

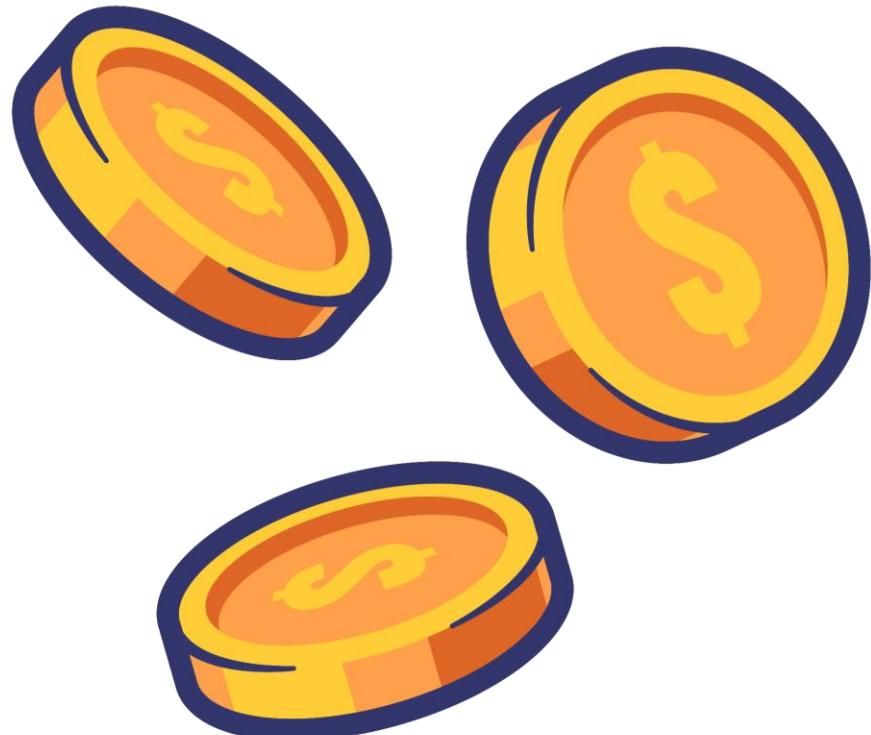
CASH FLOW

Analysis in

SAP Business One

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Configuration & Settings

Essential setup requirements for accurate cash flow tracking for all cash movements including checks, cards, and invoices to predict your future cash position.

SAP Fields	Description
Cash Account	<ul style="list-style-type: none">• For Banking: Turn on for accounts that represent actual money (e.g., bank accounts, petty cash) to enable payment processing.
Cash Flow Relevant	<ul style="list-style-type: none">• For Reporting: enable for any account you want to appear in the Cash Flow report.• Use for all bank/cash accounts, plus any other liquid asset accounts you want to track.
Cash Flow Assignment	<ul style="list-style-type: none">• For Accuracy: A system setting that forces users to categorize transactions.• Set to Mandatory to prevent users from saving payments without choosing a cash flow reason (e.g., <i>Operations vs Investing</i>).
Cash Flow Line Items	<ul style="list-style-type: none">• For Classification: Defines the specific category (Primary Form Item) for each transaction.• Essential for the Statement of Cash Flows (Direct Method) to correctly group cash movements.

Reports

Overview of available cash flow reports and their specific use cases.

SAP Reports	Description
Cash Flow	<ul style="list-style-type: none">• Operational Report: Shows current cash position + expected incoming/outgoing movements. (Cash flow is a forecast report)• Use for daily or weekly liquidity monitoring.
Statement of Cash Flows	<ul style="list-style-type: none">• Financial Statement: A formal report categorized by activity (Operating, Investing, Financing).• Supports both Direct and Indirect calculation methods.• Use for official financial reporting (audits/management).
Cash Flow Forecast	<ul style="list-style-type: none">• Visual Dashboard: Shows a chart of your predicted future balance.• Use to see if you will run out of cash or have extra cash in the coming weeks/months.

Cash Flow Report

The cash flow report displays **balances of cash holdings** (such as cash in the bank) and expected cash flow in the **future** (such as future incoming payments and open invoices) for the time interval you have requested. Cash Flow is a forecast report and reflects the monetary value of the company. It goes beyond the P&L because it tracks when money actually comes in and goes out, not just accounting profit.

Components:

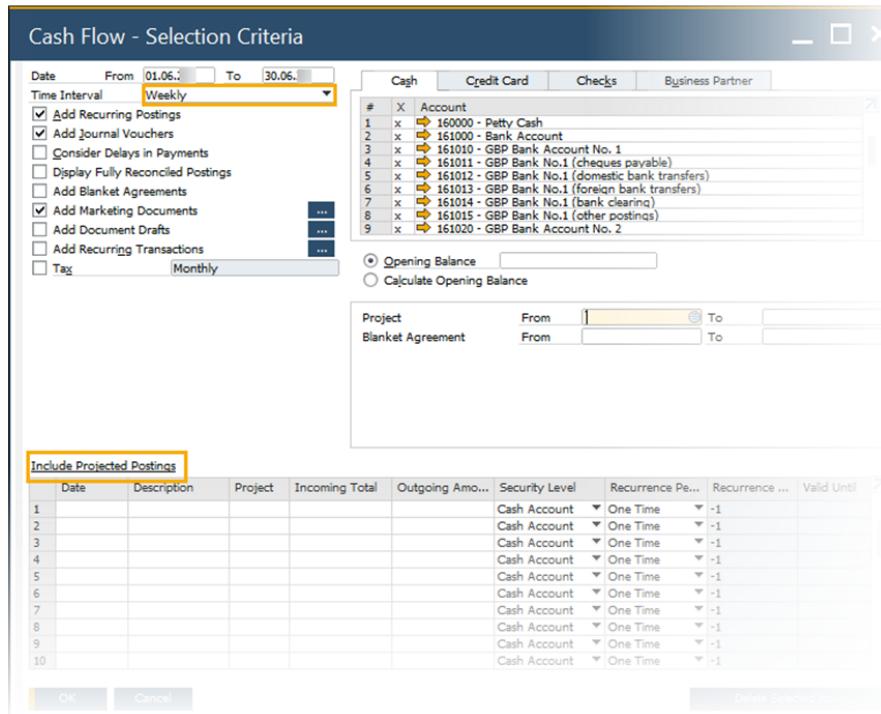


Tips

- **Security level:** Level of probability that the transaction will turn to cash (incoming and outgoing).
- **Cash accounts:** Bank, Petty Cash, Payroll accounts
- **Customer Liabilities:** A/R Invoices
- **Debts to Vendor:** A/P Invoices
- **The customer and vendor forecasts:** the open documents, such as sales and purchasing orders and draft documents.

Cash Flow Report Structure

- The Cash Flow runs according to **Open transactions - not reconciled** (with the option to display fully reconciled postings) and the **transaction Due Date**.
- The Cash Flow is displayed according to **Time Intervals** (days, weeks, months etc.) and **Security levels**.



Time range: Next Month					
Within one time interval - week:					
Security Level	Due Date (In the future)	Document	Account	Debit	Credit
Cash Accounts	---	Payments to vendor (Bank transfer)	House Bank	5,000	
Credit Cards/ Checks	---	Incoming Payments	Credit Card Clearing acc.	10,000	
Customer Liabilities	---	A/R Invoices	Customer acc.	2,000	
Debts to Vendors	---	A/P Invoices	Vendor	3,000	
Vendor Forecast	---	Purchase Orders	Vendor	1,000	

Cumulative Balance within the time interval: 3,000

Navigate to: *Banking → Cash Flow → Cash Flow Report*

Statement of Cash Flows

The Statement of Cash Flow is a legal document like the profit and loss statement and the balance sheet. Using this report requires initial configuration on the [General Settings](#) window on the Cash Flow tab and set defaults for assigning transactions to relevant items in the Statement of Cash Flow.

The image shows two windows side-by-side. The left window is titled "General Settings" and has a tab bar at the top with "Cash Flow" selected. It contains sections for "Assignment of Cash Flow Line Item" (radio buttons for "Mandatory" and "Optional"), "Default Primary Form Cash Flow Line Item" (dropdown menus for "Incoming Payment" set to "Payments for Invoices from Customers" and "Outgoing Payment" set to "Payments for Invoices to Suppliers"), and "Assignment in Transaction with All Relevant Cash Flow" (radio buttons for "Ignore Without Warning" and "Warning Only"). The right window is titled "Statement of Cash Flows" and has a header with "Company S", "Actual Period", "From 01.01.", and "To 31.12.". It displays a table of "Line Items" with "Line No." and "Actual Period" columns. The table includes categories for "Cash Flow from Operating Activities", "Cash Paid to Supplier (-)", "Cash Paid for Rent/Electricity/Phones (-)", "Cash Paid to Employees(-)", "Other Operating Payments (+/-)", and "Less Tax Paid (-)". The final row shows "Corporate Income Tax Paid" and "VAT Paid".

Line Items	Line No.	Actual Period
Cash Received from Customers (+)		
Payments for Invoices from Customers	1	22,279.1
Down Payments Received from Customers	2	
Purchase Credit Notes Paid by Suppliers	3	
Cash Paid to Supplier (-)		
Payments for Invoices to Suppliers	4	-58,721.3
Down Payments to Suppliers	5	
Sales Credit Notes Paid to Customers	6	
Cash Paid for Rent/Electricity/Phones (-)		
Cash Paid for Rent	7	
Cash Paid for Electricity	8	
Cash Paid for Phones	9	
Cash Paid to Employees(-)		
Payments to Employees, e.g. Wages	10	
Other Operating Payments (+/-)		
Other Operating Payments	11	
Cash Generated from Operations (Summary Line)		
Less Tax Paid (-)		
Corporate Income Tax Paid	12	-36,442.2
VAT Paid	13	-36,442.2

Direct vs. Indirect Method

Direct Method

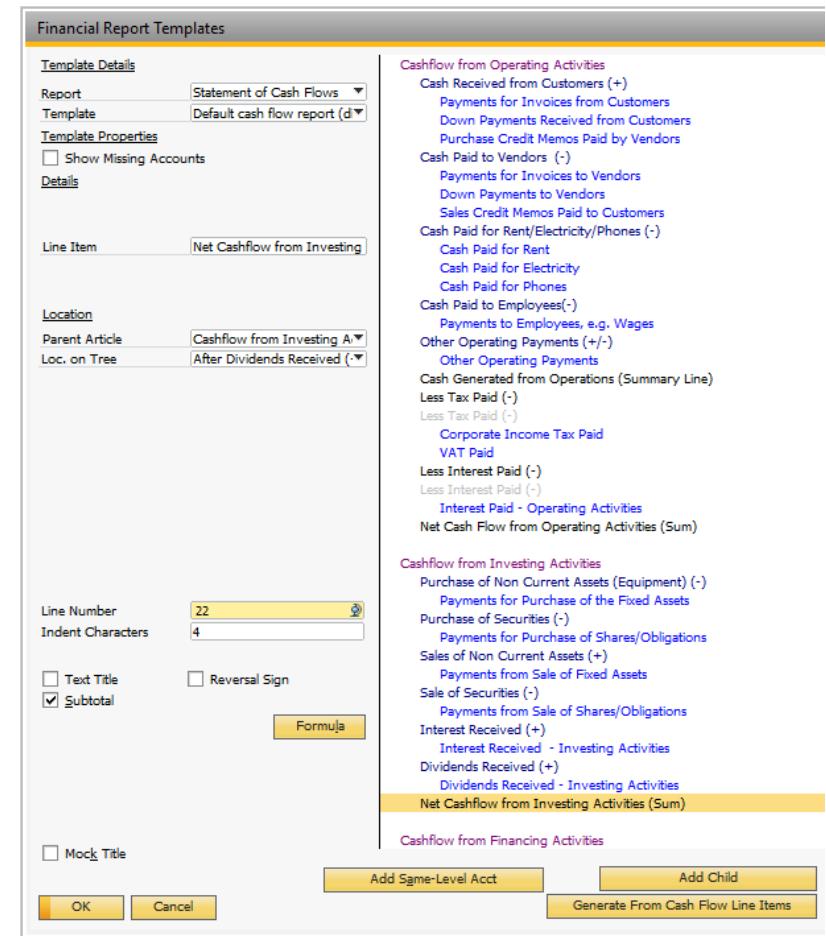
- Reports actual cash inflows and outflows from operations.
 - E.g. Cash received from customers: 500,000
 - Cash paid to suppliers: 200,000
- This method requires assigning **Cash Flow Line Item** to every transaction.
- Ideal for detailed operational cash analysis

Indirect Method

- Starts with **Net Profit** from P&L
- Adjusts for non-cash items (depreciation, amortization)
- Adjusts for changes in working capital (AR, AP, Inventory)
- Financial Report Template:**
 - Configure report structure
 - GL account mapping to line items
 - Calculation formulas
- Ideal for Legal financial reporting (audits, investor presentations)

Which to use?

- Daily management: Use Direct Method logic (similar to Cash Flow Forecast)
- Official reporting: Use Indirect Method (standard for financial statements)



Cash Flow Forecast Report

The Cash Flow Forecast report offers an instant graphical view of your liquidity. It dynamically updates as you adjust settings. Blue bars show incoming cash; green bars show outgoing cash. The line graph tracks both the Net change (Incoming - Outgoing) and the Accumulated Balance (Start Balance + Net Change), showing exactly how much cash you will have at any point. ([HANA Database](#))

