General Ledger Accounts & Document Splitting (Configuration and End-User)
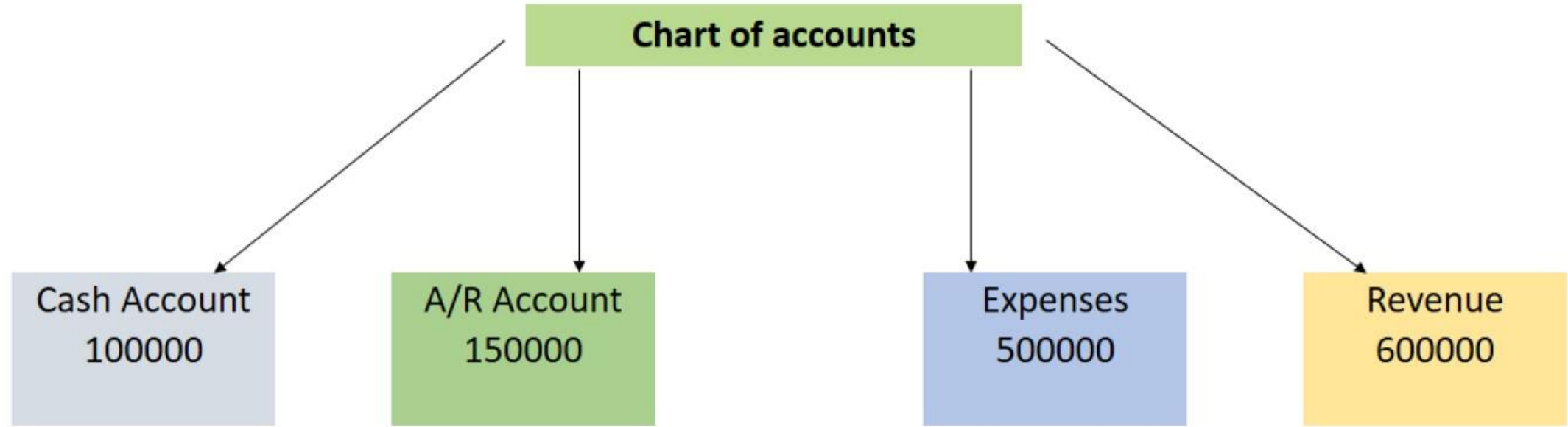
SAP S/4HANA Finance

Company Code – Global Parameters

- The copied Global parameters can be viewed through **T-code: OBY6**

Chart of accounts hierarchy

G/L Master data

- G/L Master data (Centrally) – Both chart of accounts level/segment and company code level/segment – **T-code: FS00**. The example is **Operational chart of accounts**

- G/L Master data **(Chart of accounts level/segment)** – **T-code: FSP0**. The examples are **Group chart of accounts** and **Country chart of accounts**

- G/L Master data **(Company code level/segment)** – **T-code: FSS0**

- **Menu path:** SAP Easy Access -> Accounting -> Financial Accounting -> General Ledger -> Master Records -> G/L Accounts -> Individual Processing

- G/L Master data can either be created through **SAP Easy Access** or through **SAP FIORI app**: **Manage G/L Account Master Data** with the Role Name: **SAP_BR_GL_ACCOUNTANT**

Classify General Ledger Accounts for Document Splitting (Configuration)

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Document Splitting

- G/L accounts need to be classified for Document splitting once those are created

- This function is used to get the financial statements correctly for segment reporting

- With real-time document splitting, balance sheets can be created for entities, such as "Segment"

- The increasing importance of IAS/IFRS as accounting principles is also heightening the need for improved quality and modelling of segment reporting

- If you want that document splitting recognizes how the individual document items are to be handled, then you need to classify them by assigning them to an item category.

- The item category is determined by the account number

- Item categories are included in the standard SAP System. You can not define any additional item categories

- **Activate Document Splitting**
    - **Menu path:** Display IMG -> Financial Accounting -> General Ledger Accounting -> Business Transactions -> Document Splitting -> Activate Document Splitting

- **Classify G/L accounts for Document splitting**
    - **Transaction code:** GSP_LZ2
    - **Menu path:** Display IMG -> Financial Accounting -> General Ledger Accounting -> Business Transactions -> Document Splitting -> Classify G/L Accounts for Document Splitting

Maintain and Configure
- SAP S/4HANA Controlling Area,
- Profit Center Master Data and Standard Hierarchy,
- Cost Center Master Data and Standard Hierarchy, and
- Cost Elements as G/L Account Master Data
(Configuration and End-User)

SAP S/4HANA Controlling

Maintain Controlling Area

- In SAP, Controlling area is an organizational unit which is responsible for management of costs and profits

- It is used to subdivide the business organization from a cost accounting standpoint

- There is one to many relationship between Controlling area and Company code, so many Company codes can be assigned to a single Controlling area

- The assigned company codes must all use the same operative chart of accounts and fiscal year variant

- Define Cost Center Standard Hierarchy name if you are maintaining Controlling area through T-code: OKKP

- **Transaction code:** OX06 / OKKP

- **Menu path:** Display IMG -> Enterprise Structure -> Definition -> Controlling -> Maintain Controlling Area

- **Menu path:** Display IMG -> Controlling -> General Controlling -> Organization -> Maintain Controlling Area

Profit Center Accounting – Master Data and Standard Hierarchy

- One Profit center can be assigned to multiple company codes
- When you create a profit center, all the company codes within the Controlling area are assigned to it by default
- A Profit center can have an address and communication data
- **Create Profit center master data – T-code: KE51**
  - **Menu path:** SAP Easy Access -> Controlling -> Profit Center Accounting -> Master Data -> Profit Center -> Individual Processing -> Create
- **Maintain the Profit center standard hierarchy through T-code: KCH5N**
  - **Menu path:** SAP Easy Access -> Controlling -> Profit Center Accounting -> Master Data -> Standard Hierarchy -> Change
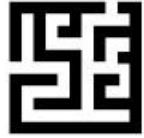
Business Scenario

- The management wants to keep a record of management costs and profits and wants to have the functionality of cost accounting in SAP system

- They want that the internal cost should be calculated in USD which is global/group currency, belongs to the parent company i.e., TUS1

- The management wants to setup the following Cost center and Profit center groups and their related Cost centers and Profit centers related to **SAP S/4HANA Sourcing and Procurement:**

- **Inventory**
  - Raw Materials
  - Trading Materials
  - Finished Goods
  - Semi-Finished Goods

- **Administration**
  - Services
  - Rent

- **Assets**
  - Fixtures and Fittings (e.g., Laptops)

Cost Elements as G/L Account Master Data

- Cost elements used to work as a cost carrier from Financial Accounting to Controlling module in SAP ECC

- There are two types of Cost elements:
  - Primary cost elements (Transfer cost from Finance to Controlling such as Material costs, Energy costs, Personnel costs)
  - Secondary cost elements (Controlling module cost only such as Assessment, Internal activity allocation, Order settlement)

- In SAP S/4HANA Finance, both primary and secondary cost elements are now created as G/L Accounts and are part of the chart of accounts

- A new field for the cost element category has been introduced in G/L Master record. A cost element category classifies cost elements according to their usage or origin

- Account type in G/L accounts controls the eligible cost element categories in SAP S/4HANA

- **Transaction code:** FS00

Default Account Assignment for Cost center and Profit center – OKB9

- **Transaction code:** OKB9

- **Menu path:** Display IMG -> Controlling -> Cost Center Accounting -> Actual Postings -> Manual Actual Postings -> Manage Default Account Assignments

- Currency Settings,
- Maintain Exchange Rates
- Ledgers,
and Accounting Principles
(Configuration)
T-code: FINSC_LEDGER

SAP S/4HANA Finance

G/L Accounts Determination for Open Items Exchange Rate Differences (Configuration) T-code: OBA1

SAP S/4HANA Finance

Tax on Sales/Purchases (Configuration)

Accounts Receivable and Accounts Payable

SAP S/4HANA Finance

- Tolerance Limits for Users
- Tolerance Limits for G/L Accounts
- Tolerance Limits for Customer/Vendor

(Configuration)
G/L, A/R, A/P

SAP S/4HANA Finance

Cross-company code Transactions (Configuration)

T-code: OBYA

SAP S/4HANA Finance

G/L, A/R, A/P

New Asset Accounting in SAP S/4HANA Finance (Configuration)

SAP S/4HANA Finance

New Asset Accounting - Chart of Depreciation and Chart of Accounts

- Asset Accounting works with the chart of accounts assigned to the company code in S/4HANA Finance

- Each company code uses one chart of accounts and one chart of depreciation.

- All or several company codes can work with the same chart of accounts and the same chart of depreciation

- **Transaction code:** EC08

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Organizational Structures -> Copy Reference Chart of Depreciation/Depreciation Areas

New Asset Accounting
- Define Asset Classes - Configuration

- The asset class is the most important criterion for structuring fixed assets from an accounting point of view

- Each asset must be assigned to precisely one asset class

- You can give the following information in the configuration of an asset class:
  - Account determination
  - Screen layout rule
  - Number assignment (Number range and External sub-no)
  - Inventory data
  - Status of AUC
  - Lock status
  - Real estate indicator for asset class

- **Transaction code: OAOA**

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Organizational Structures -> Asset Classes -> Define Asset Classes

New Asset Accounting - Integration with G/L Accounting
- Technical Clearing Account for Integrated Asset Acquisition

- Technical clearing account has been introduced in New Asset Accounting in SAP S/4HANA Finance as the posting logic has been changed for an integrated asset acquisition

- The classic Asset Accounting posts acquisitions to an extra offset account in the accounts approach and now it is replaced by the technical clearing account in New Asset Accounting

- In this way, the system ensures that the technical clearing account for integrated asset acquisitions has a balance of zero (for each accounting principle and account assignment object) for every accounting principle in the chart of depreciation

- SAP system divides the asset acquisition posting into **an operational part** and **a valuating part**:
  - For the operational part (vendor invoice), the system posts a document valid for all accounting principles against the technical clearing account for integrated asset acquisitions. From a technical perspective, the system generates a ledger-group-independent document
  - For each valuating part (asset posting with capitalization of the asset), the system generates a separate document that is valid only for the given accounting principle. This document is also posted against the technical clearing account for integrated asset acquisitions. From a technical perspective, the system generates ledger-group-specific documents for each accounting principle. In other words, it posts to all ledger groups

New Asset Accounting - Integration with G/L Accounting
- Technical Clearing Account for Integrated Asset Acquisition

- Automatic postings are made to the technical clearing account for integrated asset acquisitions for the integrated asset acquisition

- Manual postings cannot be made to the account

- The account does not appear in the balance sheet itself, but in the notes to the financial statement since it has a zero balance

- **The account is a balance sheet account that must be created as a reconciliation account for fixed asset accounts – 140050**

- Classify technical clearing account for Document splitting

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Integration with General Ledger Accounting -> Technical Clearing Account for Integrated Asset Acquisition -> **Define Technical Clearing Account for Integrated Asset Acquisition**

New Asset Accounting

Determine Depreciation Areas for Ordinary, Special and Unplanned Depreciation - Configuration

- You can determine or activate depreciation terms for **Ordinary depreciation, Special depreciation (if required) and Unplanned Depreciation (if required)** through the following transaction codes / menu path

- **Transaction code:** OABN

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Depreciation -> **Ordinary Depreciation** -> Determine Depreciation Areas

- **Transaction code:** OABS

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Depreciation -> **Special Depreciation** -> Determine Depreciation Areas

- **Transaction code:** OABU

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Depreciation -> **Unplanned Depreciation** -> Determine Depreciation Areas

New Asset Accounting

Define Transaction Types for Acquisitions - Configuration

- **Transaction code: AO73**

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Transactions -> Acquisitions -> Define Transaction Types for Acquisitions

New Asset Accounting

Fiscal Year Change -> Balance Carryforward

- **Transaction code: FAGLGVTR**

- **Menu path:** SAP Easy Access -> Accounting -> Financial Accounting -> Fixed Assets -> Periodic Processing -> Fiscal Year Change -> Balance Carryforward – Central FI

New Asset Accounting

- **Transaction code: FAA_CMP**

- **Menu path:** Display IMG -> Financial Accounting -> Asset Accounting -> Asset Data Transfer -> Parameters for Data Transfer –> Define Transfer Date and Additional Parameters OR

- **Menu path:** SAP Easy Access -> Accounting -> Financial Accounting -> Fixed Assets -> Periodic Processing -> Year-End Closing -> Execute/Undo

- You can define settings for company codes and ledgers that are relevant for Asset Accounting through this transaction code

- You can create the legacy data transfer segment and define the transfer date and other parameters

- The transfer date can either be at the end of the last closed fiscal year or in the fiscal year following the last closed fiscal year

- You can close the last fiscal year and open the current one

New Asset Accounting
Asset Master Record (End-User)

- Asset master record is an object in the system that represents assets, such as fixed assets

- You use the asset master record to enter details about fixed assets

- Master record is the information which remains in the system for a long period of time and does not change so often

- SAP Asset master record comprises in two parts:
  - Asset master data
  - Asset depreciation areas

- When you create **multiple similar asset master records**, the following fields allow you to make separate entries for each individual asset
  - Description of the asset
  - Cost center
  - Inventory number
  - Business area

- **Transaction code:** AS01

- **Menu path:** SAP Easy Access -> Accounting -> Financial Accounting -> Fixed Assets -> Asset -> Create -> Asset

New Asset Accounting

Asset Explorer

- **Transaction code:** AW01N

- **Menu path:** SAP Easy Access -> Accounting -> Financial Accounting -> Fixed Assets -> Asset -> Asset Explorer

Activation of Material Ledger (Configuration)

- **Material Ledger** is mandatory to be activated in SAP S/4HANA and is embedded in the product

- It is a tool that collects transaction data for materials whose master data is stored in material master

- The material ledger uses this data to calculate prices to valuate these materials. The material ledger is the basis of Actual costing and Parallel currencies/ valuation

- It is related to Product costing that is the sub-module of SAP S/4HANA CO (Controlling) module

- It can be activated through the following **transaction codes:**
  - **Define Material Ledger Type – T-code: OMX2**
  - **Assignment of Material Ledger Types to Valuation Areas – T-code: OMX3**
  - **Activation of Material Ledger – T-code: OMX1**

- Finally, it needs to be set productive by using the **T-code: CKMSTART**