

Financial Accounting (FI)

Curriculum: Introduction to S/4HANA using Global Bike

Teaching material - Information



Teaching material - Version

- 3.2 (May 2018)
- Software used
 - S/4HANA 1709 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

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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

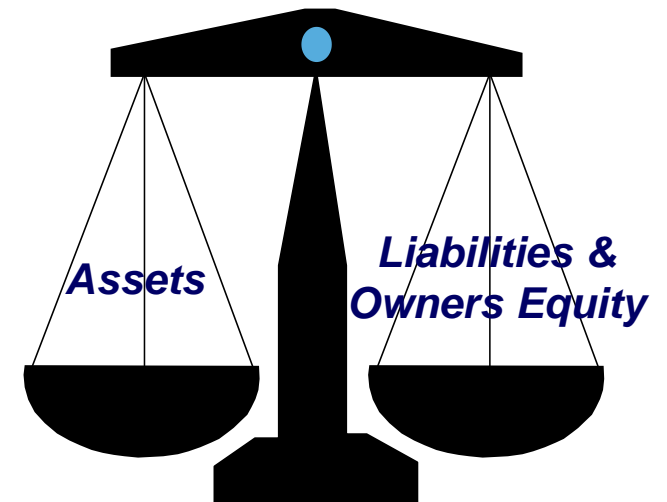
- Internal
 - Executives
 - Senior Management
 - Administrative Staff
 - Employees

- 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
 - ...



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.

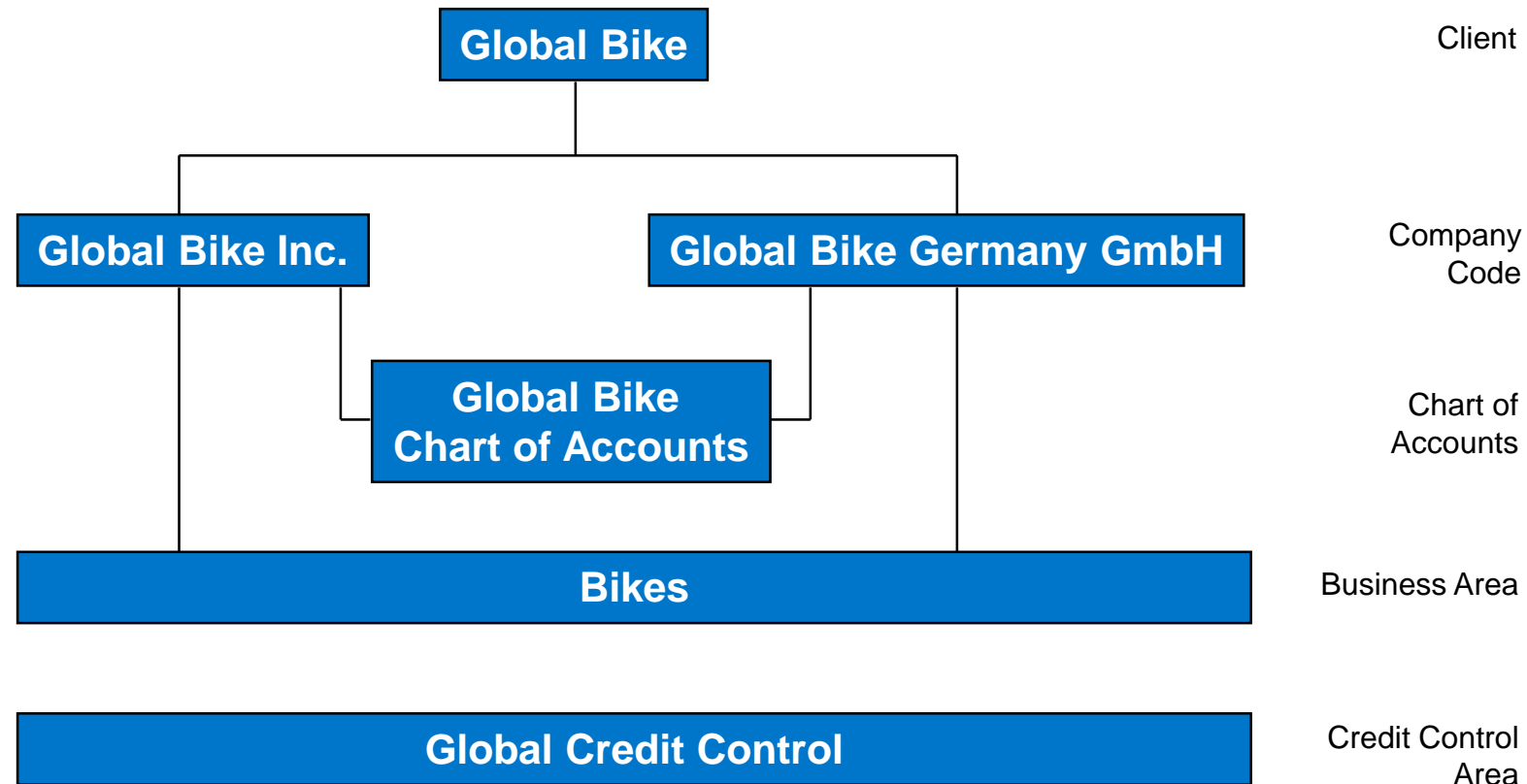
■ Credit Control Area

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

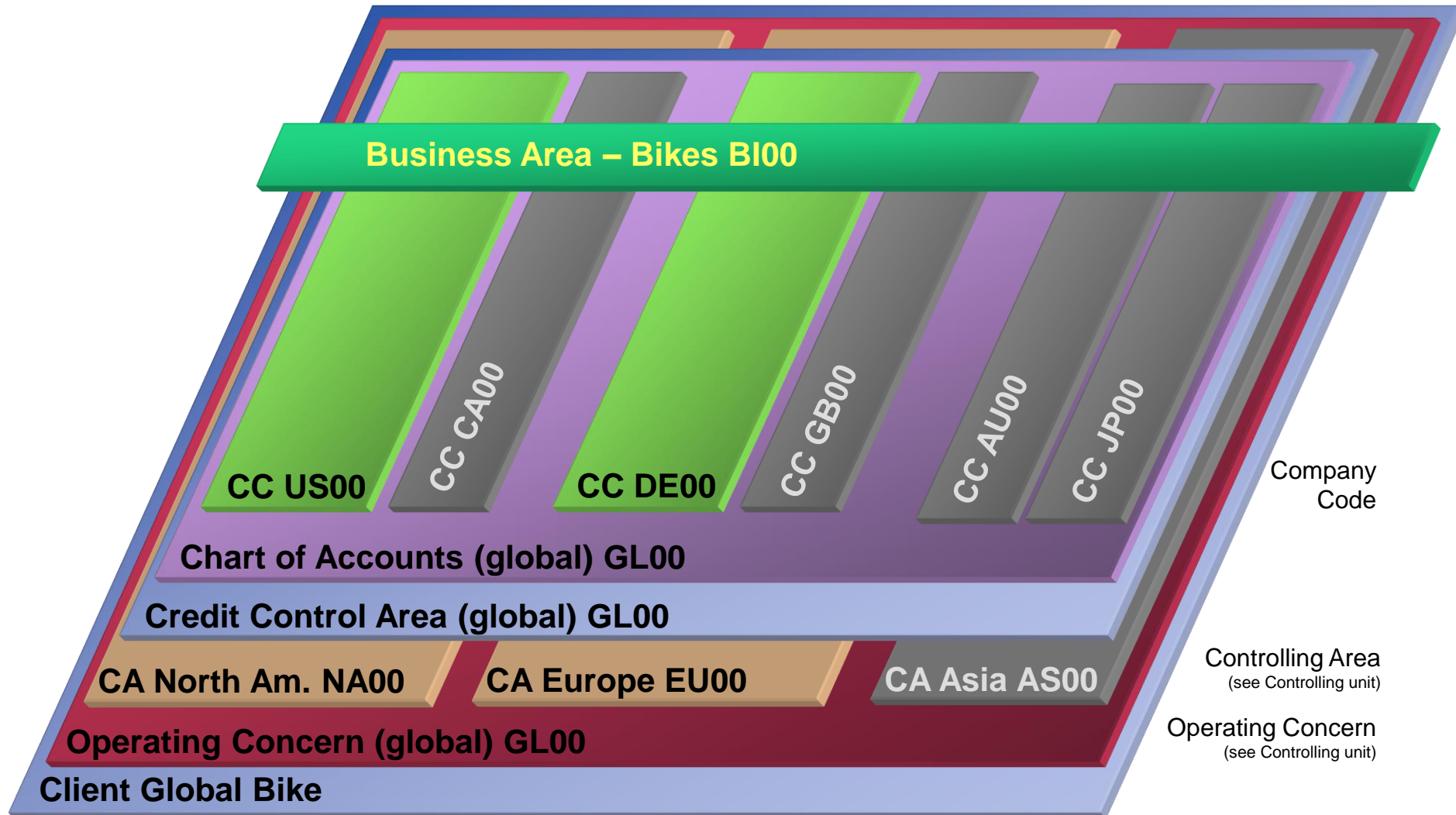
■ Business Area

- 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



Global Bike Enterprise Structure in SAP ERP (Accounting)



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FI Master Data

- General Ledger (G/L) Accounts

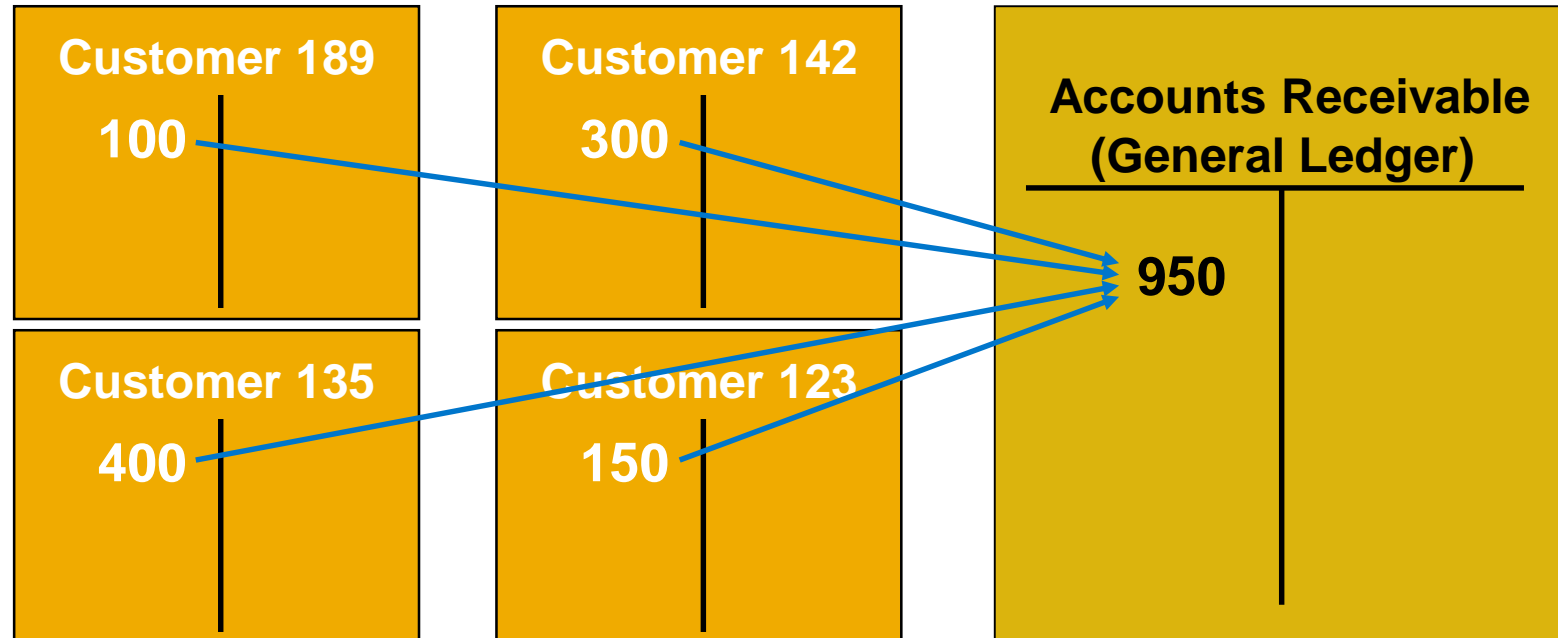
- The unique combination of Company Code and Chart of Account creates a data storage area called a General Ledger.
- The General Ledger contains a listing of the transactions effecting each account in the Chart of Accounts and the respective account balance.
- It is utilized in the preparation of financial accounting statements.

FI Master Data

- Customer and Vendor Master Data
 - Customer and vendor account balances are maintained in FI through fully integrated accounts receivable and accounts payable sub-ledgers.
 - Financial postings for customers and vendors are made directly to their respective individual accounts and accompanied by a concurrent automatic posting to the General Ledger.

Customer Accounts

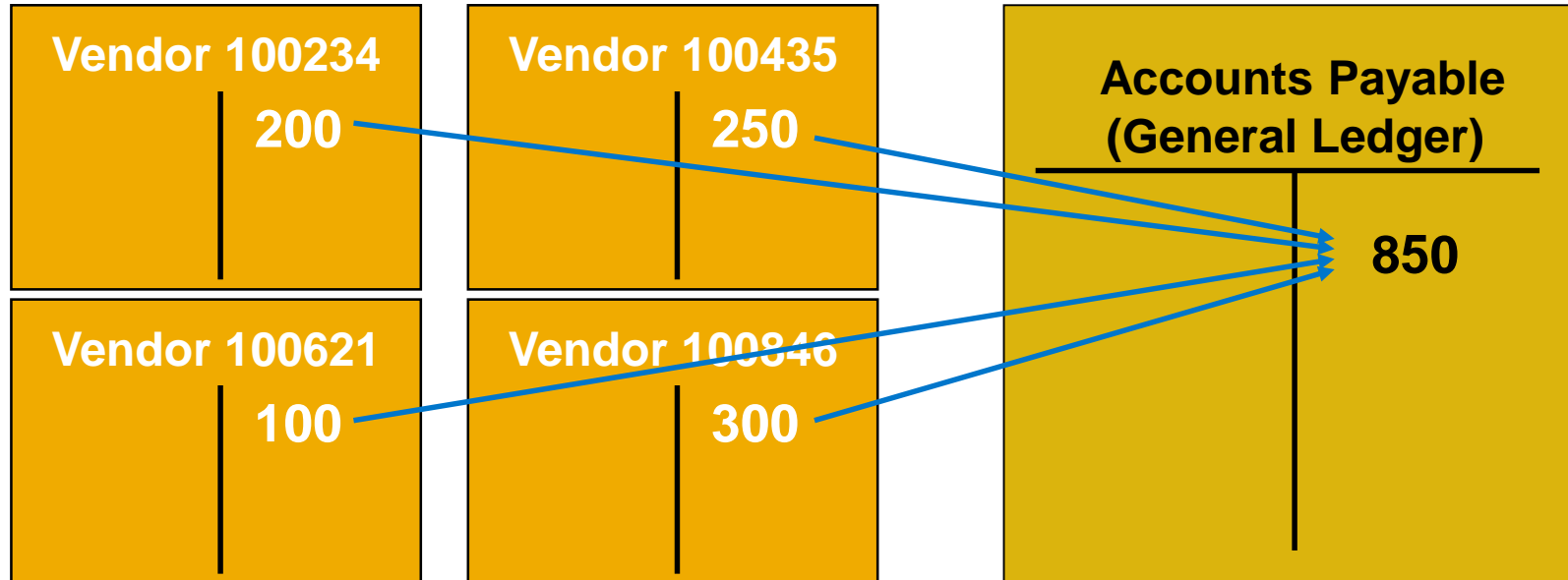
- Accounts Receivable Sub-Ledger (FI-AR)
 - Information with respect to customers who purchase the enterprise's goods and services such as sales and payments made
 - Substantive and important integration between Sales and Distribution (SD) and Financial Accounting (FI)
 - Billings in SD generate FI journal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

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- **FI Processes**
- FI Reporting
- Innovations in S/4HANA

FI Processes

- Posting a G/L Entry

< **SAP** Enter G/L Account Document: Company Code US00

Tree on Company Code Hold Simulate Park Editing options More ▾ Exit

Basic Data Details

Document Date: 18.05.2018 Currency: USD

Posting Date: 18.05.2018

Reference: 001

Doc.Header Text: Transfer of Funds

Cross-CC Number:

Company Code: US00 Global Bike Inc. Dallas

Amount Information

Total Dr. 5.000,00 USD

Total Cr. 5.000,00 USD

2 Items (No entry variant selected)

<input type="checkbox"/>	St...	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	...	Tax jurisdictn code	..	Assignment
<input type="checkbox"/>	<input checked="" type="checkbox"/>	100005	Bank 000	S Deb... ▾	5.000,00	5.000,00			<input type="checkbox"/>	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	100000	Bank	H Cre... ▾	5.000,00	5.000,00			<input type="checkbox"/>	



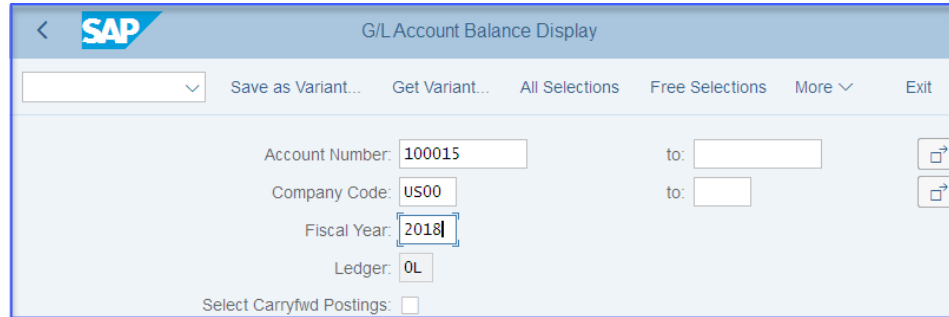
Document 100000024 was posted in company code US00

Agenda

- FI Organizational Structure
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- FI Processes
- **FI Reporting**
- Innovations in S/4HANA

FI Reporting

- G/L Account Summary



SAP G/L Account Balance Display

Account Number: 100015 to:

Company Code: US00 to:

Fiscal Year: 2018

Ledger: OL

Select Carryfwd Postings: ☐

Period	Debit	Credit	Balance	Cumulative Balance
Bal. Carryforw...				
1				
2				
3				
4				
5	5.000,00	1.500,00	3.500,00	3.500,00
6				3.500,00
7				3.500,00
8				3.500,00
9				3.500,00
10				3.500,00
11				3.500,00
12				3.500,00
13				3.500,00
Total	5.000,00	1.500,00	3.500,00	3.500,00

FI Reporting

- Balance Sheet

- Presentation of an organization's Assets, Liabilities, and Equity at a point in time
- Assets: What the company owns
- Liabilities: What the company owes
- Equity: The difference between Assets and Liabilities
- $\text{Assets} = \text{Liabilities} + \text{Equity}$

FI Reporting

- Balance Sheet Example

Assets

Cash	1,000
Accounts Receivable	3,000
Equipment	<u>500</u>
Total Assets	4,500

Liabilities

Accounts Payable	1750
Taxes Payable	<u>500</u>
Total Liabilities	2,250

Equity

Common Stock	2,000
Retained Earnings	<u>250</u>
Total Equity	2,250

Total Liabilities and Equity	4,500
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FI Reporting

■ Income Statement

- Presentation of an organization's revenues and expenses for a given period of time (e.g. monthly, quarterly, or yearly)
- Revenues, in a simple sense, are inflows of cash as a result of selling activities or the disposal of company assets.
- Expenses, in a simple sense, are outflows of cash or the creation of liabilities to support company operations.
- $\text{Revenues} - \text{Expenses} = \text{Net Income}$

FI Reporting

- Income Statement Example

Revenue	
Sales	11,000
Deductions	<u>750</u>
Total Revenue	10,250
 Operating Expenses	
Cost of Goods Sold	4,500
Operating Expenses	<u>3,750</u>
Total Expenses	8,250
Net Income Before Taxes	2,000
Taxes	<u>750</u>
Net Income	1,250

FI Reporting

- Statement of Cash Flows
 - Considers the associated changes, both inflows and outflows, that have occurred in cash – arguably the most important of all assets – over a given period of time (e.g. monthly, quarterly, or annually)



Accountants and Audit Trails

- Audit trails allow an auditor to begin with an account balance on a financial statement and trace through the accounting records to the transactions that support the account balance.
- Audit trails enable an auditor to trace individual transactions to the effected account balance(s) on a financial statement.

SAP Document Principle

- Each business transaction impacting FI writes data to the SAP database creating a uniquely numbered electronic document.
- The document number can be used to recall the transaction at a later date.
- It contains, for example, such critical and necessary information as:
 - Responsible person
 - Date and time of the transaction
 - Commercial content
- Once written to the SAP database, a financial document (one impacting the financial position of the company) can not be deleted from the database.
- It can be changed to some degree.
- The SAP document principle provides a solid and important framework for a strong internal control system – a requirement of law for companies that operate in most countries in the world.

SAP Document Principle

SAP		Document List				
		<input type="text"/>	Choose			
<input type="checkbox"/>	CoCd	DocumentNo	Year	Type	Doc..Date	Posting Date
<input type="checkbox"/>	US00	100000020	2018	SA	08.05.2018	08.05.2018

Document Changes : Overview			
Technical names on			
Document 0100000016 Company Code US00 Year 2010			
Date	Field	New	Old
05/22/10	Changed on	05/22/2010	00/00/0000
05/22/10	Document Header Text	Test for Change	Transfer of Funds

Document Header: US00 Company Code

Document type: SA Account Document

Doc.Header Text: Transfer of Funds

Reference: 000

Document Date: 08.05.2018

Posting Date: 08.05.2018

Currency: USD

Posting period: 05 / 2018

Ref. Transactn: BKPF Accounting document

Reference Key: 0100000020US002018

Log.System: R65CLNT103

Created By: LEARN-711

Parked By:

Entry Date: 08.05.2018

Time of Entry: 13:56:12

Parked On:

Time of Parking: 00:00:00

TCode: FV50

Changed On:

Last Update:

Ledger Grp:

ActgPrinciple:

Ref.key(head) 1:

Ref.key 2:

Continue/Confirm Cancel

SAP FI Module

- Fully integrated with other SAP modules including, but not limited to:
 - Sales and Distribution (SD)
 - Materials Management (MM)
 - Production Planning and Execution (PP)
 - Managerial Accounting (CO)

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Innovations in S/4HANA

- 1) The General Ledger is the Single Point of Truth. All transactions are stored in the Universal Journal table. The table also stores transactions for Controlling thereby removed many of the reconciliation activities in ERP.
- 2) Finance incorporates a re-designed General Ledger and new asset accounting functionalities.
- 3) Using the real time SAP HANA database means that reporting from many different finance areas is unified into a single repository.

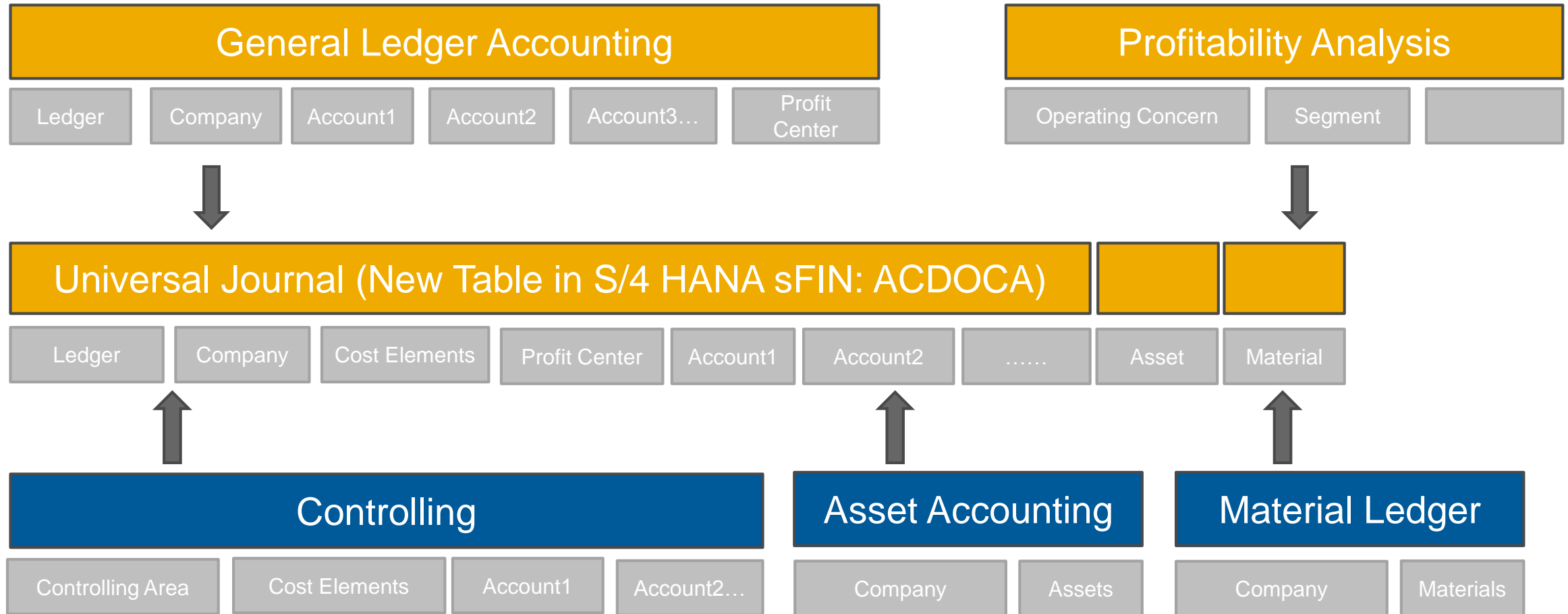
Innovations in S/4HANA

General Ledger

- General Ledger in S/4HANA is based in the Universal Journal
- Line items are stored in the new database table ACDOCA -> optimized to SAP HANA
 - no need for CO real-time integration for transfer of secondary CO postings to New GL or the Reconciliation Ledger of Classic GL
- CO internal postings are now visible in General Ledger as well
- The new journal entry consists of a header (table BKPF) and the respective items (table ACDOCA).
- The ACDOCA table contains all fields needed for G/L, CO, AA, ML, PA, providing one single source of truth for all these modules. For CO, the universal journal also contains all cost elements, including secondary cost elements, which are also in SAP S/4HANA G/L accounts.

Innovations in S/4HANA

General Ledger



- Various accounting applications merge in the new structure of Universal Journal (ACDOCA)
- The new comprehensive data table ACDOCA contains all of the line item documents from FI, FI-AA and CO

Innovations in S/4HANA

Data Model is made very simple

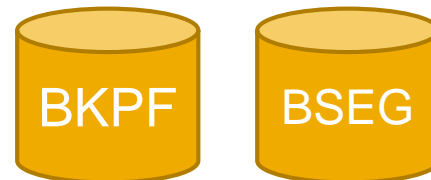
- All the Aggregate and Index tables are removed and are calculated on the fly

Before
S/4 HANA



SAP ERP
Financials with
Aggregates and
Indices

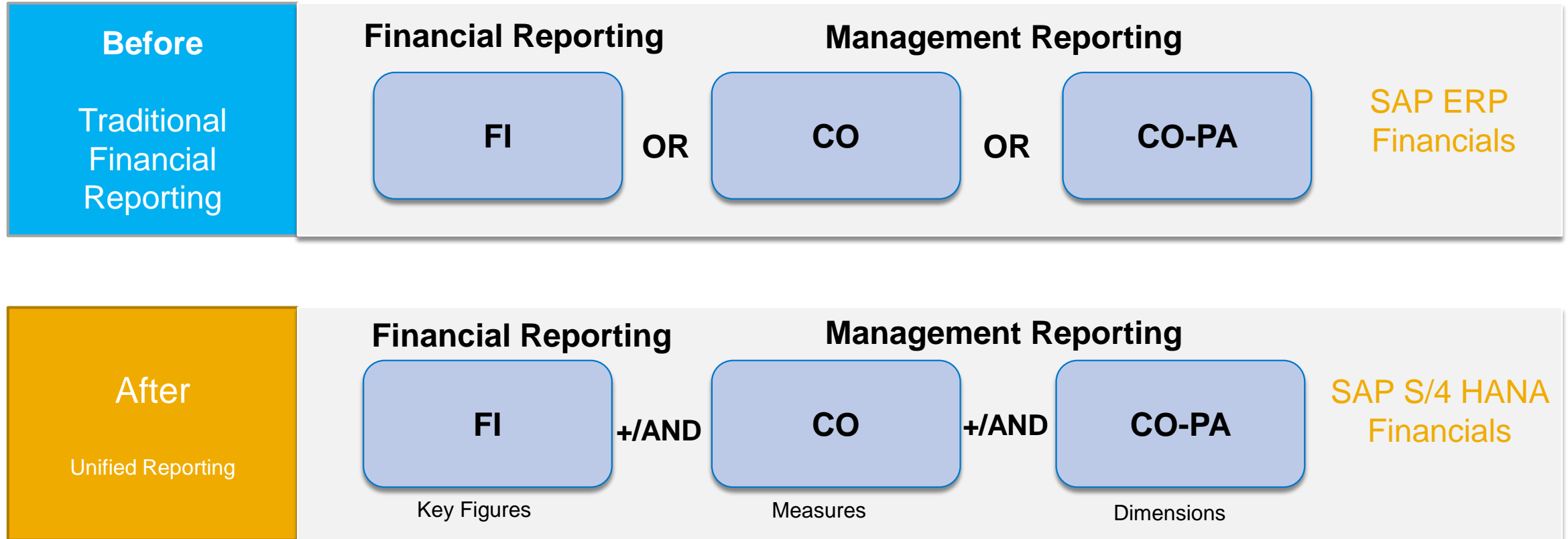
After
S/4 HANA



S/4 HANA
Financials

Innovations in S/4HANA

Financial Reporting and Analytics Simplified



Comprehensive Reporting Including CO and CO-PA detail

- Reporting is not limited by application boundaries
- Run one report (e.g. P&L) and drill-down to any dimension available in the financial documents

Innovations in S/4HANA

Currencies in Universal Journal

Situation in ECC

- In the Business Suite (ECC) there used to be up to 3 parallel currencies in FI (table T001A / tx OB22) and 2 parallel currencies in CO (TKA01 / tx OKKP): CO area currency and object currency
- The currencies of non leading ledgers in New GL (T882G) were a subset of the currencies in the leading ledger (T001A)
- One of the CO currencies needed to be the local currency (CT 10), but it was not necessary that the other currency in CO was also configured in FI

Situation in S/4H

- With the universal journal and the common line item table ACDOCA for FI and CO, there is also a central currency configuration for the universal journal. As the currency configuration depends on the universal journal ledgers, there is a combined view cluster for ledgers and currencies, tx FINSC_LEDGER
- Table BSEG is not extended and still contains only 3 parallel currencies
- SAP's goal is to implement full process integration of all currencies fields in all processes in accounting
- all journal entry items are converted in the accounting interface for all configured currencies, regardless of the source where the business transaction originates from



Thank you!

