Financial Accounting (FI)

Curriculum: Introduction to S/4HANA using Global Bike
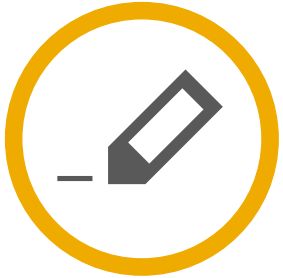
SAP UCC
Magdeburg

Teaching material - Information

Teaching material - Version

- 3.3 (May 2019)

- Software used
  - S/4HANA 1809 Fiori 2.0

- Model
  - Global Bike

- Prerequisites
  - No Prerequisites needed

Module Information

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Target Audience

- Beginner

Module Information

Learning Objectives

You are able to
- define the central organizational structures of the FI module.
- summarize the master data which is most important for the FI module.
- explain a standard financial accounting process.
- outline the basic functionalities of FI reporting.
- recognize some of integration points to other SAP modules.

Agenda

- FI Organizational Structure

- FI Master Data

- FI Processes

- FI Reporting

- Innovations in S/4HANA

Agenda

- FI Organizational Structure

- FI Master Data

- FI Processes

- FI Reporting

- Innovations in S/4HANA

Goal of Financial Accounting (FI)

- Financial Accounting is designed to collect the transactional data that provides a foundation for preparing the standard portfolio of reports.

- In general, these reports are primarily, but not exclusively, directed at external parties.

- Standard reports include:
  - Balance Sheet
  - Income Statement
 - Statement of Cash Flows

Target Audience

- Internal
  - Executives
  - Senior Management
  - Administrative Staff
  - Employees

- External
  - Legal Authorities
  - Banks
  - Auditors
  - Shareholders
  - Insurance
  - Taxing Authorities
  - Media
  - Financial Analysts

FI Organizational Structure

- Client
  - An independent environment in the system

- Company Code
  - Represents an independent legal accounting unit
  - Balanced set of books, as required by law, are prepared at this level.
  - A client may have more than one company code
    - United States
    - Germany
    - United Kingdom
    - Australia
    - …

Assets

Liabilities & Owners Equity
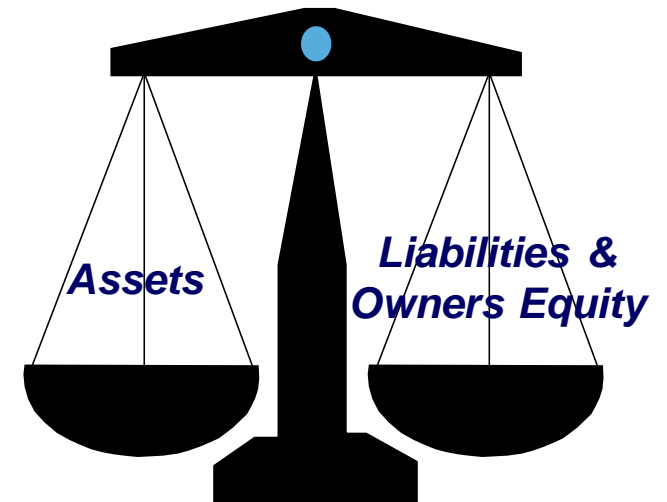
FI Organizational Structure

- Chart of Accounts
  - A classification scheme consisting of a group of general ledger (G/L) accounts
  - Provides a framework for the recording of values to ensure an orderly rendering of accounting data
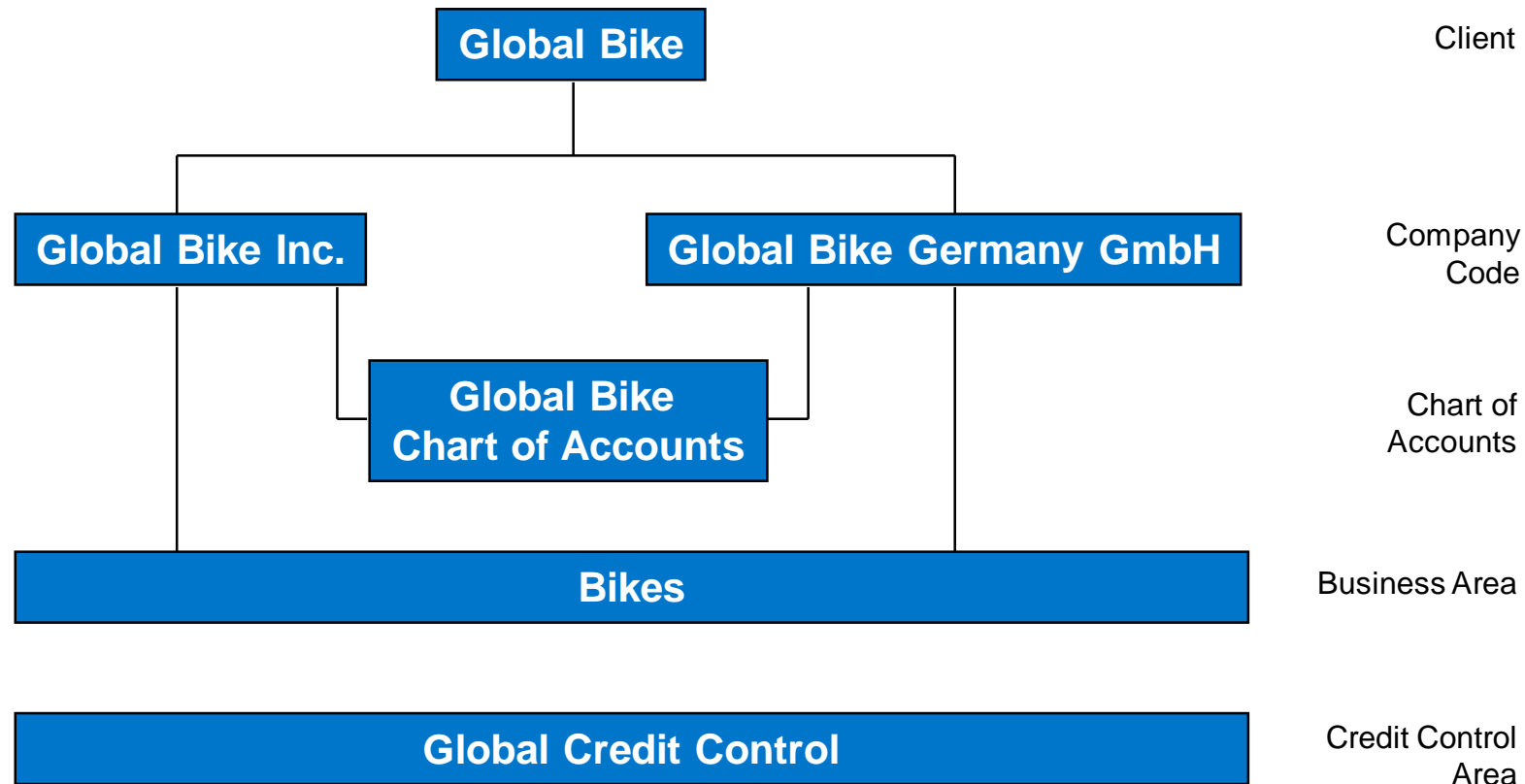 - The G/L accounts it contains are used by one or more company codes.

- Credit Control Area
  - An organizational entity which grants and monitors a credit limit for customers.
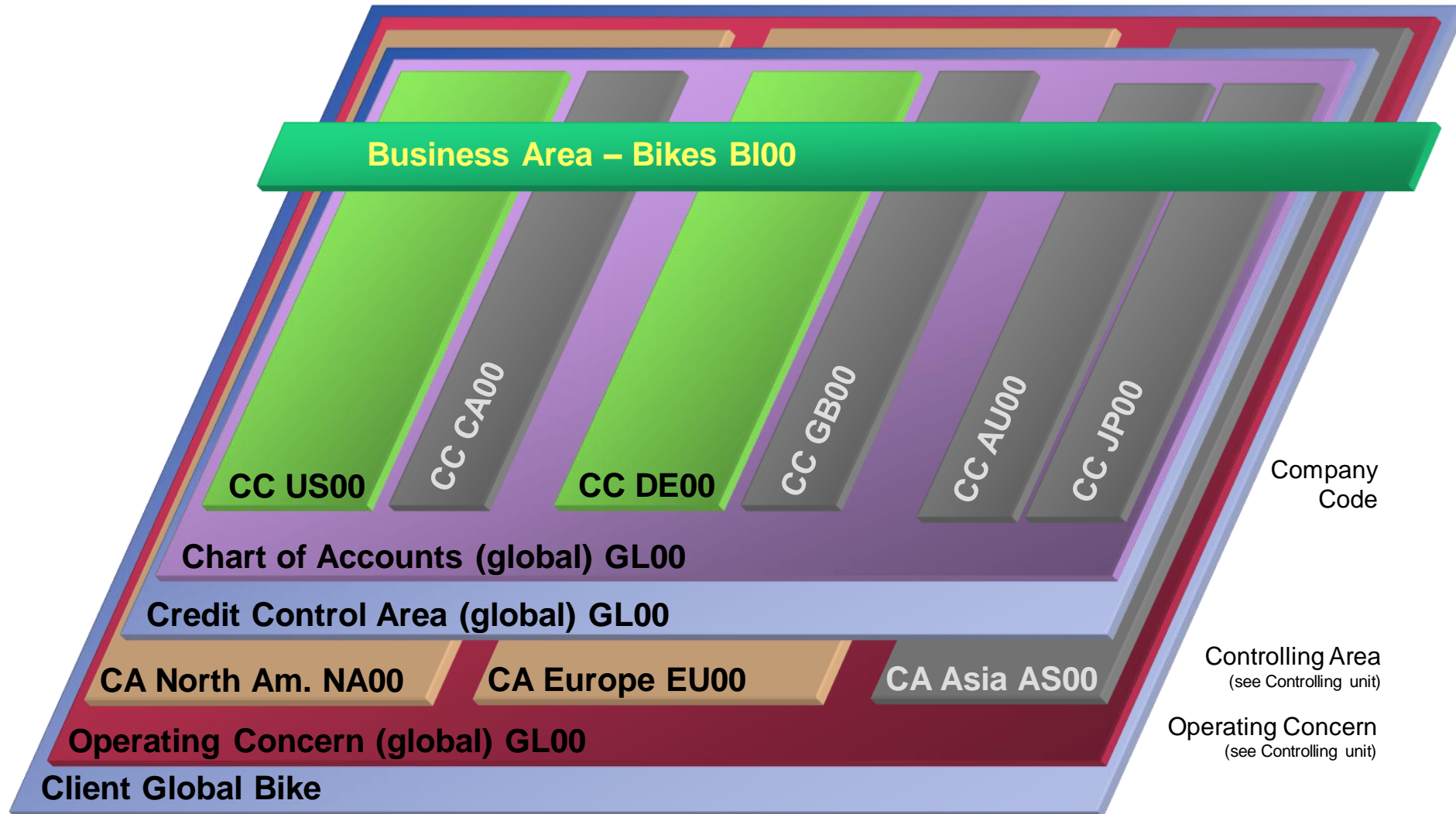 - It can include one or more company codes

- Business Area
  - An organizational unit that represents a separate area of operations or responsibilities within an organization and to which value changes recorded in Financial Accounting can be allocated
  - Financial statements can be created for business areas, and these statements can be used for various internal reporting purposes.

Global Bike Structure for Financial Accounting

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                    ┌─────────────┐
                    │ Global Bike │                          Client
                    └─────────────┘

   ┌──────────────────┐        ┌───────────────────────────┐   Company
   │ Global Bike Inc. │        │ Global Bike Germany GmbH  │   Code
   └──────────────────┘        └───────────────────────────┘

              ┌──────────────────────┐                         Chart of
              │    Global Bike       │                         Accounts
              │  Chart of Accounts   │
              └──────────────────────┘

   ┌──────────────────────────────────────────────────┐      Business Area
   │                     Bikes                          │
   └──────────────────────────────────────────────────┘

   ┌──────────────────────────────────────────────────┐      Credit Control
   │              Global Credit Control                 │      Area
   └──────────────────────────────────────────────────┘
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Global Bike Enterprise Structure in SAP ERP (Accounting)

Business Area – Bikes BI00

CC CA00

CC GB00

CC AU00

CC JP00

CC US00

CC DE00

Company Code

Chart of Accounts (global) GL00

Credit Control Area (global) GL00

CA North Am. NA00

CA Europe EU00

CA Asia AS00

Controlling Area
(see Controlling unit)

Operating Concern (global) GL00

Operating Concern
(see Controlling unit)

Client Global Bike

Customer Accounts

- Accounts Receivable Sub-Ledger (FI-AR)
  - Information with respect to customers who purchase the enterprise's goods and services such as sales and payments made
  - Substantive and important integration between Sales and Distribution (SD) and Financial Accounting (FI)
  - Billings in SD generate FI journal entries for sales activity
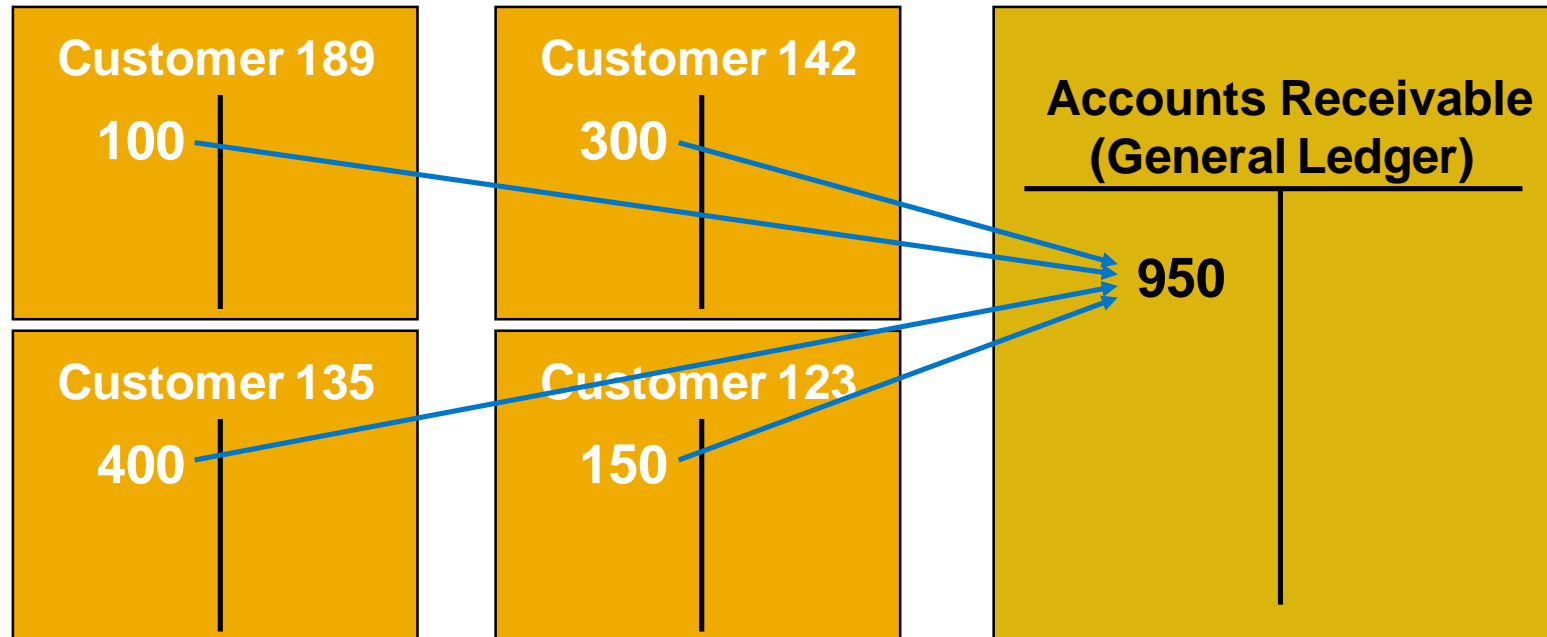
Vendor Accounts

- Accounts Payable Subledger (FI-AP)
  - Information with respect to Vendors from whom the enterprise purchases goods and services such as purchases and payments made
  - Substantive and important integration between Materials Management (MM) and Financial Accounting (FI)
  - Purchase and goods receipt activities in MM generate FI journal entries
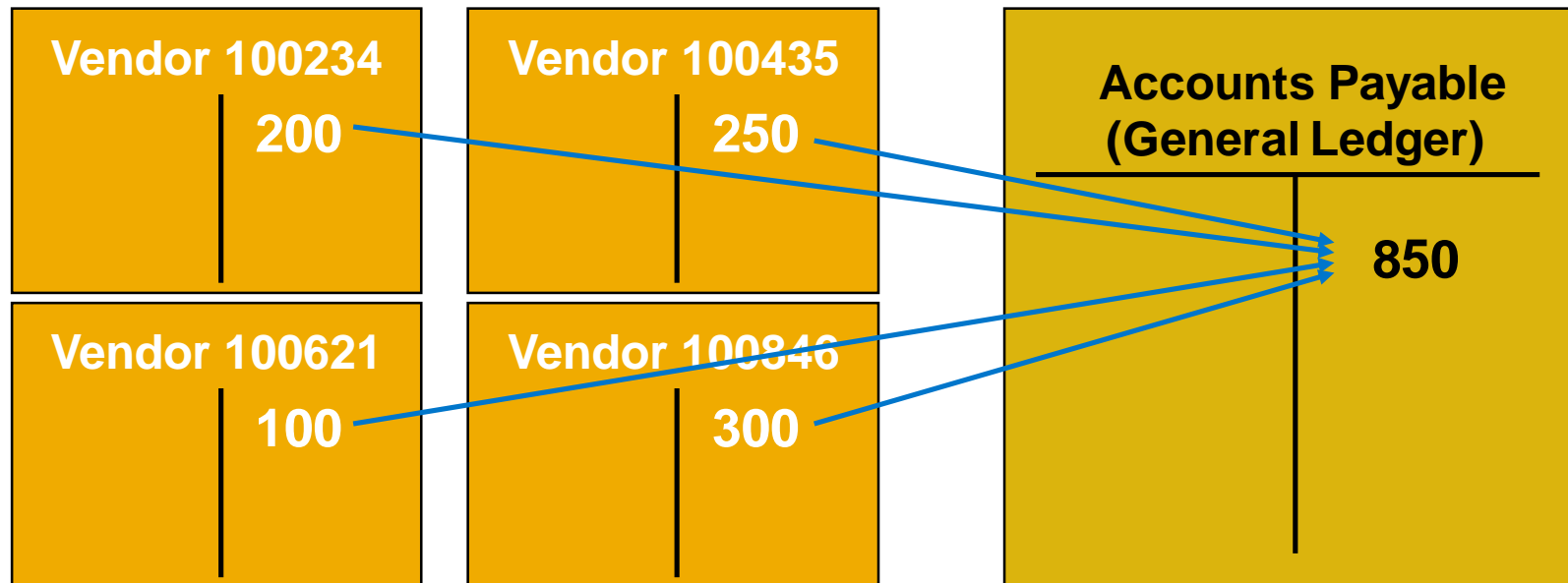
Agenda

- FI Organizational Structure

- FI Master Data

- **FI Processes**

- FI Reporting

- Innovations in S/4HANA

FI Reporting

- G/L Account Summary

FI Reporting

- Income Statement Example

Revenue
Sales	11,000
Deductions	750
Total Revenue	10,250

Operating Expenses
Cost of Goods Sold	4,500
Operating Expenses	3,750
Total Expenses	8,250

Net Income Before Taxes	2,000
Taxes	750
Net Income	1,250

Thank you!