

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

GUI 7.50

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.

Furthermore, it is mandatory to review the note GUI 7.50 Configuration. Your lecturer got this documentation together with other lecturer notes. If you do like to use the old GUI settings, please use the S/4HANA documents for SAP GUI 7.40

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 account payables 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 in the end.

Process description

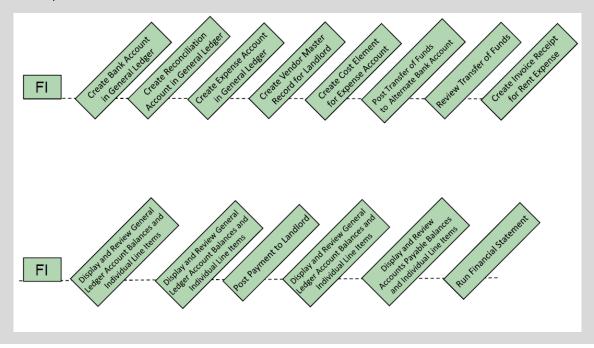


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FI Challenge



Step 1: Create Bank Account in General Ledger

Task Create a new G/L Account.

Time 5 min

Short Description 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

To create a new account, follow the menu path:

Accounting ► Financial Accounting ► General Ledger ► Master Records ► G/L Accounts ► Individual Processing ► Centrally

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 and **US00** as Company Code.

Menu path

10###5

US00

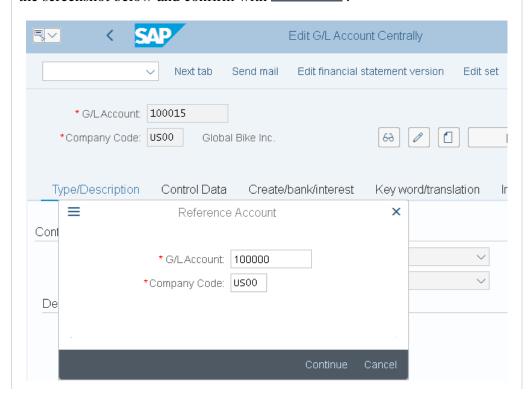
Copy data from by following the menu path in the menu bar:

More ► G/L account ► Create with reference

Enter the Bank Account **100000** and in Company Code **US00**. Compare with the screenshot below and confirm with

Menu bar

100000 US00



Enter Bank ### as Short Text and Bank Account ### as G/L Acct Long

Text. Again, replace ### with your assigned number. Then, click on

Your pop up should look similar to the one depicted below.

G/L account 100015 Display messages

Check names in alternative language(s)

Data saved

Confirm with and return to the SAP Easy Access screen using Exit.

Bank ### Bank Account ###



Step 2: Create Reconciliation Account in General Ledger

Task Create a new G/L Account.

Time 5 min

Short Description 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

To create a new account, follow the menu path:

Accounting ► Financial Accounting ► General Ledger ► Master Records ► G/L Accounts ► Individual Processing ► Centrally

Menu path

In the following screen, enter **11**###**5** (replace ### with your assigned number) as your G/L Account number and **US00** as Company Code.

11###5 US00

Copy data from by following the menu path in the menu bar:

More ► G/L account ► Create with reference

Menu bar

Enter the Reconciliation Account 300000 and in Company Code US00.

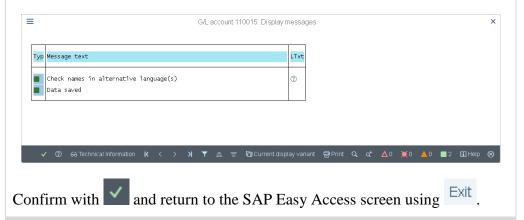
300000 US00

Confirm with Continue

Enter **Payables-Misc** ### as Short Text and **Payables-Miscellaneous** ### as G/L Acct Long Text. Again, replace ### with your assigned number. Then, click on Save

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

Your pop up should look similar to the one depicted below.





Step 3: Create Expense Account in General Ledger

Task Create a new G/L Account.

Time 5 min

Short Description Create a new Expense Account in the General Ledger.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To create a new account, follow the menu path:

Accounting ► Financial Accounting ► General Ledger ► Master Records ► G/L Accounts ► Individual Processing ► Centrally

In the following screen, enter **75**###**5** (replace ### with your assigned number) as your G/L Account number and **US00** as Company Code.

Copy data from by following the menu path in the menu bar:

More ► G/L account ► Create with reference

Enter the Bank Account **740300** and in Company Code **US00**. Confirm with Continue

Enter **Rent Expense** ### as Short Text and **Rent Expense** ### as G/L Acct Long Text. Again, replace ### with your assigned number. Then, click on Save

Confirm the *G/L account 75###5: Display message* pop up with and return to the SAP Easy Access screen using Exit.

Menu path

75###5 US00

Menu bar

740300 US00

Rent Expense ### Rent Expense ###



Step 4: Create Vendor Master Record for Landlord

Task Create a new vendor master record.

Time 5 min

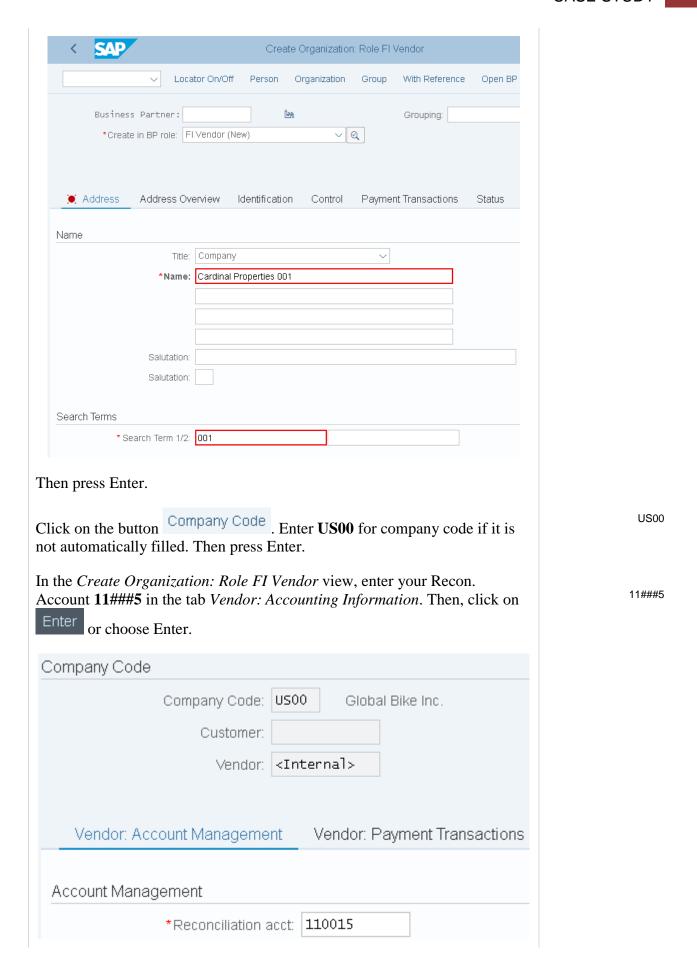
Short Description Create a new vendor for a landlord.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

The Chief Financial Officer has requested you create a new vendor account for Cardinal Properties. To create a new vendor, follow the menu path: Accounting ► Financial Accounting ► Accounts Payable ► Master Menu path **Records** ► Create In the Create Business Partner screen choose Organization. Click on Organization Continue Create Business Partner X Business Partner Created As Person Organization Group Continue Cancel

In the *Create Organization: Role FI Vendor* screen in the tab *Address*, select **Company** as Title, **Cardinal Properties** ### as Name, Search term ###, Street Address **Pioneer Trail**, Postal code **55347**, City **Eden Prairie**, Country **US** and Region **MN**. Make sure **English** is selected as language

Cardinal Properties ###
###
Pioneer Trail
55347
Eden Prairie
US
MN
EN



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

Vendor: Account Management Vendor: Payment Transactions

Payment Data

Payment terms: 0001

Credit Memo Pyt Term:

Tolerance Group: GBI Default US

Check Cashing Time:

Check Double Invoice:

Then, click on Save

Business partner 48028 created

Click on Exit to return to the SAP Easy Access screen.

0001 Chk double inv.



Step 5: Post Transfer of Funds to Alternate Bank Account

Task Transfer funds to Alternate Bank Account.

Reference: 001

Company Code: US00

Cross-CC Number:

Doc.Header Text: Transfer of Funds

Time 10 min

Short Description Use the SAP Easy Access Menu 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, follow the menu	path:		
Accounting ► Financial Entry ► Enter G/L Acco		General Ledger ► Document	Menu path
If Company Code US00 is a to select your US GBI comp	- •	the menu path in the menu bar	US00
More ► Edit ► Switch	company code ((F7)	Menu bar
	rrency is entered.	er to select today's date and As Reference, enter your three- Transfer of Funds .	today's date USD ### Transfer of Funds
Basic Data Details	j		
	W. 05 2040		
Document Date:	14.05.2018	Currency: USD	
Posting Date:	14.05.2018		

Global Bike Inc. Dallas

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.

10###5 Debit 5000

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.

100000 Credit 5000

Then choose Enter.

Basic Data Detail	S									
						Amoun	t Informat	tion		
Document Date:	14.05.2018		Ourrency: USD			Total Dr.				
Posting Date:	14.05.2018						5	.000,00	USD	
Reference:	001									
Doc.Header Text:	Transfer of Fund	ds				Total Cr.				
Cross-CC Number:							5	.000,00	USD	
Company Code:	US00 Glob:	al Bike Inc. D	ıallas							
2 ltems (No entry va	riant selected)					•				
St G/L acct	Short Text	D/C	Amount in doc.curr.	Lo	.curr.amount		. Tax juri	sdictn cod	е	
100015	Bank 001	Debit 🗸	5.00	0,00	5.	000,00				
100000	Bank	Credit 🗸	5.00	0,00	5.	000,00				
Use the Simula	buttor	ı to see	if the posti			et.				
SAP			Doc	ument O	/erview					
Ţ.	Choose	e Reset	Taxes Park	Comp	lete 🍸	A T		[m] Ch	0000	
L	CHOOSE	. Keser	iaxes Fair	Comp	iere 1		- L	ı (ji Cii	0036	
Doc.Type : SA (G/L Account [
Doc. Number			ny Code US0		Fiscal Y	'ear	2018			
	4.05.2018	Posti	ng Date 14.	05.2018	Period		05			
Calculate Tax										
	01									
Doc. Currency U										
Doc. Hdr Text T	ransfer of F	unds								
							1			
Itm PK Account	Account Shor	rt Text	Assignment	Tx		Amount				
1 40 100015	Bank 001					000,00				
2 50 100000	Bank				5.	000,00-				
Click on	once and	accept	any warnin	g mes	sages w	ith En	ter.			
Then, click on document num		he syst	em will crea	ate a u	nique C	i/L acc	count			G/L account document
	ocument 1	000000	024 was pos	sted in	compai	ny cod	e US(00		
Click on the warning me								wledg	ge	Yes



shown below.

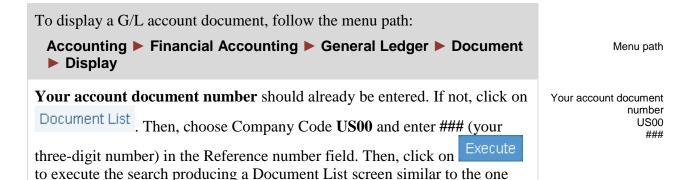
Step 6: Review Transfer of Funds

Task Display a G/L account document.

Time 10 min

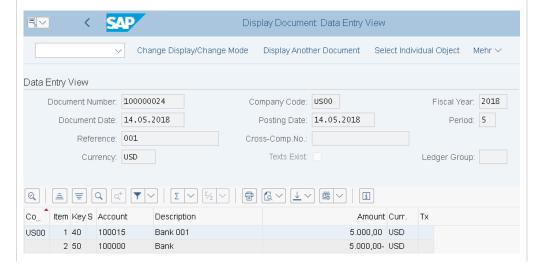
Short Description Use the SAP Easy Access Menu to display the G/L account document you have just created.

Name (Position) Clayton Bartolome (Fixed Assets Accountant)



<	SAP	Document List							
		<u>~</u>	Choos	е	V- 0	Ξ	<u> </u>	₹	T
CoCd	DocumentNo	Year	Туре	Doc.	.Date		Posting	Date	
US00	100000024	2018	SA	14.0	5.2018		14.05.2	018	

Double-click the document number to display the document. The system displays a similar screen to the simulate screen you saw just before your posted your document in the previous exercise.



Click on the Display Document Header button to display the document header information. Who created the document and when? \equiv Document Header: US00 Company Code × Document type: SA G/L Account Document Doc.Header Text: Transfer of Funds Reference: 001 Document Date: 14.05.2018 Posting Date: 14.05.2018 Currency: USD Posting period: 05 / 2018 Ref. Transactn: BKPF Accounting document Reference Key: 0100000024US002018 Log.System: R65CLNT103 Created By: LEARN-708 Parked By: Entry Date: 14.05.2018 Time of Entry: 10:13:02 Parked On: Time of Parking: 00:00:00 TCode: FB50 Last Update: Changed On: Ledger Grp: ActgPrinciple: Ref.key(head) 1: Press Enter to go back to the Display Document: Data Entry View screen. Then click on Exit to go back to the SAP Easy Access menu.



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, follow the menu path:

Accounting ► Financial Aaccounting ► Accounts Payable ► Document Entry ► Invoice

Menu path

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.

vendor number today \$1,500

If your company code did not default in, select the following system path in the menu bar:

More ► Edit ► Switch Company Code

Menu bar

Then enter the company code US00.

US00

Enter your Expense Account **75###5** for G/L acct., D/C **Debit**, Document amount **1,500**, **Invoice Cardinal Rent Expenses-###** in the Text column and Cost center **NAHR2###**. Remember to replace ### with your assigned number.

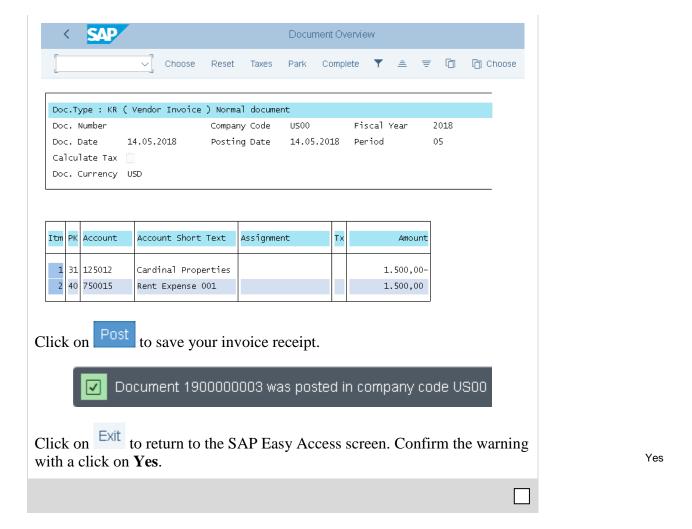
75###5
Debit
\$1500
Invoice Cardinal Rent
Expenses ###
NAHR2###

Then choose Enter.

Confirm the warning message with Enter.



Use Simulate to see if the postings are correct.





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, follow the menu path:

Accounting ► Financial Accounting ► General Ledger ► Account ► Display Balances

Menu path

Enter Account number from **750005** to **759995**, Company Code **US00**, and the **current year** as Fiscal Year. Then, click on Execute to display balances.

75###5 US00 current year

Double click on current month balance to see line items. You might see multiple of the invoiced amount. Try to explain why.

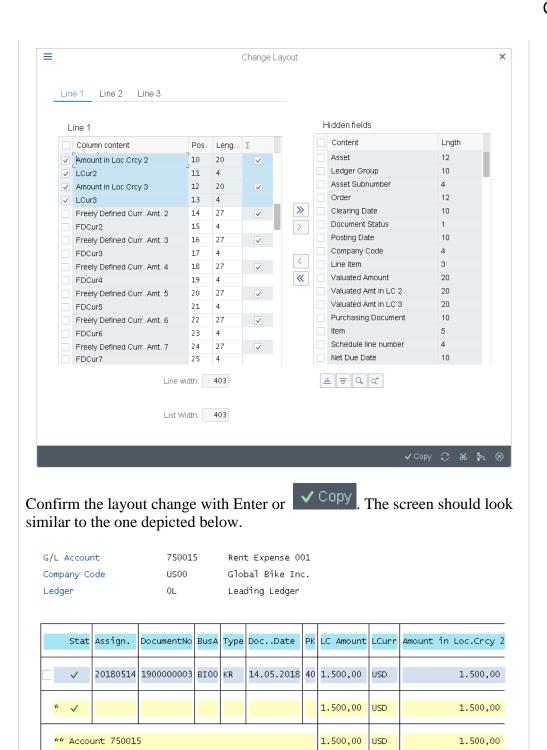
To achieve a better overview, you will remove unneeded columns from the report. Start by using the menu bar:

More ► Change Layout

Menu bar

Select the rows: Amount in Loc. Crcy 2, LCur2, Amount in Loc. Crcy 3, LCur3, Tax Code, Clearing Document, Profit Center and Segment and click on .

Amount in Loc. Crcy 2, LCur2, Amount in Loc. Crcy 3, LCur3, Tax Code, Clearing Document, Profit Center, Segment



Review the entries of your document. To do so, click in the line with your invoice and press Display Document.

Keep clicking on Exit until you return to the SAP Easy Access screen.



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, follow the menu path:

Accounting ► Financial Accounting ► Accounts Payable ► Account ► Display Balances

Menu path

Enter your **vendor number** for Cardinal Properties, Company code **US00**, and the **current year** as Fiscal Year. Then, click on balances.

Vendor number US00 current year

Double click on current month balance to see line items.

Vendor 125012 Company Code US00

Name Cardinal Properties 001

City Eden Prairie

	St	Туре	DocDate	Net Due Dt	Clearing	Amount in	Local Crcy	LCurr	DocumentNo
	×	KR	14.05.2018	14.05.2018			1.500,00-	USD	1900000003
io	* Account 125012						1.500,00-	USD	

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

Click on Exit to return to the SAP Easy Access screen.



Step 10: Post Payment to Landlord

Task Issue a payment to your landlord.

Time 10 min

Short Description 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)

T_{\wedge}	iccura	_	payment,	follow	tha	manıı	noth.	
10	issue	a	payment,	TOHOW	ıne	menu	paun:	

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

Menu path

Enter **current date** as Document Date, your Bank Account **10**###**5**, Amount **1500** and **Invoice HR-**### as text.

Current date, 10###5 1500, Invoice HR-###

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

Select Process Open Items and review the line item information.

When assignment has been made correctly the 'Not assigned' value on the bottom should equal \$0.00.

Amount Entered:	1.500,00-
Assigned:	1.500,00-
Difference Postings:	
Not Assigned	0,00

Click on Post to save your payment.



Click on Exit to return to the SAP Easy Access screen. Confirm the warning with a click on Yes.

Yes



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, follow the menu path:

Accounting ► Financial Accounting ► General Ledger ► Account ► Display Balances

Enter your Account number 10###5, Company Code US00, and the current year as Fiscal Year. Then, click on Execute.

Double click on month balance to see line items.

Verify details of Document #, Type, Amount and Comments.

Account Number: 100015 Bank 001 Company Code: US00 Global Bike Inc Fiscal Year: 2018 All Documents in Currency: * Display Currency: USD Company code currenc Period Credit Balance Cumulative Balance Bal.Carryforw 2 3 5 5.000,00 1.500,00 3.500,00 6 3.500,00 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 3.500,00 to return to the SAP Easy Access screen.

Menu path

10###5 US00 current year



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, follow the menu path:

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

Menu path

Enter **your vendor number** using the F4 help with search term ###,Company code **US00**, if not already filled, and select radio button for **all**

Your vendor number Search term ### US00 all items

items. Then, click on

Execute

Verify details of Document #, Type, Amount and Comments. Notice that this display gives you a different view of the vendor account. The first column should indicate with the green square that the document is cleared.

Vendor 125012 Company Code US00

Name Cardinal Properties 001

City Eden Prairie

9	t Assignment	DocumentNo	Туре	DocDate	S	DD	Amount in	Local Cro	y LCurr
		1500000005 1900000003		14.05.2018 14.05.2018				1.500,00	
*	•							0,00	USD
nn f	** Account 125012							0,00	USD

Click on Exit to return to the SAP Easy Access screen.



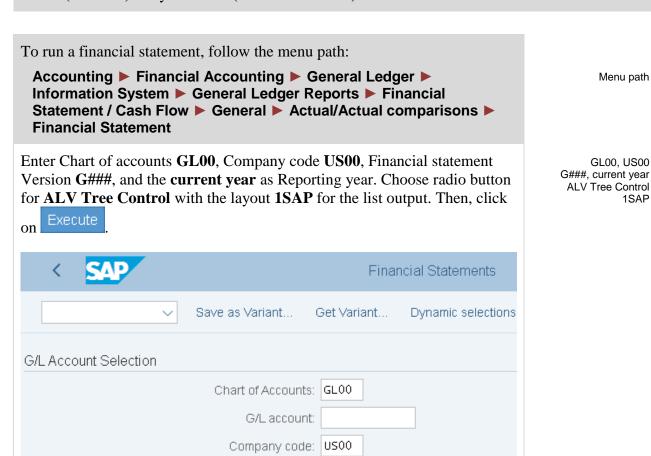
Step 13: Run Financial Statement

Task Use the SAP menu to run a trial financial statement.

Time 5 min

Short Description Run a trial financial statement.

Name (Position) Shuyuan Chen (Chief Accountant)



Further selections	Special evaluations	Output control	
	*Financial statement version	n: G001 *Language ar: 2018 ls: 1 ar: 2017	EN
List output			
O Classical list			
ALV grid control	I	Layout:	
ALV Tree Contri	ol	Layout: 1SAP	
☐ As structur	ed balance list		
Financial Statement (G OL Ledger 10 Currency type Comp USD Amounts in United S 2018.01 -2018.16 Reporting periods 2017.01 -2017.16 Comparison periods	pany code currency		
	(## ♥ ♥ Financial Statement Items		
Financial Statement Item/Account	Tot.Rpt.Pr	Tot.Cmp.Pr	Abs. Diff.
∨ ☆ ASSETS	280.974,20	0,00	280.974,20
> 🗀 Cash & Cash Equivalents > 🗀 Short-Term Assets	150.407,50 130.566,70	0,00	150.407,50 130.566,70
✓ ☑ LIABILITIES/EQUITY	15.700,00-	0,00	15.700,00-
> 🗀 Current Liabilities	15.700,00-	0,00	15.700,00-
∨ ☐ PROFIT & LOSS STATEMENT	259.274,20-	0,00	259.274,20-
> 🗀 Revenue > 🗀 Expenses	179.707,50- 299.566,70-	0,00	179.707,50- 299.566,70-
Cost of Goods Sold	220.000,00	0,00	220.000,00
> <u>□</u> G0012	6.000,00-	0,00	6.000,00-
> <u>□</u> G0013	6.000,00-	0,00	6.000,00-
	asly done exercises and carry ou can find your bank a		

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, the 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.

