

Financial Accounting (FI) Case Study

This case study explains an integrated financial accounting process in detail and thus fosters a thorough understanding of each process step and underlying SAP functionality.

Product

S/4HANA 1709 Global Bike

Fiori 2.0

Level

Undergraduate Graduate Beginner

Focus

Financial Accounting

Authors

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Version

3.2

Last Update

May 2018

MOTIVATION

The data entry requirements in the financial accounting exercises (FI 1 through FI 4) were minimized because much of the data already existed in the SAP system. This stored data, known as master data, simplifies the processing of business transactions. Examples for this were charts of accounts and G/L accounts.

In this case study, we will create a vendor master record, process an invoice and create a payment.

PREREQUISITES

Before you use this case study, you should be familiar with navigation in the SAP system.

In order to successfully work through this case study, it is not necessary to have finished the FI exercises (FI 1 through FI 4). However, it is recommended.

NOTES

This case study uses the Global Bike (GBI) data set, which has been created exclusively for SAP UA global curricula.



Process Overview

Learning Objective Understand and perform a financial accounting process.

Time 65 min

Scenario In order to process a complete accounts payables process within financial accounting you will take on different roles within the GBI company. You will be working in the Finance Account (FI) department.

Employees involved Silvia Cassano (Accounts Payable Specialist)

Shuyuan Chen (Chief Accountant)

Clayton Bartolome (Fixed Assets Accountant)

Before you can post the accounts payable invoice, master data has to be maintained. Within the Case Study you will create necessary accounts within the General Ledger and create the vendor.

Afterwards you will post the invoice and verify the changes on your accounts.

Since the posting is relevant to P&L-Statement you will review the impact on your Financial Statement as a final activity.

Process description

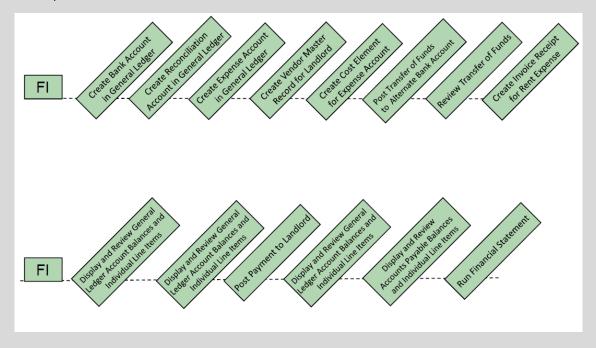


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CASE STUDY

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Learning Snacks
FI Challenge



Step 1: Create Bank Account in General Ledger

Task Create a new G/L Account.

Time 15 min

Short Description Use the SAP Fiori Launchpad to create a new Bank Account in the General Ledger.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

In this case study we will create the master data that is involved in an accounts payable process and pay our rental fee as an example. We start by creating a bank account for outgoing payments to our vendor.

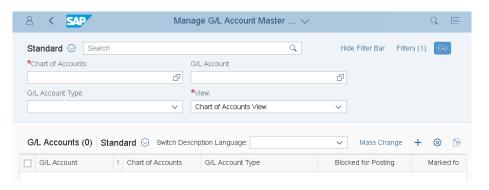
Business Scenario

Use the app *Manage G/L Account Master Date* to create a Bank Account in General Ledger.

Fiori App



The following screen will appear.



Click on the button Add +.

In the following screen, enter **10**###**5** (replace ### with your assigned number, e.g. 100125 if you have 012) as your G/L Account number.

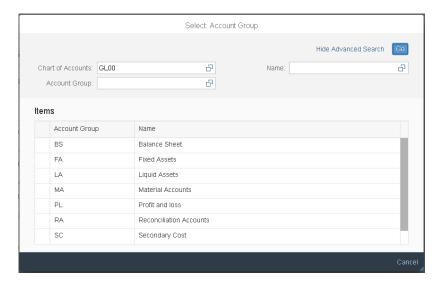
10###5

In the field Chart of Accounts use the F4 help and scroll until you find **GL00 – GBI Global**. Double click on the entry. Use the drop-down menu in the field Account Type to select **Balance Sheet Account**.

GL00 Balance Sheet Account

In the following screen use the F4 help in the field Account Group to select **Liquid Assets**.

LA



Bank ### Bank Account ###

Enter **Bank** ### as Short Text description. Again, replace ### with your assigned number. Furthermore, enter **Bank Account** ### in G/L Account Long Text.

Compare with the screenshot below and choose the tab

HEADER GENERAL V	COMPANY CODE DATA	CONTR	OLLING DATA	WHERE USED
*G/L Account:				
100005		6		
100000		П		
General				
General				
General				
General Basic Information				
Basic Information			Description in	Market Control
			Description in	Maintenance Lang. (EN)
Basic Information Control				Maintenance Lang. (EN)
Basic Information Control *Chart of Accounts:			*Short Text:	Maintenance Lang. (EN)
Basic Information Control		P		Maintenance Lang. (EN)
Basic Information Control *Chart of Accounts:		8	*Short Text:	Maintenance Lang. (EN)
Basic Information Control *Chart of Accounts: GL00		5	*Short Text: Bank 000	
Basic Information Control *Chart of Accounts: GL00 *Account Type:			*Short Text: Bank 000 G/L Account Lo	ong Text:
Basic Information Control *Chart of Accounts:		₽ >	*Short Text: Bank 000	ong Text:

Now you have to assign your new account to your company code. Therefore, choose the button + next to Company Code Assignment.

Use the F4 help in the field *New Company Code Assignment*. Chart of Accounts and G/L Account should be automatically field with **GL00** and

your new account 10###5. Choose



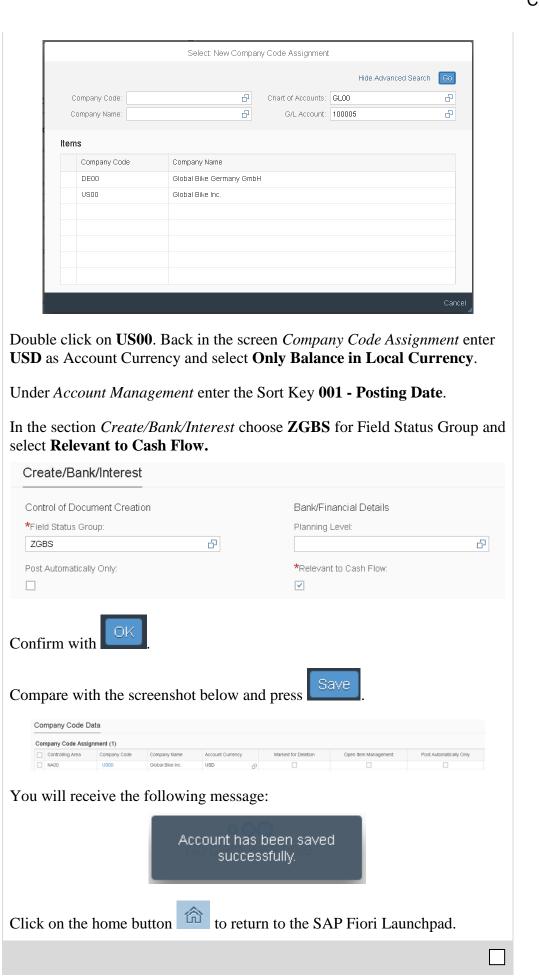
GL00 10###5

US00

USD

001

ZGBS





Step 2: Create Reconciliation Account in General Ledger

Task Create a new G/L Account.

Time 15 min

Short Description Use the SAP Fiori Launchpad to create a new Reconciliation Account in the General Ledger.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

Reconciliation Accounts connect the General Ledger with subledgers that are maintained for customers, vendors etc. Direct manual posting to the Reconciliation Accounts is not possible. Later we will create a new vendor master record and assign the new Reconciliation Account to it.

Business Scenario

Choose the app *Manage G/L Account Master Date* to create a Reconciliation Account in General Ledger.

Fiori App



Click on +

In the following screen, enter **11**###**5** (replace ### with your assigned number, e.g. 100125 if you have 012) as your G/L Account number.

11###5

In the field Chart of Accounts use the F4 help and click on until you find **GL00 – GBI Global**. Double click on the entry. Use the dropdown menu in the field G/L Account Type to select **Balance Sheet Account**.

GL00 Balance Sheet Account

In the following field Account Group use the F4 help to select **Reconciliation Accounts**.

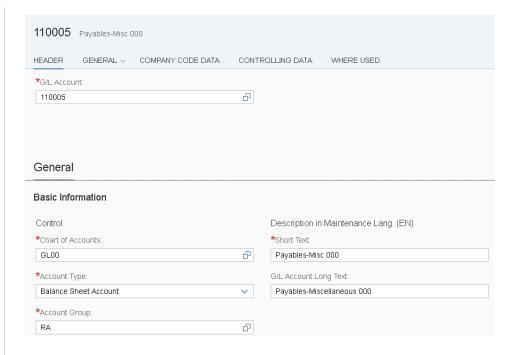
RA

Enter **Payables-Misc** ### as Short Text and **Payables-Miscellaneous** ### in G/L Account Long Text. Again, replace ### with your assigned number

Payables-Misc ### Payables-Miscellaneous ###

Compare with the screenshot below and select

COMPANY CODE DATA

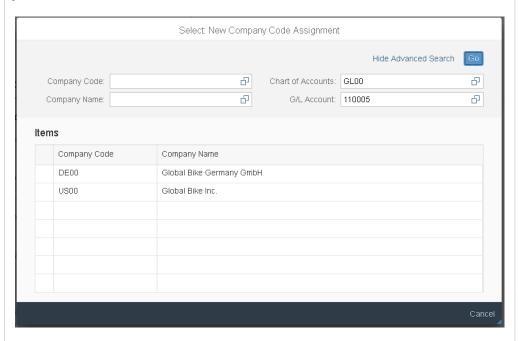


Now you have to assign your new account to your company code. Therefore, choose the button + next to Company Code Assignment.

Use the F4 help in the field *New Company Code Assignment*. Chart of Accounts and G/L Account should be automatically field with **GL00** and

your new account 11###5. Choose

Go



Double click on **US00**. Back in the screen *Company Code Assignment* enter **USD** as Account Currency. Choose **Vendors** in the drop-down menu Recon. Account for Account Type.

Under Account Management enter the Sort Key 001 - Posting Date

GL00 11###5

US00 USD Vendors

001

In the section Create/Bank/Interest choose ZRAA for Field Status Group. CONTROL DATA V CREATE/BANK/INTEREST ADMINISTRATION CHANGE HISTORY Control of Document Creation Bank/Financial Details *Field Status Group: Planning Level: 67 6 Rec.Act Ready: Relevant to Cash Flow: Confirm with Compare with the screenshot below and press Company Code Assignment (1) Controlling Area Company Code Company Name Account Currency NA00 USOO Global Bike Inc. USD Ð You will receive the following message: Account has been saved successfully. Click on the home button to return to the SAP Fiori Launchpad.

ZRAA



Step 3: Create Expense Account in General Ledger

Task Create a new G/L Account.

Time 5 min

Short Description Use the SAP Fiori Launchpad to create a new Expense Account in the General Ledger.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

Choose the app Manage G/L Account Master Data to create a new Account in General Ledger.

Fiori App



Click on +.

In the following screen, enter 75###5 (replace ### with your assigned number, e.g. 100125 if you have 012) as your G/L Account number.

> Primary Costs or Revenue

In the field Chart of Accounts enter **GL00 – GBI Global**. Double click on the entry. Use the drop-down menu in the field G/L Account Type to select **Primary Costs or Revenue.**

PL

GL00

75###5

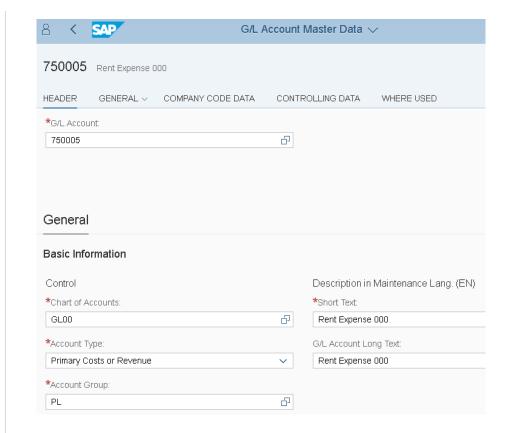
In the following field Account Group use the F4 help to select **PL – Profit** and loss.

> Rent Expense ### Rent Expense ###

Enter **Rent Expense** ### as Short and G/L Account Long Text. Again, replace ### with your assigned number

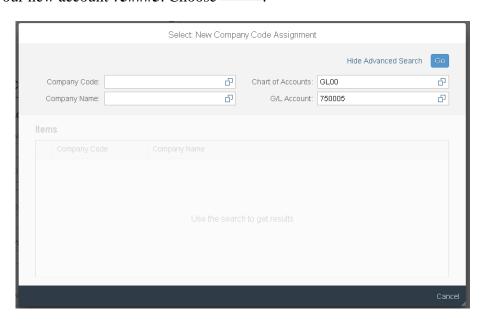
Compare with the screenshot below and select

COMPANY CODE DATA



Now you have to assign your new account to your company code. Therefore, choose the button + next to Company Code Assignment.

Use the F4 help in the field *New Company Code Assignment*. Chart of Accounts and G/L Account should be automatically field with **GL00** and your new account **75**###5. Choose



Double click on **US00**. Back in the screen *Company Code Assignment* enter **USD** as Account Currency. Select **Posting Without Tax Allowed**.

GL00 75###5

> US00 USD x

Under Account Management enter the Sort Key 001 - Posting Date 001 In the section *Create/Bank/Interest* choose **ZEXP** for Field Status Group. ZEXP Create/Bank/Interest Control of Document Creation Bank/Financial Details *Field Status Group: Planning Level: ð ð Post Automatically Only: Relevant to Cash Flow Confirm with Compare with the screenshot below. 750005 Rent Expense 000 HEADER GENERAL V COMPANY CODE DATA CONTROLLING DATA WHERE USED Company Code Data Company Code Assignment (1) Controlling Area Company Name Company Code Account Currency □ NA00 USOO Global Bike Inc. USD CONTROLLING DATA . Use the F4 help in Cost Element Category. 01 There you can search for **Primary costs/cost-reducing revenues**. Settings in Controlling Area (1) Controlling Area Cost Element Category Unit of Measurement NA00 (GBI North America) 6 Press You will receive the following message: Account has been saved successfully. Click on the home button to return to the SAP Fiori Launchpad.



Step 4: Create Vendor Master Record for Landlord

Task Create a new vendor master record.

Time 5 min

Short Description Create a new vendor for a landlord.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

The Chief Financial Officer has requested you to create a new vendor account for Cardinal Properties.

To create a new vendor, use the app Maintain Business Partner.

Fiori App

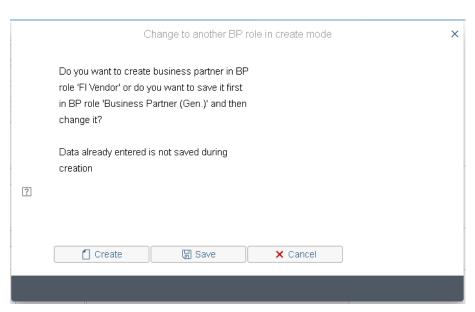


In the Business Partner screen click on Organization.

In the *Create Organization* screen select in the drop-down menu the Business Partner **FI Vendor**. In the pop-up *Change to another BP role in*

create mode choose Create

FI Vendor (new)



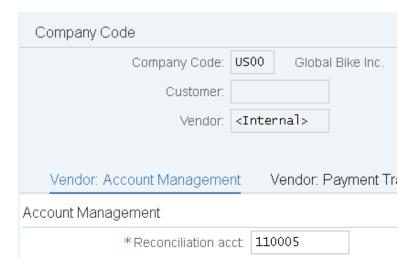
In the tab Address, select **Company** as Title, **Cardinal Properties** ### as Name, Search term ###, Postal code **55347**, City **Eden Prairie**, Country **US**, Region **MN** under Street Address **Pioneer Trail**. Under Communication mage sure English is selected as language

Cardinal Properties ### ### Eden Prairie MN 55347, US Pioneer Trail English

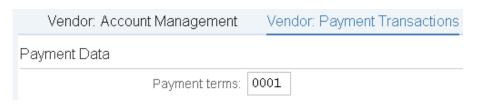
Business Partner: Em Grouping: Internal number assignment	
*Create in BP role: FI Vendor (New)	
Odders Odders Organism Identification Control Demonstrator Challenge Challenge	
Address Address Overview Identification Control Payment Transactions Status Legal Data	
Name	
Title: Company	
*Name: Cardinal Properties 000	
Caldatina	
Salutation: Salutation:	
Contraction (
Search Terms	
*Search Term 1/2: 000	
Special Customer	
□ VIP	
Undesirable Customer Reason Undes:	
Comment:	
Standard Address	
Print Preview	
Street Address	
Street/House number: Pioneer Trail	
*Postal Code/City: 55347 Eden Prairie	
Country: US USA Region: MN Minnesota	
Time zone: CST	
nfirm with Enter.	
ick on the button Company Code . Enter US00 for company code. Then	
ick on the button . Enter US00 for company code. Then	
oose Enter.	
the Create Organization: Role FI Vendor view, enter your Reconciliation	1

© SAP SE Page 14

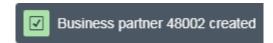
Account 11###5 under Reconciliation acct. Then choose Enter.



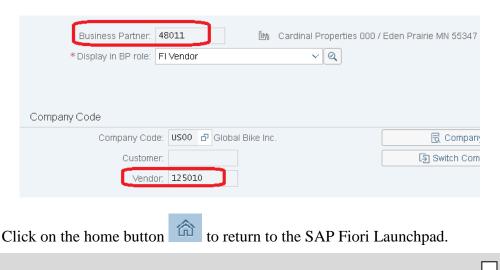
Choose the tab Vendor: Payment Transactions and enter Pay Terms **0001** and select **Check Double Invoice**.



Then, click on Save



Notice: You have created a vendor with a unique number. And for this vendor you have also created a unique Business partner number. With the Business partner number you can assign your vendor more roles.



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0001 X



Step 5: Post Transfer of Funds to Alternate Bank Account

Task Transfer funds to Alternate Bank Account.

Time 10 min

Short Description Use the SAP Fiori Launchpad to generate a journal entry for the US GBI company to transfer funds from your current bank account to your alternate bank account.

Name (Position) Clayton Bartolome (Fixed Assets Accountant)

To do this, use the app *Park Journal Entry (G/L)*.

Fiori App



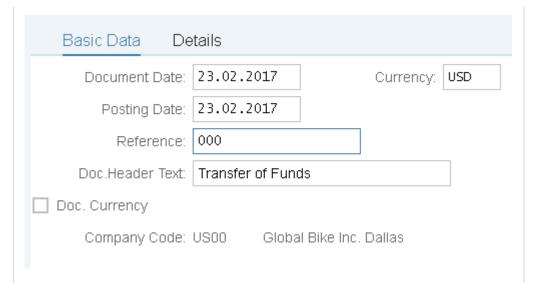
In the pop up enter **US00** as Company Code and confirm your entry with Continue. If no pop up occurs choose the button Company Code.

US00



In the Document Date field, use F4 to select **today's date** and choose **USD** as Currency. As Reference, enter your three-digit number (###) and as Doc.Header Text **Transfer of Funds**.

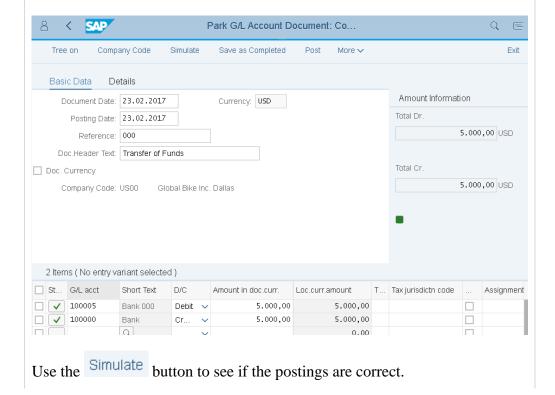
today's date
USD
###
Transfer of Funds



On the first line, enter your Bank Account 10###5 as G/L acct, choose **Debit** as D/C and enter 5000 as Amount in doc.curr.

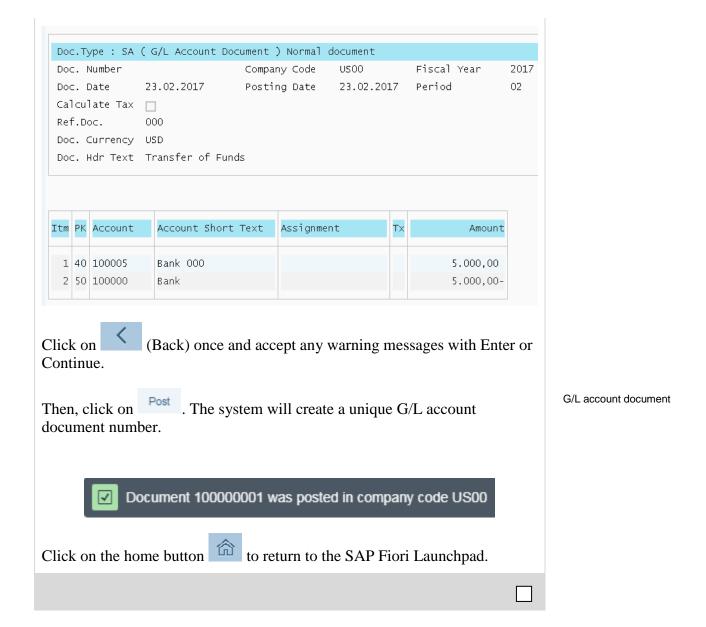
On the second line, enter **100000** (Bank Account) as G/L acct, choose **Credit** as D/C and enter **5000** as Amount in doc.curr.

Then choose Enter.



10###5 Debit 5000

100000 Credit 5000





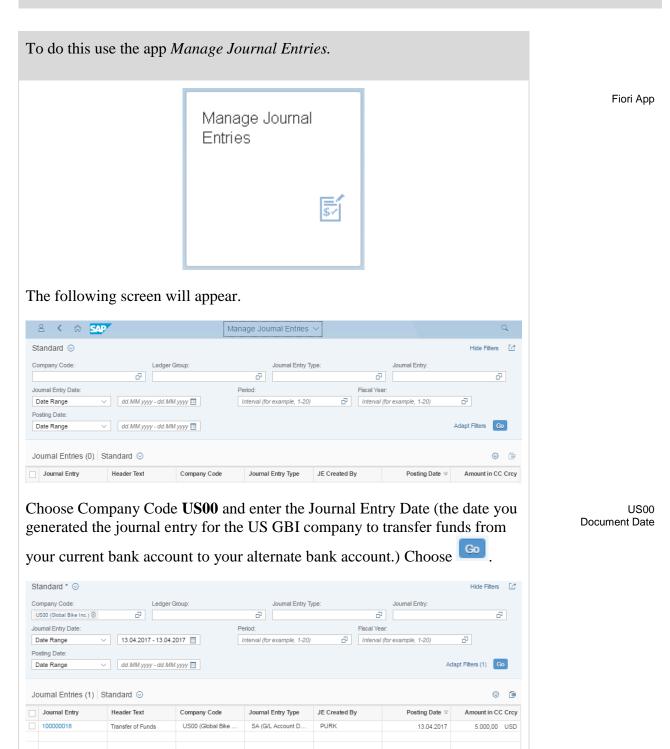
Step 6: Review Transfer of Funds

Task Display a G/L account document.

Time 10 min

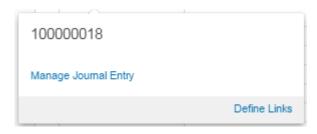
Short Description Use the SAP Fiori Launchpad to display the G/L account document you have just created.

Name (Position) Clayton Bartolome (Fixed Assets Accountant)



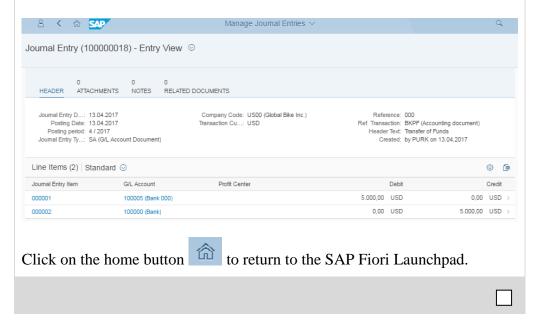
Sort Ascending

Click on your number in the field Journal Entry and choose **Manage Journal Entry**.



You will see the journal entry for the US GBI company to transfer funds from your current bank account to your alternate bank account you created in the step before.

You receive information about the date, creator, used accounts and amount.





Step 7: Create Invoice Receipt for Rent Expense

Task Create an invoice receipt.

Time 5 min

Short Description Enter an invoice received from Cardinal Properties for this month's rent of \$1,500.00. This invoice will be posted to an existing G/L expense account in your chart of accounts and saved as an Accounts Payable to Cardinal Properties.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To create an invoice receipt, use the app Create Incoming Invoices.



Fiori App

In the upcoming pop-up you are asked to enter your company code **Global Bike Inc.** If no pop up occurs choose the button

Company Code.

US00

Enter your **vendor number** for Cardinal Properties (use the F4-Help with search term ### if necessary), **today** as Invoice Date and **\$1,500** as Amount of Invoice. For Text enter **Invoice Cardinal Rent Expenses-**###.

vendor number today \$1,500 Invoice Cardinal Rent Expenses ###

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.

In addition, line item display and open item management are defined automatically for each vendor account.

Under Items enter your Expense Account **75###5** for G/L acct, D/C **Debit** for D/C, Amount in doc.curr. **1,500**, and Cost center **NAHR2###** (scroll to the right). Remember to replace ### with your assigned number.

Then choose Enter

Use the Simulate button to see if the postings are correct.



Click on to save your invoice receipt.



Click on the home button to return to the SAP Fiori Launchpad.

75###5
Debit
\$1500
Invoice Cardinal Rent
Expenses ###
NAHR2###

Document # 190000001



Step 8: Display and Review General Ledger Account Balances and Individual Line Items

Task Display and review general ledger account balances.

Time 5 min

Short Description Display and confirm the activity and associated balance for the rent expense account used in the previous exercise.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To display ledger account balances, use the app Display Financial Statement

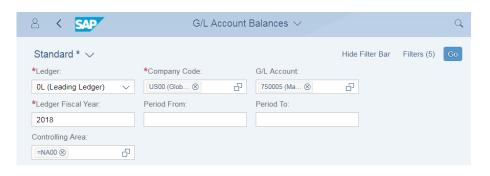


Fiori App

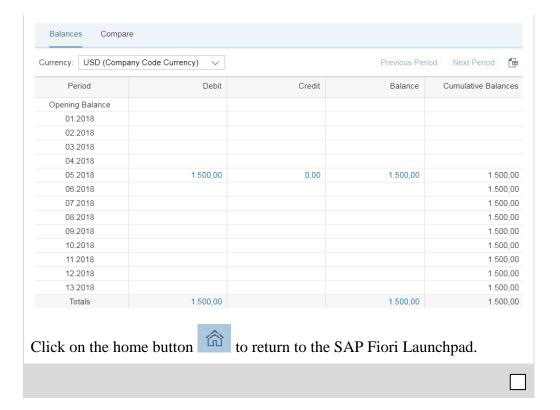
In the app *Display G/L Account Balances* enter **0L** for Ledger, **Global Bike Inc.** for Company Code and **75###5** for Statement Version. Check if the Ledger Fiscal Year is **current year** and the Controlling Area is **NA00**.

0L US00 75###5 Current year NA00

Compare your screen with the screenshot below and choose



You will get an overview about our opening balances from your current year.





Step 9: Display and Review Accounts Payable Balances and Individual Line Items

Task Display and review Accounts Payable balances and individual line items.

Time 5 min

Short Description Display and confirm the activity and associated balance for the Accounts Payable for Cardinal Properties. Note that this transaction is considered to be "open" which means that payment has not been sent to Cardinal Properties as of this time.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To display Accounts Payable balances, use the app *Display Supplier Balances*.



Fiori App

Use the F4 help in the field Supplier to find the number of your supplier.

Enter there your Search Term ### and choose



Sup	pliers (Gene	eral) 😔	Search				Q	Hide Ad	G
S	earch Term:	=000 ⊗		Ð	Supplier N	ame:			ð
	Country:				Sup	plier:			ð
F	Postal Code:			ð	Deletion	flag:			ď
	City:			ð					
	000		DE	01069 24149		DRESD			S, S
	Search Tern	n	Cou	Postal Code		City			S
	000		DE	24149		SANDK	RUG		S
	000		DE	33647		BIELEF	ELD		P
	000		DE	39120		BRAUN	SCHWEIG		В
	000		DE	50737		KÖLN			С
	000		DE	68167		MANNH	EIM		FI
	000		DE	74080		HEILBR	ONN		TI
	000		DE	76228		KARLSI	RUHE		G

F4

###

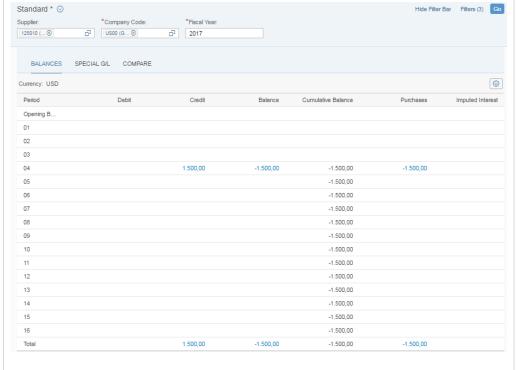
Scroll until you find your supplier **Cardinal Properties** ###. Select the supplier and choose OK.

Back in the screen Display Supplier Balances enter US00 for Company Code

and the **current year** for Fiscal Year. Then, click on balances.

to display

US00 Current year



You can see that the document status is open, meaning your vendor has not been paid yet.

Click on the home button to return to the SAP Fiori Launchpad.



Step 10: Post Payment to Landlord

Task Issue a payment to your landlord.

Time 10 min

Short Description Use the SAP Fiori Launchpad to issue a payment to Cardinal Properties to settle the Accounts Payable for this month's rent. A journal entry is made to Accounts Payable for Cardinal Properties and to the bank checking account in the G/L.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To issue a payment, use the Fiori App Post Outgoing Payment.

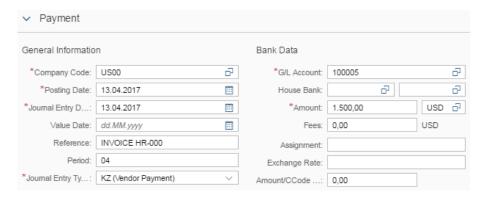
Fiori App



In the next screen enter the Company Code **Global Bike Inc., current date** as Posting Date and Journal Entry Date, your G/L Account **10###5** as G/L Account, Amount **1500 USD** and **Invoice HR-###** as Reference. For Period choose the **current period** (for example 02 if it is February). Check if **KZ** is selected as Journal Entry Type.

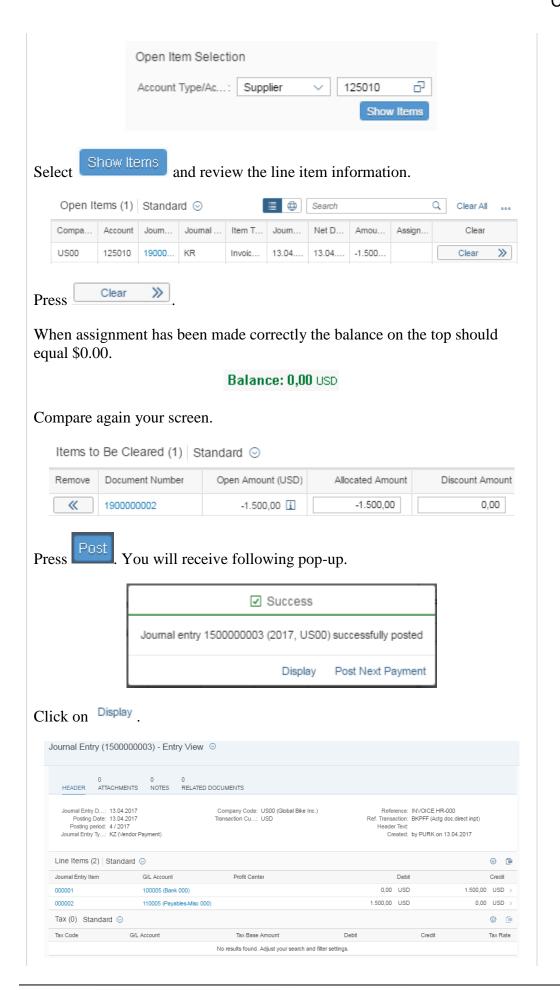
US00 Current date, Current date 10###5 1500, USD Invoice HR-### Current period KZ

Compare your entries with the screenshot below.



Under Open Items Selection, enter as Account your **vendor number** for Cardinal Properties (use the F4 help if necessary) and leave all other settings unchanged.

Vendor number



Click on the home button	命	to return to the SAP Fiori Launchpad.	



Step 11: Display and Review General Ledger Account Balances and Individual Line Items

Task Display and review General Ledger account balances.

Time 5 min

Short Description Display and confirm the activity and associated balance for the account used in the previous exercise.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To display G/L account balances, use the App *Display Financial Statement*.

Fiori App



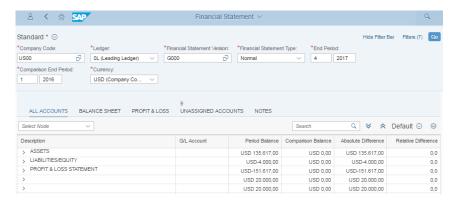
In the app *Display Financial Statement* enter **Global Bike Inc.** for Company Code, **0L** for Ledger and **G###** for Financial Statement Version. Check if the Financial Statement Type is **Normal**, End Period is **current period/year** and the Comparison End Period is **1/2016**.

US00 0L G### Current period/year 1/2016

Compare your screen with the screenshot below and choose



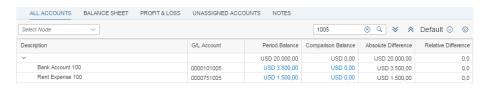
You will get an overview of the different accounts.



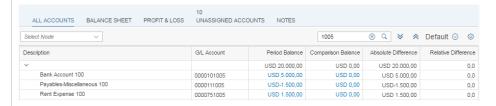
In the next step you want to check your accounts your created (10###5 and (75###5). Therefore, enter your three digital numbers and add the number

###5

five (###5) in the search field to get to your posting

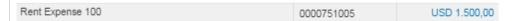


Compare the screenshot from the financial statement from *task 8 Display* and Review General Ledger Account Balances and Individual Line Items. Here is again a screenshot.



Where is the difference? Try to explain why.

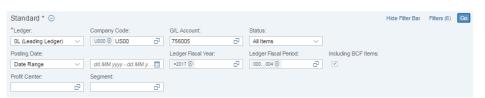
Click on the Period Balance (15000).



Click on Display G/L Line Items.

In the screen G/L Account Line Items – G/L View check if your G/L Account **75**###**5** and the **current period** is selected in the field Ledger Fiscal Period.

Compare the entries with the following screen and choose



You get an overview of the Line Items.

Click on the home button to return to the SAP Fiori Launchpad.



Step 12: Display and Review Accounts Payable Balances and Individual Line Items

Task Display and review Accounts Payable balances.

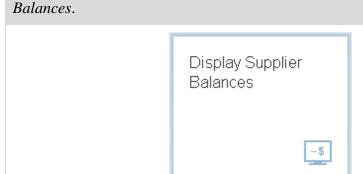
Time 5 min

Short Description Display and confirm the activity and associated balance for the Accounts Payable for Cardinal Properties.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To display Accounts Payable balances, use the app Display Supplier

Fiori App



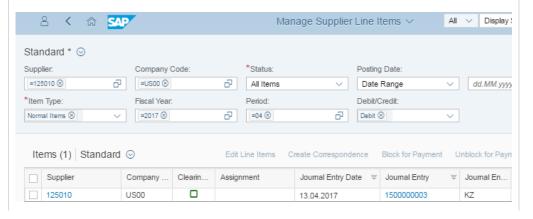
Enter your vendor number using the F4 help with search term ###, Company code **US00**, and Fiscal Year **current year**. Then, click on .

Search term ### US00 Current year



Click on the 1.500,00 in the Debit column. Confirm any perhaps occurring warning messages.

You get more information about the posting like the Date, Document Number and Type (KZ).



Click on the home button	命	to return to the SAP Fiori Launchpad.	



Step 13: Run Financial Statement

Task Run a trial financial statement.

Time 5 min

Short Description Use the SAP Fiori Launchpad to run a real time financial statement.

Name (Position) Shuyuan Chen (Chief Accountant)

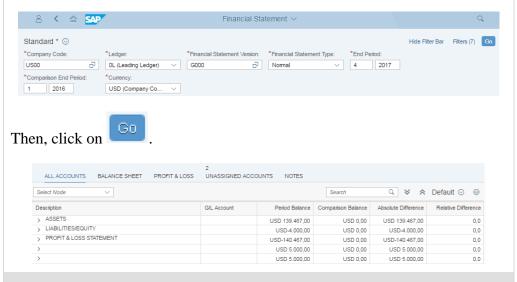
To run a financial statement, use the app *Display Financial Statement*.

Fiori App



Enter Company code **US00**, Ledger **0L**, Financial statement Version **G###**, Fin. State. Type **Normal**, and the **current period** as End Period. Compare your screen with the screenshot below.

US00, 0L, G### Normal, current period



Depending on previously done exercises and case studies the value in your statement will differ. You can find your bank account under Assets → Cash & Cash Equivalents.

Click on the home button to return to the SAP Fiori Launchpad.

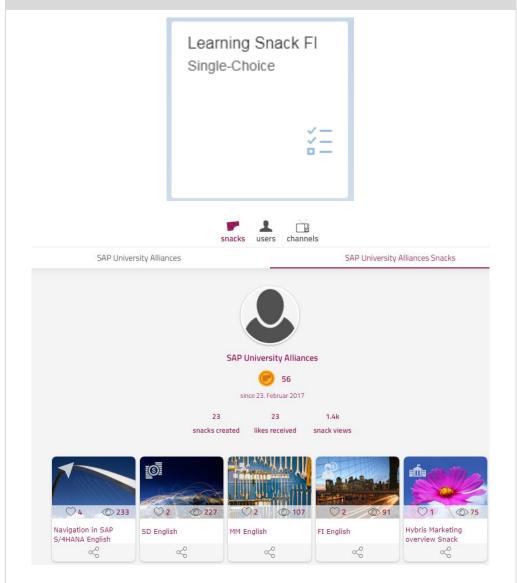
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Learning Snacks

In order to test and consolidate your knowledge use the app *Learning Snack FI*.

Fiori App



You see all the snacks for the individual case studies. Select the Snack *FI English* and answer all eight questions.

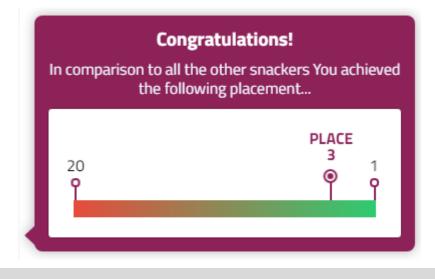
Hint:

If you do not see any Apps, you need to change the language on the page Learning Snacks. Therefore click on the current language right next to *change language* and choose **English**.



Learning Snack

When you have answered all the questions you will receive a success message and your placement.



FI Challenge

Learning Objective: Understand and perform a financial accounting process.

Time 30 min

Motivation: After you have successfully worked through the *Financial Accounting* case study, you should be able to solve the following task on your own.

Scenario: The financial accounting system has now been tested without any errors. Therefore, corporate management has decided to convert the system into the production operation. As a first order/request you should pay the new tool supplier Burgmeister Zubehör OHG. In order to do that, you will create the cost element tool expenses. Subsequently, you will receive an invoice for more than 3000€ from Burgmeister Zubehör OHG which has to be settled. You will review the impact on the financial statement at the end.

While you are operating in company code Germany use 10###6 as the number for the bank account, 11###6 for the reconciliation account, 75###6 for the expense account and 75###6 as the cost element.

Task Information Since this task is based on the *Financial Accounting* case study you can use it as guidance. However, it is recommended that you solve it without any help in order to test your acquired knowledge.