

SAP -FI / CO

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INTRODUCTION-FINANCIALS

SAP : stands for Systems Application and Products in Data Processing
FI : stands for Financials
CO: stands for Controlling i.e, in noraml terminology Costing

First time SAP was released in 1972 in Germany. SAP Head Qauarters are in Germany.
Version ECC-6.0 is the latest as on 01.07.2009

ECC : stands for ERP Central Component
ERP : stands for Enterprise Resource Planning. It integrates all the systems in one system. It facilitates free flow of data among departments.

Various Types of ERP Packages:

SAP, Oracle-Financials,JD Edwards, BAAN, Peoplesoft are various types of ERP packages available in the Market. Among them SAP is Famous in the World.

Opening of SAP : To open SAP click on the SAP Log on Icon on Desktop

SAP Logon
|
ECC
|

Client	800
UserName	SAPUSER (Not Case Sensitive)
Password	india123 (Case Sensitive)

What is Client # ?

Normally when a Company (ex., PENNAR) intends to start SAP in its Company, it purchases SAP software from SAP-India. Price of SAP software is based on the Number of Users. Once company purchased the software, it recruits / engage another Company (ex., WIPRO) for implementation purpose. Both the purchaser and implementor will delegate/ recruit some employees for implementation of SAP. They are called as Core Team Members. Structure of Core Team will be like below:

PENNAR (Purchaser)	for Module	WIPRO(Implementor)
1. Accounts Manager	FICO	1) FI Consultant
2. Costing Manger	FICO	2) CO Consultant
3. Purchase Manager	MM	3) MM Consultant
4. Sales Manager	SD	4) SD Consultant
5. IT Staff	Implementation	5) Basis Consultant
6.Project Manager	Oversee Project	6)ABAP Programmer
		7) Project Manager

Core Team from Purchaser analyze the present situation in the Company and prepare the Process Document for SAP Implementation .

Basis Consultant will install or copy the SAP in Server and Create the Client Numbers.

There are Minimum 2 type of Clients will be created by Basis Consultant.

1. Development Client -----> for Customization & Testing purpose
2. Production Client -----> for Live Data i.e, entering day to day activities

By default SAP-India is allotting 000 (or) 001 (or) 067 (or) 800 as Development Client # Number of Production Client will be given by Basis Consultant after Discussing with Purchaser. There will be Minimum of 2 Clients. Some companys are creating 3 clients.

1. Development Client -----> for Customization purpose
2. Testing Client -----> for Testing purpose
3. Production Client -----> for Live Data i.e, entering day to day activities

After Basic Consultant done the Customization in Development Client , he copy it to Production Client. All the Customization will be done at Development Client only but not at Prodouction Client.

USER NAME: As we discussed earlier, cost of the SAP is based on Number of Users.

Major Benefit of Users is it fixes the responsibilty of the employee. Who has done what , can be identified. So the responsibility will be fixed on employees. User name is not case Sensitive. We can use either Small Letters or Capital Letters.

PASSWORD: Benefit of Passwords are for restricting the Un-authorized use of Users.

Length of the Password can be Minimum 6 and Maximum 40 characters. It is case sensitive. We can use Alphabetics, Numerics, Alphanumerics or Special Characters like " * " or "#" etc.,

Note 1: It is not possible to change the password morethan once in a Day

Note 2: System will not permit us to use the latest 5 passwords.

Note 3: If we lost Password it can not be restored. Basis Consultant has to allot New Password.

LANGUAGE: Along with package SAP has given 41 languages . If we do not specify the language, by default system will use English (EN) as language

Once we enter User Name and Password and press enter , system will log on to SAP.

On Screen

- | | | |
|----------|-------|----------------------|
| 1st Row | ====> | Menu Bar |
| 2nd Row | ====> | Standard Tool Bar |
| 3rd Row | ====> | Title Bar |
| 4th Row | ====> | Application Tool Bar |
| Last Row | ====> | Status Bar |

In 2nd Row there is **√** . It is for Enter symbol. Beside+A954 There is one Box called Command field.

If, any one enter User Name and Password of which some other is logged in SAP system will warn with a message of 3 options. Action will be depending on the option we select.

Status on Selecting Radio Button	Employee A	Employee B
1st Radio Button	Cannot Work	Can Work
2nd Radio Button (Monitored by SAP-India)	Can Work	Can Work
3rd Radio Button	Can Work	Cannot Work

Normally in institutes 2nd Radio Button has to select.

If any user want to work on different screens at a single time, he can open upto a max of 6 windows or Sessions.

WHAT IS SESSION :

A session is a window or screen where SAP user will do day to day activities.

One user can open 6 Sessions at a time.

HOW TO CREATE NEW SESSION:

To create new session path is Menu Bar---->System---->Create Session

HOW TO MOVE FROM ONE SESSION TO ANOTHER:

Press Alt+Tab to move from One session to another session easily

HOW TO CLOSE SESSION:

To close one session path is Menu Bar---->System---->End Session

WHAT IS TRANSACTION CODE:

Transaction Code is a code number given for each activity . SAP has given some

Transaction Codes (TC's) which are common in SAP throught the world .

If customer / Purchaser want to give their own TC's it should start either with "Y" or "Z". Other Alphabets are not allowed in SAP.

Note: It is not advisable to give customer's own TC's as it is difficult to update whenever version is changed.

GOING BACK TO SAP EASY ACCESS SCREEN:

Use /N (Forward Slash & N) in Command Window . N is not case sensitive.

CHANGING SESSION (WINDOW)

Posting the Document (F-02)

A/c Balance Display (FS10N)

After Posting the Document in F-02, to change the session and see the account balance display, instead of going back to Easy Access and press new code FS10N in command window, we can type" /NFS10N" to go directly to the new window of FS10N. If we want to change the session we have to give \N before the New Command TC in Command Window.

Use /OFS10N in command window for creating new session directly with New TC /N ----> for change the session and /O for Creating the session

ACTIVATING TRASACTION CODES IN SAP MENU :

Some times TC's will not appear in SAP Easy Access Menu. To activate them path is Menu Bar---->Extras---->Settings---->Display Technical Names Check Box and Press Enter

How to Set Start Transaction Window:

Making 1 session as default screen is called Start Transaction. To Set start transaction Menu Bar---->Extras---->Set Start Transaction---->Transaction Code (ex F-02)-->Enter We will get message T F-02 set as start Transaction. From next time onwards when ever SAP is logged in, F-02 session will open directly.

How to Colse SAP : For closing SAP path

Menu Bar---->System--->Log Off ----> YES for the message Log Off

UNLOCKING SCREENS:

Tools---->Administration---->Monitor---->Lock Entries(TC=SM12)---->List Buttons

Menu Bar---->Lock Entry---->Delet All---->Select "YES"Button for the message Delete All Lock Entries.

PROJECT CREATION:

Normal Organization Structure will be as follows

<u>Normal</u>	<u>in SAP</u>	<u>Example</u>			
Group	Company	Pennar Group			
↓	↓	↓			
<u>Company</u>	<u>Comp Code</u>	<u>Pennar Steel Ltd</u>	<u>Pennar CementsLtd</u>	<u>Pennar Ind. Ltd</u>	
↓	↓	↓	↓	↓	
<u>Units</u>	<u>Business Areas</u>	<u>HYD</u>	<u>BGL</u>	<u>HYD</u>	<u>BGL</u>

Company Code is the Legal Entity. FICO Consultant will do customization at Company Code Level. Company /Group is only for information purpose.

Consultant will do customization for one company code and copies the customization to including Accounting to other Company Codes and makes modification wherever required.

CUSTOMIZATION OF PENNAR STEEL LTD::

Define Company(Group in Normal): When project is started Group Company Name in SAP Company should be defined. Path for defining Company as in Example Project PENNAR .

TOOLS---->CUSTOMIZING---->IMG(Implementation Guide)---->Execute Project (SPRO)-->
SAP Reference IMG Button---->Enterprise Structure---->Definitions---->Financial Acc---->
Define Company----> Select IMG Activity Button---->Select New Entries Button----->

Company	→	PENNAR	
Company Name	→	Pennar Group	
Street	→	Ameerpet	
Postal Code	→	500000	
City	→	Hyderabad	
Country	→	IN	(Select IN from Dropdown/ Pulldown Button for India)
Language	→	EN	(Select EN from Dropdown/ Pulldown Button for English)
Currency	→	INR	(Select INR from Dropdown/ Pulldown Button for Indian Rupee)

Select Save Button (or) Ctrl + S Buttons for saving the Company Information.

Once the Company information is saved, SAP will generate one Transport Request. Every time it saves 2 files. One in Client 800 and 2nd one in Transport Request with Key Number.

For Example Project we create 6 requests like below.

- | | | |
|-------------------|------------------------|---------------------|
| 1. Basic Settings | 3. Accounts Payable | 5. Asset Accounting |
| 2. General Ledger | 4. Accounts Receivable | 6. Controlling |

Creating Request : Select create request Button

Short Description: FI Basic Settings for Pennar Steels Ltd -----> press Enter again to save the request. We get message Data Saved.

DEFINE COMPANY CODE (PENNAR STEELS LTD)

SPRO---> to go directly to SAP Reference IMG Button. So whenever we are customizing , no need to give full path upto SPRO. We can give SPRO directly in command field to go directly to SAP reference IMG Button Screen.

SPRO option will be activated only for Consultants . End User Job is without SPRO Option. So Path for defining the Company Code is as follows:

SPRO--->Enterprise Structure----> Definition ----> Financial Accounting---->Edit, Copy, Delete,Check Company Code(Select IMG Activity Button here)--->Double click on Edit Company Code Data---->Select New Entry Button (Screen like below will open...)

Company Code	→	PSL
Company Name	→	PENNAR STEELS LIMITED
Address	→	Ameerpet
City	→	Hyderabad
Country	→	IN
Currency	→	INR
Language	→	EN

Select Save Button or CTRL + S for saving. Once Saved New Screen Will open.

Title	→	Company
Name	→	PENNAR STEELS LIMITED
Street	→	Ameerpet
PinCode	→	500000
City	→	Hyderabad
Country	→	IN

Once Completed all the data, press Enter Button. System will generate Transport Request. To Choose our request select it from Drop Down Button. Beside Request# Select your request# .Press enter to save in your request.

Assagin Company Code to Company:--> (Creating Link between Company Code to Co)

Path to assaign Company Code to Company

SPRO---->Enterprise Structure---->Assaignment---->Financial Accounting---->Assaign Company Code to Company---->Select Position Button---->Give Company Code PSL and Presss Enter .

For Company Code PSL Assaign Company----> Pennnar Steels Limited Select Save Button Press Enter to saving your request.

DEFINE BUSINESS AREAS:

SPRO---->Enterprise Structure---->Definition---->Financial Accounting---->Define Business Area--->Select New Entries Button----> New Window will open

Business Area	Description	
PSLH	HYD.BUSINESS AREA	Select Save Button or CTRL+S . Press Enter to sale your request
PSLB	BLG. BUSINESS AREA	

Assagining Business area to Company Code is not required. Reason is explained below.

If company is having 2 business areas. 1 in Hyderabad and 2 in Banglore.

PSC

PCL

A. At the time of Posting :

Company Code	PSC	PCL
Business Area	Hyd	Hyd

Without giving company code we cannot post to business areas.

B. A/c Balance Display:

After posting if we want to see Balance Display

Company Code	PSC	PCL
Business Area	Hyd	Hyd
View	Hyd Data of PSConly	Hyd Data of PCLonly

Same Business area can be used for number of Company Codes in Client 800.

When we see the report or we want to see the report, we have to give the Combination of company code and business areas.

If Hyderabad incharges wants to see Hyderabad data of all Company Codes, he has to enter like this.

Company Code	→	PSL + PCL
Business Area	→	HYD

CHART OF ACCOUNTS

There are two types for creating chart of accounts.

OPTION 1::

	PSL	PCL	PIL
All Company Codes use same Chart of Accounts (Set of Accounts in SAP Language) It means coding is Same for all Company Codes. Benefit of this option is Comparison of Acc and Consolidation is easy and Simple			
Ex: Conveyance Account	400000	400000	400000

OPTION 2 ::

Each Company code has their own set of accounts. They don't want to follow the common coding and at the same time they want to compare and consolidate. Which is possible only by creating Group Chart of Accounts

Ex: Conveyance Account	400000	300000	200000
------------------------	--------	--------	--------

Under Group Chart of accounts

At the time of Account creation	PSL	PCL	PIL	Group
We have to give 2 numbers				
Ex: Conveyance Account				
1. Company Code	400000	300000	200000	100000
2. Group Code	100000	100000	100000	

Normally all companies will follow option 1 i.e, SAP SET OF ACCOUNTS as consultant will do Customization in 1 company and copy customization along with accounts to all Other Company Codes. It is Easy process.

Process: Chart of Account Codes

Description of Chart of Accounts

Whether we are following option 1 or 2.

Maintenance Language

Length of account Number----> Normally SAP will allow Max of 10 Digits But we are using 6 digits only.

PATH: SPRO---->Financial Accounting---->General Ledger A/c----> GL Accounts----> Master Data---->Preparations---->Edit Chart of Accounts List(TC is OB13)---->

Select New Entries Button---->

Chart of Accounts → PSL

Description → Chart of Accounts for Pennar Group

Maintenance Language → EN (Select from Drop Down Box)

Length of GL A/c # → 6 (Max allowed in SAP is 10)

Group Chart of A/c → Leave it Blank for Option 1

Select Save Button of CTRL+ S. Select your request and press enter to save your request.

Assigning Company Code to Chart of Accounts:

Same path for above ---> Assign Company (TC-OB62)----> Select Position Button ---->

Company Code == PSL Press Enter Select Save Button or CTRL+S. Press Enter to Save your Request.

Account Groups:

If we create Account Codes without Groups like below:

Equity Share Capital	100000
Cash Account	100001
Pref. Share Capital	100002
SBI Current A/c	100003

If we want to see the Current Assets Balances or Transactions of Current Assets, it is not possible to get directly without Group Creation. We have to verify each and every account and go on adding the respective accounts. In the above example, we have to add 100001 and 100003 which takes much time in practical.

(OR)

When we prepare Balance Sheet, in the balance sheet we have items like Share Capital, Reserves & Surpluses, Fixed assets, Current Assets etc., We have to verify each and every account and assign to the account to the respective item.
To get the Balances directly or assigning accounts to items easily, SAP has given Account Groups. Structure of Account Groups in SAP will be as under.

Chart of Accounts	At the time of Creating the groups in SAP we will	
↓	give the range of account codes to groups.	
Account Groups	Ex: Share Capital	100000 to 100099
↓	Current Assets	200000 to 200099
Accounts		

When we create Cash Account it can be with any number within Range of 200000 to 200099. When we create SBI C/A , it can be within 200000 to 200099. When we prepare Balance Sheet for Current assets, we give range 200000 to 200099.

In Live Environment, we take the Client's Balance Sheet and Create Account Groups.
After Implementation also Client wants to see the Balance Sheet the way he used to get.

Coding for Account Groups:

While creating account groups in SAP

All Liability Accounts will Start With	1 Series
All Assets Accounts will Start With	2 Series
All Income Accounts will Start With	3 Series
All Expenses Accounts will Start With	4 Series

At the time of Posting Document for Expenses by user, he can search all the Expenses accounts by pressing *4 and select the required account from the list of Expenses Accounts.
If he typed *4 , only Expenses Accounts List will display , not other groups.

PATH: SPRO---->Financial Accounting---->GL Accounting---->GL Accounts---->Master Data---->Preparations---->Define A/c Group(Select IMG Activity Button)
(TC=OBD4)---->Select New Entries Button ---->

Chart of Acc.	A/c Group	Name	From	To
LIABILITIES				
PSL	SCPL	Share Capital	100000	100099
PSL	RSPL	Reserves & Surpluses	100100	100199
PSL	ACDN	Acc. Depreciation	100200	100299
PSL	SCLM	Secured Loans	100300	100399
PSL	UNSL	Unsecured Loans	100400	100499
PSL	CLPR	Current Liabilities & Provisions	100500	100599
ASSETS				
PSL	FAST	Fixed Assets	200000	200099
PSL	CAST	Current Assets& Loans and Advances	200100	200199

INCOMES

PSL	SALE	Sales	300000	300099
PSL	OTHR	Other Income	300100	300199
PSL	INCR	Increase / Decrease in Stock	300200	300299

EXPENDITURES

PSL	RMEM	Raw Material Consumption	400000	400099
PSL	PRSN	Personnel Cost (Manpower)	400100	400199
PSL	MFRG	Manufacturing	400200	400299
PSL	ADMN	Administration	400300	400399
PSL	INTR	Interest	400400	400499
PSL	DEPR	Depreciation	400500	400599

Select Save Button or CTRL+S. Select your request and press enter to save your request.

Reason for Selection of 6 Digits Coding:

If we planned to use 4 digits coding to chart of accounts, it is difficult to create new groups in future. As we are assaiging 100 accounts to each group, if any group is completed with 100 accounts, it is difficult to create more group if the account digits is 4.

If account group # is of 10 Digits, it is difficult to remember the account group. So we suggested / recommend to use 6 digits.

If we created Account Groups for Liabilities upto 1599 (as Liabilities will start with 1 series and coding is 4 digits) , We can not create morethan 4 another groups 1999-1599=400/100 (as we are assaiging 100 accounts to each group)

Suppose if we are using 6 digit number for group, we can create 199999-100599=99400/100 994 groups. **SO WE SUGGESTED TO GO FOR 6 DIGIT ACCOUNT GROUPS.**

RETAINED EARNINGS ACCOUNT:

In the Year End, all P& L A/c Balances to be transferred to Surplus in Reserves & Surplus (Retained Earnings) Account.

All Balance Sheet item balances to be carried forward to Next Year to the same accounts as Opening Balances.

This step is required to do at the end of the year. But in SAP , it has made mandatory at the time of Implementation itself. The reason behind this is Consultant will not be available at the time of Closing the books of accounts for the year. System does not know which account balances to be transferred to "Surplus in Resreves & Surplus" Account and which account balances to be carryforward to next year as opening balances of the same account.

We can specify any Account Number within the Range of Given for Reserves & Surplus i.e., 100100 to 100199. Generally we specicy A/c # 100100. When we start crating account the first account to be created is 100100, surplus in P&L Account.

PATH: SPRO---->Financial Accounting---->GL Accounting---->GL Accounts---->Master Data---->Preparations---->Define Retained Earnings A/c (TC=OB53)

Chart of A/c	→	PSL
--------------	---	-----

press Enter

P& L A/c Statement Type

A/c #

X (means selection)

100100 Select Save or CTRL + S

It gives us a warning Message " A/c 100100 not created in chart of Accounts for PSL"

Ignore the warning message and press Enter. It asks for request. Press Enter again to save the request.

FISCAL YEAR

if Companies in	Fiscal Year Period	Fiscal Year Variant
Indian Companies	April to March + 4 Special Periods	V3
US Companies	Jan to Dec + 4 Special Periods	K4
Some Companies follow	July to June + 4 Special Periods	V6
	Oct to Sept + 4 Special Periods	V9

If Fiscal Year period is from April '08 to March '09, in SAP it is called as Fiscal Year 2008

If Fiscal Year period is from July 2008 to June 2009, in SAP it is called as Fiscal Year 2008

If Fiscal Year period is from Oct 2008 to Sept 2009, in SAP it is called as Fiscal Year 2009

Logic behind this is based on Number of Months covered in Next Calendar Year. If in next Calendar Year Period is above 6 months, call it as Next Year, otherwise call with the same year. So, in above example

Period	No. of Months in		SAP Year (Fisc.Year)
	2008	2009	
April 08 to March 09	9	3	2008
July 08 to June 09	6	6	2008
Oct 08 to Sept 09	3	9	2009

What are Special Periods:

For Fiscal Year 2008 i.e, Accounting period from April 2008 to March 2009, March 2009 will be the last Month. In SAP it has 4 special periods for MARCH 09

Month	No. in FY	
April	1 }	Normal Periods
March	12 }	
March	13 }	4 Special Periods
March	14 }	
March	15 }	
March	16 }	

Special periods are part of last period in that Fiscal Year. In this example March 2009.

USAGE OF SPECIAL PERIODS IS OPTIONAL

WHY SPECIAL PERIODS REQUIRED:

Why SAP has allowed Special period is explained below with the example.

Date	Status of Accounting
on 20.03.09	Accounts department released profitability upto the Feb'09 to the Mgt. Figures upto Feb'09 can not be changed as profitability is finalised upto Feb 09. In that sence, We open period for March 2009 to March 2009 for data entry purpose so as to not to change the previous data by any one. So End user can entere transactions only for the month of March 2009. for Opening March 2009 to March 2009 means open period is 12.2008 to 12.2008
on 30.03.09	New accounting year April 2009 to March 2010 (Fisc. Year 2009) will start after 2 days. So to open the period for Fisc.Year 2009, we have to open period from March 2009 to March 2010 as , for Fisc. Year 2008 B/S is not finalised and still some entries have to make for March 2009. So period to open would be 12.2008 to 12.2009
on 16.04.09	Accounts Department has closed the Balance Sheet and declared Profitability for the Fisc. Year 2008 to the Management. Management has suggested to make some adjustments for which adjustment entries hast to be passed by A/c Dept. This Adjustments may be for increase / decrease the profitability.
on 05.05.09	Accounts Dept made passed adjustment entries as suggested by the Management . Data entered on 05.05.09 but posting dated will be 31.03.09 so as to updated the 2008 Fisc. Year ledgers.
on 12.05.09	Audit has completed and Auditors suggested to make Rectification Entries. These rectification entries were done on 12.05.09 but the posting date will be 31.03.09 so as to update the Fisc.Year 2008 ledgers.
On 10.07.09	If Management wants to see the Profitability finalized by the Accounts Department, it is not possible to see as subsequently adjustment entries were made as suggested by the Management and Rectification Entries were made as suggested by the Auditors. All the data was changed.

TO OVERCOME THIS PROBLEM SAP HAS GIVEN 4 SPECIAL PERIODS WHICH ARE PART OF THE LAST PERIOD OF THAT PARTICULAR FISCAL YEAR.

HOW SPECIAL PERIODS WILL BE USEFUL:

Entries made upto the Profitability of Accounts Department will be posted upto period 12.

Entries made for Management Adjustements will be in the period 13.

Entries made for Auditors Rectifications will be in the period 14.

When we want to see the Report:

Period		Report we view
From	To	
1	12	Profitability finalized by Accounts Department
1	13	Profitability suggested by Management
1	14	Profitability finalized by the Auditors
14	14	To see the list of Rectification Entries suggested by Auditors

How to Convert Calender Year to Accounting Year Periods:

SAP by default Know only Calender Year (Jan - Dec) as Accounting Year (Fiscal Year)

Below is the process to convert the Calender year to Accounting Year.

Conversion for A/c Year from Apr 2009 to March 2010 (Fisc. Year 2009)

	Month	Days	Period in SAP	Year Shift
Jan	1	31	10	-1
Feb	2	29	11	-1
Mar	3	31	12	-1
Apr	4	30	1	0
May	5	31	2	0
June	6	30	3	0
July	7	31	4	0
August	8	31	5	0
Sept	9	30	6	0
Oct	10	31	7	0
Nov	11	30	8	0
Dec	12	31	9	0

For Accounting Year 2009-2010,
April will be the 1st Month
For April Calender year =2009
For April Fiscal Year = 2009
So, Year Shift is "0" (2009-2009)

But for Jan to March , Cal Year =2010
Fiscal Year = 2009
So, Year Shift = "-1" (2009-2010)
When we post document for Jan-2010
it should updated the FY. 2009 ledger
But not the 2010, so Year shift= -1.

Scenario -II

Conversion for A/c Year from Oct 2009 to Sept 2010 (Fisc. Year 2010)

	Month	Days	Period in SAP	Year Shift
Jan	1	31	4	0
Feb	2	29	5	0
Mar	3	31	6	0
Apr	4	30	7	0
May	5	31	8	0
June	6	30	9	0
July	7	31	10	0
August	8	31	11	0
Sept	9	30	12	0
Oct	10	31	1	+1
Nov	11	30	2	+1
Dec	12	31	3	+1

For Accounting Year 2009-2010,
Oct will be the 1st Month
For Oct Calender year =2009
For Oct Fiscal Year = 2010
So, Year Shift is "+1" (2010-2009)

But for Jan to Sept , Cal Year =2010
Fiscal Year = 2010
So, Year Shift = "0" (2010-2010)
When we post document for Jan-2010
it should updated the FY. 2010 ledger
But not the 2009, so Year shift= 0.

PATH FOR FISCAL YEAR CONVERSION::

SPRO---->Financial Accountin---->Fin. A/c Global Setting---->Fiscal Year---->
Maintain Fiscal Year Variant(Maintain Shortend Fiscal Year TC=OB29)---->
Select Position Button Press Enter
Double Click on Period Folder. It will display default Window, If we want to
Create our own Variant Press on New Entries Button

FV Description
1A April to March + 4 special Periods---> Deselect Year Dependent--Deselect
Calender Year Check Box----> No of Posting Periods =12 ----> No of
Spl. Periods =4 Select Save Button or CTRL+S

Select F.Year Variant as 1A. Double click on Periods folder---> Select New Entries

	Month	Days	Period in SAP	Year Shift
Jan	1	31	10	-1
Feb	2	29	11	-1
Mar	3	31	12	-1
Apr	4	30	1	0
May	5	31	2	0
June	6	30	3	0
July	7	31	4	0
August	8	31	5	0
Sept	9	30	6	0
Oct	10	31	7	0
Nov	11	30	8	0
Dec	12	31	9	0

Press Save Button

Why to De-select Year Dependent Check Box: If we select the Year Dependent Check Box, at the time of Saving , SAP will ask for Which Fiscal Year. If we gave 2009 as FY, Conversion is applicable to that FY only. We have to do the Same process of Conversion for each and every year. If we de select, conversion is applicable to all the years.

Why to De-select Calender Year Check Box: If we select this check box, System will consider January as Period 1 in the Fiscal Year and April will be as 4th period. But we require April will be treated as 1st period and January will be 10th in Periods.

Assaigning Company Codes to Fiscal Year Variant:

PATH: Same path as above (TC=OB37)

Select Position Button

Company Code	→	PSL
--------------	---	-----

Press Enter

Company Code	Fiscal Year Variant
PSL	V3 or 1A

Select Save Button and

Press Enter to Save your request

POSTING PERIODS: Here we define , which periods are to be open for posting purpose. In all other Softwares, Closing of the period is there. Once we selected closing the periods, end user cannot enter any documents before to that period. But in SAP Open period is there. If we open period for entering documents, the periods before to that and after that periods, end user is not able to enter any document. Once we open the period, automatically other periods will be closed. We can enter any document between the dates of the open periods only.

Fro example, if we declared profitability upto June'09 and we want to open periods from July '09 to March'2010. In SAP we call it as 4.2009 to 12.2009.

For Opening and Closing of periods we have 2 options in SAP which is explained below

Options

Company Codes

PSL

PCL

PIL

Option 1.

All the Company codes will open and close periods at the same time and same period there are 3 steps in opening & closing of periods.

A) Define Posting Period Variant

"X" to PP Variant option

B) Assign Company code to PP Variant

X to PSL

X to PCL

X to PIL

C) Define Open and Closing periods for Variant

Practically this option is not possible as all the company codes are not able to close books at the same time. For that purpose SAP has given Option # 2.

PSL

PCL

PIL

Option 2**A) Define Posting Period Variant**

to PP Variant option

X

Y

Z

B) Assign Company code to PP Variant

X to PSL

Y to PCL

Z to PIL

C) Define Open and Closing periods for Variant

For "X"-- July'09 to March'10

4.2009 to
12.2009

For "Y"-- Apr'09 to March'10

1.2009 to
12.2009

For "Z"-- June'09 to July'09

3.2009 to
4.2009

Defining Posting Period Variant:

PATH: SPRO--->Financial Accounting--->Fin A/c Global Settings--->Document Posting Periods---> Define Variants Open posting periods---> Select New Entries Button

Variant

Name

PSL

Posting Period Variant for PSL

Select Save Button or CTRL+S

Press Enter to save your request.

Assaigning Posting Period Variant to Company Code:

Path: Same as above- (Next step) and Select Position Button

Company Code	PSL
--------------	-----

 Press Enter

CoC	Company Name	City	Variant	
PSL	Pennar Steels Ltd	Hyd	PSL (Assaign)	Select Save or CTRL+S

Press Enter to save your request.

Open and Close Posting Periods:

Same Path ----> Select New Entries Button

Variant	A/c Type	From A/c	To A/c	From Period1	Year	To Period 1	Year	From Period2	Year
PSL	+ Valid to all A/c Tyes	Keep it Blank	Keep it Blank		4 2009		12 2009	12	2008

To	Year	AU Group (Authorization Group)
Period 2		

12	2008	Keep it Blank
----	------	------------------

Press Save and Enter to save your request.

After declaring results upto June'09 to the managemen. We want to open period from July'09 to March'10. We also want to open for March'09 as Audit is not completed. In this scenario SAP has given 2 Options.

From Period 1 which is MANDATORY IN SAP

July-2009 to March 2009
4.2009 to 12.2009

From Period 2 Which is OPTIONAL IN SAP

March-2009 to March-2009
12.2008 to 12.2008

At the time of Opening Posting Periods , Authorisation Group is kept as Blank. When June Profitability is declared period to be open will be July'09 to March'2010. After July'09 profitability Period to be open will be Aug'09 to March'10. So Opening and Closing of periods Screen is regularly used in SAP. As this screen is widely used, SAP has given the access of this screen at the End User level also. It may be Misused by End User. To resctrict the misuse Authorization Group is Helpful.

Basis Consultant will create Authorization Group Say "X" and assaign user ID's say Manager Dy.Manager of Accounts to this Group. Hence these 2 people only can access the screen and make changes in opening periods.

Path for Posting Periods Entry at End User Area:

Accounting---->Financial Accounting---->General Ledger---->Environment---->
 Current Settings---->Open & Close Posting Periods(TC= S_ALR_87003642)
 Select Position Button Posting Period Variant-----> PSL
 Press Enter to save.

DOCUMENT TYPES AND NUMBER RANGE:

In Normal Accounting all entries are made by Accounts Persons. So Voucher Number will be continuous.

in SAP	Store Person at Factory	A/c Person at City Office	Sales Person at Branch
Purchase Voucher	1		
Payment Voucher		2	
Sales Voucher			3
Receipt Voucher		4	

In the above example , Voucher Number is continuously coming for all the departments. So, which document raised in Which Department or How many Documents raised in One Department is not able to get. To Get document number continuously SAP has given

Document Types

Document Type	RE (Purchase)	SA (Gen.Ledger)	RV (Sales)
	↓	↓	↓
Number Range	02	01	03
	↓	↓	↓
Number Range Interval	100001 to 200000	1 to 100000	200001 300000

If we give the Document Number Range like above, we will get Document Number continuously in Department wise. So, by seeing the Document number itself we can say in which department the Document is generated.

If in any year, 100000 documents are consumed for SA, System will warn with Error Message when we post a new document of SA. At that time we have to give available Number range to the Number Range Interval. In the above example , available Number is from 300001 to 400000

PATH: SPRO---->Financial Accounting---->Financial Accounting Global Settings---->
 Document----> Document Header---->Define Document Types (Select IMG activity
 Button TC=OBA7). Select Position Button.
Document Type-----> SA Press Enter

Select Details Button (Ctrl+Shift+F2)

Select Number Range----> 01

Select Number Range Information Button

↓

Select	Company Code ----->	PSL	
	<div>Change Interval Button</div>	→→	<div>Select Interval Button</div>
	Number Range	→→	01
	Year	→→	2009
	From Number	→→	1
	To Number	→→	100000
	Current Number	→→	0
	External Chk Box	→→	<div></div> De select it Press Enter
	Select Save or CTRL+S		<div>Ignore Warning Message</div> Press Enter

Number Range Interval cannot be transported to Production Client . Reasons:-

1. Consultant is outsider. He does not know how many Docs. are required for each type.
2. All the Department people want to have the number range from 1 to 100000 which is not possible in practical.

IN live environment before going to live Production Clients all Department Heads will sit together and decide the Document Numbering.

What ever we have given in Client 800 are applicable only for Development Client for testing of documents.

Why to De-select External Check Box: If we select the External Check Box, at the time of Posting end user has to give the Document Number manually. If we deselct, System will generate Numbering automatically.

For Documents Numbering SAP has given 2 Options.

Option 1

Year Specific	Numbers used
01-2008-1-100000	49000
01-2009-1-100000	1000

Option 2

Year Specific	Numbers used
01-9999-1-100000	50000

Posting the Document::

A) Entry Date	11.07.2009	
Posting Date	11.07.2009	
Document Number	1001	50001
B) Entry Date	11.07.2009	
Posting Date	31.03.2009	
Document Number	49001	50002

In Option 1, last number in 2008 is 49000 and in 2009 is 1000. When we posted document on 11.07.2009 for the date of Posting 11.07.2009 (FY2009) New Document Number will be 1001. If we post the document on 11.07.2009 for Posting Date 31.03.2009, New document number will be the next number of last years last number i.e, 49001 only, but not 1001.

In option number 2, Continuous numbering is there ,whenever we posted the document and for which Fiscal Year It may relate to . So , in practical, it is difficult to maintain which document relates to which Fiscal Year. Hence Most of Companies will choose **OPTION-1**.

FIELD STATUS VARIANT AND FIELD STATUS GROUPS:

At the time of Posting in all Screens, we get around 70 Fields for Debit and 70 for Credit.
so For any Document we have

Debit	70 Fields
Credit	70 Fields
Total	<u>140 Fields</u>

If we start entering all the 140 fields , it takes so much time to post a document. So SAP has given a chance to make any field

	Suppress	(or)	Required	(or)	Optional
When We select Supress	→→		Field will not be visible on Screen at the tiem of Posting		
When We select Required	→→		Field will appear with ? Or √ Mark. Without entering data in the field , we can not go to next field.		
When We select Optional	→→		Field will appear on Screen, but it is our choice to enter the data or not		

Field selection is not commone to all accounts. It varies Account to Account. So For Purchase accounts/ Sales Accounts Field "Qty" is required but Not for Equity Share Capital Account. If we have 1000 Accounts in Chart of accounts, We have to create 1000 Scenarios for each account separately. This is very difficult in Practical. To overcome this problem, SAP has given Shortcut method called "**Field Status Group**"

- A) For Field Status Groups we specify which field is Required/Optional/Suppress.
- B) Field Status Groups will be created under Field Status Variant (F St.V) and Field Status Variant will be assaigned to Company Codes.
- C) In Account Creation we specify Field Status Group
- D) At the time of Posting, when user give the Account #, the Screen will appear based on Field Selection to the Field Status Group which is specified in Account.

SAP has given 4 Common Groups.

1. General	2. Material Accounts	3. Bank Accounts	4. Cost Accounts
------------	----------------------	------------------	------------------

Accounts	Field St.Group	Field	Supress	Required	Optional
Sales/ Purchase	Material A/c	Qty	--	√	--
Equity Share					
Capital	General	Qty	√	--	--

As an Example we are going to Create Accounts and Post:-

Cash Account Dr.				
↓				
↓			Equity Share Capital A/c Cr.	
↓			↓	
↓			↓	
Bank Accounts			General Accounts	
↓			↓	
↓			↓	
Text	Business	Value	Text	Business
Field	Area	Date	Field	Area

For the above accounts , we make the above fields are as Compulsory (REQUIRED) wether client inform to make them compulsory or not . Other fields are based on client information.

PATH: SPRO---->Financial Accounting---->Financial A/c. Global Settings---->Document-->Line Item---->Control---->Define Field Status Variants

Select Field Status Variant===> 1000 IDSE Group----> Select Copy As Button (F6)

↓

Change the Field Status Variant to "PSL"

↓

Change the Field Status Name to " Field Status Variant for PSL". Press Enter

↓

Select Copy all Button to copy all 47 Groups

↓

We will get a Message

No. of Dependent Entries Copied 47 Enter

Press Save Button or CTRL+S----> Press Enter to save our Request.

Select Double Click on -->

Double Click on FstGroup=G001----> General (With Text, allocation)

↓

Double Click on "General Data" Make " Text" Field as Required Entry.

Select Next Group Button on Left Top (Shift+F6)

Select Next Page or Pagedown Button 2 times

↓

Mark "Business Area" as "Required Entry filed. ----> Select Save Button.

Double Click on FstGroup G005= Bank Account(Obligatory, Value Date)

Double Click on General Data----> Make Text as Required Entry

Select Next Group Button

Select Next Page Button or Page Down 2 times

Mark Business Area as Required Entry Fieled.

Select Next Group Button 2 times

Mark Value Date as Requiried Entry Field

Select Save or CTRL+S

Value Date means Effective Date. Suppose if we took a Loan from IDBI on 11.07.09

Cheque Date of IDBI is 11.07.2009.

On 13.07.2009 we are postin the document and depositing the cheque in Bank.

At the time of Posting

Document Date-----> 13.07.09

Once date is entered in Document Dated

Posting Date-----> 13.07.09

and Posting Dated column, it can not be

Modifiable. We have to reverse the entry only.

IDBI Calculate Interest from 11.07.2009, whereas SAP will calculate interest from 13.07.2009 as posting date is 13.07.2009. So In interest amount , there will be a differene between IDBI and Systems calculation. To overcome this problem, SAP has given Effective Date i.e, Value Date (in SAP Terminalogy) . IF we select the Value Date option Compulsory and enter it at the time of posting. SAP will calculate interest from Value Date entry. Value date can be modifiable if necessary but not Document Date or Posting Date.

Assaign Filed Status Variant to Company Code:

Same Path ----> Select Position Button ---->

Company Code-->PSL

(Next Step to Last Path)

FstV

For Company Code PSL

PSL

Press Save and Press Enter to Save in ur Request

Assaign Sales Tax Procedure:

in Financials we are going to Cover

1. General Ledger 2. A/c Payable 3. A/c Receivables 4. Asset A/c

Sale Tax is required for Both Accounts Payable and Accounts Receivbale. But system will not allow to enter any transactions in India (for Country Code IN) withou Sales Tax Procedures even for General Accounts.

So, we assaign some Tax Procedure which is available in system temporarily.

Afterwards, when we go for Accounts Payable , or Receivable we make our own Tax Procedures.

For Country IN--> Assaign Tax Procedure TaxUS(Sales Tax USA) or TaxINN (Sales Tax India)---> as Temporary assaignment.

PATH: SPRO---->Financial Accounting---->Financial A/c Global Settings---->Tax on Sales/
Purchases---->Basic Settings---->Assign Country to Calculation Procedure---->
Select Position Button

Country----> IN	Press Enter
-----------------	-------------

For Country IN

Assign Procedure ----> TaxUS-Sales Tax
--

Select Save Button or CTRL+S. Press Enter to save in your request.

TOLERANCE GROUPS: SAP has given 2 types of Tolerance Groups

1. General Ledger Account Tolerance
2. Employee Tolerance

General Ledger Account Tolerance is mandatory in SAP which is applicable in Receipts & Payments. Before understanding Tolerance Groups, we need to know about "**Open Item Management**".

OPEN ITEM MANAGEMENT: This is used for Vendors/ Customers/ Balance Sheet Items where Clearing is Required.

Suppose by the Month end 31.07.2009 we have to pay

Salaries	500000
Wages	400000
Rent	25000

Entry for Payable amounts:

Salaries A/c	500000	
Wages A/c	400000	
Rent A/c	25000	
To	Outstanding Expenses A/c	925000

If we see the account in the Month End, we will have Number of Credit items and Number of Debit Items. We don't know which item is pending and How much is Pending. IN SAP, if we select Open Item Management, at the time of payment, system will ask against which item the payment is made. When we specify the payment is made against Rent that item will be cleared upto the extent we paid.

If we paid 25000 against Rent A/c, We can see accounts in 3 ways.

- | | | |
|------------------|-----------------|-----------------------------------|
| A) Open Items | Payable Amounts | Salaries and Wages in Example |
| B) Cleared Items | Paid Amounts | Rent and Bank Accounts in Example |
| C) All Items | Payable + Paid | |

Once we selected Open Item Management, we can see Bill Wise Payable of Vendors, Billwise Receivables of Customers.

As discussed earlier, SAP has given Tolerance Groups. Tolerance means Payment Difference. It can be "**Amount Tolerance**" to "**Percentage Tolerance**". It can be **Debit or Credit**

We create Tolerance for Tolerance Groups

<u>Tolerance Group</u>	<u>Amount Tolerance</u>	<u>Percentage Tolerance</u>
A	100	
B		2%
C	0	0

1. Create Tolerance group and give the tolerance amount or Percentage or both
2. Tolerance group will be specified in General Ledger A/c.

Ex:	Salaries	500000	Outstanding Expnses as on 31.07.09
	Wages	400000	
	Rent	25000	
	Commission	100005	

IN General Ledger a/c for Outstanding Expenses account we have specified Tolerance Group " A". When we make payment of 100000 to Commission , System check

Howmuch is payable	100005
Howmuch is Paid	100000
Difference	5

If the difference amount is withing the Tolerance Group Amount (100 Rs for "A" Tolerance)
The difference will be transferred to Sundry Balances Written off account and clear the Item-Commission automatically.

Dis-advantages of Tolerance System:

1. Tolerance group is given at A/c Level and not at Transactions Level.
2. No Flexibility in Tolerance Groups.

If the Tolerance amount is within the Tolerance Group Limit, system will automatically transfer the Difference amount to Sundry Balances Written Off account. It should ask the end user before Transferring. In Live Environment, we use Tolerance Group "C" in which Tolerance amount and Tolerance Percentage both are ZERO.

If we specify Tolerance Amount (or) Tolerance Percentage as ZERO, system will show the balance "5" as Outstanding in Account. It the Customer or Enduser decision to Pay or not to Pay.

If we want to Pay Rs. 5-----> we show 100000 paid as part payment and balance show as outstanding amount.

If we don't want to pay Rs.5 -----> Transfer this amount to Sundry Balances Written off A/c and clear Tranaction.

Say we have 1000 General Ledger A/c , 1000 Vendors and 1000 Customers. In all Accounts we have to assaign Tolerance Group "C" which is highly difficult. So we keep Tolerance Group as Blank and Amount "ZERO"

For Company Code	Tolerance Group	Tolerance Amount	Tolerance Percentage
PSL	Blank	"0"	"0"

When we create the account, Tolerance Group will be " Blank". System expects we have created Blank Tolerance Group and Assaigned in the Account.

PATH: SPRO----->Financial Accounting----->General Ledger accounts---->Business Transactions---->Open Item Clearing----->Clearing Differences---->Define Tolerance Group for GL A/c----> Select New Entries Button.

Company Code	PSL		
Tolerance Group	Blank		
Description	Tolerance Group for PSL		
Debit Posting	"0"	Debit %	"0"
Credit Posting	"0"	Credit %	"0"

Select "Save" (or) CTRL+S Prese Enter to Save in your Request.

TOLERANCE GROUP FOR EMPLOYEES:

Mainly, Tolerance Group for Employees is to restrict/control the users for posting the documents. Here, we give userwise upperlimit for posting. We can create Maximum Limit for Tolerance group.

Particulars	Tolerance Groups			
	A		B	C
Max Amount per Document	100000		1000000	10000000
Max Amount per Open Item	100000		1000000	10000000
Max Cash Discount	0		5	10
Max Payment Difference Allowed	0		0	0

If we have 1000 users we have to create 1000 Scenarios. So SAP has given short cut to Tolerance as Groups. We create 3 Groups "A", "B" & "C" and assaign to Users.

If we have following people in Accounts Dept we can assaign Tolerance Groups to them like

Employee Designation	Tolerance Group
1. Cashier in City Office	A
2. Cashier at Factory	A
3. Cashier at Branch	A
4. Accountant- 1	A
5. Accountant -2	A
6. Dy. Manager Accounts	B
7. Manager Accounts	B
8. General Manager-Acc	C

In Live Environment (or) in Training Institutes, We keep Tolerance Group as Blank as Number of Students will logon with Same Username. If we have given one Tolerance Group to One Company Code, we have to give same Group to all Comp. Codes as , Tolerance Group works at User ID level but not for Company Code

PATH: SPRO---->Financial Accounting---->General Ledger Accounting---->Business Transactions---->Open Item Clearing---->Clearing Differences---->Define Tolerance Group for Employees----> Select Position Button
Select New Entries Button

Group	Keep Blank
Company Code	PSL
Currency	INR
Amount Per Document	9999999999
Amount per Open Item A/c	9999999999
Cash Discount per Line Item	10 %
Permitted Payment Differene	Keep Blank

Select Save Button (or)
CTRL + S
Press Enter to save your
request

Enter Global Parameters:

Path: SPRO---->Financial Accounting---->Financial Accounting---->Company Code---->
Enter Global Parameters----> Select Position Button

Company Code----> PSL Select Company Code PSL
Select Details(F2) Button.

Select Business Area Financial Statement
Select Propose Fiscal Year
Define Default Value Date
Negative Postings Permitted
Additional Data Button

\checkmark
\checkmark
\checkmark
\checkmark

Click

TDS Number PSL123456C
PAN Number PSL654321P
Select Back arrow and Save.
Press Enter to save ur request.

*****End of Basic Settings Section*****

IMPORTANT STEPS IN BASIC SETTINGS

Following are the steps to follow for completing the Basic Settings in Financials

Step #	Action to be Done	TC
1	Define Company (In normal terminology-Group)	/NOX15
2	Define Company Code (in normal terminalogy Company in Group)	/NOX02
3	Assaign Company to Company Code	/NOX16
4	Define Business Area	/NOX03
5	Define Chart of Accounts	OB13
6	Assaign Company Code to Chart of Accounts	OB62
7	Define Account Groups with Number Ranges	OBD4
8	Define Retained Earning Account	OB53
9	Define Fiscal Year Variant with Fiscal Year Conversion	OB29
10	Assaign Company Code to Fiscal Year Variant	OB37
11	Define Posting Period Variant	SPRO
12	Assaign company Code to Posting Period Variant	SPRO
13	Define Open and Close Posting Periods	SPRO
14	Define Document Types and Number Range	OBA7
15	Define Field Status Variant	SPRO
16	Assaign Company Code to Field Status Variant	SPRO
17	Assaign Company Code to Sales Tax Procedure	SPRO
18	Define Tolerance Groups	SPRO
19	Assaign Company Code to Tolerance Groups	SPRO
20	Check the Global Parameters of Company Code and Enter TDS and PAN Numbers	SPRO

GENERAL LEDGER CONCEPTS:

HOW TO CREATE GENERAL LEDGER MASTERS :

We can create Chart of Accounts at

- A) Chart of Accounts Level
- B) At Company Code Level
- C) Centrally

At Chrt of A/c Level	At Company Code Level	Centrally
1. Account Number 2. Account Group 3. Company Code 4. Wether it is P& L A/c 5. Wether it is B/S Item 6. Description A) Short Text - Max 20 Char B) Long Text- Max 50 Char	1. A/c Currency 2. Only Balance in Local Currency 3. Tolerance Group 4. Line Item Display 5. Open Item Management 6. Sork Key 7. Field Status Group	All Fields of Cht. ofA/c + Company Code Leve are available in Centrally Area

A/c to be Created :

	Range
1. Surplus in P& L Account under Reserves and Surplus Group	100100 to 100199
2. Equity Share Capital A/c Under Share Capital Group	100000 to 100099
3. Cash A/c Under Current Assets, Loans & Advances Group	200100 to 200199

1ST STEP: Checking the A/c Groups to see the A/c Numbers to allot

PATH: SPRO----->Financial Accounting----->General Ledger Accounting----->
 General Ledger Accounts-----> Master Data----->Preparations----->
 Define A/c Groups (TC=OBD4) Select Position Button

Chart of Accounts	PSL
-------------------	-----

2nd STEP: Creation of General Ledger Masters:

PATH: Accounting ---->Financial Accounting----->General Ledger----->Maser
 Records----->GL A/c----->Individual Processing----->Centrally(TC=FS00)

General Ledger Account	100100
Company Code	PSL

From Menu Select ----> Create General Ledger account Create

Accoun Group---->Select Reserves & Surplus
 Select Balance Sheet Account Radio Button
 Short Text----> Surplus in P& L A/c
 Long Text----> Surplu in P& L A/c for PSL

Short Text Will appear at the time of Document Display
Long Text will appear at the time of Ledger Display

Select tab Select Only Balances in Local Currency Chk Box

Tolerance Group Keep it Blank
Line Item Display
Sort Key ON Posting Date

Select tab

Field Status Group for General Select Save or CTRL+S

For Creating 2nd Account ----> Equity Share Capital (A/c # 100100)

GL A/c 100100
Company Code PSL
Select With Template Button

GL A/c	100100
Company Code	PSL

Press Enter

Select Type/Description Tab

Change A/c Group to	Share Capital
Short Text	Equity Share Capital
Long Text	Equity Share Capital of PSL

Other Fields are Common so Select Save Button or Ctrl+S

3rd A/c GL A/c Number 200100
Company Code PSL
Select With Template Button

GL A/c	100100
Company Code	PSL

Coppy this Acc to New A/c
Press Enter

Select Type/Description Tab

Change A/c Group to	→→	Current Assets Loan & Adv
Short Text	→→	Cash Account
Long Text	→→	Cash Account of PSL

Select Create/Bank/Interest Tab Button

Field sTatus Group →→ Change to G005
Select Relevant Cash flow →→
Other Fields are Common so Select Save Button or Ctrl+S

How to view the Accounts Created:

Select Dropdown button beside GL A/c , we will get match code. Give Company Code
 It shows List of Accounts Created under PSL

POSTING OF TRANSACTIONS:

Path: Accounting---->Financial Accounting---->General Ledger Accounting ---->
Posting--->General Posting(TC=F02)
On screen we get a window For Posting Document

Document Date: Normally Document Date and Posting Date will be same. IN case of Purchases i.e., Document Date will be the Party's Bill Date. For Date we can enter like 16.07.2009 (or) Press F4 to get the calendar and select the date (or) press F2 for current date.

Posting Date: Posting Date comes automatically from Server. Ledger update will be based on Posting Date. Period comes automatically based on the date of posting.

Document Number: IN Document Types and No Ranges we deselected Ext. Chk Box. So Document Number will come automatically after saving the document. If Ext. Chk Box is selected Document Number should be given by User.

Reference : Party Bill Numbe in case of Purchases.

Document Date	<input type="text" value="16.07.09"/>	Type	<input type="text" value="SA"/>	Comp. Code	<input type="text" value="PSL"/>
Posting Date	<input type="text" value="16.07.09"/>			Currency	<input type="text" value="INR"/>

SAP has given to differentiate between Debit and Credit 2 Different Posting Keys.

Posting Key 40 for G/L Debit
Posting Key 50 for G/L Credit

for Debit :

Select Position Key	<input type="text" value="40"/>	A/c #	<input type="text" value="200100"/>	Press Enter
Amount	<input type="text" value="400000"/>	INR		
Business Area	<input type="text" value="PSLH"/>			
Text Equity Share Capital Receipt				

for Credit :

Select Position Key	<input type="text" value="50"/>	A/c #	<input type="text" value="100000"/>	Press Enter
Amount	<input type="text" value="*"/>	INR for Copying amount from		
Business Area	<input type="text" value="PSLH"/>	Debit entry		
Text + To get the last Text Entry				

From Menu---->Document--->Simulate(Shift+F9) to post the Document
Debit amount will be posted without any Symbol
Credit Amount will be posted with "-" Symbol

Select Save or Ctrl+S. We will get a message "Document 1 was posted in Company Code PSL"

Note: IN ONE DOCUMENT WE CAN POST 999 LINE ITEMS

How to View the Latest Posted Document:

Menu---->Document---->Display---->Select Display Document Header(F5)

How to Change the Document:

PATH: Accounting---->Financial Accounting---->GL Accounting---->Document---->
Change (TC=FB-02)

Document #	1	Enter
Comp. Code	PSL	Double Click on 1st line item (Cash Account)
Fiscal Year	2009	

**** We can change Value Date, Assignment Numb, Text Fields only, but not other ****

Display Document: Accounting----> Financial A/c---->GL A/c---->Document--->Display
(TC=FB03) Select Document List Button

Company Code Type Select Execute Button or F8

To Give Last One Week Posted Documents List:

Entry Date 10.07.09 To Date 17.08.09

Select Execute Button or F8

To View Documents Posted by a Specific User:

Menu---->Edit---->Dynamic Selection(Shift+F4)

User Name SAPUSER Select Execute Button or F8

Display Document #1.

To Display Account Balance :

Accounting----> Financial Accountin----> GL A/C---> Display Balance(TC=FS10N)

To View Number of Accounts at a time:

Select Right Arrow (Multiple Selection) Button beside GL Account.

To View Random A/c Transactions:

Under Single Value give account Numbers 100100, 200100 and select copy as (F8)

To View Continuous Transactions (Range of A/c)

Press " Select Intervals" Tab and give

Lower Limit	Upper Limit
100000	100099

To Exclude One account from the Range:

Select Exclude Single Values tab

Under Single Value give A/c # 100500. It will not come in the list

Select Copy Button.

To Exclude a Range of accounts from Range of accounts Display: Select Interval Tab

Lower Limit	Upper Limit	
100050	100059	Select Copy Button

To View only one A/c Transactions: Select Drop down button beside GL A/c

Comp Code PSL Enter Select A/c # 100000 Eq. Share Capital

Comp Code PSL Select Execute Button

Fiscal Year 2009

Business Area PSLH

DoubleClick on Cum.Balance 400000

DoubleClick on Document# 1

Select call up document overview button (F9) Select Back Arrow

How to Creat our own Line Layout:

Select Change Layout Button. Select the Fields which are not required under

Column Content. Ex. Document Type and Document Date

Select Right Arrow (or) Hide Selected Field Button.

From Hidden Fields Column----> Select 1) Posting Date 2) Select Text

Select Left Arrow (or) show selected fields button.

Change Column Positions	Length	
Document #	1	
Posting Date	2	
Text	3	35
Amount in Local	4	Select Totals CheckBox for Amount in Local Currency

Select copy Button

How to save the Layout:

Select Save Layout Button (Ctrl + F12). There are 2 options for saving layout

Option 1	Option 2
User Specific- Available to only Specific Users	Common to all users
A) Select User Specific check Box	A) Deselect User specific Check Box
B) Save with any number or name	B) Save with any number or name

For our purpose, Select Option 2 and save with PSL. Deselect the User specific Chk Box.

Description: GL A/c Standard for PSL Enter. We can see Report in our Lay Out.

How to Choose our Layout: Press Select Layout Button (Ctrl + F9)
Select /PSL we can see Report in our Layout.

How to Make Default Line Layout: From Menu---->Select settings---->Layout---->

Administration Select /PSL Layout Check Box.

Select Define Default Settings Button **SAVE**

Select ← 3 times Change GL A/c to 200100 Cash Account

Select Execute Button . Double click on Cum.Bal 400000. We can see Report in our layout.

SAMPLE DOCUMENT:

This is used for Month End Provisions. For this purpose we create Sample Doc.

Ex: Salaries A/c Dr. 500000
Wages A/c Dr. 600000
Rent A/c Dr. 100000
To O/s Exp A/c 1,200,000

Sample Document template will not update the ledger . Everymonth end we copy the template and change the amount and post the Document.

Advantages of Sample Document:

1. Sample Document Saves times
2. When we create Sample Document Template , we will not Forget any provisions
3. Any Provision in the Template is paid in the same month . No provison is required for that account. So When we copy the template for the month, for that account Enter Amount " ZERO"

Steps to Create Sample Document Template:

1. Define Number Range Interval for Number Range X2
2. Creation of Masters.
3. Creation of Sample Document Template
4. Display Sample Document Posted
5. Posting of Transactions by using Sample Document Template (F-02)

1. Define Number Range Interval for Number Range X2

	G L Document	Sample Document
Type	SA	SA
	↓	↓
No.Range	01	X2
	↓	↓
No.Range	1 to	5000001 to
Interval	100000	5100000
	↓	↓
Ledger	Updates	Not Update

Path: SPRO---->Financial Accounting--->Financial Accounting Global Settings--->
Document---->Document Number Ranges---> Define Doc. No Range (FBN1)
Press Enter

Company Code	PSL
--------------	-----



Select Change Intervals Button



Select Interval Button

No	Year	From #	To #	
<hr/>				
X2	2009	5000001	5100000	Enter and Save

2. Creation of Masters.

GL A/c		Group Name
A) Salaries A/c	Under	Personell Cost
B) Rent A/c	Under	Adminstration Cost
C) O/S. Exp	Under	Current Liabilities & Provisions

a) Check the A/c Groups for Giving Account Numbers (OBD4)

select Position Button

Chart of A/c	PSL
--------------	-----

 Press Enter to get List of A/c Groups

GL A/c		Group Name	Number Range
A) Salaries A/c	Under	Personell Cost	400100 to 400199
B) Rent A/c	Under	Adminstration Cost	400300 to 400399
C) O/S. Exp	Under	C/L & Provisions	100500 to 100599

After Note down the Number Range for Required GL A/c to create, create GL accoutns from FS00

1st Account

GL A/c #	400100	→	Salaries Account
Comp. Code	PSL		Click on With Template Button

GL A/c #	100000	→	Press Enter
Comp. Code	PSL		

Change A/c Group to	Personnel Cost	
Select Radio Button	P & L Statement A/c	
Short Text	Salaries Account	
Long text	Salaries Account of PSL	→ Save

2nd Account

GL A/c #	400300
Comp. Code	PSL



Rent account

Click on With Template Button

GL A/c #	400100
Comp. Code	PSL



Press Enter

Change A/c Group to

Select Radio Button

Short Text

Long text

Administration Cost

P & L Statement A/c

Rent A/c

Rent Account of PSL


Save

3rd Account

GL A/c #	100500
Comp. Code	PSL



Outstanding Expenses A/c

Click on With Template Button

GL A/c #	100000
Comp. Code	PSL



Press Enter

Change A/c Group to

Select Radio Button

Short Text

Long text

Click on Control Data Tab

Current Liabilities & Provisions

Balance Sheet item

Outstanding Exp Account

Outstanding Exp A/c. of PSL

Select Open Item Check Box


Save

3. Creation of Sample Document Template

Path: Accounting----> Financial Accounting---->General Ledger---->Posting---->
Reference Documents----> Sample Document (F-01)

Doc.Date: 31.07.09

Type: SA

Comp. Code:

PSL

Post.Date: 31.07.09

1st Dr. Post Key 40 A/c # 400100 (Salaries) → ENTER
IGNORE WARNING MESSAGE FOR " POSTING DATE FUTURE DATE"

Amount 500000 INR

Bus. Area

PSLH

Text : Salary Provision for

2nd Dr. Post Key 40 A/c # 400300 (Rent) → ENTER
Amount 100000 INR Bus. Area PSLH
Text : Rent Provision for

Cr.Entry Post Key 50 A/c # 100500 (O/S. Exp) → ENTER
Amount * INR Bus. Area PSLH
Text : Provisions for

Select Display Document Overview to see Document


Save (or) Ctrl + S

We get a message Document # 5000001 was stored in Company Code PSL

4. Display Sample Document Posted (FBM3):

Document # 5000001
Company Code PSL → ENTER

We can see the Sample Document Stored in SAP. We can check the Ledger A/c's of 400100 (Salaries), 400300(Rent) or 100500(O/S. Exp) because of this Sample Document Storage, Ledgers are not updated (**FS10N**)

5. Posting of Transactions by using Sample Document Template (F-02)

From Menu---->Document----> Post With Reference (Shift+F9)

Document #	5000001
Comp. Code	PSL
F.Year	2009
Select Display Line Item Check Box	

 → ENTER → ENTER

Ignore warning Message about Future Date and → ENTER

Change Salaries Provision for 450000
Text : Add July to Text → ENTER

If Rent Provision is not required for the month of July Change the Amount to "0"
→ ENTER Ignore message for " Amount is Zero, Line Item Ignored"
→ ENTER

for Post Key 50 i.e, Outstandings Expenses (Credit Entry)

Amount *
Text Add July

 → ENTER

Select Save or Ctrl + S to get message Document# 2 was posted.

PARKING OF DOCUMENTS :

Parking of Documents are used where approval by Sr. Person is required for the Posted Documents. For Example, if in any company Cashier or Accountant and Accounts Manager/ Sr. Person are there .

Cashier/ Accountant			Acc.Manager/ Sr. Person
Enter the Transaction and Park the Document for Approval of Senior	→	After Parking Cashier will Send Message to Senior for Release / Approval of Doc.	Sr. Verify the Parked Doc and make corrections if need and Releases the Doc.
Parking will not Update the Ledger		After Releasing Sr. will send reply to Cashier	
		←	Releasing will updated the Ledger

Steps to Cover this Topic :

- 1 Entering Document and Parking by Cashier/ Accountant
- 2 Display G L A/c to check wether Ledgers updated or Not.
- 3 Sending Message to Senior for Releasing Parked Document
- 4 Display Parked Documents, Make Corrections in Amount, Head of Account, Date and Releasing by Sr. Person
- 5 Display G L A/c to check wether Ledgers updated or Not.
- 6 Sending Message to Cashier regarding the Releasing of Document by Sr. Person
- 7 Display changes made by Senior Person in Parked Document for Cashier

1 Entering Document and Parking by Cashier/Accountant

Path: Accounting ----> Financial Accounting---->General Ledger----> Posting---->
General Document Parking (F-65)

Doc.Date: 18.07.09 Type: SA Comp.Code: PSL
Post.Dt: 18.07.09

Post Key: 40 Account No: 400100 → ENTER
Amount: 1111 Business Area: PSLH
Text: Parking Document Testing

Post Key: 50 Account No: 200100 → ENTER
Amount: * Business Area: PSLH
Text: +

Select Document Overview (Shift+F2) Button which is on Left Top
We get a message Document 3 was parked in PSL

2 Display G L A/c to check wether Ledgers updated or Not. (FS10N)

GL A/c 400100 Comp. Code: PSL
F.Year 2009 Business Area: PSLH
Select Execute Button We can see that Ledger is not updated

3 Sending Message to Senior for Releasing Parked Document

Menu-----> System-----> Short message
Title: Please Release Document # 3

Rece: Enter User Id of Sr. Person
Rec. Type: SAP Log On Name

Select Express Mail Check Box to show Message to Sr. Person that Message Received
Select Send Button

4 Display Parked Document and Release after corrections:

PATH: Accounting---->Financial Accounting---->General Ledger---->Document---->
Park Documents---->Post/Delet (FBV0)
Select Documents List Button
Company Code: PSL
Entered by: Use id of Cashier Press Execute Button
Double Click on Document# 3

To Change the Date click on Document Header Button(Shift + F7)

Change the Document Date and posting date Select Back arrow

To change the Head of Account, select Fast Data Entry Button

Change Dr. Account Number to 400300 (Rent A/c) and Amount to 600 for Debit
and Credit Amounts.-----> Save---> We get a message Document was Posted.

5 Display G L A/c to check whether Ledgers updated or Not. (FS10N)

GL A/c	400300	Comp. Code:	PSL
F.Year	2009	Business Area:	PSLH
Select Execute Button		We can see that Ledger is updated with 600 not 1111.	

6 Message to Cashier regarding the Releasing of Document by Sr. Person

Menu----> System----> Short message

Title: Released Document # 3 with changes

Rece: Enter User Id of Cashier

Rec. Type: SAP Log On Name

Select Express Mail Check Box to show Message to Sr. Person that Message Received

Select Send Button

7 Display changes made by Senior Person in Parked Document for Cashier

PATH: Accounting---->Financial Accounting---->General Ledger---->Documents---->
Parked Documents---->Display Changes(FBV5)
Company Code: PSL
Document No: 3
Fiscal Year: 2009
Select all changes button (F6) to see changes made by senior for parked document.

HOLD DOCUMENTS: This is used for the purpose of Adjustment Entries. Hold Documents are for Debit and Credit or only Credit also. When we hold the document, it will ask for a Temporary Document Number which can be anything. We have the option to delete the hold document also. Hold document will not update the ledger until it is posted as normal Document.

If we made Hold document for Cash Account, then Physical Cash Balance will be
SAP Balance + Hold Documents amount.

Steps for Hold Documents :

- 1 Run Program "RFTMPBLU" for conversion of Hold Documents.
- 2 Creation of Hold Document
 - (A) One document with Debit and Credit Entries
 - (B) One document with Credit entry only
- 3 Display Hold Documents, Delet document (A) in Point 2, and Complete 2 (B)

Step 1. Run Program "RFTMPBLU" for conversion of Hold Documents. This Option is for converting the Documents of older version SAP4.7 to New Version ECC6.0 This is given at Client Level but not at Company Code level. This is one time Exercise for each client.

PATH: Tools----> ABAP Work Bench---->Development---->ABAP Editor (SE38)---> Program RFTMPBLU Select Execute Button
Select No termination for Read Error Check Box----> Select Execute

Step 2. Creation of Hold Document (F-02)

2A. Doc. Dt: 20.07.09 Type SA Comp Code: PSL
Post.Dt: 20.07.09
Post Key: 40 Account No: 400100 → ENTER
Amount 20000 Bussiness Area: PSLH
Text: Hold Document Testing

Post Key: 50 Account No: 200100 → ENTER
Amount * Bussiness Area: PSLH
Text: +

Menu----> Document----> Hold ----> Give Hold Document Temp Numb 1234
We will get message that Doc 1234 was Held.

2B. Doc. Dt: 20.07.09 Type SA Comp Code: PSL
Post.Dt: 20.07.09

Post Key: 50 Account No: 200100 → ENTER
Amount 5000 Bussiness Area: PSLH

Text: Amount Paid to Mr. X

Menu----> Document----> Hold ----> Give Hold Document Temp Numb 12345
We will get message that Doc 12345 was Held.

Step 3. Display Hold Documents, Delet document (A) in Point 2, and Complete 2 (B) (F-02)

Menu-----> Documents-----> Get Held Documents(F5)

Select Documents List → ENTER

Keep Cursoon on Document 1234 and select Delet Button. Confirm by prssing Yes for the message. Document 1234 will be deleted. To confirm check with back arrow

Double Click on Document 12345

Post Key: 40 Account No: 400100 → ENTER
Amount * Bussiness Area: PSLH
Text: +
Menu---> Document----> Simulate SAVE
Press Enter when we get message.

Check the Document List again by pressing Back Arrow to see Held document was released from there or not. Once Held Document was posted, it will disappear from Held Documents List.

RECURRING DOCUMENTS: Recurring Documents are used when date and amount are fixed. Ex: Prepaid Expenses / Hire Purchase Installments.

Steps for Recurring Documents:

- 1 Define Number Range Interval for Number Range X1 (For Recurring Document Template)
- 2 Creation of Recurring Document
- 3 Posting of Transactions by using Recurring Document Templates by the way of Batch input Session.

Step 1. Define Number Range Interval for Number Range X1 (FBN1)

Company Code: PSL
Select Change Intervals Button -----> Select Intervals Button

No	Year	From No	To No	
X1	2009	5100001	5200000	→ ENTER

Ignore the Warning Message and press Enter

Step 2. Creation of Recurring Document (FBD1)

Accounting ----> Financial Accounting--->General Ledger--->Posting--->
Reference Documents--->Recurring Document

Company Code: PSL
First Run on : 31.07.09
Last Run on : 30.06.10
Interval in Months: 01 for Monthly
Document Type: SA
Post Key: 40 Account No: 400300 → ENTER
Amount 10000 Bussiness Area: PSLH
Text: Recurring Area Testing

Post Key: 50 Account No: 200100 → ENTER
Amount * Bussiness Area: PSLH
Text: + Select Display Document Overview Button---> Save

We get a message 5100001 was stored in Company Code PSL

Step 3. Display & Posting Recurring Document

Display: Accounting---> Fianancial Accounting---->General Ledger---->Periodic Processing
----->Recurring Entries-----> Lists(F.15)

Posting: Accounting---> Fianancial Accounting---->General Ledger---->Periodic Processing
----->Recurring Entries-----> Execute(F.14)

Company Code: PSL

Document Numb: 5100001 (Number Generated by Creation of Recurring Doc)

Session Name PSL → Select Process Button

Select Display Errors only Radio Button

Select Process Button again

We get a message "Processing of Batch Input Session Completed"

Exit from Batch Input Session.

To View the Document Posted use the Transction Code FB-03 → ENTER

FOREIGN CURRENCY TRANSACTIONS:

There are 3 types of Exchange Rates defined by SAP

Type	Purpsose	Type Defined by SAP
1 Bank Buying Rate	Exports Purpose	G Type
2 Bank Selling Rate	Imports/ Exp	B Type
3 Average Rate	MM / SD users only	M Type

PATH: SPRO---->Sap Net Weaver---->General Settings--->Currencies--->Check Exchange

Rate Types Select Position Button

Exchange Rate Type → ENTER

We will get the details of Exchange Rate Type B

Define Translation Ratios for Currency Translation:

Here we give Conversion Factors for 2 Currencies

Foreign Currency	INR
US\$ 1 :	1
JPY 100 :	1
EUR 1 :	1
GBP 1 :	1
ITL 1000 :	1

JPY →	Japanees Yen
GBP →	Great Britan Pound
ITL →	Italian Leera

We can give in SAP Like below		
JPY	INR	Rate
100 ==	1	35 (OR)
1 ==	0.01	0.35

Once we follow one Conversion Factor , follow contineously for all the years. Don't Change in between. If we change in between, it gives wrong Results.

Conversion Factors are given at Client Level but not at Company Code Level.

PATH: Same as above ignore the warning message and press Yes. Select New Entries Button

Ex. Rate Type	From	To	Valid From	Ratio From	Ratio To
G	US\$	INR	01.07.09	1 :	1
B	US\$	INR	01.07.09	1 :	1
M	US\$	INR	01.07.09	1 :	1

→ Save

Create Request Button

Short Description: Foreign Exchange Customization for PSL

ENTER 2 times to save in your request.

Enter Exchange Rates: This is called Forex Table. We can enter Foreign Exchange Rates Daily, Weekly, Monthly. For Each Type we can enter only one rate in a day.

PATH: Same Path as above (Next Step to last Path)

Ex.Rate Type	Valid From	Indirect Quot	From	Direct Quot	To
G	10.07.09		US\$	49.40	INR
B	10.07.09		US\$	49.50	INR
M	10.07.09		US\$	49.42	INR

→ ENTER

SAVE and press Enter to save in your request. Indirect Quot is for INR to US\$ Rate .

Exchange Rate Entry at End User Area (S_BCE_68000174)

PATH Accounting ---->Financial Accounting---->General Ledger---->Environment---->

Current Settings--->Enter Translation Rates

Select Positon Button

Ex.Rate Tyep	G
From Currency	US\$
To Currency	INR
Valid From	10.07.09 → ENTER

Foreign Currency Postings : There are two typs of options for Foreign currency postings.

OPTION -1

When Exchange Rate is not entered
at the time of Posting the Document

OPTION-2

When Exchange Rate is entered
at the time of Posting the Document

In Option 1, system take the Ex. Rate
from Forex Table

Rates are entered by End User , but not
the System.

It takes the Latest Rate from Table

Ex. on 09.07.09 Rate is 45

on 21.07.09 Rate is 49

If we want to enter document on 20.07.09, system will take the rate of 45 not 49

To Enter Default Exchange Rate type based on Document Type.

Doc. Type	Nature of Document	Type of Ex. Rate
SA	General Ledger Posting	B
KR	FI Purchases	B
RE	MM Purchases	B
DR	FI Sales	B
RV	SD Sales	B

NOTE: If we do not specify the Ex Rate Type , system will take automatically "M"(Average)

To Enter Default Ex. Rate Type "B"(Bank Selling Rate) for Document "SA" (OBA7)

GL Document----> Select Details Button

Under Default Values:

Ex Rate Type for foreign currency document "B" Select Save or Ctrl+S

Press Enter to Save in your Request.

Posting of Foreign Transactions (F-02)

Doc.Date 23.07.09 Company Code: PSL
 Post Date 23.07.09 Currency : USD Rate Blank
 Document Type: SA
 Post Key: 40 Account No: 400100 → ENTER
 Amount 1000 USD Amount in LC Blank 49.5
 Bussiness Area: PSLH
 Text: Salaries Postings

Post Key: 50 Account No: 200100 → ENTER
 Amount * Bussiness Area: PSLH
 Text: + Menu----> Document----> Simulate and Save

To View Document in INR Select Display Currency Button(F8). Select Save or Ctrl+S

Option 2 :When Exchange Rate is entered at the time of posting

Salaries Provison (F-02)

Doc.Date 23.07.09 Company Code: PSL
 Post Date 23.07.09 Currency : USD Rate 50.00
 Document Type: SA
 Post Key: 40 Account No: 400100 → ENTER
 System will give warning message Ex. Rate 50.00 deviates from Table Rate 49.50 by 1.01% . Ignore the warning message and Press ENTER
 Amount 1000 USD
 Bussiness Area: PSLH
 Text: Salaries Postings → ENTER
 Post Key: 50 Account No: 200100 → ENTER
 Amount * Bussiness Area: PSLH
 Text: + Menu----> Document----> Simulate and SAVE

MONTH END PROVISIONS:

We have 2 options for Month End provisions

Option 1: Accrual / Deferral Document Method

Under option 1 of Accrual / Deferral Document method, on the Month end we make provision and on next month 1st workign day, we reverse total provison made. AT the thime of making payment we will take the actual payment made. For Ex:

On	31.07.09	Provision for Salaries	
		Salaries A/c Dr	100000
		to O/s Expenses	100000
On	01.08.09	Reversal of Provison	
		O/s. Expenses A/c	100000
		to Salaries	100000
On	05.08.09	Salaries Payment	
		Salaries Account	105000
		to Bank/ Cash	105000

Option 2: Open Item Management

Under Open Itme Management , at the end of the month we make the provision . At the time of payment we adjust the provion. If Excess payment is made, difference between actual payment and provision is booked as expenditure for that month. For Ex:

On	31.07.09	Provision for Salaries	
		Salaries A/c Dr	100000
		to O/s Expenses	100000
On	05.08.09	Salaries Payment	
		Outstanding Exp	100000
		Salaries A/c	5000
		To Bank A/c	105000

In both the options effect will be same. In Option 2 Tracking of Provison Made is improtant which is not possible in practical live environment.

Note: In Live Environment provisions will be made by Accountant and Payment will be made by Cashier. The cashier at the time of making payment should know the amount of provision and how much he has to clear at the time of payment. Tracting is required in Option 2. In Live Environment Companies follow OPTION-1

Option 1 :Accrual / Deferral Document.

- Steps.
- 1 Define Reversal Reason and Reversal Reason shoul allow us to Reverse on any day.
 2. Ener Accrual/Deferral Document
 - A) Rent Provision on 23.07.09
 - B) Salaries Provision on Month End Date
 3. Reverse Accrual / Deferral Document.

1 Define Reversal Reason and Reversal Reason should allow us to Reverse on any day.

PATH: SPRO---->Financial Accounting---->GL Accounts---->Business Transactions----> Adjustment Posting/ Reversal---->Define Reason for Reversal
Select New Entries Button → ENTER

Reason (Last Number in the Reasons list of the System. Number May differ from system to system in institutue)

Text: Accrual / Deferral Reversal for PSL

† Negative Posting ☒
‡ Alt. Posting ☒ → Save

Press Enter to save in your request.

† When we reverse the transaction it reduces from the same side instead of Showing it on credit Side. Ex.

Period	Debit	Credit	Balance	Cum.Bal
4	100000	----	100000 Dr	100000 Dr
5	-100000	----	-	-

When we reverse the Salaries Provision on 1st of of August, it shows on Debit Side as Negative Balance instead of on Credit Side. If it shows on Credit Side, in Cash Flow Statement, it shows as " Cash Incoming " from Salaries, which seems to be awkward in reports. If it shows on Debit Side as Negative Balance, Net Effect will come in Cash Flow Statement.

‡ If we don't select the Aleternative Check Box, system will allow us to reverse posting only on " ORIGINAL POSTING DATE". If we select the check box, it allows the reversal entry on any date.

2 Enter Accrual / Deferral Document

PATH: Accounting ---->Financial Accounting ---->General Ledger---->Periodic Posting----> Closing ---->Valuate---->Enter Accrual /Deferral Document (**FBS1**)

For Rent Provision (FBS1):

Doc.Date 23.07.09 Type SA Company Code: PSL
Post Date 23.07.09 Currency : UINR
Reversal Reason 15 Reversal Date 01.08.09
Post Key: 40 Account No: 400300 → ENTER
Amount 50000 INR Bussiness Area: PSLH
Text: Rent Provision for July

Post Key: 50 Account No: 100500 → ENTER
Amount * Bussiness Area: PSLH
Text: + Menu----> Document----> Simulate and Save

Doc.Date	31.07.09	Type	SA	Company Code:	PSL
Post Date	31.07.09			Currency :	UINR
Reversal Reason	15	Reversal Date	01.08.09		
Post Key:	40	Account No:	400100	→	ENTER
Ignore Warning Message and Press Enter					
Amount	300000 INR	Bussiness Area:	PSLH		
Text:	Salaries Provison for JULY				

Post Key: 50 Account No: 100500 → ENTER
Amount * Bussiness Area: PSLH
Text: + Menu----> Document----> Simulate and Save

PATH: Same Path (Next Level to the last Path)

Company. Code: PSL
Reverse Posting Dt: 01.08.09
Test Run ☒ → Select Execute Button (F8)
Select ☐ Reverse Docs. ☐ Button

OPTION-2: Open Item Management

1. Where there is Provision and Payment will be made in future Ex. O/S. Exp
2. Where there is Recovery and Payment Afterwards Ex: TDS/PF Etc.,

For Making Open Item Management active, we have to select the " Open Item Management" Check Box at the time of GL Master Creations.

We can see the Outstanding Expenses in 3 ways.

- Open Items : Payable Items
- Cleared Items: Amount paid Items
- All Items: All items of Payable and Paid items.

IN SAP we have 3 scenarios for Open Item Management

Scenario No	Type	Remarks
1st Scenario	Full Clearing	Provison Amount and Payment are same
2nd Scenario	Partial Clearing	Part payment against Provisions
3rd Scenario	Residual Clearing	Part payment against Provisions

Scenario1: Full Clearing

1st Step: Making Provision for Rent (F-02)

Doc.Date 24.07.09 Company Code: PSL
 Post Date 24.07.09 Currency : UINR
 Document Type: SA
 Post Key: 40 Account No: 400300 → ENTER
 Amount 60000 INR Bussiness Area: PSLH

 Text: Rent Provison for July → ENTER
 Post Key: 50 Account No: 100500 → ENTER
 Amount * Bussiness Area: PSLH
 Text: + Menu----> Document----> Simulate and SAVE

2nd Step: How to View Open Item Managed Transactions (**FBL3N**)

PATH: Accounting ----> Financial Accounting ---->General Ledger---->Account---->
 Display/ Change Line Items (FBL3N)

GL A/c # 100500 (Outstanding Expenses Account)
 Com. Code: PSL
 Select Open Items Radio Button ☐
 Select Noramal Items Check Box ☒ → Select Execute Button (F8)

3rd Step: Out going payment with Clearing

PATH: Accounting ---->Financial Accounting ---->General Ledger---->Posting ---->
 Outgoing Payment (**F-07**)

Doc.Date 24.07.09 Company Code: PSL
 Post Date 24.07.09 Currency : UINR
 Document Type: SA
 Clearing Text: Outgoing Payment

Bank Data:

Account : 200100 (Cash Account)
 Bus. Area: PSLH
 Amount : 60000

Text: Outgoing Payment

Open Item Selection:

Account : 100500 (Outstanding Exp)
 Account Type S (it will come by default. S= G L Account)

Select Process Open Items Button on Left Top

4th Step: Checking Open Item Managed A/c after payment (FBL3N)

GL A/c : 100500

Comp. Code: PSL

Select Cleared Items Radio Button

☐

Select Noramal Items Check Box

☒

→

Select Execute Button (F8)

We can see the Report of Cleared Items in GL A/c Number 100500 (O.S. Exp)

If we want to see the Open Items under GL A/c Number 100500 (O.S. Exp)

Select Open Items Radio Button

☐

Select Noramal Items Check Box

☒

→

Select Execute Button (F8)

Scenario 2 & 3: Partial Clearing and Residual Items Method:

Nature of the Transactions how system works under Partial Clearing or Residual Items

Method is explained with the following Example for understanding.

Partial Clearing	Residual Clearing
A) Rent Provison	A) Rent Provison
Rent A/c Dr.	

In Residual Clearing Method, if we make part payment against any provision, System will clear all the earlier provison and for the difference amount (i.e., Balance payable) generate another provision entry with new reference number. Residual means Balance payable.

In Live Environment, Companies will follow Partial Clearing Method instead of Residual Clearing. Reason is at the time of every payment in Residual a New Reference is generated. It gives practical problems in case of Vendors / Customers Bills Clearing. We may not know the actual bill amount after 2 or 3 partial payments. Both the Options are available in SAP, it depends on the company to choose which option to follow.

Scenario2: Partial Clearing

Step 1: Making Rent Provison (F-02)

Doc.Date 24.07.09 Company Code: PSL
Post Date 24.07.09 Currency : UINR
Document Type: SA
Reference # : 6789 (Normally in Vedors/ Customers it is Bill Number)
Post Key: 40 Account No: 400300 → ENTER
Amount 70000 INR Bussiness Area: PSLH

Text: Rent Provison for July → ENTER
Post Key: 50 Account No: 100500 → ENTER
Amount * Bussiness Area: PSLH
Text: + Menu----> Document----> Simulate and SAVE

Step 2: Outgoing payment using Partial Clearing Method (F-07)

Doc.Date 24.07.09 Company Code: PSL
Post Date 24.07.09 Currency : UINR
Document Type: SA
Clearing Text: Outgoing Payment

Bank Data:

Account : 200100 (Cash Account)
Bus. Area: PSLH
Amount : 2000
Text: Outgoing Payment Ref # 6789

Open Item Selection:

Account : 100500 (Outstanding Exp)
Keep Cursor on Amount Field of Line Item , against which we want to adjust.
Select Partial Payment Tab on top. It creates one table which contains Payment
Amount Column
Double Click on Net Amount 70000. This amount will come automaticall to the
next Column " Payment Amount".

Double Click on Amount under Payment Amount Column and Change the amount
to Actual Payable Amount of Rs. 2000.

From Menu----> Document----> Simulate

System will warn with a message " Correct the Marked Line Items"

Double Click on the Line Item which is in BLUE COLOUR

Enter Text + or type " Out going payment " in Text Column. → **SAVE**

Checking : See Open Item Managed A/c Transactions (FBL3N)

GL A/c 100500 Comp. Code : PSL

Select Open Items Radio Button



Select Noramal Items Check Box



Select Execute Button (F8)

We Can see in the account Rs 70000 in Credit and Rs. 2000 in Debit . Balance 68000 in Cr
i.e., Balance Payable.

To View Bill Wise Outstanding :

In Account View Screen, Go to Change Layout Button
From Hidden Fields Column Select---> Reference Field
Select Amount in Local Currency Field under Column Content
Select Left Arrow or Show Selected Fields Button
Select Copy Button . Keep Cursor on Reference and Select Sub Total Button on Top

We can see the Outstanding amounts in each Bill in the Outstanding Exp. A/c

To Make the Balance Amount 68000 Payment:

Doc.Date 24.07.09 Company Code:
Post Date 24.07.09 Currency : UINR
Document Type: SA
Clearing Text: Outgoing Payment

Bank Data:

Account : 200100 (Cash Account)
Bus. Area: PSLH
Amount : 68000

Text: Outgoing Payment

Open Item Selection:

Account : 100500 (Outstanding Exp)
Select Process Open Items Button

Double click on Payable Amount 70000 and Double Click on Part Payment Amount
2000 (when we double click , particular item will change colour into Blue)
From Menu----> Document----> Simulate → **SAVE**

To View Open Item Managed A/c Transactions (FBL3N)

GL A/c 100500 Buss. Area: PSLH

Select Open Items Radio Button



Select Normal Items Check Box



Select Execute Button (F8)

Scenario 3: Residual Items Method

Step 1: Making Rent Provision (F-02)

Doc.Date 24.07.09 Type : SA Compar PSL
Post Date 24.07.09 Currency : INR
Post Key: 40 Account No: 400300 → ENTER
Amount 80000 INR Bussiness Area: PSLH
Text: Rent Provision for July → ENTER
Post Key: 50 Account No: 100500 → ENTER
Amount * Bussiness Area: PSLH
Text: + Menu----> Document----> Simulate and SAVE

Step 2: Making Part Payment using Residual Method (F-07)

Doc.Date 24.07.09 Type SA Company Code: PSL

Post Date 24.07.09 Currency : UINR

Clearing Text: Outgoing Payment

Bank Data:

Account : 200100 (Cash Account)

Bus. Area: PSLH

Amount : 3000

Text: Part Payment for Rent Prov

Open Item Selection:

Account : 100500 Process Open Item Button / Tab

Select Amount Field of Line Item appear to which we want to adjust---

Select Residual Items Tab, System Will generate one table which contains

Residual Items Column.

Double click on Net Amount 80000 which is to be adjusted

Double Click on Residual Items Amount Field. Blance amount (Acutal Provison

Less Amount paid) will show in that column automatically (i.e, 77000 in exp)

From Menu----> Document ----> Simulate

System will warn with a message " Correct the Marked Line Items"

Double Click on the Line Item which is in BLUE COLOUR

Enter Text + or type " Out going payment " in Text Column.

→ **SAVE**

***** XXXX*****

REVERSALS: When we post a Wrong Entry in SAP, we have to go for Reversal or pass a Rectification Entry. There are so many Types of Reversals allowed in SAP. They are

- 1 Individual Document Reversal
- 2 Reversal of Reversed Document (Work Around Method -- Indirect Method)
- 3 Mass Reversal
- 4 Cleared Items Reversals
- 5 Accrual / Deferral Documents Reversal (Topic covered at Month End Provisions)

Type 1: Individual Document Reversal

- A) Under This Method, we can reverse one document at a time
B) At the time of Reversal we have to give the Reversal Reason .
C) At the time of Reversal , we have to specify Reversal Date. If we don't specify reversal date, System will generate reversal Document on Original Document Posting Date. In that case, that Original Document Posting Period should be open at the time of reversing the document.

PATH: Accounting ---->Financial accounting---->General Ledger---->Document---->
Reverse---->Individual Reversal (FB08)

Reversal of Document # 1

Documnt No : 1 Comp Code: PSL F.Year 2009
Reversal Reason 01 (Reversal In Current Period)
Posting Date: Blank
Select Display Before Reversal Button on Top
Select ← (Back arrow) and Select Save Button

To See the reversed Document : Menu---> Document----> Display
Reversed Document Type : **AB**

For General Ledger Postings Document Type is SA . Eventhough Reversal Document is part of the GL Documents, System will specify automatically for Reversal Documents Type as **AB. Why?**

Reversal Documents are part of General Ledger Postings. If System generate Document Type SA for reversal Document , as number will come in Serial either for Normal Posting or for Reversal Postings. If I want to see only the Reversal Documents it is not possible if it allots type SA for all Documents. To identify the Reversal Documents Separately System is allotting Type AB for reversal Documents.

Ex: Doc. No. Type

	1	SA
	2	SA
	3	SA
	4	SA
	5	SA
	6	SA
	7	AB
	8	AB
	9	SA
	10	AB

SA is for General Postings AB is for Reversal Documents. Even though Document number is in Serial, we can identify the Reversed Documents with Document Type "AB" as shown in Example
--

Type 2: Reversal of Reversed Document (F-02)

From Menu-----> Document ----> Post with Reference
Doc # 19 Comp Code: PSL F.Year 2009
Select Generate Reverse Posting Check Box
Select Display Line Items Check Box → Press ENTER 2 Times
Text: Change to Reversal of Document # 19 → ENTER
Text : + Enter , we can see the reversal of Reversed Document

SAVE We get the message that Document was Saved.

Menu---> Document----> Display to see the Reversed Document.

Type 3: Mass Reversal

To reverse more than one document at a time, we use Mass Reversal Method.

The documents to be reversed can be continuous numbers or random numbers.

PATH: Accounting ----> Financial Accounting----> General Ledger----> Document---->
Reverse----> Mass Reversal (F.80)

Comp. Code: PSL

To Reverse Random #, Select Right Arrow
or Multiple Selection Button, beside Document No.

Under Single Values Give Document# 2 and Document# 4. Select Copy Button

Reason for Reversal 01 (Reversal in Current Period)

Select Test Run Check Box Select Execute Button (F8)

Select Reverse Document Button

We will get message that Document number 2 and document number 4 reversed.

Type 4: Cleared Items Reversal

Step 1 : See Open Itemed Managed Account Transactions (FBL3N)

GL A/c # 100500 (Outstanding Exp)

Comp. Code: PSL

Select Cleared Items Radio Button



Select Normal Items Check Box



Select Execute Button (F8)

We can see the Cleared Items of A/c # 100500(Outstanding Expenses)

Suppose Document # 12 is for Rent Provision for 60000 and Document # 13 is
payment of 60000 against Document # 12. Then O/S. Exp Account would be like

O/S. Exp A/c			
Doc # 13	60000 Dr.	Doc # 12	600000 Cr
in Cleared Items List		Document # 12	60000 Cr
		Document # 13	60000 Dr
		Net payable	<u>NIL</u>

If we have given Stop Payment Letter to the Bank against the Document # 13, it
should be reversed then Account will be

O/S. Exp A/c			
Doc # 13	60000 Dr.	Doc # 12	600000 Cr
in Cleared Items List		Document # 12	60000 Cr

System Shows that Document # 12 under Cleared List. When we have given stop
payment Letter to Bank and reversed document# 13, then Document # 12 should
come under Open Item Category. To make this in SAP we have to follow 2 Steps

1. Reset Cleared Items- to make it as open. Then there will be no Link between
Rent Outstanding and Bank
2. Reverse Document # 13.

PATH: Accounting ----> Financial Accounting---->General Ledger---->Document---->
Reset Cleared Items (FBRA)

Giver Clearing Doc 13
Company Code PSL
F.Year 2009 Select Save or Ctrl +S
Select Resetting and Reverse Button
Reversal Reason 01 → ENTER
It gives message that Clearing 13 was reset → ENTER
It gives message Document was posted → ENTER

Checking : To See Open Item Managed Accounts (FBL3N)

A/C # 100500
Comp.Code: PSL
Select Open Items Radio Button ☐
Select Noramal Items Check Box ☒ → Select Execute Button (F8)
We can see that Document # 12 is appearing in Open Items List.

XXXXX

INTEREST CALCULATIONS:

We have two types of interest calculations in SAP.

	Type 1	Type 2
A.	Balance Interest Calculations	Item Interest Calculation
B.	Defined as Type "S"	Defined as Type "P"
C.	Used for General Ledger A/c	Used for Vendors/ Customers

Type 1: Balance Interest Calculations

Step1. Define Interest Calculation Type

PATH: SPRO---->Financial Accounts---->General Ledger A/c----> Business
Transactions Bank Interest Calculations---->Interest Calculations Global
Settings---->Define Interest Calculation Type.

Select New Entries Button

Int. Indicator	Name	Int. Calculation Type
P1	10% Monthly	S (Balance Interest Calculation)

SAVE → ENTER to save in your request.

Step2. Prepare A/c Balance Interest Calculation
 PATH: Next step to last path (TC=OBAA)
 Select New Entries Button
 Int. Cal Indicator P1
 Int. Cal Frequency 01 (1 Month) Under Period Determination
 Calender Tyep G
 Select Balance Interest Check Box under Output Section
 SAVE → ENTER to save in your request.

Step3. **Define Reference Interest Rates**

For Example there is SBI Term Loan which was take on 15.4.2009 for Rs. 100000.
 ON 15.07.2009 we repaid 1st Installment of Rs. 10,000
 Interest Calculation for the Whole year:

Method 1.	Aprox.
On 100000 from 15.04.09 to 31.03.10 @ 10%	15000
On paid 10000 from 15.07.09 to 31.03.10 @ 10%	-3000
Balance Interest Payable	12000

Method 2.	
On 100000 from 15.04.09 to 15.07.09 @ 10%	4000
On 90000 from 15.07.09 to 31.03.10 @ 10%	8000
Balance Interest Payable	12000

In Both the Methods Interest Rate will be Same.

In the above Example the Rate of Interest we are paying interest on Loan taken from SBI and the Rate of Interest we are received from SBI on amout repaid to Bank are same.

i.e, Interest Charged by Bank	10%
Interest Given by Bank	10%

If both are Different ie., When Loan account is having Credit Balance	10%
When Loan account is having Debit Balance	8%

We have to define Reference Indicators for Inerest.

P2 for A/c having Credit Balance	10%
P3 for A/c having Debit Balance	8%

Following are Steps to follow for Interest Calculation under Type I

- 1 Interest rates are given to Reference Interest Rates- for P2 -10% & for P3-8%
- 2 Reference Interest Rates are assaigned to Accounts
 - P2 to Accounts having Credit Balances
 - P3 to Accounts having Debit Balances
- 3 Accounts having Credit Balance and Accounts Having Debit Balance are assaigned to interest indicators
- 4 Interest Indicator will be specified in Loan Account.

Step 1. Define Interest Rates:

PATH: SPRO---->Financial Accounting--->Gen Ledger a/c--->Business Transactions---->
Bank A/c Interest Calculation--->Interest Calculation---->Reference Int. Rates
(OBAC) Select New Entries Button

Ref. Interest Rate: P2
Long Text Int: 10% A/c Having Credit Balance
Description : 10% Accounts Credit Balance
Date From: 01.04.09
Currency: INR
Select Save or Ctrl +S-----> press Enter to Save in your request.

Select New Entries Button

Ref. Interest Rate: P3
Long Text Int: 8% A/c Having Debit Balance
Description : 8% Accounts Debit Balance
Date From: 01.04.09
Currency: INR
Select Save or Ctrl +S-----> press Enter to Save in your request.

Define Time Dependent Terms: Same Path (Next Line to Last Path)

Select New Entries Button 1
Int. Cal Indicator P1
Currency Key INR
Effective From 01.04.09
Sequential No 1
Term Select Cr. Interest : Balance Interest Calculation
Ref. Int. Rate P2
Select Save or Ctrl +S-----> press Enter to Save in your request.

Select New Entries Button

Int. Cal Indicator P1
Currency Key INR
Effective From 01.04.09
Sequential No 2
Term Select Dr. Interest : Balance Interest Calculation
Ref. Int. Rate P3
Select Save or Ctrl +S-----> press Enter to Save in your request.

Enter Interest Values: Same Path (next line to last path) (TC=OB83)

Select New Entries Button
Reference Interest Rate P2 P3
Valid From 01.04.09 01.04.09
Interest Rate 10% 8%
Select Save or Ctrl +S-----> press Enter to Save in your request.

Step 2. Creation of GL Masters: (FS00)

As we have not created GL Masters for SBI Term Loan and Interest Account , we have to create now. Before Creating the GL Master check the Available A/c Nos in OBD 4 and see the Number Ranges for Account Groups. Select the available Account Number from that Range

GL Master	A/c Group	A/c No
SBI Rupee Term loan A/c	Secured Loans	100300
Interest Account	Interest Group	400400

1st A/c

GL A/c# 100300 Comp.Code: PSL F.Year: 2009

Select With Template Button

GL A/c#	100000
Comp.Code:	PSL

Press Enter

Select

Type/ Description

 Tab

Change Account Group to Secured Loans

Change Short Text & Long Text to SBI Rupee Term Loan

Select

Create/Bank/Interest

 Tab

Change Field Status Group to G005

Int. Indicator P1 → SAVE

2nd A/c

GL A/c# 400400 Comp.Code: PSL F.Year: 2009

Select With Template Button

GL A/c#	400300
Comp.Code:	PSL

Press Enter

Select

Type/ Description

 Tab

Change Account Group to Interest

Change Short Text & Long Text to Interest Account → SAVE

Step 3. Assaignment of Accounts for Automatic Postings:

PATH: SPRO---->Financial Accounting--->General Ledger Accounting---->Business Transactions--->Bank A/c Interest Calculation--->Interest Posting--->Prepare GL A/c Balance Interest Calculation (OBV2)

Select Symbols Button (F8)

Select A/c. Buttons

Chart of Accounts: PSL → ENTER

A/c Symbol 002 (Interest Paid) Currency INR

GL A/c 400400

A/c Symbol 2000 (GL A/c Paid) Currenty INR

GL A/c ++++++++ (10 Times)

Save -----> Enter

Interest A/c	Debit	002	Assaign to	400400
SBI Rupee Term Loan A/c	Credit	2000	Assaign to	100300

If More than One Term Loan in Against 2000 '+++++++' (10 Times)

We are giving + symbol 10 times as Max length of A/c Number would be 10 digits
 But we are using 6 digits only. If at the time of Posting Cash A/c Dr and Equity
 Share Capital Credit, system take Cash account as 0000200100 and Equity Share
 Capital as 0000100000 and when we see it shows 200100 Dr and 100000 Cr

Suppose if we give 6 times + Symbol for SBI Rupee Term Loan . It takes 000010
 which it cannot post.

100300 SBI Rupee Term Loan A/c
 100301 IDBI Rupee Term Loan A/c
 100302 IFCI Rupee Term Loan A/c

At the time of Interest Calculations, we have to specify for which Loan Account
 Interest to be calculated and when.

End User Area: To Open Posting Periods for April (OB52)

Select Positon Button

PP.Variant	PSL	
For Variant PSL	From Period	1

Save Press Enter to save in your request.

Step 4 SBI Rupee Term Loan Receipt Entry (F-02)

SBI has given Cheque Dated 15.04.09 but we deposited in on 17.04.09.

At the time of Posting

Document Date	17.04.09	
Posting Date	17.04.09	Posting Date is not Modifiable once document posted

in this case, SBI Calculate Interest from 15.04.09 but SAP calculate Interest from
 17.04.09. So to match the Interest, SAP Has given the option of Value Date.
 Value date is 15.04.09. So system will calculate interest from Value Date but not
 from Posting Date. Value date is modifiable after positing the document also.

F-02 ---->	Doc.Dt: 17.04.09	Type :	SA	Comp.Code: PSL
	Post.Dt: 17.04.09			Currency : INR
	P.Key: 40	A/c No:	200100	→ ENTER
	Amount 100000	Business Area:	PSLH	
	Value Dt: 15.04.09	Text:	SBI Rupee Term Loan Receipt	
	P.Key: 50	A/c No:	100300	→ ENTER
	Amount *	Business Area:	PSLH	
	Value Dt: 15.04.09	Text:	+	

Menu----> Document -----> Simulate and Save

Step 5 SBI Rupee Term Loan Repayment (F-02)
 1st Installment Due Date 15.07.09
 Doc.Dt: 13.07.09 Type : SA Comp.Code: PSL
 Post.Dt: 13.07.09 Currency : INR
 P.Key: 40 A/c No: 100300 → ENTER
 Amount 10000 Business Area: PSLH
 Value Dt: 15.07.09 Text: SBI Rupee Term Loan Payment

P.Key: 50 A/c No: 200100 → ENTER
 Amount * Business Area: PSLH
 Value Dt: 15.07.09 Text: +
 Menu----> Document -----> Simulate and Save

INTEREST CALCULATIONS:

PATH: Accounting---->Financial Accounting ---->General Ledger---->Periodic
 Processing---->Interest Calculations---->Balance Interest Calculation(F.52)

GL A/c 100300 (SBI Rupee Term Loan)
 Comp. Code PSL
 Cal.Period 01.04.09 to 31.03.2010
 Select Execute Button (F8)

↓

We can see Interest Calculation, but we can not see Interest Line Item Wise
 To See Line Item Wise Interest select Back Arrow and Choose Line Item
 Check Box and Execute (F8)

If we want to calculate interest in different rates i.e., from 1st June 2009 to
 Interest is increased from 10% to 12%

From 15.04.09 to 31.05.09 on 100000 @ 10%
 From 01.06.09 to 15.07.09 on 100000 @ 12%
 From 15.07.09 to 31.03.10 on 90000 @ 12%

Open One more Session with SPRO:

Financial Accounting ----> GL A/c----->Business Transactions----> Bank A/c
 Interest Calculations---->Interest Calculations----> Enter Interest Values (OB83)

Select New Entries Button

Ref. Interest Rate P2
 Valid From 01.06.09
 Inte. Rate 12 ----> Save ----> Enter Save in your request.

Come Back to 1st Session : Select Execute Button . We can see New Interest
 Calculation on Screen with 10% and 12% rates.

Posting of Interest for One Month (01.04.09 to 30.04.09)

Select Back Arrow

Cal.Period 01.04.09 to 30.04.09

Post Interest Check Box	√
Update Master Records	√

Session Name PSL

Posting to Buss Area PSLH

Posting Dt. Of Session 30.04.09

Document Dt. Of Session 30.04.09

Posting Segment Text Interest of April 2009

Execute (F8) it shows the interest amount calculated

To Post the Batch Input Session:

Menu----> System----> Services----> Batch Input ----> Session

Select Session Name PSL

Select Process Button

Select Display Errors Only Radio Button

Select Process Button ----> We will get a message that Batch Input Session

Completed

Select Exit Batch Input Session

To View Document Posted (FB03):

We can see the Document latest posted

Go and see GL Master (FS00):

GL A/c 100300 (SBI Rupee Term Loan)

Comp.Code: PSL

Menu----> GL A/c----> Change

Select

Create/Bank/Interest

 Tab

Key Date of Last Int. Cal 30.04.09 (Upto which date we have calculated interest)

Date of Last Run 31.07.09 (ON which date we have run the Interest Cal)

SAP Methods for Interest Calculation:

1 Simple Interest and Compound Interest

Simple Interest

15.04.09 SBI RT Loan 100000 Cr

For Symbol 2000 Assaign A/c # 100520

Int Payable

For May It Calculate on 100000 only

Compound Interest

15.04.09 100000

30.04.09 438

Int. 438 Posted to 100300 on 30.04.09

For May it Calculates on 100438

2 Interest Rates Based on Slabs

If Interest Rate is varied from Amount to Amount this system is useful

for ex: on INR 30,000 Int. Rate 10% P2

on 30001 to 50000 Int .Rate 12% P4

In SPRO----> Define Time Dependent Terms----> Amount from 30001

3 Int. Calculation from 15.04.09 to 14.05.09 (instead of 01.04.09 to 30.04.09)
 SPRO---->Prepare A/c Balance Interest Calculation (OBAA)
 Enter Settlement Day 14.

4 Interest Posting to Different Accounts:

A/c # 400400	Interest on SBI Rupee Term Loan
A/c # 400401	Interest on IDBI Rupee Term Loan
A/c # 400402	Interest on ICICI Rupee Term Loan

So If we are Calculating interest of IDBI Rupee term Loan
 For Symbol 0002 assign A/c # 400401
 In the Batch processing select Process Fore Ground Only
 System Shows the Entry which is going to be posted

400400 Interest on SBI R.T Loan	438
100301 IDBI Term Loan	438
Change A/c # 400400 to 400401	

FOREIGN CURRENCY BALANCES REVALUATION (FC Balance Revaluation) :

Consider we have taken SBI FC Term Loan on 31.07.09 of 100000 US\$ which is equal to 48,00,000 INR @ 48/ US\$. Consider that Company has not paid the loan upto 31.03.2010.

As per Accounting Standard 11, US GAAP, IFRS it is mandatory to revalue the FC Loan Balance as on 31.03.2010. Revaluation of FC Balances is applicable to all FC Loans/ Export Vendors/Import Customers Balances except for Advances.

If on 31.03.2010 rate of 1 US\$ equals INR 50, Difference of INR 500000 (100000 US\$ x 5 Rs. == 500000). This difference should be transferred to Exchange Loss and charged to P& L Account.

Customization of FC Balance Revaluation:

Step.1 Creation of 3 GL Masters

Account Name	Under Group	No. Range
A) SBI FC Term Loan A/c	Secured Loans	100300 to 100399
B) Exchange Gain A/c	Other Income	300100 to 300199
C) Exchange Loss A/c	Administration	400300 to 400399

1st A/c

GL A/c# 100301 Comp.Code: PSL F.Year: 2009

Select With Template Button

GL A/c#	100300
Comp.Code:	PSL

Press Enter

Change Short Text & Long Text to SBI FC Term Loan

Select

Control Data

 Tab

Change Account Currency to USD

De select in Only Blances in Local Currency Check Box

Select

Create/Bank/Interest

 Tab

Remove Interest Indicators and Dates → SAVE

2nd A/c

GL A/c# 300100 Comp.Code: PSL F.Year: 2009

Select With Template Button

GL A/c#	400300
Comp.Code:	PSL

Press Enter

Step 3.

Select

Type/ Description

 Tab

Change Account Group to Other Income

Change Short Text & Long Text to Exchange Gain → SAVE

3rd A/c

GL A/c# 400301 Comp.Code: PSL F.Year: 2009

Select With Template Button

GL A/c#	400300
Comp.Code:	PSL

Press Enter

Change Short Text & Long Text to Exchange Loss → SAVE

Step 2. **Define Accounting Principles:**

SPRO---->Financial Accounting (New)---->Financial A/c Global Settings(New)--->

Ledgers--->Parallel Accounting--->Define Accounting Principles

Select New Entries Button

A/c Principle P1 (Text field any thing can enter)

Name / Description of A/c Principle: Indian Accounting Standards

SAVE and Press Enter to save in your request.

Step 3. Assign Accounting Principles to Ledger Groups:

Same Path (Next Level to last path)

Select New Entries Button

A/c Principle : P1

Target: Ledger Group

Select OL for Indian Accounting Standards (By default all Indian Companies

SAVE and Press Enter to save in your request. IAS is defined by SAP)

Step 4. **Define Valuation Methods:**

SPRO---->Financial Accounting(New)---->GL A/c (New)---->Periodic Processing---->
valueate--->Define Valuating Methods
Select New Entries Button
Valuation Method PSL1 (Text Field)
Description FC Valuation for PSL (Bank Selling Method)
Select Always Evaluate Radio Button
Document Type SA
Ex Rate type for Dr. Balance B (Bank Selling Rate)
Ex Rate type for Cr. Balance B (Bank Selling Rate)
select Determine Exchange Rate Type for A/c Balance Radio Button
→ SAVE → Enter to save in your request.

Step 5. **Define Valuation Areas:**

Same Path (Next Line to Old path)
Select New Entries Button

Valuation Area : PA (Text Filed)
Valuation Method: PSL1
Currency type : Select Company Code Currency → SAVE
→ Enter to save in your request.

Step 6. **Assaigh Valuation Areas & Accounting Principles :**

Same Path (Next Line to Old path)
Select New Entries Button
Valuation Area : PA
A/c Principles: P1 → SAVE
→ Enter to save in your request.

Step 7. **Prepare Automatic Posting for Foreign Currency Valuation:**

SPRO---->Financial Accounting(New)---->GL A/c (New)---->Periodic Processing
-----> valueate--->FC Valuation----> Prepare Automatic Posting for Foreign
Currency Valuation (TC=OBA1)

Double Click on Exchange Rate Difference UG Exchange Rate Key
Chart of Accounts : PSL
Select Right Arrow at Down and Change Valuation Area Button
Valuation Area PA → ENTER

Ex.Rate Diff. Key	Expense A/c (Exchange Loss)	Exchange Rate GainA/c
USD (Text Field)	400301	300100

→ SAVE

→ Enter to save in your request.

Step 8. Assign Exchange Rate Difference Key in Loan A/c (FS00)

GL A/c : 100301

Comp. Code : PSL

From Menu----> GL Account----> Change

Select Control Data Tab

Exchange Rate

Difference Key

USD → SAVE

END USER AREA FOR FC REVALUATION :

{1} FC Term loan Receipt (F-02)

Doc.Date: 01.08.09

Comp. Code: PSL

Currency : USD

Post.DT: 01.08.09

Type : SA

Rate: 45.00

Post Key: 40 A/c # 200100 → Enter

Ignore Warning Message → Enter

Amount : 100000 USD

Buss.Area: PSLH

Text: SBI FC Term Loan Receipt → Enter

Post Key: 50 A/c # 100301 → Enter

Amount : * USD

Buss.Area: PSLH

Text: + → Menu----> Document ---->Simulate and SAVE

{2} Enter Year End Exchange Rates in Forex Table (OB08)

Select New Entries Button

Ex. Rate Type	Valid From	From Currency	Direct Quot	To Currency
G(Bank Buying Rate)	31.03.10	USD	49.50	INR
B(Bank Selling Rate)	31.03.10	USD	50.00	INR

↓
SAVE

{3} **FC Valuation:**

Accounting ----> Financial Accounting---->Gen Ledger---->Periodic Processing---->

Closing---->Valuate----> FC Valuation(New) (TC=FAGL_FC_VAL)

Comp. Code: PSL

Valuation Period: 31.03.10

Valuation Area: PA

Select GL Balance tab

Select Valuate GL A/c Balance Check Box → Execute (F8)

Select on Postings Button and Select Back Arrow 2 Times

There are 2 types of FC Valuations.

- 1) Month End Valuation
- 2) Year End Valuation

If we made Month End Valuation, Exchange Gain / Loss will be double unless we reverse in next month. So We will reverse the Exchange Gain/ Loss under Month End Valuation until the Year End. There will be no Reversal on Year End.

Procedure for Month End Valuation:

- Step 1. Month End Exchange Rates in Forex Table (OB08)
Enter Month End Exchange Rates then go to FC Valuation Screen

IN FAGL_FC_Val Screen

Comp. Code:	PSL	Valuation Key Date:	31.08.09 (Every Month End)
Valuation Area:	PA		
Select	Create Posting	Check Box	
Post.Date:	31.08.09	Reverse Posting Date:	01.09.09
select Reverse Posting check Box			
Select GL Balance Tab			
Select valuate GL A/c Balance Check Box			
GL A/c:	100301	→	Select Execute Button (F8)

Procedure for Year End Valuation:

- Step 1. Year End Exchange Rates in Forex Table (OB08)
Year End Exchange Rates then go to FC Valuation Screen

IN FAGL_FC_Val Screen

Comp. Code:	PSL	Valuation Key Date:	31.03.10 (F.Y.End Date)
Valuation Area:	PA		
Select	Create Posting	Check Box	
Post.Date:	31.03.10	Reverse Posting Date:	Blank
De select Reverse Posting check Box			
Select GL Balance Tab			
Select valuate GL A/c Balance Check Box			
GL A/c:	100301	→	Select Execute Button (F8)

From Menu--->System---->BatchInput----> Sessions

Session :	PSL	→	Click on Process Button (F8)
Select Display Errors only Radio Button			
Select Process Button		→	Enter
Business Area:	PSLH	→	Enter
Again Business Area:	PSLH	→	Enter

We will get a message that Processing of Batch Input Session is Completed
Select Exit Batch Input Button

To View the Document Posted (TC=FB03)
 Double Click on 1st Line Item
 We can see the FC Revaluation Document Posted.

→ Enter

SOME IMPORTANT POINTS TO BE NOTED IN SAP:

HOW TO VIEW THE STEPS SAVED IN OUR REQUEST:

At the time of various Basic Settings and GL a/c Settings, we saved some steps in our request. What are the points we saved in our request can be seen with the following path

Tools---->ABAP Work Bench---->Overview---->Transport Organizer (SE09)
 Under client 800

- Select Customizing Folder
- Select Modifiable Folder
- Select GL Customization for PSL Folder
- Select Customizing Task Sub Folder
- Double Click on Enter Interest Values
- Double Click on Enter Interest Values under GL A/c
- Select Enter Interest Value Activity

HOW TO VIEW PATH:

SAP Easy Access Screen (End User Area) ↓ We know TC but not the Path In that case, How to view Path. ↓ In Command Field use Search_SAP_Menu --> Enter Search Text Entry--> F-02 (use TC) --> Enter We can see the Path from Lower Level to Upper Level in Descending order	Customization Area (SPRO Area) ↓ Use Transaction Code SPRO ↓ ↓ Select Cntr + F (or) Find ↓ Search Term Fiscal Year---> Enter ↓ Select Fiscal Year Under Financial A/c Global Settings Area ---> Enter
--	---

END OF GENERAL LEDGER ACCOUNTING

ACCOUNTS PAYABLE

This is a Sub Ledger (Subsidiary Ledger). When Material Management (MM) is not implemented , this is used for all Purchases i.e., Material purchases as well as for services. When Material Management Module is implemented this is used for Services , where TDS is to be deducted. Ex:- Legal & Professional Charges, Job work Charges.

In Normal Accounting for Raw Material Purchases accounting entry would be like below:

Purchases A/c	Dr
To Party A/c (Supplier Account)	Cr

Where as in SAP Entry would be like below:-

Inventory Raw Material A/c	Dr	(General Ledger)
To Party A/c (Supplier Account)	Cr	(Subsidiary Ledger)

If the Entry will be like above, Trial Balance will not match as in Trial Balance only Balances of General Ledgers will affect but not the Subsidiary ledgers. To overcome this problem, SAP automatically passes one more entry internally as and when we pass the first entry .

SAP passes Internal Entry to Sundry Creditors RM A/c (General Ledger) which is a Reco Account or Control Account. If I want to see , One party account we can go to party account. If I want to see all subledgers, we can go to Sundry Creditors RM a/c

Basic Settings for Accounts Payable:

1 Creation of Vendor A/c Groups

A) FI Vendors
(Service Parties)



Specify Reco A/c Required
Entry Field

B) MM Vendors
(Material Suppliers)



Specify Reco A/c Required
Entry Field

2 Create Number Range for Vendor Account

3 Assign No Range Group to Vendor Account Group

4 Create Tolerance Group for Vendor Account

5 Creation of 2 GL Masters

A) Inventory RM

Under Current Assets & Loans and Advances

B) Sundry Creditors for RM

Under Liabilities & Provisions

6 Creation of Vendor Masters

7 Document Types and Number Ranges

KR----> Vendor Invoice

KZ----> Vendor Payment

KA----> Vendor Document for Transfer / Reversals

8 Posting Keys

31 Vendor Credit

25 Vendor Debit

Step 1. Creation of Vendor Account Groups:

SPRO----> Financial Accounting---->Account Receivable & Accounts Payable---->

Vendor Accounts---> Master Data---->Preparation for Creating Vendor Master

Data---->Define Account Groups with Screen Lay Out (Vendors)---->

Select New Entries

Account Group → PSL1 (Text Field)

Name → FI Vendors for PSL

Double Click on

Company Code Data

Double Click on

Account Management

Make Reconciliation Account as "Required Entry" Field (Select Radio Button)

Cash Management Group "Supress" (Select Radio Button)

Select SAVE or CTRL+S----> Select Create Request Button and save in your request.

Short Description : AP Customization for PSL → ENTER

Press Enter to Save in your request.

Select Next Entry Button to create one more Group of MM Vendors for PSL

Account Group → PSL2 (Text Field)

Name → MM Vendors for PSL

Double Click on

Company Code Data

Double Click on

Account Management

Make Reconciliation Account as "Required Entry" Field (Select Radio Button)

Cash Management Group "Supress" (Select Radio Button)

Select SAVE or CTRL+S

Step 2. Create Number Range for Vendor Account :

SPRO----> Financial Accounting---->Account Receivable & Accounts Payable---->

Vendor Accounts---> Master Data---->Preparation for Creating Vendor Master

Data---->Create Number Range for Vendor A/c (TC=XKN1)

Select Change Intervals Button

Select Intervals Button

No Range	From	To	
15	4400001	4400100	→ ENTER

Select Intervals Button

No Range	From	To		
16	4400101	4400200	→ ENTER	→ SAVE

Ignore Warning Message and Press Enter to SAVE

Step 3. Assign No Range Group to Vendor Account Group:
 SPRO----> Financial Accounting---->Account Receivable & Accounts Payable---->
 Vendor Accounts----> Master Data---->Preparation for Creating Vendor Master
 Data---->Assign Number Range for Vendor A/c
 Select Position Button

Account Group PSL1 → ENTER
 For Group PSL1 Assign No Range 15
 For Group PSL2 Assign No Range 16 → SAVE
 → ENTER to save in your request

Step 4. Creation of Tolerance Group for Vendors Accounts:
 SPRO---->Financial Accounting ---->Accounts Receivable & Accounts Payable ---->
 Business Transactions---->Outgoing Payments---->Manual Outgoing Payments---->
 Define Tolerances (Vendors)

Select New Entries button
 Company Code: PSL
 Tolerance group: Blank
 Description : Tolerance Group for PSL
 → SAVE → ENTER to save in your request

Step 5. Creation of 2 GL Masters(FS00) :

1st A/c GL Account No: 200120
 Comp. Code: PSL → Select with Template Button

GL A/c	200100
Comp. Code	PSL

 → ENTER
 Change Short Text and GL A/c Long Text to "Inventory RM"
 Select

Create/Bank/Interest

 tab
 Select Field Status G001
 De Select Relevant to Cash Flow Check Box → SAVE

2nd A/c GL Account No: 100501
 Comp. Code: PSL → Select with Template Button

GL A/c	100500
Comp. Code	PSL

 → ENTER
 Change Short Text and GL A/c Long Text to "Sundry Creditors for RM"
 Select

Control Data

 tab
 Select Field Status G001
 De Select Only Balances in Local Currencies Check Box
 Recon A/c for Account Type: Vendor
 Deselect Optimum Management Check Box
 Sort Key 012 (Vendor Account Number)
 Select

Create/Bank/Interest

 tab
 Select Field Status G067 (Recon A/c) → SAVE

Step 6. Creation of Vendor Masters:
 PATH: Accounting ----> Financial Accounting ---->Accounts Payable----> Master
 Records--->Maintain Centrally---->Create (TC=XK01)
 Company Code: PSL
 A/c Group: PSL1 FI Vendors for PSL → ENTER
 Title : Company (Select from Drop Down Box)
 Name : Godrej Steel Limited
 Street /House #: Ameerpet Postal Code: 500000
 Country: IN Communication: EN (English)
 Telephone: 66611983

Select Next Screen Button 3 Times

Reconciliation Account : 100501 (Sundry Creditors RM A/c)

Sort Key : 012 (Vendor Number)

Select Next Screen Button

Payment Terms: Select 001 (Payable Immediately Due Net)

Tolerance Group: Blank

Check Double Inv: ☐ ✓ → SAVE

Step 7. Document Types and Number Ranges: (TC=OBA7)

Doc.1 Select Type KR (Vendor Invoice)

Select Details Button

Number Range 19

Select No Range Information Button

Company Code PSL

Select Change Interval Button

Select Interval Button

Give No Range 19

Year 2009

From No 100001

To No 200000 → ENTER → SAVE

Ignore Warning Message and Press Enter .

Select Back Arrow 3 Times

Doc.2 Select Type KZ (Vendor Payment)

Select Details Button

Number Range 15

Select No Range Information Button

Company Code PSL

Select Change Interval Button

Select Interval Button

Give No Range 15

Year 2009

From No 200001

To No 300000 → ENTER → SAVE

Ignore Warning Message and Press Enter .

Doc.3 Select Back Arrow 3 Times
 Select Type KA (Vendor Document)
 Select Details Button
 Number Range 17
 Select No Range Information Button
 Company Code PSL
 Select Change Interval Button
 Select Interval Button
 Give No Range 17
 Year 2009
 From No 300001
 To No 400000 → ENTER → SAVE
 Ignore Warning Message and Press Enter .

HOUSE BANKS :-

Scenario 1:

	SBI Main Branch		
	↓		
A/c Ids	C. A/c 1	C. A/c 2	C. A/c 3

Scenario 2:

<p style="text-align: center;">SBI Main Branch Bank St. Hyd ↓ Current A/c #1 1 House Bank 1 A/c Id</p>	<p style="text-align: center;">SBI Begumpet Branch Hyd ↓ Current A/c #1 1 House Bank 1 A/c Id</p>
--	---

House Banks will be created Branch wise

Steps in creating House Banks :

- 1 Creating of A/c Masters
- 2 Details of House Bank
- 3 Creation of Check Lots (In Normal English Cheque= In SAP Check)
 Check From #
 Check To #

Step 1. Creation of GL Master(FS00): SBI Current account under Current Assets and Loans and Advances

GL A/c :	200105	Comp.Code: PSL	Select With Template Button				
<table border="0" style="width: 100%;"> <tr> <td>GL A/c :</td> <td>200100</td> </tr> <tr> <td>Comp.Code :</td> <td>PSL</td> </tr> </table>				GL A/c :	200100	Comp.Code :	PSL
GL A/c :	200100						
Comp.Code :	PSL						
			→ ENTER				

Change Short Text & Long Text to SBI Current Account and Save

Step 2**Define House Bank:**

SPRO---->Financial Accounting--->Bank A/c---->Define House Bank (TC=FI12)

Comp. Code:	PSL		
Select New Entries Button			
House Bank	SBI		
Bank Country	IN	(IN for India)	
Bank Key	BSR Code of Bank (PSL123)	→	SAVE
Bank Name	State Bank of India Ltd		
Street	Bank Street		
City	Hyderabad		
Bank Branch	Main Branch	→ ENTER	Enter again to save in your Request

Double Click on Bank Folder

Select New Entries Button

A/c ID	SBI1		
Description	SBI Current Account #1		
Bank A/c #	123456		
Currency	INR	(INR for Indian Rupees)	
GL A/c	200105	→	SAVE

Step 3**Creation of Check Lots:**

PATH: Accounting---->Financial Accounting---->Accounts Payable---->Periodic Processing---->Payments (FI10)

From Menu--->Environment---->Check Information---->No Range

Company Code:	PSL		
House Bank	SBI		
A/c ID	SBI 1	→	Select Change Button
Select Create Button			
Lot #	1		
Check From	500001		
Check To	500100		
Select Non Sequential	Check Box		
Short Index	SBI		
Purchase Date	04.08.2009	→	SAVE

PAYMENT METHODS :

Manual Payment Method	Automatic Payment Method
1 Check Lot can be Sequential or Non Sequential	1 Check Lot should be only Sequential
2 We can issue any cheque any time	2 First Cheque will be 500001 and 2nd Check should be 500002. It should be In sequential

Step 1. Purchase

Accounting ---> Financial Accounting--->Accounts Payable---->Document Entry--->
Invoice General (F-43)

Step 2. How to view Vendor A/c Transactions: (FBL1N)

PATH: Accounting ---->Financial Accounting ---->Accounts Payable---->Account

----->Display/Change Line Items (FBL1N)

Vendor a/c # 4400001 Comp. Code: PSL

Select Open Items Radio Button

Select Normal Items Check Box → Execute (F8)

GL A/c #	100501	Comp. Code:	PSL	F.Year	2009
Buss.Area:	PSLH	→	Execute (F8)		

To View Party Wise: Select Change Layout Button
From Hidden Fields Column select Assaignment Field
under Column Contents Select Amount in Local Currency
Select Left Arrow Button or Show Selected Fields Button
select Copy Button

Step 4. Outgoing Payment With Clearing (F-53):
 PATH: Accounting---->Financial Accounting--->Accounts Payable--->
 Document Entry----> Outgoing Payment---->Post (F-53)

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A/c #	200105 (SBI Current A/c)	Buss.Area: PSLH
Amount:	3000	
Value Dt	:05.08.09	Text: Outgoing Payment

Account: 4400001 A/c Type: K (It come by default)
(K stand for Vendors)

Select Process Open Items Button	
Double Click on Payable Amount	3000

From Menu---->Document---->Simulate → SAVE

Step 5. Go and see Vendor A/c Transactions: (FBL1N)

Vendor a/c # 4400001 Comp. Code: PSL

Select Cleared Items Radio Button

Select Normal Items Check Box → Execute (F8)

Step 6. Manual Check Creation:

PATH: Accounting---->Financial Accounting--->Accounts Payable--->Environment
Check Information--->Create--->Manual Checks(FCH5)

House Bank	SBI	A/c ID	SBI1
Check No	500001	→	SAVE

Step 7. Display Check Register:

PATH: Accounting---->Financial Accounting--->Accounts Payable--->Environment
Check Information--->Display Check Register(FCHN)

Paying Comp. Code: PSL → Execute (F8)

Double Click on Check 500020

Select Accompanying Documents Button

Step 8. Check Encashment Date Updation: Here we specify on which date the check is debited in our Bank Account, Based on Bank Statement .

Advantages:

A) If party says payment was not received , we can say on which date payment was debited to our account easily.

B) BRS can be done easily

PATH: Accounting---->Financial Accounting--->Accounts Payable--->Environment
Check Information--->Change--->Additional Info / Cash(FCH6)

Paying Comp. Code: PSL House Bank: SBI A/c ID# SBI1

Check No: 500020 -----> ENTER

Check Encashment Date: 06.08.09-----> SAVE

Go and see Check Register (FCHN) :

Paying Comp. Code: PSL -----> Execute (F8)

We can see Report Showing Check Encashed Date

- Step 9. Cancellation of Unissued Checks: While writing checks before issuing to party, we commit some mistakes. Because of that we cancell checks.

PATH: Accounting---->Financial Accounting--->Accounts Payable--->Environment
Check Information--->Void---->Unused Checks (FCH3)

Paying Company Code: PSL House Bank: SBI A/c ID SBI1
Check From 500001
Void Reference 06 (Destroyed or Unusable- Option given by SAP)
We can define our own Void Reason. Explained Below)
Select Void Button → Check will be void
Go and see Check Register (FCHN) :
Paying Comp. Code: PSL -----> Execute (F8)
We can see Report Showing Check Cancelled

Once the Check Lot is over , Keep the Curosor on Check No From To Select
Sorting Ascending Order Button. We can see all the chek details in Sr. No of Checks
If any chck Number is missing in order, it means Chck is misused.

Creation of Void Reason Codes:

SPRO---->Financial Accounting--->Accounts Receivable & Accounts Payable----->
Business Transactions---->Outgoing Payment----->Automatic Outgoing Payments
----->Payment Media---->Check Management---->Define void Reason Codes(FCHV)

Select New Entries Button

Reason	Void ReasonCode
16	Stop Payment of PSL
→	Enter to save in your request.

→ SAVE

Deletion of Encashment Date:

Some times by Mistake at the time of entering

Encashment Date , Instead of giving to One Check, we will give to some other
Check . For Ex:

Check NO	Amount	Encahshed Date
500019	3000	on 06.08.09
500020	3000	by mistake entered to 06.08.09
500021	5000	

So We have to delete the encashed date for Check No 500020 and enter Encashed
Date to Check # 50019 as normal check encashement dated entry.

PATH: Accounting---->Financial Accounting--->Accounts Payable--->Environment
Check Information--->Delete----> Reset Date (FCHG)

Paying Company Code: PSL House Bank : SBI
A/c ID: SBI1 Check #: 500020 → Select Reset Cashing Data Radio Button
Select Execute (F8) Button Select YES to Message

Go and see Check Register (FCHN) :

Paying Comp. Code: PSL -----> Execute (F8)

We can see Report where Check # 500020 encashment Date is Removed

Cancellation of Issued Checks :

Encashed Checks cannot be cancelled.

Steps : 1 Purchase Invoice Posting (F-43)

2 Outgoing Payment with Clearing (F-53)

3 Manual Check Creation (FCH5)

4 Display Check Register (FCHN)

Before encashment by party, we have given stop payment letter to Bank.

5 Issued Check Cancellation

A) Reset Cleared Items--->

To make it as open , Delink the Transaction in Vendor account

B) Reverse Transaction

C) Cancell the Check

PATH: Accounting---->Financial Accounting---->Accounts Payable---->Environment

Check Information---->Void----> Cancel Payment (FCH8)

Paying Comp Code :PSL House Bank: SBI A/c ID: SBI1

Check No: 500020 Void Reason: 16

Reversal Reason: 01 → Select Cancel Payment Button

Go and See Vendor A/c Transactions: (FBL1N)

Vendor A/c# 4400001 Comp. Code: PSL

Select Open Items Radio Buton

Select Normal Items Check Box → Execute(F8) Button

Advance Payment to Vendors(Down Payment to Vendors) :

Steps:

1 Creation of GL Master " Advances to Vendors" under Current Assets , Loans & Adv

2 Link Betwween Sundry Creditors & Advance to Vendors

Sundry Creditors
(Reconciliaton Account)

Advances to Vendors
(Alternative Reconciliation Account
or Special GL A/c)

↘
A
↙

(Advance - Special GL Indicator)

A/c # 100501 (Sundry Creditor Invenory Raw Materials A/c)

A/c # 200150 (Advances to Vendors A/c)

At the time of Making Payment, we know the purpose wether it is advance or against Bill. If payment is made against Bill Number , as we assaigned A/c# 100501 in Creditor Accoutn 4400001, it will updated the A/c # 100501.

If we are making payment as advance, while at the time of payment against Creditor A/c 4400001, we mention "A" for advance. System automatically update A/c # 200150 (Advances for Vendors Account) instead of Account # 100501 (Sundry Creditors Inventory Raw Materials Account)

- 3 Advance Payment Postings
 - 4 Purchase Invoice Posting Against Advances
 - 5 Transfer of advance from Special GL to Normal By clearing Special GL Items
 - 6 Clearing of Normal Items
- Vendor Account will have 2 items 1. Normal Items 2. Special GL Items

Scenario 1: Advance Amount and Purchase Invoice Amount are Equal

Step 1. Creation of GL Master "Advances to Vendors" A/c :

GL A/c	200150	
Comp. Code:	PSL	Select With Template Button
GL A/c	100501	(Sundry Cr. RM)
Comp. Code:	PSL	→ ENTER

Change Account Group to Current Assets Loans & Advances
 Change Short Text & GL A/c Long Text to Advances to Vendors
 → SAVE

Step 2. Link Between Sundry Creditors and Advances to Vendors:

PATH: SPRO---->Financial Accounting--->Accounts Receivable & Acc.Payable->
 Business Transactions---->Downpayment Made--->Define Alternate
 Reconciliation Account for Down Payments (TC=OBYR)
 Double Click on Special GL Indicator "A"
 Chart of Accounts (COA) PSL → ENTER

Recon. A/c	Spl.GL A/c	
100501	200150	Select Save or Ctrl +S
→ ENTER to save in your request		

Step 3. Advance Payment Posting :

PATH: Accounting ---->Financial Accounting---->Accounts Payable--->
 DocumentEntry---->Down Payment---->Downpayment (TC= F-48)

Doc.DT:	07.08.09	TYPE	KZ	Comp. Code:	PSL
Post DT:	07.08.09				
Vendor A/c	4400001	Special GL Indicator : A			
Bank A/c	200105 (SBI C/A)	Buss. Area:	PSLH		
Amount	15000				
Text:	Advance Payment Posting	→ ENTER			
Amount	*	Buss.Area:	PSLH		
Text	+	→ Menu	→ Document →	Simulate & Save	

Go and See Vendor Account Transactions (FBL1N) :

Vendor A/c	44000001	Comp. Code:	PSL
Select Open Items Radio Button			
Select Special GL Transactions Check Box			→ Execute (F8)
We can see report showing Rs. 15,000 as advance payment (Dr)			

Step 4. **Purchase Invoice Posting against Advance Amount (F-43):**

Doc.Date: 07.08.09 Comp. Code: PSL TYPE: KR
 Post. Key: 31 A/c # 4400001 → ENTER
 Amount: 15000 Buss.Area: PSLH
 Text: Purchase Invoice Posting
 Post Key: 40 Account No: 200120 → ENTER
 Amount: * Buss.Area: PSLH Text : +
 → Menu → Document → Simulate & Save

Go and See Vendor Account Transactions (FBL1N) :

Vendor A/c 44000001 Comp. Code: PSL
 Select Open Items Radio Button
 Select Normal Items Check Box → Execute (F8)
 We can see Purchase Invoice of Rs 15,000 outstanding in Report

Select Back Arrow---->Special GL A/c Transactions Check Box along with
 Normal Items Check Box → Execute (F8)

We can see Rs. 15,0000 (Dr) and Rs. 15,000 (Cr). Net Effect will be Zero , but
 presentation in Balance Sheet will be Wrong. As 15,000 (Dr.) Balance will appear
 on Assets Side and 15,000 Cr will appear on Liabilities Side.

Step 5. **Transfer of Advance from Special GL A/c to Normal by Clearing Special Clearing Items (F-54):**

Doc.Dt: 07.08.09 Comp. Code: PSL Type : KA
 Vendor A./c: 44000001 Text: Advance Payment Clearing
 Select Process Down Payment Button

Amount	Available	Transfer	
	Amount	Posting	
15000	15000	15000	→ SAVE

Go and See Vendor Account Transactions (FBL1N) :

Vendor A/c 44000001 Comp. Code: PSL
 Select Cleared Items Radio Button
 Select Special GL Transactions Check Box → Execute (F8)
 We can see report. Select ← (Back arrow)
 Select Open Items Radio Button
 Select Normal Items Check Box → Execute (F8)
 We can see report showing 15,000 Debit and Credit under open items

Step 6. **Clearing of Normal Items (F-44):**

PATH: Accounting----->Financial Accounting ---->Accounts----> Clear (F-44)

A/c # 44000001 Comp. Code: PSL

Double Click on 15000 (Cr) and 15,000 (Dr)

→ SAVE

Go and See Vendor Account Transactions (FBL1N) :

Vendor A/c 44000001

Comp. Code: PSL

Select Cleared Items Radio Button

Select Normal Items Check Box

→ Execute (F8)

We can see report showing 15,000 Debit and Credit under Cleared items

Scenario 2: Advance Amount is More and Purchase Invoice is Less

Advance =100000

Bill Amount :

25000

(Advance may be for 4 Items)

Steps:

1 Advance Payment Posting of Rs. 100,000 (F-48)

2 Purchase Invoice Posting for Rs. 25,000 (F-43)

3 Transfer of advance of Rs. 25000 from Special GL A/c to Normal Items (F-54)

4 Clearing of Normal Items(F-44)

Final Result: Vendor Special GL A/c shows a balance of Rs. 75,000 as Advance to Vendors

Vendor A/c		Special GL A/c	
↙↘		↙↘	
3- 25,000	2-25,000	1-100,000	3-25,000
0		75,000	
(Balance)		(Balance)	

Scenario-3: Advance Amount is Less and Bill Amount is More

Advance = 8000 (10%)

Bill Amount =80,000

Step 1. Advance Payment of Rs. 8,000 (F-48)

2 Purchase Invoice Posting for Rs. 80,000(F-43)

3 Transfer of Advance From Special GL A/c to Normal by clearing Special GL Items(F-54)

4 While we make Balance payment of 72,000 Rs. Double Click on Bill Amount 80,000 and advance amount 8,000. All 3 line items will go to Cleared Items (F-53)

Normal Items		Special GL A/c	
↙↘		↙↘	
2- 80,000	3-8,000	1-8,000	3-8,000
	4-72,000		
0		0	
(Balance)		(Balance)	

TERMS OF PAYMENT:

PATH: SPRO---->Financial Accounting---->Accounts Receivable & Accounts Payable---->Business Transactions---->Incoming Invoices/Credit Memos
----->Maintain Terms of Payment

Select New Entries Button

Payment Terms: PSL1 (Text Field)

Select Vendor Check Box } If we want to use same payment terms

Select Customer Check Box } for both Customers and Vendors

Under Default for Base line Data:

Select Posting Date Radio Button

Term: If we make payment within 10 days we get 3% Cash Discount

If we make payment within 20 days we get 2% Cash Discount

Due within 30 days

Term	%	No.of Days
1	3%	10
2	2%	20
3	--	30

Press Enter and See Explanation changes according to our Terms

Save and Press Enter to Save In our request.

Under Default for Base Line Date There are 4 Options

- A. No Default: Number of Purchases during the Month
Terms: 10 days from the Month End 3% C.Discount
20 days from the Month End 2% C.Discount
Due within 30 days from the Month End .
Base Line Date : Keep Blank (If Enter Month End Date -10/20/30 will be calculated from Month End)
- B. Document Date: Party Bill Date
- C. Posting Date: Goods Receipt Date → Select This Option
- D. Entry Date: Quality Approval Date

□□□□□

Cash Discount Received:

Trade Discounts are to be adjusted against Purchases wherere as Cash Discounts are to be shown under Other Income

1 Creation of GL Master " Cash Discount Received" under Other Income(FS00)

GL A/c: 300101 Comp Code: PSL Select With Template

GL A/c: 300100

Comp Code: PSL

→ ENTER

Change Short Text & Long Text to "Cash Discount Received"

→ SAVE

2 Assignment of Accounts for Automatic Postings:

PATH: SPRO---->Financial Accounting---->Accounts Receivable & Accounts Payable--->Business Transactions---->Outgoing Payments----> Outgoing Payments Global Settings---->Define A/c's for Cash Discounts taken(OBXU)

Chart of Accounts : PSL → ENTER → SAVE
A/c # 300101 (Cash Discount Received) → SAVE
→ ENTER to save in your request

END USER AREA:

1 Purchase Invoice Posting (F-43)

Normal Date in SAP

Terminology

Party Bill Date	01.08.09	Doc. Date
Goods Rec.Date	05.08.09	Posting Date
Quality Ap.Date	08.08.09	Entry Date

Doc.Dt 01.08.09 Type: KR Comp. Code: PSL
Post.Dt 05.08.09
Post.Key 31 A/c# 4400001 → ENTER

Amount: 100000 Bus.Area: PSLH Payment Terms: PSL1
Text: Purchase Invoice Posting → ENTER
Ignore Warning Message and → ENTER

Post Key: 40 A/c # 200120 → ENTER
Amount: * Buss.Area PSLH Text: +
From Menu → Document→Simulate & SAVE

2 Go and See Vendor A/c Transactions(FBL1N)

Vendor A/c# 4400001 Comp. Code: PSL
select Open Items Radio Button
Select Normal Items Check Box → Execute(F8)
We can see Rs. 100,000 shwos in Open Items

Select Change Layout Button : From Hidden Fields Column Select " Currnet Cash Discount Amount"

Select Amount in Local Document in Currency under Column Contents Side

Select Left Arrow or Show Selected Fields Button

Select Copy Button

3 Outgoing Payment with Clearing (F-53)

Doc.Date 08.08.09 Type: KZ Comp. Code: PSL

Clearing Text: Outgoing Payment

A/c Under Bank Data:

A/c#	200105 (SBI Current Account)
Bus.Area	PSLH
Amount:	97000 (* Amount Paid is 97000 only as 3% CD
Text:	Outgoing Payment can be availed as payment is below 10days)

A/c Under Open Item Selection:

A/c# 4400001 (Godrej Steels Limited)

Select Process Open Items Button

Double Click on Payable Amount 100000

From Menu → Document→Simulate & SAVE

Double Click on Blue Font Line Items

Text : + → SAVE

AUTOMATIC PAYMENT PROGRAMME (APP) :

In Automatic Payment Programme, System will define the Due date for the Bill based on the Payment terms for the Vendors. System will issue Check, Pass Entry and Clear the Party Account. System Will generate Payment Advice . It will Update the Check Register. Everything will be done automatically.

The Checks will be issued from the Lots specified for APP. Check Lot should be Sequential. This APP will be used normally by Cash Rich Companies not by all Companies. They run Every Week (or) 10 days (or) 15days once. We are not Programmers. We use system Given Payment Programme, Check Format and Payment advice Format.

Before Run we have to give Bank Wise Ranking wit available amounts.

Bank	Rank	Available Amount
SBI	1	1000000
ICICI	2	500000
IDBI	3	300000

System will issue checks first from Rank 1 Bank , then it will go to Rank 2. Like that it issues checks based on ranks upto available amount.

When we run the programme. It first give a Proposal . In the proposal it shows for which parties, for which invoices for which amount and from which bank it is going to issued checks. We can Edit the proposal by Blocking some invoices for payment or by changing banks for payment.

Blocking of Invoices Means: If we have funds for payment of 8 Bills , but as per the Programme Payable Bills came 12, we can drill down the gross amount payable to any party and block some bills for payment from that proposal.

Changing of Bank can be done when any Vendor requested to make payment from specific bank, and as per programme, system allotted another bank, we can make changes in Bank for issuance of Check.

Customization of APP:

Step1. Set up Payment Methods per Country for Payment Transactions:

PATH: SPRO---->Financial Accounting ----> Accounts Receivable& Accounts Payable---->Business Transactons--->Outgoing Payment---->Automatic Outgoing payment---->Payment Method/Bank Selection for payemnt Programme---->Set up payment Methods per country for payment transactions

Select New Entries Button

Country : IN

Payment Method : M (Text Field)

Description : Check

Select Outgoing Payments Radio Button

Select Check Radio Button

Document Type for Payment : KZ

Clearing Document Type : KZ

Pay Medium Programme: RFFOUS_C

Name of Print Data Sheet: LIST1S → SAVE

→ ENTER to save in your request.

Step2. Set up Payment Methods per Company Code for Payment Transactions:

PATH: SPRO---->Financial Accounting ----> Accounts Receivable& Accounts Payable---->Business Transactons--->Outgoing Payment---->Automatic Outgoing payment---->Payment Method/Bank Selection for payemnt Programme---->Set up payment Methods per Company Code for payment transactions

Select New Entries Button

Paying Company Code: PSL Minimum Amount 100

Payment Method: M Max. Amount : 9999999999

Select Payment Per Due Date Check Box

Select Form Data Button

Form for Payment Medium F110_PREMIUM_CHECK (SAP Script)

Drawer on the Form For Pennar Steels Limited

Authorised Signatory

→ SAVE

→ ENTER to save in your request.

Step3. Set up all Company Codes for Payment Transactions :

Same Path (Next Line of Last Path)

Select New Entries button

Company Code: PSL Paying Company Code: PSL

Select Separate Payment for Business Area Check Box

Under Vendors

Spl. GL transactions to be Paid: A (Select from Dropdown Button)
(A for Advance Payment)

→ SAVE

→ ENTER to save in your request.

Step4. Setup paying Company Codes for Payment Transactions
 Same Path (Next Line to last path)
 Select New Entries Button
 Paying Company Code: PSL
 Select Forms Button
 Form for the Payment Advice: SAP script F110_D_AVIS
 Select Sender Details Button
 Text ID: Select ST (ST stands for Standard Text)
 Letter Header: F_0001_Header
 Footer: F_0001_Footer
 Sender: F_0001_Sender → SAVE
 → ENTER to save in your request.

Step 5 Creation of Sequential Check Lots (FCH1)
 Paying Comp Code :PSL
 House Bank SBI
 A/c ID SBI1
 select Change Button (Shift +F5)
 Select Create Button

Lot #	2	
Check From	800001	{ For Sequential Checks Banks will
Check To	801000	give 1000 Numbers not 100)

 De-Select Non Sequential Check Box
 Sort Information SBI
 Purchase Date 10.08.09 {It Means Check Book Issued Date}
 → ENTER & SAVE

Step 6. Assign Payment Methods in Vendor Masters:
 PATH: Accounting ----> Financial Accounting --->Accounts Payable ---->Master
 Records---->Maintain Centrally---->Change (XK02)
 Vendor 4400001
 Comp. Code PSL
 Select Payment Transaction Check Box under Company Code Data
 → ENTER Payment Methods M → SAVE

SAP has defined 4 payment Methods in APP Programme :

- I. Payment Block: If we don't want to issue any cheks in APP, we can select * (Skip A/c) Option and Select payment Block
- II. Alternative Payee PSL has to pay GSL. GSL has to make payment to XYZ. GSL requested to issue check in the name of XYZ instead of GSL. Here Clearing Party will be GSL and check will be issued in the name of XYZ.
- III. House Bank: If PSL and GSL both are having Bank Account in ICICI and GSL requested to make payment from ICICI then House Bank will be ICICI
- IV. Individual Pay: If 5 Bills are due to GSL. System will generate 1 check for all the 5 bills
 If GSL asked to issue a separate check for each bill , we select this option.
 So System will Generate individual payment

END USER AREA :

1. Purchase Invoice Entry (F-43)

Doc.DT: 10.08.09 Type : KR Company Cod: PSL
Post.Key: 31 A/c No: 4400001 → ENTER
Amount : 40000 Buss.Area: PSLH
Text: Purchase Invoice Posting
Post.Key: 40 A/c No: 200120 → ENTER
Amount : * Buss.Area PSLH
Text: + From Menu → Document→Simulate & SAVE

2. Set up Bank Determinations for Payment Transactions:

Accounting ---->Financial Accounting---->Accounts Payable---->Periodic Processing
----> Payments

From Menu--->Environment--->Maintain Configuration (FBZP)

Select Bank Determination Button

Select Company Code PSL Double Click on Ranking Order Folder

Select New Entries Button

Payment Method	Currency	Rank Order	House Bank
----------------	----------	------------	------------

M	INR	1	SBI
---	-----	---	-----

 → SAVE

→ ENTER to save in your Request

Double Click on Bank Account Folder

Select New Entries Button

House Bank SBI

Payment Method M

Currency INR

Bank A/c ID SBI1

Bank A/c # 200105

Buss.Area PSLH → SAVE

Double Click on Available Amounts Folder

Select New Entries Button

House Bank	A/c ID	Days	Currency	Available Amount
SBI	SBI1	999	INR	10,00,000

→ SAVE

Automatic Payment Programme Run:

Accounting ---->Financial Accounting---->Accounts Payable---->Periodic Processing
---->Payments (F110)

Run Date: 11.08.09 Identification : PSL1

Select Payment Tab Company Code: PSL

Payment Method: M Next Payment Date: 21.08.09 ?

Vendor a/c: 4400001 to 4400100 → SAVE

Select Back Arrow ----> select Proposal Button

Select Start immediately Check Box Go on pressing Enter until we get the
message ." Payment Proposal has been created"

?

Importance of Next Payment Date:

If purchase Terms of Payment are like below

Within 15 days	---->	3% Cash Discount
Morethan 15 days	---->	No Discount

If we make payment on 11.08.09 we get 3 % cash Discount

If we make payment on 21.08.09 we get 3% cash discount

So, system will not make payment on 11.08.09 as we are getting same 3% cash discount on 21.08.09 also . System automatically controlling cash flow.

Select Edit Proposal Button :

Double Click on Vlaues # System Sbows outgoing bills details

To Blcok One Invoice for Payment:

Double Click on Bill Amount for which payment is to Block.

For Payment Block Select "A" (Blocked for Payment) -----> Enter

To Change the Bank:

Double click on the Bill Amount to which Bank account is to change.

Select Reallocate Button (F6)

Payment Method M

House Bank SBI

A/c ID SBI1 → SAVE Save again

Select Back Arrow

We get a Message " Payement Proposal has been Edited"

Select Payment Run Button → ENTER

Go on pressing Enter until we get the message "Payment Run has been Carried out"

For Check Printing:

Select Printout/Data Medium Tab

For Programm: RFFOUS_C Give Variant "X" (Text Field)

Select Maintain Variants Button

Select For All Selections Fieled Radio Button

Select Contineu Button

Programme Run Date:	11.08.09	Identification Feature:	PSL1
Paying Comp. Code	PSL	Paying Method	M
Business Area	PSLH	House Bank	SBI
A/c ID	SBI1	Check Lot No	2
			(Sequeantial)

Select Chk Box	Printer	Print Immediately
Print Check	LP01	Select
Payment Summary	LP01	Select
Payment Advice Notes	LP01	Select

No of Sample Printouts: 0 Select Do not Void any Check Box
select Attributes Button Variant X

Meaning : SBI Check Printing Dated 11.08.09 → SAVE

Select Back Arrow ----> Save Once again -----> Select Back Arrow

To take Printing : Select Printout Button
 For Job Number : In place of "?" Enter Variant "X" → ENTER
 → ENTER Once again

To View the Check on System: From Menu---->System---->Services---->
 Output Control Select Execute (F8)

Select Spool No. Check Box for Title Check
 Select Display Contents Button

Go and See Vendor A/c (FBL1N):
 Vendor A/c No: 4400001 Comp. Code: PSL
 Select Cleared Items Radio Button Clearing Date: 11.08.09
 Select Normal Items Check Box Select Execute (F8)
 Double Click on Type KZ
 Select Callup Document Overview Button → ENTER
 Menu----> Environment---->Check Information

Go and See Check Register (FCHN):
 Paying Company Code: PSL → Execute(F8)
 We can see that Chck was posted against the outstandign amount

CREDIT MEMO POSTINGS :

We have purchased Material from GSL. But the Material is not good in quality. We reduced the price of material or return the material to GSL. In that case in Accounting Credit Memo will raise on GSL

PSL Raises Debit → OR → GSL Raises Credit
 Note on GSL Not of PSL

Document Type: KG (Credit Memo) KA
 Number Range 17 17

As Earlier for Document Type KA, No range defined is 17. So There is no need to define No range 17 again for Document Type KG

PATH: Accounting---->Financial Accounting---->Accounts Payable---->Document
 Entry---->Credit Memo General (F-41)

Doc.Dt: 11.08.09 Type: KG Comp. Code: PSL
 Post. Key: 21 (Vendor Debit) A/c# 4400001 → ENTER
 Amount: 1000 Buss.Area: PSLH
 Text: Credit Memo Posting
 Post Key: 50 A/c# 200120 → ENTER
 Amount * Buss.Area: PSLH Text: +
 Menu----> Document----> Simulate & SAVE

IMPORTANT TRANSACTION CODES IN GL ACCOUNTING & ACCOUNTS PAYABLE

Sr. No	Nature of Transaction	TC
1	Creation of General Ledger (GL) Masters	FS00
2	Posting of Trans. to GL A/c. (Menu->Document->Simulate)	F-02
3	Changing the Document Posted	FB02
4	Display Document Posted	FB03
5	Display Account Balance	FS10N
6	Defining Document Number Range	FBN1
7	Creation of Sample Document	F-01
8	Parking Document Entry	F-65
9	Display/Change Parked Document	FBV0
10	Hold Document Entry (Menu--->Document---->Hold)	F-02
11	Creation of Recurring Document	FBD1
12	Display Recurring Document Created	F.15
13	Check Foreign Exchange Rate Types	SPRO
14	Define Translation Ratios for Currency Translation	SPRO
15	Entering Exchange Rates	SPRO
16	Exchange Rates Entry at End User Area	S_BCE_68000174
17	Enter Default Exchange Rate type "B"for Doc. Type SA	OBA7
18	Defining Reversal Reason	SPRO
19	Entering Accrual / Deferral Documents	FBS1
20	Reversal of Accrual / Deferral Document	F.81
21	Display of Open Item Managed A/c Transactions	FBL3N
22	Outgoing Payment with Full /Partial/Residual Clearing	F-07
23	Individual Document Reversal	FB08
24	Reversal of Reverse Document	F-02
25	Mass Reversal	F.80
26	Cleared Items Reversal (For Resetting Cleared Items)	FBRA
27	Defining Interest Calculation	SPRO
28	Prepare A/c Balance for Interest Calculation	OBAA
29	Define Interest Rates (OBAC)	SPRO
30	Deine Time Dependent Terms (Next Step to Last Transaction)	SPRO
31	Enter Interest Values	OB83
32	Assaignment of Account for Automatic Interest Posting	OBV2
33	To Open Posting Periods at End User Area	OB52
34	Interest Calculation	F.52
35	Checking of Account Groups for Availability of A/c Numbers	OBD4
36	Define A/c Principles for FC Balance Revaluation	SPRO
37	Assaig Accounting Principle to Ledger Groups	SPRO
38	Deine FC Valuation Methods	SPRO
39	Define FC Valuation Areas	SPRO
40	Assaigning Valuation Areas & Accounting Principles	SPRO
41	Prepare Automatic Postings for F C Valuation	OBA1
42	Entering Year End Exchange Rates in Forex Table	OB08
43	FC Valuation at End User Area	FAGL_FC_PAL

Sr. No	Nature of Transaction	TC
44	To see the steps saved in our request	SE09
45	<i>To view Path for any TC: in Commad Field enter Search_Sap_Menu ---> ENTER Entry Field Type TC for Search Text</i>	
46	<i>Posting Key for General Ledger Debit Posting in F-02</i>	40
47	<i>Posting Key for General Ledger Credit Posting in F-02</i>	50
48	Creation of Vendor Account Groups	SPRO
49	Create Number Ranges for Vendor Accounts	XKN1
50	Assaign Number Range to Vendor Account Groups	SPRO
51	Creation of Tolerance group for Vendor Accounts	SPRO
52	Creation of Vendor Master	XK01
53	Document Types and Number Ranges	OBA7
54	Defining House Bank	F112
55	Creation of Check Lots	F110
56	Purchase Invoice Posting	F-43
57	How to View Vendor Account Transactions	FBL1N
58	Outgoing Vendor Payment with Clearing	F-53
59	Manual Check Creation	FCH5
60	Display Check Register	FCHN
61	Check Encashment Date Updation	FCH6
62	Cancellation of Unissued Checks	FCH3
63	Creation of Void Reason for Check Cancellation	FCHV
64	Deletion of Encashment Date of Check	FCHG
65	Cancellation of issued Checks before encashment	FCH8
66	Creating Link between Sundry Cr and Advances to Vendors	OBYR
67	Advance Payment Postings to Vendors	F-48
68	Transfer of advances from Spl.GL to Normal by Clearing Sppcial Clearing Items	F-54
69	Clearing of Normal Items under Accounts Payable	F-44
70	Assaignment of Account for Automatic Payment	OBXU
71	Setup Payment methods per country for payment transactions	SPRO
72	Setup Payment methods per Comp. Code for payment transacts	SPRO
73	Setup all Company Codes for payment Transactions	SPRO
74	Setup Paying Company Codes for payment Transactions	SPRO
75	Creation of Sequential Check Lots	FCHI
76	Assaign Payment Methods in Vendor Masters	XK02
77	Setup Bank Determination for Payment Transactions	FBZP
78	Automatic Payment Programme Run	F110
79	Credit Memo Posting	F-41
80	<i>Posting Key for Vendor Credit</i>	31
81	<i>Posting Key for Vendor Debit</i>	25

END OF ACCOUNTS PAYABLES

ACCOUNTS RECEIVABLE

This is also subledger (Subsidiary Ledger). This is used when Sales & Distribution Module is not implemented for all types of Sales. Ex: for Product Sales / Scrap Sales/ Asset Sale. When SD Module is implementing, this is used for Scrap Sale / Asset Sales, Other than Product Sales. Product Sales will be used in SD Module.

in case of Sales:

Customer A/c Dr.	→ Sub Ledger	→ Sundry Dr. A/c (General Ledger)
To Sales A/c	→ Gen. Ledger A/c	Reconciliating Account or control account.

Basic Settings for Accounts Receivable:

- 1 Creation of Customer Account Groups
 - a) FI Customers----> for Scrap Sale/ Asset Sale Parties
 - b) SD Customers----> for Product sale partiesIn Both the cases, make Reconciliation account required entry field
- 2 Create Number Ranges for Customer Account
- 3 Assign No Ranges to Customer Account Groups
- 4 Creation of 2 GL Master
 - a) Sundry Debtors → Under Current Assets, Loans & Advances
 - b) Sales Account → Under Sales
- 5 Creation of Customer Masters
- 6 Document Types & Number Ranges

DR	→ Customer Invoice
DZ	→ Customer Payment
DA	→ Customer Document for Transfers/ Reversals
- 7 Posting Keys

→ 01 :	Customer Debit
15 :	Customer Credit

We are testing a Scenario where Vendor is a Customer also

GSL			
Purchases	100000	Sales	100000
Sales	20000	Purchases	20000
Net Payable	<u>80000</u>	Net Receivable	<u>80000</u>

When we make net payment or when we receive Net amount, we have to clear Vendor as well as Customer Transactions.

Customization :

Step 1. Creation of Customer Account Groups

PATH: SPRO---->Financial accounting ---->Accounts Receivable & Accounts Payable----> Customer Accounts ---->Master Data---->Preparations for Creating Customer Master Data---->Define Account Groups with Screen Lay Out (Customers)

Select New Entries Button

Account Group: PSL1 (Text Field)

Name : FI Customers for PSL

Double Click on Company Code Data

Double Click on Account Management

Reconciliation Account Make it Required Entry Field → SAVE

Select Create Request Button

Short Description : AR Customization for PSL → ENTER

Press ENTER to save in your request.

Select Next Entry Button

A/c Group: PSL2

Name : SD Customers for PSL

Double Click on Company Code Data

Double Click on Account Management

Reconciliation Account Make it Required Entry Field → SAVE

Step 2. Create Number Ranges for Customer Accounts:

PATH: SPRO---->Financial accounting ---->Accounts Receivable & Accounts Payable----> Customer Accounts ---->Master Data---->Preparations for Creating Customer Master Data---->Create No. Ranges for Customers (TC=XDN1)

Select Change Interval Button

Select Interval Button

No. Range	From No	To No	
35	3000001	3000100	→ ENTER

Select Drop Down Button

Select Interval Button

No. Range	From No	To No	
36	3000101	3000200	→ ENTER & SAVE

Step 3 Assign Number Ranges to Customer Accounts:

PATH: SPRO---->Financial accounting ---->Accounts Receivable & Accounts Payable----> Customer Accounts ---->Master Data---->Preparations for Creating Customer Master Data---->Assign Number Ranges to Cust A/c

Select Position Button

Account Group: PSL1 → ENTER

For Group Assign

PSL1 35

PSL2 36 → SAVE

→ ENTER to Save in your Request.

Step 4 Creation of 2 GL Masters (FS00)

A/c #1 GL A/c: 200110 Comp. Code:

PSL Select With Template Button

GL A/c:	200150
Comp. Code:	PSL

→ ENTER

Change Short text & GL A/c Long Text to : Sundry Debtors

Select Control / Data Tab

Reconciliation for Account type

Select Customers

Sort Key: 031 (Customer No)

→ SAVE

A/c #2 GL A/c: 300000 Comp. Code:

PSL Select With Template Button

GL A/c:	300100
Comp. Code:	PSL

→ ENTER

Select Type/ Description Tab

Change Account Group to Sales

Change Short text & GL A/c Long Text to : Sales Accounts

→ SAVE

Step 5 **Creation of Customer Masters:**

Accounting ----> Financial Accounting ---->Accounts Receivable----> Master
Records----->Maintain Centrally -----> Create (XD01)

Account Group: Select FI Customers for PSL

Comp. Code: PSL → ENTER

Title: Company (Select from Drop Down Button)

Name : Godrej Steel Limited

Country : IN (India)

Select Control/ Data Tab

Vendor A/c: Select 4400001

Select Company Code data button

Recon A/c: 200110 (Sundry Debtors A/c)

Sort Key: 031 (Customer Number)

Select Payment Transaction Tab

Terms of Payment : 0001 (Payable Immediately due net)

→ SAVE

Step 6 Document Types & Number Ranges (OBA7)

Select DR Customer Invoice

Select Details Button

Number Range: 18

Select Number Range information Button

Company Code: PSL

Select Change Intervals Button

Select Intervals Button

No. Range 18

Year : 2009

From No: 400001 To No 500000 → ENTER & SAVE

Ignore Warning Message and Enter

Press Back Arrow 3 Times

Select DZ Customer Payment
 Select Details Button
 Number Range: 14
 Select Number Range information Button
 Company Code: PSL
 Select Change Intervals Button
 Select Intervals Button
 No. Range 14 Year : 2009
 From No: 500001 To No 600000 → ENTER & SAVE
 Ignore Warning Message and Enter Press Back Arrow 3 Times

Select DA Customer Document
 Select Details Button
 Number Range: 16
 Select Number Range information Button
 Company Code: PSL
 Select Change Intervals Button
 Select Intervals Button
 No. Range 16 Year : 2009
 From No: 600001 To No 700000 → ENTER & SAVE
 Ignore Warning Message and Enter

END USER AREA:

Step1: Sales Invoice Posting :

Accounting ----> Financial Accounting ---> Accounts Receivable---->
 Document Entry--->Invoice General (F-22)

Doc. Date: 12.08.09 Type : DR Company Code: PSL
 Post.Date: 12.08.09
 Post.Key: 01 (Customer Debit) A/c # 3000001 → ENTER
 Amount : 200000 Buss. Area: PSLH
 Text: Sales Invoice Posting

 Post.Key: 50 (Sales) A/c# 300000 (Sales A/c) → ENTER
 Amount: * Buss. Area: PSLH Text: +
 From Menu----> Document----> Simulate & SAVE

Step2: How to view Customer Account Transactions:

Accounting ----> Financial Accounting ---> Accounts Receivable---->
 Accounting ---->Display/ Change Line Items (FBL5N)

Customer A/c # 3000001 Company Code:
 Select Open Items Radio Button
 Select Normal Items Check Box -----> Execute (F8)

We can see report that 200000 receivable . If We select Vendor Items Check Box also we can see Vendor A/c & Customer transactions Together.

Incoming Payment and Clearing Vendor & Customer Transactions:

Step A: Document Type DZ(Customer Payment should allow Vendor Transactions also

We have 5 Account types of Number Ranges.

When we receive Payment from Customer

Bank A/c Dr

To Customer A/c

When we made payment to Vendor

Vendor A/c Dr.

To Bank A/c

A: Assets

D: Customers---> Selected

K: Vendors----> to be selected

M: Materials--->

S: GL Masters---> Selected

A: Assets

D: Customers---> to be Selected

K: Vendors----> Selected

M: Materials--->

S: GL Masters---> Selected

Use TC= OBA7

Select Type:

DZ

Select Details Button

Select Vendor Check Box-----> SAVE

Press Enter to Save in your request.

Step B: Incoming Payment :

Accounting ----> Financial Accounting ----> Accounts Receivable----> Doc. Entry

---->Incoming Payment (F-28)

Doc.Dt: 12.08.09

Type: DZ

Comp. Code: PSL

Clearing Text: Incoming Payment

A/c : 200105 (SBI C/ A)

Buss.Area: PSLH

Amount: 198000

Text: Incoming Payment

Under Open Items Selection

A/c # 3000001 (GSL)

A/c Type: D (It come by Default)

D Stands for Customer

Select Other A/c Check Box

Select Process Open Items Button

A/c Type

Comp. Code

Standard OI

A/c

K (Vendors)

PSL

☒

4400001

Select Continue Button

Double Click on all Open Items

Menu----> Document -----> Simulate & Save

Go and See Customer A/c Transactions (FBL5N):

Cust. A/c: 3000001

Comp. Code

PSL

Select Cleared Items Radio Button

Select Normal Items Check Box

Select Vendor Items Check Box-----> Execute (F8)

Advance Receipt from Customers (Down Payments Received) :

Normally after sales we receive payment from Customer. In this case, we received advance from Customer and after that sales were made.

- Step 1. Creation of Advance from Customers under Current Liabilities and Provisions

FS00

GL A/c # 100502

Comp.Code: PSL Select With Template Button

GL A/c #	200110
Comp.Code:	PSL

Change Account Group to Current Liabilities and Provisions

Change Short Text and GL Account Long Text to Advances from Customers

SAVE

- Step 2. Link Between Sundry Debtors & Advances from Customers:

SPRO--->Financial Account---->Accounts Receivable & Accounts Payable---->

Business Transactions---> Down Payment Received ---->Define Reconciliation A/c
for Customer Downpayments (TC=OBXR)

Double Click on Special GL Indicator "A"

(A for Advance)

Chart of Accounts PSL → ENTER

Recon A/c Spl.GL A/c

200110 100502 → SAVE

→ ENTER to save in your request.

- Step 3 Advance Receipt Posting (F-29)

Accounting ---->Accounts Receivable---->Document Entry---->Down
Payment(F-29)

Doc.Dt: 13.08.09 Type: DZ Comp.Code: PSL

Under Customer :

A/c # 30000001 Spl.GL Indicator: A

Under Bank:

A/c# 200105 Buss. Area: PSLH

Amount: 30000 Text: Advance Receipt Pisting

→ ENTER

Amount : * Buss. Area: PSLH Text : +

Menu----> Document ----> Simulate & SAVE

Step 4 Go and See Customer Account Transactions (FBL5N)

Cust.A/c: 3000001 Comp.Code: PSL
Select Open Items Radio Button
Select Spl.GL Transactions Check Box
select Execute (F8) Button
We can see Report Showing Advance receipt from Customer

Step 5 Sale Invoice Posting (F-22)

Doc.Dt: 13.08.09 Type: DR Comp. Code: PSLH
Post. Key: 01 A/c# 3000001 → ENTER
Amount : 30000 Buss. Area: PSLH
Text : Sale Invoice Posting
Post. Key: 50 A/c # 300000 → ENTER
Amount : * Buss. Area: PSLH Text: +
Menu----> Document -----> Simulate & SAVE

Step 6 Go and See Customer Account Transactions (FBL5N)

Cust.A/c: 3000001 Comp.Code: PSL
Select Open Items Radio Button
Select Normal Items Check Box -----> Execute (F8)
We can see Sale Invoice showing as Open Item under Normal Items
Select Back Arrow
Select Spl.GL Transactions Check Box along with Normal Items
select Execute (F8) Button
We can see Report Showing Advance receipt from Customer and Sale Invoice under Open Items

Step 7 Transfer of Advance from Special GL to Normal by Clearing Special GL Items (F-39)

Accounting --->Financial Accounting ---->Accounts Receivable---->
Document Entry---->Down payment---->Clearing (F-39)
Doc.Dt: 13.08.09 Type: DA Comp.Code: PSL
Cust. a/c: 3000001 Text: Advance Receipt Clearing
Select Process Down Payment Button
Trasnfer Posting : 30000 → SAVE

Step 8 Go and See Customer Account Transactions (FBL5N)

Cust.A/c: 3000001 Comp.Code: PSL
Select Cleared Items Radio Button
Select Normal Itmes Check Box -----> Execute (F8)
We can see Sale Invoice and Advance showing as Open Items under Normal Items

Step 9 Clearing of Normal Itmes: (F-32)
 Accounting --->Financial Accounting ---->Accounts Receivable--->
 Accounting ---> Clear (F-32)

A/c # 3000001 Comp. Code: PSL
 Select Process Open Items Button
 Double Click on Debit 30000 and Double Click on Credit 30000.
 Save. Now Both will go from Open Items and cleared.

If we are purchasing following material from One Supplier :

RM	→ Sundry Cr. RM	→	100501
Stores	→ Sundry Cr. Stores	→	100502
Capital Goods	→ Sundry Cr. C G	→	100503
Services	→ Sundry Cr. Service	→	100504

In F-43 Posting Key will Be 39 and Special GL Indicator "X"

BILL DISCOUNTING :

Normally Banks are offering 2 Types of Facilities.

1. Fund Based Banking Facilities
2. Non Fund Based Banking Facilities

Fund Based Facilities	Non Fund Based Facilities
1. Money Physically given by Bank 2. Types of Facilities (Credit) a) Cash Credit against Local Sales b) Packing Credit against Export Sales c) Bank Over Draft d) Bill/ Invoice Discounting	1.Banks will not give Money Physically 2. Types of Facilities (Credit) a) Letter of Credit (LC's) b) Bank Guarantees (BG's)

We are Discussing with Bill Discounting only Now

Suppose PSL Made a sale to one customer on 13.08.09 on 30 days credit payment terms.

If we have Bill Discounting Facilities, We can discount the Invoice with the bank .
 We receive the Money now itself after deducting the Bank Charges and Interest for 30 days.

On due date, we have 2 scenarios.

if Customer Made the Payment
 to the Bank on Due Date



No Liability to Bank from PSL

IF Customer does not pay to Bank



Liability rises with PSL and Bank will
 debit the amount from PSL's Bank C/A

Suppose , if we discounted some of bills with the bank. Out of them, some of the bills due date is after the date of Fiscal Year Closing Date. The amount which is outstanding after Fiscal Year Closing date, will be contingent liability of the Customer as , we do not know, whether customer will pay to the bank or not. So we will show that amount as Contingent Liability in Notes to the Balance Sheet as " Bills Discounted with Banks"

Entries in Normal A/c	Entries in SAP
1. For Sales: Customer A/c Dr. 50000 to Sales A/c 50000	1. For Sales: Customer A/c Dr. 50000 to Sales A/c 50000
2 For Bill of Exchange Payment No Entry in Accounting	2 For Bill of Exchange Payment Customer Spl GL(W) Dr. 50000 to Customer with Clg 50000
3 Bills of Exchange Discount SBI C/ A Dr. 48000 Interest A/c Dr. 2000 To SBI Bill Discounting A/c 50000	3 Bills of Exchange Discount SBI C/ A Dr. 48000 Interest A/c Dr. 2000 To SBI Bill Discounting A/c 50000 Entry No 2 & 3 will pass together in SAP
4. We can see Report Customer Wise Bill Wise, Due Date wise, and Bank Wise outstanding	4. Same Reports available in SAP
5 Reverse of Contingent Liability SBI Bill Discounting A/c Dr. 50000 to SBI C/ A 50000	5 SBI Bill Discounting with Clg 50000 To Cust. Spl GL(W) with clg 50000 (Sundry Dr. Bill of Exchange)

Presentation of Bills of Exchanges in Balance Sheet:

If we received Bills of Exchange from Customer and discounted in Bank we have 2 types of presentation in Balance Sheet

{A}	We will show Sundry Debtors including the Bills of Exchange Amounts		
	and	Sundry Dr. Bills of Exchange	50000 Dr.
		SBI Bills Discounting	50000 Cr. Net ZERO

OR

{B} Some Companies show normal Debtors and Bills Discounting will not show in B/S. It will be appeared in Notes to B/S under Contingent Liabilities.

Customization:

Step 1. Creation of 2 GL Masters (FS00)

1st A/c GL A/c: 200111 Comp. Code: PSL

Select With Template Button

GL A/c:	200110
Comp. Code:	PSL

→ ENTER

Change short Text to

Sundry Dr. B/E

Change Long Text to

Sundry Debtors Bills of Exchange

SAVE

2nd A/c

GL A/c: 100302 Comp. Code: PSL

Select With Template Button

GL A/c:	100300
Comp. Code:	PSL

→ ENTER

Change short Text to

SBI Bill Discounting A/c

Change Long Text to

SBI Bill Discounting A/c

Select Control Data Tab

Select Open Items Management Check Box

Select Line Items Check Box

Select Create/Bank/Interest Tab

Select Post Automatically Check Box

→ SAVE

Step 2. Link Between Sundry Debtors and Sundry Debtors Bills of Exchange:

PATH: SPRO---> Financial Accounting--->Bank A/c---> Business Transactions--->Bills of Exchange Transactions---->Bills of Exchange Receivables---> Post Bill of Exchange Receivable--->Define Alternative Reconciliation Account for Bills of Exchange Receivable (OBYN)

Double Click on Special GL Indicator " W"

Chart of Accounts : PSL → ENTER

Recon A/c Spl. GL A/c

200110 200111 → SAVE

→ ENTER to save in your request.

Step 3 Define Banks of Sub Accounts:

Upto Bills of Exchange Receivable Path is same----> Present Bill of Exchange Receivable Bank---->Define Bank sub Account (TC=OBYK)

Select New Entries Button

COA	Bank A/c	Usage	SGL Ind	Customer	Bank Sub A/c
				Recon A/c	for Liability
PSL	200105	Discounting	W	200110	100302

(SBI Bill Discounting A/c)

→ SAVE

→ ENTER

to save in your request

END USER AREA:

Step 1 Sales Invoice Posting (F-22)
Doc.Dt: 14.08.09 Type: DR Comp. Code: PSL
Post.Key: 01 A/c # 3000001 → ENTER
Amount: 50000 Buss. Area: PSLH Pay. Terms: NT30
Text : Sales Invoice Posting (Net 30)
Post.Key: 50 A/c # 300000 → ENTER
Ignore Warning Message → ENTER
Amount: * Buss. Area: PSLH Text: +
Menu----> Document----> Simulate & SAVE

Step 2 Bills of Exchange Payment
Path: Accounting ---->Financial Accounting ---->Accounts Receivable---->
Document Entry---->Bills of Exchange---->Payment (F-36)
Doc.Date: 14.08.09 Type : DZ Comp. Code: PSL
Post.Key: 09 A/c # 3000001
Special GL Indicator: W X ENTER
Amount: 50000 Buss. Area: PSLH
Text : Bills of Exchange Payment
Due on : 12.09.09 Planned Usage: Select Discounting
Domicile: SBI (Bank Name in which B/E is discounted)
Central Bank Location: Main Branch, Hyd (Location of the Bank)
Select Choose Open Items Check Box
select Processs Open Iteme
Double Click on Receivable amount(Rs. 50,000
Menu----> Document----> Simulate & SAVE

Note Down the Dcoument Number saved like # 500003.

Step 3 Bills of Exchange Discounting(F-33)
Path: Accounting ----> Financial Accounting ----< Accounts Receivable ---->
Document Entry----> Bills of Exchange---->Discounting (F-33)
Doc.Dt: 14.08.09 Type: DA Comp. Code: PSL
Bank A/c: 200105 (SBI C/A) Buss. Area: PSLH
Amount : 48000 Text: SBI Bill Discounting
Post. Key: 40 A/c # 400400 (Interest A/c) → ENTER
Amount : 2000
Buss. Area: PSLH
Text: Interest on SBI Bill Discounting
Select Bill of Exchange Button
Doc # : 500003
Menu----> Document----> Simulate & SAVE

Step 4 Report to View Customer wise, Bill Wise, Due Date Wise and Bank Wise O/s:
 Path: Accounting ---> Financial Accounting --->Accounts Receivable ---> Periodic Processing--->Bills of Exchange Processing --->Korea---->B/E Management (TC= S_ALR_87012213)
 COA : PSL GL A/c: 200111 Comp. Code: PSL
 Special GL Indicator : W Usage: D (Discounting)
 select Discounted/ Collected Radio Button → Execute (F8)
 Select Change Layout Button
 Keep fields Due Date, Doc # , Customer No, Received from, Doc Dt, Domicile, Amount in Local Currency Select Copy Button

REVERSE OF CONTINGENT LIABILITY:

Accounting --->Financial Accounting---->Accounts Receivable---> Document Entry--->Bills of Exchange--->Reverse Contingent Liability (TC=F-20)

Doc.Dt: 11.09.09 Type: DA Comp. Code: PSL

Bills of Exchange Selection

GL A/c : 200111 Usage: Discounting

Customer: 3000001 Due By: 30.09.09

Select Edit Line Items Button → Ignore Warning Message Press ENTER

*** Command: + (Set Items to Active) → SAVE

MENU----> Document ----> Display

If the Bill is Dishonour by Customer :

The Contingent Liability Becomes Actual Liability when the Bill is dishonoured by Customer. We have to Reverse Contingent Liability and Pass Customer A/c Dr.

To SBI C/A

*** Why to Select "+" in Command Field:

+ set items to active
 ++ set items in block to active
 - set items to inactive
 -- set items in block to inactive

If customer paid to Bank for Bill Nos 2,3 & 4, then we can select like below

Bill No		{OR}	{OR}
1			-
2	+	++	
3	+		
4	+	++	
5			-

If we are using "++" or "--" it should be marked from and to Bill. In between the marks all bills will be active or inactive.

Later If customer made payment for Bill Nos 1 & 5 then

Bill No		{OR}	{OR}
1	+		
2		-	-
3		-	
4		-	-
5	+		

DUNNING

Dunning means Reminder. If the customer does not make the payment as per the payment terms, we can issue Dunning (Reeminder) Letter to Customer from SAP.

Dunning Area: *Dunning area can be Company Code, as a whole (or) Region (or) Location*

In Case of Big Companies Separate Marketing Head from Each Region wants to issue Dunning Letters to his Area Customers. In this Case Dunning area will be Region

In Case of Small Companies, One Marketing Head for all the Regions . In this case Dunning area will be Company Code as a whole

Dunning Levels: Dunning Levels means Types of Letters. There are Maximum 9 levels in SAP. But we are using 4 levels.

Dunning Intervals: Dunning Intervals means Frequency of Letters to be generated Every 10 days or 15 days

Grace Period: 3 days

Ex: if Sale is made on 17.08.09 and Terms of Payment 0001 (payable immediately)

<u>1st Letter</u>	<u>2nd Letter</u>	<u>3rd Letter</u>	<u>4th Letter</u>
After 20th Aug (including 3days for Grace)	After 30th Aug	After 9th Sept	After 19th Sept

Note: Grace Period is calculated only for the 1st Letter but not for all letters.

Dunning Charges: For Sending the letters we can collect Dunning Charges from Customers. Dunning Charges can be a Fixed Amount or Percentage Basis Amount or Percentage can be based on Levels of Dunning . Dunning Charges will be levied only in the Letters and will not be posted to Accounts. It will be Done to Threaten the Customer to make the Payment with in Due Date. If the Customer paid Dunning Charges in Real, then only posting will be done to " Dunning Charges A/c " as Other Income.

CUSTOMIZATION OF DUNNING PROCEDURE:

Step 1. Define Dunning Area: SPRO---->Financial Accounting ---->Accounts Receivable& Accounts Payable--->Business Trnsactions---->Dunning ---> Basic settings for Dunning---> Define Dunning Area

Select New Entries Buton

Company Code: PSL Area : Blank (Blank Area is for Creating Dunning area at Comp Code Level)

Text: Dunning Area for PSL

SAVE ----> Ignore Warning Message and Press Enter

Press Enter to Save in your Request.

Step 2. Define Dunning Procedure: Upto Dunning Path is same--->Dunning Procedure

---->Define Dunning Procedure(FBMP)

Select New Procedure Button

Dunning Procedure: PSL1 (Text Field)

Name: Dunning Procedure for PSL

Dunning Interval in Days: 10

No. of Dunning Levels: 4

Line Item Grace Period: 3

Interest Indicator 01 (Standard Item Interest Calculator)

Select Standard Transaction Dunning Check Box

Select Dunning Texts Button

Ignore Warning Message and Press Enter

Company Code: PSL

Select Customer Radio Button

Press Enter and Select New Company Code Button

Company Code: PSL Press Enter

De-select Dunning by Dunning Area Check Box. If Area is Blank.

Select Separate Notice for Dunning Level Check Box

Select Back Arrow 2 times

Select "Yes" Button Press Enter to save in your request.

Select Dunning Texts Button once Again.

Comp Code: PSL

Select Customer Radio Button and Press Enter

Open One More Session with TC = FBMP

Double Click on Procedure 0001

select Dunnint Texts Button

Comp. Code 1000

Select Customer Radio Button → ENTER

Come to 1st Session

<u>Dunning Level</u>	<u>From</u>
1	F150_DUNN_01
2	F150_DUNN_01
3	F150_DUNN_02
4	F150_DUNN_02

Select Page Down Button

Select Dunning Levels Button

Select Always Dunn Check Box for all the 4 levels

Select Charges Button

Currency : INR → ENTER (In this section we can give Dunning Charges to be collected from Customer)

Select Back Arrow

Select Save or Ctrl+S → Ignore Warning Message → ENTER
→ ENTER to save in your request.

Step3. Assaign Dunning Procedure in Customer Master:
Accounting ---->Financial Accounting ---->Accounts Receivable---->Master records
---->Maintain Centrally---->Change (XD02)

Customer A/c#: 3000001
Comp. Code: PSL → ENTER
select Company Code Data Button
Select Correspondence Tab
Dunning Procedure: PSL1 → SAVE

END USER AREA:

Step1. Sales Invoice Posting (F-22)
Doc.DT: 10.08.09 Type: DR Comp. Code: PSL
Post. Key: 01 Account # 3000001 → ENTER
Amount : 9999 Buss. Area: PSLH
Text: Sales Invoice Posting
Post. Key: 50 Account # 300000 → ENTER
Amount : * Buss. Area: PSLH Text: +
Menu----> Document----> Simulate & SAVE

Step2. Dunning : Accounting --->Financial Accounting ---->Accounts Receivable---->
Periodic Processing ---->Dunning (F150)
Run ON : 18.08.09 Identification: PSL1 (Text Field)
Select Payment Tab
Dunning Date(Letter Date): 18.08.09
Documents Posted Upto: 18.08.09
Company Code: PSL
Customer A/c: 3000001 to 3000100 → SAVE
Select Back Arrow
Select Schedule Button
Output Device : LP01
Select Contineu Button
Select Start Immediately Check Box
Select Schedule Button
Go and Press Enter till we get message " Dunning Selection is Compleate"
Select Dunning Printout Button
Output Device : LP01
Select Contineu Button
Select Print Button
Go on Press Enter till we get theMessage " Dunning Printout is Complete"

Select Dunning History Button
 Comp. Code: PSL → Execute (F8)
 Keep the Cursor on Amount 9999
 Select Display Dunning Notice Button
 Keep the Cursor on Doc #
 Select Print Preview Button ,
 Output Device : LP01
 Select Continue Button

Go and See Customer Master (XD02):

Customer A/c # 3000001
 Comp. Code: PSL → ENTER
 Select Comp Code Data Button
 Select Correspondence Tab
 We can see the Letter to the Customer regarding the Outstanding Payment

SALES TAX

Sales Tax is part of CIN in SAP. CIN means Country India Version.

If we made Local Purchases or Local Sales

i.e., Within State Purchases / Sales
 VAT is applicable (VAT Purchases
 / Vat Sales)

If we made Out of State Purchases/ Sales

Central Sales Tax(CST Purchases/ Sales)

	Purchases	
	Local Purchase	Outside Purchase
Basic Price	100	100
Excise Duty (6%apx)	6	6
	<u>106</u>	<u>106</u>
VAT 4% {*}	4.24	
CST 2 % {**}		2.12
Vendor account	<u>110.24</u>	<u>108.12</u>

	Sales	
	Local Sales	Outside Sales
Basic Price	200	200
Excise Duty (8%apx)	16	16
	<u>216</u>	<u>216</u>
VAT 12.5% {?}	27	
CST(2%) (??)		4.32
Customer Account	<u>243</u>	<u>220.32</u>

Note *: will go to VAT Receivable A/c

Note ?: Will go to VAT Payable Account

Note **: to be added to Inventory only, No
 adjustment is possible for CST.

Note??: will go to CSTG Payable Account

VAT payable and VAT Receivable even though 2 accounts, every month, we will reconcile these accounts and adjust against other. Net amount only be payable or receivable. Whereas in the case of CST Payable, we cannot be able to adjust this amount against other account. CST Receivable can be adjusted against VAT Payable.

Payment to Sales Tax Dept:

		Payable
A) Local Sales - Local Purchases	(27 - 4.24)	22.76
B) Local Sales - CST Sales	(27-0)	27
C)CST Sales - Local Purchases	(4.32-4,24)	0.08
D)CST Sales - CST Purchases	(4.32-0)	4.32

Customization :**Step 1: Define Tax Procedure:**

PATH: SPRO---->Financial Accounting ---->Financial Accounting Global Settings--->

Tax on Sales / Purchases----> Basic Settings--->Check Calculation Procedure

Double Click on Define Procedure

Select New Entries Button

Procedure Description

PSL Tax Sales Tax India → SAVE

(Text Field)

→ ENTER to save in your request.

Select PSL Tax

Double Click on Control Data Folder

Select New Entries Button

Step	Contition Type	Description	From	To	A/c Key
10	BASB	Base Amount	-	-	-
20	MWVS	Input Tax	10	10	VST (Input Tax)
30	MWAS	Output Tax	10	10	MWS(Output tax)

→ SAVE

Step 2: Assign Country to Calculation Procedure:

PATH: Upto tax on sales / Purchase Path is same---> Basic Settings--->Assign

Country to Calculation Procedure

Select Position Button

Country : IN (For India) → ENTER

For Country IN Assaign Procedure PSL Tax → SAVE

→ ENTER to save in your request.

Step 3: Define Tax Codes for Sales and Purchases:

PATH: Upto Tax on Sales / Purchases path is same----> Calculation --->Define

Tax Codes for Sales & Purchases

Give Country Code: IN → ENTER

Tax Code: V1(Text Field) → ENTER

Description: 4% Input Tax

Tax Type: V (Input Tax) → ENTER

Tax %

Input Tax 4%

Output Tax Keep cursor on Out Put tax % and select Deactivate Button → SAVE

Tax Code: V0 → ENTER
 Description : 0% Input Tax
 Tax Type: V (Input Tax) → ENTER
 Tax %
 Input Tax 0%
 Output Tax Keep cursor on Out Put tax % and select Deactivate Button → SAVE

Tax Code: A1 → ENTER
 Description: 12.5% Output Tax
 Tax Type: A (Output Tax) → ENTER
 Tax %
 Output Tax 12.5%
 Input Tax Keep cursor on InPut tax % and select Deactivate Button → SAVE

Tax Code: A0 → ENTER
 Description: 0% output Tax
 Tax Type: A (Output Tax) → ENTER
 Tax %
 Output Tax 0.0%
 Input Tax Keep cursor on InPut tax % and select Deactivate Button → SAVE

Step 4: Assaign Tax Codes for Non Taxable Transactions:

PATH: Upto Tax on Sales / Purchases path is same----> Posting ---->Assaign Tax Codes for Non Taxable Transactions (OBCL)

Select Positon Button

Comp. Code: PSL → ENTER

For Company Code PSL	Input tax Code	Output tax Code
	V0	A0
→ SAVE	→	ENTER to save in your request.

Step 5: Creation of 2 GL Masters:

A) VAT Receivables Under Current Assets Loans & Advances

B) VAT Payable Under Current Liabilities & Provisions

Enter TC=FS00

1st a/c GL A/c : 200155 Comp. Code : PSL Select with template
 GL A/c : 200120
 Comp. Code : PSL → ENTER

Change Short Text and GL A/c Long Text to " VAT Receivable Account"

Select Control Data tab

Tax Category: * (All Tax types allowed)

select Posting Without Tax Allowed Check Box
 select Create/ Bank/ Interest tab
 Change Field Status group to G041 (tax office clearing account)
 → SAVE

2nd a/c GL A/c : 100505 Comp. Code : PSL Select with template
 GL A/c : 200155
 Comp. Code : PSL → ENTER
 Select Type / Description Tab
 Change Account Group to Current Liabilities & Provisions
 Change Short Text & Long Text to " VAT Payable A/c" → SAVE

To Change in Ing. RM & Sales Account to Tax Procedure:

GL A/c: 200120 (Inventory Raw Material A/c)
 Menu----> GL A/c----> Change
 Select Control Data tab
 Tax Category : * (All Tax Type allowed)
 Select Posting Without tax allowed Check Box → SAVE
 Ignore Warning Message & Press Enter to SAVE

GL A/c: 300000 (Sales A/c)
 Menu----> GL A/c----> Change
 Select Control Data tab
 Tax Category : * (All Tax Type allowed)
 Select Posting Without tax allowed Check Box → SAVE
 Ignore Warning Message & Press Enter to SAVE

Step 6: Define Tax Accounts:

PATH: Upto Tax on Sales/ Purchases path is same----> Posting---->Define tax
 Accounts (OB40)
 Double Click on Transactions VST(Input Tax)
 Chart of Accounts: PSL → ENTER → SAVE
 Account: 200155 (Vat Receivable) → SAVE
 → ENTER to save in your request.
 Select Back Arrow
 Double Click on Transactions MWS(Output Tax) → SAVE
 Account: 100505 (Vat Payable) → SAVE
 → ENTER to save in your request.

In Live Environment:

FI Consultants Job: 1. Define Tax Procedure
 2. Define Tax Codes
 3. Creation of GL Accounts
 4. Assaign GL Accounts

In MM Module:

Purchase Order	Material	1
	Vendor	1234
	Qty	1 Kg
	Rate	100 Rs
	Tax Code:	V1 (Input Tax)

Procedure:

Base Amount(1kg x 100) =	100 Inventory Account
Tax Input V1 (4%) =	<u>4</u> Vat Receivable account
Vendor Credit	104

IN SD Module:

Sales Order	Material	1000
	Vendor	4567
	Qty	1 Kg
	Rate	200 RS
	Tax Code:	A1 (Output Tax)

Procedure:

Base Amount(1kg x 200) =	200 Sales Account
Tax Input A1 (12.5%) =	<u>25</u> Vat Payable account
Customer Debit	225

IN FI Module :

Customer A/c Dr.	225	
To Sales	225	once we save the entry systme will pass entry like below
Customer A/c dr	225	
To Sales A/c	200	
To VAT Payable	25	

These entries will pass automatically when MM Module is activated and documents posted in MM Module. But for our example Now, we are testing only in FI.
Not in MM Module

END USER AREA:

Step 1: Sales Invoice Posting (F-22)

Doc. Dt: 19.08.09	Type: DR	Comp. Code: PSL
Post.Dt: 19.08.09		
Post. Key: 01 A/c #	3000001 → ENTER	
Amount: 225	Select Calculate Tax Check Box	
Buss. Area: PSLH	Text: Sales Invoice Posting	
Post Key: 50 A/c #	300000 → ENTER	
Amount: *	Tax Code : A1 (12.5% output tax)	
Buss. Area: PSLH	Text : +	

Document -----> Simulate & SAVE

WITH HOLDING TAX (TDS)

TDS is part of CIN (Country India Version)

TDS stands for Tax Deducted at Source

TCS stands for Tax Collected at Source

We collect TDS for Vendor Payments to Services like Legal , Professional charges ,& Job work charges

We collect TCS from Customers of Sales from Scrap & Waste Sales.

Upto SAP Version 4.7C , SAP has given 2 packages in India. SAP +CIN from Version 4.7EE onwards CIN is part of SAP

There are 2 types of Withholding tax in SAP

Classic Withholding Tax

SAP was released in India in 1995

in 1996 after Finance Budget , For changes in Tax SAP Released

PATCHES (Programme). Like that Upto year 2000 SAP has released patches and providing along with SAP pack. A new company which purchased SAP in the Year 2000 got SAP+CIN+ Attach of All the Patches from 1996 to 1999.

Extended Withholding Tax

SAP modified existing programme with the changes in all Finance Budgets.

Later on in Finance Budgets Surcharge, Education Cess, Higher education Cess was introduced by Govt. of India in Taxes. In the Present Budget for Financial Year 2010, Surcharge, Education Cess and Higher Ed Cess removed.

Earlier we have Annual TDS Return on Contractors a Separate Form 26C

Later it changed to Common TDS Form of 26. From Year 2009 Quarterly Return of 26Q was introduced.

Procedure of TDS on Contractors/Interest/Rent/Professional Charges is same except for Salaries. Only Rates are Different. TDS on salaries is part of "Pay Roll Module" which we are not Covering in Training.

As Procedure is same, we are Testing only " TDS on Contractors" for Testing Purpose (IT Sec 194C)

- | | | |
|----------------|--------------------------|-------------|
| 1. Status | Company/Partnership Firm | Individuals |
| 2. Rates Basic | 2% | 2% |
- 3 TDS is to be deducted at the time of Invoice Posting / Advance Payment Posting which ever is earlier
4. If the Bill amount is less than Rs. 20,000 and the Whole Year Contract Value with the same party is less than 50,000. No TDS to be deducted.
5. If the Contractor does not have taxable income, we can get exemption certificate from Income Tax Department for lower rate of Deduction or NIL Rate of Deduction. In that case we have to deduct TDS at Lower Rate or NIL rate . Income Tax Dept give exemption for each year.

6. TDS Deducted should be deposited within 7 days from the month end.
in case of Year End credits, to be deposited within 2 months from the end of the year.
7. If 7th day come on Holiday choice to make payment 1 day before or after.
8. If the Bill amount includes material cost and conversion charges, we have the option to deduct TDS on Full Amount or only on Conversion Charges
- 9 Issue TDS Certificates in Form 16A should be issued within 1 month or we can issue consolidated certificate for the whole year within 1 month from the end of Closing Financial Year.
10. File Quarterly Return in form 26Q
11. Tax deducted at source can be obtained at company code level/ Business Area Level/Business Place Level.

CUSTOMIZATION:

Step 1: Maintain Calendar:

SPRO--->SAP Netweaver---->General Settings--->Maintain Calender
(TC= SCAL)

Select Public Holidays Radio Button

Select Change Button

Select Create Button

Select With Fixed Date Radio Button

Select Create Button

Day 01

Month 05(May)

Short Holiday Name: May Day

Long Holiday Name: May Day → ENTER

Ignore Warning Message Select Button → ENTER

Select Back Arrow

Select Holiday Calendar Radio Button

Select Change Button

Select Create Button

Calendar ID P2 (Text Field)

Description : PSL HYD Factory Holiday Calendar

Select Assaign Holiday Button

Salect May Day Check Box

Select Assaign Public Holiday Button → SAVE

Ignore Warning Message → ENTER

Select Back Arrow 2 times

Select Factory Calender Radio Button

Select Change Button

Select Create Button

Calendar ID P3 (Text Field)

Description : PSL Hyd Factory Calendar

Holiday Calendar ID: P2

Select Monday to Saturday Check Box → SAVE

Ignore Warning Message → ENTER

Step 2: Check Withholding Tax Countries:

SPRO--->Financial Accounting--->Financial A/c Global Settings--->
Withholding Tax---->Extended Withholding Tax---->Basic Settings---->
Check withholding tax countries
Select New Entries Button
Country : IN
W/Tax Country: IN
Description : India → SAVE
Save in AP Customization Request

Step 3: Define Withholding Tax Keys → Same Path

Country Key: IN → ENTER
Select New Entries Button

Off. Withhold Tax Key	Name	
194C	TDS on Contractors	→ ENTER
→	ENTER	to save in your request.

Step 4: Define Business Places (Section Code)

Upto Extended Withholding Tax Path is Same---->Basic Settings---->
India--->Define Business Places
Select New Entries Button
Comp.code: PSL
Section Code: PSL (Text Field)
Name: PSL Hyderabad Factory → SAVE
Name: PSL Hyderabad Factory
Country : IN → ENTER
→ ENTER to save in your request.

Step 5: Assaign Factory Calender to Business Place(Section Code)

Same Path → Select New Entries
Comp. Section Fact. Cal Rule

Code	Code	ID	
PSL	PSLF	PS	Day Before (Select from Dropdown Button)
→	SAVE	→	ENTER to save in ur request

Step 6: Define Business Places:

Menu-->System-->Services-->Table Maintenance--->Extended Table Maintenance (SM30)

Table View: J_1BBRANCV

Select Maintain Button

Give Comp. Code: PSL → ENTER

Select New Entries Button

Business Place: PSLF

Description: PSL Hyd Factory → SAVE

Name: PSL Hyd Factory

Country: IN

Press Enter to Save in your Request

Step 7: Assign Section Code to Business Place:

Use TC= SM30

Table/ View : V_SECCODE

Select Maintain Button

Comp Code: PSL → ENTER

For Section Business

Code Place

PSLF PSLF (Assign) → SAVE

Step 8: Define Withholding Tax Type for Invoice Posting

Upto Extended W/Tax Path is same--->Calculations--->Withhold Tax Type---->Define Withhold Tax Type for Invoice Posting

Country : IN → ENTER

Select New Entries Button

Withhold Tax Type P1

Description : Sec194C Contractors Invoice Posting

Under Base Amount

Select Gross Amount Radio Button

Select Withhold Tax Commercial Rounding Radio Button

Select Post Withhold Tax Amount Check Box

Select No Accumulation Radio Button

Save ----> Press Enter to save in your Request.

Step 9: Define Withhold Tax Type for Payment Posting (At Advance)

Same Path(Next Line to Last Price)

Country Key: IN for India → ENTER

Select New Entries Button

Withhold Tax Type : PA

Description : Section 194C Contractors Advance Posting

Base Amount: Select Gross Amount Radio Button

Select Withhold Tax Commercial Rounding Radio Button

Select Post Withhold Tax Check Box

Select No Accumulatio Radio Button

** Select Central Invoice Proportionate Radio Button

→ **SAVE** → ENTER to save in your request

** **Importance of Central Invoice Proportionate Radio Button**

on 10.07.09 Advance Payemnt Posting (F-48)

Vendor Special GL A/c Dr. 100000

To Bank A/c 98000

To TDS Payable A/c 2000 (to be paid to Govt
before 07.08.09)

on 21.08.09 Posting of Coverion Charges (F-43)

Conversion Charges A/c Dr 500000

To Vendor A/c 490000

To TDS A/c 10000 (to be paid to Govt
before 07.09.09)

Transfer of Advance from Special GL to Normal by Clearing Special GL Items
(F-54)

Vendor A/c Dr. 98000

TDS A/c **2000**

To Vendor Special GL A/c 100000

Debit to TDS Account will be done automatically when we select the
Central Invoice Proportionate Radio Button

Effect on 07.09.09 to be paid : 10000 Cr Total to be payable
2000 Dr advance paid
8000 Cr Balance to be paid

Step10: Define Withholding Tax Codes:

Upto Extended Withholding Tax Path is same--->Calculation ---->

Withholding Tax---->Define Withholding tax codes

Country Key: IN (For India) → ENTER

Select New Entries Button

Withholding Tax Type: P1

Withholding Tax Code: P1

Description : Select 194C Contractors Invoice Posting

Official W/Tax Key: 194C (Standard Posting : Bank/Vendor/
Customer Line Items Reduced)

Base Amount

Percentage Subject to Tax: 100% Posting Indicator: 1

Calculation :

Withholding Tax Rate: 2% → SAVE

→ ENTER to save in your request.

Select Back Arrow

Select Withhold Tax Type P1

Select Copy as Button

Change Withhold Tax Type to PA

Change Withhold Tax Code to PA

Description : Sec 194C Contractors Advance Posting

→ ENTER & SAVE

Step11: Check Receipt Types :

Upto Extended Withholding Tax Path is same--->Basic Settings--->

Check Recipient Types

Country Key: IN (India) → Enter

Select New Entries Button

Withholding Tax Type: P1

Recipient Type: CO (Text Field)

Text : Company

2nd : Withholding Tax Type: P2

Recipient Type: CO (Text Field)

Text : Company

SAVE → Enter to save in your request.

Step12: Maintain Tax Due Dates:

Upto Extended Withholding Tax Path is same---> Basic settings--->

India--->Maintain Tax Due Dates

Select New Entries Button

Country: IN (for India)

Official W/tax Key : 194C

Recipient Type : CO (Company)

No. of Days Until Tax

Due Date: 777 (7 Days from the Month End)

Select SAVE or Ctrl+S → Enter to save in your request.

Step13: Assign Withhold Tax Types to Company Codes:

Upto Extended Withholding Tax Path is same---> Company Code--->

Assign Withhold Tax Types to Company Codes

Select New Entries Button

Company Code: PSL

W/Tax Type: P1

Recipient Type: CO

Select W/Tax Agent Check Box

W/Tax Obligated from : 01.04.09

W/Tax Obligated to : 31.03.09

Select SAVE or Ctrl+S → Enter to save in your request.

Select back Arrow Button

Select Company Code: PSL

Select Copy As Button

Change W/tax type to PA and SAVE

Step14: Activate Extended Withholding Tax

Same Path

select Position Button

Company Code: PSL → Enter

For Comp Code PSL Select Extended W/Tax Check Box

SAVE ---> Ignore Warning Message

→ Enter to save in your request.

Step15: Creation of 2 GL Masters (FS00)

a) Conversion Charges under Manufacturing Group

b) TDS on Contractors under Current Liabilities& Provisions

FS00 → Enter

1st A/c GL A/c: 400200 Comp.Code: PSL Select With Template

GL A/c:	400100
Comp.Code:	PSL

→ Enter

Change Account Group to " Manufacturing"

Change ST & GL Long Text to " Conversion Charges" → SAVE

2nd A/c

GL A/c: 100510 Comp.Code: PSL Select With Template

GL A/c:	100500
Comp.Code:	PSL

→ Enter

Change ST & GL Long Text to " TDS on Contracting" → SAVE

Step16: Assaignment of Accounts for Automatic Posting

Upto Extended Withhold tax path is same---> Postings---

A/c for Withhold tax--->Define account for Withhold Tax to be paid over

Chart of Accounts: PSL → Enter

Select W/Tax Code: Check Box

With Hold Tax Type: Check Box → SAVE

W/Tax Type	W/Tax Code	A/c
------------	------------	-----

P1	P1	100510
----	----	--------

PA	PA	100510 → SAVE
----	----	---------------

→ Enter to save in your request.

Step17: Maintain Company Code Settings

SPRO--->Logistics General----<Tax on Goods Movements---> India-->

Basic Settings--->Maintain Comp. Code Settings

Select New Entries Button

Comp.Code: PSL → SAVE

→ Enter to save in your request.

Step18: Specify Document Types for Remittance Challan:

TDS Challan for Company Contractors---CO

TDS Challan for Individual Contractors---IN

If in TDS on Contractors A/c there are 5 Bills O/s. (to pay to Govt)

BillNo	Type	Amount
1	CO	1000
2	CO	2000
3	IN	3000
4	CO	4000
5	IN	5000

At the time of making payment We select receipt type = CO Bills to select 1,2,4== 7000

Document type we use to enter SA as Debit A/c and Credit A/c
Both are general Ledger Accounts.

Entry:	TDS on Contractors A/c	7000
	To Bank A/c	7000

PATH: Upto Extended W/Tax path is same--->Postings---> India---> Remittance Challans--->Document Types----> Specify Document Types (A/c Payable)

Select New Entries Button
CoCode RC Doc Type
PSL SA → SAVE
→ Enter to save in your request.

Step19: Maintain Number Ranges : Same Path
 Select Maintain Groups Button
 Select Group Without Text Having 005 Check Box
 Menu---->Interval---->Maintain
 Comp. Code: PSL → Enter
 Select Interval Button
 Year From No To No
 2009 1 100000 → Enter & SAVE
 Ignore Warning Message and Press Enter

Step20: Assign No Group to Business Place:
Use TC= SM30
Table / View == J_1IEWTNUMGR
select maintain button
select new entries button
Comp. Code: PSL Off W/ Tax Key: 194C
Buss. Place: PSLF No. Group: 005
Select Save or Ctrl+S

Step21 Assign No Group to Section Code:
Use TC=SM30
Table / View=== J_1IEWTNUMGR_1
Select Maintain Button
Select New Entries Button

Co.Code	Sect. Code	Off. Key	No.Group
PSL	PSLF	194C	005
→	SAVE	→	Enter

to save in your request.

Step22 Maintain Number Groups & SAP Script Forms(for TDS Certificates)
 Upto Extended W/Tax Path is same--->Postings--->India---->W/Tax
 Certificates for Vendors & Customers--->Maintain No. Groups & SAP
 Script Forms

Select New Entries Button

Co.Code	Sect. Code	Off. Key	Form
PSL	PSLF	194C	J_1IEWT_CERT
→	SAVE	→	Enter to save in your request.

Step23 Assign Number Ranges to Number Groups:

Same Path

Select New Entries Button

No. Group:	004
Internal No. Range	04
→	SAVE → Enter to save in your request.

Step24 Maintain Number Ranges:

Same Path

Select Maintain Groups Button

Select Group W/tax having '004 Check box

Menu--->Internal---> Maintain

Comp. Code:	PSL	→	Enter
-------------	-----	---	-------

Select Internal Button

Year	From	To
------	------	----

2009	100001	200000	→	Enter & Save
------	--------	--------	---	--------------

Ignore Warning Message and Press Enter

Step25 Assign Tax Codes in Vendor Master:

Accounting --->Financial Accounting--->Accounts Payable---->Master
 Records--->Maintain Centrally---->Change (XK02)

Vendor No: 4400001

Comp. Code: PSL

Select Withhold Tax Check Box → Enter

W/Tax Country : IN

W/ Tax Type: P1

W/tax Code: P1

Select Liable Check Box

Recipient Type: CO

W/Tax Type PA

W/tax Code: PA

Select Liable Check Box

Recipient Type: CO

Select CIN Details

Ignore Warning Message and Press Enter

Select W/tax Tab

PAN of Vendor : PSL123456C (Text Field)

Select Back Arrow: Select Save or Ctrl+S

Step1: Posting of Conversion Charges (F-43)

Doc.Dt:	25.08.09	Type :	KR	Comp. Code:	PSL
Post.DT:	25.08.09				
Post Key:	31	A/c#	4400001 →	Enter	
Amount:	100000	Buss. Area:	PSLH		
Buss.Place:	PSLF	Text:	Conversion Charges Posting		
Post.Key:	40	A/c#	400200 →	Enter	
			(Conversion Chg. A/c)		
Remove W/Tax Code:		PA	→	Enter	
Amount:	*	Buss. Area:	PSLH	Text:	+

Menu----> Document----> Simulate

Double Click on Blue Font Line item Change Text to +

SAVE

Option1 : If the Bill amount is less than 20,000 and in the whole year contracts gross value is less than 50000, No TDS to be deducted . Remove P1 from PA

Option2 :If the Bill includes Material Value of Rs. 30,000 and Conversion Charges are Rs. 70,000. TDS should be deducted on 70,000 but not on 100,000. Withholding Tax Base is 70,000 for P1. and Remove PA

Option3 :If the Bill is only for Conversion charges of Rs. 100,000, TDS should be deducted on 100,000. Remove PA

PATH: Accounting ---->Financial Accounting--->Accounts Payable--->
W/tax ---->India--->Extended W/tax--->Remittance of W/tax--->
Create Remittance Challan (J1INCHLN)

120

Step 3: Enter Bank Challan : Same Path (J1INBANR)

Comp. Code: PSL
Fiscal Year: 2009
Challan Clg. No: Select 31
Once we select Challan Clrg. No Internal Challan No and Internal Challan Date will be updated Automatically
Bank Challan NO: 567 (Text Field)
Bank Challan Dt: 07.09.09
Bank Key Select SBI → Execute (F8)

Step 4: Print TDS Certificates : Upto Extended W/tax path is same---> Certificates---> Print (J1INCERT)

Comp. Code: PSL Buss Place/Sect Code: PSLF
Fiscal Year: 2009 Section 194C
Post Date: 01.04.09 to 31.03.2010
Bank Challan Dt: 01.05.09 to 30.04.2010
Certificate Date: 30.04.2010
Signatory: Mr. X
Designation : Manager Accounts
Place of Printing: Hyderabad → Execute (F8)
Output Device: LP01 → Select Print Button

To View the printout From Menu--->System--->Services--->Output Control
→ Execute (F8)
Select Spool No Check Box
Select Display Contents Button

from 2009 New Quarterly Return (Form 26Q) introduced which is not in the learning package for which TC=J1INQFILE

CASH JOURNAL

We can get Daily Cash positions by Opening Balance+Receipts-Payments
Some Companies will use this for Petty Cash purpose
Cash Journal will not accept Negative Cash Balance

Step1: Create GL Masters- Hyderabad City Office Cash Account(FS00)

GL A/c: 200101 Comp. Code: PSL Select With Template
GL A/c: 200100
Comp. Code: PSL → Enter

Change Short Text & GL A/c Long Text to "Hyd City Office Cash A/c"
Select Create/Bank/Interest Tab
Select Post Automatically only Check Box → SAVE
→ Enter to save in your request.

Step2: Define Number Range Intervals for Cash Journal Documents:
 SPRO--->Financial Accounting --->Bank Account--->Business Transactions
 --->Cash Journal--->Define No Range Interval for --->Cash Journal Doc

Comp. Code: PSL
 Select Change Interval Button
 Select Interval Button
 No Range: 01
 From No : 500001 To No: 600000 → Enter & SAVE
 Ignore Warning message → Enter

Step3: Set up Cash Journal: Path is same as above
 Select New Entries Button
 Comp. Code: PSL
 Cash Journal: 0001
 GL A/c 200101
 Currency INR
 Doc. Type for GL A/c: SA
 Doc. Type for Vendor Payment KZ
 Doc. Type from Vendor Payment KZ
 Doc. Type from Customer Payment DZ
 Doc. Type to Customer Payment DZ
 Cash Journal Name: PSL Hyd City Office Cash Book
 SAVE → Enter to save in your request.

Step 4: Create Change Delete Business Transaction
 same Path----> Select New Entries Button

	Comp. Code:	Bus. Tran Type	GL A/c	Cash Journal Transactions
i)	PSL	R(Revenues)	300000	Revenues
	Select Account Modifiable Check Box			
ii)	PSL	E (Expenses)	400100	Expenses
	Select Account Modifiable Check Box → SAVE			
	→ Enter to save in your request.			

Note: If I select Account Modifiable, We need not give all Revenue Accounts (or)
 All Expenses Account
 IF I don't Select Account Modifiable Check Box, We need to give for Revenue
 and Expenses Account Numbers

300000	400100
300001	400101
300002	400102
300003	400103

Step 5: Set up Print Parameters for Cash Journal:

Same Path

CoCode	Cash Jrn	Report	Correspondence
	Print Prg	Variant	
PSL	RFCASHOO	DEMOEN	SAP18 (Cash Document)

 Press Enter and Save

END USER AREA:

Posting to Cash Journal(FBCJ)

Path: Accounting-->Financial Accounting --->General Ledger---> Posting -->

Cash Journal Posting (FBCJ)

From Menu--->Extras--->Change Cash Journal

Comp. Code: PSL

Cash Journal: 0001 → ENTER

Select Today Button

Select Cash Receipts Tab

Business Transactions: Select

Business Transaction	Amount	G/L A/c	Text	Buss. Area
Revenues	5000	300000	Cash Sales	PSLH

Select Post Button

Select Print Cash Journal Button

Ignore Warning Message and Press Enter

BANK RECONCILIATION

Check Deposit can be of two types

- a) Manual Check Deposit
- b) Electronic Check Deposit

Bank Statement can be of two types

- a) Manual Statement
- b) Electronic Statement

We are testing now with Manual Check Deposit/Manual Bank Statement

We have to create 4 GL accounts for each Bank Current Account

	A/c No Should End With
1 Main Bank Account	0
2 Check Issue Account as Open Item	1
3 Check Deposit Account as Open Item	2
4 Clearing Account as Open Item	3

Bank Charges Account to be Created

If we have 100 Bank Current accounts, we have to assign account 100 times

Instead we can assign account only one time for all 100 Bank Accounts like below.

1 Main Bank Account	+++++ +++++0	(9 times Plus Symbol)
2 Check Issue Account	+++++ +++++1	
3 Check Receipt Account	+++++ +++++2	
4 Clearing Account	+++++ +++++3	

Always Main Bank account Balance and Bank Statement Balance will be same.

Sales Scenario:

1.Sales Invoice Posting (F-22)

Customer A/c Dr.	200000	
to Sales A/c		200000

2. Check Deposit

- | | |
|-----------------|--------------------|
| A) Bank Key | E) Customer Number |
| B) Bank A/c No | F) Ref. Bill No |
| C) Transactions | G) Amount |
| D) Group | |

SAVE

IDBI Check Deposit A/c Dr	200000
to Customer A/c with Clrg	200000

3. Enter Manual Bank Statement :

i) If the checks deposited does not appear in Bank Statement, they should be in IDBI Check Deposit Account as Open Items. In BRS these items will be called as Checks Deposited but not cleared

ii) If check deposited appear in Bank Statement , then enter a) Bank Key

b) Bank A/c No c) Transaction, d) Ref. Doc No f) Amount and SAVE

Once we saved, Entry will generate like below

IDBI Bank A/c Dr	200000
to IDBI Chq. Dep with Clrg A/c	200000

4. Purchase Invoice Posting (F-43)

Inventory RM A/c Dr	50000
To Party A/c	50000

5 Outgoing Payment with Clearing (F-53)

Party A/c Dr	50000
To IDBI Check Issued A/c	50000

6. Creation of Manual Check (FCH5)

Assaing Check No to Payment Document Number

7. Enter Manual Bank Statement

a) If the Check Issued Debit does not appear in the Bank Statement , it will appear in IDBI Check Issued Account as Open Items. In BRS it will come under Check Issued but not Cleared

b) If the Check issued Debit appears in Bank Statement then Enter

1) Bank Key 2) Bank A/c No 3) Transaction 4) Bank Ref No (Check No)

5) Amount and SAVE

IDBI Check Issue Dr	50000
to IDBI Bank A/c	50000

8. Bank Charges Direct Debit to Bank Account:

Enter from Manual Bank Statement a) Bank Key b) Bank A/c #

c) Transaction d) Amount and Save

Bank Charges A/c Dr	1000
to IDBI Bank A/c	1000

CUSTOMIZATION FOR BRS:

Step 1: Creation of 4 GL Masters(FS00)

1st a/c	GL A/c: 200130	Comp. Code: PSL	Select With Template
	GL A/c: 200105		
	Comp. Code: PSL	→ ENTER	
	Change ST & LT to IDBI Main Bank A/c	→	SAVE

2nd a/c GL A/c: 200131 Comp. Code: PSL Select With Template
 GL A/c: 200130
 Comp. Code: PSL → ENTER
 Change ST & LT to IDBI Check Issue A/c
 Select Control Data Tab
 Select Open Items Management Check Box → SAVE

3rd a/c GL A/c: 200132 Comp. Code: PSL Select With Template
 GL A/c: 200131
 Comp. Code: PSL → ENTER
 Select Type/ Description Tab
 Change ST & LT to IDBI Check Deposit A/c → SAVE

4th a/c GL A/c: 400304 Comp. Code: PSL Select With Template
 GL A/c: 400300
 Comp. Code: PSL → ENTER
 Select Type/ Description Tab
 Change ST & LT to Bank Charges Account → SAVE

Step 2: Define House Bank (FI12)
 Comp. Code: PSL → ENTER
 Select New Entries Button
 House Bank : IDBI
 Bank Country: IN
 Bank Key: PSLIDBI1
 Save
 Bank Name: IDBI Bank Name
 Street: Basheerbagh
 City: Hyderabad
 Branch: Main Branch → ENTER
 → ENTER to save in your request.
 Double Click on Bank Account Folder
 Select New Entries Button
 A/c ID: IDBI1
 Description: IDBI Current A/c # 1
 Bank A/c #: IDBI12345 (Text Field)
 Currency: INR
 GL A/c : 200130 (IDBI Main Bank A/c)
 SAVE

Step 3: Creation of Check Lots (FCHI)
 Paying Comp. Code: PSL House Bank: IDBI
 A/c ID IDBI1
 Select Change Button Select Create Button
 Lot Number: 1
 Check No from : 600001 Check No to : 600100
 Select Non Sequention Check Box
 Short Information : IDBI Bank
 Purchase Dt: 27.08.09 → ENTER & Save

Step 4: Define Posting Keys and Posting Rules for Check Deposit:
 SPRO--->Financial Accounting--->Bank Accounting--->Business
 Transactions--->Check Deposit--->Define Posting Keys and Posting Rules
 for Check Deposits

Chart of Accounts: PSL → ENTER

Select New Entries Button

Account	Text
(Text Field)	
PSLA	Main Bank
PSLB	Check Issue
PSLC	Check Deposit
PSLD	Bank Charges

→ SAVE

→ ENTER to save in your request

Double Click on Accounts to Assign A/c Symbols Folder

Select New Entries Button

A/c Symbol	Currency	GL A/c	
PSLA	INR	+++++ +++++0	
PSLB	INR	+++++ +++++1	
PSLC	INR	+++++ +++++2	
PSLD	INR	400304	→ SAVE

Double Click on Create Keys for Posting Rules Folder

Posting

Rule(TF)	Text	
PSL1	Check Deposit---> Clear Customer	
PSL2	Check Deposit---> Credited in Bank	
PSL3	Check Issue-----> Debited in Bank	
PSL4	Bank Charges Direct Debits	→ SAVE

Double click on Define Posting Rules Folder

Select New Entries Button

Posting Rule : PSL1

Posting Area: 2 (sub Ledger A/c)

Debit Posting Key: 40

A/c Symbol: PSLC

Doc. Type: DZ

Post. Type: 8 (Clear Credit Sub Ledger A/c)

Select Next Entries Button

Post Rule : PSL2 Check Deposit Continues in Bank

Posting Area: 1

Doc. Posting Type: SA

Posting Key: 5

Select New Entries Button

Post Rule : PSL3

Posting Area: 1

Debit Posting Key: Blank Cr. Posting Key : 50

Debit Account Key: PSLB Cr a/c symbol PSLA

Doc. Type: SA

Post Key : SA Post Type: 4

Select New Entries Button

Post. Rule : PSL4

Post Area 1 (Bank a/c)

Doo. Post Key: 40

Cr. Posting Key : 50

DrA/c Symbol PSLD

Cr. A/c Symbol" PSLA

Doc. Type: SA

Post Typ:: 1 (Posting

→ SAVE

Step 5: Create and Assaign Business Transactions

Upto Business Transactions Path is same---->Check Depsosit--->Create & Assaign Business Transactions

Select New Entries

Transactions	+/-	Post Rule	Text
PSL1	+	PSL1	Cheque Deposit Clear Customer
PSL1	-	PSL1	Chq. Dep Clear Cust Reversal

Select SAVE or Ctrl+S

Select Cancel Button & Select "YES" Button. Select Save Again

Select your request and save in your request.

Step 6: Define Variants for Check Deposit:

Same Path

Select Create Button

Variant: PSL1 (Text Field)

Name: Cheq Deposit Variant for PSL → ENTER

From Possible Fields Column

Double click on Ref. Doc No (Sel) → ENTER

second Column offset change to 20

From Possible Fields Column

Double click on Customer No (Sel) → ENTER

From Possible Fields Column

Double Click on Business Area → ENTER

→ ENTER to save in your request.

Keep the Cursor on PSL1 and Select Activate Button

Step 7: Create and Assaign Business Transactions for Manual Bank Statement

Upto Business Transactions Path is same--->Payment Transactions--->

Manual Bank Statement---->Credit and Assaign Business Transactions

Select New Entries Button

Transaction	+/-	Post Rule	Int. Algor-ithm	Text
PSL2	+	PSL2		Chq. Dep Cr in Bank
PSL2	-	PSL2		Chq. Dep Cr in Bank(reversal)
PSL3	-	PSL3	"0"Level	Cheque issue Dr. In Bank
PSL3	+	PSL3	"0"Level	Cheque issue Dr. In Bank(Reversal)
PSL4	-	PSL4		Bank Charges Direct Debit
PSL4	+	PSL4		Bank Charges Direct Debit(Reversal)

SAVE and Enter to Save in your request.

ZERO Level mean 011- outgoing check. Check no different from Payment Doc. No

Purchase Scenario:

1. Purchase Invoice Posting (F-43)		Doc #
Inventory Raw Material A/c Dr	50000	100001
to Party Account	50000	

2. Outgoing Payment With Clearing (F-53)		Doc #
Party Account Dr	50000	200001
to IDBI Cheque Issued A/c	50000	

3. Creating of Manual Check (FCH5)
 Assign Check No to Payment Document No
 Payment Doc # 200001
 Check # 500001

If we assign "0" (ZERO) level System will take payment Doc# and Check # as different . Otherwise system assume payment Document # as Check #

Define Variants for Manual Bank Statement:

Same Path----> Select Create Button
Variant PSL (Text Field)
Name Manual Bank Statement Variant for PSL → ENTER
From Possible Fields Column Double click on Ref Doc# (Selection) → ENTER
4th Column Offset Change to 36
Double Click on Bank Reference → ENTER
Double Click on Business Area → ENTER → SAVE
→ ENTER to SAVE In Your work bench request.

Keep the Cursor PSL2 and select Activate Button

To Make Text Field Optional for Field Status Group G-001 and G-005

TC= OBC4 → ENTER
Field Status Variant PSL
Double Click on Field Status Group Folder
Double Click on G-001
Double Click on General Date
Make Text Optional Field → SAVE
→ ENTER to SAVE In Your request.
Double Click on G-005
Double Click on General Date
Make Text Optional Field → SAVE
→ ENTER to SAVE In Your request.

END USER AREA:**Sales Scenario:**

Step 1 Sales Invoice Posting (F-22)
Doc.Dt: 28.08.09 Type: DR Comp. Code: PSL Ref: Bill No 1234
Post Key: 01 A/c # 3000001 → ENTER Amount : 200000
Buss.Area: PSLH Text: Sales Invoice Posting
Post Key: 50 A/c # 300000 → ENTER Amount : *
Buss.Area: PSLH Text: +
Menu----> Document ----> Simulate & SAVE

Step 2 Manual Check Deposit (FF68)
 Accounting ---->Financial Accounting ---->Banks---->Incomings---->Check
 Deposit---->Manual Entry
 From Menu----> Settings----> Specifications

Short Variant : PSL1 → ENTER
 Bank Key: PSLIDBI1
 Bank A/c: IDBI12345
 Currency: INR
 Group: 1
 Transaction : PSL1 (Check Deposit Clear Customer)
 Posting Date: 28.08.09
 Value Date: 28.08.09
 Currency: INR → ENTER
 Amount : 200000
 Ref. Doc # 1234
 Customer : 3000001
 Buss. Area: PSLH → SAVE
 SAVE Once again
 From MENU---> System---->Services--->Batch Input--->Sessions
 Select Session Name : IDBI/IDBI1
 Select Process Button
 Select Display Errors only Radio Button
 Select Process Button
 Ignore Warning Message
 Select Exit Batch Input Button

Step 3 Go and See Customer Account Trnasactions (FBL5N)
 Customer A/c: 3000001
 Comp. Code: PSL
 Select Cleared Items Radio Button
 Clearing Date : 28.08.09
 Select Normal Items Check Box → Execute (F8)
 Double Click on Type DZ
 Select Callup Document Overview Button to see the Entry Posted

Step 4 Go and See IDBI Check Deposit Account (FBL3N)
 GL A/c : 200132 (IDBI Check Deposit Account)
 Comp. Code: PSL
 Select Open Items Radio Button
 Select Normal Items Check Box → Execute (F8)
 We can see IDBI Check Deposit Report

Step 5 Enter Manual Bank Statement (FF67)
 Accounting --->Financial Accounting ---->Banks---->Incomings--->Bank
 Statement---->Manual Entry(FF67)
 From Menu---->Settings---->Specifications

Short Variant: PSL2 → ENTER
 Bank Key: PSLIDBI1
 Bank A/c: IDBI12345
 Currency: INR
 Settlement No: 1
 Statement DT: 28.08.09
 Opening Balance: 0
 Closing Balance: 200000
 Posting Date: 28.08.09 → ENTER
 Ignore Warning Message → ENTER

Trans.	Value Dt	Amount	Ref. Doc NO	Buss. Area
PSL2	28.08.09	200000	1	PSLH

→ ENTER

SAVE → SAVE once Again

Purchase Scenario:

Step 1. Purchase Invoice Posting (F-43)

Doc.Dt: 29.08.09 Type: KR Comp. Code: PSL
 Post Key: 31 A/c # 4400001 → ENTER Amount : 50000
 Buss.Area: PSLH Text: Purchase Invoice Posting
 Post Key: 40 A/c # 200120 → ENTER Remove TDS Codes
 Amount : * Buss.Area: PSLH Text: +
 Menu----> Document ----> Simulate & SAVE

Step 2. Outgoing Payment with Clearing (F-53)

Doc.Dt: 29.08.09 Type: KZ Comp. Code: PSL
 Clearing Text: Outgoing Payment
Bank Data:
 Account : 200131 Buss.Area: PSLH Amount : 50000
 Text : Outgoing Payment
Open Item Selection:
 Account :4400001
 Select Process Open Items Button
 Double Click on Payable Amount 50000
 MENU-----> Document---->SAVE

Step 3. Creation of Manual Checks (FCH5)

Give Check No : 600005 → SAVE

Step 4. Enter Manual Bank Statement (FF67)

Select Overview Button

Keep the Cursor on Company Code PSL- IDBI Bank Limited

Select New Statement Button

Give Closing Balance : 149000

Posting Date: 29.08.09

Receipt	→	200000
<u>Less:</u>		
Payment	→	50000
Bank Chg	→	1000
		<u>149000</u>

Transaction	Value DT	Amount	Bank Ref	Buss. Area	
PSL3	29.08.09	-50000	600005	PSLH	
PSL4	29.08.09	-1000		PSLH	→ ENTER
SAVE →	SAVE Once Again				

From MENU---->System--->Services---> Batch Input---->Sessions

Select Session Name: IDBI/IDBI1

Select Process Button

Select Display Errors only Radio Button

Select Process Button → ENTER

→ ENTER Once Again

Ignore the message and select Exit Batch Input Button

Step 5. Go and See Check Issue Account (FBL3N)

GL A/c: 200131

Comp. Code: PSL

Select Cleared Items Radio Button

Execute(F8)

Step 6. Go and See Main Bank Account (FS10N)

GL A/c: 200130

Comp. Code: PSL

Fiscal Year: 2009 → Execute(F8)

Double Click on Cumulative Balance 51000

Double Click on 1000 Cr

Select Column Document Overview Button

We can see Bank Charges Entry

How to View the Bank Statement in SAP (FF67)

Select Overview Button

Double Click on PSL-IDBI Bank Ltd

Double Click on Statement No 2

We can see the Bank Statement in SAP

END OF BANK RECONCILIATION

ASSET ACCOUNTING

This is also a Sub Ledger (Subsidiary Ledger)

Chart of Depreciation: Asset Customization steps will be made for Chart of Depreciation and Chart of Depreciation will be assigned to Company Code /Comp. Codes.

In SAP we don't have option of creating the Chart of Depreciation for our own company But SAP has given the option to copy the Existing Chart of Accounts of Germany or Indian. We have to copy either Germany Chart of Depreciation or Indian Chart of Depreciation and make changes according to our company Procedure.

Depreciation Areas: We have many areas of Depreciation like

1. Book Depreciation
2. Depreciation as per Income Tax Rules
3. Costing Depreciation as mentioned in Schedule 14 of Companies Act
4. Group Depreciation

Postings to Books of Accounts will be done only Book Depreciation, others are for information purpose only.

Depreciation Methods:

There are So many Depreciation methods recognised by SAP. But in India we use either 1. Straight Line Method (SLM) 2. Written Down Value (WDV)

Depreciation Keys: Depreciation Keys are nothing but Rate+ Method say 5% SLM or 5%WDV

Posting Keys: We use the Following Posting Keys in Asset Accounting

Posting Key: 70	for Asset Debit
Posting Key: 75	for Asset Credit

Transaction Types:

100 →	External Asset Acquisition
110 →	In House Production
210 →	Retirement with Revenue(Consideration)

Assets can be acquired from Outside Purchases/ InHouse Production/ Inter Unit Transfers/ Inter Company Transfers. So, when we are posting the Debit Entry, by mentioning the Transaction Type we can come to know what type to transaction it is.

Asset Accounting is based on 4 Rules:

- [A] Sub Asset Master is to be created with reference to the Main Asset Master
- [B] Main Asset Master is to be created with Asset Class
- [C] Account Determination is specified in Asset Class
- [D] For Account Determination we Assign G L Account based on Nature of Transaction

We will create the Accounts and Determine Accounts like below for Asset Accounting Testing Purpose

A/c to Create	Account Determination	Asset Class	Main Asset Master	Sub Asset Master
A. Purchases 200000 P& M	a. Land	a. Free Hold b. Lease Hold		
B. Sale of Asset	b. Buildings	a. Factory b. Admin		
C. Profit on Sale of Asset	c. P& M	a. Dept-A b. Dept-B c. Dept-C	Mach.No1 (Cap. On 15.04.05)	Motor (29.08.09)
D. Loss on Sale of Asset	d. F & F	a. F& F b. O/ Equip	Mach.No2 (Cap. On 20.06.06)	
E. Loss Dut to Scrapping	e. Vehicles	a. Heavy b. Others		
F. Depreciation	f. Capital WIP	a. General b. Expansion 1 c. Expansion2		
G. Acc.Depreciation				

Additions to the Main Asset will be created as Sub Asset Master

Account Determination :- The Items will determine the GL Accounts to be Posted Automatically

Main Asset Will have always Subnumber ZERO

Depreciation will be calculated at the Sub Asset Master Level, from the date of Capitalization of Sub Assets.

CUSTOMIZATION :

Step1. Copy Reference Chart of Depreciation/ Depreciation Areas:

PATH: SPRO----> Financial Accounting ---->Asset Accounting ---->Organizational Structures---->Copy Reference Chart of Depreciation / Depreciation Areas
Double Click on Copy Reference Chart of Depreciation (TC= EC08)
Menu----> Organizational Object---->Copy Organizational Object

From Chart of Dep: ODE (Max Valuation : Germany)
To Chart of Dep: PSL (Text Field) → ENTER
Ignore Warning Messgae → ENTER
Select Creat Request Button
Shot Description : Asset Customization for PSL → ENTER
→ ENTER to save in your request.
We will get a Message Chart of Depreciation Copied to PSL → ENTER

Select Back Arrow
 Double Click on Specify Description of Chart of Depreciation
 Select Position Button
 Chart of Depreciation PSL → ENTER
 Change Description to : Chart of Description for PSL
 Select SAVE or CTRL + S → ENTER to save in your request.
 Select Back Arrow
 Double Click on Copy / Delet Depreciation Areas
 Give Chart of Depreciation PSL → ENTER
 Select Depreciation Areas 3,10,15,20,31,32,41 & 51
 From MENU----->EDIT----->DELET

SAVE

 Ignore Warning Messgae → ENTER
 → ENTER to save in your request.

Step 2. Assign Chart of Depreciation to Company Codes :

Same Path (TC=OAOB)
 Select Position Button
 Company Code: PSL → ENTER
 for Company Code PSL Assign Chart of Dep PSL
 Select SAVE or CTRL+S
 → ENTER to save in your request.

Step 3. Specify Account Determination

Upto Organizational Structure Path is Same -----> Asset Class----->Specify Account Determination
 Select New Entries Button

<u>A/c Determination</u>	<u>Name for Account Determination</u>
PSL10000	Land
PSL11000	Buildings
PSL20000	Plant & Machinery
PSL30000	Furniture & Fittings
PSL31000	Vehicles
PSL40000	Capital Work In Progress

SAVE → ENTER to save in your request.

Step 4. Create Screen Layout rules :

Same Path

Select Layout 1000, 1100,2000,2100,2500,3000

Select Copy as Button

Change Screen

Change the Name to

Layout

1000 to PSL1

Land

1100 to PSL2

Buildings

2000 to PSL3

Plant & Machinery

2100 to PSL4

Furniture & Fittings

2500 to PSL5

Vehicles

3000 to PSL6

Capital WIP

→

ENTER

SAVE

→

ENTER

to save in your request.

Step 5. Define Number Range Interval:

Same Path

(TC=AS08)

Company Code: PSL

Select Change Interval Button

Select Interval Button

No. Range : 01From No: 1To No: 100000

→

ENTER

Select Interval Button once Again

No. Range : 02From No: 100001To No: 200000

→

ENTER

Select Interval Button once Again

No. Range : 03From No: 200001To No: 300000

→

ENTER

Select Interval Button once Again

No. Range : 04From No: 300001To No: 400000

→

ENTER

Select Interval Button once Again

No. Range : 05From No: 400001To No: 500000

→

ENTER

Select Interval Button once Again

No. Range : 06From No: 500001To No: 600000

→

ENTER & SAVE

→

ENTER

to save in your request.

Step 6. Define Asset Class:

Path is Same (TC=OAOA)

Select New Entries Button

1st Asset: Asset Class: PSL1000 (Text Field)
 Description : Free Hold Land
 Short Text: Free Hold Land
 A/c Determination: Select PSL10000 (LAND)
 Screen Layout Rule: Select PSL1 (LAND)
 No. Range: 01

**

Select Include Asset and Inventory Data Check Box

Select No AUC or Summary Management of AUC Radio Button

(AUC Stands for Asset Under Construction)

Select SAVE or Ctrl +S → ENTER to save in your request.

Select Next Entry Button

2nd Asset: Asset Class: PSL1100 (Text Field)
 Description : Factory Buildings
 Short Text: Factory Buildings
 A/c Determination: Select PSL11000 (BUILDINGS)
 Screen Layout Rule: Select PSL2 (BUILDINGS)
 No. Range: 02

Select Include Asset and Inventory Data Check Box

Select No AUC or Summary Management of AUC Radio Button

Select SAVE or Ctrl +S → ENTER to save in your request.

Select Next Entry Button

3rd Asset: Asset Class: PSL2000 (Text Field)
 Description : Dept-A
 Short Text: Dept-A
 A/c Determination: Select PSL20000 (PLANT & MACHINERY)
 Screen Layout Rule: Select PSL3 (PLANT & MACHINERY)
 No. Range: 03

Select Include Asset and Inventory Data Check Box

Select No AUC or Summary Management of AUC Radio Button

Select SAVE or Ctrl +S → ENTER to save in your request.

Select Next Entry Button

4th Asset: Asset Class: PSL2001 (Text Field)
 Description : Dept-B
 Short Text: Dept-B
 A/c Determination: Select PSL20000 (PLANT & MACHINERY)
 Screen Layout Rule: Select PSL3 (PLANT & MACHINERY)
 No. Range: 03

Select Include Asset and Inventory Data Check Box

Select No AUC or Summary Management of AUC Radio Button

Select SAVE or Ctrl +S → ENTER to save in your request.

Select Next Entry Button

5th Asset: Asset Class: PSL3000 (Text Field)
 Description : Furniture & Fixtures
 Short Text: Furniture & Fixtures
 A/c Determination: Select PSL30000 (FUNITURE & FIXTURES)
 Screen Layout Rule: Select PSL4 (FUNITURE & FIXTURES)
 No. Range: 04
 Select Include Asset and Inventory Data Check Box
 Select No AUC or Summary Management of AUC Radio Button
 Select SAVE or Ctrl +S → ENTER to save in your request.
 Select Next Entry Button

6th Asset: Asset Class: PSL3100 (Text Field)
 Description : Vehicles Others
 Short Text: Vehicles Others
 A/c Determination: Select PSL31000 (VEHICLES)
 Screen Layout Rule: Select PSL5 (VEHICLES)
 No. Range: 05
 Select Include Asset and Inventory Data Check Box
 Select No AUC or Summary Management of AUC Radio Button
 Select SAVE or Ctrl +S → ENTER to save in your request.
 Select Next Entry Button

7th Asset: Asset Class: PSL4000 (Text Field)
 Description : Capital Work In Process
 Short Text: Capital Work In Process
 A/c Determination: Select PSL40000 (CAPITAL WIP)
 Screen Layout Rule: Select PSL6 (CAPITAL WIP)
 No. Range: 06
 De-Select Include Asset and Inventory Data Check Box
 Select Line Items Settlement Radio Button
 Select SAVE or Ctrl +S

**** WHY WE SELECTED " INCLUDE ASSET INVENTORY" CHECK BOX**

Here inventory means Fixed Assets Inventory List. Once we select the Check box, what ever asset we creat under this asset class, will be included in Fixed Assets Inventory List

As per Companies Auditors Report Order (CARO), Auditor should specify in his report wether the Fixed Assets have been physically verified by the Management or Not

In Big Companies , Physical Verification will be done in a Phased Manner.

When we create an asset master , there is a field called Last Verification date.

Asset Master	Last Verification Date
1	31.03.2009
2	31.03.2008
3	31.03.2009
4	31.03.2009
5	31.03.2008

In the report if we give the verification date 01.04.08 to 31.03.09 we will get the list of assets physically verified between those days like 1,3&4

Step7. Select Line Item Settlement for Capital Work in Progress:

on 01.08.09 Machinery Purchased	xxxxx
Add: on 05.08.09 Freight Charges paid	xxxx
Add: on 31.08.09 Commission Charges paid	xxxx
on 02.09.09 Asset Commissioned as Mach. No 1	xxxxx

Settle CWIP to Machine No 1. Line Item Wise
De select Include Asset Check Box under Inventory Data.

Step8. Define Screen Layout for Asset Master Data:

PATH: SPRO---->Financial Accounts---->Asset Accounting---->Master Data---->Screen Layout
---->Define Screen Layout for Asset Master Data

Double Click on Define Screen Layout for Asset Master Data

Select Positon Button

Give Screen Layout: PSL1 → ENTER

Select PSL1 Land

Double Click on Logical Field Groups Folder

Select 2 Positing Information

Double Click on Field Group Rules Folder

Capitalization Field Required

Select Main No Check Box

Select Sub No Check Box

¥

Select Copy Check Box

¥ We have created PSL1 Land Layout by Copying Layout 1000 Land . Afterwards if we are creating Layout XYZ by copying Layout PSL1, what ever fields we have choosen for PSL1, will be copied to XYZ only if we select Copy Check BOX

Select SAVE or Ctrl +S

→ ENTER to save in your request.

Select Back Arrow

Select 3 Time Dependent Data

Double Click on Field Group Rules Folder

Cost Centre Mate it Optional Entry Field

Select Main No Check Box

Select Sub No Check Box

Select Copy Check Box

Bussiness Area Make it Required Entry Field

Select Main No Check Box

Select Sub No Check Box

Select Copy Check Box

SAVE-----> Selecgt Back Arrow 2 Times

NOTE: SAME PROCEDURE TO BE FOLLOWED FOR LAYOUTS PSL2-BUILDINGS, PSL3-PLANT & MACHINERY, PSL4-FURNITURE& FIXTURES, PSL5-VEHICLES, PSL6-CAPITAL WIP.

Step 9. Define Screen Layout for Asset Depreciation Areas:

Same Path

Select Screen Layout 2000- Depreciation on Asset Sub No Level

Double Click on Field Group Rules Folder

Dep Key make it Required Entry Field

Deselect Class Check Box

Select Main No Check Box

Select Sub No Check Box

Select Copy Check Box

SAVE-----> Select Back Arrow 2 Times

Step 10. Determine Depreciation Areas in Asset Class:

SPRO---->Financial Accounting ---->Asset Accounting ---->Valuation -----> Determine Depreciation Areas in Asset Class

Chart of Dep: PSL → ENTER (TC== OAYZ)

Select Asset Class : PSL1000 (Free Hold Land)

Double Click on Depreciation Areas Folder

De-select De-Activation Check Box for Area 01 (Book Depreciation)

	Area		Layout	
for	01	Select	2000	(Dep on Asset Sub No Level)
	02	Select	2000	
	30	Select	2000	

Select SAVE or Ctrl +S → ENTER to save in your request.

Select Back Arrow

NOTE: SAME PROCEDURE TO BE FOLLOWED TO ASSET CLASS PSL1100-FACT BUILD, PSL2000- DEPT A, PSL2001-DEPTB,PSL3000-FURNITURE & FIXTURES, PSL3100-VEHICLES OTHERS & PSL4000- CAPITAL WIP.

Why we have to De-select Deactivation Check Box for Land and Capital WIP even though there is no Depreciation on Land and Capital WIP. At the time of Creating Land Master we give Capitalization Date which would be Purchase Date of Land or Registration Date and Rate of Depreciation as "0%"

Layout of 2000 - Depreciation on Asset Sub No Level will be like below

Asset No	Main No	Sub No	Capitalization Date
Mach.1		1	0 20.04.2005
Motor		1	1 02.09.2009

Sub Number for Main Asset No will always be ZERO. Depreciation will be calculated based on Capitalization Date. Depreciation will be calculated at Sub Number Level.

Step 11. Creation of 15 GL Masters (FS00)

Create 15 GL Masters as mentioned below under the TC=FS00

A/c to Create	Description	A/c to Copy	Parameters to Maintain
200000	Land	200110	
200005	Buildings	200000	Group- Fixed Assets
200010	Plant & Machinery	200000	Reconciliation A/c Type- Assets
200015	Furniture & Fixtures	200000	Sort Key- 018 (Asset No)
200020	Vehicles	200000	Field Status Group: G067 (Reco Account)
200025	Capital WIP	200000	
100200	Acc. Dep Buildings	200000	Group- Accumulated Depreciation
100205	Acc. Dep P & M	100200	Reconciliation A/c Type- Assets
100210	Acc. Dep F & F	100200	Sort Key- 018 (Asset No)
100215	Acc. Dep Vehicles	100200	Field Status Group:G067 (Reco Account)
300102	Asset Sale A/c	300100	(Exchange Gain A/c)
			Group- Other Income Sork Key-018
			Field Status Group-G052
300103	Profit on Asset Sale	300100	Field Status Group-G001 Others as above
400302	Loss on Asset Sale	300103	Group- Admn Sork Key-018
			Field Status Group-G001
400303	Loss Due to Scrap	400302	-----> Like Above <-----
400500	Depreciation A/c	400302	Group- Depreciation Sork Key-018
			Field Status Group-G001

Step 12. Assaignment of Accounts for Automatic Postings:

SPRO---->Financial Accounting ---->Asset accounting ----->Integration with the General Ledger---->Assaing GL Accounts

Select Position Button

(TC==AO90)

Chart of Depreciation : PSL → ENTER

Seelct Chart of Accounts PSL

Double Click on Account Determination Folder

Select Account Determination PSL10000 (Land)

Double Click on B/S Accounts Folder

A/c to Determine

Acquisition: Acquisition & Production Costs

200000 (Land)

Loss Made on Asset Retirement w/o Revenue

400303 (Loss due to Scrap)

Clearing Account Revenue from Asset Sale

300102 (Asset Sale A/c)

Gain from Asset Sale

300103 (Profit on Asset Sale)

Loss from Asset Sale

400302 (Loss on Asset Sale)

→ ENTER & SAVE Ignore Warning Message and Press Enter

→ ENTER to save in your request.

Double Click on Account Determination Folder
 Select Account Determination PSL11000 (Buildings)
 Double Click on B/S Accounts Folder

	A/c to Determine
Acquisition: Acquisition & Production Costs	200005 (Buildings)
Loss Made on Asset Retirement w/o Revenue	400303 (Loss due to Scrap)
Clearing Account Revenue from Asset Sale	300102 (Asset Sale A/c)
Gain from Asset Sale	300103 (Profit on Asset Sale)
Loss from Asset Sale	400302 (Loss on Asset Sale)
→ ENTER & SAVE Ignore Warning Message and Press Enter	

Double Click on Depreciation Folder

Accumulated Dep A/c for Ordinary Depr.	100200 (Acc. Dep Buildings A/c)
Exp. A/c for Ordinary Depreciation	400500 (Depreciation A/c)
SAVE--> Ignore the Warning Message	

Double Click on Account Determination Folder
 Select Account Determination PSL20000 (Plant & Machinery)
 Double Click on B/S Accounts Folder

	A/c to Determine
Acquisition: Acquisition & Production Costs	200010 (Plant & Machinery)
Loss Made on Asset Retirement w/o Revenue	400303 (Loss due to Scrap)
Clearing Account Revenue from Asset Sale	300102 (Asset Sale A/c)
Gain from Asset Sale	300103 (Profit on Asset Sale)
Loss from Asset Sale	400302 (Loss on Asset Sale)
→ ENTER & SAVE Ignore Warning Message and Press Enter	

Double Click on Depreciation Folder

Accumulated Dep A/c for Ordinary Depr.	100205 (Acc. Dep P & M A/c)
Exp. A/c for Ordinary Depreciation	400500 (Depreciation A/c)
SAVE--> Ignore the Warning Message	

Double Click on Account Determination Folder
 Select Account Determination PSL30000 (Furniture & Fixtures)
 Double Click on B/S Accounts Folder

	A/c to Determine
Acquisition: Acquisition & Production Costs	200015 (Furniture & Fixtures)
Loss Made on Asset Retirement w/o Revenue	400303 (Loss due to Scrap)
Clearing Account Revenue from Asset Sale	300102 (Asset Sale A/c)
Gain from Asset Sale	300103 (Profit on Asset Sale)
Loss from Asset Sale	400302 (Loss on Asset Sale)
→ ENTER & SAVE Ignore Warning Message and Press Enter	

Double Click on Depreciation Folder

Accumulated Dep A/c for Ordinary Depr.	100210 (Acc. Dep F & F A/c)
Exp. A/c for Ordinary Depreciation	400500 (Depreciation A/c)
SAVE--> Ignore the Warning Message	

Double Click on Account Determination Folder
 Select Account Determination PSL31000 (Vehicles)
 Double Click on B/S Accounts Folder

	A/c to Determine
Acquisition: Acquisition & Production Costs	200020 (Vehicles)
Loss Made on Asset Retirement w/o Revenue	400303 (Loss due to Scrap)
Clearing Account Revenue from Asset Sale	300102 (Asset Sale A/c)
Gain from Asset Sale	300103 (Profit on Asset Sale)
Loss from Asset Sale	400302 (Loss on Asset Sale)

→ ENTER & SAVE Ignore Warning Message and Press Enter

Double Click on Depreciation Folder

Accumulated Dep A/c for Ordinary Depr.	100215 (Acc. Dep Vehicles A/c)
Exp. A/c for Ordinary Depreciation	400500 (Depreciation A/c)

SAVE--> Ignore the Warning Message

Double Click on Account Determination Folder
 Select Account Determination PSL40000 (Capital WIP)
 Double Click on B/S Accounts Folder

	A/c to Determine
Acquisition: Acquisition & Production Costs	200025 (Capital WIP)
Loss Made on Asset Retirement w/o Revenue	400303 (Loss due to Scrap)
Clearing Account Revenue from Asset Sale	300102 (Asset Sale A/c)
Gain from Asset Sale	300103 (Profit on Asset Sale)
Loss from Asset Sale	400302 (Loss on Asset Sale)

→ ENTER & SAVE Ignore Warning Message and Press Enter

NOTE: No Depreciation for Capital WIP

Step 13. Specify Document Type for posting of Depreciation:

SPRO----->Financial Accounting---->Asset Accounting ---->Integration with the General Ledger---->Post Depreciation to the General Ledger----> Specify Document Types for Posting of Depreciation (TC===OBA7)

Double click on Define Document Types

Select Type AF (Depreciation Postings)

Select Details Button

No. Range: 04

Select No Range Information Button

Company Code: PSL

Select Change Interval Button

Select Interval Button

Number	Year	From No	To No	External	
Range				Chk Box	
04	2009	700001	800000	✓	→ ENTER & SAVE

Ignore Warning Message and Press Enter

**** As per ECC 6.0 of SAP Documentation , we should not select External Check Box at the time of Number Range Intervals. Upto Version 4.7EE selection is required. When we select the External Check Box, at the time of posting the document , we have to specify what should be the document number. There is an exception to this for Depreciation Documents Postings.

IN F-02, when we are posting a Document, We can post one document at a time.

Where as for Depreciation Postings systme will post Number of Documents at a time based on the Account Determination.

PSL10000 Land

PSL11000 Buildings

PSL20000 P&M

PSL30000 F&F

PSL31000 Vehicles

PSL40000 CapitalWIP

→ System Will generate 4 documents at a time monthly as Account Determinations are 4

Step 14. Specify Intervals and Posting Rules: Same Path (TC== OAYR)

Select Company Code: PSL

Double Click on Posting Rules Folder

Select Monthly Posting Radio Button

SAVE → ENTER to save in your request.

Step 15. Specify Rounding Off Net Book Valeu and/ or Depreciation:

PATH: SPRO---->Financial Accounting---->Asset Accounting---->Valuation---->

Amount Specifications(Comp.Code/Dep.Area)---->Specify Rounding off Net Book

Value and /or Depreciation (TC===OAYO)

Ignore Message and Press Enter

Company Code: PSL

Double Click on Rounding Specifications Folder

Select Area: 01 (Book Depreciation)

Select Details Button

Select Automatically Calculated Depreciation Check Box

Select Rounding Radio Button

SAVE → ENTER to save in your request.

Step 16. Creation of Depreciation Keys:

In Creation of Depreciation Keys we have 5 steps.

Step 1. Define Base Methods

Step 2. Define Declining Balance Method

Step 3. Define Multilevel Methods

Step 4. Maintain Period Control Method

Step 5. Maintain Depreciatio Key

All the 4 steps will be assaigned in Step 5

5th Step will be assaigned in Asset Master

Customization of 5 steps is detailed below

Step 1. Define Base Methods

SPRO----> Financial Accounting ----> Asset Accounting ---->Depreciation --->Valuation
 Methods---->Depreciation Key---->Calculation Methods---->Define Base Methods
 0014 Ordinary:Explicitly Percentage(after end of life)

*

Ordinary -- Means Ordinary Depreciation

Explicit Percentage--- We follow percentages specified in Com. Act Schedule 14.

After End of Life--- No depreciation should be calculated if Net Book Value = ZERO

Step 2. Define Declining Balance Method:

Same Path (TC==AFAMD)

Chart of Depreciation : PSL

→ ENTER

Note Down the Number '001

(in this Step Nothing to save)

We will mention this number in 5th Step

Step 3. Define Multilevel Methods:

Same Path

(TC==AFAMS)

Select New Entries Button

Multilevel Method P1

Description: 5% SLM

Validity Satart: Select from

Ordinary Depreciation Date

SAVE → ENTER

to save in your request.

Double Click on Levels Folder

Select New Entries Button

Acquisition Year	Year	Period	Base Value	Percent
9999		999	12	01

→ SAVE

Double Click on Multilevel Method Folder

Select Next Entry Button

Multilevel Method P2

(Text Field)

Description : 5% WDV

Validity Satart: Select from

Ordinary Depreciation Date

SAVE → ENTER

to save in your request.

Double Click on Levels Folder

Select New Entries Button

Acquisition Year	Year	Period	Base Value	Percent
9999		999	12	24

→ SAVE

(N.B.V)

Note: Some of the Fields in above steps are briefed below for information.

Point 1. Validity Start From : Ordinary Depreciation Start Date

Here Ordinary Depreciation Date means , the date from which system should calculate depreciation. Normally it should be the Capitalization Date. In some Countries it will be from 1st of Next month of Capitalization .

Asset Master in India Some other Countries

A. Capitalization DT: 05.09.2009 05.09.2009

B. Ordinary Dep DT: 05.09.2009 01.10.2009

Point 2. Levels

Acquisition Year: 9999 . If we give Acquisition Year as 2009. 5% depreciation

Rate is applicable to only for the assets purchased in 2009. If we mention 9999 , 5% is applicable to any asset acquired in any year.

Years: 999 (Maximum No. of Years)

If the Depreciation Method is Straight Line Method and Dep Rate is 5% - Life of asset can be assumed as 20 Years, if rate is 1% Life would be 100 Years. But in Written Down value Method Life of the Asset is difficult to calculate as there would always be some remaining value. If we select 999 for Years, it will calculate upto any number of Years.

Period: 12 Means the number of Months

Basic Value: 01 - Acquisition Value-- it is applicable to Straight Line Method.
In SLM, Dep will be calculated always on Acquisition Value
24- Net Book Value-- it is applicable to Written Down Method.
in WDV dep will be calculated on the Net Book value.

Percent: Rate of Depreciation

Reduction:	Ex: Acquisition Value of the Asset:	100000
	Less: Estimated Scrap Value at the end of the	
	Life of the Asset.	1000
	Actual Asset Value for Depreciation Purpose	99000

If we are following 5% Dep Rate in Reduction Method, Dep will be calculated on 99,000 but not on 100,000. In India this method is not applicable.

Rem Life: Depreciation will be calculated in 2 ways. One is Percentage Method
Second One is Useful Life Method. In India at Present 2nd Method is not using by most of the Companies. For Example. If an Asset is Purchased in 2004 for Rs. 100,000 which is having Useful Life of 20 Years. So Depreciation Per Anum is Rs. 5,000. If this Company is Implementing SAP from 2009 onwards. Already 5years accounting was done in Other Accounting Software. AT the time of Creation of Asset Master in SAP we should mention like Acquisition Value : 100,000 , Acc. Depreciation : 25,000. Select Remaining Life check Box. System will Know Raining Life of Asset is 15 years. System will calculate depreciation for 15 years only. This system is applicable if Depreciation Method is Straight Line Method in which life of asset can be assumed. In WDV it is not possible.

Step 4. Maintain Period Control Methods: Same Path (TC== AFAMP)

Chart of Depreciation: PSL → ENTER

Select New Entries Button

Period Control Method	Description	Acq. Year	Additions	Retirement	Transfers
006	PSL Period Control Method	01	01	01	01

(Prorata at Period Start Date)

SAVE → ENTER to save in your request.

Step 5. Maintain Depreciation Keys: Same Path (TC==AFAMA)

Select New Entries Button

Dep. Key : PSL1

Description: 5% Straight Line Method

Select Period Control According to Fiscal Year

Select Depreciation to the Day

✓
✓

SAVE → Ignore Warning Message → ENTER

→ ENTER to save in your request.

Double Click on Assaignment of Calculation Methos Folder

Select New Entries Button

Depreciation Type: Ordinary Depreciaton (Select from Drop Down Button)

Phase: From the Start of Depreciation

Base Method: 0014

Decl.Bal Method: 001

Period Control Method: 006

Multilevel Method: P1

Class: Straight Line Depreciation (Select from DD Button)

SAVE → Select Back Arrow 4 times

Select Depreciation Key: PSL1

Select Activate Button → SAVE

Select New Entries Button

Dep. Key : PSL2

Description: 5% Written Down Value Method

Select Period Control According to Fiscal Year

Select Depreciation to the Day

✓
✓

SAVE → Ignore Warning Message → ENTER

→ ENTER to save in your request.

Double Click on Assaignment of Calculation Methos Folder

Select New Entries Button

Depreciation Type: Ordinary Depreciaton (Select from Drop Down Button)

Phase: From the Start of Depreciation

Base Method: 0014

Decl.Bal Method: 001

Period Control Method: 006

Multilevel Method: P2

Class: Declining Balance Depr. (Select from DD Button)
 SAVE → Select Back Arrow 4 times
 Select Depreciation Key: PSL2
 Select Activate Button → SAVE
 Select First Page/ Control +Page Up Button on Top Right Side
 Select Depreciation Key: 0000 (No Depreciation & No Interest) and Select Activate Button

Note: Activation of Depreciation Key '0000 is necessary for Land and Capital WIP as there is no Depreciation on these 2 assets.

END USER AREA:

Step 1. Creation of Main Asset Master:

Accounting---->Financial Accounting---->Fixed Assets----->Assets---->Create--->Asset (TC==AS01)
 Asset Class: PSL2000 (Dept A)
 Comp. Code: PSL
 Description: Machine No 1
 Capitalized on : 10.04.2009
 Select Time Dependent Tab
 Business Area: PSLH
 Select Depreciation Areas Tab
 Depreciation Key: PSL1 (5% Straight Line Mehtod)
 Useful Life 15 Yrs } This is only of Information purpose
 Period 6 Months } Not to Calculate Dep. Based on this.
 Ordinary Dep.
 Start Date: 10.04.2009
 SAVE → System Will give a Message Asset No 200001 Sub No. 0 created
 (Main Asset No always will have Sub Number ZERO)

Step 2. Creation of Sub Asset Master:

Upto Create Path is Same---->Sub number---->Asset (TC==AS11)
 Asset Number: 200001
 Company Code: PSL
 Description : Motor
 Capitalized on : 07.09.2009
 Select Time Dependent Tab
 Business Area: PSLH
 Select Depreciation Area Tab
 Depreciation Key : PSL2 (5% Written Down Value Method)
 Useful Life 15 Yrs } This is only of Information purpose
 Period 6 Months } Not to Calculate Dep. Based on this.
 Ordinary Dep.
 Start Date: 07.09.2009
 SAVE → System Will give a Message Asset No 200001 Sub No. 1 created

Step 3. Posting of Main Asset Purchase :

Accounting---->Financial Accounting---->Fixed Assets---->Posting---->Acquisition---->
 External Acquisition---->With Vendor (TC==F-90)

Doc. Dt: 10.04.09 Type: KR Comp. Code: PSL
 Post. Dt: 10.04.09
 Post Key: 31 A/c: 4400001 → ENTER
 Ignore Warning Message → ENTER
 Amount: 500000 Business Area: PSLH
 Text: Machinery Purchase Posting
 Post Key: 70 (Debit Asset) A/c: 200001-0
 Transaction Type: 100 (External Acquisition of Asset) → ENTER
 Remove TDS Codes → ENTER
 Amount: * Text: ±
 From MENU----> DOCUMENT---->SIMULATE----> SAVE

Asset No 200001-0 updates GL account No 200010 Plant & Machinery Automatically
 Because of :

2nd Rule: Main Asset Master to Create With Reference to the Asset Class 200001-0
 created with reference to Asset Class PSL2000(Dept A).

3rd Rule: Account Determination is specified in Asset Class. Account Determination
 PSL20000 P& M specified in Asset Class PSL2000 (Dept-A)

4th Rule: For Account Determination we assign GL Account Based on the Nature of
 Transaction. For Account Determination PSL2000 in case of Acquisition , we have
 given GL A/c 200010 Plant & Machinery.

Step 4. Posting of Sub Asset Purchase (F-90)

Doc. Dt: 07.09.09 Type: KR Comp. Code: PSL
 Post. Dt: 07.09.09
 Post Key: 31 A/c: 4400001 → ENTER
 Ignore Warning Message → ENTER
 Amount: 60000 Business Area: PSLH
 Text: Motor Purchase Posting
 Post Key: 70 (Debit Asset) A/c: 200001-1
 Transaction Type: 100 (External Acquisition of Asset) → ENTER
 Remove TDS Codes → ENTER
 Amount: * Text: ±
 From MENU----> DOCUMENT---->SIMULATE----> SAVE

Note 1st Rule: Sub Asset Master is to Create with reference to the Main Asset Master.
 200001-1 created with reference to Main Asset 200001 Machine No 1.
 The other Rules 2nd, 3rd & 4th are same as above .

Report1: Report to view Each Sub Asset Wise , Year-wise Values:

Accounting---->Financial Accounting---->Fixed Assets---->Asset---->Asset Explorer
(TC==AW01N)

Give Asset No: 200001-0 → ENTER

To view Depreciation Calculations

Select Display Dep. Calculation Button

Select Period Information Button

We can see the Report of Depreciation Calculation

Select Back Arrow

Select Comparisions Tab

Change the Asset to 200001-1

We can see the Depreciation for Sub Number 1

Select Planned Values Tab

Change the Fiscal Year to 2010 → ENTER

Select Display Dep. Calculation Button

We can see the Report of Depreciation Calculation

Select Back Arrow

Report2: Report to view All Assets for a Particular Period

Accounting---->Financial Accounting--->Fixed Assets--->Information Systems--->
Report on Asset Accounting --->Asset Balances---->Balance Lists--->Asset Balances--->
By Business Area (TC==S_ALR_87011965)

Press All Selections Button

Give the Company Code: PSL

Change Report Date: 30.09.09

Select Execute Button

We can see Summary Report for all assets

Double Click on Dept-A, we can see for that particular area

Double Click on Machine No 1, we can see the report for Machine No 1

Select Back Arrow 3 times

Give Report Date 30.04.09

Select Execute Button

Double Click on Dept-A

Step 5. Depreciation RUN:

Accounting--->Financial Accounting---->Fixed Assets---->Periodic Processing--->
Depreciation Run---->Execute (TC==AFAB)

Comp. Code: PSL

Fiscal Year: 2009

Posting Period: 01

Select Planned Posting Run Radio Button

Select Test Run Check Box

Select Execute Button

Ignore Warning Message and Select "YES" to the Message

If any Errors has come, to View the Errors

Select Eroor Lists Button (F7)

Select Back Arrow

Deselect Test Run Check Box

From Menu---->Program Execute in Background

Output Device: LP01 → ENTER → ENTER once again

Depreciation Run Programme will take some time to Complete. In Live Environment where Assets are more, it take much time. So SAP has given an option to keep the programme scheduled to run in nights when no data entry will take place. Dep run programme will take place in Server system not at User System level. To make Schedules , follow the below process.

Select Date and Time Button

Schedule Start Date: 08.09.09 Time : 23hrs 00 min 00ss

SAVE

To Run Immediately, Select Immediate Button

Select Save or Ctrl+S

We get a Message " Background Tab was scheduled for Programme : "RAPOST2000"

To Check the Job is Processed or Not:

from Menu---->System---->Servicess---->Jobs--->Job Overview

Select Execute Button

To View the Document Posted (TC==FB03)

To view the Document posted by System for Depreciation use TC=FB03.

Select Document List Button

Comp. Code: PSL

Doc. Type: AF (depreciation Document type)

Select Execute Button

Double Click on Document Number for Drilldown and see the Entry for the Doc. Posted

Double Click on Document Number for Drilldown and see the Entry for the Doc. Posted

In Depreciation Run Screen WE have 4 options for Depreciation Calculation(AFAB)

1. Planned Posting Run

Comp. Code: PSL

Fiscal Year : 2009

Posting Period: 02 (May)

Select Planned Posting Run Check Box

Before Executing depreciation run for May and after Eexuting Depreciation Run for April , if we commissioned New Asset with April Date. Ex: Mach. No 2 dated 25.04.09

if we run Depreciation Programme for May system will calculated Dep like below

For Asset 200001-0: Dep from 01.05.09 to 31.05.09 (As for Apr dep already calculated)

For Asset 200002-0: Dep from 25.04.09 to 31.05.09 (As for Apr dep Not calculated)

2. Repeat Run :

Instead of Selecting Planned Posting like in Earlier Case for Asset No 200002-0, we can Select Repeat Run for April. If we selected Repeat Run, System will check the Assets for which Depreciation is not calculated in April and post the Depreciation in that Period.

Repeate Run is possible only for the Latest Planned Run i.e, in this case for April only Before Repeat Run, there should be Planned Posting Run for that Period.

Period for which Repeat Run is going on should be in Open .

In the Present Example. When we Selected Repeat Run System will calculate Depr. for Machine No 200002-0 from 25.04.09 to 30.04.09 and post in April Month

When we run for May , we have to choose Planned Posting then system will consider

For Asset 200001-0: Dep from 01.05.09 to 31.05.09

For Asset 200002-0: Dep from 01.05.09 to 31.05.09

3.Restart :

This Option is useful when we have Scheduled Depreciation Run and because of any Reasons (Either Technical or Power Problems) the scheduled Job is not Finished, System gives a Message that Job is not Completed. Select the Restart Radio Button

4 Unplanned Posting :

This option is to be selected when the Depreciation Posting is not as per Planned one In Live Environment, monthly we pass a Provisional Entry in F-02 in stead of Running Depreciation Programme in SAP. Entry will be like below

Depreciation Provision A/c Dr

to Accumulated Depreciation Provision Account

Once Audit is over, we will reverse the manual Entries and Run Depreiciation in SAP

Comp. Code: PSL

Fiscal Year: 2009

Period : 12 (upto March)

Select Unplanned Psting Run

SALE OF ASSET: When we sale the Asset , we will transfer the Acc. Depreciation to the Particular Asset and transfer the Profit or Loss on sale of Asset to P& L A/c

Ex: Suppose if we sold Asset No: 200001-0

Acquistion Value	500000
Less: Accumulated Dep upto 30.04.09	1438
Net Book Value as on 30.04.09	498562
Asset Sale on 01.05.09	501000
Profit on Sale of Asset (501000-498562)	2438

Step 1. To Make Asset Retirement Field as Required Field for Field Status Group G052
(Accounts for Fixed Assets Retirement) (TC==OBC4)

Select Field Status Variant: PSL

Double Click on Field Satus Group Folder

Double Click on Field Satus Group G-052

Double Click on Asset Accounting

Make Asset Retirement as Required Entry Field

SAVE or Ctrl+S → ENTER to save in your Request.

Step 2. Asset Sale:

Accounting --->Financial Accounting--->Fixed Assets---->Posting---->Retirement---->
Retirement with Revenue---->With Customer (TC==F-92)
Doc.Dt: 01.05.09 Type : DR Comp. Code: PSL
Post Dt: 01.05.09
Post Key: 01 A/c: 3000001 → ENTER
Amount: 501000 Buss. Area: PSLH Text: Asset Sale Posting
Post Key: 50 A/c: 300102 (Asset Sale a/c) → ENTER
Amount: * Buss. Area: PSLH Text: ±
From Menu----> Document---->Simulate
Select Asset Retirement Check Box → ENTER
Asset Number: 200001 } Asset Number which is Selling
Sub Number: 0 }
Transaction Type: 210 (this will come by Default)
Asset Value Date: 01.05.09
Select complete Retirement Check Box → ENTER
Double Click on Blue Font Line Items → SAVE
Eventhough We posted only 2 Entries , System will generate 6 postings automatically like below

Post Key	A/c	Amount	
01	Customer	501000	Dr
70	Acc. Dep P& M	1438	Dr
40	Asset Sale	501000	Dr
50	Asset Sale	501000	Cr
75	P& M 200001-0	500000	Cr
50	Profit on Sale of Asset	2438	Cr

In Normal Account We give Credit to Plant & Machinery

IN SAP by using the method of Asset Sale, Posting will be done Automatically when we Sale the Asset.

NOTE:

It the Asset is sold on 12.05.09 instead of 01.05.09, at the time of Asset sale we do not run Depreciation Programme in SAP. We will run the programme as usual at the end of the month or end of the year. Eventhough we do not run the depreciation programe systeme will calculate the depreciation upto the date of Sale of Asset and calculate the Profit on Sale of Asset. On the day when we run the Depreciation Programme, system will calculate depreciation for the sold asset upto the date of Sale of Asset and post the entry on the Programme Run Date.

TRANSFER OF ASSET:

We have Asset No 200001-0, we want to transfer this asset from Hyd unit to Bangalore Unit. In this type of Transfers we have to transfer the Asset at Cost price. There will be no change in the Life of the Asset as it is transferred within the Company Code Level. When we are transferring the Asset within 2 units of the same Company Code,there will be No PROFIT or NO LOSS. We have to transfer both Acquisition Value(Gross Value) and Accumulated Depreciation on that Asset. Eventhough Dep Programme is not run, upto the date of transfer depreciation will be considered in sending unit. From the date of Transfer Depreciation will be considered in Receiving Unit.

There are 2 types in Asset Transfers

Two Step Transfer Procedure

In this Method first we have to

- 1 Create Asset Master in Receiving Unit (AS01)
- 2 Transfer the Asset Values

One Step Transfer Procedure

In this method we will create Asset Master and Transfer Values in One Step only

Two Step Transfer Procedure is followed when we want to Transfer Number of Assets at a Single Time or Asset which is going to Transferred will be the Sub Asset Master in the Receiving Unit.

For Testing Purpose we are Covering One Step Procedure

PATH: Accounting----->Fianancial Accounting----->Fixed Assets----->Posting ---->

Transfer--->Transfer within Company Code (TC==ABUMN)

Asset No: 200001 Sub No: 0 Doc. Date: 01.05.09

Post.Dt: 01.05.09 Asset Value Dt: 01.05.09

Text : Asset Transfer

Select New Asset Radio Button

Description: Machine No 75 (No of Receiving Unit)

Asset Class: PSL2001 (Dept-B)

Select Master Data Button

Business Area: PSLH

Select Additional Data Button

Capitalized on : 01.05.09

Select Depreciation Area Tab

Dep Key: PSL1 (Dep Key should be same as in Sending Unit)

Useful Life: 15 } Only for Informaion purpose

Period: 5 }

Ord. Dep. Date: 01.05.09 (From date of Dep in receiving Unit)

Select Back Arrow → ENTER & SAVE

We can see the message that Document Posted.

To View the Posted Document Use TC=FB03

Document No: 35 (Document Number is that which it posted earlier)

→ ENTER We can see the Document which SAP Posted for Transfer of Asset

SCRAPPING OF ASSET:

We have so many assets, out of that Asset Motor 200000-1 is one Asset. If we are not able to Use/Sold/Trnasfer the asset, we will Scrap it. The Net Book Value of Asset will be charged to P& L Account.

As per Accounting Standard 28-Impairment of Assets: If the realisable value of the assets are less than the Net Book Value, and Future Cash Flows are Negative, then we have to Impair the Asset.

Ex: Acquisition Value:	100000
Acc. Depreciation	20000
Net Book Value	<hr/> 80000
Expected Sale Price	70000
Future Cash Losses Partial Impairment	<hr/> 10000

To View Motor Values as on 31.10.2009 (S_ALR_87011965)

Press All Selections Button

Company Code: PSL

Buss. Area: PSLH

Report Date: 31.10.09

Select Execute Button (F8)

Double Click on Dept-A

We can see Assets in Dept-A

Scrapping of Asset: PATH :-> Accounting ---->Financial Accounting ---->Fixed

Assets---->Posting---->Retirement---->Asset Retirement by Scrapping (TC=ABAVN)

Asset No: 2 200000 Sub No: 1

Doc. Dt: 01.11.09 Post.Dt: 01.11.09 Asset Value DT: 01.11.09

Text: Asset Scrapping SAVE

Go and See Document Posted (FB03)

Doc # 36 (Last Posted Document Number of Asset Scrapping)

Comp. Code: PSL

F.Year 2009 → ENTER

CAPITAL WORK IN PROGRESS LINE ITEM SETTLEMENT:

When we purchase asset on 01.08.09 Machine No 1, we will debit it to Capital Work in Progress account.

on 05.08.09 Freight charges Paid and Debited to CWIP A/c

on 12.08.09 Commissioning Charges Paid Debited to CWIP A/c

Asset is Capitalized on 16.08.09 as Machine No 16.

Settlement of CWIP to Machine No 1 Line Item wise is necessary.

Customization:

Step 1. Define Settlement Profile:

SPRO---->Financial Accounting---->Asset Accounting---->Business Transactions---->

Capitalization of Assets under Construction---->Define / Assign Settlement Profiles

Double Click on Define Settlement Profile (TC==OK07)

Settlement Profile AI (Settlement of Asset Cost Constructions)

Select Details Button

Select " To be Settled in Full Radio Button "

Allocation Structure : 01 {Co Allocation Structure}

Default Object Type: FXA (Assets)

Select % settlement Check Box

Select Equivalence Number check Box

Select Amount Settlement Check Box

Under Valid Receivers :

For Fixed Assets -----> Settlement Required

Doc. Type: AA (Asset Posting)

Max. No of Distribution Rules: 999

Residence Time 12 Months → SAVE

Select Back Arrow 2 Times

Double Click on Assaign Settlement Profile to Company Code

Select Position Button

Comp. Code: PSL → **ENTER**

For PSL Assaign Settlement Profile AI

SAVE → **ENTER** to save in your request.

END USER AREA :

Step 1: Creation of Captial Work In progress Asset Master (AS01)

Asset Class: PSL4000 (Capital WIP)

Comp. Code: PSL

Description: Capital Work In Progress

Capitalized on : 01.08.09 (Date should be the purchased date as it is posted to Capital WIP)

Select Time Dependent Tab

Business Area: PSLH

Select Depreciation Tab

Dep. Key: 0000 → **SAVE**

Asset Number : 500001-0

Step 2: Machinery Purchase Posting (F-90)

Doc. DT: 01.08.09

Type: KR

Comp. Code: PSL

Post.DT: 01.08.09

Post Key: 31

Vendor A/c: 4000001

→ **ENTER**

Amount: 50000 Buss. Area: PSLH

Text: Machinery Purchase Posting

Post Key: 70 (Asset Debit) A/c No: 500001-0

T. Type: 100 (External Acquisition of Asset) → **ENTER**

Remove TDC Codes and → **ENTER**

Amount: * Text: ±

From Menu----->Document----->Simulate & **SAVE**

Step 3: Posting of Freight on Asset Payment (F-02)

Doc.DT: 05.08.09

Type: SA

Comp. Code: PSL

Post.DT: 05.08.09

Post.Key: 70

A/c : 500001-0

T.Type: 100

Amount: 15,000

Text: Freight Payment

Post Key: 50

A/c# 200105

→ **ENTER**

Amount: *

Business Area: PSLH

TEXT: ±

From Menu----->Document----->Simulate & **SAVE**

Step 4: Creation of Machinery Asset Master(AS01)

Asset Class: PSL2000
 Comp. Code: PSL → ENTER
 Description: Machine No 16
 Capitalized on : 16.08.09
Select Time Dependent Tab
 Business Area: PSLH
Select Depreciation Tab
 Dep. Key: PSL1
 Useful Life: 16 Years
 Period: 6 Months
 Ord. Dep Start Dt: 16.08.09 → SAVE
 We will get the message that Asset Number : 200004-0 Created

Step 5: Settlement of Capital Work In Progress to Machine No 16.

Accounting---->Financial Accounting---->Fixed Assets---->Posting---->Capitalized
 Asset Under Construction---->Distribute. (TC==AIAB)

Comp. Code: PSL Asset :500001 Sub.No : 0
 → Execute (F8)
 Menu--->Edit--->Select--->Select All
 Select ENTER Button on Screen

Category	Settlement Receiver	Rec.ST	%
FXA	200004-0	Mach.#16	100

→ Select Back Arrow & SAVE

select Settlement Button

Asset Value Date: 16.08.09

Text: Capital Work In progress for 16 Settlement

Deselect Test Run Check Box

Execute--- > We will Get Message Transaction was Posted.

Go And See the Document Posted : Use TC=FB03

NOTE: Before Transferring the CWIP Settlement, We have to Assign Settlement Document Number Ranges in Controlling for Posting the Settlement Document. Otherwise System will give Error

DATA TAKEOVER (LSMW)

Data Takeover is an important Topic to be concentrated in Implementation Procedure. If any Company which is using some other Software for Accounting purpose is swithching over to SAP, Closing balances in previous Software will be taken as Opening Balances in SAP. For this There should be Cutoff Date in Old Software. During the Process of Data Takeover, it is adviced to practice not to post any transactions in Old Software until the Data Takeover is completed, otherwise confusion will arise or balances may not match.

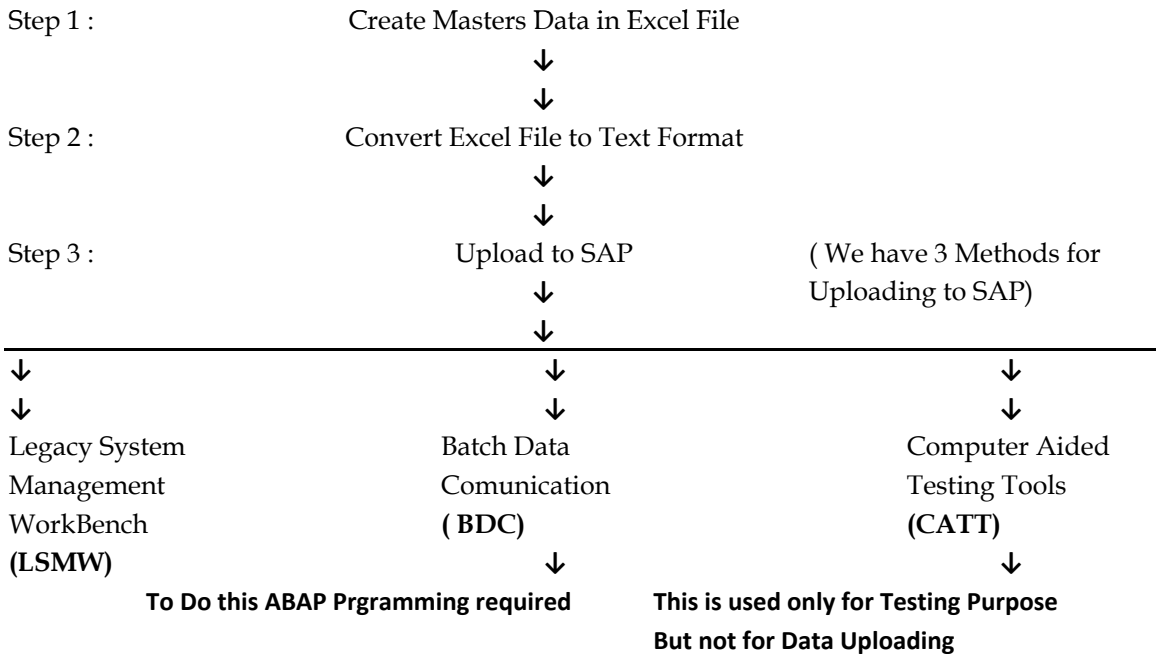
IN SAP, Data Takeover is of 2 Processes

1. Masters Uploading
2. Balances Uploading

Masters Uploading:

IN masters we have	GL Masters :	FS00
	Vendor Masters :	XK01
	Customer Masters :	XD01
	Asset Masters :	AS01
	Material Masters :	MM01

In Live Environment , if we have Number of Masters it is Difficult to Create in SAP One by One. So we first Create all Fields in Excel. Flow of Masters Uploading will be like Below



As LSMW is the Job of Functional Consulatant, we are covering this topic for learning purpose

Step 1 : Open a New Excel File and Note Down the Values to be Uploaded

GLA/c#	Comp. Code	A/c Group	P& L St A/c	B/S A/c	Short Text	Long Text	A/c Currency
{1}	{2}	{3}	{4}	{5}	{6}	{7}	{8}
100001	PSL	SCPL		X	Pref.Share Cap	Pref.Share Cap	INR
200125	PSL	CAST		X	Inventory Stores	Inventory Stores	INR
300001	PSL	SALE	X		Sales Trading	Sales Trading	INR
400101	PSL	PRSN	X		Wages A/c	Wages A/c	INR

Only Bal in Loc	Line Item	Sort Key	Field Status Group
{9}	{10}	{11}	{12}
X	X	001	G001
X	X	001	G001
X	X	001	G001
X	X	001	G001

Remove Column Headings and Delete Other Sheets in Excel File

Select the Total Sheet by clicking on the left Corner

Click Right Mouse Button and Select format Cells

Select Text-----> Select OK Button from Menu ----> SAVE as

Save As type : Text (tab Delimited)

Give the File Name: PSLText Select Save Button

Select No for the message " to Keep Wrokbook Format"

Select cancel Button From Menu---->File---->Close

Select No Button for the Message Save Excel File.

Step 2. Open a New Excel File and Note Down the Technical Name of EachField. It should be in the same order of fields in Text File. To Check the Technical Names go to the Screen of FS00. In FS00 Screen keep the Cursor on GL A/c and Press F1. Select Technical Information Button . Double Click on Field Name SAKNR. Like that we can see technical names of other fields.

Component	Data type	Length	Field Name
SAKNR	C	10	GL A/c
BUKRS	C	4	Comp.Code
KTOKS	C	4	A/c Group
XPLACCT	C	1	P& L A/c
XBILK	C	1	B/S A/c
TXT_20ML	C	20	Short Text
TXT_50ML	C	50	Long Text
WAERS	C	5	A/c Currency
XSALH	C	1	Only Bal. in Local Currency
XKRES	C	1	Line Item Display
ZUAWA	C	3	Sort Key
FSTAG	C	4	Field Status

Save the File in Excel Format as PSL Excel

Step 3.

Masters Uploading:

Use TC= LSMW in SAP

Ignore the Warning Message

Project: PSL

Sub Project: FI

Object: GL Masters

Select Create Entry Button

Give Project Description: PSL Project

→ ENTER

Sub Project Description: FI Area

→ ENTER

Object Name: GL Masters Uploading

→ ENTER

Select Continue or Execute Button

Select Execute Button

Select Batch Input Recording Radio Button

MENU----->GOTO----->RECORDINGS OVERVIEW

select Create Recording Button

Recording Name:	PSLGL
Description:	PSLGL Masters Uploading

→ ENTER

Transaction Code: FS00 → ENTER

GL A/c 100310 Comp. Code: PSL

Menu ---->GL A/c----->Create

Account Group: Secured Loans

Select B/S Account 0

Short Text: IDBI Rupee Term Loan

Long Text: IDBI Rupee Term Loan

Select control Data tab

Account Currency: INR

Select Only Balances in Local Currecny

✓
✓

Select Line Item Display

Sort Key: 001

Select Create/Interest/Bank tab

Field Status Group: G001 → SAVE

Keep the Cursor on FS00 . Select Default All Button

→ SAVE

Select Back Arrow 2 Times

Give Recording Name PSLGL

→ ENTER & SAVE

Select Back Arrow

Select Execute Button

Select Create a Structure Button

Source Structure : PSLSTR

Description: PSLGL Structure

→ ENTER & SAVE

Select Back Arrow

Select Execute Button

Keep the Cursor on PSLSTR

Select Table Maintenance Button

Copy Component Column in Excel File in SAP Field Name Column
Copy Data Type Column in Excel File in SAP Type Column
Copy Length in Excel File in SAP Length Column → SAVE
Select Back Arrow → SAVE
Select Back Arrow
Select Execute Button → SAVE
Select Back Arrow
Select Execute Button
Menu---->Extras---->Auto Field Mapping → ENTER
Select Accept Proposal Button till we get the Message
"Auto Field Mapping Completed" → ENTER & SAVE
Select Back Arrow
SKIP Maintain Fixed Values , Translation User Defined Routines
Select Specify Files Radio Button
Select Execute Button
Keep the Cursor on the PC(Front End)
Select Add Entry Button (Ctrl+F2)
File : PSLText.txt (The same Text File Earlier created)
Name: PSLGL Masters
Select Tabulator Radio Button → ENTER & SAVE
Select Back Arrow
Select Execute Button → SAVE
Select Back Arrow
Select Execute Button → Select Execute Button once again
Select Back Arrow 2 times
SKIP Display Read Data
Select Conver Data Radio Button
Select Execute Button → Select Execute Button once again
Select Back Arrow 2 times
SKIP Display Converted Data
Select Create Batch Input Session Button
Select Execute Button → Select Execute Button once again
We will get a message " 1 Batch Input Folder with 4 Transactions Created" → ENTER
Select Execute Button for Run Batch Input Selection
Select Session Name: GLMasters → Select Process Button
Select Display Errors Only Radio Button
Select Process Button
Ignore the Message and Select Exit Batch Input Button

To View the Accounts Created use TC=FS00

Select Drop Down Button Beside GL a/c
Comp. Code : PSL → ENTER
We can see the Masters Created in List.
In the Same Way , We can Upload the Vendor Masters, Customer Masters, Asset Masters and Material Masters. Technical Names Can be known from the Screen of Particular Master Creation.

Balances Uploading : If the Company is a Going Concern and is implementing SAP
on 01.04.09 --- Upload only Balance Sheet Items Balances
on 01.08.09 --- Upload Balance Sheet Items Balances and P& L A/c Balances as
Uploading is in the Middle of the Fiscal Year
SAP Suggests only to upload the Balances but not the Transactional Data except for
Vendors and Customers where we need Open Item Transactions.

NOTE: Reasons given by SAP for suggesting the Uploading of Balances not Transactions for some Masters :

- A. In Normal Accounting Vendors, Customers and Asset Balances are part of GL A/c's where as in SAP we have them as SUB Ledgers
- B. In Normal Accounting for Vendors and Customers, we keep Payables/ Receivables and Advances in One Account. But in SAP Payables/ Receivables will be shown under Normal Items and Advances will be shown under Special GL Items
- C. In Normal Accounting we show Accountwise Gross Block and Accumulated Dep.
Ex: P& M Wise, Where as in SAP we maintain each Sub Asset Wise Gross Block and Accumulated Depreciation.
- D. In Normal Accounting Depreciation is a Provisional Figure, where as in SAP Depreciation is Actually Calculated figure.
- E. In Normal Accounting Consumption is a Balance Sheet Figure. Where as in SAP Actual Consumption entries will be passed.

Ex: Raw Material Consumption in Normal Accounting

	Opening Stock	xxxxx
Add:	Purchases	xxxxx
Less:	Closing Stock	xxxxx
	RM Consumption	xxxxx

- F. In Normal Accounting for Closing Stock only One Entry will be passed

Closing Stock Dr. (B/S Account)

To Closing Stock Cr (P& L Account)

IN SAP Closing Stock will be Maintained Each Material wise-Quantity, Rate and Closing Amount

- G. In Normal Accounting Production Entries and Delivery Entries will not be passed.
The Difference between Production and Delivery is Increase/Decrease In Stock.
in SAP Production Entries and Delivery Entries will be passed at Product Cost.

Procedure for Balances Uploading :

- 1 Prepare a Statement Showing Each Vendors - Billwise Payables and Advances which should match with the Trial Balance
- 2 Prepare a Statement Showing Each Customers - Billwise Receivables & Advances which should match with the Trial Balance
- 3 Prepare a Statement Showing each Sub Assetwise, Purchase Cost, and Accumulated Depreciation and the Total Should match with Trial Balance Fixed Assets Account and Accumulated Depreciation Account.
- 4 Prepare a Statement showing each material wise Quantity, Rate and Amount, which should match with the Trial Balances Inventory Account.

- 5 Create 5 Dummy GL Accounts . It can be under any Account Group. Generally we create under Liabilities.
- a) GL Clearing A/c b) Vendor Clearing A/c c) Customer Clearing A/c
d) Asset Clearing A/c e) Stock Taking A/c
- 6 If Balances Uploaded is Correct, Balances of 5 Dummy Accounts will become ZERO. If in Any Dummy Account Balance is not become ZERO, it means there is some mistake in uploading that Balances. Balances of the Masters will Upload but with Mistakes. We have to Check manually the Balances to identify the Mistake and make the Rectification Entry .
- 7 We should not allow users to enter day to day transactions until the Balances are uploaded.

Example of Simple Normal Trial Balance

Particulars	Debit	Credit	A/c Type
Equity Share Capital		500000	GL A/c
Party A		100000	Sub Ledger
Acc. Dep. P& M No 40		200000	Sub Ledger
Sales		300000	GL A/c
Fixed Assets P& M No 40	500000		Sub Ledger
Inv.Raw Materials	100000		Sub Ledger
Party X	250000		Sub Ledger
SBI Current Account	50000		GL A/c
R M Consumption A/c	200000		Sub Ledger
	<u>1100000</u>	<u>1100000</u>	

Step 1. Create 5 Dummy Accounts by using TC=FS00

Step2. Credit GL Balances Uploading in F-02 Fast Data Entry

GL Clearing A/c Dr	1100000	
To Equity Share Capital Account		500000
To Vendor Clearing Account		100000
To Asset Clearing Account		200000
To Sales Account		300000

(All Credit Balances of Trial Balances Transferred to GL Clearing Account)

Step3. Debit Balances Uploading in F-02 Fast Data Entry

Asset Clearing Account Dr	500000	
Stock Taking A/c Dr	100000	
Customer Clearing A/c Dr	250000	
SBI Current Account Dr	50000	
RM Consumption A/c Dr	200000	
To GL Clearing Account		1100000

(All Debit Balances of Trial Balances Transferred to GL Clearing Account)

Why The above 2 Entries are Required?

As we discussed in Point No 6 of Procedure above, First We will Transfer the Total Amount to the Particular Clearing Account in the 5 Dummy Accounts Created. When we transfer the Individual Balances of Customers/ Vendors/ Assets/ Materials line item wise we will make programming to transfer the total to the particular Clearing Account. When Debit amount and Credit Amount equals automatically that Particular Clearing Account (Dummy) will become ZERO. If any Clearing Account shows balance , it means there is some mistake in uploading the balances in that particular category. We can easily check the balances manually to sort out the difference and make the adjustment Entry. Point to be noted is that, even if the Balances total does not match with the amount existing in that Clearing Account also, at the time of uploading line itemwise, data will automatically upload. We can not revert it back. We have to pass the Adjustment Entry only for rectifying the Mistakes.

Step 4A. Prepare a Statement showing each Vendor Bill Wise Open Items and Advances

Ex: Party A account as in Trial Balance

Bill No 1	50000
Bill No 2	40000
Bill No 3	30000
Advance	20000

Step 4B. Vendor Transactions Uploading F-43

Vendor Clearing Account Dr.	105000 (Balancing Figure)
Party A Spl Gl A/c Dr	20000 Advance to Vendors
To Party A Bill No 1	50000 Sundry Cr
To Party A Bill No 2	40000 Sundry Cr
To Party A Bill No 3	35000 Sundry Cr

Step 4C. Rectification Entry:

As we Discussed earlier , at the time of Uploading the Line Items, if any mistake is there, data will upload as we mentioned. In this Example, we can see as per Trial Balance Party A balance is Rs. 100,000/-. But as per the Data Uploading Bill wise Total Uploaded is Rs. 105,000/-. So Vendor Clearing Account will not be Zero showing 5000 Debit Balance Which should be rectified with Rectification Entry as Data already uploaded.

Party A A/c Bill No 3 Dr.	5000	
To Vendor Clearing Account		5000

NOTE:

Like the Above we have to Transfer the Item wise Balances of all the Vendors. In Live, as the Data Base would be more, it is difficult to upload the Data through TC=F-43. Like what we had done in GL Masters uploading, we will prepare an Excel Sheet and Upload the data from there in One Lot. For this, ABAP Programmer is required.

Step 5A. Prepare a Statement Showing Each Customerwise, billwise open items and Advances
Party X A/c :

Bill No 1	170000	}	Closing Balance is Rs. 250,000 DR which
Bill No 2	110000	}	is equal to Trial Balance
Advance	30000	}	

Step 5B Customer Transactions Uploading F-22

Party X a/c (Bill No 1)	170000	
Party X a/c (Bill No 2)	110000	
To Party X Spl GL a/c		30000
To Customer Clearing A/c		250000

The Debit Balance in Customer Clearing A/c what we transferred through the Entry in Step 3 is Rs. 250,000 which was equal to the Credit Entry in the above Entry. So in Customer Clearing Account Balance would be ZERO (Dr. 250000 - Cr 250000)

Step 6A To Enter the Fixed Assets Balances, we have to Enter Plant & Machinery GL A/c and Acc. Dep on P & M GL A/c with the below Entry

Post. Key	40 Plant & Machinery A/c	500000	
	50 To Acc. Dep on P & M A/c		200000
	50 Asset Clearing Account		300000

For Uploading the Fixed Assets Item Wise, first we have to Remove the Reconciliations Accounts for Assets.(See Step 6C for further Details)

USE TC= OAMK { OR}

SPRO---->Financial Accounting--->Preparing for Production Start up----> Set or
Reset Reconciliations Account

Comp. Code: PSL

Double Click on Change Control of Reconciliation A/c Folder

From Menu----> Edit---->Selections---->Select All

Select Delect Reconciliation Indicator for All Account

→ SAVE

→ ENTER to save in your request.

Step 6B Creation of Asset Master TC=AS01 → ENTER

Asset Class: PSL2000

Comp. Code: PSL → ENTER

Description : Machine No 40

Capitalized on : 20.07.09

Select Time Dependent Tab

Business Area: PSLH

Select Depreciation Area tab

Dep.Key	Useful Life	Period	Ord. Dep St. Dt
---------	-------------	--------	-----------------

PSL1	10Yrs	4 Months	01.04.2009
------	-------	----------	------------

→ SAVE

It Shows Asset "200003" Sub No "0" Created

Step 6C To Upload Acquisition Value and Acc. Depreciation Values
 This will not update the GL A/c as we have earlier Removed the Reconciliation A/c for Account Type Assets. It will be updated only the SubLedger of Asset .
 PATH: SPRO---->Financial Accounting---->Asset Accounting---->Asset Data Transfer ---->Manual Online Transfer---->Create/Change/Display Legacy Asset

Double Click on Change Legacy Asset (TC==AS92)

Asset No: 200003

Sub Asset No: 0

Comp. Code: PSL

Select Takeover Values Button

Ignore the Warning Message → ENTER

Cum. Acquisition Value: 500000

Accu. Ordinary Dep: 200000 → SAVE

Step 6D To Make Fixed Assets P& M A/c and Acc. Dep P& M GL A/c as Reconciliation A/c

After Uploading the Balances for Assets, again change the Assets as Reconciliation A/c

USE TC= OAMK → ENTER

Comp. Code: PSL

Double Click on Change/Control of Reconciliation of A/c Folder

From Menu---->Selections---->Select All (F7)

Select Set Reconciliation Indicator for Accounts Button

SAVE → ENTER to save in your request.

Data Take over regarding the Stock is the Job of MM Consultant . But we are briefly explaining the Procedure

Step 7A Prepare a Statement showing the Each Materialwise , Quantity, Rate and Amount. The Total should match with the Trial Balance Amount.

Ex. Statement of Stock

<u>Material No</u>	<u>Qty</u>	<u>Rate</u>	<u>Amount</u>
RM 1	200	50	10000
RM 2	3000	20	60000
RM 3	1000	30	30000
Total which is equal to TB Figure			<u>100000</u>

Step 7B Create Material Masters and In Accounting View Enter Moving Avg Price (TC=MM01)

Item Mvg. Price

RM 1 50

RM 2 20

RM 3 30

Step 7C Use TC=MBIC Movement Type =561

Plant:	<u>Hyd</u>
Storage Location:	<u>RM Storage Location</u>
<u>Material No</u>	<u>Qty</u>
RM 1	200
RM 2	3000
RM 3	1000

→ SAVE

Once We saved the Data, Accounting Entries will be Generated Automatically. Entries will be Like below

Inventory RM Local Dr	100000	
To Stock Taking A/c		100000
(Value = Qty x Material Master Price)		

CLOSING PROCEDURE

Closing Procedure is used at the Year End. It will explain what steps we have to do in the year end.

If the Current Accounting Year is April 2009 to March 2010

Fiscal Year 2009

Next A/c Year would be April 2010 to March 2011

Fiscal Year 2010

Closing Procedure will be followed in the last week of March 2010 for the Fiscal Year 2009. Like that every Fiscal Year in the Last Week of March we will follow the Closing Procedure.

Step 1. To Carry Forward the Vendor and Customer Balances to Next Year:

Every Year We have to do this step One Time.

PATH: Accounting---->Financial Accounting----->Accounts Payable Periodic

Processing Closing---->CarryForward----->Balances Carry Forward (TC=F.07)

Comp. Code: PSL

Carry Forward to Fiscal Year: 2010

Select Customers Check Box

 Vendors Check Box

De-select Test Run Check Box

Select Detailed log Check Box

→ EXECUTE (F8)

Ignore Warning Message

→ ENTER

We will get Report that No of Accounts Transferred and Customerwise Balances, Vendor Account Balances Transferred.

Step 2. Asset Closing Balances Transfer (or) Carry Forward:

For Asset Accounting We can Open 2 Fiscal Years at a time . So For Opening the Fiscal Year 2010 we have to Close the Fiscal Year 2008 for Asset Accounting .

Step2A To Check Which Years is Closed for Asset Accounting :

Accounting---->Financial Accounting---->Fixed Assets---->Periodic Processing ---->

Year End Closing---->Undo---->Entire Company Code (TC=OAAQ)

Select Position Button

Comp. Code: PSL → ENTER

We can see Which Year is Last Closed

Step2B To Close Fiscal Year 2008 for Asset Accounting :

Path: Upto Periodic Processing Path is Same---->Year End Closing ---->Execute (TC=AJAB)

Comp. Code: PSL

Fiscal Year to be Closed: 2008

De-Select Test Run Check Box

From Menu---->Programme--->Execute in Background (F9)

Output Device: LP01 → ENTER → ENTER Again

Select Immediate Button → SAVE

We get a Message " Background Job was Scheduled for Programm RAJABS00"

To Check weather the JOB is processed or not :

Menu--->System---->Services--->Jobs--->Job Overview

Execute(F8)-----> We can see that JOB is Finished

To View the Result of the Job :

Select Job " RAJABS00" Check Box

Select Spool Button

Select Sppl No Check Box-----> Select Display Contents Button

To Close Any Fiscal Year for Asset Accounting , We have to Post Depreciation for all Assets for all the Periods in that Fiscal Year.

Step 3 To Open Fiscal Year 2010 for Asset Accounting:

PATH: Upto Periodic Processing Path is Same----> Fiscal Year Change (TC=AJRW)

Comp. Code: PSL

New Fiscal Year : 2010

De-Select Test Run Check Box

Menu--->Programme--->Execute----> Background

Output Device: LP01 → ENTER → ENTER Again

Select Immediate Button → SAVE

We will get a Message " Background Job was Scheduled for Programm RAJAW00"

To Check weather the JOB is processed or not :

Menu---->System---->Services---->Jobs---->Job Overview

Execute(F8)-----> We can see that JOB is Finished

Select Job " RAJAW00" Check Box

Select Spool Button

Select Sppl No Check Box-----> Select Display Contents Button

We can see the Report of Assets in Summary in Quantity

Step 4 To Carry Forward GL Balances:

Accounting---->Financial Accounting---->General Ledger---->Periodic Processing---->

Closing---->Carry Forward---->Balances Carry Forward(New) (TC=FAGLGVTR)

Ledger OL (Leading Ledger)Comp. Code: PSLCarry Forward to Fiscal Year 2010

De-Select Test Run Check Box

Select Output List of Result Check Box

Select Balances in Retained Earnings A/c Check Box

Select Execute Button

We can See Report

Select Retained Earnings A/c Button

Select Back Arrow

Select Balance Sheet Accounts Button

We can see Balance Sheet Items Carryforded to the Same Accounts in Next Year.

Step 4 To Copy Number Range Intervals for 2010

SPRO---->Financial Accounting---->Financial Accounting Global Settings---->Document

---->Document Number Ranges---->Copy to Fiscal Year (TC=OBH2)

Ignore the Warning Message → ENTER

Comp. Code: PSLTo Fiscal Year Under Source Fiscal Year Details 2009To Fiscal Year Under Target Fiscal Year Details 2010

Select Execute Button

Ignore the Warning Message Select "YES" Button

Step 5 To Open Posting Periods for Year 2010

Generally in Live Environment we have 2 Periods

Period	A/c Year	Fiscal Year	Period to Open
From Prd 1	Apr.2010 to March 2011	2010	1.2010 to 1.2010

(Mandatory)

From Prd 2	Apr.2009 to March 2010	2009	12.2009 to 12.2009
------------	------------------------	------	--------------------

Use TC=OB52 → ENTER Select Position Button

Posting Period Variant : PSL → ENTER

Variant	From. Prd	F.Year	To Prd	F.Yr	Frm.Prds	F.Yr	ToPrds	F Yr
PSL	1	2010	1	2010	12	2009	12	2009

→ SAVE

If Accounts Department Finalized Profitabilty on 15.04.2010 for the year End 31.03.10
Management Adjustments to Post in Special Periods.

How to Open Special Periods:

From Period 1 (Mandatory)	Period to Open 1.2010 to 1.2010	Fiscal Year 2010
From Period2 (Optional)	13.2009 to 13.2009 (Spl Prd 1 of 2009)	2009

WE have 4 Special Periods for each Fiscal Year which are part of March to make
adjustments. 13, 14,15,16 part of Period 12.

USE TC=OB52

for Variat PSL	Frm.Prđ 2	F.Yr	To Prđ.2	F.Yr	
	13	2009	13	2009	→ SAVE

How to Post to Special Periods (F-02)

Doc.Dt: 27.03.2009 Type: SA Comp. Code: PSL
 Post.Dt: 27.03.2009
 Post Key: 40 A/c: 400100 → ENTER
 Ignore Warning Message → ENTER
 System Shows Error that Post. Period Not in Open
 Change Period to : 13 → ENTER
 Ignore Warning Message → ENTER
 Amount: 500000 Buss.Area: PSLH
 Text: Salary Provision
 Post Key: 50 A/c: 100500 → ENTER
 Amount: * Buss.Area: PSLH Text: ±
 Menu---->Document---->Simulate & SAVE

Go and See GL A/c Balance (FS10N)

GL A/c: 400100
 Comp. Code: PSL
 F.Year: 2009
 Buss.Area: PSLH → Execute (F8)

We can See the Posting in Period 13.

Point 1 How to Create a Folder:

In Live Environment for Generating Reports or Statements is common and Frequently Required. So it is Difficult to remember or go to the Particular Report through Path or Remembering the Transaction Codes. So create a Folder and Keep all the Reports frequently required by Management in that Folder so as to access them easily.

Keep The Cursor on Favourites

Menu---->Favourites---->Insert Folder

Give the Folder Name : FI Reports → ENTER

Point 2 How to Attach the Report to Folder :

Keep the Cursor on FI Reports Folder

Menu---->Favourites---->Insert Transactions

Transaction Code : S_ALR_87011965 (Asset Balances Report)

Double click on Asset Balances Report

We can see that System will go Directly to the Asset Balances Report

Point 3 How to Attach a Report on Desktop:

Go the The Asset Balances Report (Any Report which we want on Desktop)

Select Generate a Shortcut Button On Right Top

Description: Select ECC Server → ENTER

Select OK to the Message --->SAP will Create Desktop Short cut of the Report

Log Off the SAP

Double Click on Asset Balances Icon on Desktop

Give the Login Password → ENTER

We can see that System will Go directly in to the Asset Balances Report.

Point 4 How to View the Chart of Accounts:

Accounting ---->Financial Accounting---->General Ledger---->Information System---->

General Ledger Reports----> Master Data--->Chart of Accounts---->Chart of Accounts
(TC=S_ALR_87012326)

Chart of Accounts: PSL

Select Execute Button

We can See the Report of List of Accounts Created

Point 5 How to Generate Trial Balance:

Upto General Ledger Report Path is Same---->Account Balances---->Korea--->Trial
Balance South Korea (TC=S_ALR_87012310)

Comp. Code: PSL → EXECUTE

Ignore the Warning Message → ENTER

Select Current Lay Out Button

Keep the Fields GL A/c, GL Long Text, CI Balances, and Hid other Fields → ENTER

For Trial Balance We have 2 types of Reports

1st General Report

A/c No	Descr.	Op. Bal	16th Mnt Debit	16th Mnt Credit	Acc. Debit	Acc. Credit	Cl. Bal
--------	--------	---------	-------------------	--------------------	---------------	----------------	---------

2nd Korea Repot

It gives all Fields like in General Report but we can Hide the Fields which are not required. Hiding of Fields is not possible in General Report

Point 6 **Exporting Statements to Excel:**

From Menu--->Lists--->Export to Spread Sheets

Ignore the Warning Message → ENTER

Select Table Radio Button → ENTER → ENTER Once Again and SAVE

Point 7 **Printing the Ledger:**

Accounting ---->Financial Accounting ---->General Ledger---->Periodic Processing ---->
Closing ---->Document---->Balances Audit Trial---->All Accounts--->General Ledger
from Document File (TC=S_ALR_87100205)

Comp. Code: PSL → EXECUTE

Select Current Layout Button

Keep the Fields Doc. No , Post. Date

From Hidden Fields Column Select Text Field

Select Left Arrow

From Hidden Fields Column Select Dr. Amount in Local Currency

Select Left Arrow

from Hidden Fields Column Select Cr. Amount in Local Currency

Select Left Arrow

For Debit Amount in Local Currency and For Cr. Amount in Local Currency select
Totals Check Box

Select Copy Button

Double Click on Doc. No to drill down into Voucher

Select Callup Document Overview Button

We can See the Voucher Report

Point 8 **How to View the Vendors List:**

Accounting---->Financial Accounting---->Accounts Payable---->Information System-->
Reports for Accounts Payable Accounting ---->Master Data---->Vendors List
(TC=S_ALR_87012086)

Comp. Code: PSL → EXECUTE

Point 9 **How to View Vendorwise Purchases Report:**

Upto Reports for Accounts Payable Accounting Path is Same----> Vendor Balances---->
Vendor Business (TC=S_ALR_87012093)

Comp. Code: PSL → EXECUTE

Point 10 **How to View the Outstanding List of Vendors:**

Upto Reports for Accounts Payable Accounting Path is Same--->Vendors Items--->
List of Vendor Open Items for Printing (TC=S_ALR87012083)
Comp. Code: PSL → EXECUTE

Point 11 **Agewise Analysis of Vendors:**

Upto Reports for Accounts Payable Accounting Path is Same--->Vendors Items--->
Vendor Payment History with Open Items Sorted List (TC=S_ALR_87012085)
Comp. Code: PSL
Summarization Level: 0
Select Days Over Due Sorted List Check Box only but not Other Check Boxes
→ EXECUTE

Point 12 **Vendor Advances Report:**

Upto Reports for Accounts Payable Accounting Path is Same--->Vendors Items--->
List of Down Payments Open on Key Data-Vendors (TC=S_ALR_87012105)

Comp. Code: PSL → EXECUTE

Point 13 **Vendors Ledger (Payables + Paid):**

Upto Reports for Accounts Payable Accounting Path is Same--->Vendors Items--->
List of Vendor Line Items (TC=S_ALR_87012103)
Comp. Code: PSL → EXECUTE

Assets Reports

Point 14 **Depreciation Forecast:**

Accounting --->Financial Accounting --->Fixed Assets---->Information System---->
Reports on Asset Accounting ---->Depreciation Forecast---->Depreciation on
Capitalized Assets (Depreciation Simulation) (TC=S_ALR_87012936)
Comp. Code: PSL
Report Date: 31.03.2012 → EXECUTE
(Report for FY. 2009,2010,2011)

Point 15 **Depreciation Schedule as per Schedule VI of Companies Act:**

Information Systems--->Accounting ---->Financial Accounting ---->Fixed Assets---->
Asset History Sheet (TC=AR02)
Comp. Code: PSL
Report Date: 31.03.2010
Select Group Totals Only Radio button → EXECUTE
We can See Report in Schedule VI Format
Select Assets Button
Double Click on Asset Retirements
We can see the Asset Retirement Report

FINANCIAL STATEMENT VERSIONS (F S V)

CREATION:

In this Chapter we create Format for Balance Sheet and P& L Account . Each Company had its own Format. In India we have Companies Act Schedule VI format.
In Client 000 for India SAP has given BAIN--- Balance Sheet and P& L A/c format

FORMAT:

Level 1	Level 2	Level 3
Summary:		
<u>Liabilities</u>		
Share Capital	Equity Share Capital	100000
	Pre. Share Capital	100001
Reserves & Surplus	Surplus in P& L A/c	100100
	General Reserve	100101
	Capital Reserve	100102
Secured Loans	TL From Institutions	100310
	TL From Banks	100311
Unsecured Loans	Fixed Deposits	100400
	Sales Tax Dept	100401

By using 0 to 9 levels we can get all 3 versions. In Live Environment we create 2 versions.

1st Version -----> Summary
2nd Version----->Schedules

CUSTOMIZATION:

SPRO---->Financial Accounting---->General Ledger A/c----->Business Transactions---->Closing Document---->Define Financial Statement Versions.

Select New Entries Button

Financial Statement Version: PSL (Text Field)
Name: Balance Sheet and P& L A/c
Maintenance language: EN

Select Item Keys Automatic Check Box

Chart of Accounts PSL → **SAVE**

Save in your request (or) Create your request.

Select Financial Statement Items Button

Keep the Cursor on PSL

Select Create Items Button

Give the Items Like : Balance Sheet
Profit & Loss Account
Surplus/Loss Carried to Balance Sheet → **ENTER**

Double Click on NO Text Exists against Liability & Equity

Give the Item Liabilities → **ENTER**

Double Click on NO Text Exists against Assets

Item: Assets → **ENTER**

Press Select Button

Keep the Cursor on Balance Sheet

Select Re Assign Button

→ ENTER

→ ENTER

→ ENTER

→ ENTER

→ ENTER

→ ENTER

→ ENTER

→ ENTER

Income

→ ENTER

→ ENTER

→ ENTER

Share Capital

→ ENTER

→ ENTER

→ ENTER

Net Fixed Assets

→ ENTER

→ ENTER

→ ENTER

Sales

→ ENTER

→ ENTER

→ ENTER

RM Consumption

→ ENTER

→ ENTER

→ ENTER

→ ENTER

→ ENTER

→ ENTER

→ ENTER

Double Click on No Text Exists against Net Result Loss

Item: Loss Transferred from P& L Account → ENTER

Keep the Cursor on Loss Transfer from P& L A/c

Press Select Button

Keep the Cursor on Misc. Exp To the Extent Not Writtne Off

Select Reassign Button

Select Subordinate Radio Button → ENTER & SAVE

Assignment of Accounts:

We have to assign to the Last Node. Keep the Cursor on Share Capital Select

Assign Accounts Button

From A/c	To A/c	Debit	Credit
100000	100099	✓	✓
100101	199999	✓	✓

 → ENTER

Here we are assigning only Share Capital. But in Live we have to assign Respective Accounts to the Nodes

Keep the Cursor on Net Fixed Assets

From A/c	To A/c	Debit	Credit
200000	299999	✓	✓

 → ENTER

Keep the Cursor on Sales Select Assign Account Button

From A/c	To A/c	Debit	Credit
300000	399999	✓	✓

 → ENTER

Keep the Cursor on RM Consumption

Select Assign Accounts Button

From A/c	To A/c	Debit	Credit
400000	499999	✓	✓

 → ENTER

Keep the Cursor on Surplus / Loss Carried To Balance Sheet

Select Assign Accounts Button

From A/c	Debit	Credit
100100	✓	✓

 → ENTER & SAVE

How to Check All the Accounts Are Assigned or Not ?

Select Check Button (Ctrl +F5)

Select Not Assigned Check Box → ENTER

We can see the Message if any Accounts are not Assigned , Lis of Accounts will appear

We are going to Create the Format for Liabilities Like Below

Liabilities :

Sources of Funds:

Share Capital

100000 Equity Share Capital	xxxxx	
100001 Pre.Share Capital	xxxxx	
100002 Redeem Share Capital	xxxxx	xxxxx

Reserves & Surplus

100100 Surplus in P& L A/c	xxxxx	
100101 General Reserve	xxxxx	
100102 Capital Reserve	xxxxx	xxxxx

Secured Loans

100300 SBI Rupee Term Loan	xxxxx	
100301 SBI FC Term Loan	xxxxx	xxxxx

Unsecured Loans

100400 Fixed Deposits	xxxxx	
100401 Sales Tax Department	xxxxx	xxxxx
TOTAL LIABILITIES		XXXXX

Double Click on Liabilities

Start of Groups:

Liabilities

End of Group

Total Liabilities

Select Display Total Check Box

→ ENTER

Double Click on Share Capital

Start Group:

Sources of Funds

End of Group

Share Capital

Select Display Total Check Box

→ ENTER

Double Click on Reserves & Surpluses

End of Group

Reserves & Surpluses

Select Display Total Check Box

→ ENTER

Double Click on Assets

Star of Group

Assets

End of Group

Total Assets

Select Display Total Check Box

→ ENTER

Double Click on Net Fixed Assets

Start of Groups:

Application of Funds

End of Group

Net Fixed Assets

Select Display Total Check Box

→ ENTER

Double Click on Business Expenditure to the Extent Not Written off

End of Group

Buss. Exp to the Exent Not Written Off

Select Display Total Check Box

→ ENTER

&

SAVE

Double Click on P& L A/c

Start of Groups: P& L A/c

End of Group Profit /Loss for the Year

Select Display Total Check Box → ENTER

Double Click on Income

Start of Groups: Income

End of Group Total Income

Select Display Total Check Box → ENTER & SAVE

Double Click on Sales

End of Group Sales

Select Display Total Check Box → ENTER

Double Click on Expenditure

Start of Groups: Expenditure

End of Group Total Expenditure

Select Display Total Check Box → ENTER

Double Click on RM Consumption

End of Group RM Consumption

Select Display Total Check Box → ENTER

Double Click on Surplus / Loss Carried to B/S

Start of Groups: Surplus/ Loss Carried to B/S

End of Group Surplus/ Loss Carried to B/S

Select Display Total Check Box → ENTER

Double Click on No Text Exist against P& L Result

Give the Item: Surplus / Loss Carried to B/s

End of Group Surplus / Loss Carried to B/s

Select Display Total Check Box → ENTER & SAVE

→ ENTER to SAVE in your Request

Open One More Session to See Report :

Accounting --->Financial Accounting ---->General Ledger----->Information System---->General

Ledger Reports----->Balance Sheet (Or) P& L Statement (Or) Cash Flow ---->General----->

Actual / Actual Comparisions----->Balance Sheet (or) P& L Statement (TC=S_ALR_87012284)

Comp. Code: PSL Buss. Area: PSLH

Financial Statement Version: PSL

Reporting Year : 2009 Reporting Periods: 1 to 16

Comparision Year 2008 Comparision Periods 1 to 16

Select Classical List Radio Button

Select Special Evaluation Tab

Balance Sheet Type 1 (Standard Financial Statement)

Select Output Control Tab

Comp. Code Summarization 1 (Balance Sheet for Company Code)

Business Area Summarization 1 (Balance Sheet for Business Area)

Summary Report 3 (i.e., Level of Balance Sheet)

* Comparision Type 1 (% of Increase)

** Scaling 5/2

Select Execute Button ---> We can see the BALANCE SHEET AND P& L A/C

* Comparison Types:		2009	2008
Sales (In Lakhs)		100	25
1st type : Percentage of Increase			
$\frac{\text{Current Year} - \text{Previous Year} \times 100}{\text{Previous Year}} =$		$\frac{100 - 25 \times 100}{25}$	=300%
2nd Type: Percentage of Group			
$\frac{\text{Current Year} \times 100}{\text{Previous Year}} =$		$\frac{100 \times 100}{25}$	=400%

** Scaling:		Scale
A) Full Rupee with Paise		0/2
B) Full Rupee without Paise		0/0
C) Rupees in Lakhs without Decimals		5/0
D) Rupees in Millions Without Decimals		6/0
E) Rupees in Crores Without Decimals		7/0
F) Rupee in Lakhs Thousands in Decimals		5/2
Ex: If Sales =		987654321.55
Rupees In Lakhs 5=		9876.5432155
Thousands in 2 Dec=		9876.54

CASH FLOW STATEMENT AND RATIO ANALYSIS:

SAP has given Cash Flow Statement and Ratio Analysis as Hardcoded in the Chart of Accounts. We have to copy the Format and Assign our Accounts only.

Cash Flow and Ratio Analysis are in Report Painter.

PATH: SPRO---->Financial Accounts--->Information System----> Drill Down---->
Reports (GL A/c's)---->Form---->Define Form (TC=FS15)

Double Click on Change Form

Select Form Type 002 Folder

Select OSAPAUDIT_01 (RATION ANALYSIS)

Double Click on form OSAPRATIO_03 (Cash Flow Indirect)

New General Ledger (Multiple Ledgers): This is the Concept given in ECC6.0 by SAP. For Indian Companies Financial Year is April to March. If an Indian Company is Registered in US Stock Exchange, it has to Submit Reports to Stock Exchange according to the Financial Year there in US (ie., Jan to Dec). If The Same Company had its Group HeadQuarters in UK, it has to Submit Reports according to the Financial Year there (i.e., July to June). So For One Company we are Creating Reports according to the Financial Year. In India Period of April is 01 but in US it is '04' and in UK it '10". So When we are posting a Transaction in the Period "04" for the Fiscal Year Variant V3(which is for India), it has to update the Posting Period '01' for the Fiscal Year Variant K4 (for US) and Posting Period '10' for the PP Variant V6(for UK).

Here we have the Concept of Leading Ledger and Non Leading Ledgers.

Example:

Company Location	Financial Year	FYVariant	Ledger Group	
In India	1st April to 31st March	V3	0L	Leading Ledger
In US	1St Jan to 31st Dec	K4	J1	Non Leading Led
IN UK	1st July to 30th June	V6	J2	Non Leading Led

When we Create Ledger J1, Automatically Ledger Group J1 will be created and J1 ledger will be assigned . At the Time of Posting , if we do not give any Ledger Group it will updates all the Ledgers.

For Example, Gain on FC Revaluation in India and US it will be Trnasferred to P& L A/c as Other Income. But in UK it will Add to the Fixed Assets and calculate Depreciation Over the Life of Asset.

We create a New Ledger Group J3 and assaign Ledgers 0L and J1. At the Time of Posting When we give Leder Group J3, and Post , it updates Ledgers 0L and J1. In Ledger Group One Ledger will be Representative Ledger and others will be Non Representative Ledgers. We have to Open the Periods in which Posting is done in Representative Ledgers. Eventhough the Periods for Non Representative Ledgers is not open, it will update the records. When the Ledger Group is Consisiting of Ledgers 0L an J1 always 0L will be the Leading Ledger or Representative Ledger When we Post a Document, System will generate Documents in non leading ledgers. In Live Environment, for All document types we will give only One Number Range for No range interval to post in Non Leading Ledgers.

Customization:

Step 1: Define Ledgers for GL Account:

SPRO---->Financial Acccounting (New)---->Financial Accounting Global Settings(New)
 ---->Ledgers---->Ledger--->Define Ledgers for GL A/c
 Select New Entries Button

<u>Ledger</u>	<u>Description</u>
J1 (Text Field)	Non Leading Ledger 1 for PSL
Totals Table:	FAGLFLEX

<u>Ledger</u>	<u>Description</u>
J2 (Text Field)	Non Leading Ledger 2 for PSL
Totals Table:	FAGLFLEXT
→ SAVE	→ ENTER to SAVE in your Request
Ignore the Warning Message	→ ENTER Once Again
Ignore the Warning Message	→ ENTER

Step 2. Define and Activate Non Leading Ledgers:

Same Path (Next Level to he Old Path)

Ledger : I1 → ENTER

select New Entries Button

Comp.	Fiscal Yr	PPV
Code	Variant	

PSL	K4	PSL
-----	----	-----

→ SAVE

→ ENTER to SAVE in your Request

Select Back Arrow Button

Ledger : I2 → ENTER

select New Entries Button

Comp.	Fiscal Yr	PPV
Code	Variant	

PSL	V6	PSL
-----	----	-----

→ SAVE

→ ENTER to SAVE in your Request

Step 3. Define Ledger Groups: Same Path (Next Level to Last path)

Select New Entries Button

Ledger Group: I3

Description: Ledger Group for PSL → SAVE

→ ENTER to SAVE in your Request

Select Ledger Group J3

Double Click on Ledger Assaignment Folder

Select New Entries Button

Ledger : 0L

Select Representative Ledger Check Box

Ledger: I1

De-select Representative Ledger Check Box → SAVE

Step 4. Define Document Types for Entry View in a Ledger:

SPRO--->Financial Accounting(New)---->Financaial Accounting Global Settings (New)

---->Document---->Document Types---->Define Doc. Types for Entry View in a Ledger

Ledger: I1 → ENTER

Select New Entries Button

<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>
SA	61	ER	61	RE	61
AA	61	WA	61	RV	61
KR	61	WE	61	WL	61

→ SAVE

→ ENTER to SAVE in your Request

Select Back Arrow

Ledger: I2 → ENTER

Select New Entries Button

<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>	
SA	62	ER	62	RE	62	
AA	62	WA	62	RV	62	
KR	62	WE	62	WL	62	→ SAVE

→ ENTER to SAVE in your Request

IN Live Environment We have to Give Number Range for all 51 Document Types

Select Back Arrow

Step 5 Define Document Types for General Ledger Group:

Same Path (Next Level to Old Path)

Ledger: I1 → ENTER

Select New Entries Button

<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>	
SA	63	ER	63	RE	63	
AA	63	WA	63	RV	63	
KR	63	WE	63	WL	63	→ SAVE

→ ENTER to SAVE in your Request

Ledger: I2 → ENTER

Select New Entries Button

<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>	<u>Type</u>	<u>No. Range</u>	
SA	64	ER	64	RE	64	
AA	64	WA	64	RV	64	
KR	64	WE	64	WL	64	→ SAVE

→ ENTER to SAVE in your Request

Step 6 Define Document No Ranges for Entry Group

Upto Document Path is Same---->Document No. Ranges---->Documents in Entry View

---->Define Doc. No Ranges for Entry View

Company Code: PSL

Select Change Intevals Button

Select Interval Button

No. Range: 61

Year : 2009

From. No 800001

To No 900000 → ENTER

Select Interval Button

No. Range: 62

Year : 2009

From. No 900001

To No 1000000 → ENTER & SAVE

Ignore Warning Message → ENTER

Step 7 Define Document Number Ranges for General Ledger View:

Upto Document Path is Same---->Document Number Range---->Doc. In General Ledger View---->Define Document Number Ranges for General Ledger View

Comp. Code: PSL

Select Change Interval Button

No. Range	Year	From.No	To No
63	2009	1	100000 → ENTER

Select Interval Button

64	2009	100001	200000 → ENTER & SAVE
----	------	--------	-----------------------

Ignore Warning Message and Press Enter

As the Company is in India, it has Currncy of Indian Rupee. As it is Listed in US Stock Exchange, Trnasactions has to pass to that Ledger in USD. For UK, system should Pass Entries in GBP. So We need to Maintain Group Currency in SAP when we are using New GL Accounts

Step 8 How to Maintain Group Currency GBP:

Path: Tools ---->Administration--->Administration---->Client Administration--->Client Maintenance(Sec4)

Select Client : 800

Select Details Button

Menu---->Table View---->Display/Change

Standard Currency: Change to GBP → SAVE

Step 9 How to Maintain Hard Currency USD per Country India:

SPRO---->SAP Net weaver---->General Settings---->Set Countries--->Define Countries in my SAP Systems

Select Positon Button

Country : IN (India) → ENTER

Select IN Select Details Button

Language : EN Hard Currency: USD → SAVE
→ ENTER to save in your Request.

Step 10 Define Currencies for Leading Ledger:

SPRO--->Financial Accounting(New)-->Financial Accounting Global Settings(New) --->Ledger---->Ledger---->Define Currencies of Leading Ledger

Select Company Code: 1000

Select Copy As Button Change Company Code to : PSL

Select Save or Ctrl + S → ENTER to save in your Request.

Step 11 Define and Activate Non Leading Ledgers: Same Path

Ledger : 11 → ENTER

For Currency 2{C2}: 40 (Select for USD) → SAVE
→ ENTER to save in your Request.

Select Back Arrow

Ledger : 12 → ENTER

For Currency 2{C2}: 30 (Select for GBP) → SAVE
→ ENTER to save in your Request.

END USER AREA:

Step 1. Posting to New General Ledger:

Accounting ---->Financial Accounting ---->General Ledger---->Posting ---->Enter
GL Posting for Ledger Group (TC=FB01L)

1st Doc. Doc. Dt: 15.08.09 Type: SA Comp. Code: PSL
Ledger Group: Keep Blank (to Update all Ledgers)
Post Key: 40 A/c: 200105 → ENTER
Amount: 200000 Buss.Area: PSLH
Text: Equity Share Capital Receipt
Post.Key: 50 A/c: 100000 → ENTER
Amount: * Buss.Area: PSLH
Text: +
Menu----->Document----->Simulate & SAVE

2nd Doc. Doc. Dt: 15.08.09 Type: SA Comp. Code: PSL
Ledger Group: I3
Post Key: 40 A/c: 200105 → ENTER
Amount: 100000 Buss.Area: PSLH
Text: Equity Share Capital Receipt
Post.Key: 50 A/c: 100000 → ENTER
Amount: * Buss.Area: PSLH
Text: +
Menu----->Document----->Simulate & SAVE

How to View the New Ledger:

Accounting ---->Financial Accounting---->General Ledger---->Accounting ---->
Display Balances (New) (TC=FAGLB03)
A/c # 100000 (Equity Share Capital)
Comp. Code: PSL
Fiscal Year: 2009 → EXECUTE (F8)
Double Click on Cumilative Balance 500000

How to View the Document:

Select Document Number Check Box
Select Display Document Button
Select Callup Document Overview Button
select Back Arrow 3 times
Select Choose Ledger Button
Change Ledger to J2 → ENTER → EXECUTE (F8)
Double Click on Cumilative Balance 200000

NOTE: **IT IS ADVISED TO PRACTICE ECC 6.0 FEATURES AFTER COMPLEATING ALL
OTHER TOPICS AS THERE WILL BE SOME CONFIGURATION PROBLEMS.**

END OF FINANCIALS