation already posted is then subtracted from this amount. If too little or too much depreciation has been posted in previous periods, the system either makes up or reverses the difference in full during the next depreciation posting run using the catch-up method (depreciation for past periods in a lump sum).

Specify rounding of Net book values (or) Depreciation TC: OAY0

Spro → Financial Accounting → Asset Accounting → Valuation → Amount Specification (Company Code /Depreciation Area)→ Specify Account Assignment types for Account Assignment Object → Specify rounding of Net book value and Depreciation

Configuration of FICO Modules

The image displays two SAP application screens. The top screen, titled "Change View 'Company code selection': Overview", shows a table of company codes with their names:

Company code	Company name
TSR	TSR Group of Companies
TTTT	t2pl
WXIT	Wei's Italy company Code
Y100	Mamak Company 2
ZA01	IDES South Africa

The bottom screen, titled "Change View 'Rounding specifications': Details", shows the configuration for company code TSR. It includes fields for Company Code (TSR), Deprec. area (01), and Rounding specifications. Under Rounding specifications, the "Automatically calculated depreciation" checkbox is selected, and "Arithmetic Rounding" is chosen.

- Select Automatically Calculated Depreciation
- Select Arithmetic Rounding

Define Screen Layout for Asset Master Data

Path: Spro → Financial Accounting → Asset Accounting → Master Data → Screen layout → Define Screen Layout for Asset Master Data

Configuration of FICO Modules

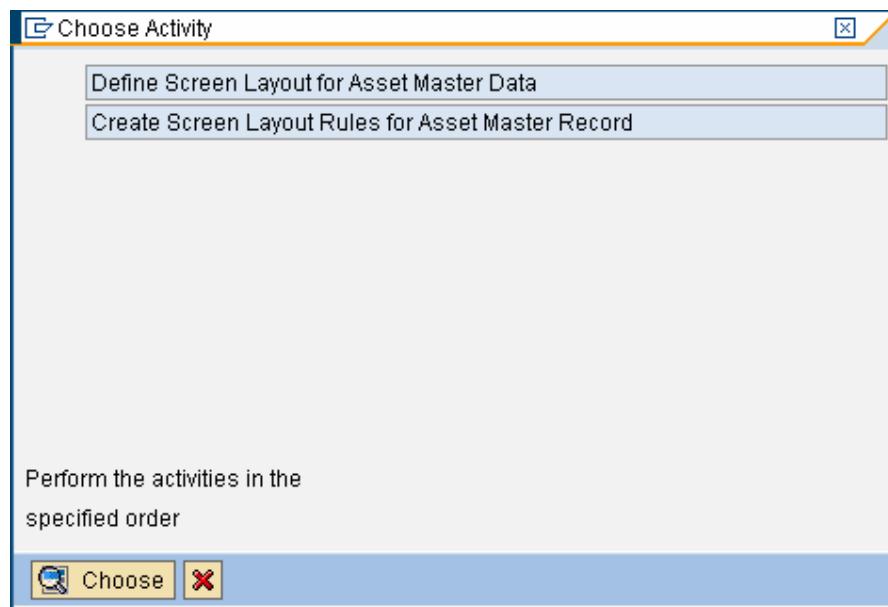


Table View Edit Goto Selection Utilities System Help	
Display View "Logical field groups": Overview	

Dialog Structure

- Screen layout
 - Logical field groups
 - Field group rules

Log.fld.grp	Log.field group name
1	General data
2	Posting information
3	Time-dependent data
4	Allocations
5	Leasing
6	Networth valuation

Table View Edit Goto Selection Utilities System Help	
Change View "Field group rules": Overview	

Dialog Structure

- Screen layout
 - Logical field groups
 - Field group rules

Screen layout: T200 Buildings
Logical fld grp: 2 Posting information

FG	Field group name	Req.	Opt.	No	Disp	Class	MnNo.	Sbno.	Copy
10	Capitalization date	<input checked="" type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
11	Acquisition data				<input checked="" type="radio"/>		<input checked="" type="checkbox"/>		
12	Deactivation	<input type="radio"/>	<input checked="" type="radio"/>		<input type="radio"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13	Planned deactivation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
28	Purchase order date	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
43	Capitalization key	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>		<input checked="" type="checkbox"/>			

Select Capitalization date is required

Configuration of FICO Modules

- Main Asset number
- Sub Asset Number
- Select Copy button

And

Make it Business Area Required Filed and Select Main Asset number, Sub Asset number Check box, Copy Check boxes

Save

The Same Procedures follows for all the other Fixed Assets

Define Screen Layout for Asset Depreciation Areas

TC: A021

Path is same

ScrnLayout	Scrn layout description
1000	Depr. on main asset no. level
100A	Depr. on main asset (Auc)
100T	Depr. on main number for CATT
2000	Depr. on asset sub-no. level

Change View "Screen layout for": Overview

Screen layout									
FG	Field group name	Req.	Opt.	No	Disp	Class	MnNo	Sbno	Copy
01	Depreciation keys	<input checked="" type="radio"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Save

Depreciation

1. Define Base Methods
2. Define Declining Balance Methods
3. Define Multilevel Methods

4. Maintain Period Control Methods
5. Maintain Depreciation Key

All the Depreciation methods will be assigned to Depreciation key

Define Base Methods

Spro → Financial Accounting → Asset Accounting → Depreciation → Valuation method → Depreciation key → Calculation methods → Define base method

Select 0014 (Ordinary Depreciation)

Base Method	
Base method	Text
0013	Ordinary: explicit percentage (reduction)
0014	Ordinary: explicit percentage (after end of life)
0015	Ordinary: explicit percentage (below zero)
0016	Ordinary: immediate depreciation
0017	Ordinary: immediate honor (after end of life)

Select Details Button

Save

Define Declining Balance Method (TC: AFAMD)

Spro → Financial Accounting → Asset Accounting → Depreciation → Valuation method → Depreciation key → Calculation methods → Define Declining Balance Method

The screenshot shows a SAP application window titled "Change View 'Declining-Balance Method': Overview". The menu bar includes "Table view", "Edit", "Goto", "Choose", "Utilities", "System", and "Help". The toolbar contains various icons for navigation and data entry. The main area displays a table with columns: Decl.-bal., Description of the method, Dec.factor, Max.perc., and Min.Perc. The table contains four entries:

Decl.-bal.	Description of the method	Dec.factor	Max.perc.	Min.Perc.
001	0.00x / 0.0000% / 0.0000%			
002	2.00x / 20.0000% / 0.0000%	2,00	20,0000	
003	2.50x / 25.0000% / 0.0000%	2,50	25,0000	
004	3.00x / 30.0000% / 0.0000%	3,00	30,0000	

Define multilevel method

Spro → Financial Accounting → Asset Accounting → Depreciation → Valuation method → Depreciation key → Calculation methods → Define Multilevel method

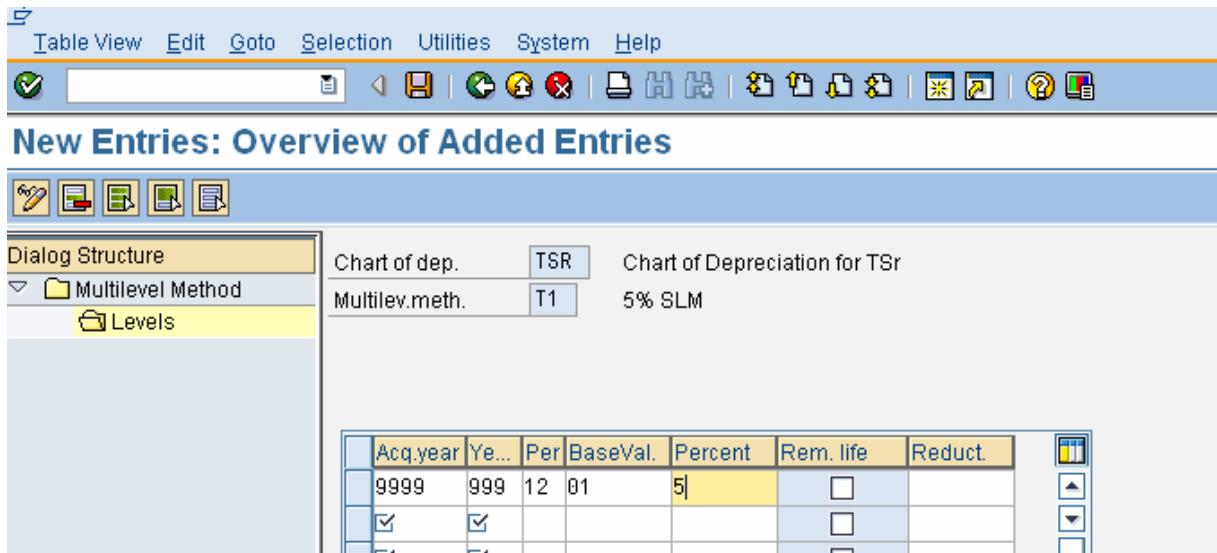
The screenshot shows a SAP dialog titled "New Entries: Details of Added Entries". The left pane shows a "Dialog Structure" tree with "Multilevel Method" selected, and a "Levels" button. The right pane contains fields for "Multilev.meth.", "Validity start", and "Dep.by fisc.year".

Chart of dep.	TSR	Chart of Depreciation for TSR
Multilev.meth.	T1	5% SLM
Validity start	From ordinary depreciation start date	
Dep.by fisc.year	<input type="checkbox"/>	

Double Click on Levels button

Select New Entries

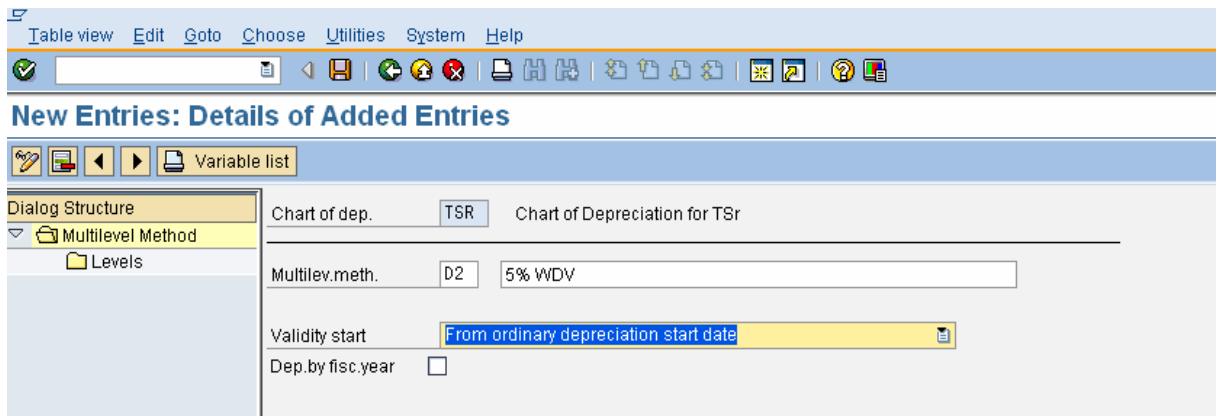
Configuration of FICO Modules



Save

Select back arrow

Select next Entry button



Select levels button

Double Click Levels button → Select New Entries button

Configuration of FICO Modules

The screenshot shows the SAP FICO configuration interface. The title bar reads "Table View Edit Goto Selection Utilities System Help". Below the title bar is a toolbar with various icons. The main area has a blue header "New Entries: Overview of Added Entries". On the left is a "Dialog Structure" tree view with nodes like "Multilevel Method" and "Levels". In the center, there are two input fields: "Chart of dep." set to "TSR" and "Multilev.meth." set to "D2". To the right of these fields is the text "Chart of Depreciation for TSR" and "5% WDV". Below this is a table with columns: Acq.year, Ye..., Per, BaseVal., Percent, Rem. life, and Reduct. The first row has "9999" in Acq.year, "999" in Ye..., "12" in Per, "01" in BaseVal., "5" in Percent (which is highlighted in yellow), and empty boxes for Rem. life and Reduct. There are three rows in total, each with a checked checkbox in the first column.

Save

Define Periodic Control Method

TC: AFAMP

Path is same

Select New Entries

The screenshot shows the SAP FICO configuration interface. The title bar reads "Table view Edit Goto Choose Utilities System Help". Below the title bar is a toolbar with various icons. The main area has a blue header "New Entries: Overview of Added Entries". On the left is a "Dialog Structure" tree view with nodes like "Prd.c.m..." and "Description of the method". In the center, there is a table with columns: Prd.c.m..., Description of the method, Acq, Add, Ret, and Trn. The first row has "006" in Prd.c.m..., "01/06/06/06" in Description of the method, and "01" in Acq. The last three columns (Add, Ret, Trn) have "06" in the fourth row, which is highlighted in yellow. There are four rows in total, each with a checked checkbox in the first column.

Save

Maintain Depreciation keys

Configuration of FICO Modules

Define multilevel method

Spro → Financial Accounting → Asset Accounting → Depreciation → Valuation method → Depreciation key → Maintain Depreciation key

The screenshot shows the SAP Fiori interface with the title 'New Entries: Details of Added Entries'. The dialog structure on the left includes 'Dialog Structure' and 'Depreciation Key' sections. In the 'Depreciation Key' section, the 'Assignment of Calc' checkbox is selected. The main form contains the following fields:

Chart of dep.	TSR
Description	Chart of Depreciation for TSR
Dep. key	TSRS 5% SLM
Status	Inactive
Maximum amount	[empty]
Cutoff val. key	[empty]
No ordinary dep. with special dep.	<input type="checkbox"/>
No interest if no deprec. is planned	<input type="checkbox"/>
Period control according to fiscal years	<input checked="" type="checkbox"/>
Dep. to the day	<input checked="" type="checkbox"/>
No reduct. in shortyear	<input type="checkbox"/>
Acq.only allowed in capitalization year	No
No. of places	[empty]

Give Depreciation key TSRS

Select the check boxes (period control according to fiscal year)

Depreciation to the Day

Double click assignment of Calculation Methods

Configuration of FICO Modules

New Entries: Details of Added Entries

Dialog Structure	Chart of dep.	TSR	Chart of Depreciation for TSR
Depreciation Key	Dep. key	TSRS	5% SLM
Assignment of Calcu	DepType	Ord.depreciation	
	Phase	From the start of depreciation	
Assignment of Calculation Methods			
	Base method	0014	Ordinary: explicit percentage (after end of life)
	Decl.-bal. method	001	0.00x / 0.0000% / 0.0000%
	Prd cont	006	01/06/06/06
	Multilev.meth.	T1	5% SLM
	Class	Straight-line depreciation	
	Chnge. method		
	Changeover%rate		
	Multiple shift		Increase in depreciation and expired useful life
	Scrap value		Consideration is controlled by cutoff value key
	Shutdown	No	

Select back arrow 3 times → Select the Depreciation area → Select Active button

Save

Change View "Depreciation Key": Overview

Dialog Structure	Chart of dep.	TSR	Chart of Depreciation for TSR
Depreciation Key	Dep...	Name for whole depreciation	Status
Assignment of Calcu	TSRS	SLM	Inactive
	VD20	Property value decl.bal. 2 x with cut-off value	Migrated
	VD25	Property value decl.bal. 2.5 x with cut-off value	Migrated
	VD30	Property value decl.bal. 3 x with cut-off value	Migrated

Save

Maintain depreciation keys by assigning calculation methods to them. You can divide the duration of depreciation into several phases. When you enter a changeover method for one of these phases, the system changes over to the next phase as soon as the event specified in the changeover method has occurred. The system then uses the depreciation calculation that is specified in the calculation method for this phase.

Creation of Asset master

Configuration of FICO Modules

Path: Accounting → Financial Accounting → Fixed Assets → Create → Assets

The image displays two screenshots of the SAP FICO Fixed Assets Master Data creation interface. Both screenshots show the 'Create Asset: Master data' screen with the 'General' tab selected.

Screenshot 1 (Top): General Data

Asset	INTERN-00002	0	Buildings	
Class	1200	Buildings	Company Code	W125
General Time-dependent Allocations Origin Deprec. areas				
General data				
Description	Buildings			
Acct determination	12000	Buildings		
Serial number				
Inventory number	1200000			
Quantity				
<input checked="" type="checkbox"/> Manage historically				
Inventory				
Last inventory on			<input type="checkbox"/> Include asset in inventory list	
Inventory note				
Posting information				
Capitalized on			Deactivation on	
First acquisition on			Plnd. retirement on	
Acquisition year	000			

Screenshot 2 (Bottom): Time-dependent Data

Asset	INTERN-00002	0	Buildings	
Class	1200	Buildings	Company Code	W125
General Time-dependent Allocations Origin Deprec. areas				
Interval from 01.01.1900 to 31.12.9999				
Cost Center	76451	Head of Group Financ		
Resp. cost center				
Activity Type				
Plant	1510	Janssen Pharm Products		
Location	0004	FI-AA Washington Crossing NJ		
Room				
Jurisdiction Code	100000000	Sample entry for jurisdiction on state level		
License plate number				
<input type="checkbox"/> Asset shutdown				

Configuration of FICO Modules

SAP

Create Asset: Master data

Asset INTERN-00002 0 Buildings
Class 1200 Buildings Company Code W125

General Time-dependent Allocations Origin Deprec. areas

Origin

Vendor	323733581	ADOLFO FERNANDEZ OBREGON MD
Manufacturer		
<input type="checkbox"/> Asset purch. new		
<input type="checkbox"/> Purchased used		
Trading Partner		
Country of origin		
Type name	94462	

Internal specifications

Original asset		Acq. on	
Org. acquisition year			
Original value		USD	
In-house prod.perc.			

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SAP

Create Asset: Master data

Asset INTERN-00002 0 Buildings
Class 1200 Buildings Company Code W125

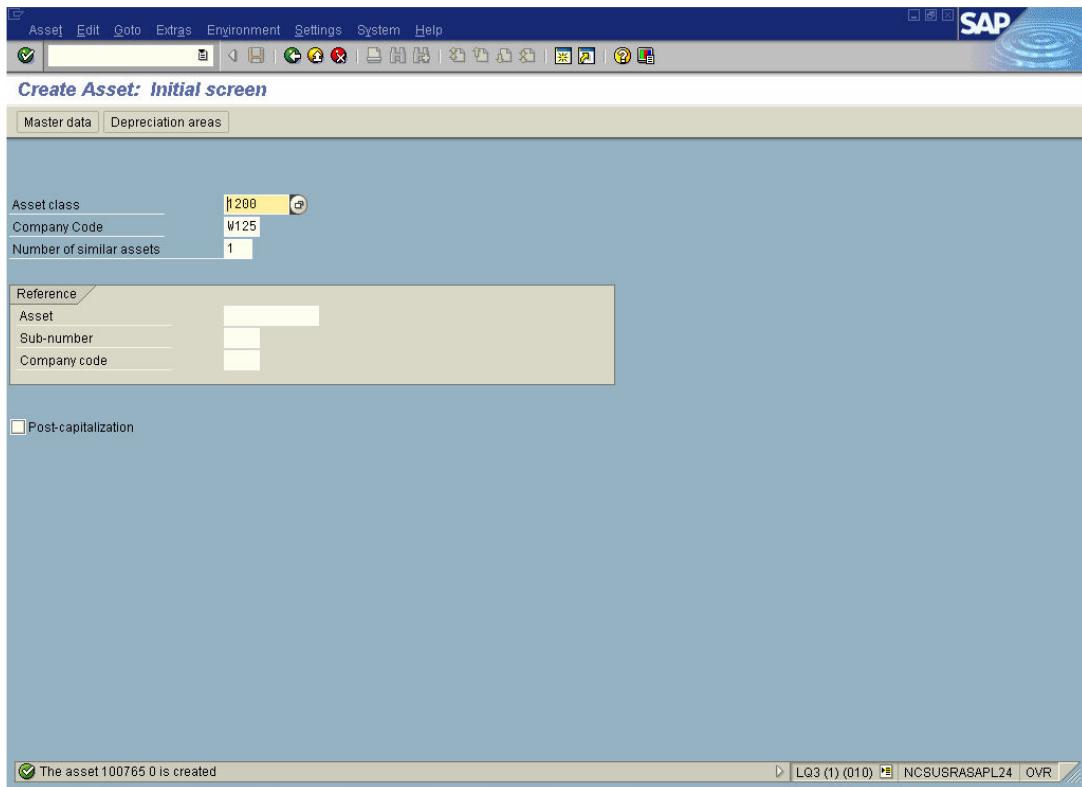
General Time-dependent Allocations Origin Deprec. areas

Valuation

Deact	A.	Depreciation area	Depyty	Usflife	Per	O.dep. start
<input type="checkbox"/>	01	Book deprec.	Z002	30	01.08.2006	
<input type="checkbox"/>	10	ACRS/MACRS	MSTL	39	01.08.2006	
<input type="checkbox"/>	11	ALT MIN	MSTL	39	01.08.2006	
<input type="checkbox"/>	12	ACE	MSTL	39	01.08.2006	
<input type="checkbox"/>	13	E&P	MSTL	39	01.08.2006	
<input type="checkbox"/>	32	Book deprec.	Z002	36	001.08.2006	
<input type="checkbox"/>	40	State Modifl	MSTL	39	01.08.2006	
<input type="checkbox"/>	41	State Modifl	MSTL	39	001.08.2006	
<input type="checkbox"/>	42	SMACRS GA	MSTL	39	001.08.2006	
<input type="checkbox"/>	43	SMACRS OH	MSTL	39	001.08.2006	
<input type="checkbox"/>	44	State NJ	MSTL	39	001.08.2006	
<input type="checkbox"/>	45	California	MSTL	39	001.08.2006	
<input type="checkbox"/>	46	SMACRS PA	MSTL	39	001.08.2006	
<input type="checkbox"/>	47	SMACRS TX	MSTL	39	001.08.2006	

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Configuration of FICO Modules



Save

Creation of Sub Asset Master

AS11

Path: - Accounting → Financial Accounting → Fixed Assets → Assets → Create → Sub number → Asset

Configuration of FICO Modules

The screenshot shows the SAP FICO Asset Master Data configuration interface. The title bar reads "Display Asset: Master data". The top menu includes "Asset", "Edit", "Goto", "Extras", "Environment", "Settings", "System", and "Help". The toolbar contains various icons for file operations like Open, Save, Print, and Help.

Key fields displayed in the header:

- Asset: 100092
- Class: 1000
- Description: ADD'L COSTS-VAN DOREN JOHNSON
- Land
- Company Code: W125

The tabs at the bottom are: General, Time-dependent, Allocations, Origin, and Deprec. areas. The "General" tab is selected.

General data section:

- Description: ADD'L COSTS-VAN DOREN JOHNSON
- Acct determination: 10000 Land
- Serial number: (empty)
- Inventory number: NT
- Quantity: 0,000
- Manage historically

Inventory section:

- Last inventory on: (empty)
- Include asset in inventory list
- Inventory note: 0000373100

Posting information section:

- Capitalized on: 01.08.1979
- Deactivation on: (empty)
- First acquisition on: 01.08.1979
- Plnd. retirement on: (empty)
- Acquisition year: 1979 008

Purchase of Assets (Posting of transaction) TC: - F-90

Configuration of FICO Modules

Posting of Asset

SAP

Enter Invoice Pstng NonPo: Display Overview

Display Currency Taxes Reset

Document Date	14.07.2006	Type	KR	Company Code	P151
Posting Date	14.07.2006	Period	7	Currency	USD
Document Number	INTERNAL	Fiscal Year	2006	Translation dte	14.07.2006
Reference				Cross-CC no.	
Doc.Header.Text				Trading Part.BA	

Items in document currency

PK	BusA Acct	USD	Amount	Tax amnt
001 31	0024193507 RECEIVER GENERAL FO	100.000,00-		**
002 70	0013123101 000000100767 0000	100.000,00		

D 100.000,00 C 100.000,00 0,00 * 2 Line items

Other line item

PstKy	31	Account	Sp.G/L	Trans.type	New co.code
-------	----	---------	--------	------------	-------------

LQ3 (1) (010) NCSUSRASAPL24 OVR SAP

Acquisition from purchase w.: Header Data

Held document Acct model Fast Data Entry Post with reference Editing Options

Document Date	14.07.2006	Type	KR	Company Code	P151
Posting Date	14.07.2006	Period	7	Currency/Rate	USD
Document Number				Translation dte	
Reference				Cross-CC no.	
Doc.Header.Text				Trading Part.BA	

First line item

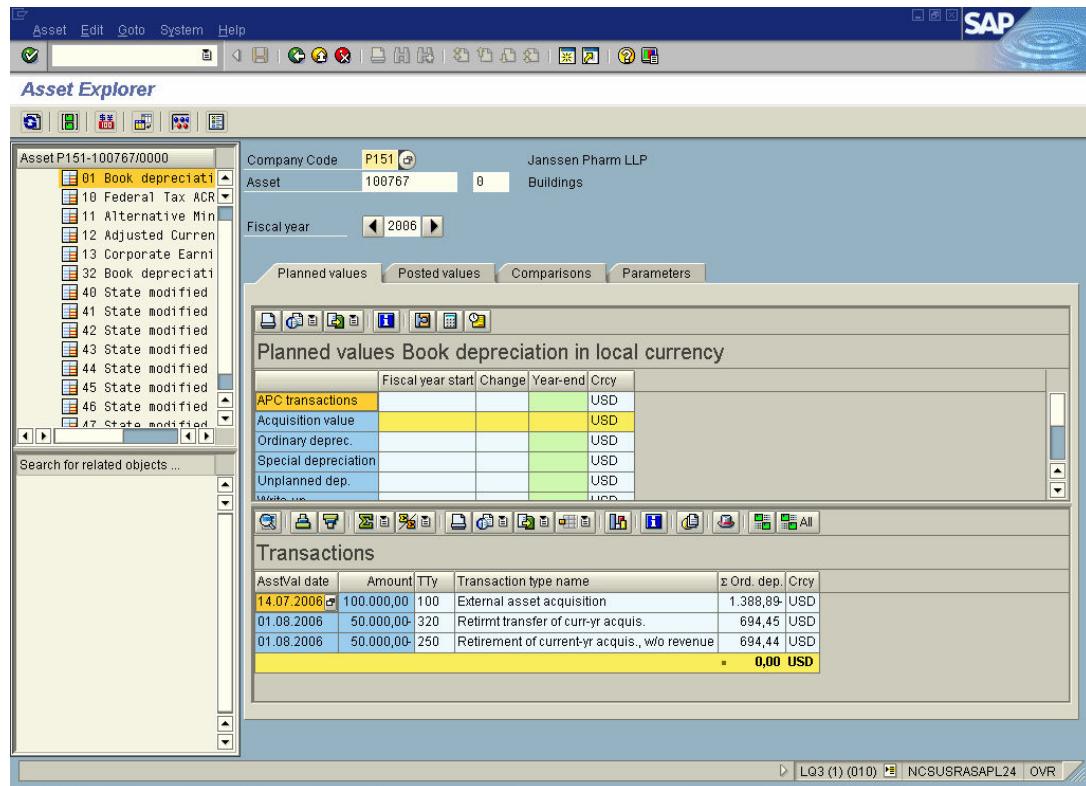
PstKy	31	Account	Sp.G/L	Trans.type
-------	----	---------	--------	------------

Document 1900000000 was posted in company code P151 LQ3 (1) (010) NCSUSRASAPL24 OVR SAP

Configuration of FICO Modules

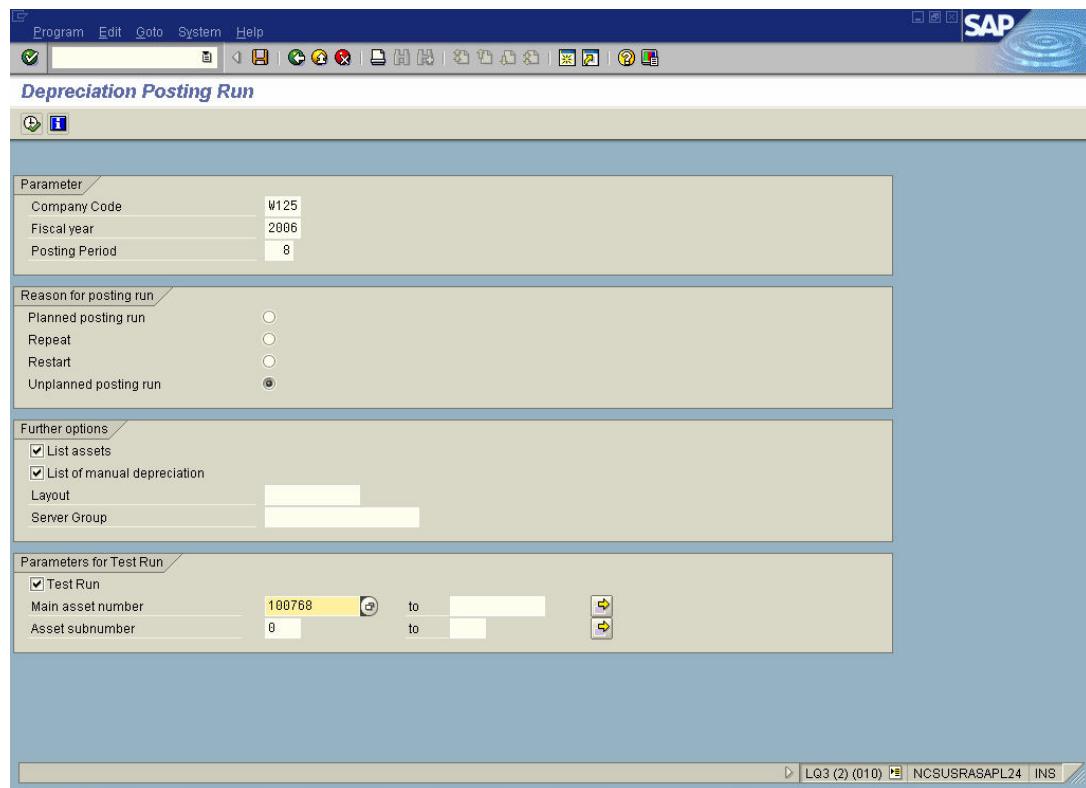
Sub Asset wise & year wise report – AW01N (Asset Explorer)

Accounting → Financial Accounting → Fixed Assets → Assets → Asset Explorer



Depreciation Posting

Path: Accounting → Financial Accounting → Fixed Assets → Period Processing → Depreciation Run
→ Execute



Configuration of FICO Modules

SAP

Depreciation Posting Run for company code W125

TESTRUN

Posting date : 27.08.2006 Date created: 21.07.2006 Period: 2006/008/01

Asset	SNo.	Acct det	Cost Ctr	Name	DocumentNo	Description	Plan.Amt	Σ Amt Posted	Σ Amount TBP	Σ Cumul.Amt	Crcy
100768	0	12000	76019	IO for Land and Buildings	300000010	Ordinary deprec.	2.777,78-	0,00	555,56-	555,56	USD
						Ordinary depr...	2.777,78-	0,00	555,56-	555,56	USD
							2.777,78-	0,00	555,56-	555,56	USD
						Depreciation area_1	2.777,78-	0,00	555,56-	555,56	USD

TESTRUN completed successfully
A document was created

LQ3 (2) (010) NCSUSRASAPL24 INS

Depreciation Posting Run for company code W125

Depreciation Posting Run for company code W125

Document Header Info

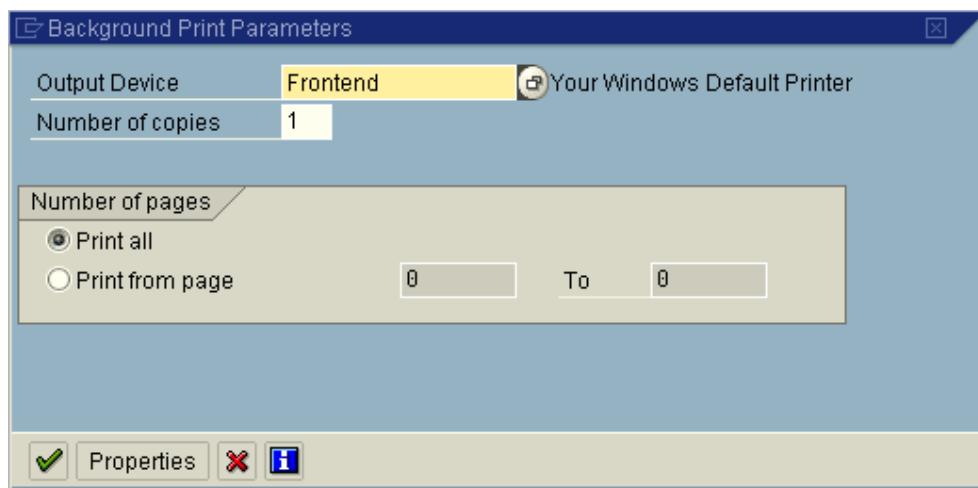
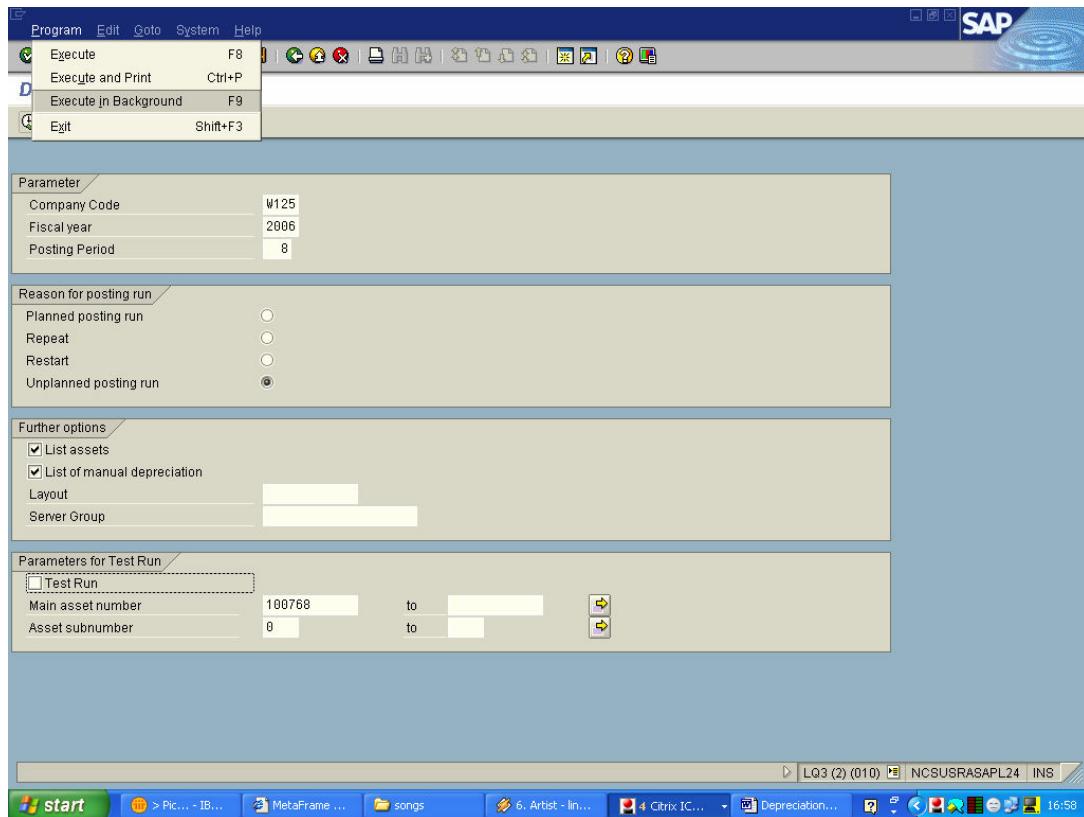
Document Date: 27.08.2006 Document type: AF Company Code: W125
Posting Date: 27.08.2006 Period: 08 Fiscal Year: 2006

Item	PK	BusA	G/L Account	Short text	Σ	Amount	Crcy
1	40	64512001	DeprExpBuilding Auto			555,56	USD
2	75	13323101	AD Buildings Recon			555,56	USD
						0,00	USD

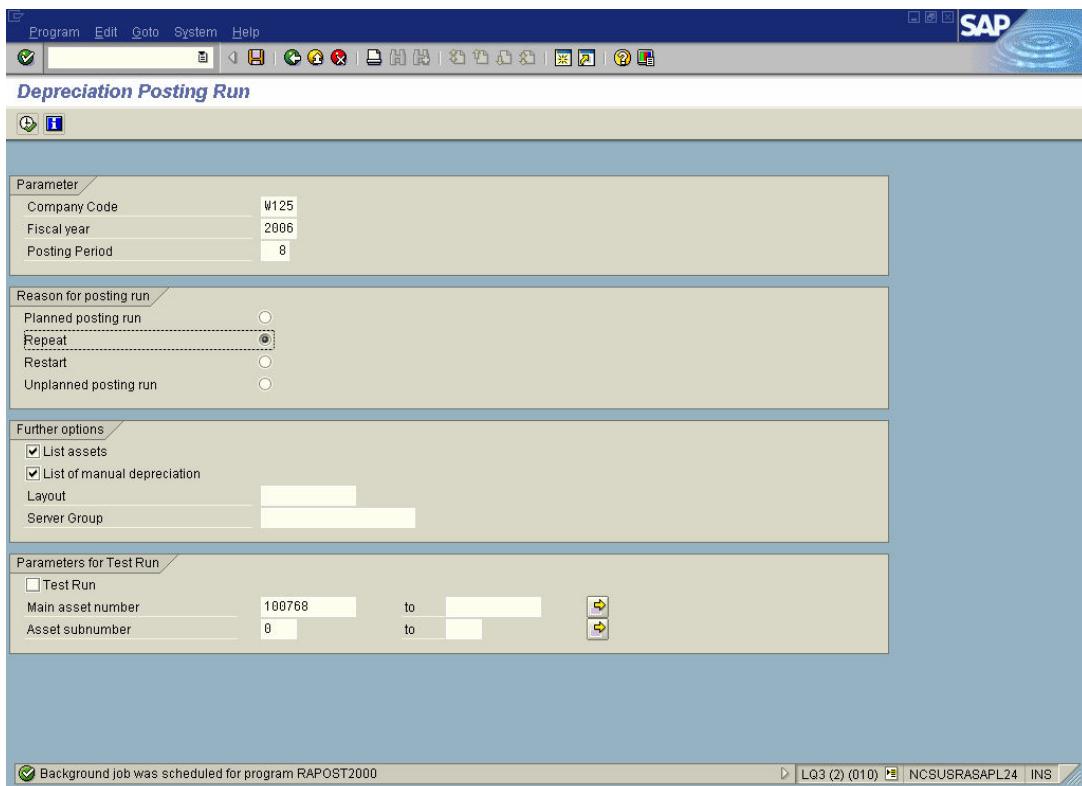
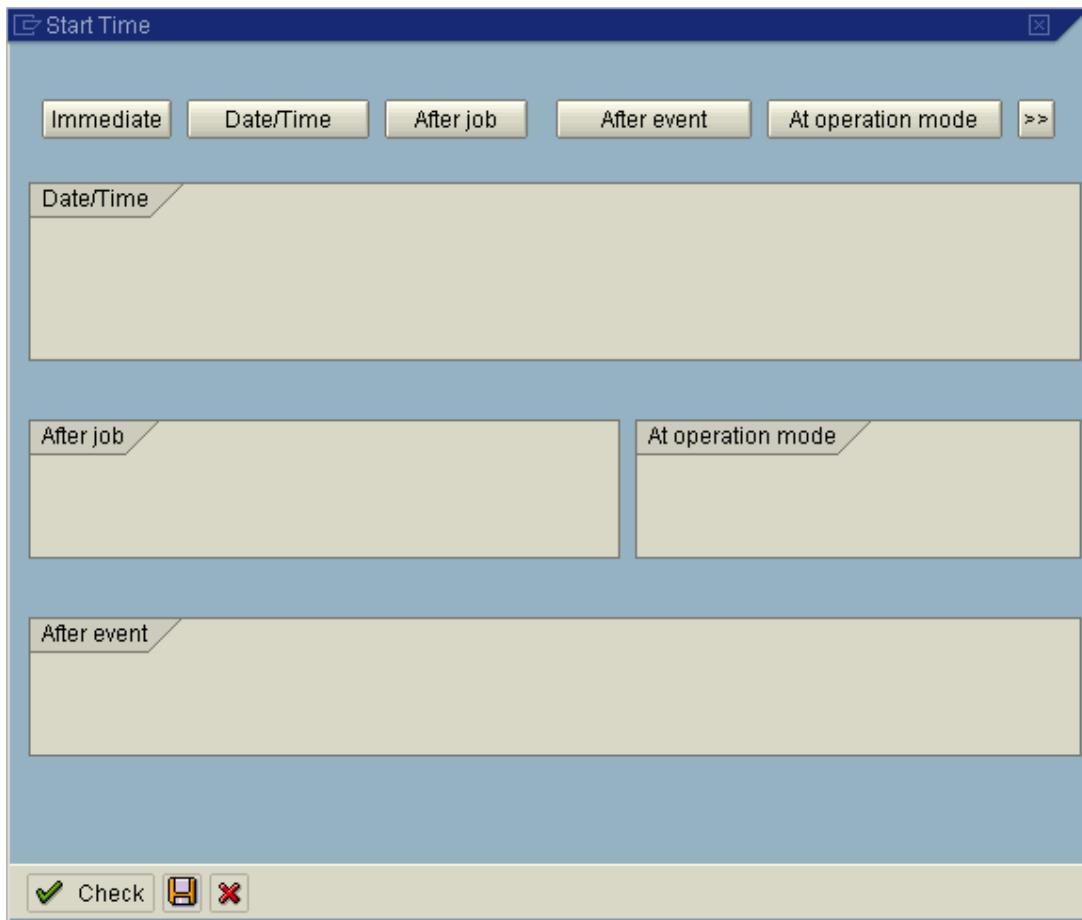
Totals information
Deb.total: 555,56 USD
Cred.total: 555,56 USD
Totals information: 0,00 USD

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Configuration of FICO Modules



Configuration of FICO Modules



- *Asset has to be created in advance. Don't forget to flag "post capitalization Flag" in initial screen*

Configuration of FICO Modules

- For information on a specific field, put the cursor on this field and click F1

This transaction is used to capitalize an asset for a fiscal year in which the asset was not originally capitalized. This posting, however, is to be made for a fiscal year that is already closed. This process would generally take place as part of a government tax audit

Post Capitalization

TC: ABNAN

Path: Accounting → Financial Accounting → Fixed Assets → Posting → ABNAN - Post-Capitalization

Before you start this transaction, a new asset has to be created. Follow BPP AS01 Create Asset for more detailed information. The only deviation is that in **Create Asset Initial screen**, you have select **Post-capitalization** by using the selection indicator: .

Example

Create Asset: Initial screen

Master data	Depreciation areas
Asset class 2000	
Company Code P150	
Number of similar assets 1	
Reference	
Asset	
Sub-number	
Company code	
<input checked="" type="checkbox"/> Post-capitalization	
Posting information	
Capitalized on	01.01.2002
First acquisition on	
Acquisition year	000

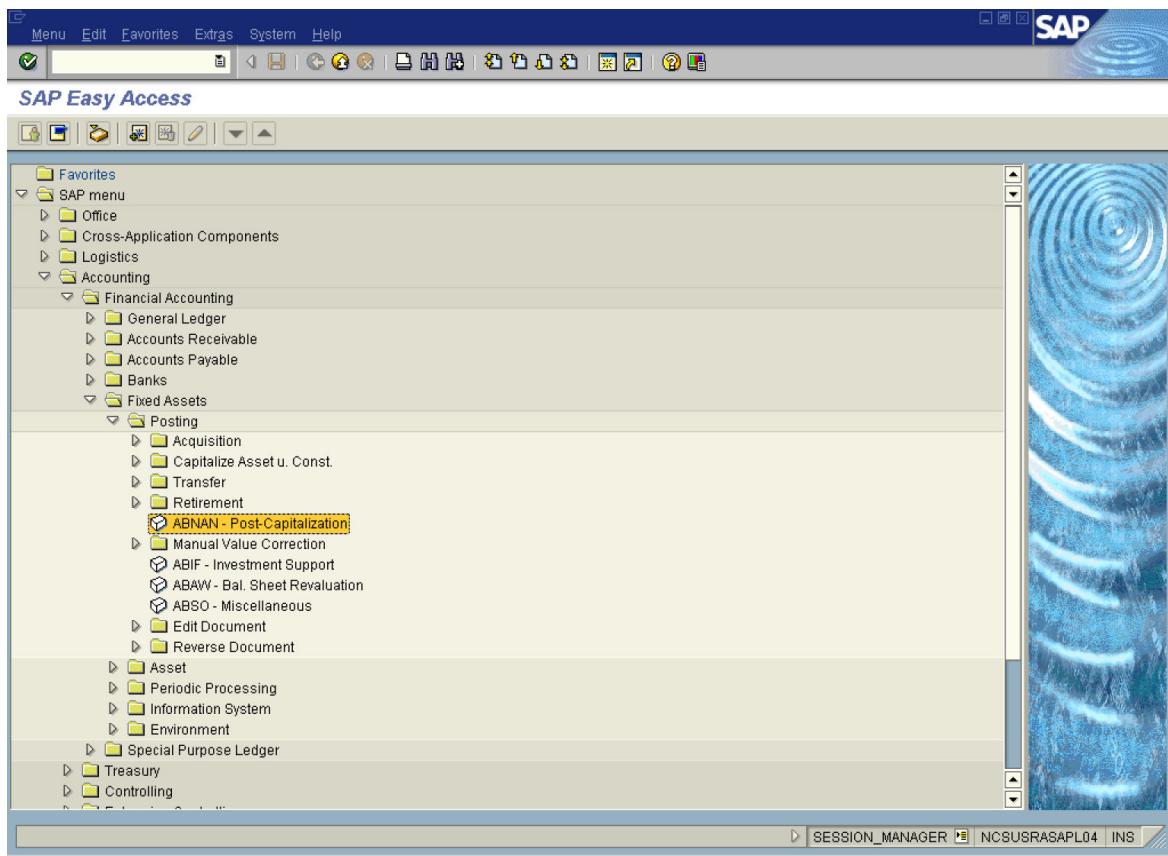
Be sure to enter the capitalization date in the past in the master data screen. The capitalization date must be in a closed fiscal year.

Complete the rest of the Create Asset Master Data setup as explained in BPP AS01 Create Asset.

Now you are ready to perform a post capitalization of an asset:

Configuration of FICO Modules

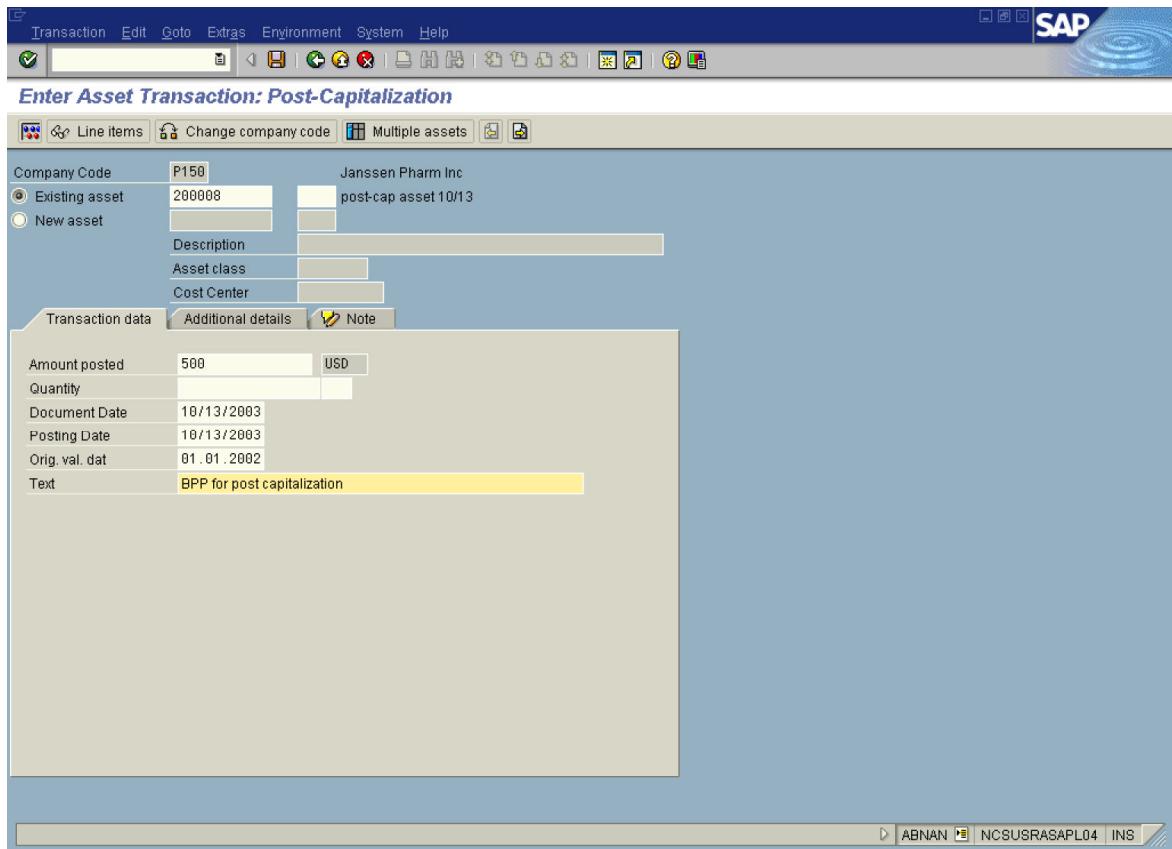
SAP Easy Access



Double Click on “ABNAN – Post Capitalization”

Configuration of FICO Modules

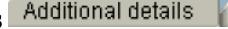
Enter Asset Transaction: Post-Capitalization



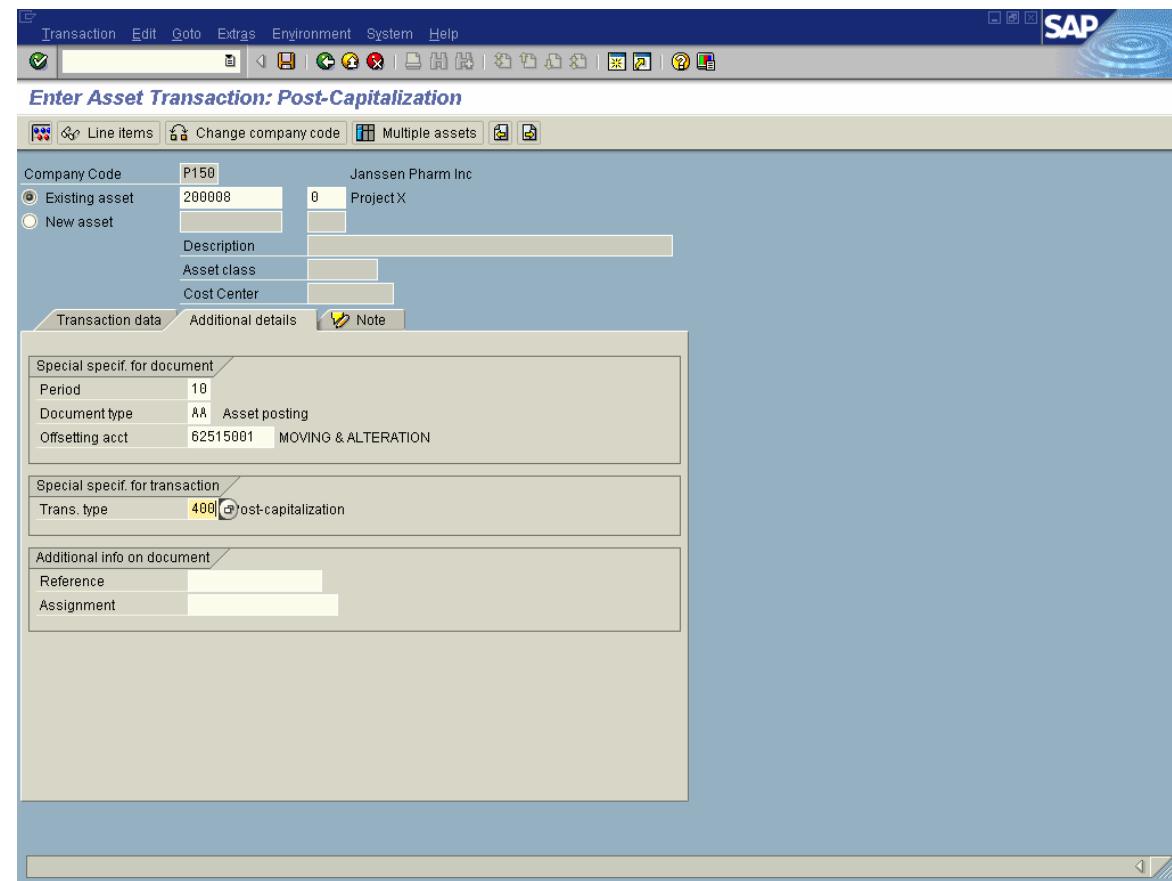
Configuration of FICO Modules

1. Update the following **required** and **optional** fields:

Field Name	Description	R/O/C	Values
Existing asset	Description of Existing asset.	R	Enter value in Existing asset. Example: 200008
Amount posted	Total amount to be posted to an asset	R	Enter value in Amount posted. Example: 500
Document Date	Date the transaction occurred	R	Enter value in Document Date. Example: 10/13/03
Posting Date	Date that the business transaction occurred	R	Enter value in Posting Date. Example: 10/13/2003
Orig. val. dat	Original valuation date in the past	R	Enter value in Orig. val. dat. Example: 01/01/2002
Text	Description of the capitalization activity.	R	Enter value in Text. Example: BPP for post-capitalization

2. Click <tab button> **Additional details** 

Enter Asset Transaction: Post-Capitalization



3. Update the following **required** and **optional** fields:

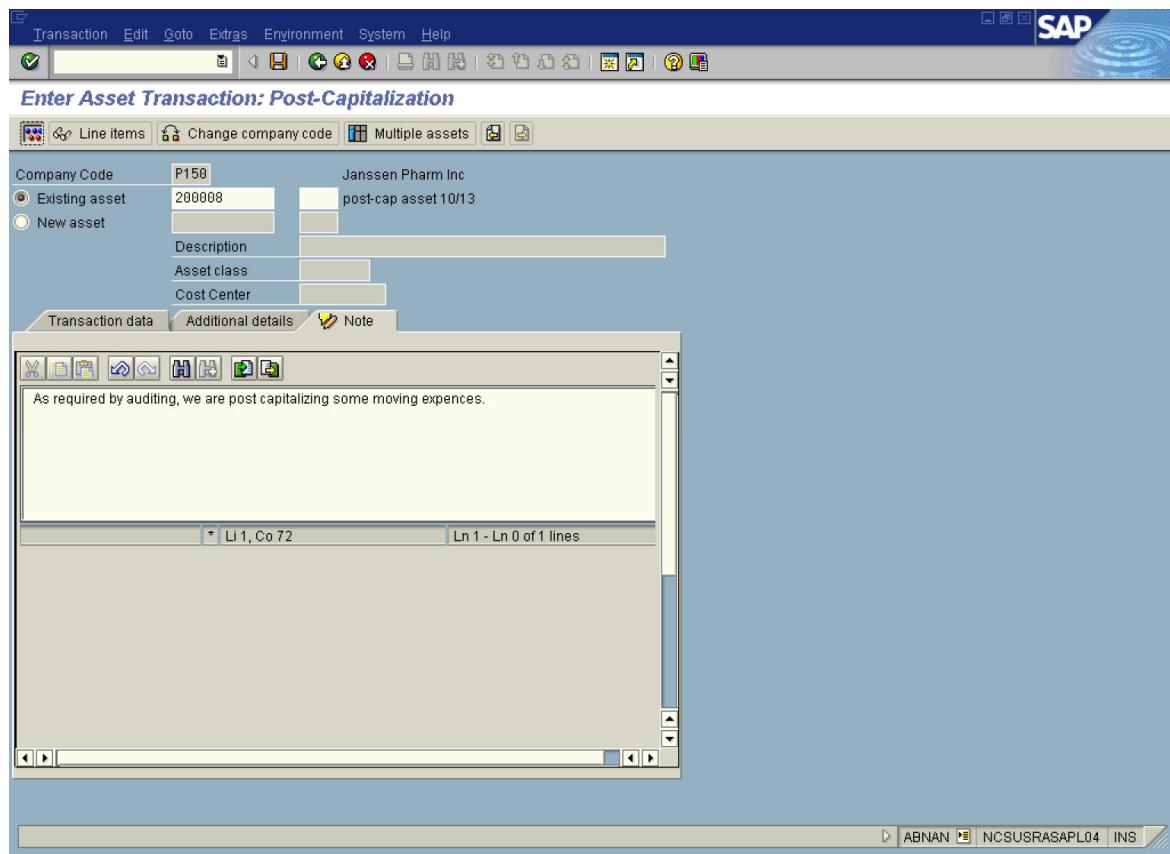
Field Name	Description	R/O/C	Values
Period	Number identifying a fiscal month	O	Enter value in Period. Example: 10
Document type	Code identifying the method that the system uses to process the transaction	R	Enter value in Document type. Example: AA (defaulted by system)
Offsetting acct	Offsetting acct. used during the capitalization posting	R	Enter value in Offsetting acct. Example: 62515001
Trans. type	Description of Trans. type.	O	Enter value in Trans. type. Example: 400 Post-capitalization
Reference	Document number of the customer/vendor.	O	Enter value in Reference.

Configuration of FICO Modules

Assignment	Additional line item reference field.	O	Enter value in Assignment.
------------	---------------------------------------	---	----------------------------

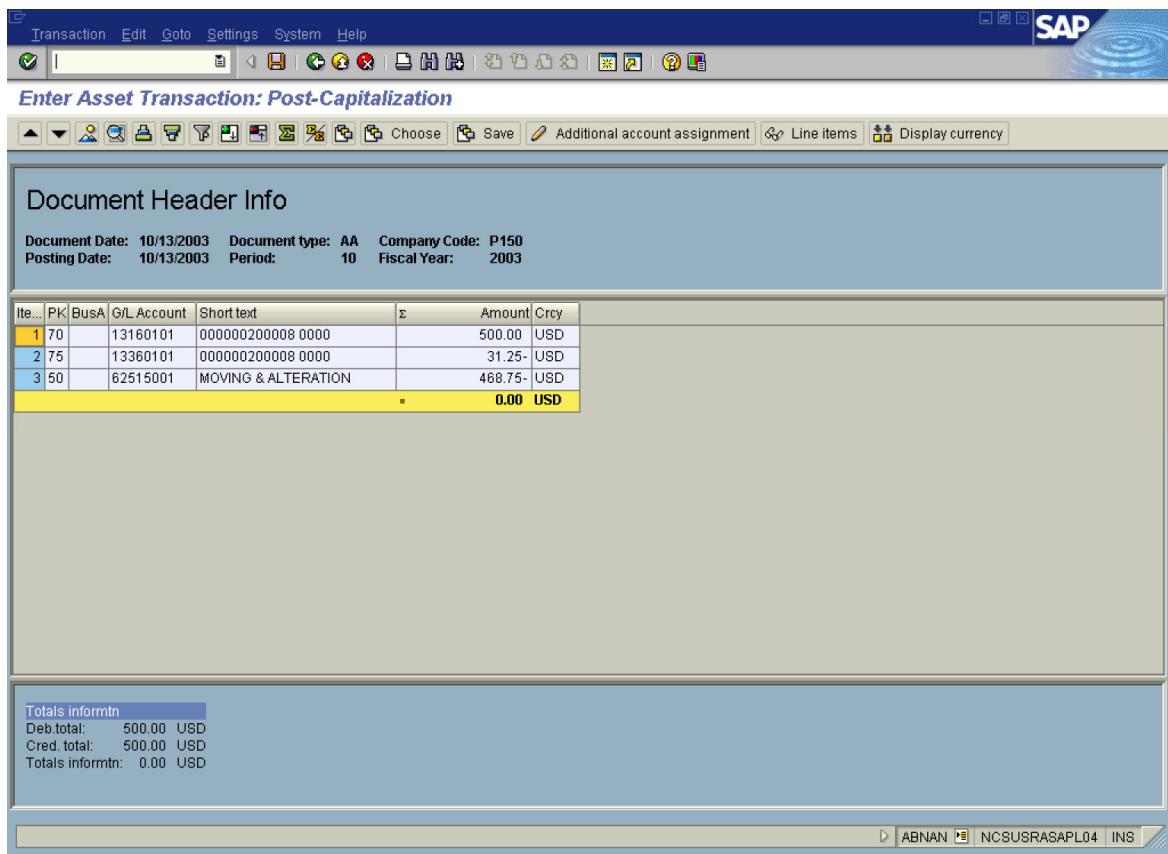
4. Click <tab button> **Note** .

Enter Asset Transaction: Post-Capitalization



5. Enter any notes which describe the asset posting.
6. Click **Simulate** Button .

Enter Asset Transaction: Post-Capitalization



7. Review information.



This shows the system will back up the capitalization of the asset to the specified capitalization date. You notice there is also posting made to the Accumulated Depreciation account.

8. Click **Save** Button



The system could display the message, "managing entity not balanced." Verify that for every dollar going to one profit center there is a Credit going to the same profit center.

Enter Asset Transaction: Post-Capitalization

SAP Enter Asset Transaction: Post-Capitalization

Company Code: P150 Janssen Pharm Inc

Existing asset: 200008 post-cap asset 10/13

Description:

Asset class:

Cost Center:

Transaction data Additional details Note

Amount posted: USD

Quantity:

Document Date:

Posting Date: 10/13/2003

Orig. val. dat:

Text:

Asset transaction posted with document no. P150 0100000042

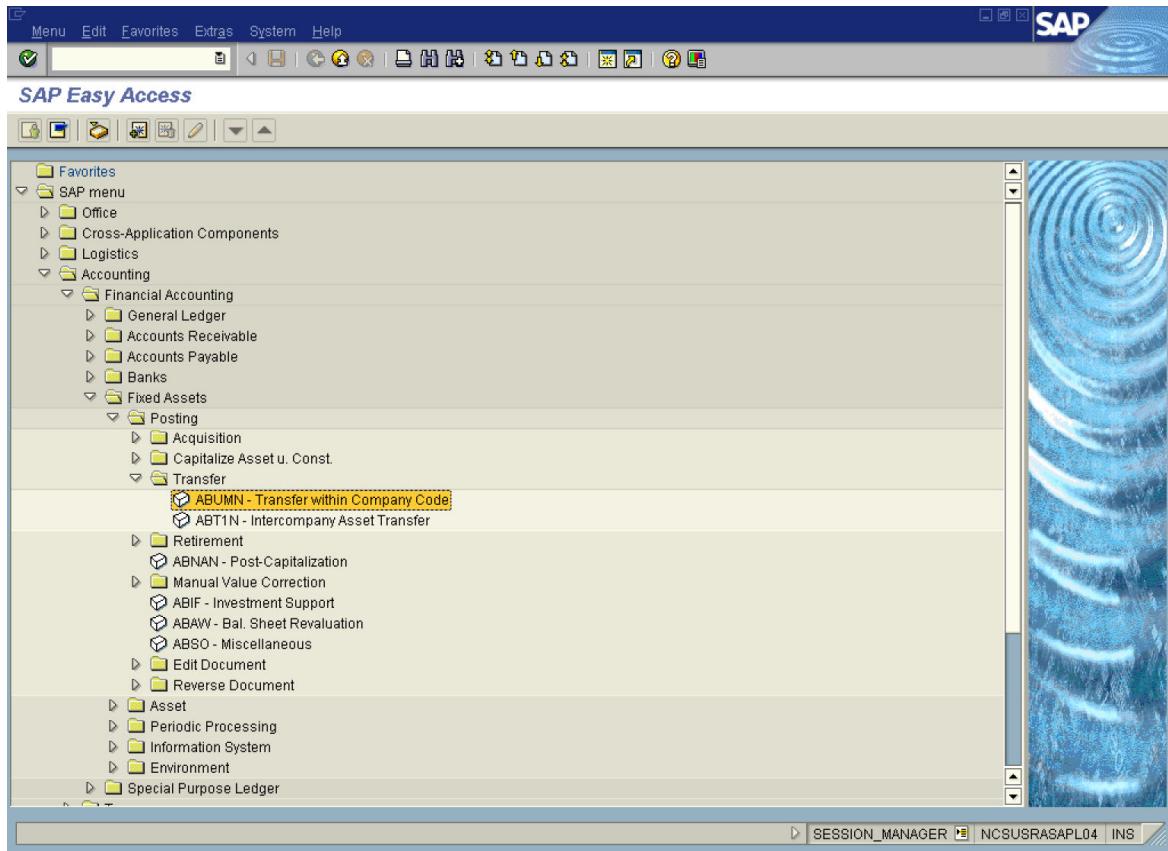
10. Click **Back** Button until you reach the SAP main menu.
11. The system task is complete.

Configuration of FICO Modules

Transfer Asset within Company Code

TC: ABUMN

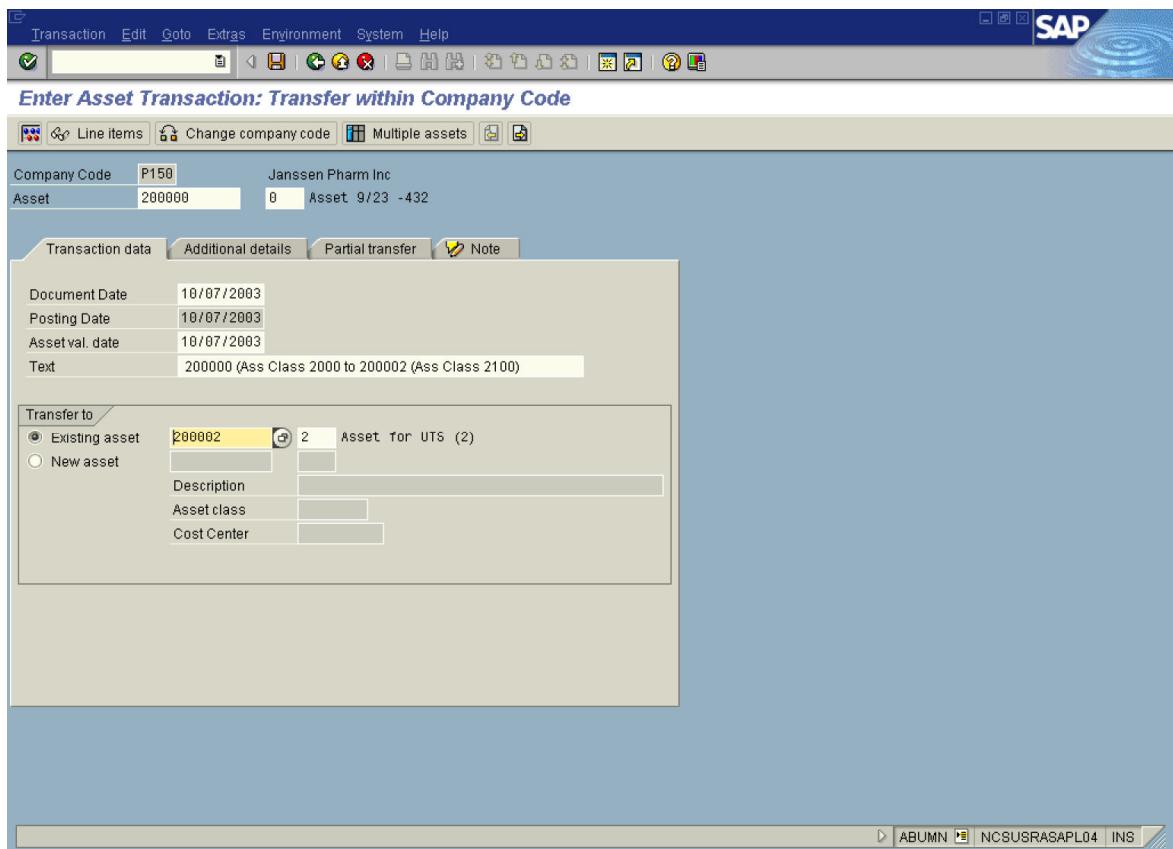
Accounting → Financial Accounting → Fixed Assets → Posting → Transfer → ABUMN → Transfer within Company Code



Double Click on “ABUMN – Transfer within Company code.”

Configuration of FICO Modules

Enter Asset Transaction: Transfer within Company Code

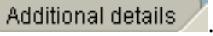


3. Update the following **Required/Optional/Choice** fields:

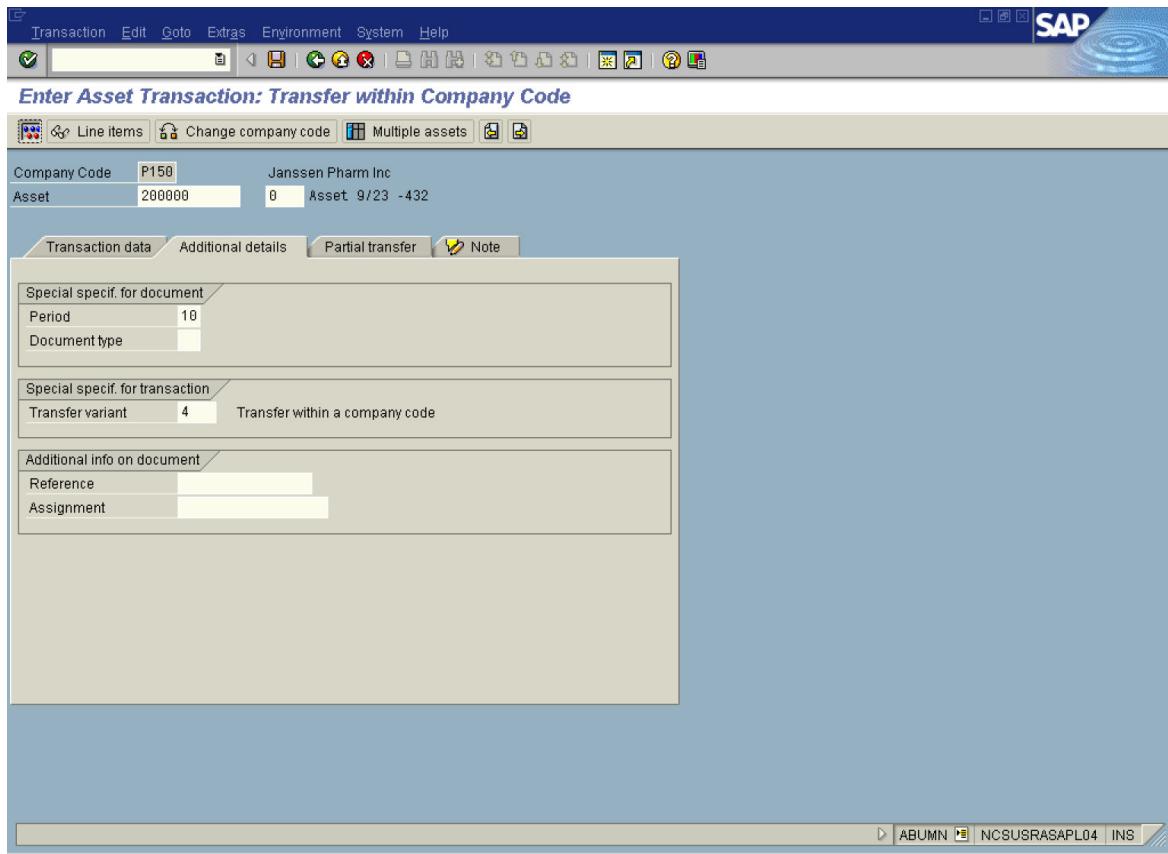
Field Name	Description	R/O/C	Values
Asset	Number which identifies the asset being transferred.	R	Enter value in Asset. Example: 200000
Document Date	Date the transaction occurred.	R	Enter value in Document Date. Example: 10/07/2033
Posting Date	Date that the business transaction occurred.	R	Enter value in Posting Date. Example: 10/07/2003
Asset val. date	Date used to determine the value of the asset..	R	Enter value in Asset val. date. Example: 10/07/2003
Text	Description of why the transfer is taking place.	O	Enter value in Text. Example: 200000 (Ass class 2000 to 2000002 (Ass Class 2100
Existing asset	Indicator which specifies that the values will be transferred to a different asset within the same company code.	C	Enter value in Existing asset. Example: 200002 2
New asset	Indicator which specifies that the values will be transferred to a new asset within the specified company code.	C	Enter value in New asset.



Although it is possible to create a new asset using this transaction, it is better to create the new asset using the transaction AS01-Create Asset because there are more fields that can be populated using that transaction.

4. Click <tab button> **Additional details** .

Enter Asset Transaction: Transfer within Company Code



5. Update the following **required** and **optional** fields:

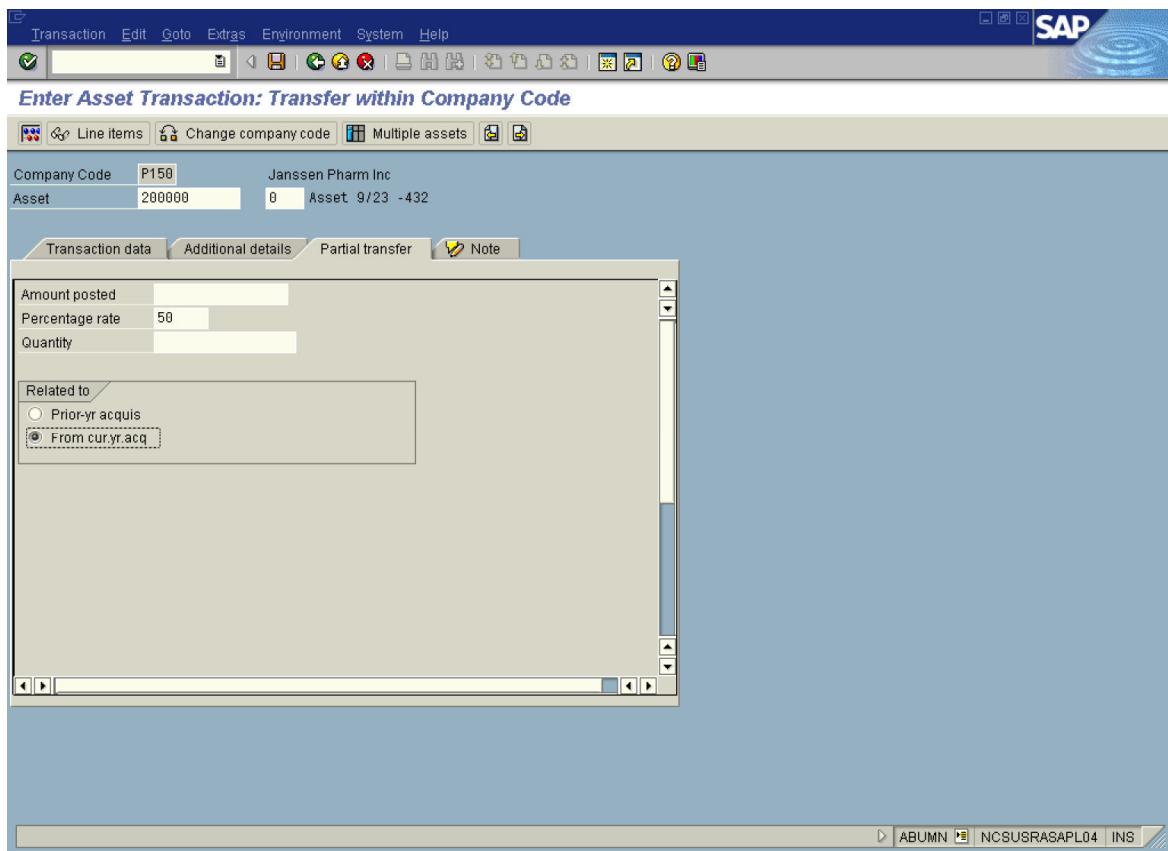
Field Name	Description	R/O/ C	Values
Period	Fiscal period when the transfer will occur.	R	Enter value in Period. Example: 10



You can either transfer the full value of the asset or a partial value. To transfer a partial amount, complete Steps 4 – 6. Otherwise, skip to Step 7.

6. Click <tab button> **Partial transfer** [Partial transfer].

Enter Asset Transaction: Transfer within Company Code



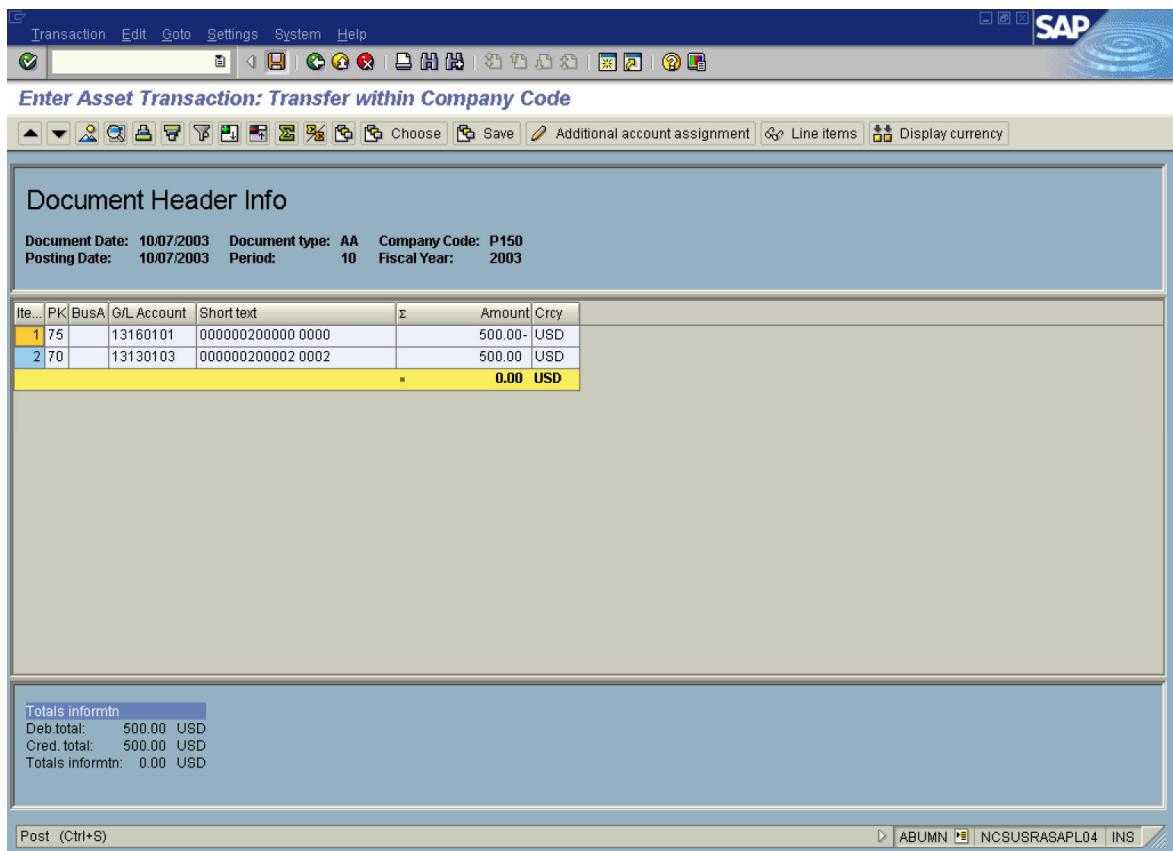
7. Update the following **required** and **optional** fields:

Field Name	Description	R/O/C	Values
Percentage rate	Percentage of acquisition purchase cost being transferred or retired	R	Enter value in Percentage rate. Example: 50.00

8. Click <radio button> **From cur.yr.acq**.

9. Click **Simulate** Button.

Enter Asset Transaction: Transfer within Company Code



10. Click **Save** Button

10. Click **Back** button until you get to the SAP main menu.

Asset Transfer out side Company Code (Inter Company Transfer)

Path: Accounting → Financial Accounting → Fixed Assets → Posting → Transfer → Inter company Asset Transfer

The screenshot shows the SAP Fiori interface for performing an intercompany asset transfer. The top navigation bar includes links for Transaction, Edit, Goto, Extras, Environment, System, and Help. Below the navigation is a toolbar with various icons for file operations like Open, Save, Print, and Copy.

The main title of the screen is "Enter Asset Transaction: Intercompany Asset Transfer".

Key input fields at the top include:

- Company Code: W125 (Johnson & Johnson)
- Asset: 1000092
- Quantity: 0

The transaction details section contains the following information:

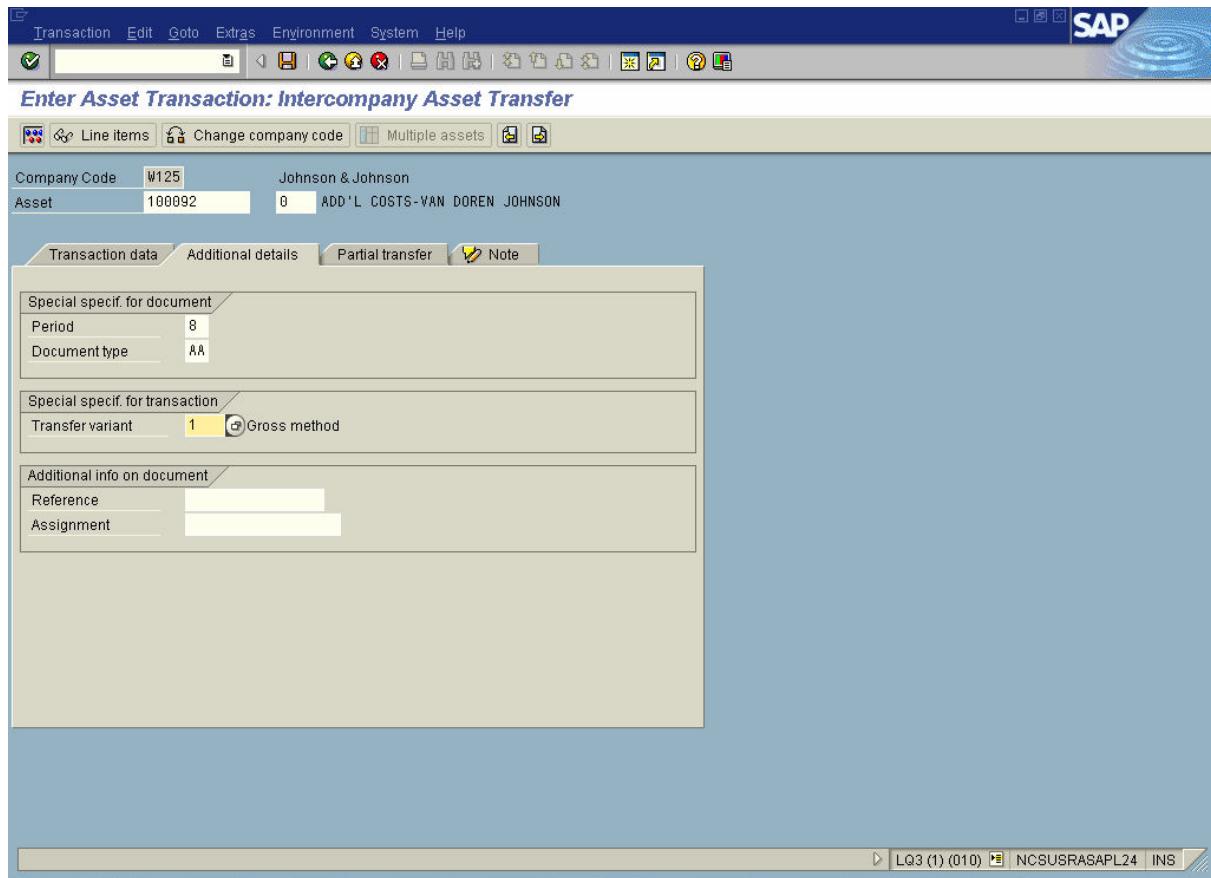
Document Date	09.08.2006
Posting Date	09.08.2006
Asset val. date	01.08.1798
Text	Asset Transfer

The "Specifications for revenue" section includes three radio button options:

- No revenue (selected)
- Manual value
- NBV from area

The "Interco. transfer to" section specifies the target company code as P151 and indicates that an Existing asset will be used.

Configuration of FICO Modules



Select Simulate button

Check the line Items

Save

Configuration of FICO Modules

Closing of Fiscal year

Open New Year

The image displays two SAP application windows side-by-side, both titled "Asset fiscal year change".

Screenshot 1 (Top): Configuration Screen

This screen shows configuration parameters for a fiscal year change:

- Company code(s): W125
- New fiscal year: 2007 (highlighted in yellow)
- Test run: (highlighted in yellow)
- Server group: [empty field]

Screenshot 2 (Bottom): Confirmation and Statistics Screen

This screen provides a note about the fiscal year change being a technical step and the requirement to perform it before year-end closing.

Note: The fiscal year change is only a technical step, needed in order to carry forward all assets into the new fiscal year. The fiscal year change has nothing to do with the YEAR-END CLOSING for bookkeeping. In order to close the annual values in Asset Accounting for a given fiscal year, you are required to carry out the YEAR-END CLOSING in Asset Accounting BEFORE the year-end closing for the general ledger.

Fiscal year change statistics

Company code: W125		Test version	
Read	2.238	Already changed	0
Already deactivated...	136	Without values	34
To change	2.068	Incorrect	0

Configuration of FICO Modules

SAP

Year-end closing Asset Accounting

Fiscal year to be closed for company code(s)

Company code: W125 to: []
Asset classes asset u. const: [] to: []
Fiscal year to be closed: 2006 2006

Options: Test run

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start > Pic... - IB... MetaFrame... Windows... Citrix ICA... 7.01-Niluva... Document1... 19:28

Year-end closing Asset Accounting for fiscal year 2006

Choose Next page

Year-end closing Asset Accounting

Test run Overview

CoCd	Close carried out	Inactive	has errors	not posted	line items	Other error
W125	No	0	0	0	0	Yes

Year-end closing Asset Accounting

Test run Display detail

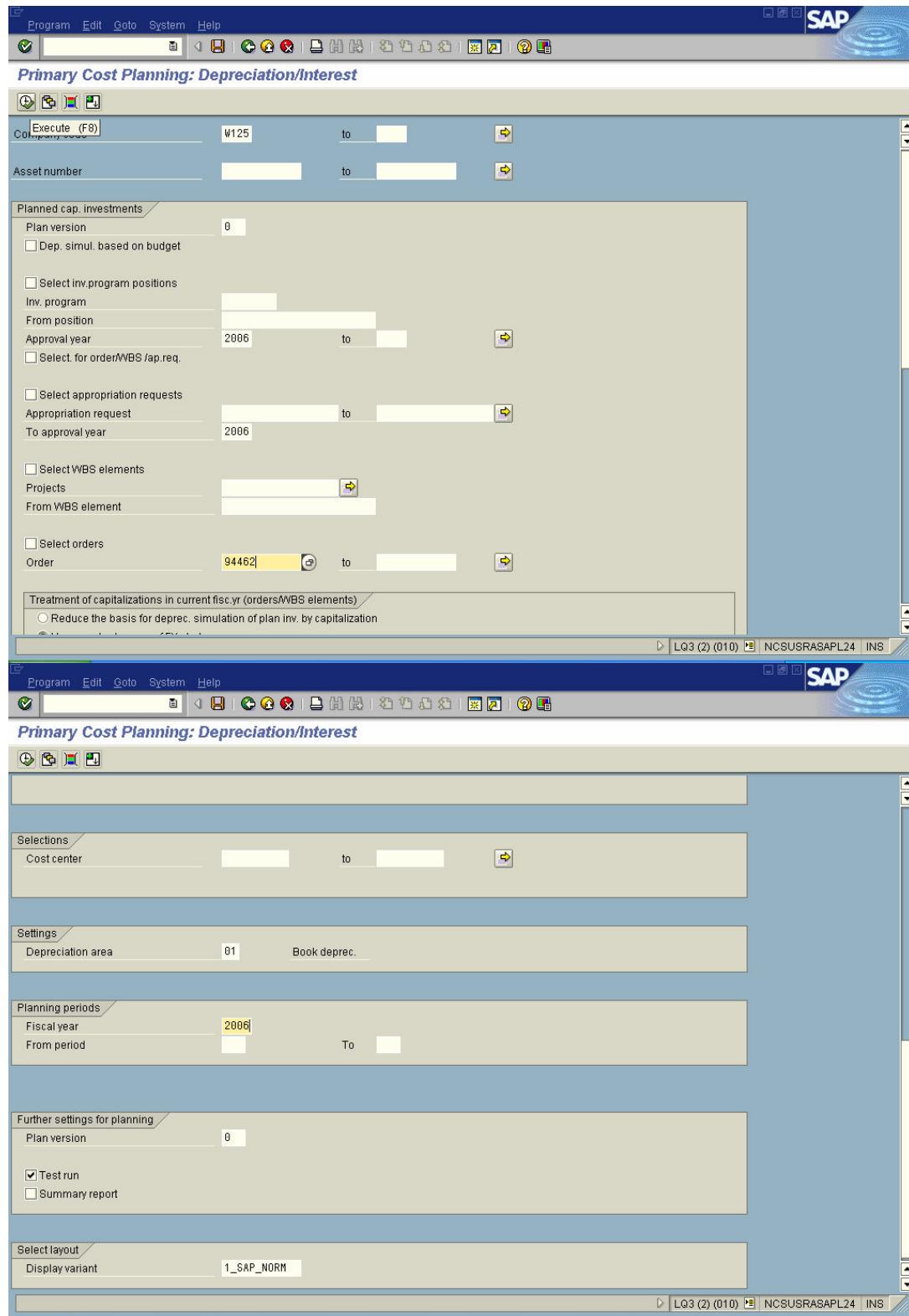
CoCd	Asset	Note
W125	000000100613-0000	Depreciation not posted completely
W125	000000100612-0000	Depreciation not posted completely
W125	000000100617-0000	Depreciation not posted completely
W125	000000100622-0000	Depreciation not posted completely
W125	000000100611-0000	Depreciation not posted completely
W125	000000100610-0000	Depreciation not posted completely
W125	000000100609-0000	Depreciation not posted completely
W125	000000100608-0000	Depreciation not posted completely
W125	000000100607-0000	Depreciation not posted completely
W125	000000100623-0000	Depreciation not posted completely
W125	000000100624-0000	Depreciation not posted completely
W125	000000100625-0000	Depreciation not posted completely
W125	000000100626-0000	Depreciation not posted completely
W125	000000100627-0000	Depreciation not posted completely
W125	000000100628-0000	Depreciation not posted completely
W125	000000100629-0000	Depreciation not posted completely
W125	000000100630-0000	Depreciation not posted completely
W125	000000100631-0000	Depreciation not posted completely

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Configuration of FICO Modules

Depreciation Forecast

Accounting → Financial Accounting → Fixed Assets → Information System → Reports on Asset Accounting → Depreciation forecast → Depreciation on Capital Assets → Depreciation Simulation



Configuration of FICO Modules

The screenshot shows the SAP ERP interface with the title bar "SAP" and various menu options like List, Edit, Goto, Settings, Extras, System, Help. The main window is titled "Primary Cost Planning: Depreciation/Interest". It displays a grid of financial data for the year 2006, with columns for Object type name and various periods (01 to 08) along with Per_fix values. The data includes rows for Assets, Activity Type, Cost Ctr, Business Area, and Company Code W125.

Object type name	Per_ovh.01	Per_ovh.02	Per_ovh.03	Per_ovh.04	Per_ovh.05	Per_ovh.06	Per_ovh.07	Per_ovh.08	Per_ovh.09	Per_fix
	Per_fix.01	Per_fix.02	Per_fix.03	Per_fix.04	Per_fix.05	Per_fix.06	Per_fix.07	Per_fix.08	Per_fix.09	
Assets	2.990,23 0,00	2.990,22 0,00	2.990,23 0,00	2.990,23 0,00	2.990,22 0,00	2.990,23 0,00	0,00	0,00	0,00	0,0
* 64516001	2.990,23 0,00	2.990,22 0,00	2.990,23 0,00	2.990,23 0,00	2.990,22 0,00	2.990,23 0,00	0,00	0,00	0,00	0,0
Assets	5.708,56 0,00	5.708,56 0,00	5.708,56 0,00	5.708,56 0,00	5.708,56 0,00	5.708,57 0,00	5.708,55 0,00	5.708,56 0,00	5.708,56 0,00	5.708,5 0,0
* 64517001	5.708,56 0,00	5.708,56 0,00	5.708,56 0,00	5.708,56 0,00	5.708,56 0,00	5.708,57 0,00	5.708,55 0,00	5.708,56 0,00	5.708,56 0,00	5.708,5 0,0
Assets	20.536,99 0,00	20.536,98 0,00	20.536,99 0,00	20.536,99 0,00	20.536,98 0,00	20.536,99 0,00	20.536,99 0,00	20.536,98 0,00	20.536,98 0,00	20.536,9 0,0
* 64518001	20.536,99 0,00	20.536,98 0,00	20.536,99 0,00	20.536,99 0,00	20.536,98 0,00	20.536,99 0,00	20.536,99 0,00	20.536,98 0,00	20.536,98 0,00	20.536,9 0,0
** Activity Type	29.235,78 0,00	29.235,76 0,00	29.235,78 0,00	29.235,78 0,00	29.235,76 0,00	29.235,79 0,00	26.245,54 0,00	26.245,54 0,00	26.245,54 0,00	26.245,5 0,0
*** Cost Ctr 76427	29.235,78 0,00	29.235,76 0,00	29.235,78 0,00	29.235,78 0,00	29.235,76 0,00	29.235,79 0,00	26.245,54 0,00	26.245,54 0,00	26.245,54 0,00	26.245,5 0,0
**** Business Area	29.235,78 0,00	29.235,76 0,00	29.235,78 0,00	29.235,78 0,00	29.235,76 0,00	29.235,79 0,00	26.245,54 0,00	26.245,54 0,00	26.245,54 0,00	26.245,5 0,0
***** Company Code W125	29.235,78 0,00	29.235,76 0,00	29.235,78 0,00	29.235,78 0,00	29.235,76 0,00	29.235,79 0,00	26.245,54 0,00	26.245,54 0,00	26.245,54 0,00	26.245,5 0,0

Financial Statement Version (FSV)

Summary, Schedules and Accounts

We define a financial statement version in 2 steps:

1. Enter in the directory of financial statement versions
2. Define hierarchy levels and assign accounts

Each version must have the following special items:

1. Assets
2. Liabilities
3. Profit
4. Loss
5. Profit and Loss results
6. Accounts not assigned

The ABAP/4 program RFBILA00 calculates the balance sheet profit/loss from the assets and liabilities totals and enters the result in the “Balance sheet results profit/loss” item. The profit and loss statement results are determined from all accounts not assigned to either assets or liabilities, and are entered in the proper item.

1. A financial statement version consists of a maximum of 10 hierarchy levels
 - a. Assign items to each level. The system calculates a total/subtotal for each item which is then displayed when the program is run.
 - b. Assign texts to each item.
 - c. Assign the accounts whose balance and account name are to be listed to the lowest levels.

Define Financial Statement Version

Configuration of FICO Modules

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Closing → Documenting → Define Financial Statement Version

Select the New Entries

Give the Financial Statement Version: XYZ

Name: Balance sheet & Profit and loss Account

Check on “Item keys auto”

Chart of Accounts: XYZ

Save

Click ‘Financial Statement Items’ button

Double click ‘No text exists: Assets’

Item: Assets & Enter

Double click ‘No text exists: Liabilities’

Item: Liabilities & Enter

Keep the cursor on ‘XYZ’ Balance Sheet & Profit and loss Account

Click ‘Create items’ button

Income

Expenditure & Enter

Keep the cursor on the item which is to be changed

Keep the cursor on Assets

Click ‘Select +/-’ button (F9)

Keep the cursor on the item after which you want to place, i.e. ‘Liabilities’

Click ‘Reassign’ button

Select ‘Same level’ Radio button & Enter

Keep the cursor on ‘Income’ & Place it after ‘Expenditure’ & Save

To create Schedules:

Keep the cursor on ‘Liabilities’ & Press ‘Create items’ button

Give the heads you want

Repeat the same for ‘Assets’ & Save

To assign Accounts:

Keep the cursor on ‘Share Capital’

Click ‘Assign Accounts’ button

Give the range for the Accounts & Check on Dr. Cr. Enter

Repeat the same for other schedules

To check all Accounts assigned or not:

Click ‘Check’ Button (Ctrl+F5)

Select ‘Non-assigned Accounts’ & Enter

Report can be viewed if there are any non-assigned accounts

Save the version and open one more session to view the balance sheet for defining texts

View Balance Sheet (S_ALR_87012284)

Accounting → Financial Accounting → General Ledger → Information System → GL Reports → Balance Sheet/P&L Account/Cash Flows → General → Actual/Actual Comparisons → Balance Sheet/Profit & Loss Statement

Reports

To View Chart of Accounts (S_ALR_87012326)

Accounting > Financial Accounting > General Ledger > Information System > General Ledger Reports > Master Data > Chart of Accounts > Chart of Accounts

Trial Balance (S_ALR_87012310)

Accounting > Financial Accounting > General Ledger > Information System > General Ledger Reports > Account Balances > Korea > Trial Balance South Korea

Ledger for Balance Audit Trial (S_P99_41000327)

Accounting > Financial Accounting > General Ledger > Periodic Processing > Closing > Document > Balance Audit Trial > All Accounts > General Ledger from the Document File

Balance Sheet (S_ALR_87012284)

Accounting > Financial Accounting > General Ledger > Information System > GL Reports > Balance Sheet/P&L Account/Cash Flows > General > Actual/Actual Comparisons > Balance Sheet/Profit & Loss Statement

Drilldown Report P&L

Accounting > Financial Accounting > General Ledger > Information System > GL Reports > Balance Sheet/P&L Account/Cash Flows > General > Actual/Actual Comparisons > Actual/Actual comparison for year

Vendors List (S_ALR_87012086)

Accounting > Financial Accounting > Accounts Payable > Information System > Reports for Accounts Payable Accounting > Master Data > Vendor List

Vendor Age Analysis (S_ALR_87012085)

Accounting > Financial Accounting > Accounts Payable > Information System > Reports for Accounts Payable Accounting > Vendor Items > Vendor Payment History with Open Item Sorted List

List of Down Payments to Vendors (S_ALR_87012105)

Accounting > Financial Accounting > Accounts Payable > Information System > Reports for Accounts Payable Accounting > Vendor Items > List of Down Payments open at key date - Vendors

Vendors Ledger (S_ALR_87012103)

Accounting > Financial Accounting > Accounts Payable > Information System > Reports for Accounts Payable Accounting > Vendor Items > List of Vendor Line Items

Customer Balance Confirmation

Path: → Accounting → Financial Accounting → Accounts Receivables → Periodic Processing → Print Correspondence → Balance Confirmation → Print Letters

Customer Balance Confirmation

Customer	133533	to	<input type="text"/>	
General selections				
Company code	AT10	to	<input type="text"/>	
Reconciliation key date	26.04.2007			
Further selections				
<input checked="" type="checkbox"/> Individual customers				
<input type="checkbox"/> Head offices and branches				
<input type="checkbox"/> One-time customers				
<input type="checkbox"/> Check alternative head office				
<input type="checkbox"/> Corporate Group Version				
<input type="checkbox"/> Individual Request				
Special G/L indicator	<input type="text"/>	to	<input type="text"/>	
<input type="checkbox"/> Noted items				
<input type="checkbox"/> Only Expiring Currencies				
Accounts without postings	<input type="text"/>			
Only accounts posted to since	<input type="text"/>	to	<input type="text"/>	
Total balance	<input type="text"/>	to	<input type="text"/>	
<input checked="" type="checkbox"/> Zero balances				
Sales	<input type="text"/>	to	<input type="text"/>	
Sales period	<input type="text"/>	to	<input type="text"/>	
Every nth customer selected	<input type="text"/>			
General info				
Print Preview of LP01 Page 00001 of 00004				

Nestlé Österreich GmbH

Nestlé Österreich GmbH 1050 Wien

Johann Auer
OMV Tankstelle (73379)
Erlauftalstr 34
3251 Purgstall an der Erlauf

Saldenbestätigung

Datum	26.04.2007
Ihr Konto bei uns	133533
Unser Sachbearbeiter	
Telefonnummer	
Telefax	
Unser Konto bei Ihnen	

Vendors Balance Confirmation

Path: → Accounting → Financial Accounting → Accounts Payable → Periodic Processing → Print Correspondence → Balance Confirmation → Print Letters

Vendor Balance Confirmation

<input type="button" value="H"/>	<input type="button" value="S"/>		
Vendor	100155296 <input type="button" value="..."/>	to <input type="text"/>	<input type="button" value=">"/>
General selections			
Company code	DE13	to <input type="text"/>	<input type="button" value=">"/>
Reconciliation key date	25.04.2007		
Further selections			
<input checked="" type="checkbox"/> Individual vendors			
<input type="checkbox"/> Head offices and branches			
<input type="checkbox"/> One-time vendors			
<input type="checkbox"/> Check alternative head office			
<input type="checkbox"/> Corporate Group Version			
<input type="checkbox"/> Individual Request			
Special G/L indicator	<input type="text"/>	to <input type="text"/>	<input type="button" value=">"/>
<input type="checkbox"/> Noted items			
<input type="checkbox"/> Only Expiring Currencies			
Accounts without postings	<input type="text"/>		
Only accounts posted to since	<input type="text"/>	to <input type="text"/>	<input type="button" value=">"/>
Total balance	<input type="text"/>	to <input type="text"/>	<input type="button" value=">"/>
<input checked="" type="checkbox"/> Zero balances			
Sales	<input type="text"/>	to <input type="text"/>	<input type="button" value=">"/>
Sales period	<input type="text"/>	to <input type="text"/>	
Every nth vendor selected	<input type="text"/>		

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Nestlé Deutschland AG	
Balance confirmation	
Nestlé Deutschland AG 60523 Frankfurt/Main	
Camara de Industria y Comercio Argentino-Alemana	
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Closing Operations - Introduction

Purpose

Closing operations are periodic tasks and can be subdivided in FI as follows:

- Day-end closing
- Month-end closing
- Year-end closing

The closing operations component helps you prepare and carry out the activities required for day-end, month-end, and year-end closing. For this purpose, the system provides a series of standard reports that you can use to generate evaluations and analyses directly from all of the posted account balance. The system helps you carry out the following:

- (Time-based) accruals/deferrals of expenses and revenues
- Creating the balance sheets and P&L statements
- Document the posting data

Prerequisites

To carry out the closing operations in G/L accounting, you first need to carry out the closing operations in the subledger accounting areas you are using. These include:

- Accounts receivable and accounts payable accounting
- Inventory accounting
- Asset accounting
- Payroll accounting

Process Flow

Day-End Closing

Day-end closing includes all the activities required at the end of the day to check that all of the business transactions posted on that day have been correctly processed.

No additional postings are required for day-end closing.

You can use the following evaluations for day-end closing and for documenting the posting data:

- Correspondence with business partners
- Document journal
- Evaluation of the documents that have not been posted
- Compact journal

Day-End Closing: Checklist (see Appendix)

Month-End Closing

Month-end closing comprises all the activities involved in closing a posting period.

Configuration of FICO Modules

You can carry out the following activities as part of month-end closing:

- Open and close posting periods

You close one or more posting periods in the past for posting, and permit posting to be made to one or more current or future posting periods.

- Create external reports

You can use report programs to create the following reports, for example:

- Balance sheet/P&L statement
- Advance return for tax on sales and purchases
- Report in accordance with the German foreign trade regulations

- Document the posting data

This includes the following reports:

- Compact journal
- Balance audit trail
- Accounting reconciliation
- Account balances
- Open item list

- Carry out internal evaluations, such as extracts for downstream applications

- Reorganize and archive documents

Month-End Closing: Checklist (see Appendix)

Year-End Closing

Year-end closing is split into two phases:

- At the beginning of the new fiscal year, you open new posting periods and carry forward the balances from the previous year.
- You then prepare and create the financial statements, document the business transactions using the balance audit trail, and archive those documents you no longer need online.

The first posting in the fiscal year automatically opens that fiscal year. You must, however, have opened the relevant posting period first.

The SAP System offers a range of reports with which you can carry forward balances into the new fiscal year. During this process, the profit and loss accounts are carried forward to one or more retained earnings accounts. The balances of the balance sheet accounts are simply carried forward into the new fiscal year. You do not have to create special opening financial statements.

Any postings you make in the old fiscal year automatically adjust the relevant carry-forward balance. You do not have to close the old fiscal year and carry out the closing postings before opening the new fiscal year.

As with month-end closing, you can create all the external reports required, document the posting data, and carry out the internal evaluations.

Configuration of FICO Modules

Year-End Closing: Checklist (see Appendix)

Day-End Closing: Checklist

Document and check the posting data

The following reports are available as examples:

Report	Description
RFBNUM00	Gaps in Document Number Assignment
RFBNUM10	Invoice Numbers Allocated Twice
RFVBER00	Outstanding Posting Data
RFBELJ00	Compact Document Journal
RFEPOJ00	Line Item Journal

Month-End Closing: Checklist

Assets

Fixed Assets

- Execute the depreciation run and update the batch input session (SAP FI-AA)

Current Assets

Inventories

- GR/IR clearing account – clarify any differences and correct them if necessary (SAP LO-MM)
- Clear the GR/IR clearing account (SAP FI)
Prerequisite: Accounts have already been maintained by MM
- Period closing program (SAP LO-MM)
- Settle the work in process (SAP FI-CO)
- Post the reconciliation ledger (SAP FI-CO)

Receivables and Other Asset Items

- Check whether all the billing documents have been posted (SAP LO-SD)
- Valuate the foreign currency for the open items (SAP FI), see also Payables
- Valuate the foreign currency for the balances (SAP FI + SAP FI-TR)
- Regroup the open items (SAP FI), see also Payables

Accruals and Deferrals

- Post accruals/deferrals (SAP FI-TR + SAP FI)

Liabilities and Owner's Equity

Accruals

Configuration of FICO Modules

Payables

- Payroll accounting (SAP HR)
- Valuate the foreign currency for the open items (SAP FI), see also Receivables
- Valuate the foreign currency for the balances (SAP FI+SAP FI-TR), regroup the open items (SAP FI), see also Receivables

Accruals and Deferrals

- Post accruals/deferrals (SAP FI)

Miscellaneous

Additional Tasks (SAP FI)

- Post accruals/deferrals (SAP FI)
Check whether the accrual/deferral documents have to be reversed
- Carry out recurring entries and update the batch input session (SAP FI)
- Reconcile cost of sales accounting/period accounting/profit center ledger (SAP FI/SAP FI-CO)
- Close the posting period (SAP FI)
- Run the reconciliation program (SAPF190)

This program checks the documents and transaction figures in the R/3 System. You can only execute this run if you do not intend to carry out any postings for the period, otherwise reconciliation differences will occur. You can schedule the job to run in the background.

Printing Reports and Notifications:

- Balance sheets and P&L statements
- Advance return for tax on sales and purchases
- German foreign trade regulations (Z4, Z5A)
- EC sales list (quarterly)
- EXTRASTAT declarations (SAP LO-SD)
- INTRASTAT declarations (SAP LO-MM)
- Account balances (SAP FI)
- Journals (SAP FI)

Internal Closing (SAP FI-CO)

Internal order and project-related tasks:

- Transfer postings, surcharges, project interest calculation, settlement

Product and production-related tasks:

- Release a standard cost estimate, perform inventory costing, transfer postings, surcharges
Variance calculation, results analysis, and settlement

Cost center-related tasks:

- Transfer posting, distribution, assessment, activity allocation, transfer key figures, cost center variance, price calculation

Results-related tasks

- Evaluate actual postings, transfer external data, distribution, assessment, transfer balance sheet items to PCA

Year-End Closing: Checklist

Assets

Fixed Assets

- Settle the AuC (SAP FI-AA)
- Execute the depreciation run and update the batch input session (SAP FI-AA)
- Run the fiscal year change in Asset Accounting (SAP FI-AA)
This process creates the balance carryforwards for Asset Accounting. We recommend that you execute this run on the first day of the new fiscal year. Note: by this time, you should have completed year-end closing for Asset Accounting for the previous year.
- Carry out inventory postings (RAPERB00)

Current Assets

Inventories

- GR/IR clearing account – clarify differences and correct them if necessary (SAP LO-MM)
- Clear the GR/IR clearing account (SAP FI)
Prerequisite: The accounts have already been maintained by MM
- Regroup the GR/IR clearing account (SAP FI)
Prerequisite: The accounts have been maintained in the system (SAP LO-MM) and cleared (SAP FI)
Note: you first have to run the foreign currency valuation for the open items
- Period closing program (SAP LO-MM)
- Settle the work in process (SAP FI-CO)
- Post the reconciliation ledger (SAP FI-CO)
- Make an inventory of and post the inventory differences (SAP LO-MM)
- Valuate the inventory (SAP LO-MM)
- Post the valuation difference manually (SAP FI)
- Material ledger (SAP LO-MM)

Receivables and Other Asset Items

- Check whether all the billing documents have been posted (SAP LO-SD)
- Clarify the open items and differences
Write off the differences (manually) (SAP FI)
Adjust the individual values (SAP FI)
Adjust the flat-rate values (SAP FI)
- Valuate the foreign currency for the open items (SAP FI), see also Payables
- Regroup the receivables (for example, runtime intervals) (SAP FI), see also Payables

Configuration of FICO Modules

- Print the balance confirmations (SAP FI)
- Settle the rebate (SAP LO-SD), accruals, if necessary
- Calculate the interest for interest-bearing receivables (SAP FI)
- Valuate the foreign currency for the balances (SAP FI + SAP FI-TR)
- Reconcile the cash journal/print out the journal (SAP FI)

Accruals and Deferrals

- Post accruals/deferrals (SAP FI) + SAP FI-TR)

Liabilities and Owner's Equity

Accruals

- Leave reserve (SAP HR) – post manually in FI
- Accruals for rebates, discounts, and commissions (SAP LO-SD)

Payables

- Payroll accounting (SAP HR)
- Valuate the foreign currency for the open items (SAP FI), see also Receivables
- Valuate the foreign currency for the balances (SAP FI + SAP FI-TR)
- Regroup the payables (for example, runtime intervals) (SAP FI), see also Receivables

Accruals and Deferrals

- Post accruals/deferrals (SAP FI)

Miscellaneous

Additional Tasks (SAP FI)

- Post accruals/deferrals (SAP FI)
- Check whether the accrual/deferral documents have to be reversed
- Carry out recurring entries and update the batch input session (SAP FI)
- Carry forward the balance
- Check the balances carried forward against the closing balances of the previous year
- Start carrying forward the balance, if necessary (SAP FI)
- Reconcile cost of sales accounting/period accounting/profit center ledger (SAP FI/SAP FI-CO)
- Reconcile the asset history sheet and account balances
- Close Asset Accounting (SAP FI-AA)
- Close the posting period (SAP FI)
- Run the reconciliation program (SAPF190)

This program checks the documents and transaction figures in the R/3 System. You can only execute this run if you do not intend to carry out any postings for the period, otherwise reconciliation differences will occur. You can schedule the job to run in the background.

Configuration of FICO Modules

- Balance audit trail (SAP FI)

Printing Reports and Notifications:

- Asset history sheet (SAP FI-AA)
- Balance sheets and P&L statements (monthly and annual reports)
- Advance return for tax on sales and purchases (monthly notification and annual tax return)
- German foreign trade regulations (Z4, Z5A)
- EC sales list (quarterly)
- EXTRASTAT declarations (SAP LO-SD)
- INTRASTAT declarations (SAP LO-MM) (SAP)

Internal Closing (SAP FI-CO)

Internal order and project-related tasks:

- Transfer postings, surcharges, project interest calculation, settlement

Product and production-related tasks:

- Release standard cost estimate, perform inventory costing, transfer postings, surcharges, variance calculation, results analysis, and settlement

Cost center-related tasks:

- Transfer posting, distribution, assessment, activity allocation, transfer key figures, cost center variance, price calculation

Results-related tasks

- Evaluate actual postings, transfer external data, distribution, assessment, transfer balance sheet items to PCA

Financial year Closing Procedure

Month-end closing activities (Preparatory activities)

- HR – Payroll posting 57
- MM – Maintain GR/IR clearing account 12-13
 - Material valuations 14-15
 - Close material ledger 17
 - Close material master 18-19
- SD - Goods issues/invoices(Verify that all postings for the period have been generated)
- FI – Accrual/Deferral postings 44-45
 - Recurring Entries 46
 - Depreciation posting 5
 - Interest
 - Accounting > Financial Accounting > General Ledger > Periodic Processing > Interest Calculation > Balances (F.52)
 - AuC settlement 48
 - Close old period & open new period 63

Configuration of FICO Modules

- CO - Cost Centers: 51
 - Imputed costs, Distribution and assessment, indirect activity allocation, Calculate actual activity prices and update allocations
- Internal Orders: 47, 50
 - Overheads
 - Settlement (For external settlement to AA or FI, re-open appropriate GL A/cs)
- Production orders: 49
 - Overheads
 - WIP calculation
 - Variance calculation
 - Settlement
- Profitability Analysis: 52
 - Cost center assessments
 - Activity based costing
 - Allocations
- Lock old posting period for Controlling transactions 53

Month-end closing activities (Financial closing)

- FI - Re-open periods for adjustments 63
- CO/FI reconciliation postings (Cross-company code, cross-business area and cross-functional area flows within CO are posted to FI) 54-55
- Foreign currency open item valuation 39
- Accounting > Financial Accounting > Accounts receivable > Periodic Processing > Closing > Valuate > Valuation of Open Items in Foreign Currency (
- Foreign currency balance sheet account valuation 43
- Accounting > Financial Accounting > GL Accounts > Periodic Processing > Closing > Valuate > Valuation of Open Items in Foreign Currency (F.05)
- FI/PCA Balance sheet adjustment 67-70
- FI/CO-PA Profit and loss adjustment 71
- Final closing of posting periods 63
- Final Reporting:
 - Compact document journal 72
 - Financial statements 2-4
 - Taxes on sales/purchases 82
 - Balance audit trial 74-75

Year-end closing activities (Preparatory activities)

In addition to the regular month-end closing activities for the final period of the fiscal year to be closed, the activities to be performed for year-end closing process include:

- MM - Physical inventory procedure (Year-end or as required) 26
- Inventory valuations – lowest value determination, LIFO, FIFO (After closing the postings in MM for the fiscal year) 20-25
- CO - PP – Material valuation from new material cost estimates 16
- FI - FI - Open new fiscal year 63
- AR/AP – Balance confirmations 29-30
- AA – Fiscal year change 8
- FI – Balance carryforward 64
- AA – Valuations & Capital investment subsidies (after AA postings completed for fiscal year)
- AA – Year-end closing 9-10
- AR/AP – Close fiscal year 63

Year-end closing activities (Financial closing)

- FI - Analyze GR/IR postings 27
- Regroup receivables/payables 41
- General adjustments
- Final fiscal year closing 63
- GL – Account balances – old fiscal year to new fiscal year (Reconcile carry forward balances with prior year final balances)
- FI/CO/AA – Final reporting (same as monthly + Account balances year-end)
- AA – Asset history sheet 11
- Accumulated balance audit trial 76-79

Year End Closing Check List

Activity	Menu Path	Trans
1. Execute a Balance Sheet (RFBILA00)	<p><i>Information Systems → Accounting → Financial Accounting → General ledger → Information System → Balance Sheet</i></p> <p>or</p> <p><i>Accounting → Financial accounting → General ledger → Information system → General LedgerReports → Balance Sheet/Profit and Loss Statement/Cash Flow → General → Actual/Actual Comparisons → Balance Sheet/P+L</i></p>	F.01
2. Execute a Balance Sheet Drill Down Report	<i>Accounting → Financial accounting → General ledger → Information system → General LedgerReports → Balance Sheet/Profit and Loss Statement/Cash Flow → General →....</i>	Various
3. Process Depreciation Run	<i>Accounting → Financial accounting → Fixed assets → Periodic processing → Depreciation run → Execute</i>	AFAB
4. Process Revaluation	<i>Accounting → Financial accounting → Fixed assets → Periodic processing → Revaluation for the balance sheet → Post revaluation</i>	AR29
5. AA Fiscal Year Change	<i>Accounting → Financial accounting → Fixed assets → Periodic processing → Fiscal year change</i>	AJRW
6. AA Fiscal Year Close – Account Reconciliation	<i>Accounting → Financial accounting → Fixed assets → Periodic processing → Year-</i>	ABST2

	<i>end closing → Account reconciliation</i>	
7. AA Fiscal Year Close	<i>Accounting → Financial accounting → Fixed assets → Periodic processing → Year-end closing → Execute</i>	AJAB
8. Asset Balances	<i>Accounting → Financial accounting → Fixed assets → Info system → Reports on Asset Accounting → Balance Sheet Explanations → International → Asset Balance</i>	S_ ALR_ 87011994
9. Asset balances by Asset Class	<i>Accounting → Financial accounting → Fixed assets → Info system → Reports on Asset Accounting → Asset Balances → Asset Balances → by Asset Class</i>	S_ALR_87011964
10. Produce Asset History Sheet	<i>Accounting → Financial accounting → Fixed assets → Info system → Reports on Asset Accounting → Balance Sheet Explanations → International → Asset History Sheet</i> or <i>Accounting → Financial accounting → Fixed assets → Info system → Reports on Asset Accounting → Balance Sheet Explanations → Country Specifics → ...</i>	S_ ALR_ 87011990
11. Post Individual Value Adjustment	<i>Accounting → Financial accounting → Accounts receivable → Document entry → Other → Intern. trans. posting → Without clearing</i>	F-21
12. Writing-Off Doubtful Receivables	<i>Accounting → Financial accounting → Accounts receivable → Document entry → Other → Intern. trans. posting → With clearing</i>	F-30
13. Foreign Currency Open Item	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing > Valuate → Valuation of Open Items in Foreign Currency</i>	F.05
14. Posting Accruals/Deferrals	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Valuate → Enter Accrual/Deferral Doc.</i>	FBS1
15. Posting Accrual/Deferral Reversal	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Valuate → Reverse Accrual/Deferral Document</i>	F.81

16. Generate Recurring Entry Posting	<i>Accounting → Financial accounting → General ledger → Periodic processing → Recurring Entries → Execute</i>	F.14
17. Define fiscal year variants	<i>IMG → Financial Accounting → Financial Accounting Global Settings → Fiscal Year → Maintain Fiscal Year Variant (Maintain Shortened Fisc. Year)</i>	OB29
18. Allocate fiscal year variant to a company code	<i>IMG → Financial Accounting → Financial Accounting Global Settings → Fiscal Year → Assign Company Code to a Fiscal Year Variant</i>	OB37
19. Define Variants for Open Posting Periods	<i>IMG → Financial Accounting → Financial Accounting Global Settings → Document → Posting Periods → Define Variants for Open Posting Periods</i>	OBBO
20. Allocate Posting Period Variant to Company Code	<i>IMG → Financial Accounting → Financial Accounting Global Settings → Document → Posting Periods → Assign Variants to Company Code</i>	OBPP
21. Open and Close Posting Periods	<i>Accounting → Financial accounting → General ledger → Environment → Current settings → Open and Close Posting Periods</i>	OB52
22. Carry Forward Balance to New Fiscal Year	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Carry Forward → Balances</i>	F.16
23. Define Retained Earning account	<i>IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Closing → Carrying Forward → Define Retained Earnings Account</i>	OB53
24. Run Compact Document Journal	<i>Accounting → Financial accounting → General ledger → Information system → General Ledger Reports → Document → General → Compact Document Journal</i>	
25. Run Monthly Balance Audit Trail for Open Item Accounts	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Document → Balance audit trail → Open item accounts → Open Item Account Balance Audit Trail from the Document File</i>	

Activity	Menu Path	Trans
26. Run Monthly Balance Audit Trail for Other Accounts	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Document → Balance audit trail → All accounts → General Ledger from the Document File</i>	
27. Create Extract for Accumulated Open Item Balance Audit Trail	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Document → Balance audit trail → Open item accounts → From balance audit trail → Extract for Accumulated Open Item Audit Trail</i>	
28. Run Accumulated Open Item Balance Audit Trail	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Document → Balance audit trail → Open item accounts → From balance audit trail → Accts Detailed Listing from Open Item Account Accumulated Audit Trail</i>	
29. Create Extract for Accumulated Balance Audit Trail for Other Accounts	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Document → Balance audit trail → All accounts → From balance audit trail → Extract for the Accumulated Historical Balance Audit Trail</i>	
30. Run Accumulated Balance Audit Trail for Other Accounts	<i>Accounting → Financial accounting → General ledger → Periodic processing → Closing → Document → Balance audit trail → All accounts → From balance audit trail → Account Details from Historical Accumulated Balance Audit Trail</i>	

Cross Company Code Transactions

A cross company code transaction involves 2 or more company codes in one business transaction. For a cross company code transaction, the system will post a separate document in each of the company codes involved.

Examples for cross company code transactions are:

- One company code makes purchases for other company codes (Central Procurement)
 - One company code pays for other company codes (Central Payment)
 - One company code sells goods to other company code

Steps:

- Create Clearing Accounts in each of the company codes. The Clearing Accounts may be GL Accounts, Customer or Vendor Accounts.
 - Configure the Automatic Postings for Cross Company Code Transactions by assigning Clearing Accounts for both the company codes.

Creation of Clearing Accounts in both the Company Codes (FS00)

	In Company Code # 1	In Company Code # 2
Account Group	Current Assets	Current Liabilities
	Balance Sheet Account	Balance Sheet Account
Short Text	Clearing with CC2	Clearing with CC1
Long Text	Clearing with Company Code 2	Clearing with Company Code 1
Account Currency	INR	INR
	Only Bal in Local Currency	Only Bal in Local Currency
	Line Item Display	Line Item Display
Sort Key	001	001
Field Status Group	G001	G001
	Post Automatically Only	Post Automatically Only

Configure Automatic Postings for Cross Company Code Transactions (OBYA)

SPRO > Financial Accounting > General Ledger Accounting > Business Transactions > Prepare Cross Company Code Transactions

Company Code 1: Give CC1
Company Code 2: Give CC2 & Enter

<u>Under</u>	<u>Posted in:</u> Company Code 1	<u>Cleared against:</u> Company Code 2
Receivable →		Payable →
Debit Posting Key: 40		Credit Posting Key: 50
Account Debit: Clearing A/c with CC2	Account Credit: Clearing A/c with CC2	

Cross Company Code Invoice Posting (FB60)

Configuration of FICO Modules

Accounting > Financial Accounting > Accounts Payable > Document Entry > Invoice

Display Cross Company Code Document (FBU3)

Accounting > Financial Accounting > Accounts Payable > Document > Cross CC Transaction > Display

Reverse Cross Company Code Document (FBU8)

Accounting > Financial Accounting > Accounts Payable > Document > Cross CC Transaction > Reverse

Integration

MM FI Integration

Material Management to Finance

In this step, you enter the system settings for Inventory Management and Invoice Verification transactions for automatic postings to G/L accounts.

You can then check your settings using a simulation function.

Under [**Further information**](#) there is a list of transactions in Materials Management and their definitions.

What are automatic postings?

Postings are made to G/L accounts automatically in the case of Invoice Verification and Inventory Management transactions relevant to Financial and Cost Accounting.

Example:

Posting lines are created in the following accounts in the case of a goods issue for a cost center:

Stock account

Consumption account

How does the system find the relevant accounts?

When entering the goods movement, the user does not have to enter a G/L account, since the R/3 System automatically finds the accounts to which postings are to be made using the following data:

Chart of accounts of the company code

If the user enters a company code or a plant when entering a transaction, the R/3 System determines the chart of accounts which is valid for the company code.

You must define the automatic account determination individually for each chart of accounts.

Valuation grouping code of the valuation area

If the automatic account determination within a chart of accounts is to run differently for certain company codes or plants (valuation areas), assign different valuation grouping codes to these valuation areas.

You must define the automatic account determination individually for every valuation grouping code within a chart of accounts. It applies to all valuation areas which are assigned to this valuation grouping code.

If the user enters a company code or a plant when entering a transaction, the system determines the valuation area and the valuation grouping code.

Transaction/event key (internal processing key)

Posting transactions are predefined for those inventory management and invoice verification transactions relevant to accounting. Posting records, which are generalized in the value string, are assigned to each relevant movement type in inventory management and each transaction in invoice verification. These contain keys for the relevant posting transaction (for example, inventory posting and consumption posting) instead of actual G/L account numbers.

You do not have to define these transaction keys, they are determined automatically from the transaction (invoice verification) or the movement type (inventory management). All you have to do is assign the relevant G/L account to each posting transaction.

Account grouping (only for offsetting entries, consignment liabilities, and price differences)

Since the posting transaction "Offsetting entry for inventory posting" is used for different transactions (for example, goods issue, scrapping, physical inventory), which are assigned to different accounts (for example, consumption account, scrapping, expense/income from inventory differences), it is necessary to divide the posting transaction according to a further key: account grouping code.

An account grouping is assigned to each movement type in inventory management which uses the posting transaction "Offsetting entry for inventory posting".

Under the posting transaction "Offsetting entry for inventory posting", you must assign G/L accounts for every account grouping, that is, assign G/L accounts.

If you wish to post price differences to different price difference accounts in the case of goods receipts for purchase orders, goods receipts for orders, or other movements, you can define different account grouping codes for the transaction key.

Using the account grouping, you can also have different accounts for consignment liabilities and pipeline liabilities.

Valuation class of material or (in case of split valuation) the valuation type

The valuation class allows you to define automatic account determination that is dependent on the material. for example: you post a goods receipt of a raw material to a different stock account than if the goods receipt were for trading goods, even though the user enters the same transaction for both materials.

You can achieve this by assigning different valuation classes to the materials and by assigning different G/L accounts to the posting transaction for every valuation class.

If you do not want to differentiate according to valuation classes you do not have to maintain a valuation class for a transaction.

Requirements

Before you maintain automatic postings, you must obtain the following information:

1. Valuation level ([plant](#) or [company code](#))

Establish whether the materials are valued at plant or at company code level

When valuation is at plant level, the [valuation area](#) corresponds to a plant.

When valuation is at company code level, the valuation area corresponds to a company code.

[Define valuation level](#)

2. Chart of accounts and valuation grouping code per valuation area

Find out whether the valuation grouping code is active.

[Activate split valuation](#)

Configuration of FICO Modules

If it is not active, determine the chart of accounts assigned to each valuation area (via the company code).

If it is active, determine the chart of accounts and the valuation grouping code assigned to each valuation area.

Group valuation areas

You must define a separate account determination process for chart of accounts and each valuation grouping code.

3. Valuation class per material type

If you wish to differentiate the account determination process for specific transactions according to valuation classes, find out which valuation classes are possible for each material type.

Define valuation classes

4. Account grouping for offsetting entries to stock accounts

Under [Define account grouping for movement types](#), determine for which movement types an account grouping is defined for the transaction/event keys GGB (offsetting entry to stock posting), KON (consignment liabilities) and PRD (price differences).

Default settings

G/L account assignments for the charts of accounts **INT** and the valuation grouping code **0001** are SAP standard.

Activities

1. Create account keys for each chart of accounts and each valuation grouping code for the individual posting transactions. To do so, proceed as follows:

a) Call up the activity [Configure Automatic Postings](#).

The R/3 system first checks whether the valuation areas are correctly maintained. If, for example, a plant is not assigned to a company code, a dialog box and an error message appear.

From this box, choose *Continue* (next entry) to continue the check.

Choose *Cancel* to end the check.

The configuration menu *Automatic postings* appears.

b) Choose *Goto -> Account assignment*.

A list of posting transactions in Materials Management appears. For further details of the individual transactions, see [Further information](#).

The Account determination indicator shows whether automatic account determination is defined for a transaction.

c) Choose a posting transaction.

A box appears for the first posting transaction. Here you can enter a chart of accounts.

You can enter the following data for each transaction:

Rules for account number assignments

With *Goto -> Rules* you can enter the factors on which the account number assignments depend:

- debit/credit indicator
- general grouping (= account grouping)

Configuration of FICO Modules

- valuation grouping
- valuation class

Posting keys for the posting lines

Normally you do not have to change the posting keys. If you wish to use new posting keys, you have to define them in the Customizing system of Financial Accounting.

Account number assignments

You must assign G/L accounts for each transaction/event key (except KBS). You can assign these accounts manually or copy them from another chart of accounts via *Edit -> Copy*.

If you want to differentiate posting transactions (e.g. inventory postings) according to valuation classes, you must make an account assignment for each valuation class.

Using the posting transaction "Offsetting entry for inventory posting", you have to make an account assignment for each account grouping

If the transaction PRD (price differences) is also dependent on the account grouping, you must create three account assignments:

- an account assignment without account grouping
- an account assignment with account grouping PRF
- an account assignment with account grouping PRA

If the transaction KON (consignment and pipeline liabilities) is also dependent on the account grouping, you must create two account assignments:

- an account assignment without account grouping (consignment)
- an account assignment with account grouping (pipeline)

d) Save your settings.

2. Then check your settings with the simulation function.

With the simulation function, you can simulate the following:

Inventory Management transactions

Invoice Verification transactions

When you enter a material or valuation class, the R/3 system determines the G/L accounts which are assigned to the corresponding posting transactions. Depending on the configuration, the SAP system checks whether the G/L account exists

In the simulation you can compare the field selection of the movement type with that of the individual accounts and make any corrections.

If you want to print the simulation, choose *Simulation -> Report*.

To carry out the simulation, proceed as follows:

- a) Choose *Settings* to check the simulation defaults for
 - the application area (Invoice Verification or Inventory Management)
 - the input mode (material or valuation class)
 - account assignment

Instructions

- b) Choose *Goto -> Simulation*.

The screen for entering simulation data appears.

- c) Depending on the valuation level, enter a plant or a company code on the screen.
- d) When you simulate Inventory Management transactions, goods movements are simulated. The R/3 system suggests the first movement type for simulation. If several movements are possible with this movement type, you can select a line.

When you simulate Invoice Verification transactions, a list appears on the screen of the possible transaction types. Select a line.

- e) Then choose *Goto -> Account assignments*.

A list appears of the posting lines which can be created by the selected transaction. For each posting line, the G/L account for the debit posting as well as the G/L account for the credit posting are displayed.

- f) From this screen, choose *Goto -> Movement+* to get a list of the posting lines for the next movement type or transaction type.

If you work with valuation classes, choose *Goto -> Valuation class+* to receive the simulation for the next valuation class. This function is not possible when simulating with material numbers.

Choose *Goto -> Check screen layout* to compare the movement type with the G/L accounts determined by the system and make any necessary corrections.

Note

The simulation function does NOT obviate the need for a trial posting!

Further notes

The following list shows the individual transactions with examples of how they are used. The transaction/event key is specified in brackets.

Agency business: income (AG1)

This transaction can be used in agency business for income deriving from commission (e.g. del credere commission). The account key is used in the calculation schemas for agency business to determine the associated revenue accounts.

Agency business: turnover (AG2)

This transaction can be used in agency business if turnover (business volume) postings are activated in Customizing for the payment types. The account key is specified in Customizing for the billing type.

Agency business: expense (AG3)

This transaction can be used in agency business for commission expenses. The account key is used in the calculation schemas for agency business to determine the associated expense accounts.

Expense/revenue from consumption of consignment material (AKO)

This transaction is used in Inventory Management in the case of withdrawals from consignment stock or when consignment stock is transferred to own stock if the material is subject to standard price control and the consignment price differs from the standard price.

Expenditure/income from transfer posting (AUM)

This transaction is used for transfer postings from one material to another if the complete value of the issuing material cannot be posted to the value of the receiving material. This applies both to materials with standard price control and to materials with moving average price control. Price differences can arise for materials with moving average price if stock levels are negative and the stock value becomes unrealistic as a result of the posting. Transaction AUM can be used

irrespective of whether the transfer posting involves a transfer between plants. The expenditure/income is added to the receiving material.

Provisions for subsequent (end-of-period rebate) settlement (BO1)

If you use the "subsequent settlement" function with regard to conditions (e.g. for period-end volume-based rebates), provisions for accrued income are set up when goods receipts are recorded against purchase orders if this is defined for the condition type.

Income from subsequent settlement (BO2)

The rebate income generated in the course of "subsequent settlement" (end-of-period rebate settlement) is posted via this transaction.

Income from subsequent settlement after actual settlement (BO3)

If a goods receipt occurs after settlement accounting has been effected for a rebate arrangement, no further provisions for accrued rebate income can be managed by the "subsequent settlement" facility. No postings should be made to the account normally used for such provisions. As an alternative, you can use this transaction to post provisions for accrued rebate income to a separate account in cases such as the one described.

Supplementary entry for stock (BSD)

This account is posted when closing entries are made for a cumulation run. This account is a supplementary account to the stock account; that is, the stock account is added to it to determine the stock value that was calculated via the cumulation. In the process, the various valuation areas (for example, commercial, tax), that are used in the balance sheet are taxed separately.

Change in stock (BSV)

Changes in stocks are posted in Inventory Management at the time goods receipts are recorded or subsequent adjustments made with regard to subcontract orders.

If the account assigned here is defined as a cost element, you must specify a preliminary account assignment for the account in the table of automatic account assignment specification (Customizing for Controlling) in order to be able to post goods receipts against subcontract orders. In the standard system, cost center SC-1 is defined for this purpose.

Stock posting (BSX)

This transaction is used for all postings to stock accounts. Such postings are effected, for example:

In inventory management in the case of goods receipts to own stock and goods issues from own stock

In invoice verification, if price differences occur in connection with incoming invoices for materials valued at moving average price and there is adequate stock coverage

In order settlement, if the order is assigned to a material with moving average price and the actual costs at the time of settlement vary from the actual costs at the time of goods receipt

Because this transaction is dependent on the valuation class, it is possible to manage materials with different valuation classes in separate stock accounts.

Caution

Take care to ensure that:

A stock account is not used for any transaction other than BSX

Postings are not made to the account manually

Configuration of FICO Modules

The account is not changed in the productive system before all stock has been booked out of it

Otherwise differences would arise between the total stock value of the material master records and the balance on the stock account.

Account determination of valued sales order stock and project stock

Note that for valued sales order stock and project stock (special stock E and Q) and for the transaction/event keys **BSX** and**GBB**, you must maintain an account determination to avoid receiving warning messages when entering data (purchase order or transfer posting) for valued stock.

During data entry, the system attempts to execute a provisional account determination for GBB for valued stock. The system will only replace the provisional account determination for GBB with the correct account determination for the stock account (BSX), in the background, if you enter the data for valued stock at a later point in time.

Revaluation of other consumption (COC)

This transaction/event key is required for the revaluation of consumption in *Actual Costing/Material Ledger*.

Revaluation of consumption evaluates single-level consumption using the actual prices determined in the *Actual Costing/Material Ledger* application. This revaluation can either take place in the account where the original postings were made, or in a header account.

The header account is determined using the transaction/event key **COC**.

Del credere (DEL)

Transaction/event key for the payment/invoice list documents in Purchasing. The account key is needed in the calculation schema for payment/settlement processing to determine the associated revenue accounts.

Small differences, Materials Management (DIF)

This transaction is used in Invoice Verification if you define a tolerance for minor differences and the balance of an invoice does not exceed the tolerance.

Purchase account(EIN), purchase offsetting account (EKG), freight purchase account (FRE)

These transactions are used only if [Purchase Account Management](#) is active in the company code.

Note

Due to special legal requirements, this function was developed specially for certain countries (Belgium, Spain, Portugal, France, Italy, and Finland).

Before you use this function, check whether you need to use it in your country.

Freight clearing (FR1), provision for freight charges (FR2), customs duty clearing (FR3), provision for customs duty (FR4)

These transactions are used to post delivery costs (incidental procurement costs) in the case of goods receipts against purchase orders and incoming invoices. Which transaction is used for which delivery costs depends on the condition types defined in the purchase order.

You can also enter your own transactions for delivery costs in condition types.

External service (FRL)

The transaction is used for goods and invoice receipts in connection with subcontract orders.

If the account assigned here is defined as a cost element, you must specify a preliminary account assignment for the account in the table of automatic account assignment specification

(Customizing for Controlling) in order to be able to post goods receipts against subcontract orders. In the standard system, cost center SC-1 is defined for this purpose.

External service, delivery costs (FRN)

This transaction is used for delivery costs (incidental costs of procurement) in connection with subcontract orders.

If the account assigned here is defined as a cost element, you must specify a preliminary account assignment for the account in the table of automatic account assignment specification (Customizing for Controlling) in order to be able to post goods receipts against subcontract orders. In the standard system, cost center SC-1 is defined for this purpose.

Offsetting entry for stock posting (GBB)

Offsetting entries for stock postings are used in Inventory Management. They are dependent on the account grouping to which each movement type is assigned. The following account groupings are defined in the standard system:

AUA: for order settlement

AUF: for goods receipts for orders (without account assignment)
and for order settlement if AUA is not maintained

AUI: Subsequent adjustment of actual price from cost center directly
to material (with account assignment)

BSA: for initial entry of stock balances

INV: for expenditure/income from inventory differences

VAX: for goods issues for sales orders without
account assignment object (the account is not a cost element)

VAY: for goods issues for sales orders with
account assignment object (account is a cost element)

VBO: for consumption from stock of material provided to vendor

VBR: for internal goods issues (for example, for cost center)

VKA: for sales order account assignment
(for example, for individual purchase order)

VKP: for project account assignment (for example, for individual PO)

VNG: for scrapping/destruction

VQP: for sample withdrawals without account assignment

VQY: for sample withdrawals with account assignment

ZOB: for goods receipts without purchase orders (mvt type 501)

ZOF: for goods receipts without production orders
(mvt types 521 and 531)

You can also define your own account groupings. If you intend to post goods issues for cost centers (mvt type 201) and goods issues for orders (mvt type 261) to separate consumption accounts, you can assign the account grouping ZZZ to movement type 201 and account grouping YYY to movement type 261.

Caution

If you use goods receipts without a purchase order in your system (movement type 501), you have to check to which accounts the account groupings are assigned **ZOB**

If you expect invoices for the goods receipts, and these invoices can only be posted in Accounting, you can enter a clearing account (similar to a GR/IR clearing account though without open item management), which is cleared in Accounting when you post the vendor invoice.

Note that the goods movement is valued with the valuation price of the material if no external amount has been entered.

As no account assignment has been entered in the standard system, the assigned account is not defined as a cost element. If you assign a cost element, you have to enter an account assignment via the field selection or maintain an automatic account assignment for the cost element.

Account determination of valued sales order stock and project stock

Note that for valued sales order stock and project stock (special stock E and Q) and for the transaction/event keys **BSX** and**GBB**, you must maintain an account determination to avoid receiving warning messages when entering data (purchase order or transfer posting) for valued stock.

During data entry, the system attempts to execute a provisional account determination for GBB for valued stock. The system will only replace the provisional account determination for GBB with the correct account determination for the stock account (BSX), in the background, if you enter the data for valued stock at a later point in time.

Purchase order with account assignment (KBS)

You cannot assign this transaction/event key to an account. It means that the account assignment is adopted from the purchase order and is used for the purpose of determining the posting keys for the goods receipt.

Exchange Rate Differences Materials Management(AVR) (KDG)

When you carry out a revaluation of single-level consumption in the material ledger for an alternative valuation run, the exchange rate difference accounts of the materials are credited with the exchange rate differences that are to be assigned to the consumption.

Exchange rate differences in the case of open items (KDM)

Exchange rate differences in the case of open items arise when an invoice relating to a purchase order is posted with a different exchange rate to that of the goods receipt and the material cannot be debited or credited due to standard price control or stock undercoverage/shortage.

Differences due to exchange rate rounding, Materials Management (KDR)

An exchange rate rounding difference can arise in the case of an invoice made out in a foreign currency. If a difference arises when the posting lines are translated into local currency (as a result of rounding), the system automatically generates a posting line for this rounding difference.

Exchange Rate Differences from Lower Levels (KDV)

In multi-level periodic settlement in the material ledger, some of the exchange rate differences that have been posted during the period in respect of the raw materials, semifinished products and cost centers performing the activity used in the manufacture of a semifinished or finished product are debited or credited to that semifinished or finished product.

Consignment liabilities (KON)

Configuration of FICO Modules

Consignment liabilities arise in the case of withdrawals from consignment stock or from a pipeline or when consignment stock is transferred to own stock.

Depending on the settings for the posting rules for the transaction/event key KON, it is possible to work with or without account modification. If you work with account modification, the following modifications are available in the standard system:

None for consignment liabilities

PIP for pipeline liabilities

Offsetting entry for price differences in cost object hierarchies (KTR)

The contra entry for price difference postings (transaction PRK) arising through settlement via material account determination is carried out with transaction KTR.

Accruals and deferrals account (material ledger) (LKW)

If the process of material price determination in the material ledger is not accompanied by revaluation of closing stock, the price and exchange rate differences that should actually be applied to the stock value are contra-posted to accounts with the transaction/event key LKW.

If, on the other hand, price determination in the material ledger is accompanied by revaluation of the closing stock, the price and exchange rate differences are posted to the stock account (i.e. the stock is revalued).

Price Difference from Exploded WIP (Lar.) (PRA)

If you use the WIP revaluation of the material ledger, the price variances of the exploded WIP stock of an activity type or a business process are posted to the price differences account with transaction/event key PRA.

Differences (AVR Price) (PRC)

In the alternative valuation run in the material ledger, some of the variances that accrue interest in the cost centers, are transfer posted to the semifinished or finished product.

Price differences (PRD)

Price differences arise for materials valued at standard price in the case of all movements and invoices with a value that differs from the standard price. Examples: goods receipts against purchase orders (if the PO price differs from the standard pricedardpreis), goods issues in respect of which an external amount is entered, invoices (if the invoice price differs from the PO price and the standard price).

Price differences can also arise in the case of materials with moving average price if there is not enough stock to cover the invoiced quantity. In the case of goods movements in the negative range, the moving average price is not changed. Instead, any price differences arising are posted to a price difference account.

Depending on the settings for the posting rules for transaction/event key PRD, it is possible to work with or without account modification. If you use account modification, the following modifications are available in the standard system:

None for goods and invoice receipts against purchase orders

PRF for goods receipts against production orders and
order settlement

PRA for goods issues and other movements

PRU for transfer postings (price differences in the case
of external amounts)

Price Differences (Material Ledger, AVR) (PRG)

When you carry out a revaluation of single-level consumption in the material ledger during the alternative valuation run, the price difference accounts of the materials are credited with the price differences that are to be assigned to the consumption.

Price differences in cost object hierarchies (PRK)

In cost object hierarchies, price differences occur both for the assigned materials with standard price and for the accounts of the cost object hierarchy. In the course of settlement for cost object hierarchies after settlement via material account determination, the price differences are posted via the transaction PRK.

Price Difference from Exploded WIP (Mat.) (PRM)

If you use the WIP revaluation of the material ledger, the price and exchange rate differences of the exploded WIP stock of a material are posted to the price difference account with transaction/event key PRM.

Price differences, product cost collector (PRP)

During settlement accounting with regard to a product cost collector in repetitive manufacturing, price differences are posted with the transaction PRP in the case of the valued sales order stock.

This transaction is currently used in the following instances only:

- Production cost collector in Release 4.0
- Product cost collector in IS Automotive Release 2.0 (product cost collector in connection with APO)

Offsetting entry: price differences, product cost collector (PRQ)

The offsetting (contra) entry to price difference postings (transaction PRP) in the course of settlement accounting with respect to a product cost collector in repetitive manufacturing in the case of the valued sales order stock is carried out via transaction PRQ.

This transaction is currently used in the following instances only:

- Production cost collector in Release 4.0
- Product cost collector in IS Automotive Release 2.0 (product cost collector in connection with APO)

Price Differences from Lower Levels (PRV)

In multi-level periodic settlement in the material ledger, some of the price differences posted during the period in respect of the raw materials, semifinished products, and cost centers performing the activity used in a semifinished or finished product, are transfer posted to that semifinished or finished product.

Price differences for material ledger (PRY)

In the course of settlement in the material ledger, price differences from the material ledger are posted with the transaction PRY.

Expense and revenue from revaluation (retroactive pricing, RAP)

This transaction/event key is used in Invoice Verification within the framework of the revaluation of goods and services supplied for which settlement has already taken place. Any difference amounts determined are posted to the accounts assigned to the transaction/event key RAP (retroactive pricing) as expense or revenue.

At the time of the revaluation, the amounts determined or portions thereof are posted neither to material stock accounts nor to price difference accounts. The full amount is always posted to the

"Expense from Revaluation" or "Revenue from Revaluation" account. The offsetting (contra) entry is made to the relevant vendor account.

Invoice reductions in Logistics Invoice Verification (RKA)

This transaction/event key is used in Logistics Invoice Verification for the interim posting of price differences in the case of invoice reductions.

If a vendor invoice is reduced, two accounting documents are automatically created for the invoice document. With the first accounting document, the amount invoiced is posted in the vendor line. An additional line is generated on the invoice reduction account to partially offset this amount. With the second accounting document, the invoice reduction is posted in the form of a credit memo from the vendor. The offsetting entry to the vendor line is the invoice reduction account. Hence the invoice reduction account is always balanced off by two accounting documents within one transaction.

Provision for delivery costs (RUE)

Provisions are created for accrued delivery costs if a condition type for provisions is entered in the purchase order. They must be cleared manually at the time of invoice verification.

Taxes in case of transfer posting GI/GR (TXO)

This transaction/event key is only relevant to Brazil (nota fiscal).

Revenue/expense from revaluation (UMB)

This transaction/event key is used both in Inventory Management and in Invoice Verification if the standard price of a material has been changed and a movement or an invoice is posted to the previous period (at the previous price).

Expenditure/income from revaluation (UMD)

This account is the offsetting account for the BSD account. It is posted during the closing entries for the cumulation run of the material ledger and has to be defined for the same valuation areas.

Unplanned delivery costs (UPF)

Unplanned delivery costs are delivery costs (incidental procurement costs) that were not planned in a purchase order (e.g. freight, customs duty). In the SAP posting transaction in Logistics Invoice Verification, instead of distributing these unplanned delivery costs among all invoice items as hitherto, you have the option of posting them to a special account. A separate tax code can be used for this account.

Input tax, Purchasing (VST)

Transaction/event key for tax account determination within the "subsequent settlement" facility for debit-side settlement types. The key is needed in the settlement schema for tax conditions.

Inflation posting (WGB)

Transaction/event key that posts inflation postings to a different account, within the handling of inflation process for the period-end closing.

Goods issue, revaluation (inflation) (WGI)

This transaction/event key is used if already-posted goods issues have to be revaluated following the determination of a new market price within the framework of inflation handling.

Goods receipt, revaluation (inflation) (WGR)

This transaction/event key is used if already-effected transfer postings have to be revaluated following the determination of a new market price within the framework of inflation handling.

Configuration of FICO Modules

This transaction is used for the receiving plant, whereas transaction WGI (goods receipt, revaluation (inflation)) is used for the plant at which the goods are issued.

WIP from Price Differences (Internal Activity) (WPA)

When you use the WIP revaluation of the material ledger, the price variances from the actual price calculation that are to be assigned to the WIP stock, an activity type or a business process are posted to the WIP account for activities.

WIP from Price Differences (Material) (WPM)

When you use the WIP revaluation of the material ledger, the price and exchange rate differences that are to be assigned to the WIP stock of a material are posted to the WIP account for material.

GR/IR clearing (WRX)

Postings to the GR/IR clearing account occur in the case of goods and invoice receipts against purchase orders. For more on the GR/IR clearing account, refer to the SAP Library (documentation **MM Material Valuation**).

Caution

You must set the **Balances in local currency only** indicator for the GR/IR clearing account to enable the open items to be cleared. For more on this topic, see the field documentation.

GR/IR clearing for material ledger (WRY)

This transaction/event key is not used from Release 4.0 onwards.

Prior to 4.0, it was used for postings to the GR/IR clearing account if the material ledger was active. As of Release 4.0, the transaction is no longer necessary, since postings to the GR/IR account in parallel currencies are possible.

Customers who used the transaction WRY prior to Release 4.0 must make a transfer posting from the WRY account to the WRX account in order to ensure that the final balance on the WRY account is zero.

Material Types

ROH	Raw Material
ERSA	Stores & Spares
VERP	Packaging Material
FERT	Finished Goods
HALB	Semi Finished Goods
HAWA	Traded Goods
DIEN	Services

Views

Basic View, Purchase View, Production View, Sales View, Quality View, Accounting View, Costing View, MRP View, Plant View etc.

Creation of Material Master (MM01)

Logistics → Material Management → Material Master → Material → Create General → Immediately

Accounting Views (MM03)

Fields: 1) Valuation Category 2) Valuation Class 3) Price Control

Valuation Category: Batch Classification & Average

Configuration of FICO Modules

Valuation Class: For Raw Material → Indigenous and Imported

Rules:

- The Material Master is to be created wrt Material Type
- In the Material Master we assign the Valuation Class
- For Valuation Class we assign the GL Masters based on the type of Transaction

Price Control

SPRO → Material Management → Valuation & Account Assignment → Define Price Control for Material Types

S – ‘Standard Price’, will be used for ‘Finished Goods’

V – ‘Moving Average’, will be used for ‘other than Finished Goods’

MM FLOW

1. Purchase Requisition – No FI Entry
2. Enquiry, Quotation and Price Comparison – No FI Entry
3. Purchase Order – No FI Entry
4. Purchase Order Release Procedure – No FI Entry
5. Goods Receipt (Will be taken wrt PO) -

Inventory RM Local A/c. Dr	(BS – CA)	BSX
To GR/IR Clearing A/c.	(BS – CL)	WRX
6. Invoice Verification –

GR/IR Clearing A/c. Dr	(BS – CL)	WRX
To Vendor A/c.	(BS – CL)	P.O.
7. Consumption –

RM Consumption Local A/c. Dr	(P&L Dr)	GBB-VBR
To Inventory RM Local A/c.	(BS – CA)	BSX
8. Production Receipt –

Inventory FG A/c. Dr	(BS – CA)	BSX
To Increase/Decrease in Stocks FG	(P&L Cr)	GBB-ZOB
9. FG Delivery –

Increase/Decrease in Stocks FG Dr	(P&L Cr)	GBB-VAX
To Inventory FG	(BS – CA)	BSX
10. Billing – SD Area

FI MM Integration Settings (OBYC)

SPRO → Material Management → Valuation and Account Assignment → Account Determination → Account Determination without Wizard → Configure Automatic Postings (OMWB)

Cancel the existing Plant

Select ‘Account Assignment’ Button (OBYC)

SD FI Integration

SD FLOW

1. Enquiry/Quotation – No FI Entry
2. Sales Order – No FI Entry
3. Delivery – Without PGI & With PGI

Increase/Decrease in Stocks A/c. Dr	GBB – VAX
To Inventory FG	BSX

Configuration of FICO Modules

4. Billing -

Party A/c. Dr	SO
Commission A/c. Dr	ERS
To Sales – Export A/c.	ERL
To Freight Collection A/c.	ERF

Pricing Procedure VK11		Condition Type: KOFI
Material	ERS	
Region to Region	ERL	
Tax Code	ERF	

SD FI Integration (VKOA)

SPRO → Financial Accounting → General Ledger Accounting → Business Transactions → Integration → Sales and Distribution → Prepare Revenue Account Determination

Double Click 003 Material Group Account Key

Application Area: V Sales/Distribution

Condition Type: KOFI

<u>Account Assignment</u>	<u>Goods</u>	<u>Account Key</u>
Trading Goods	ERL	Revenue
Finished Goods	ERS	Sales Deductions
Services	ERF	Freight Revenue

Controlling

Basic Settings

Maintain Controlling Area (OKKP)

Maintain Versions

Maintain Number Ranges for Controlling Documents (KANK)

Cost Element Accounting

Create Primary Cost Element in FI and CO

Create Secondary Cost Element:

Creation of GL Account & Cost Element at FI Level (FS00)

Creation of Cost Element at CO Level (KA01)

Automatic Creation of Cost Element (OKB2)

Create Cost Element Group (KAH1)

Cost Center Accounting

Create Cost Center (KS01)

Create Cost Center Group (KSH1)

Create Cost Center Group (KSMH) Post the Transaction in FI (E 02)

To get Cost Center wise Report (KSB1)

To get Cost Center wise Report (KSBT) To See CO Document Numbers (KSB5)

To See CO Document Numbers (KS)
Report Line Items (KB61):

Configuration of FICO Modules

Repost Costs (KB11N):
Planning Cost Center wise (KP06)
To View the Report Planned, Actual and Variance (S_ALR_87013611)
Assessment
Creation of Secondary Cost Element (KA06)
Creation of Assessment Cycle (S_ALR_87005742)
Execution of Assessment Cycle (KSU5)

Internal Orders

Creation of Order Types (KOT2_OPA)
Creation of New Field Status Group where Cost Center and Internal Order both are mandatory Fields
Creation of GL Master and Cost Element (FS00)
Creation of Internal Orders (KO01)
Creation of Internal Order Group (KOH1)
Posting of Transaction (F-02)
To View Internal Order Report (KOB1)
Repost Line Items (KB61)
Repost Costs (KB11N)
Planning Internal Order wise (KPF6)
To View Plan/Actual/Variance Report (S_ALR_87012993)
Creation of Bank Term Loan A/c. under Secured Loans (FS00)
Creation of 'Forex Gain/Loss A/c' under Admn Expenses (FS00)
Creation of Valuation Method (OB59)
Prepare Automatic Postings for FC Valuation (OBA1)
Assignment of 'Exchange Rate Difference Key' in GL Master (FS00)
Creation of Sub Asset (AS11)
Maintain Allocation Structure
Maintain Settlement Profile
Creation of Order Type (KOT2_OPA)
Assign Element Group KOAO (KANK)
Creation of Internal Order (KO01)
Assign Order in the Cost Element (KA02)
Posting of Bank Term Loan (F-02)
Enter Exchange Rate in Forex Table
Forex Loan Revaluation Run (F.05)
To See Internal Order Report (KOB1)
Execution of Internal Order Settlement (KO88)

Profit Center Accounting

Set Controlling Area
Maintain Controlling Area Settings
Creation of Dummy Profit Center (KE59)
Set Control Parameters for Actual Data
Maintain Plan Versions
Creation of Profit Center (KE51)
Assignment of Profit Center in Cost Center (KS02)
Creation of Sales A/c. and Revenue Cost Element (FS00)
Automatic Account Assignments for Revenue Elements (OKB9)
Derivation Rule for Assignment of Balance Sheet items to Profit Center (3KEH)

Configuration of FICO Modules

(Where Business Area = Profit Center)
Derivation Rule for Finding the Profit Center
Define Number Ranges for Local Documents (GB02)
Planning of P&L items for Profit Centers (7KE1)
Planning Balance Sheet Accounts (7KE3)
Profit Center Plan/Actual/Variance P&L items (S_ALR_87013326)
Profit Center Plan/Actual/Variance Balance Sheet items (S_ALR_87013336)

Profitability Analysis

Create Operating Concern
Assign Controlling Area to Operating Concern
Create Number Ranges for actual postings in PA
Activation of PA
Mapping of SD Condition types to COPA Value Fields
Maintain PA Transfer Structure for Direct Postings
Change Field Status Group to make Profitability Segment mandatory
Define Form for Profitability Reports
Create Profitability Report
Execute the Profitability Report

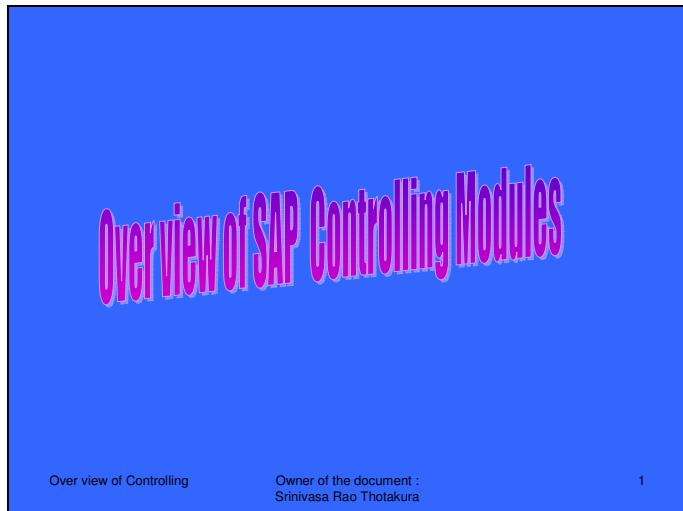
Overview of Controlling

Controlling provides you with information for management decision-making. It facilitates coordination, monitoring and optimization of all processes in an organization. This involves recording both the consumption of production factors and the services provided by an organization.

Configuration of FICO Modules

As well as documenting actual events, the main task of controlling is planning. You can determine variances by comparing actual data with plan data. These variance calculations enable you to control business flows.

Income statements such as, contribution margin accounting, are used to control the cost efficiency of individual



Controlling

- Controlling provides you with information for management decision-making. It facilitates coordination, monitoring and optimization of all processes in an organization. This involves recording both the consumption of production factors and the services provided by an organization.
- As well as documenting actual events, the main task of controlling is planning. You can determine variances by comparing actual data with plan data. These variance calculations enable you to control business flows.
- Income statements such as, contribution margin accounting, are used to control the cost efficiency of individual areas of an organization, as well as the entire organization.

Integration

- Controlling (CO) and Financial Accounting (FI) are independent components in the SAP system. The data flow between the two components takes place on a regular basis.

Over view of Controlling Owner of the document : Srinivasa Rao Thotakura 2

Organization in Controlling

Use

Using the SAP system, you can define each of the organizational units in your organization from the perspective of an SAP application component.

In the Financial Accounting (FI) component, you can define the organizational units for accounting in the Controlling (CO) component under controlling aspects.

The SAP system has direct links between internal and external accounting. This means that FI and CO organizational units are related.

Integration

You assign organizational units from the Financial Accounting component to the units in the Controlling component. This enables you to transfer postings relevant to cost accounting on to Controlling. The following sections describe the organizational units in other components, which have cross-component relationships to units in Controlling. You cannot define these organizational units separately from one another.

Cross-component relationships exist between the following organizational units in internal and external accounting:

Company code in the Financial Accounting component (FI)

Business area in the Financial Accounting component (FI)

Controlling area in the Controlling component (CO)

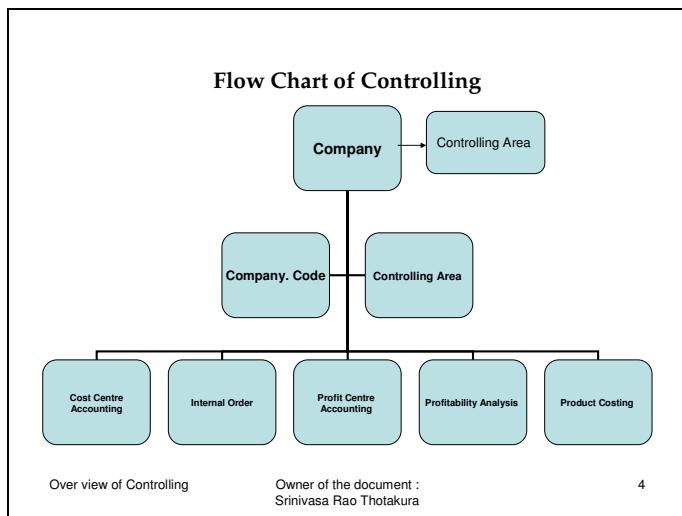
Scope of Modules

- *Basic Settings*
- *Cost Centre Accounting*
- *Internal Order*
- *Profit Centre Accounting*
- *Profitability Analysis*
- *Overview of Product Costing*

Over view of Controlling

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The Controlling area may be same as company or it can be at company code level also

When are using the Cross company code posting the Chart the accounts should be the same for all company codes

The controlling are can assign more than one company code

In Basic settings of the controlling are we will create the number ranges and Planning Version for the Fiscal year. The use of number ranges in controlling are to transfer the posting from FI to do the Reposting, distribution, assessment with in the Controlling area and Planning version to do the Planning according to the fiscal year

Slide 5

Cost Centre Accounting

- Cost Centre Accounting is used to analyze the overhead costs according to where they were incurred with the organization

Purpose

- You use Cost Center Accounting for controlling purposes within your organization. The costs incurred by your organization should be transparent. This enables you to check the profitability of individual functional areas and provide decision-making data for management. This requires that all costs be assigned according to their source. However, source-related assignment is especially difficult for overhead costs. Cost Center Accounting lets you analyze the overhead costs according to where they were incurred within the organization
- Dividing an organization into cost centers allows you to follow several goals, depending on the cost accounting method.

Over view of Controlling Owner of the document : Srinivasa Rao Thotakura 5

Features

Entering actual costs

Primary costs can be transferred to Cost Accounting from other components, for example, Materials Management (MM), Asset Accounting (AA), Payroll Accounting (PY). Additional costs and outlay costs are recorded using the accrual method.

Allocating actual costs

You can use various methods to further allocate the actual costs you have recorded, according to their source. The R/3 System distinguishes between transaction-based allocations, which occur within one period, and period-based allocations, which occur at period end.

Planning activities and costs

You can use planning to define organizational targets and carry out regular cost-effectiveness checks. Variances can be calculated by comparing the actual costs and activities with the plan values. These variances serve as a control signal, which helps you to correct business processes, when required.

You can plan costs and activities to determine allocation (activity) prices.

Allocating plan costs

All actual allocations that occur for cost centers can also be planned (for example, distribution, assessment, indirect activity allocation).

Entering plan and actual statistical key figures

Statistical key figures are used as the basis for the indirect allocation methods, as well as for evaluations in the information system (for example, employees, telephones).

Activity Accounting

Configuration of FICO Modules

Activity Accounting uses the activity produced by a cost center as the tracing factor for the costs. You can use activities to measure the operating rate or the rate of capacity utilization for a cost center. The target costs of the cost center refer to the activity output.

Depending on the source of the costs, the activities of a cost center are divided into various activity types (for example, for the *Work center* cost center: *Repair hours* or *Assembly hours*).

Information system

The information system provides tools with which you can analyze the cost flows that have occurred in your organization. You can carry out standard recurring evaluations; and create special reports for unique tasks or situations.

Slide 6

Internal Orders

Purpose

- Internal orders are normally used to plan, collect, and settle the costs of internal jobs and tasks. The SAP system enables you to monitor your internal orders throughout their entire life-cycle; from initial creation, through the planning and posting of all the actual costs, to the final settlement and archiving

Internal order management is the most detailed operational level of cost and activity accounting. It can be used for:

- Cost monitoring, for example, where costs need to be looked at from object-related aspects, unlike in Cost Element Accounting or Cost Center Accounting
- Assisting decision-making, when you need to decide between in-house production and external procurement

Over view of Controlling Owner of the document : Srinivasa Rao Thotakura 6

Features of Internal Orders

Internal orders are two types 1) Real orders 2) Statistical Orders. Real orders are settled against the cost object and statistical order only for information

You can use master data to assign certain characteristics to your internal orders, which enables you to control which business transactions can be used with the internal order.

Internal order planning enables you to roughly estimate the costs of a job before the order starts and to make an exact calculation at a later date. You can choose between various planning approaches to compare the effectiveness of different methods.

You can assign and manage budgets for internal orders.

You apply the actual costs incurred by a job to your internal orders using actual postings. In Financial Accounting, you can assign primary cost postings (such as the procurement of external activities and external deliveries) directly to internal orders.

Configuration of FICO Modules

In **period-end closing** you can use various different allocation methods (for example, overhead costing) to allocate costs between different areas of Cost Accounting.

Order settlement enables you to transfer the costs incurred by an order to the appropriate receivers.

The information system for internal orders enables you to track planned and assigned costs on your orders in each stage of the order life-cycle. You can archive internal orders that you no longer require. See Archiving.

Profit Center Accounting

- **Profit Center Accounting** (EC-PCA) lets you determine profits and losses by profit center using either period accounting or the cost-of-sales approach. It also lets you analyze fixed capital and so-called "statistical key figures" (number of employees, square meters, and so on) by profit center. Consequently, you can calculate all key figures commonly used in cost accounting (return on investment, cash flow, sales per employee, and so on).
- A **profit center** is a management-oriented organizational unit used for internal controlling purposes. Dividing your company up into profit centers allows you to analyze areas of responsibility and to delegate responsibility to decentralized units, thus treating them as "companies within the company"
- The profit center differs from a **cost center** in that cost centers merely represent the units in which capacity costs arise, whereas the person in charge of the profit center is responsible for its balance of costs and revenues.

Over view of Controlling

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Features :-The main aim of Profit Center Accounting is to determine profit for internal areas of responsibility. It lets you determine profits and losses using either period accounting or the cost-of-sales approach.

EC-PCA lets you set up your profit centers according to product (product lines, divisions), geographical factors (regions, offices or production sites) or function (production, sales). You need to make the settings in Basic Functions in order to divide the company into internal areas of responsibility. You divide your business into profit centers by assigning the profit centers to the various master data that is relevant for profits (materials, cost centers, orders, projects, sales orders, assets, cost objects and profitability segments). This lets you set up Profit Center Accounting in a way that meets your company's requirements regardless of what sector of industry your company is in (machinery, chemicals, services, and so on) or what form of manufacturing you employ (repetitive manufacturing, make-to-order production, continuous flow production).

Every profit center is assigned to the organizational unit Controlling area. The profit centers in a company code belong to a standard profit center hierarchy that is also assigned to the controlling area.

Configuration of FICO Modules

All profit-relevant business transactions are updated in the profit center hierarchy according to G/L account at the same time they are processed in the original module of the SAP system. This ensures that the entire flow of goods and services within a company is transformed in goods and services relationships between profit centers. This is true both with actual postings and in planning.

You can also transfer the balances and balance changes of certain balance sheet accounts to profit centers in real-time or periodically.

Profitability Analysis

- Profitability Analysis (CO-PA) enables you to evaluate market segments, which can be classified according to products, customers, orders or any combination of these, or strategic business units, such as sales organizations or business areas, with respect to your company's profit or contribution margin.
- The aim of the system is to provide your sales, marketing, product management and corporate planning departments with information to support internal accounting and decision-making.
- Two forms of Profitability Analysis are supported: costing-based and account-based.
- **Costing-based Profitability Analysis** is the form of profitability analysis that groups costs and revenues according to value fields and costing-based valuation approaches, both of which you can define yourself. It guarantees you access at all times to a complete, short-term profitability report.
- **Account-based Profitability Analysis** is a form of profitability analysis organized in accounts and using an account-based valuation approach. The distinguishing characteristic of this form is its use of cost and revenue elements. It provides you with a profitability report that is permanently reconciled with financial accounting.

Over view of Controlling

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Features :-

CO-PA, you can define your master data, the basic structures of this form of profitability analysis. This includes both units you want to evaluate (characteristics) and the categories in which you analyze values. In costing-based CO-PA, you define "value fields" in which to store your data for analysis. In account-based CO-PA, the values are structured by account.

The actual postings represent the most important source of information in CO-PA. You can transfer both sales orders and billing documents from the Sales and Distribution (SD) application component to CO-PA in real-time. In addition, an interface program is available to let you transfer external data to the R/3 System. You can also transfer costs from cost centers, orders and projects, as well as costs and revenues from direct postings (G/L account postings in FI, orders received in MM, and so on) or settle costs from CO to profitability segments.

In costing-based CO-PA, you can valuate incoming sales orders or billing documents to automatically determine anticipated sales deductions or costs. You can also reevaluate your data periodically to adjust the initial, real-time valuation or add the actual costs of goods manufactured.

Configuration of FICO Modules

Profitability Analysis 2

You can also use both of these types of CO-PA simultaneously.



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In CO-PA Planning, you can create a sales and profit plan. Whereas both types of Profitability Analysis can receive actual data in parallel, there is no common source of planning data. Consequently, you always plan either in accounts (account-based CO-PA) or in value fields (costing-based CO-PA). In costing-based CO-PA you can use automatic valuation to calculate planned revenues, sales deductions and costs of goods manufactured based on the planned sales quantity.

The manual planning function lets you define planning screens for your organization. With this you can display reference data in planning, calculate formulas, create forecasts, and more. Planning can be performed at any degree of detail. For example, you can plan at a higher level, and have this data distributed top-down automatically.

In automatic planning, you can copy and reevaluate actual or planning data for a large number of profitability segments at once. You can also transfer planned sales quantities from (costing-based) CO-PA to Sales and Operations Planning (SOP) for the purpose of creating a production plan there.

The Information System lets you interactively analyze existing data from a profitability standpoint using the functions of the drilldown reporting tool. There you can navigate through a multidimensional "data cube" using a number of different functions (such as drilldown or switching hierarchies). The system displays data in either value fields or accounts, depending on the currently active type of Profitability Analysis and the type to which the report structure is assigned. (Each report structure is assigned to either costing-based or account-based CO-PA.)

Configuration of FICO Modules

Product Cost Controlling
Purpose
The component CO-PC-IS (Product Cost Controlling Information System) provides an extensive and powerful range of reports for the following areas:
Product Cost Planning
Cost Object Controlling with the subcomponents
Product Cost by Period
Product Cost by Order
Product Cost by Sales Order
Costs for Intangible Goods and Services
Actual Costing / Material Ledger
You can use the Information System to evaluate the data generated in the respective components. The information system provides reports for both standard and specialized analysis purposes.
Integration
<ul style="list-style-type: none">• The information system is a part of Product Cost Planning, the application component Cost Object Controlling, and Actual Costing / Material Ledger.
Over view of Controlling
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Features

The standard setup of the Product Cost Controlling Information System is a structured report list from which you can choose the reports you need.

The standard reports provided in the R/3 System are presented in a structure predefined by SAP. You can change this structure to suit your own needs, and add your own custom reports.

The documentation for the Product Cost Controlling Information System is oriented around the structure of the SAP menu. This ensures easy access to the desired information in the documentation, as navigating through the documentation mirrors navigating through the menu.

Integration

The information system is a part of Product Cost Planning, the application component Cost Object Controlling, and Actual Costing / Material Ledger.

Purpose of Product Cost Planning

- You can use Product Cost Planning to do the following:
- To calculate the non-order-related [cost of goods manufactured and cost of goods sold](#) for each product unit
- To establish how the costs are broken down for each product, and to calculate the value added for each step of the production process ([Concept of Cost Rollup](#))
- To optimize the cost of goods manufactured through comparison costing ([Product Cost Controlling Information System](#))
- To provide [basic information for other R/3 applications](#), for example:
 - To establish standards with which to assess production efficiency in [Cost Object Controlling](#)
 - To [update prices in the material master record](#) and [in Profitability analysis](#)
 - [Lower price limits for Sales and Distribution](#)

Over view of Controlling

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Use

Overhead costs are costs that can only be assigned to the process order indirectly, such as electricity costs or general storage costs.

Overhead costs are assigned to the process order by way of overhead surcharges, or they are determined in Activity-Based Costing (see also Dynamic Template Allocation in Actual). They are updated in the order under the cost elements defined in the costing sheet.

Process Flow

A costing variant is defined in Customizing for each order type and plant. The costing variant refers to a valuation variant, which refers to a costing sheet. The costing sheet determines what overhead surcharges are assigned to the order.

The costing sheet specifies:

To which direct costs surcharges are applied

Under which conditions a surcharge is calculated

How high, depending on these conditions, the surcharge percentage is

Which object (for example, a cost center) is credited under which cost element during actual postings

Features -of Product Cost Planning

The following graphic illustrates the aims of Product Cost Planning, which are:

- Calculation of the cost of goods manufactured (COGM) and the cost of goods sold (COGS) of a product
- Analysis of the costing results using the various reports available
- Provision of information for other SAP applications

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The following table describes the reports with which you can analyze the costing results:

Cost component split

A view of the costs of a material cost estimate broken down into cost groups, such as material costs, production costs, and overhead costs. **Itemization**

Detailed information about the costs contained in a material cost estimate or base object cost estimate

Itemization by cost element

Detailed information about the costs contained in a material cost estimate or base object cost estimate, sorted by cost element

Costed multilevel BOM

Quick overview of the BOM and costs of a material cost estimate or base object cost estimate in hierarchical form

Partner cost component split

Overview of the value added portions of organizational units (partners) in relation to the total costs of a material

Basic Settings for Controlling

Maintain Controlling Area (OKKP)

SPRO → Controlling → General Controlling → Organization → Maintain Controlling Area
(Assignment Control → Controlling Area same as Company Code, Check on 'Activity Type', Check on 'Profit Center' & Assign to Company Code)

Display View "Basic data": Details

The screenshot shows the SAP SPRO interface for maintaining basic data for a controlling area. The left sidebar lists navigation paths under 'Controlling Area' and 'Basic data'. The main area contains several configuration sections:

- Controlling Area**: Fields include 'Name' (Test) and 'Person Responsible'.
- Assignment Control**: Field 'CoCd->CO Area' is set to 'Cross-company-code cost accounting'.
- Currency Setting**: Fields include 'Currency Type' (10), 'Currency' (EUR), and 'CurrVal. Prof.'.
- Other Settings**: Fields include 'Chart of Accts' (INT), 'Fiscal Year Variant' (K4), and 'CCtr Std. Hierarchy'.
- Reconciliation Ledger**: A checked checkbox 'Recon.Ledger Active' and a dropdown 'Document Type'.
- Setting for Authorization Hierarchies for Cost Centers**: A checked checkbox 'Do Not Use Std Hier.' and a dropdown 'Alternative Hierarchy1'.

Select Activate Components button

Display View "Activate components/control indicators": Details

Component	Status
Cost Centers	Component active
Order Management	Component active
Commit. Management	Components active
ProfitAnalysis	Component active for costing-based Profitability Analysis
Acty-Based Costing	Component Active for Parallel and Integrated Calculation

Other Indicators

- All Currencies
- Variances
- CoCd Validation

Select Assign company Code button → assign the company codes and save

Maintain Versions

SPRO → Controlling → General Controlling → Organization → Maintain Versions

Select Plan/Actual Version, 0

Select the 'Settings by Fiscal Year'

Gives the Controlling area

Give the fiscal year 2007 and Save

Maintain Number Ranges for Controlling Documents (KANK)

SPRO → Controlling → General Controlling → Organization → Maintain Number Ranges for Controlling Documents

Create Group 'Controlling Area for XYZ' with Interval 1 to 100000 and Assign the Element Group

Give the Controlling Area: IBS

Select the group's button

Select the Number Range information

COIN: - CO through Postings from FI

RKIU: - Actual Overhead Assessment

RKP1:- Planning Primary Cost

RKU1: Repost Cost

RKU3 – Repost Co line Items

Double click the Number ranges → from menu → Edit → assign Element Groups

Save

Cost Element Accounting (CO-OM-CEL)

Configuration of FICO Modules

Cost and Revenue Element Accounting provides you with an overview of the costs and revenues that occur in an organization. Most of the values are moved automatically from Financial Accounting to Controlling. Cost and Revenue Element Accounting only calculates costs which either do not have another expense or only one expense in Financial Accounting.

If needed, reconciliation of the values in Financial Accounting and Controlling takes place in Cost and Revenue Element Accounting.

For more information, see the *SAP Library under Financials* ® *Controlling* ®  Cost Element Accounting

Primary Cost Element: Cost Element & Revenue Element (Income & Expenditure in GL)

Secondary Cost Element: For Apportionment (Assessment) from one Cost Center to other Cost Center

Creation of GL Account & Cost Element at FI Level (FS00)

Environment → Edit Cost Element, give Validity Dates & Cost Element Category '1' Primary Costs / Cost Reducing Revenues, Field Status Group G004 Cost Accounts

Creation of Cost Element at CO Level (KA01)

Accounting → Controlling → Cost Element Accounting → Master Data → Cost Element → Individual Processing → Create Primary

Automatic Creation of Cost Element (OKB2)

SPRO → Controlling → Cost Element Accounting → Master Data → Cost Elements → Automatic Creation of Primary/Secondary Cost Element → Make Default Settings

Create Cost Element Group (KAH1)

Accounting → Controlling → Cost Element Accounting → Master Data → Cost Element Group → Create

Cost Center Accounting

Cost Center Accounting (CO-OM-CCA)

You use Cost Center Accounting for controlling purposes within your organization. It is useful for a source-related assignment of overhead costs to the location in which they occurred.

For more information, see the *SAP Library under Financials* ® *Controlling* ®  Cost Center Accounting.

Activity-Based-Accounting (CO-OM-ABC)

Activity-Based Costing analyzes cross-departmental business processes. The goals of the whole organization and the optimization of business flows are prioritized.

Configuration of FICO Modules

For more information, see the *SAP Library under Financials ® Controlling ® Activity-Based Costing*.

Create Cost Center (KS01)

Accounting → Controlling → Cost Center Accounting → Master Data → Cost Center → Individual Processing → Create

(Give a Cost Center Category, 'F' Production Cost Center, 'H' Service Cost Center)

Create Cost Center Group (KSH1)

Accounting → Controlling → Cost Center Accounting → Master Data → Cost Center Group → Create

To get Cost Center wise Report (KSB1)

Accounting > Controlling > Cost Center Accounting > Information System > Reports for Cost Center Accounting > Line Items > Cost Centers: Actual Line Items

To See CO Document Numbers (KSB5)

Accounting > Controlling > Cost Center Accounting > Information System > Reports for Cost Center Accounting > Line Items > CO Documents: Actual Costs

Repost Line Items (KB61): For transferring values from one Cost Center to other Cost Centers, FI Document is the base, Assign Element Group RKU3 in KANK
Accounting > Controlling > Cost Center Accounting > Actual Postings > Repost Line Items > Enter

Repost Costs (KB11N): When a new Cost Center is created (FI Document not required, Cost Element is the base to Post to a newly created Cost Center or Department), Assign Element Group RKU1 in KANK
Accounting > Controlling > Cost Center Accounting > Actual Postings > Manual Posting of Costs > Enter

Planning Cost Center wise (KP06): To Plan Fixed Costs Cost Element wise in each Cost Center, Assign Element Group RKP1 in KANK
Accounting > Controlling > Cost Center Accounting > Planning > Cost & Activity Inputs > Change

To View the Report Planned, Actual and Variance (S_ALR_87013611)

Accounting > Controlling > Cost Center Accounting > Information System > Reports for Cost Center Accounting > Plan/Actual Comparisons > Cost Centers > Actual/Plan/Variance

Distribution

Amounts and quantities of one or more sender objects are distributed to one or more receiver objects, from service cost centers to production cost centers, for example. The debit and credit postings for the distribution occur under the original account/original cost element with which the amounts and quantities are posted at the sender. The information of the original account/original cost element **remains intact**.

The distribution can be carried out with actual and plan data.

Assessment

The assessment works in the same way as the distribution. However, with the assessment, the debit and credit postings do not occur under the original account or the original cost element but under an

Configuration of FICO Modules

assessment account or an assessment cost element. The information of the original account/original cost element **is lost**.

The assessment can be carried out with actual and plan data.

Secondary Cost Elements is used to allocate costs for internal activities.

Secondary cost elements do not correspond to any G/L account in Financial Accounting. They are used only in Controlling and consequently cannot be defined in FI as an account.

Steps for Assessment

- Create Secondary Cost Element
- Assign Element Group RKIU (Actual Overhead Assessment)
- Create Assessment Cycle
- Execute Assessment Cycle

Creation of Secondary Cost Element (KA06)

Accounting > Controlling > Cost Element Accounting > Master Data > Cost Element > Individual Processing > Create Secondary

(Name: Service to Production, Cost Element Category: '42' Assessment)

Creation of Assessment Cycle (S_ALR_87005742)

Accounting > Controlling > Cost Center Accounting > Period End Closing > Current Settings > Define Assessment

Create Actual Assessment

Give Cycle Name

Check on 'Iterative' Interdependent Transfers

Attach Segment: Service to Production

Assessment Cost Element: Give 'Secondary Cost Element' Number

Sender Rule: Posted Amounts

Select 'Actual Values'

Receiver Rule: Fixed Percentages

In 'Sender/Receiver' Tab give Sender and Receiver Cost Center Details

In 'Receiver Tracing Factor' Tab give the Portions of Apportionment

Execution of Assessment Cycle (KSU5)

Accounting > Controlling > Cost Center Accounting > Period End Closing > Single Functions > Allocations > Assessment

Give Period, Select Test Run & Detailed Lists and Give the Cycle Name created

Execute

See the Report through 'Receiver' as well as 'Sender' Buttons

Deselect Test Run and Execute

Internal Orders (CO-OM-OPA)

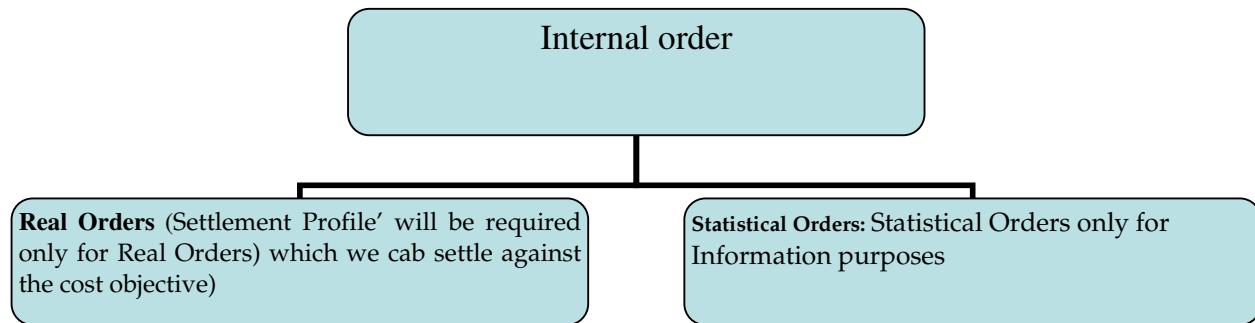
You use internal orders to collect and control according to the job that incurred them. You can assign budgets for these jobs, which the system monitors, to ensure that they are not exceeded.

To Know –

- Vehicle wise Costs

Configuration of FICO Modules

- Telephone wise Costs
- RM Consumption for a particular Production Order
- Exhibition Costs



Steps:

- *Creation of Order Types*
- *Creation of New Field Status Group where Cost Center and Internal Order both are mandatory Fields*
- *Creation of Internal Orders*
- *Creation of Internal Order Groups*
- *View Internal Order Report*
- *Repost Line Items*
- *Repost Costs*
- *Planning Internal Order wise*
- *View Plan/Actual/Variance Report*

Creation of Order Types (KOT2_OPA)

SPRO > Controlling > Internal Orders > Order Master Data > Define Order Types

Order Category: 01 'Internal Order – Controlling'

Order Type: Veh (any) Order Type for Vehicles

Planning Profile: 000001 'General Plan Profile'

Object Class: Overhead Costs

Check on 'Release Immediately' & Save

Assign Order Type 'Veh' to 'Orders: External Numbers Check Box' & Save

Select Back Arrow & Save once again

Creation of New Field Status Group where Cost Center and Internal Order both are mandatory Fields

SPRO > Financial Accounting > FAGS > Document > Line Item > Controls > Maintain Field Status Variants

Select G004 Cost Accounts, Copy as G002 and give name: Cost Accounts CC & IO mandatory, Enter & Save

Double Click Additional Account Assignments of G002 and make

'CO/PP Order' Field: Required Entry

'Quantity': Optional

Creation of GL Master and Cost Element (FS00)

Create 'Vehicle Fuel' Account with 'G002' (Cost Acts CC & IO) as Field Status Group

Creation of Internal Orders (KO01)

Accounting > Controlling > Internal Orders > Master Data > Special Functions > Order > Create
Order Type: Veh & Enter

Configuration of FICO Modules

Order: Give a Vehicle Number

Object Class: Overhead

Control Data Tab →

System Status: REL (Release)

Check on 'Statistical Order'

Create as many Orders as required in the above way

Creation of Internal Order Group (KOH1)

Accounting > Controlling > Internal Orders > Master Data > Order Group > Create

Posting of Transaction (F-02)

System will ask for 'Cost Center' and 'Internal Order' while Posting the Transaction

To View Internal Order Report (KOB1)

Accounting > Controlling > Internal Orders > Information Systems > Reports for Internal Orders >

Line Items > Orders: Actual Line Items

Give Order No. & Execute

Repost Line Items (KB61)

Accounting > Controlling > Internal Orders > Actual Postings > Repost Line Items > Enter

Give the FI Document Number & through New Account Assignment Repost to other cost center and other order.

Repost Costs (KB11N)

Accounting > Controlling > Internal Orders > Actual Postings > Manual Reposting of Costs > Enter

Select Screen Variant: Cost Center/Order/Per.No.

Give the details of Old Cost Center, Old Order, Cost Element, New Cost Center, New Order etc.

Planning Internal Order wise (KPF6)

Accounting > Controlling > Internal Orders > Planning > Cost & Activity Inputs > Change

Version: 0, Give Cost Element Range, Select 'Form Based' as well as 'Overview Screen' and Plan Costs for the required Cost Elements.

To View Plan/Actual/Variance Report (S_ALR_87012993)

Accounting > Controlling > Internal Orders > Information System > Reports for Internal Orders >

Plan Actual Comparisons > Orders: Actual/Plan/Variance

Give Period, Plan Version and Order & Execute

Real Orders

Foreign Exchange Revaluation:

Loan taken in USD 1000 @ 45/- 45000/-

As on 31.03.2004 1000 @ 50/- 50000/-

Forex Loss 5000/-

GL Entry →

Forex Loss A/c. Dr. 5000

To FC Loan A/c. 5000

CO Entry → Through Internal (Real) Order the Loss will be posted to the Asset.

Configuration of FICO Modules

Steps:

- Create Accounts Required – Bank Term Loan A/c. & Forex Profit/Loss A/c.
- Creation of Valuation Method
- Prepare Automatic Postings for FC Valuation
- Assignment of Exchange Rate Difference Key in GL Master
- Creation of a Sub Asset (For Forex Gain/Loss on the Asset)
- Maintain Allocation Structure
- Maintain Settlement Profile
- Creation of Order Type
- Assign Element Group KOAO
- Creation of Internal Order
- Assign Order in the Cost Element (in Forex Gain/Loss A/c.)
- Posting of FC Term Loan
- Enter Exchange Rate in Forex Table
- Forex Loan Revaluation Run
- Execution of Internal Order Settlement

Creation of Bank Term Loan A/c. under Secured Loans (FS00)

Bank Term Loan A/c. A/c Currency: USD Field Status Group: G005

Deselect only Balances in Local Currency

Creation of 'Forex Gain/Loss A/c' under Admn Expenses (FS00)

Forex Gain/Loss A/c. INR Only Balances in Local Currency

Field Status Group: G002 (CC&IO Mandatory) Save

Cost Element Category: 1 (Primary Costs/Cost Reducing Revenues)

Default Cost Center Assignment: Give a Cost Center

Creation of Valuation Method (OB59)

SPRO > Financial Accounting > General Ledger Accounting > Business Transactions > Closing >
Valuating > Define Valuation Methods

Give a name for Valuation Method: XYZ1 Desc: FC Valuation for XYZ

Select 'Always Valuate' Doc Type: SA

Debit Balance Exchange Rate Type: B

Credit Balance Exchange Rate Type: B

Select 'Determine Rate Type from Account Balance'

Prepare Automatic Postings for FC Valuation (OBA1)

(Defining Exchange Rate Difference Key)

SPRO > Financial Accounting > General Ledger Accounting > Business Transactions > Closing >
Valuating > Prepare Automatic Postings for FC Valuation

Double click 'Exchange Rate Difference in FC Balances' KDB

Exchange Rate Difference Key: ABC (any)

Expense A/c.: GL A/c. of 'Forex Gain/Loss'

E/R Gains A/c.: GL A/c. of 'Forex Gain/Loss'

Assignment of 'Exchange Rate Difference Key' in GL Master (FS00)

In Bank Term Loan A/c. under Control Data Tab Assign Exc Rate Dif Key 'ABC'

Creation of Sub Asset (AS11)

Asset: Give the Main Asset Number Desc: Forex Gain/Loss on Asset

Capitalized on: 31.03.2004

Depreciation Area Tab → Ord Depreciation Start Date: 01.04.2004

Maintain Allocation Structure

SPRO > Controlling > Internal Orders > Actual Postings > Settlement > Maintain Allocation Structure
Select 'A1' CO Allocation Structure
In 'Assignments' Select 30 Other Costs
In 'Source' → From Cost Element: Give 'Forex Gain/Loss A/c.'
In 'Settlement Cost Elements' → Receiver: 'FXA' Fixed Asset
Check on 'By Cost Element'

Maintain Settlement Profile

SPRO > Controlling > Internal Orders > Actual Postings > Settlement > Maintain Settlement Profile
Settlement Profile: IO Desc: Fixed Asset Settlement Profile for XYZ
Allocation Structure: 'A1' CO Allocation Structure
Valid Receiver → Fixed Asset: '1' Can be Settled
Other Parameters → Doc Type: AA Max No of Distribution Rules: 999
Indicators → Check on '% Settlement'
Check on 'Equivalence Numbers'
Check on 'Amount Settlement'

Creation of Order Type (KOT2_OPA)

SPRO > Controlling > Internal Orders > Order Master Data > Define Order Types
Order Category: '01' Internal Order Controlling & Enter
Order Type: FCLV (any) Foreign Currency Revaluation
Settlement Profile: IO
Planning Profile: 000001
Object Class: Overheads
Release Immediately & Save
In 'Assign/Change Intervals' → Assign Order Type 'FCLV' to 'Orders'

Assign Element Group KOAO (KANK)

Assign 'KOAO' to 'Controlling Area for XYZ'

Creation of Internal Order (KO01)

Order Type: FCLV Foreign Currency Revaluation
Order: Bank Term Loan Desc: Bank Term Loan Revaluation
Settlement Rule → Category: FXA Fixed Asset Settlement Receiver: Sub Asset No.
Percentage: 100 Save & Enter the Message

Assign Order in the Cost Element (KA02)

Cost Element: Forex Gain/Loss A/c. & Enter
Default Account Assignment Tab → Order: Bank Term Loan Save

Posting of Bank Term Loan (F-02)

Post Loan Receipt in USD with user given Rate

Enter Exchange Rate in Forex Table

SPRO > General Settings > Currencies > Enter Exchange Rates

Forex Loan Revaluation Run (F.05)

Accounting > Financial Accounting > General Ledger > Periodic Processing > Closing > Valuate > FC Valuation

Configuration of FICO Modules

Co. Code: XYZ Evaluation Key Date: 31.03.2004

Valuation Method: XYZ1

Selections Tab → Check on ‘Valuate GL A/c. Balances’ GL A/c.: Bank Term Loan

Posting → Check on ‘Balance Sheet Preparation Valuation’

Check on ‘Creating Postings’

Execute & Document will be Posted.

To See Internal Order Report (KOB1)

Internal Order: Bank Term Loan

Posting Date: 01.01.2004 to 31.03.2004 & Execute

Execution of Internal Order Settlement (KO88)

Accounting > Controlling > Internal Orders > Period End Closing > Single Functions > Settlement >

Individual Processing

Order Name: Bank Term Loan

Settlement Period: 12 Fiscal: 2003 Process Type: Automatic

Select ‘Test Run’

Select ‘Check Transaction Data’ & Execute

[Back](#) [Remover Test Run](#) [Execute](#)

To see the Asset Value updation go to Report S_ALR_87011905

Profit Center Accounting

Profit Center Accounting (EC-PCA)

Profit Center Accounting evaluates the profit or loss of individual, independent areas within an organization. These areas are responsible for their costs and revenues.

Profit Center Accounting is a statistical accounting component in the SAP system. This means that it takes place on a statistical basis at the same time as true accounting. In addition to costs and revenues, you can display key figures, such as, *Return on investment*, *working capital* or *cash flow* on a profit center.

For more information, see the *SAP Library* under *Financials ® EC-Enterprise Controlling ® EC-Profit Center Accounting*

If the company codes use different operational chart of accounts, inter company code controlling can not be performed

To Know Product wise Profitability or to Know Area wise Profitability we will use the Profit Centre Accounting

Profit Centre will be updated based on the Derivation Rules

DERIVATION RULES

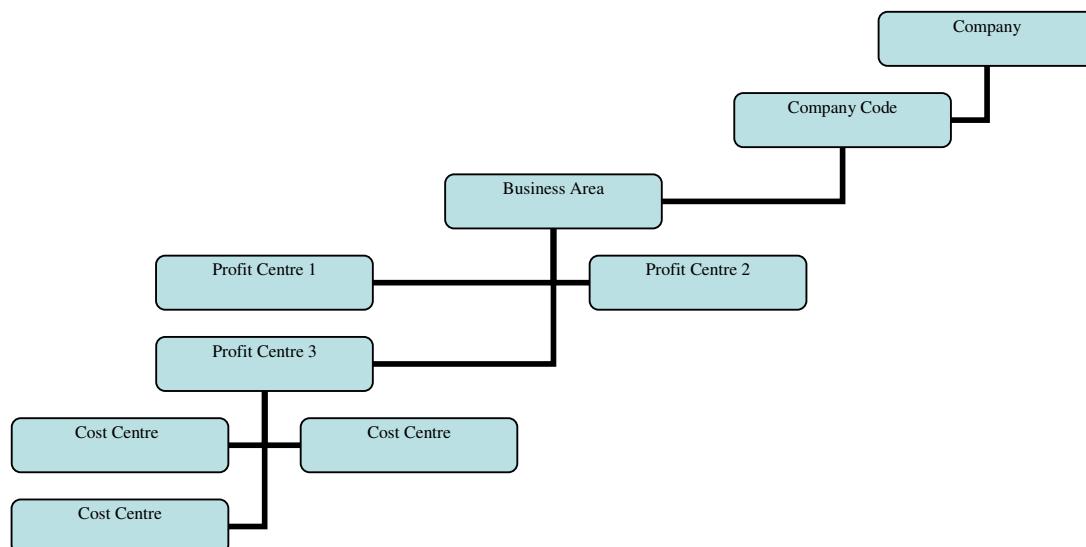
Expenditure → through Cost Centers

Income → through Revenue Account Automatic Assignments

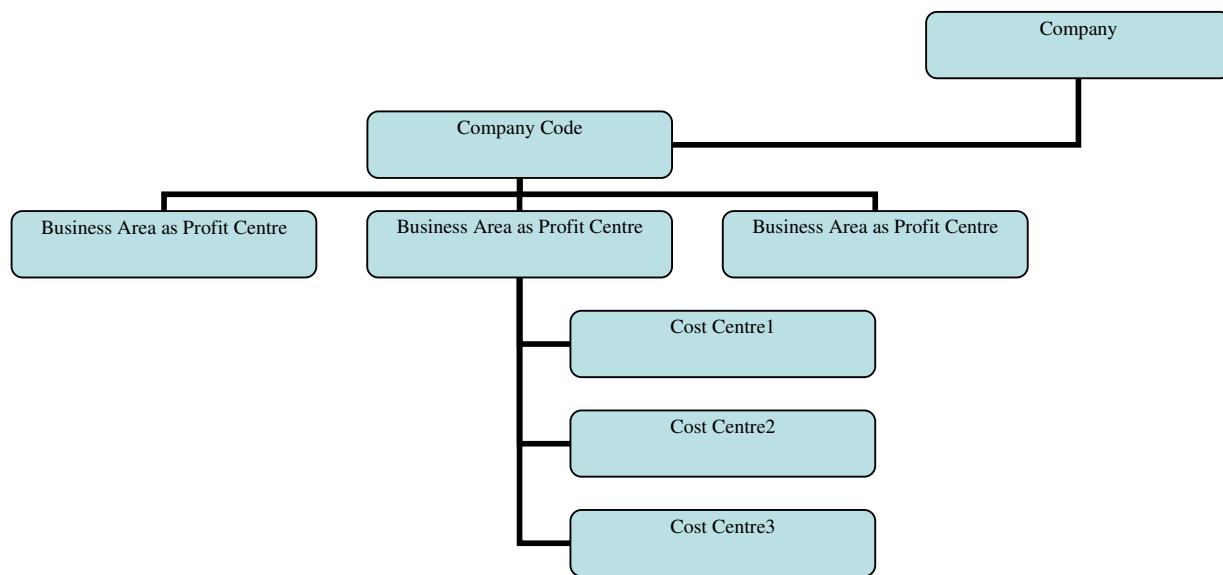
Balance sheet items → Through the Business Area

- A Profit Center can have one or more Cost Centers
- In PCA, Postings will be done through DERIVATION RULES
- Profit Center and Business Area will be assigned in Cost Center

PCA – Product wise Structure (Sales Accounts Product wise):



Configuration of FICO Modules



Configuration Setting for Profit Centre Accounting

Set Controlling Area

SPRO > Controlling > Profit Center Accounting > Basic Settings > Set Controlling Area

Maintain Controlling Area Settings

SPRO > Controlling > Profit Center Accounting > Basic Settings > Controlling Area Settings > Maintain Controlling Area Settings

Select 'Elimination of Internal Business'

PC Local Currency: '20' Controlling Area Currency

Select 'Store Transaction Currency'

Valuation View: Legal Valuation

Creation of Dummy Profit Center (KE59)

SPRO > Controlling > Profit Center Accounting > Master Data > Profit Center > Create Dummy Profit Center

Set Control Parameters for Actual Data

SPRO > Controlling > Profit Center Accounting > Basic Settings > Controlling Area Settings > Activate Direct Postings > Set Control Parameters for Actual Data

New Entries Check on 'Line Item' and 'Online Transfer'

Maintain Plan Versions

SPRO > Controlling > Profit Center Accounting > Basic Settings > Controlling Area Settings > Activate Direct Postings > Plan Versions > Maintain Plan Versions

Select '0' Plan/Actual Version

In 'Settings for PC Accounting' → Year: 2003

Select 'Online Transfers' and 'Line Items'

Exchange Rate Type: 'B' Bank Selling

Creation of Profit Center (KE51)

Accounting > Controlling > Profit Center Accounting > Master Data > Profit Center > Individual Processing > Create

Assignment of Profit Center in Cost Center (KS02)

Accounting > Controlling > Cost Center Accounting > Master Data > Cost Center > Individual Processing > Change

In Cost Center, Select 'Master Data' Button and Assign Profit Center

Creation of Sales A/c. and Revenue Cost Element (FS00)

'Sales – Product 1' Account under Sales Group Field Status Group: G001

Environment > Edit Cost Element → Cost Element Category: '11' Revenues

Automatic Account Assignments for Revenue Elements (OKB9)

SPRO → Controlling → Profit Center Accounting → Actual Postings → Maintain Automatic Assignment of Revenue Elements

New Entries Co. Code: XYZ Cost Element: Sales – Product 1 A/c. No.

Account Assignment: '2' Business Area Mandatory **

Save the record & Double click 'Details per Business Area/Valuation Area'

New Entries Business Area: Give Business Area

Profit Center: Give Profit Center for Product 1

Derivation Rule for Assignment of Balance Sheet items to Profit Center (3KEH)

(Where Business Area = Profit Center)

SPRO > Controlling > Profit Center Accounting > Actual Postings > Choose Additional Balance Sheet and P&L Accounts > Choose Accounts

New Entries Account From: 100000 To: 299999

Default Profit Center: Profit Center for Product 1

Transferring Balance Sheet Items in Real-time

Use

The following balance sheet items can be transferred online in real-time:

- Material stocks
- Assets
- Work in process
- Other balance sheet items (**transaction-based only**)

The system posts balance postings directly to Profit Center Accounting from online postings which directly affect the balances of assets, materials and work in process. If you have line items in Profit center Accounting, the system updates a profit center document for each reference document (e.g. MM or FI document).

Integration

In order to transfer assets online to Profit Center Accounting, you must be using the component Assets Accounting (FI-AA).

In order to transfer material stocks online to Profit Center Accounting, you must be using the component Materials Management (MM).

Configuration of FICO Modules

In order to transfer work in process online to Profit Center Accounting, you must be using results analysis in the component Product Cost Controlling (CO-PC).

Prerequisites

You first need to enter the accounts you want to transfer to Profit Center Accounting in the Customizing transaction for balance sheet and profit and loss accounts.

In addition, you need to run each program once to create the opening balance for materials, work in process and assets from the source application (see Transferring Balance Sheet Items Periodically). For further information, see:

[Period Closing Activities for Material Stocks](#)

[Period Closing Activities for Work in Process](#)

[Period Closing Activities for Assets](#)

If you have also created asset accounts as statistical cost elements (type 90) to update investment orders, you must still treat these the same way as normal balance sheet accounts. Updating in realtime in Profit Center Accounting is only possible if you have entered the accounts as additional balance sheet accounts and P&L accounts in Customizing.

You must post the opening balance for other balance sheet items to transfer online by creating the documents manually, as transfer reports cannot be carried out here. You also have to assign a default profit center to each of the accounts in question in Customizing for Profit center Accounting. When posting in FI, however, you can set a different profit center manually. You can also define derivation rules for finding the profit center, where no profit center has been set for a posting. See Derivation Rules for Finding the Profit Center in the Implementation Guide (IMG) for Profit Center Accounting. You can find more information on derivation strategy in the documentation for Profitability Analysis (CO-PA) under.

[Characteristic Derivation](#)

When you assign down payments to a work breakdown structure element, the system finds the profit center to which it is assigned. It can therefore make sense to transfer down payments online.

Features

After you have created the opening balance, the system always transfers the difference between the new balance and the previous balance. You can find the current balance from the opening balance and the changes transferred online.

At the end of the year, you need to carry forward the balances for the balance sheet items that were posted in realtime to Profit Center Accounting.

The system assigns work in process to profit centers by taking the assignment of open production order, projects, sales orders etc. (see [Profit Center Assignments](#)).

Configuration of FICO Modules

The system assigns assets to profit centers indirectly, via assigned internal orders or cost centers (see [Assigning Assets](#)). The program transfers the acquisition and product costs, as well as cumulated value adjustments.

The system assigns material stocks by taking the assignment in the material master record, in the plant segment (see [Assigning Materials](#)).

If you run a manual transfer, the system overwrites any corresponding data that was already transferred to Profit Center Accounting. For example, if certain material stocks have already been transferred in real-time and you want to run a periodic transfer for the same period, the system first deletes the data that was already transferred. When this happens, you lose the information on the inventory posting documents for each transaction. The periodic transfer programs only create one posting per object that contains the balance from the previous period (or the difference to this balance for work in process).

Derivation Rule for Finding the Profit Center

SPRO → Controlling → Profit Center Accounting → Actual Postings → Choose Additional Balance Sheet and P&L Accounts → Derivation Rule for Finding the Profit Center → from Menu ‘Strategy’ → Display Change

Select ‘Create Step’ Button

Derivation Rule: Business Area to Profit Center Assignment

Under ‘Source’, Select Drop Down Menu (Under RACCT)

Select ‘GSBER’ Business Area & Save

Select ‘Maintain Rule Values’ Button

Select ‘On/Off’ Button (Source Fields On/Off) Ctrl+F4

From Account	To Account	Business Area	Profit Center
--------------	------------	---------------	---------------

100000	299999	HYD	Product 1
--------	--------	-----	-----------

100000	299999	MUM	Product 2
--------	--------	-----	-----------

Define Number Ranges for Local Documents (GB02)

SPRO > Controlling > Profit Center Accounting > Actual Postings > Basic Settings Actual > Define Number Ranges for Local Documents

Select ‘Maintain Groups’ Button

Check on ‘Actual Doc from Direct Posting with GB01’

Group > Insert Co. Code: XYZ Enter

Text: Actual Documents for XYZ

Year: 2003 From Number: 1 To Number: 100000 Enter & Save

The same way Check on ‘Planned Doc from Direct Posting with GB01’

Interval > Maintain Co. Code: XYZ Select ‘Interval’ Button

Year: 2003 From Number: 100001 To Number: 200000 Enter & Save

Planning of P&L items for Profit Centers (7KE1)

Accounting > Controlling > Profit Center Accounting > Planning > Cost/Revenues > Change

Version: ‘0’ Plan/Actual Version

Period → From: Month To: Month Fiscal: 2003

Profit Center: Product 1

Account Numbers: 100000 To 499999

Configuration of FICO Modules

Entry → Select 'Form Based'
Select 'Overview Screen' & Plan as desired

Planning Balance Sheet Accounts (7KE3)

Accounting > Controlling > Profit Center Accounting > Planning > Balance Sheet Accounts > Change
Plan as desired in the above way

Profit Center Plan/Actual/Variance P&L items (S_ALR_87013326)

Accounting > Controlling > Profit Center Accounting > Information System > Reports for Profit Center Accounting > Interactive Reporting > Profit Center Group: Plan/Actual/Variance
Give Period, Profit Center & Execute Report can be viewed
From Reporting Screen use 'Call up Report' option for other Reports & Vouchers.

Profit Center Plan/Actual/Variance Balance Sheet items (S_ALR_87013336)

Accounting > Controlling > Profit Center Accounting > Information System > Reports for Profit Center Accounting > Interactive Reporting > Profit Center Group: Balance Sheet Accounts: Plan/Actual

Profitability Analysis

- To know the Profit – Product wise, Customer wise, Sales Org. wise and Plant wise, Hence it is called a 'Data Cube'
- Data will flow from MM, PP, SD and FI
- 'Operating Concern' is to be created
- The structure we follow is 'Co. Code = Controlling Area = Operating Concern'

In Operating Concern:

Profitability Segment (Data Structure) → Characteristics & Value Fields

Characteristics: Product, Customer, Sales Organization, Plant

Value Fields: Sales, Cost of Goods Manufactured, Freight, Quantity, Price

In Profitability Analysis, sales and costs are analyzed by profitability segment. Profitability segments are made up of combinations of characteristic values. You can use the transactions for this role to maintain characteristic values and to arrange the characteristic values for a given characteristic in a hierarchical relationship. Furthermore, you can use these transactions to specify derivation rules, which enable you to determine characteristic values using other characteristics.

Activities in Profitability Analysis

- Maintaining characteristic values and characteristics hierarchies
- Maintaining derivation rules

Profitability Analysis (CO-PA)

An object within Profitability Analysis to which costs and revenues are assigned.

Configuration of FICO Modules

A profitability segment corresponds to a market segment. You can calculate the profitability of a profitability segment by comparing its sales revenues against its costs.

The application CO-PA lets you analyze the profitability of segments of your market - structured according to products, customers, orders, and summarizations of these and other characteristics - and organizational units such as company codes or business areas. The aim is to provide your sales, marketing, planning, and management organizations with decision-support from a **market-oriented viewpoint**.

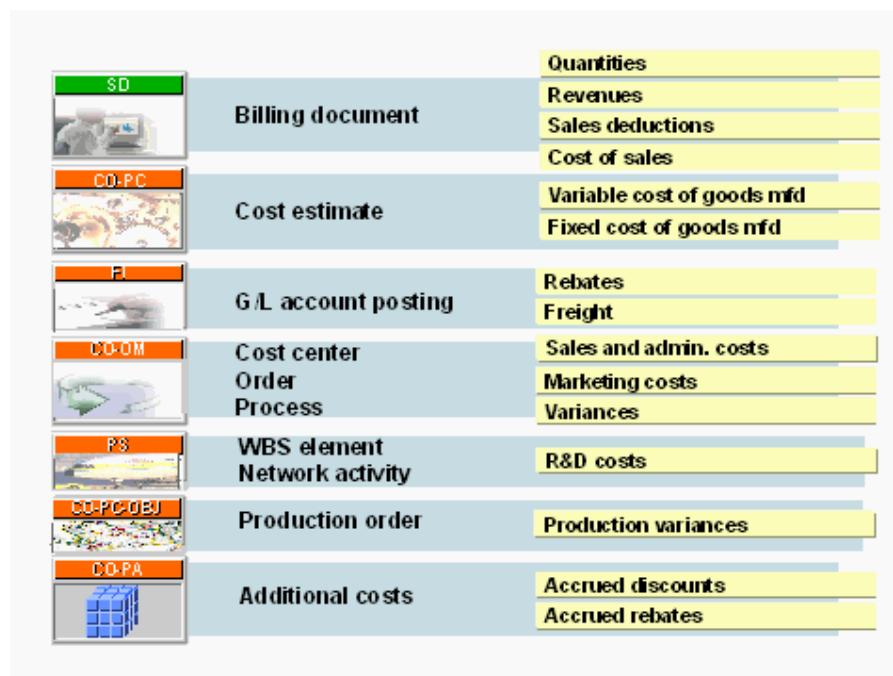
A profitability segment in an operating concern is defined by a combination of characteristic values. Characteristics can be concepts already available in the SAP System (customer, product, sales organization, and so on), or you can define your own concepts (such as "order size class").

Example

Profitability segment 1: Product "Prod-1132"/ Customer "100267"

Profitability segment 2: Industry "Chemicals"/ Country "USA"/ Product group "Laboratory instruments"

How the profitability Analysis will update

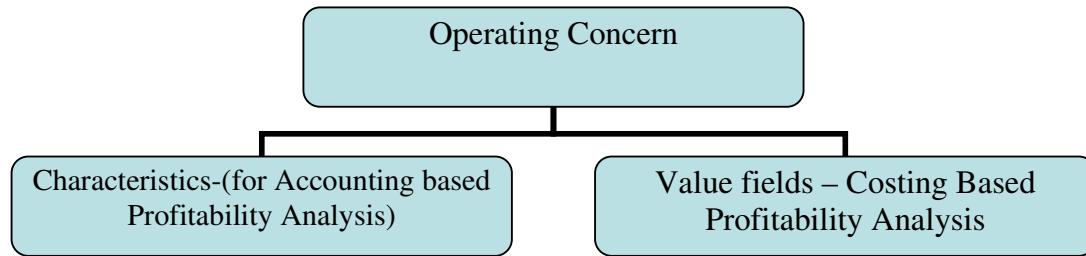


Steps:

- a) Creation of Operating Concern
- b) Assign Controlling Area to Operating Concern
- c) Create Number Ranges for actual postings in Profitability Analysis
- d) Activation of Profitability Analysis
- e) Mapping of SD Condition types to COPA Value Fields
- f) Maintain PA Transfer Structure for Direct Postings
- g) Change Field Status Group to make Profitability Segment mandatory
- h) Define Form for Profitability Reports
- i) Create Profitability Report

Operating Concern

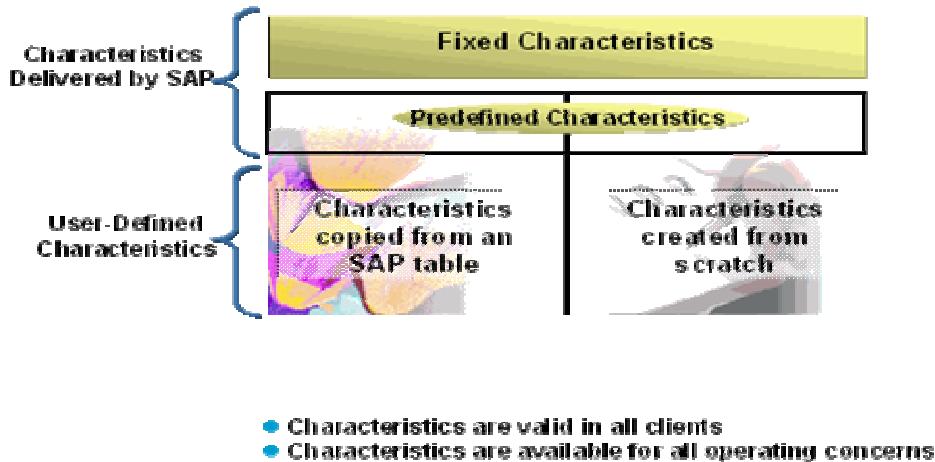
An operating concern represents an organizational unit in your company for which the sales market has a uniform structure. It is the valuation level for Profitability Analysis (CO-PA).



The operating Concern Consist of Characteristics and Value fields

Characteristics

Characteristics are the criteria in Profitability Analysis (CO-PA) according to which you can analyze your operating results and perform differentiated sales and profit planning. The combination of the values for the characteristics in an operating concern is called a Profitability Segment. Value



Value Fields

Value fields are only required in costing-based Profitability Analysis. These are the fields that contain the currency amounts and quantities that you want to analyze in CO-PA. They represent the structure of your costs and revenues

There are two types of value fields:

- Value fields that contain amounts in currencies are also referred to as "amount fields". All amount fields in a single line item use the same currency.

Configuration of FICO Modules

- Value fields that contain quantities are referred to as "quantity fields".
Each quantity field is assigned a field containing a unit of measure. Consequently, each quantity field in a line item can use a different unit.

Value fields can be categorized according to how and when they are defined:

- **Predefined value fields**

Value fields that are used frequently are predefined in the standard R/3 System. These include fields such as revenue, sales quantity, incoming freight, outgoing freight, and others. You can select those predefined value fields that you wish to transfer into your own operating concern.

- **User-defined value fields**

In addition to the predefined value fields, you can also define your own value fields. You define these in the field catalog— independent of any client or operating concern — and can later add them to your operating concerns. You create value fields in Customizing under *Structures ® Operating Concern ® Maintain value fields*.

Profitability Analysis (CO-PA)

An object within Profitability Analysis to which costs and revenues are assigned.

A profitability segment corresponds to a market segment. You can calculate the profitability of a profitability segment by comparing its sales revenues against its costs.

A profitability segment in an operating concern is defined by a combination of characteristic values. Characteristics can be concepts already available in the SAP System (customer, product, sales organization, and so on), or you can define your own concepts (such as "order size class").

Costing-Based Profitability Analysis

This type of Profitability Analysis is primarily designed to let you analyze profit quickly for the purpose of sales management. Its main features are, firstly, the use of value fields to group cost and revenue elements, and, secondly, automatic calculation of anticipated or accrual data (valuation). The advantage of this method is that data is always up-to-date and therefore provides an effective instrument for controlling sales.

Account-Based Profitability Analysis

This type of Profitability Analysis enables you to reconcile cost and financial accounting at any time using **accounts**. In contrast to costing-based Profitability Analysis, this type uses cost and revenue elements, which gives you a unified structure for all of accounting.

The system posts all revenues and costs to both Financial Accounting and Profitability Analysis at the same time and using the same valuation method. This means that the cost of sales is posted to Profitability Analysis at the point of goods issue

Create Operating Concern (KEA0)

Configuration of FICO Modules

SPRO > Controlling > Profitability Analysis > Structures > Define Operating Concern > Maintain Operating Concern

Operating Concern: XYZ1 (Should be of 4 digits) Operating Concern for XYZ

Select 'Costing Based' & 'Account Based'

Attributes Tab →

Operating Concern Currency: INR

Select Co. Code Currency

Select Operating Concern Currency, Profit Center Valuation

Select Co. Code Currency, Profit Center Valuation

Fiscal Year Variant: V3 & Save

In Data Structure Tab →

Select and attach the Fields KUNWE (Ship to Party) and MATKL (Material Group)

In Value Fields Tab →

Select & Attach the Fields VV010, VV140

Save & Activate the Data Structure

Assign Controlling Area to Operating Concern

SPRO > Enterprise Structure > Assignment > Controlling > Assign Controlling Area to Operating Concern

Creation of Number Ranges for Actual Postings in PA

SPRO > Controlling > Profitability Analysis > Flows of Actual Values > Initial Steps > Define Number Ranges for Actual Postings

Activation of Profitability Analysis (KEKE)

SPRO > Controlling > Profitability Analysis > Flows of Actual Values > Activate Profitability Analysis
Go to Controlling Area XYZ and give Active Status: 4 (Component Active for Both Types of Profitability Analysis, Costing Based & Account Based)

Activation can be verified in OKKP

Mapping of SD Condition Types to COPA Value Fields

For Assigning Value Fields:

SPRO > Controlling > Profitability Analysis > Flows of Actual Values > Transfer Billing Documents > Assign Value Fields

Double click 'Maintain Assignment of SD Condition Types to COPA Value Fields'

Operating Concern: idea (Operating Concern IDES world wide) & Enter

Watch the Value Fields and Assign the same Fields in Your Company Code in Real Time.

For Assigning Qty Fields:

SPRO > Controlling > Profitability Analysis > Flows of Actual Values > Transfer Billing Documents > Assign Quantity Fields

Watch the Structure and Copy in your Company Code in Real Time.

Direct Postings from MM/FI (KEI2)

SPRO > Controlling > PA > Flows of Actual Values > Direct Postings from FI/MM > Maintain PA Transfer Structure for Direct Postings

Select Structure FI & Double click 'Assignment Lines'

Select '5 – Sales' & Double click 'Source'

Cost Element From Account: 300000 To: 399999

Double click Value Fields & Select New Entries

Configuration of FICO Modules

Quantity/Value Field: Value Field: VV010
Fixed/Variable: '2' Variable amounts & Save & Back Arrow

Select '20 – RM/Service Material' & Double click 'Source'
Element from: 400000 To: 499999

Double click 'Value Fields' & New Entries
Give Value Field, 2, VV140 & Save

Change Field Status Group to make Profitability Segment mandatory

SPRO > Financial Accounting > FAGS > Document > Line Item > Controls > Maintain Field Status Variant

For G001 & G004 in Additional Account Assignments make 'Profitability Segment' Required Entry.

Creation of Plant

SPRO > Enterprise Structure > Definition > Logistics General > Define, Copy, Check Plant (Create Plant XYZ)

Creation of Storage Location (OX09)

SPRO > Enterprise Structure > Definition > Material Management > Maintain Storage Location (Create Storage Location XYZ)

Assignment of Plant to Company Code (OX18)

SPRO > Enterprise Structure > Assignment > Logistics General > Assign Plant to Company Code

Activation of Material Management Area (OMSY)

SPRO > Logistics-General > Material Master Basic Settings > Maintain Company Codes for Material Management (Give Year & Period)

Creation of Material Master (MM01)

Create FG Material Finished Goods

Creation of Sales Organization

SPRO > Enterprise Structure > Definition > Sales & Distribution > Define, Copy, Delete Sales Organization (Create XYZ Sales Org for XYZ)

Assigning Sales Organization to Company Code

SPRO > Enterprise Structure > Assignment > Sales & Distribution > Assign Sales Org to Company Code

Creation of Customer Master (XD01)

A/c. Group: Bill to Party (Create S/Debtors Reconciliation Account in FS00)

Period-End Closing in Profitability Analysis

Technical name: SAP_CO_PA_PEREND

Tasks

Configuration of FICO Modules

Different transactions are required in order to perform period-end closing. These transactions are linked by a logical dependency (for example, a logical dependency exists between "Transferring Cost Center Costs" and "Building Summarization Levels"). You can use the Schedule Manager to monitor the status of period-end closing and the order in which it occurs.

Activities in Profitability Analysis

- Transferring cost center costs using assessment or indirect activity allocation
- Periodic adjustment by means of revaluation and top-down distribution
- Building summarization levels
- Executing reports in background processing
- Use of the Schedule Manager

Transaction Posting (F-02)

Report Painter

Reports: Creation of Form

User-Defined Reports

Purpose

The small number of standard reports cannot, of course, cover all your reporting needs in Profit Center Accounting. They are intended to be a base which you can build upon to create a complete set of reports using the Report Writer, the Report Painter, and Drilldown Reporting.

Features

The tools for defining reports in Profit Center Accounting are the Report Painter and Drilldown Reporting (for the difference between these two tools, see [Drilldown Reporting vs Report Painter Reports](#)).

For more information, see

[Defining your own Reports with the Report Painter](#).

[Defining your own Reports with Drilldown Reporting](#).

Drilldown Reporting or Report Painter Reports?

Drilldown reporting is useful for flexible online analysis of profit center report data.

You can either create a report ad hoc or using a form. In a form, you use a graphical report structure as the basis for your report. The system displays the rows and columns exactly as they will appear in the finished report. From a technical viewpoint, the same tool is used for this purpose as for the definition of Report Painter reports (see below).

In a drilldown report, you can navigate freely within a data cube. This means that you can change the drilldown characteristics and set individual values for characteristics.

Configuration of FICO Modules

You can find detailed information on how to use this tool in the corresponding documentation in *CA*

- *Cross-Application Components* under [CA – Drilldown Reporting](#).

For specific information on Profit Center Accounting, see

- [Standard Drilldown Reporting in Profit Center Accounting](#)
- [User-defined Reports with Drilldown Reporting](#).

Drilldown reporting is also used in other components, such as CO-PA and PS.

It is possible to use the PC application *inSight* to present drilldown reports. For further information, see [Connection to insight for SAP R/3](#).

SAP Interview Questions

Enterprise Structure

1) What are the various organizational assignments to a company code?

Company Code is a legal entity for which financial statements like Profit and Loss and Balance Sheets are generated. Plants are assigned to the company code, Purchasing organization is assigned to the company code, and Sales organization is assigned to the company code.

2) What is the relation between a Controlling Areas and a Company codes?

A Controlling area can have the following 2 type of relationship with a Company code

- a. Single Company code relation
- b. Cross Company code relation

This means that one single controlling area can be assigned to several different company codes. Controlling Area can have a one is to one relationship or a one is to many relationship with different company codes.

Controlling Area is the umbrella under which all controlling activities of Cost Center Accounting, Product Costing, Profit Center and Profitability Analysis are stored.

In a similar way Company Codes is the umbrella for Finance activities.

3) How many Chart of Accounts can a Company code have?

A single Company code can have only one Chart of Account assigned to it. The Chart of Accounts is nothing but the list of General Ledger Accounts.

4) What are the options in SAP when it comes to Fiscal years?

Fiscal year is nothing but the way financial data is stored in the system. You have 12 periods in SAP and also four special periods. These periods are stored in what is called the fiscal year variant.

Configuration of FICO Modules

There are two types of Fiscal Year Variant

- Calender Year – Jan-Dec, April -March
- Year Dependent Fiscal Year.

5) What is a year dependent fiscal year variant?

In a year dependent fiscal year variant the number of days in a month are not as per the calendar month. Let us take an example:- For the year 2005 the period January ends on 29th, Feb ends on 27th, March ends on 29. For the year 2006 January ends on 30th, Feb ends on 26th, March ends on 30th. This is applicable to many countries especially USA. Every year this fiscal year variant needs to be configured.

6) How does posting happen in MM (Materials Management) during special periods?

There is no posting which happens from MM in special periods. Special periods are only applicable for the FI module. They are required for making any additional posting such as closing entries, provisions. Which happen during quarter end or year end?

7) How many currencies can be configured for a company code?

A company code can have 3 currencies in total. One which is called the local currency (ie company code currency) and 2 parallel currencies can be configured.

When you do that the system has the flexibility to report in the different currencies.

8) Do you require configuring additional ledger for parallel currencies?

In case 2 currencies are configured. (Company code currency and a parallel currency) there is no need for an additional ledger. In case the third parallel currency is configured and is different than the second currency type, you need to configure additional ledger.

9) If there are two company codes with different chart of accounts how can you consolidate their activities?

In this case you either need to write an ABAP programme or you need to implement the Special Consolidation Module of SAP. If both the company codes use the same chart of accounts then standard SAP reports give you the consolidate figure.

FI-GL

Configuration of FICO Modules

10) Give some examples of GL accounts that should be posted automatically through the system and how is this defined in the system.

Stock and Consumption accounts are instances of GL accounts that should be automatically posted to. In the GL account master record, a check box exists wherein the automatic posting option is selected called “Post Automatically Only”

11) What is a Account group and where all is it used?

An Account group controls the data that needs to be entered at the time of creation of a master record. Account groups exist for the definition of a GL account, Vendor and Customer master. It basically controls the fields which pop up during master data creation.

12) What is a field status group?

Field status groups control the fields which come up when the user does the transactions. The options available is one can have the fields only for display or one can suppress it or make it mandatory. So there are three options basically. The field status group is stored in the FI GL Master

13) What is the purpose of a “Document type” in SAP?

A Document type is specified at the Header level during transaction entry and serves the following purposes:

It defines the Number range for documents

It controls the type of accounts that can be posted to eg Assets, Vendor, Customer, Normal GL account

Document type to be used for reversal of entries

Whether it can be used only for Batch input sessions

14) What is a Financial Statement Version?

An FSV (Financial Statement Version) is a reporting tool and can be used to depict the manner in which the final accounts like Profit and Loss Account and Balance Sheet needs to be extracted from SAP. It is freely definable and multiple FSV's can be defined for generating the output for various external agencies like Banks and other statutory authorities.

15) How are input and output taxes taken care of in SAP?

A tax procedure is defined for each country and tax codes are defined within this. There is flexibility to either expense out the Tax amounts or capitalize the same to Stocks.

16) What are Validations and Substitutions?

Configuration of FICO Modules

Validations/Substitutions in SAP are defined for each functional area eg Assets, Controlling etc at the following levels

1. Document level
2. Line item level

These need to be specifically activated and setting them up are complex and done only when it is really needed. Often help of the technical team is taken to do that.

17) Is it possible to maintain plant wise different GL codes?

The valuation group code should be activated. The valuation grouping code is maintained per plant and is configured in the MM module. Account codes should be maintained per valuation grouping code after doing this configuration.

18) Is Business area at company code Level?

No. Business area is at client level. Which means other company codes can also post to the same business area.

19) What are the different scenarios under which a Business Area or a Profit Center may be defined?

This question is usually very disputable. But both Business Areas and Profit centers are created for internal reporting. Each has its own pros and cons but many companies nowadays go for Profit center as there is a feeling that business area enhancements would not be supported by SAP in future versions.

There are typical month end procedures which need to be executed for both of them and many times reconciliation might become a big issue. A typical challenge in both of them is in cases where you do not know the Business Area or Profit Center of the transaction at the time of posting.

20) What are the problems faced when a Business area is configured?

The problem of splitting of account balance is more pertinent in case of tax accounts.

21) Is it possible to default certain values for particular fields? For e.g. company code.

Yes it is possible to default for certain fields where a parameter id is present. Go to the input field to which you want to make defaults. Press F1, and then click technical info push button. This opens a window that displays the corresponding parameter id (if one has been allocated to the field) in the field data section. Enter this parameter id using the following path on SAP Easy access screen System □ User profile □ Own data. Click on parameter tab. Enter the parameter id code and enter the value you require to default. Save the user settings.

22) Which is the default exchange rate type which is picked up for all SAP transactions?

The default exchange rate type picked up for all SAP transactions is M (average rate)

23) Is it possible to configure the system to pick up a different exchange rate type for a particular transaction?

Yes it is possible. In the document type definition of GL, you need to attach a different exchange rate type.

24) What are the Customizing prerequisites for document clearing?

Account must be managed on the open item management. This tick is there in the General Ledger Master Record called Open Item Management. It helps you to manage your accounts in terms of cleared and uncleared items. A typical example would be GR/IR Account in SAP(Goods Received/Invoice Received Account)

25) Explain the importance of the GR/IR clearing account.

GR/IR is an interim account. In legacy system if the goods are received and the invoice is not received the provision is made, in SAP at the Goods receipt It passes the accounting entry debiting the Inventory and crediting the GR/IR Account .Subsequently when an invoice is recd this GR/IR account is debited and the Vendor account is credited. That way till the time that the invoice is not received the GR/Ir is shown as uncleared items.

26) How many numbers of line items in one single entry you can have?

No of line items in one document you can accommodate is 999 lines.

27) In Assignment Field in the Document you get some reference, which comes from where?

This is on the basis of Sort key entered in the master.

28) How do you maintain the number range in Production environment? By creating in Production or by transport?

Number range is to be created in the production client. You can transport it also by way of request but creating in the production client is more advisable

29) In customizing “company code productive “means what? What it denotes?

Configuration of FICO Modules

Once the company code is live this check box helps prevent deletion of many programmes accidentally. This check box is activated just before go live.

Accounts Receivable and Accounts Payable

30) At what level are the customer and vendor code stored in SAP?

The customer and vendor code are at the client level. That means any company code can use the customer and vendor code by extending the company code view.

31) How are Vendor Invoice payments made?

Vendor payments can be made in the following manner:

Manual payments without the use of any output medium like cheques etc
Automatic Payment program through cheques, Wire transfers, DME etc.

32) How do you configure the automatic payment program?

The following are the steps for configuring the automatic payment program:-

Step 1 Set up the following:

Co. code for Payment transaction

Define sending and paying company code.

Tolerance days for payable

Minimum % for cash discount

Maximum cash discount

Special GL transactions to be paid

Step 2 Set up the following:

Paying company code for payment transaction

Minimum amount for outgoing payment

No exchange rate diff

Separate payment for each ref

Bill/exch payment

Form for payment advice

Step 3 Set up the following:

Payment method per country

Whether Outgoing payment

Check or bank transfer or B/E

Whether allowed for personnel payment

Required master data

Doc types

Payment medium programs

Currencies allowed

Step 4 Set up the following:

Configuration of FICO Modules

Payment method per company code for payment transactions

Set up per payment method and co. code

The minimum and maximum amount.

Whether payment per due day

Bank optimization by bank group or by postal code or no optimization

Whether foreign currency allowed

Customer/Vendor bank abroad allowed

Attach the payment form check

Whether payment advice required

Step 5 Set up the following:

Bank Determination for Payment Transactions

Rank the house banks as per the following

Payment method, currency and give them ranking nos

Set up house bank sub account (GL code)

Available amounts for each bank

House bank, account id, currency, available amount

Value date specification

33) Where do you attach the check payment form?

It is attached to the payment method per company code.

Payment terms for customer master can be maintained at two places i.e. accounting view and the sales view.

34) Which is the payment term which actually gets defaulted in transaction?

The payment term in the accounting view of the customer master comes into picture if the transaction originates from the FI module. If an FI invoice is posted (FB70) to the customer, then the payment terms is defaulted from the accounting view of the customer master.

The payment term in the sales view of the customer master comes into picture if the transaction originates from the SD module. A sales order is created in the SD module. The payment terms are defaulted in the sales order from the sales view of the customer master.

Payment terms for vendor master can be maintained at two places i.e. accounting view and the purchasing view.

35) Which is the payment term which actually gets defaulted in transaction?

The payment term in the accounting view of the vendor master comes into picture if the transaction originates from the FI module. If an FI invoice is posted (FB60) to the Vendor, then the payment terms is defaulted from the accounting view of the vendor master.

Configuration of FICO Modules

The payment term in the purchasing view of the vendor master comes into picture if the transaction originates from the MM module. A purchase order is created in the MM module. The payment terms are defaulted in the purchase order from the purchasing view of the vendor master.

36) Explain the entire process of Invoice verification from GR to Invoice verification in SAP with accounting entries?

A goods receipt in SAP for purchased material is prepared referring a purchase order.

When goods receipt is posted in SAP the accounting entry passed is:-

Inventory account Debit
GR/IR account credit

A GR/IR (which is Goods receipt/Invoice receipt) is a provision account which provides for the liability for the purchase. The rates for the valuation of the material are picked up from the purchase order.

When the invoice is booked in the system through Logistics invoice verification the entry passed is as follows:-

GR/IR account debit
Vendor credit

37) How are Tolerances for Invoice verification defined?

The following are instances of tolerances that can be defined for Logistic Invoice Verification.

- c. Small Differences
- d. Moving Average Price variances
- e. Quantity variances
- f. Price variances

Based on the client requirement, the transaction can be “Blocked” or Posted with a “Warning” in the event of the Tolerances being exceeded.

Tolerances are nothing but the differences between invoice amount and payment amount or differences between goods receipt amount and invoice amount which is acceptable to the client.

38) Can we change the reco account in the vendor master? If so, and how? What is the impact on the old balance?

Configuration of FICO Modules

Reconciliation account can be changed in the vendor master provided that authority to change has been configured. Also any change you make to the reconciliation account is prospective and not retrospective. The old items and balances do not reflect the new account only the new transactions reflect the account.

Bank Accounting:

39) How is Bank Reconciliation handled in SAP?

Initially the payment made to a Vendor is posted to an interim bank clearing account. Subsequently, while performing reconciliation, an entry is posted to the Main Bank account. You can do bank reconciliation either manually or electronically.

Fixed Assets

40) What are the organizational assignments in asset accounting?

Chart of depreciation is the highest node in Asset Accounting and this is assigned to the company code.

Under the Chart of depreciation all the depreciation calculations are stored

41) Explain the importance of asset classes. What asset classes are there?

The asset class is the main criterion for classifying assets. Every asset must be assigned to only one asset class. Examples of asset class are Plant& Machinery, Furniture Fixtures, and Computers etc. The asset class also contains the Gl accounts which are debited when any asset is procured. It also contains the gl accounts for depreciation calculation, scrapping etc

Whenever you create an asset master you need to mention the asset class for which you are creating the required asset. In this manner whenever any asset transaction happens the gl accounts attached to the asset class is automatically picked up and the entry passed.

You can also specify certain control parameters and default values for depreciation calculation and other master data in each asset class.

42) How is depreciation keys defined?

The specifications and parameters that the system requires to calculate depreciation amounts are entered in Calculation methods. Calculation methods replace the internal calculation key of the depreciation key. Depreciation keys are defaulted in Asset Master from the asset class.

43) What steps do you have to take into account to ensure that integration into the general ledger for the depreciation posting run works?

Configuration of FICO Modules

For each depreciation area and company code, specify the following:

- the frequency of posting depreciation(monthly, quarterly etc)
- CO account assignment (cost center)
- For each company code you must define a document type for automatic depreciation posting only: This document type requires its own external number range.
- You also need to specify the accounts for posting. (Account determination)
- To ensure consistency between Asset Accounting and Financial Accounting, you must process the batch input session created by the posting report.

If you fail to process the batch input session, an error message will appear at the next posting run. The depreciation calculation is a month end process which is run in batches and then once the batch input is run the system posts the accounting entries into Finance.

44) How you change fiscal year in Asset Accounting?

- the fiscal year change program opens new annual value fields for each asset. I e next year
- The earliest you can start this program is in the last posting period of the current year.
- You have to run the fiscal year change program for your whole company code.
- You can only process a fiscal year change in a subsequent year if the previous year has already been closed for business.

Take care not to confuse the fiscal year change program with year-end closing for accounting purposes. This fiscal year change is needed only in Asset Accounting for various technical reasons.

45) Is it possible to have depreciation calculated to the day?

Yes it is possible. You need to switch on the indicator Dep to the day in the depreciation key configuration.

46) Is it possible to configure that no capitalization be posted in the subsequent years?

Yes it is possible. You need to set it in the depreciation key configuration.

47) How are Capital WIP and Assets accounted for in SAP?

Capital WIP is referred to as Assets under Construction in SAP and are represented by a specific Asset class. Usually depreciation is not charged on Capital WIP. All costs incurred on building a capital asset can be booked to an Internal Order and through the settlement procedure can be posted onto an Asset under Construction. Subsequently on the actual readiness of the asset for commercial production, the Asset under Construction gets capitalized to an actual asset.

48) What is the purpose of defining internal orders?

Internal Orders are basically used for tracking of costs, which are proposed to be incurred over on a short term basis and time tracking is not of much essence. Eg an Advertisement campaign. Sales Promotion and Exhibition expenses etc.

FI-MM-SD Integration

49) How do you go about setting the FI MM account determination?

FI MM settings are maintained in transaction code OBYC. Within these there are various transaction keys to be maintained like BSX, WRX, GBB, PRD etc. In each of these transaction keys you specify the GL account which gets automatically passed at the time of entry.

Few examples could be: BSX- Stands for Inventory Posting Debit

GBB-Stands for Goods Issue/Scraping/delivery of goods etc

PRD- Stands for Price Differences.

50) At what level are the FI-MM, FI-SD account determination settings ?

They are at the chart of accounts level.

51) What are the additional settings required while maintaining or creating the GL codes for Inventory accounts?

In the Inventory GL accounts (Balance sheet) you should switch on the 'Post automatically only' tick. It is also advisable to maintain the aforesaid setting for all FI-MM accounts and FI-SD accounts. This helps in preserving the sanctity of those accounts and prevents from having any difference between FI and MM, FI and SD.

52) How do you configure FI-SD account determination?

The FI-SD account determination happens through an access sequence. The system goes about finding accounts from more specific criteria to less specific criteria.

Thus first it will access and look for the combination of Customer accounts assignment grp/ Material account assignment grp/ Account key. If it does not find account for the first combination it will look for Customer account assignment grp and account key combination. Further if it does not find accounts for the first 2 criteria's then it will

Look for Material account assignment grp/Account key. If it does not find accounts for the all earlier criteria's then finally it will look for Account key and assign the GL code.

Configuration of FICO Modules

Thus posting of Sales Invoices into FI are affected on the basis of a combination of Sales organization, Account type, or Customer and Material Account assignment groups and following are the options available.

- a. Customer AAG/Material AAG/Account type
- b. Material AAG/Account type
- c. Customer AAG/Account type

For each of this option you can define a GL account. Thus the system uses this GL account to automatically pass the entries.

53) What is Valuation and Account assignment in SAP?

This is actually the link between Materials Management and Finance.

The valuation in SAP can be at the plant level or the company code level. If you define valuation at the plant level then you can have different prices for the same material in the various plants. If you keep it at the company code level you can have only price. Across all plants.

Valuation also involves the Price Control .Each material is assigned to a material type in Materials Management and every material is valued either in Moving Average Price or Standard Price in SAP. These are the two types of price control available.

54) What is Valuation Class?

The Valuation Class in the Accounting 1 View in Material Master is the main link between Material Master and Finance. This Valuation Class along with the combination of the transaction keys (BSX, WRX, GBB, and PRD) defined above determines the GL account during posting.

We can group together different materials with similar properties by valuation class. Eg Raw material, Finished Goods, Semi Finished

We can define the following assignments in customizing:

All materials with same material type are assigned to just one valuation class.

Different materials with the same material type can be assigned to different valuation classes.

Materials with different material types are assigned to a single valuation class.

55) Can we change the valuation class in the material master once it is assigned?

Once a material is assigned to a valuation class in the material master record, we can change it only if the stocks for that material are nil. If the stock exists for that material, then we cannot change the valuation class. In such a case, if the stock exists, we have to transfer the stocks or issue the stocks and make the stock nil for the specific valuation class. Then only we will be able to change the valuation class.

Configuration of FICO Modules

If the material is assigned a moving average price in the material master and the stock of such material is issued, then does the moving average price change in the material master?

The moving average price in the case of goods issue remains unchanged. Goods issue is always valued at the current moving average price. Consequently, a goods issue reduces the total quantity and the total value in relation to the price and the moving price remains unchanged.

If the answer to the above question is ‘Yes’, then list the scenario in which the moving average price of the material in the material master changes when the goods are issued.

The moving average price in the material master changes in the scenario of Split Valuation. If the material is subject to split valuation, the material is managed as Several partial stocks and each partial stock is valued separately.

In split valuation, the material with valuation header record will have ‘v’ moving average price. This is where the individual stocks of a material are managed cumulatively .Here two valuation types are created, one valuation type can have ‘v’ (MAP) and the other valuation type can have ‘s’(standard price).

In this case, whenever the goods are issued from the respective valuation types, always the MAP for the valuation header changes.

56) What is the accounting entry in the financial books of accounts when the goods are received in unrestricted use stock? Also mention the settings to be done in the ‘Automatic postings’ in SAP for the specific G/L accounts.

On receipt of the goods in unrestricted-use stock, the Inventory account is debited and the GR/IR account gets credited. In the customization, in the automatic postings, the Inventory G/L account is assigned to the Transaction event key BSX and the GR/IR account is assigned to the Transaction event key WRX.

If a material has no material code in SAP, can you default the G/L account in Purchase order or it has to be manually entered.

If a material has no material code in SAP, we can still, default the G/L account with the help of material groups. We can assign the valuation class to a material group and then in FI-automatic posting, we can assign the relevant G/L account in the Transaction event key. The assignment of a valuation class to a material group enables the system to determine different G/L accounts for the individual material groups.

57) What is the procedure in SAP for initial stock uploading? Mention the accounting entries also.

Configuration of FICO Modules

Initial stock uploading in SAP from the legacy system is done with inventory movement type 561.

Material valued at standard price: For a material valued at standard price, the initial entry of inventory data is valued on the basis

Of standard price. If you enter an alternative value at the time of 561, then the system posts the difference to the price difference account.

Material valued at moving average price: The initial entry of inventory data is valued as follows: If you enter a value when entering initial data, the quantity entered is valued at this price. If you do not enter a value when entering initial data, then the quantity entered is valued at the MAP present in the material master.

The accounting entries are: Inventory account is debited and Inventory Historical upload account is credited.

Logistics Invoice Verification

58) Can you assign multiple G/L accounts in the Purchase order for the same line item?

Yes, we can assign multiple G/L accounts in the Purchase order for the same line item. The costs can be allocated on a % or quantity basis. If the partial goods receipt and partial invoice receipt has taken place, then the partial invoice amount can be distributed proportionally, i.e. evenly among the account assigned items of a Purchase order or the partial invoice amount can be distributed on a progressive fill-up basis, i.e. the invoiced amount is allocated to the individual account assignment items one after the other.

59) What is Credit memo and subsequent debit in Logistics Invoice verification?

The term credit memo refers to the credit memo from the vendor. Therefore posting a credit memo always leads to a debit posting on the vendor account. Credit memos are used if the quantity invoiced is higher than the quantity received or if part of the quantity was returned. Accounting entries are: vendor account is debited and GR/IR account is credited.

Subsequent debit: If a transaction has already been invoiced and additional costs are invoiced later, then subsequent debit is necessary. In this case you can debit the material with additional costs, i.e. GR/IR account debit and Vendor account credit. When entering the Subsequent debit, if there is no sufficient stock coverage, only the portion for the available stock gets posted to the stock account and Rest is posted to the price difference account.

60) What do you mean by Invoice parking, Invoice saving and Invoice confirmation?

Configuration of FICO Modules

Invoice parking: The functionality wherein we can save the LIV (Logistics Invoice Verification) document as Parked, so that the document gets created in SAP, but its status is parked.

The advantage is wherein we just want to create this document in database and we are not concerned whether the entries are balanced or not, correct/ incorrect. The accounting document is not created when the invoice is in the Parked mode.

We can later on rectify the Parked invoice.

Invoice saving: This is also called Invoice processing or Invoice posting. The accounting document gets created when the invoice is posted in SAP.

Invoice confirmation: There is no terminology in SAP as Invoice confirmation.

61) What are planned delivery costs and unplanned delivery costs? What is the basis on which the apportionment is done?

Planned delivery costs: are entered at the time of Purchase order. At goods receipt, a provision is posted to the freight or customs clearing account.

e.g. FRE is the account key for freight condition, hence the system can post the freight charges to the relevant freight revenue account and FR3 is the account key for Customs duty, hence the system can post the customs duty to the relevant G/L account.

These account keys are assigned to the specific condition types in the MM Pricing schema.

In terms of Invoice verification: If the freight vendor and the material vendor is the same: then we can choose the option: Goods service items + planned delivery costs.

If the freight vendor is different from the material vendor: then for crediting only the delivery costs, we can choose the option: Planned delivery costs.

Unplanned delivery costs: are the costs which are not specified in the Purchase order and are only entered when you enter the invoice.

Unplanned delivery costs are either uniformly distributed among the items or posted to a separate G/L account.

For a material subjected to Moving average price, the unplanned delivery costs are posted to the stock account provided sufficient stock coverage exists.

For a material subjected to Standard price, the unplanned delivery costs are posted to the Price difference account.

FI Month End Closing Activities

62) Define the Month End Closing Activities in Finance

1. Recurring Documents.

- a) Create Recurring documents
- b) Create Batch Input for Posting Recurring Documents

Configuration of FICO Modules

- c) Run the Batch Input Session
- 2. Posting Accruals or Provisions entries at month end
- 3. Managing the GR/IR Account-Run the GR/Ir Automatic Clearing
- 4. Foreign Currency Open Item Revaluation-Revalue Open Items in AR/AP
- 5. Maintain Exchange Rates
- 6. Run Balance Sheets –Run Financial Statement Version
- 7. Reclassify Payables and Receivables if necessary
- 8. Run the Depreciation Calculation
- 9. Fiscal Year Change of Asset Accounting if it is year end
- 10. Run the Bank Reconciliation
- 11. Open Next Accounting Period

What is the function of Account Groups whether be in GL or AP or AR?

- a) Account group controls interval of accounts under group. Field status of company code view in gl master creation (fs00)

(2) What is the fundamental behind Field Status Groups - where all assignments - what for used - master data level assignments

- a) FSG is bundle of predefined requirements at the time of document posting to particular account. FSG controls fields status of document at the time of posting like suppress, require and optional

(3) What configurations are reqd for Extended Withholding tax

- a) Wtax type, Wtax code, formulas for wtax calculation, assign wtax types to company code, activate wtax, assign tax codes to wtax accounts and wtax type & wtax code assign to vendor master.

(4) What about the posting periods ?? what configs --> you need to explain the screen?

- a) It controls periods of posting in which u want to enter transactions . In that screen u give posting period variant , account group for allow posting , account interval and period year u want to allow for posting .

(5) What config is w.r.t. the field status variant. If he is asking abt a thing.. you wuld need to explain the full screen configs, assignments, usage etc. of that.....

Configuration of FICO Modules

A) FSV is bundle of field status groups. FSG is bundle of predefined requirements at the time of document posting to particular account. FSG controls fields status of document at the time of posting like suppress, require and optional

(6) Tax code configs and Account code assignments --> if you have done any tax procedures configs : that is taxes on sales or purchases

A) define procedures, assign procedure to country, define tax codes, assign account for tax postings

(7) Tell me the structure of FI and CO in SAP : i.e. the enterprise struct

a) GL if company code if controlling area
under GL chart of account, account groups and gl masters
sub ledger account both accounts payable and receivables
asset accounting
in CO controlling area , cost elements, cost centers , profit centers,

(8) MM entries --> flow At the time of GR, GI, INV. VERIFICATION and Payments

A) if GR stock a/c Dr
To gr/ir a/c
IR gr/ir a/c Dr
To vendor a/c
Payment vendor a/c Dr
To bank a/c invoice verify with

reference of purchase requisition, Purchase order , goods receipt , invoice receipt , payment terms and agreement between vendor and company.

(9) SD entries

A) customer a/c Dr
To stock a/c

Bank A/c Dr
To customer a/c

(10) Tell me abt the automatic account assigmnets -- MM integration

A) automatic account assignments on basis of valuation area ,valuation modifier,Valuation class and valuation grouping code

(11) Tell me abt the Revenue account determination - SD intergration

A) Revenue account determination on the basis of application ,

Configuration of FICO Modules

condition type , sales org , chart of a/c , account assignment group and accounting key.

(12) What types of cost element are there - purposes - some cost element categories in each type?

- A) primary cost elements â€“ cat 1,11 and 12
- Secondary cost elements â€“ cat 43 ,41 and 31

(13) What is the main integrating element between FI and CO --> cost element

- A) primary cost element

(14) Difference between the functionalities of Account Group and field status group

Account group controls interval of accounts under group Field status of company codeview in gl master creation (fs00)

FSG controls fields status of document at the time of posting like suppress, require and optional

(15)***What is the t-code for closing costing periods**

CCA--> ENVIRONMENT -->

okp1

Whether controlling area and company code are in a 1:1 relationship or a 1:n relationship, the number of **posting periods** in both controlling area and company code(s) must be identical. However, **special periods** may vary.

(16)FI has to be closed first and then only CO

(17) Chart of accounts config--> automatic creation of cost element? Financial accountingif general ledger accountingif generalledgerif master recordsif preparations if edit chart of account list automatic creation of cost element- FS00 (KA01)

(18) Financial Statement Version -- purpose etc.

- A) for external reporting and fulfill country legal requirements

(19) Number ranges --> FBN1

(20) Automatic payment run --> full screen --> application menu - every field

- A) parameters, proposal , edit proposal , payment run and print out.

(21) Config for APP

A) TCif FBZP

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(22) miro --> Logistics Invoice Verification --> what for ers..

A) ersif sales deductions

(23) Downpayments if both AP and AR

A) special gl transactions transaction type -A

(24) Difference between Distribution and Assessment cycle... in CCA in CO?

A) both are allocation methods but distribution allocate only primary cost elements and assessment does both primary and secondary cost elements.

(25) Internal Order Types if you put this

A) investment orders, overhead orders, accrual orders and order with revenue

(26) Settlement of Internal Orders -

Configs as to allocation structure, settlement cost elements config etc. dist passes the entries by cost element and hence loses the tracking at the source but assessment passes the entry w.r.t. the assessment cost element it dr and crs the same SCE and hence the original value in the PCE is stored but the total value becomes ZERO

(27) Business Area concepts and COMP CODE AND BA relations

A) Business Area used for segment level reporting .CO code for external reporting but business area always independent .

(28) Functional areas --> cost of sales accounting

(29) **** RP/RW if allocated trial bal --> BUSINESS AREA WISE glt0

--> FI for CO --> ccss

30) Depreciation Keys

A) assign to asset master

31) asset master, chart of depn, asset classes, account determinations

A) requirements for configure asset accounting

(32) Credit mgt FD32 (SEE SEOM CONFIGS) (AND STUDY FD32)

A) manage credit limits of customers in a company code

(33) Periodic Processing --> FOR GL, AR, AP

(34) Recurring entries if Account Assignment models etc.

Configuration of FICO Modules

(35) Structure of cost centes

- a) description, person responsible, dept , std hierarchy, functional area and profit center

(36) Accounts config --> cash discount taken account, lost account, forex gain or loss accounts,

- A) account receivable and payable if business transactionsif out going / in coming payments
global settingsif define accounts for cashdiscount taken/ lost

(37) Creation of Doc types

TC : OBA7

(38) Validations and Substitutes if Validations --> cash account <>0
Substituesion --> if COST CENTER =1, PC --> ABCD

(39) Tolerance Groups

- A) In SAP we will Tolerance for the following posting s →AP → GL → AR
- (

40) Automatic clearin confius Global Settings,

GL, AR, AP,some CEA, CCA, IO

(41) ASAP Methodology “ steps

- A) project preparation , blue print , realization , final preparation and go&live

(42) Importance of stage of project

(43) Transport Strategy if SE10

(44) What servers... How you transported.. how much team .How big
how complex are the processes

- A) development , quality/testing and production servers

(45) Tables Minimum Tables –

BKPF, BSEG, BSIS, BSID, BSIK, BSID,
BSAK, BSAS, BSAS, GLT0, CCSS, CSKA, CSKB, ANLA, LFA1, LFB1, KNA1,
KNB1, SKA1, SKB1,

(46) How will you find a table if SE85, F1-F9, ST05 trace

(47) Data Transfer Procedures --> BDGS ,CATT and LSMW

Configuration of FICO Modules

(48) Go Live and Cutover plan

(49) Functionals Specifications.... and your role with ABAPer if logic, what tables, what should be input, what should be output , output format

(51) **Reconciliation Ledger**

A) It reconcile data between fi and co. it require when u assign more than one com[any code to one controlling area.

What is the stage when we integrate MM & SD with FI?

A) When cross module postings incur

2 What other things (exclude the field status variant) make the seating of Document layout?

A) POSTING KEY

3 what is the diff. Of Account Assignment Module & Sample Document?

A) In AAM u can change all thing what we have enter but sample document like template u can change amount only here.

4 What is Profit Center & Cost Center? If we want to implement PC then cost center is required to maintain or we want to implement CC accounting the Profit Center is required to maintain?

A) Profit center for internal reporting purpose and cost center for where costs are incur. Yes cc is required for co-pc and co-pca is not compulsory for co-cca.

5 What is hard currency?

A) Some currencies have high inflation effect in that countries they use some other currency for calculation purpose. That other currency we called hard currency for that country.

6 How you given the planning data in COPA module?

A) Through user menu in profitability analysis

7 what is the depreciation Area? Can a depreciation key assign to multiple depreciation area?

A) Depreciation area is what type of dep we want to calculate like book dep or special dep. yes a dep key assign to more than dep area.

8 How many depreciation keys in SAP?

A) number of dep keys we can maintain

10 What is the accounting entry at the time of delivery (PGI) & out going billing?

A) customer a/c Dr

Configuration of FICO Modules

To material stock a/c

11 what is the config steps for interest calculation?

A) maintain interest calculation types, define reference interest rates, define time dependent terms, enter interest values and prepare gl balance interest calculations

13 what is the accounting entry of depreciation run in SAP?

A) depreciation a/c Dr
To accumulated depreciation a/c

16 How a sale comes in P.A.?

A) Value fields mapping with SD condition types

18 what the diff. In partial & residual payment?

partial- it leaves the original invoice amount and creates new line item for incoming amount.

Residual- it clears original invoice with incoming amount and create new line item for remaining outstanding amount.

Case #0002

This is a MM customisation. There you have to do double invoice check As active.

Once you do that, while doing the F-43, if you enter the same invoice Number again, system will give error message.

whenever the vendor invoice is being entered in f-43 screen , the following errors are taking place.if we give 2 different document dates and keep the same reference number,SAP is posting the Invoice without giving an error message that the reference number has already been used.any ideas on this of how to make the validation at reference number field?

Case#0003

1. I have successfully configured Asset Accounting

2. I was able to purchase the asset .

In F-90 iam able to clear the first screen, in the second screen (i.e) in add vendor item after entering the amount , pstky and the asset account number the error is You cannot post to asset in company code 0014 fiscal year 2006 the Diagnosis is " a fiscal year change has not yet been performed in Asset accounting for company code 0014"

The procedure is" Check the asset value date" I have even tried using T.codes AJRW and AJAB. so pls tell me the solution as how to slove it.

Have u tried the same transaction with posting date after you have done AJRW.

For ex. if you have done AJRW on 10th april, System will give same error if you are doing any transactions dated prior to 10th. You can do so after 10th april(posting date). As you might be doing the transaction having posting date prior to doing AJRW which will give you the same error.

Configuration of FICO Modules

Try doing transaction with posting date after AJRW.

Re: Steps of Integration

Please follow this.

FI-MM integration: OBYC

1. creating PO- No FIMM integration
2. Goods receipt: DR Stcok, CR: GR/IR
3. Invocie Receipt: DR: GR/IR, CR: vendor
4. Payment: DR: vendor, CR: Bank

FI-SD integration: VKOA

1. Sales order: No FI entries
2. Goods Issue: CR: Stock, DR: COGS
3. Billing: DR Customer, CR: revenue
4. PAyment: CR: customer, DR: bank

Trading Partners (Urgent)

Trading partner is normally used to control(payment/transaction) vendor/customer business with the group. Something like group/inter group business. You have to go to master record. for eg, in customer master, go to CONTROL DATA tab so see Account Control, in which you have provide trading partner number/reference.

In Business Terms Trading partner is your business partner within Group with whom you are doing business.In order to identify Inter Company transactions Trading partner field is used.

You need to define all the Group Companies as company in SAP and all the defined Companies will be available for selection in Trading partner field.

Trading partner can be defaulted in GL, Customer or Vendor Master.If you need you can populate trading partner at Document level too by doing settings in Document Type Master in T Code OBA7.

Indicator: Business area financial statements required?

Indicator that a balance sheet and/or a P&L is to be created per business area for internal purposes.

Use

If the indicator is set, then the "Business area" field is always ready for input, regardless of the field control of the posting keys and of the accounts when you enter documents. This indicator results in required entries in the Controlling (CO), Materials Management (MM), and Sales and Distribution (SD) components.

Case#1

Configuration of FICO Modules

I hav made posting in a gl account without activating OI manage. now i want to activate OI management the system is givig me follwing error " Account balance = 0 but open items exist in the account" " The data contains error, you cannot save "

Solution →

The prerequisite for switching on open item mgt is that account should have zero balance.

But some times error comes while saving master record even if account balance is zero. As per OSS, one possible reason for this is if any documents were reversed during the year. OSS suggests to change this error message to Warning in customization and then save Master record

Case#2

Please let me know, is it essential to have technical knowledge along with Functional Knowledge for a Sap Fuctional Consultant?

Solution →

Yes, it is essennital to have technical knowledge along with Functional knowledge. It is important in many ways like if you want to have some reports then you must be knowing that which tables are updated, where line items are going, etc. Other thing is to understand SAP properly means how SAP work and how can you get more effective reporting.

Case#3

He is having a customer name 'X'. He has already dunned 2 times. and No responce.The company policy is only to dun 4 times.While the 3rd dunning time, the finance manager is asking not to dunn 3rd dunning because it will contain some rough language.That customer is an old one and dun 2nd dunning as his third.

Kindly suggest me how to do the configuration? It should show 3rd dunning and the words should be as 2nd dunning.

Solution→

Remove the dunning information from Customer Master or give Dunning information as Dunning levels and date as of First Dunning.

I think this is the only master which is updated while dunning.

But please put efforts for testing and if possible try to do such scenarious in the quality server.

Case#4

FBL3N shows two open line items for a particular vendor. But, when I try to clear this vendor account via F-44, it only displays one line item. Any ideas why would a line item not show up in f-44 if it appears in fbl3n?

Someone suggested check out the payment proposals...maybe a payment is stuck there...not sure how to do that....please advice.

Solution

If payment entry is done by special gl then it not shows in f-44 clearing vendor screen.You have to bring that entry in normal gl & then clear.check & reply if any problem.

Type of Currency

Group currency

Group currency is the currency which is specified in the client table or which is to be entered there.

Hard currency

Hard currency is a country-specific second currency which is used in countries with high inflation.

Index based currency

Index-based currency is a country-specific fictitious currency which is required in some countries with high inflation for external reporting (for example, tax returns).

Global company currency

Global company currency is the currency which is used for an internal trading partner. For the additional currencies, define the following data:

Currency type

The currency type specifies the role of the additional currency. An example of this would be the group currency.

Exchange rate type for translation

The exchange rate type determines which exchange rate stored in the system is used for calculating the additional amount fields. As with the local currency, you can use the exchange rate type M (average exchange rate) or any other exchange rate type.

Base currency for translation

The amounts in the additional currencies can be calculated based on the document currency or on the local currency.

Date for translation

For translating amounts, the exchange rate can be determined according to the translation date, the document date or the posting date

Additional activities:-

The group currency must be stored in the client.

Details showing important Tables in SAP

Table Name	Description	Important Fields
Financial Accounting		
FBAS	<i>Financial Accounting "Basis"</i>	
BKPF	Accounting Document Header	MANDT / BUKRS / BELNR / GJAHR
BSEG	Accounting Document Segment	MANDT / BUKRS / BELNR / GJAHR / BUZEI
BSIP	Index for Vendor Validation of Double Documents	MANDT / BUKRS / LIFNR / WAERS / BLDAT / XBLNR / WRBTR / BELNR / GJAHR / BUZEI
BVOR	Inter Company Posting Procedure	MANDT / BVORG / BUKRS / GJAHR / BELNR
EBKPF	Accounting Document Header (docs from External Systems)	MANDT / GLSBK / BELNR / GJHAR / GLEBK
FRUN	Run Date of a Program	MANDT / PRGID
KLPA	Customer / Vendor Linking	MANDT / NKULI / NBUKR / NKOAR / PNTYP / VKULI / VBUKR / VKOAR
KNB4	Customer Payment History	MANDT / KUNNR / BUKRS
KNB5	Customer Master Dunning Data	MANDT / KUNNR / BUKRS / MABER
KNBK	Customer Master Bank Details	MANDT / KUNNR / BANKS / BANKL / BANKN
KNC1	Customer Master Transaction Figures	MANDT / KUNNR / BUKRS / GJHAR
KNC3	Customer Master Special GL Transactions Figures	MANDT / KUNNR / BUKRS / GJAHR / SHBKZ
LFB5	Vendor Master Dunning Data	MANDT / LIFNR / BUKRS / MABER
LFBK	Vendor Master Bank Details	MANDT / LIFNR / BANKS / BANKL / BANKN
LFC1	Vendor Master Transaction Figures	MANDT / LIFNR / BUKRS / GJHAR
LFC3	Vendor Master Special GL Transactions Figures	MANDT / LIFNR / BUKRS / GJHAR / SHBKZ
VBKPF	Document Header for Document Parking	MANDT / AUSBK / BUKRS / BELNR / GJHAR

Configuration of FICO Modules

FBASCORE	<i>Financial Accounting General Services "Basis"</i>	
KNB1	Customer Master (Company Code)	MANDT / KUNNR / BUKRS
LFA1	Vendor Master (General Section)	MANDT / LIFNR
LFB1	Vendor Master (company Code Section)	MANDT / LIFNR / BUKRS
SKA1	G/L Account Master (Chart of Accounts)	MANDT / KTOPL / SAKNR
SKAT	G/L Account Master (Chart of Accounts – Description)	MANDT / SPRAS / KTOPL / SAKNR
MAHNS	Accounts Blocked by Dunning Selection	MANDT / KOART / BUKRS / KONKO / MABER
MHNK	Dunning Data (Account Entries)	MANDT / LAUFD / LAUFI / KOART / BUKRS / KUNNR / LIFNR / CPDKY / SKNRZE / SMABER / SMAHSK / BUSAB
FI-GL-GL (FBS)	<i>General Ledger Accounting: Basic Functions- G/L Accounts</i>	
SKAS	G/L Account Master (Chart of Accounts – Key Word list)	MANDT / SPRAS / KTOPL / SAKNR / SCHLW
SKB1	G/L Account Master (Company Code)	MANDT / BUKRS / SAKNR
FI-GL-GL (FBSC)	<i>General Ledger Accounting: Basic Functions - R/3 Customizing for G/L Accounts</i>	
FIGLREP	Settings for G/L Posting Reports	MANDT
TSAKR	Create G/L account with reference	MANDT / BUKRS / SAKNR
FI-GL-GL (FFE)	<i>General Ledger Accounting: Basic Functions - Fast Data Entry</i>	
KOMU	Account Assignment Templates for G/L Account items	MANDT / KMNAME / KMZEI
FI-AR-AR (FBD)	<i>Accounts Receivable: Basic Functions - Customers</i>	
KNKA	Customer Master Credit Management : Central Data	MANDT / KUNNR
KNKK	Customer Master Credit Management : Control Area Data	MANDT / KUNNR / KKBER
KNKKF1	Credit Management : FI Status data	MANDT / LOGSYS / KUNNR / KKBER / REGUL
RFRR	Accounting Data – A/R and A/P Information System	MANDT / RELID / SRTFD / SRTF2
FI-BL-PT (BFIBL_CHECK_D)	<i>Bank Accounting: Payment Transactions – General Sections</i>	

Configuration of FICO Modules

PAYR	Payment Medium File	MANDT / ZBUKR / HBKID / HKTID / RZAWE / CHECT
PCEC	Pre-numbered Check	MANDT / ZBUKR / HBKID / HKTID / STAPL
FI-BL-PT-AP(FMZA)	Bank Accounting: Payment Transactions – Automatic Payments	
F111G	Global Settings for Payment Program for Payment Requests	MANDT
FDZA	Cash Management Line Items in Payment Requests	MANDT / KEYNO
PAYRQ	Payment Requests	MANDT / KEYNO
FI-AA-AA (AA)	Asset Accounting: Basic Functions – Master Data	
ANKA	Asset Classes: General Data	MANDT / ANLKL
ANKP	Asset Classes: Fld Cont Dpndnt on Chart of Depreciation	MANDT / ANLKL / AFAPL
ANKT	Asset Classes: Description	MANDT / SPRAS / ANLKL
ANKV	Asset Classes: Insurance Types	MANDT / ANLKL / VRSLFD
ANLA	Asset Master Record Segment	MANDT / BUKRS / ANLN1 / ANLN2
ANLB	Depreciation Terms	MANDT / BUKRS / ANLN1 / ANLN2 / AFABE / BDATU
ANLT	Asset Texts	MANDT / SPRAS / BUKRS / ANLN1 / ANLN2
ANLU	Asset Master Record User Fields	.INCLUDE / MANDT / BUKRS / ANLN1 / ANLN2
ANLW	Insurable Values (Year Dependent)	MANDT / BUKRS / ANLN1 / ANLN2 / VRSLFD / GJAHR
ANLX	Asset Master Record Segment	MANDT / BUKRS / ANLN1 / ANLN2
ANLZ	Time Dependent Asset Allocations	MANDT / BUKRS / ANLN1 / ANLN2 / BDATU
FI-AA-AA (AA2)	Asset Accounting: Basic Functions – Master Data 2.0	
ANAR	Asset Types	MANDT / ANLAR
ANAT	Asset Type Text	MANDT / SPRAS / ANLAR
FI-AA-AA (AB)	Asset Accounting: Basic Functions – Asset Accounting	
ANEK	Document Header Asset Posting	MANDT / BUKRS / ANLN1 / ANLN2 / GJAHR / LNRAN
ANEP	Asset Line Items	MANDT / BUKRS / ANLN1 / ANLN2 / GJAHR / LNRAN / AFABE
ANEV	Asset Downpymt Settlement	MANDT / BUKRS / ANLN1 / ANLN2 / GJAHR / LNRANS
ANKB	Asset Class: Depreciation Area	MANDT / ANLKL / AFAPL / AFABE /

Configuration of FICO Modules

		BDATU
ANLC	Asset value Fields	MANDT / BUKRS / ANLN1 / ANLN2 / GJAHR / AFABE
ANLH	Main Asset Number	MANDT / BUKRS / ANLN1
ANLP	Asset Periodic Values	MANDT / BUKRS / GJAHR / PERAF / AFBNR / ANLN1 / ANLN2 / AFABER
FI-SL-VSR (GVAL)	<i>Special Purpose Ledger: Validation, Substitution and Rules</i>	
GB03	Validation / Substitution User	VALUSER
GB92	Substitutions	MANDT / SUBSTID
GB93	Validation	MANDT / VALID
Controlling		
AUSP	Characteristic Values	MANDT / OBJEK / ATINN / ATZHL / MAFID / KLART / ADZHL
CO-KBAS	Overhead Cost Controlling	
A132	Price per Cost Center	MANDT / KAPPL / KSCHL / KOKRS / VERSN / RESRC / KOSTL / DATBI
A136	Price per Controlling Area	MANDT / KAPPL / KSCHL / KOKRS / VERSN / RESRC / DATBI
A137	Price per Country / Region	MANDT / KAPPL / KSCHL / KOKRS / VERSN / RESRC / LAND1 / REGIO / DATBI
COSC	CO Objects: Assignment of Original Costing Sheets	MANDT / OBJNR / SCTYP / VERSN / GJAHR
CSSK	Cost Center / Cost Element	MANDT / VERSN / KOKRS / GJAHR / KOSTL / KSTAR
CSSL	Cost Center / Activity Type	MANDT / KOKRS / KOSTL / LSTAR / GJAHR
KAPS	CO Period Locks	MANDT / KOKRS / GJAHR / VERSN / VRGNG / PERBL
CO-KBASCORE	Overhead Cost Controlling: General Services	
CSKA	Cost Elements (Data Dependent on Chart of Accounts)	MANDT / KTOPL / KSTAR
CSKB	Cost Elements (Data Dependent on Controlling Area)	MANDT / KOKRS / KSTAR / DATBI
CSKS	Cost Center Master Data	MANDT / KOKRS / KOSTL / DATBI
CSLA	Activity Master	MANDT / KOKRS / LSTAR / DATBI
CO-OM (KACC)	Overhead Cost Controlling	

Configuration of FICO Modules

COBK	CO Object: Document Header	MANDT / KOKRS / BELNR
COEJ	CO Object: Line Items (by Fiscal Year)	MANDT / KOKRS / BELNR / BUZEI / PERBL
COEJL	CO Object: Line Items for Activity Types (by Fiscal Yr)	MANDT / KOKRS / BELNR / BUZEI / PERBL
COEJR	CO Object: Line Items for SKF (by Fiscal Year)	MANDT / KOKRS / BELNR / BUZEI / PERBL
COEJT	CO Object: Line Items for Prices (by Fiscal Year)	MANDT / KOKRS / BELNR / BUZEI / PERBL
COEP	CO Object: Line Items (by Period)	MANDT / KOKRS / BELNR / BUZEI
COEPL	CO Object: Line Items for Activity Types (by Period)	MANDT / KOKRS / BELNR / BUZEI
COEPR	CO Object: Line Items for SKF (by Period)	MANDT / KOKRS / BELNR / BUZEI
COEPT	CO Object: Line Items for Prices (by Period)	MANDT / KOKRS / BELNR / BUZEI
COKA	CO Object: Control Data for Cost Elements	MANDT / OBJNR / GJAHR / KSTAR / HRKFT
COKL	CO Object: Control Data for Activity Types	MANDT / LEDNR / OBJNR / GJAHR / VERSN
COKP	CO Object: Control Data for Primary Planning	MANDT / LEDNR / OBJNR / GJAHR / WRTTP / VERSN / KSTAR / HRKFT / VRGNG / VBUND / PARGB / BEKNZ / TWAER
COKR	CO Object: Control Data for Statistical Key Figures	MANDT / LEDNR / OBJNR / GJAHR / WRTTP / VERSN / STAGR / HRKFT / VRGNG
COKS	CO Object: Control Data for Secondary Planning	MANDT / LEDNR / OBJNR / GJAHR / WRTTP / VERSN / KSTAR / HRKFT / VRGNG / PAROB / USPOB / BEKNZ / TWAER
CO-OM-CEL (KKAL)	Cost Element Accounting (Reconciliation Ledger)	
COFI01	Object Table for Reconciliation Ledger COFIT	MANDT / OBJNR
COFI02	Transaction Dependent Fields for Reconciliation Ledger	MANDT / OBJNR
COFIP	Single Plan Items for Reconciliation Ledger	RCLNT / GL_SIRID
COFIS	Actual Line Items for Reconciliation Ledger	RCLNT / GL_SIRID
CO-OM-CCA	Cost Center Accounting (Cost Accounting Planning RK-S) – What is RK-S	
A138	Price per Company Code	MANDT / KAPPL / KSCHL / KOKRS / VERSN / RESRC / BUKRS / GSBER /

Configuration of FICO Modules

		DATBI
A139	Price per Profit Center	MANDT / KAPPL / KSCHL / KOKRS / VERSN / RESRC / PRCTR / DATBI
CO-OM-OPA (KABR)	Overhead Orders: Application Development R/3 Cost Accounting Settlement	
AUAA	Settlement Document: Receiver Segment	MANDT / BELNR / LFDNR
AUAB	Settlement Document: Distribution Rules	MANDT / BELNR / BUREG / LFDNR
AUAI	Settlement Rules per Depreciation Area	MANDT / BELNR / LFDNR / AFABE
AUAK	Document Header for Settlement	MANDT / BELNR
AUAO	Document Segment: CO Objects to be Settled	MANDT / BELNR / LFDNR
AUAV	Document Segment: Transactions	MANDT / BELNR / LFDNR
COBRA	Settlement Rule for Order Settlement	MANDT / OBJNR
COBRB	Distribution Rules Settlement Rule Order Settlement	MANDT / OBJNR / BUREG / LFDNR
CO-OM-OPA (KAUF)	Overhead Orders: Cost Accounting Orders	
AUFK	Order Master Data	MANDT / AUFNR
AUFLAY0	Entity Table: Order Layouts	MANDT / LAYOUT
EC-PCA (KE1)	Profit Center Accounting	
CEPC	Profit Center Master Data Table	MANDT / PRCTR / DATBI / KOKRS
CEPCT	Texts for Profit Center Master Data	MANDT / SPRAS / PRCTR / DATBI / KOKRS
CEPC_BUKRS	Assignment of Profit Center to a Company Code	MANDT / KOKRS / PRCTR / BUKRS
GLPCA	EC-PCA: Actual Line Items	RCLNT / GL_SIRID
GLPCC	EC-PCA: Transaction Attributes	MANDT / OBJNR
GLPCO	EC-PCA: Object Table for Account Assignment Element	MANDT / OBJNR
GLPCP	EC-PCA: Plan Line Items	RCLNT / GL_SIRID
EC-PCA BS	PCA Basic Settings: Customizing for Profit Center Accounting	
A141	Dependent on Material and Receiver Profit Center	MANDT / KAPPL / KSCHL / KOKRS / WERKS / MATNR / PPRCTR / DATBI
A142	Dependent on Material	MANDT / KAPPL / KSCHL / WERKS / MATNR / DATBI
A143	Dependent on Material Group	MANDT / KAPPL / KSCHL / WERKS / MATKL / DATBI