

SAP FI GL Configuration

SAP R/3 ENTERPRISE 4.7

Published by Team of SAP Consultants
at SAPTOPJOBS

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INTRODUCTION

Let's get started. First we will go through a bit of introduction about the SAP Finance Module before we grind in further:

SAP FI (Financial accounting) is the basic module and very important module in SAP. SAP FI module receives posting from the various other modules such as MM (Materials Management), SD (Sales and Distribution), and HR (Human Resource) through various integration points. All the posting from the aforesaid modules are posted real-time to FI module. FI module feeds in data to CO modules such as Cost center accounting, profit center accounting and the Profitability analysis module. SAP FI module is geared for external reporting i.e. legal reporting, tax reporting.

Lets also touch base on some other organizational structures, which are important

a) The plants created in the logistics (General) module are assigned to the company code. That means all transactions taking place in the plants are posted to the attached company code in SAP FI.

b) The purchasing organization created in the MM module is attached to the Company code.

c) The sales organization created in the SD module is attached to the company code.

d) A company code created is assigned to the Controlling area.

To help you understand the SAP terminologies we will go through a relevant example which will help you configure the system more effectively.

In this SAP training, we will configure a company code 9100 (A Ltd) located in India. The currency in India is INR; therefore the currency of the company code will be INR. We consider the reporting period in that country as Jan to December. We will also in this document cover briefly the FI - MM integration, FI- SD integration.

The parent company of A Ltd is located in Germany. Therefore A Ltd is required to report figures in EURO. We would therefore need to configure parallel currencies to have such reporting possible.

A) COMPANY CODE CONFIGURATION

1. *Creating company code in SAP*

Company code is the basic organizational unit in SAP FI (Financial accounting) for which a balance sheet and profit & loss account can be drawn. We will create company code 9100 (A Ltd.) which is located in country India.

For doing the configuration we use the following path on the SAP application screen:-

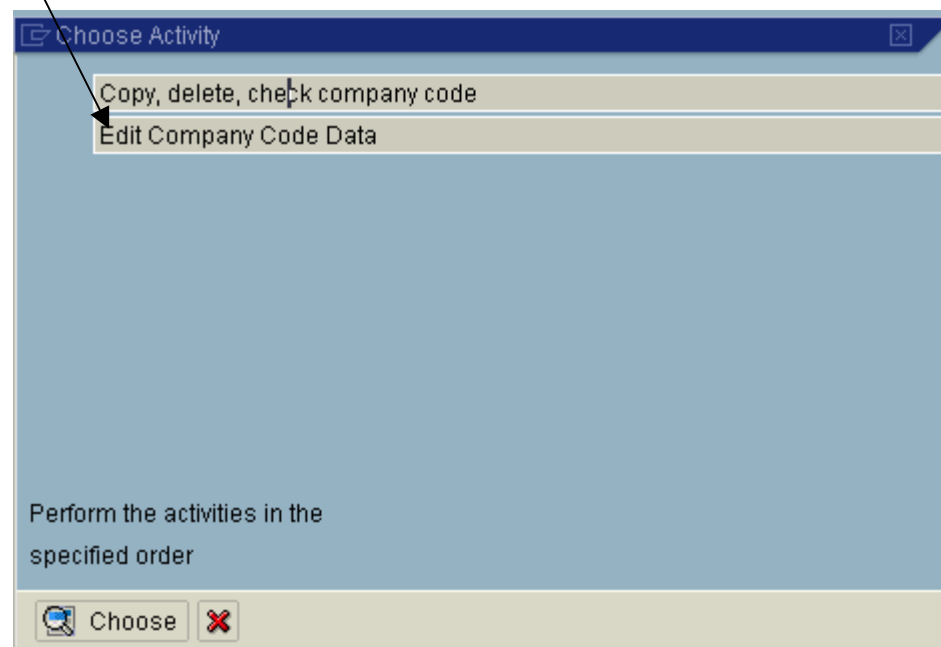
SAP Menu → Tools → Customizing → IMG → SPRO - Edit Project →

 SAP Reference IMG

Configuration for all the modules will be done here. The above path will not be referred henceforth; we will directly refer to the IMG node.

IMG → Enterprise Structure → Definition → Financial Accounting → Define, copy, delete, check company code

Double click on Edit Company Code



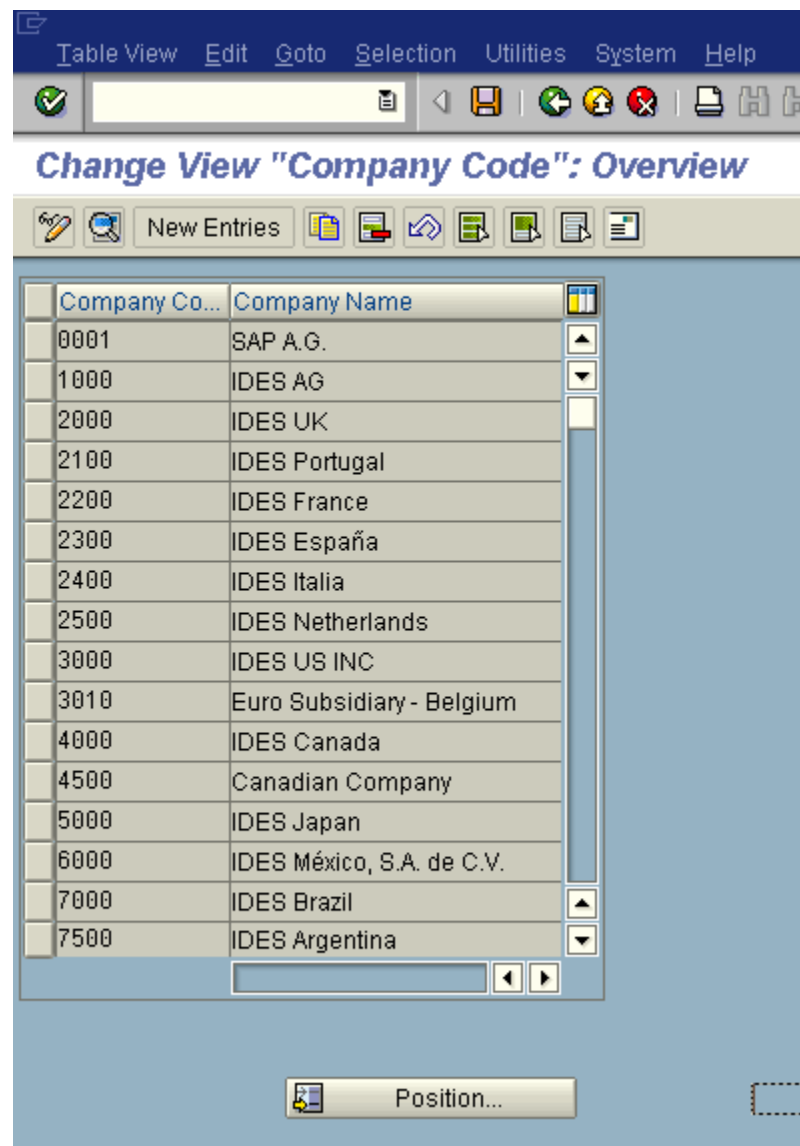
By selecting the second option Edit Company Code data you have to manually configure all the subsequent assignments.

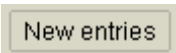
By selecting the first option all the configuration and tables get copied automatically along with assignments. This option should be selected in case of rollouts.

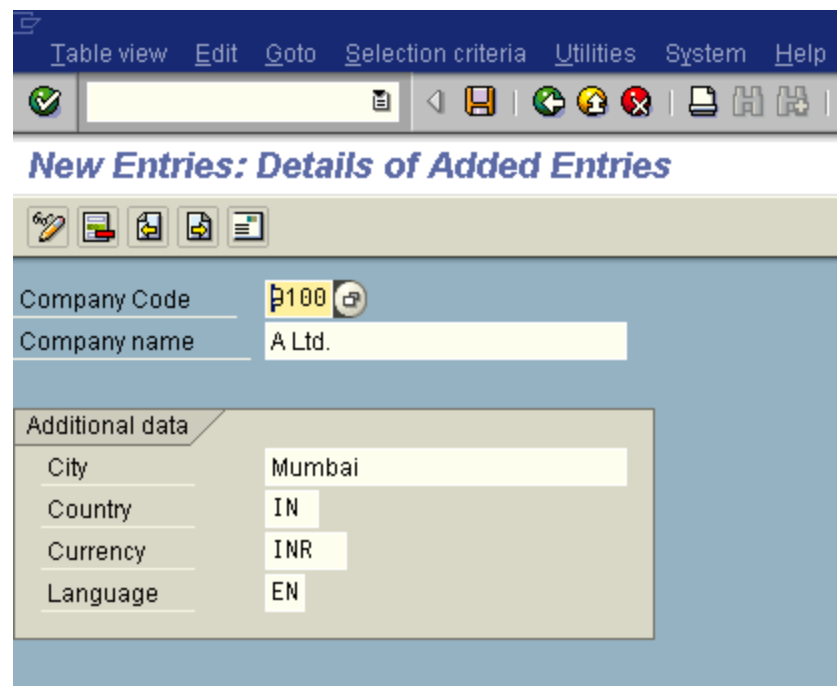
In the Copy option you need to click on  to copy a company code from an existing company code. You can copy from existing company code delivered by SAP.

You can select a four-character alpha-numeric key as the company code key. This key identifies the company code and must be entered when posting business transactions or creating company code-specific master data, for example.

In this SAP training book we will cover the FI configuration from scratch and not copying configuration from an existing SAP company code.



Click on  and Update the following **required** fields:



The screenshot shows the SAP 'New Entries: Details of Added Entries' window. The menu bar includes 'Table view', 'Edit', 'Goto', 'Selection criteria', 'Utilities', 'System', and 'Help'. The title bar is 'New Entries: Details of Added Entries'. The main area contains the following fields:

Company Code	100
Company name	A Ltd.
Additional data	
City	Mumbai
Country	IN
Currency	INR
Language	EN

The company code in SAP should be always kept numeric.

Country: The country where company code is located and the balance sheet and income statement which will be prepared according to that country law. Here the company is located in India so, we have selected the country id IN (INDIA).

Currency: It is the local reporting currency of the country. In this case it is INR (Indian rupees) since the company is located in India.

Click on **Address**  and update the following fields

Edit address: 9100

Name	
Title	
Name	A Ltd.

Search terms	
Search term 1/2	A

Street address	
Street/House number	Linking Road
Postal code/City	400077 Mumbai - Bandra
Country	IN India Region
Time zone	UTC+53

PO box address	
PO Box	100001
Postal Code	
Company postal code	

Communication	
Language	English
Telephone	91 - 22 - 25114544
Fax	
E-Mail	
Standard Comm.Method	

Other communication...

Comments

☒ ☐ ☐ Preview ☐ International Versions ☒

Click 

Click  to save entry.

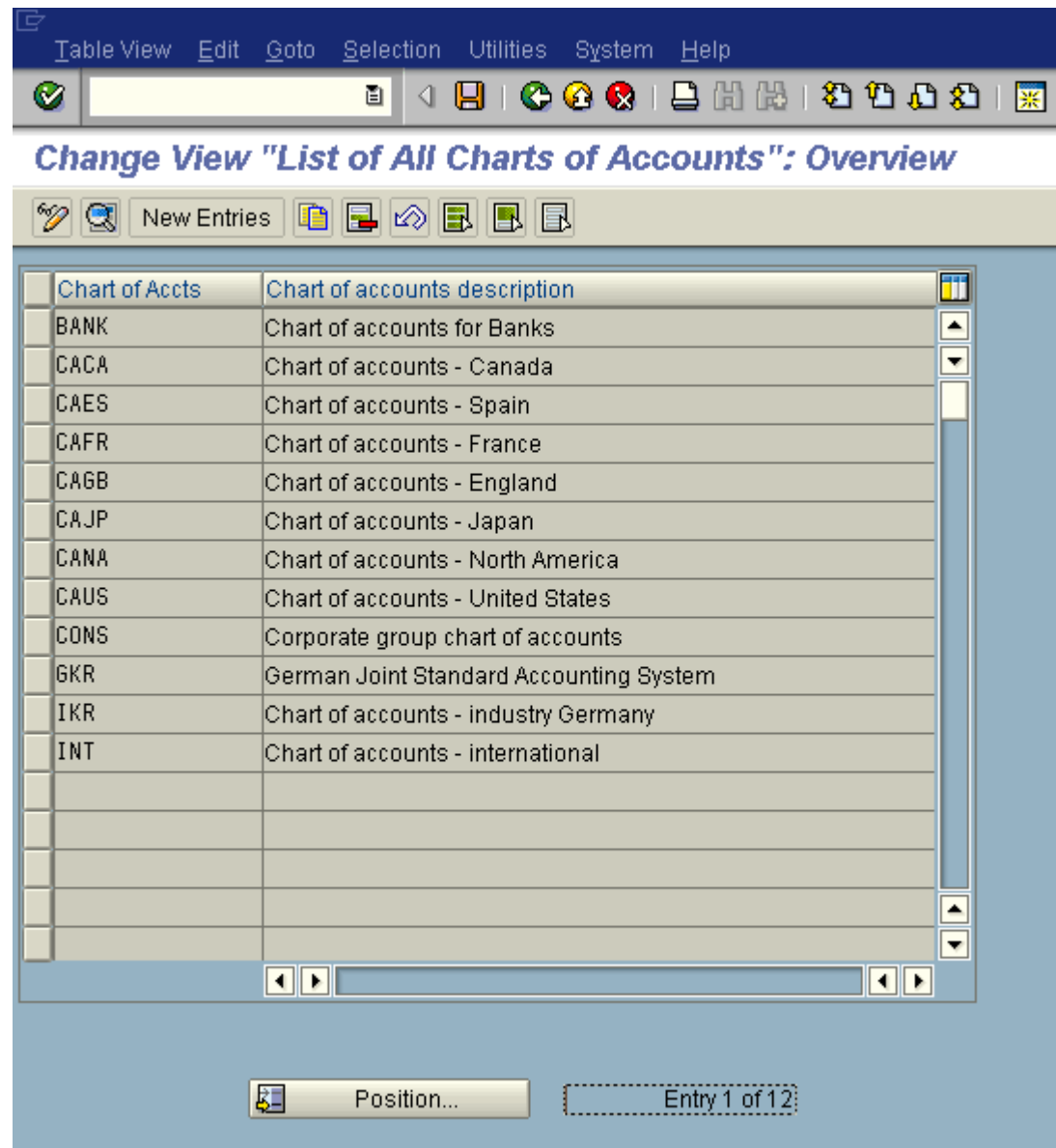
Thus company code 9100 is created in SAP

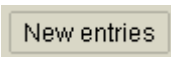
2. Create Chart of accounts in SAP

IMG → Financial Accounting → General Ledger Accounting → G/L Accounts
→ Master Records → Preparations → Edit Chart of Accounts List

For each company code in SAP, you have to specify one chart of accounts for the general ledger. This chart of accounts is assigned to the company code. A chart of accounts can be used by multiple company codes. This means that the general ledgers of these company codes have identical GL structure.

Here we define just a chart of accounts code in SAP. The GL codes are not defined here.



Click on  and update the following fields

The screenshot shows the SAP FI GL CONFIG interface for 'New Entries: Details of Added Entries'. The top menu bar includes 'Table View', 'Edit', 'Goto', 'Selection', 'Utilities', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main form area is divided into several sections:

- Chart of Accts:** YCCA
- Description:** Common Chart of Accounts A Group cos
- General specifications:**
 - Maint.language:** English
 - Length of G/L account number:** 6
- Integration:**
 - Controlling integration:** Manual creation of cost elements
- Consolidation:**
 - Group chart of accts:**
- Status:**
 - ☐ Blocked

You can have controlling integration i.e. Manual creation of cost elements or Automatic creation of cost elements. It is advisable to have manual creation of cost elements in SAP FI.

But remember whenever you create a GL code (expense or revenue account) in FI, immediately create the cost element (type 1 or 11) in the CO module of SAP.

Click  to save entry.

Thus YCCA chart of accounts is created in SAP.

3. Assign Company code to Chart of accounts

IMG → Financial Accounting → General Ledger Accounting → G/L Accounts
→ Master Records → Preparations → Assign Company Code to Chart of
Accounts

Table View Edit Goto Selection Utilities System Help

Change View "Assign Company Code -> Chart Of Accounts": Overview

Co...	Company Name	City	Chrt/Accts	Cty ch/act
2500	IDES Netherlands	Rotterdam	INT	
3000	IDES US INC	New York	CAUS	
3010	Euro Subsidiary - Belgium	Brussels	CAUS	INT
4000	IDES Canada	Toronto	CAUS	CACA
4500	Canadian Company	Toronto	CACA	CACA
5000	IDES Japan	Tokyo	CAJP	
6000	IDES México, S.A. de C.V.	México DF	INT	
7000	IDES Brazil	São Paulo	INT	
7500	IDES Argentina	Buenos Aires	INT	INT
7600	IDES Columbia	Columbia	INT	
7700	IDES Venezuela	Venezuela	INT	
7800	IDES Peru	Perú	INT	
8000	IDES Chile	Chile	INT	
9100	A Ltd.	Mumbai		
AT01	IDES AG & Co. KG	Frankfurt	INT	GKR
CABB	Training	SAPLand	INT	GKR
CABD	CABD	SAPLand		

Assign **YCCA** in the Chrt/accts field to company code 9100.

Table View Edit Goto Selection Utilities System Help

Change View "Assign Company Code -> Chart Of Accounts": Overview

Co...	Company Name	City	Chrt/Accts	Cty ch/act
2500	IDES Netherlands	Rotterdam	INT	
3000	IDES US INC	New York	CAUS	
3010	Euro Subsidiary - Belgium	Brussels	CAUS	INT
4000	IDES Canada	Toronto	CAUS	CACA
4500	Canadian Company	Toronto	CACA	CACA
5000	IDES Japan	Tokyo	CAJP	
6000	IDES México, S.A. de C.V.	México DF	INT	
7000	IDES Brazil	São Paulo	INT	
7500	IDES Argentina	Buenos Aires	INT	INT
7600	IDES Columbia	Columbia	INT	
7700	IDES Venezuela	Venezuela	INT	
7800	IDES Peru	Perú	INT	
8000	IDES Chile	Chile	INT	
9100	A Ltd.	Mumbai	YCCA	
AT01	IDES AG & Co. KG	Frankfurt	INT	GKR
CABB	Training	SAPLand	INT	GKR
CABD	CABD	SAPLand		

Position... Entry 8 of 31

Click  to save entry.

Thus Company code 9100 is assigned to YCCA chart of accounts in SAP.

4. Define Account Group

IMG → Financial Accounting → General Ledger Accounting → G/L Accounts → Master Records → Preparations → Define Account Group

In order to organize and manage a large number of G/L accounts better in SAP, they are arranged in **account groups**.

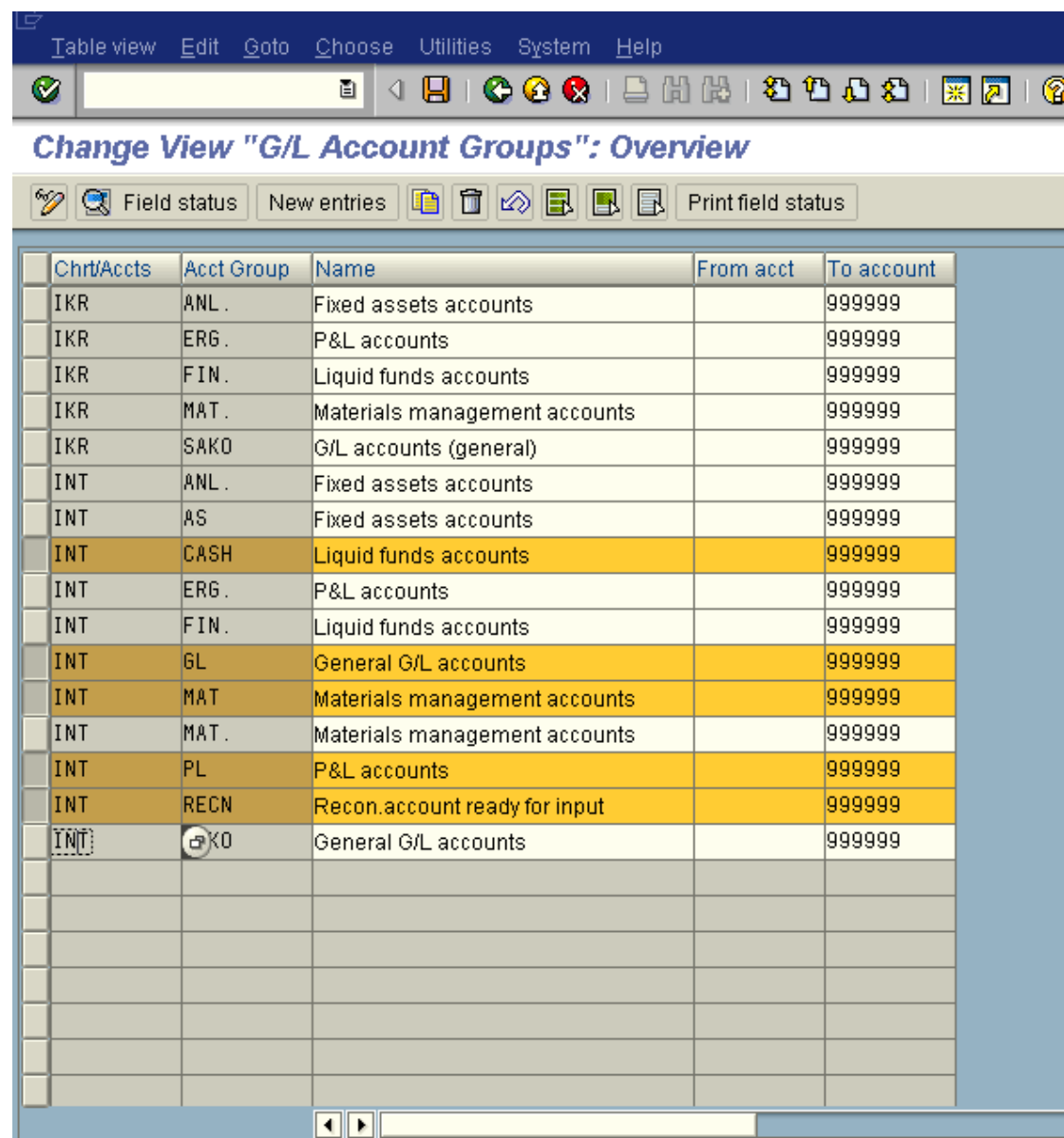
The accounts of an account group normally have similar business functions. You could, for example, have an account group for cash accounts, one for

expense accounts, one for revenue accounts, and one for other balance sheet accounts, etc.

Further you can control the numbering and restrict the creation of the GL codes within the specified number range.

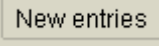
Here you can copy from the account group delivered by SAP for INT chart of accounts or you can create new account group required as per customer requirement.

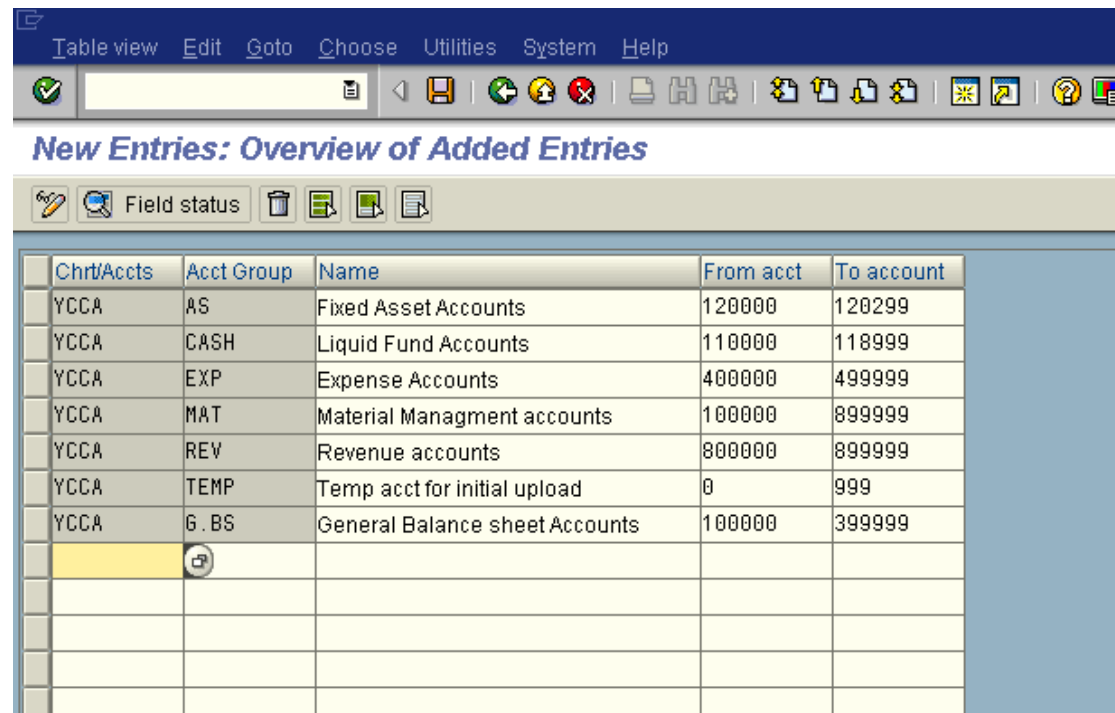
To copy from other account group you need to mark the chart of accounts in the following manner: -



Chrt/Accts	Acct Group	Name	From acct	To account
IKR	ANL .	Fixed assets accounts		999999
IKR	ERG .	P&L accounts		999999
IKR	FIN .	Liquid funds accounts		999999
IKR	MAT .	Materials management accounts		999999
IKR	SAKO	G/L accounts (general)		999999
INT	ANL .	Fixed assets accounts		999999
INT	AS	Fixed assets accounts		999999
INT	CASH	Liquid funds accounts		999999
INT	ERG .	P&L accounts		999999
INT	FIN .	Liquid funds accounts		999999
INT	GL	General G/L accounts		999999
INT	MAT	Materials management accounts		999999
INT	MAT .	Materials management accounts		999999
INT	PL	P&L accounts		999999
INT	RECN	Recon.account ready for input		999999
INT	SAKO	General G/L accounts		999999

Thereafter click on the copy icon  and change the Chart of accounts description to YCCA.

If you want to create from scratch in SAP you need to click on  and update the following fields.



Chrt/Accts	Acct Group	Name	From acct	To account
YCCA	AS	Fixed Asset Accounts	120000	120299
YCCA	CASH	Liquid Fund Accounts	110000	118999
YCCA	EXP	Expense Accounts	400000	499999
YCCA	MAT	Material Management accounts	100000	899999
YCCA	REV	Revenue accounts	800000	899999
YCCA	TEMP	Temp acct for initial upload	0	999
YCCA	G.BS	General Balance sheet Accounts	100000	399999

Click  to save entry.

Thus Account groups are created for chart of accounts YCCA in SAP.

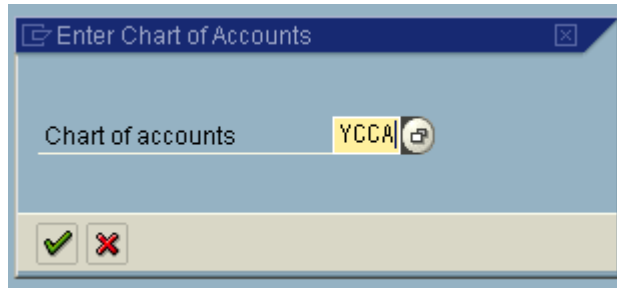
5. Define Retained Earnings Account in SAP

IMG → Financial Accounting → General Ledger Accounting → G/L Accounts → Master Records → Preparations → Define Retained Earnings Account

You assign a retained earnings account to each P&L account by specifying a P&L statement account type in the chart of accounts area of each P&L account in SAP.

At the end of a fiscal year, the system carries forward the balance of the P&L account to the retained earnings account in SAP. You can define one or more P&L statement account types per chart of accounts and assign them to retained earnings accounts.

Update chart of accounts YCCA in the given field



Update the following fields

The screenshot shows the SAP 'Maintain FI Configuration: Automatic Posting - Accounts' window. The menu bar includes 'Posting procedure', 'Edit', 'Goto', 'Extras', 'Utilities', 'System', and 'Help'. The toolbar contains various icons for navigation and actions. The main area is divided into sections: 'Posting Key' (set to 'BIL'), 'Chart of Accounts' (set to 'YCCA'), and 'Transaction' (set to 'Balance carried forward'). Below these is the 'Account assignment' table, which has two columns: 'P&L statmt...' and 'Account'. The first row of the table contains 'X' and '315000' respectively. The table has a scroll bar on the right.

Enter X in P& L statmt

Enter the account code for Retained earnings account.

Click 

You will get a message "Account not created in chart of accounts YCCA", ignore it by pressing enter.

Click  to save entry.

Thus Retained-earning account is created for chart of accounts YCCA in SAP.

You need to create this GL code later on at the GL code creation stage.

You can create multiple retained earnings accounts in SAP, where in you need to enter different key such as Y or Z and different GL codes.

We also create another retained earnings account with a key Y and GL code 315095 – Retained earnings account (Local – Parent)

This retained earnings account is required to carry on the difference between the local reporting and parent reporting. For example:- As per the local law the depreciation is calculated at 10% Straight line method (works out to 10,000 INR) whereas as per the parent companies reporting the depreciation rate is

15% SLM (works out to 15,000 INR). Thus the depreciation calculated will be different for local and parent. Thus the profit reported will be different and the profit carried forward to the balance sheet will be different.

In SAP we manage this by creating different GL codes.

Example:

The local depreciation is posted to GL code 460001 Depreciation Local 10000 INR

The depreciation for the parent is posted as a difference between local and parent (15,000 INR – 10,000 INR = 5,000 INR) to GL code 460002 Depreciation local – parent 5,000 INR

The GL code 460001 is mapped to retained earnings account X and the GL code 460002 is mapped to retained earnings account Y in SAP.

6. Maintain Fiscal Year Variant

IMG → Financial Accounting → Financial Accounting Global Settings → Fiscal Year → Maintain Fiscal Year Variant (Maintain Shortened Fisc. Year)

You can define the following characteristics for a fiscal year variant in SAP.

How many posting periods a fiscal year has, how many special periods you need, how the system is to determine the posting periods when posting

When defining your fiscal year, you have the following options:

- Your fiscal year is the calendar year
In this case, you must only select the *Calendar year* field.
- Your fiscal year is not the same as the calendar year and is not year dependent
In this case, you first enter the number of your posting periods in the *Number posting per.* field. To define your posting periods, select your fiscal year variant and select *Periods* on the navigation screen. On this screen, enter the month and the day of the period end and the period in each case.
- Your fiscal year is not the same as the calendar year and is year-dependent.

Enter the number of your posting periods in the field *Number posting periods* and select the field *Year-dependent*. To define your posting periods, select your fiscal year variant and select *Periods* on the navigation screen. The system asks for which calendar year your year-

dependent fiscal year variant is valid. You then enter the month and day of the period end for each of your periods, and the periods themselves.

You can use the standard fiscal year variant **K4** in SAP where the financial accounting year corresponds to January to December.

In case the financial accounting year is April to March, you can use the standard fiscal year variant **V3** in SAP

You can copy and create new variants, but bear in mind it should start with Z as the starting character.

In our example we will use the standard fiscal year variant K4

7. Assign Company Code to a Fiscal Year Variant

IMG → Financial Accounting → Financial Accounting Global Settings → Fiscal Year → Assign Company Code to a Fiscal Year Variant

The company code 9100 needs to be assigned to a Fiscal Year variant. This controls which periods the company code will post data.

Table View Edit Goto Selection Utilities System Help

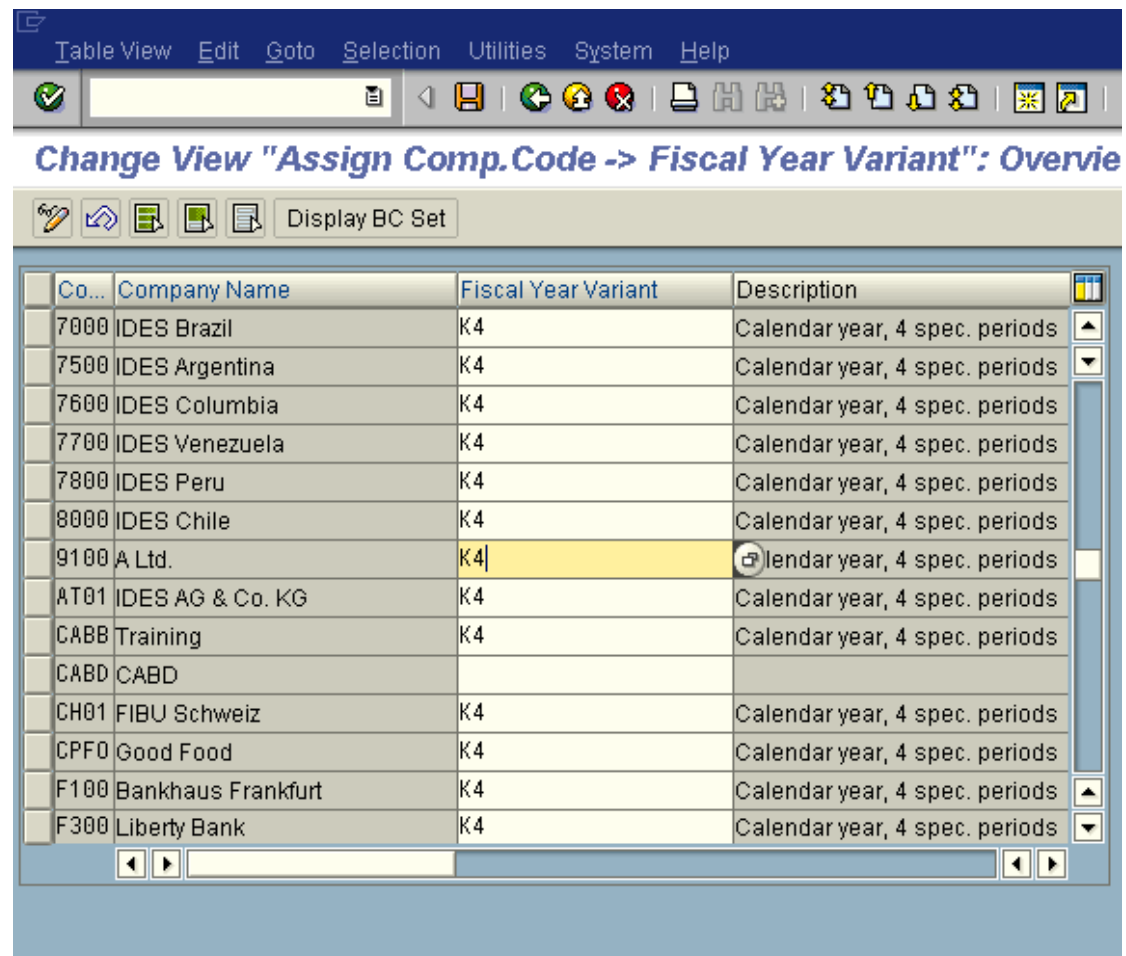
Change View "Assign Comp.Code -> Fiscal Year Variant": Overview

Display BC Set

Co...	Company Name	Fiscal Year Variant	Description
7000	IDES Brazil	K4	Calendar year, 4 spec. periods
7500	IDES Argentina	K4	Calendar year, 4 spec. periods
7600	IDES Columbia	K4	Calendar year, 4 spec. periods
7700	IDES Venezuela	K4	Calendar year, 4 spec. periods
7800	IDES Peru	K4	Calendar year, 4 spec. periods
8000	IDES Chile	K4	Calendar year, 4 spec. periods
9100	A Ltd.		
AT01	IDES AG & Co. KG	K4	Calendar year, 4 spec. periods
CABB	Training	K4	Calendar year, 4 spec. periods
CABD	CABD		
CH01	FIBU Schweiz	K4	Calendar year, 4 spec. periods
CPF0	Good Food	K4	Calendar year, 4 spec. periods
F100	Bankhaus Frankfurt	K4	Calendar year, 4 spec. periods
F300	Liberty Bank	K4	Calendar year, 4 spec. periods

Position... Entry 15 of 31

Assign company code 9100 to K4 fiscal year variant in SAP.



Click  to save entry.

Thus Company code 9100 is assigned to fiscal year variant K4 in SAP.

8. Define Posting period Variant

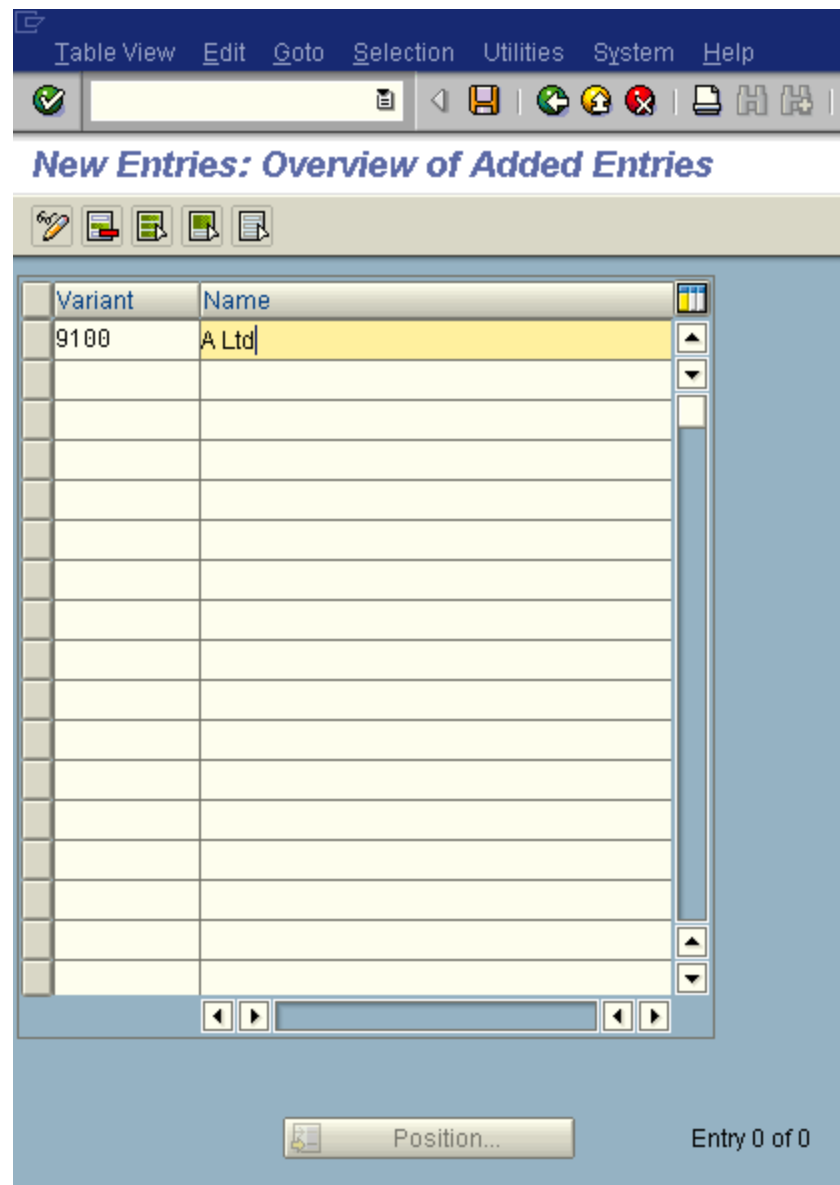
IMG → Financial Accounting → Financial Accounting Global Settings → Document → Posting Periods → Define Variants for Open Posting Periods

In this activity, you can define variants for open posting periods. In the standard setting, a separate variant for posting periods is defined for every company code. The name of this variant is identical to the company

code name. Every company code is allocated to this variant with the same name.

Thus in our example we will have posting period variant which is identical to the company code i.e. 9100

Click on  and update the following fields.



Click  to save entry.

Thus posting period variant 9100 is created.

9. Open and Close Posting Periods

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Posting Periods → Open and Close Posting Periods

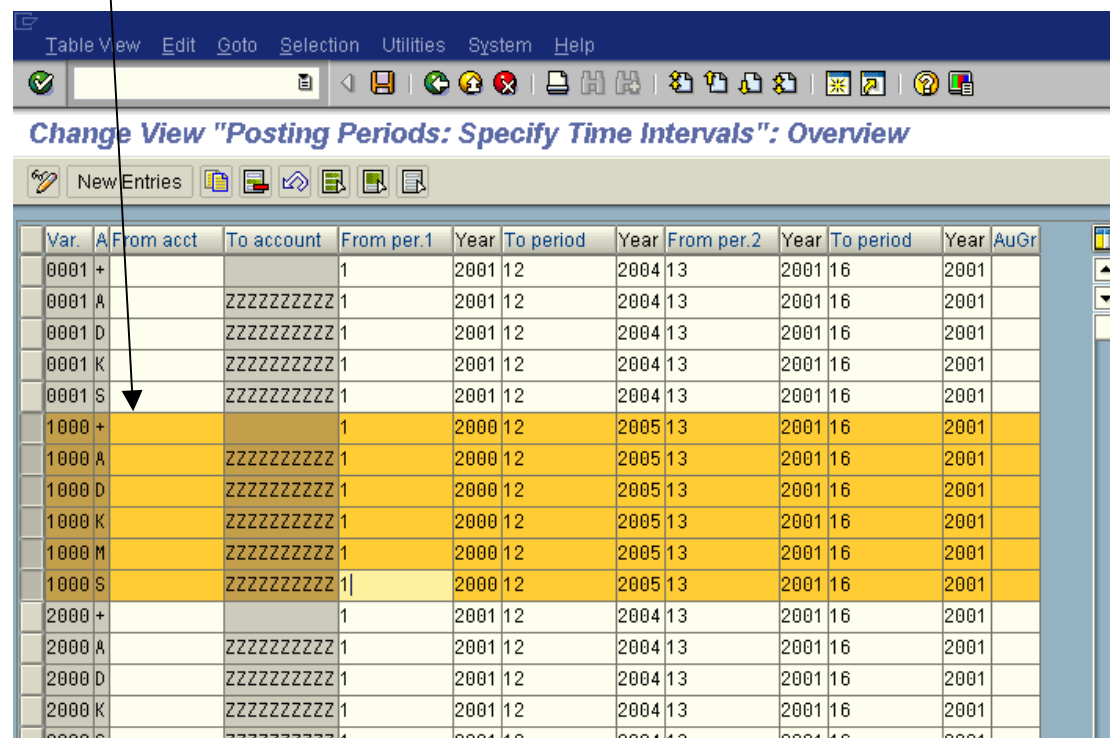
In this activity you specify for each variant which posting periods are open for posting in SAP. Two intervals are available for doing this (period 1 and period

2). For every interval, enter a lower period limit, an upper period limit and the fiscal year.

You close periods by selecting the period specifications so that the periods to be closed are no longer contained.

You can copy the settings from existing company codes delivered by SAP as follows:-

Select the area



The screenshot shows the SAP 'Posting Periods: Specify Time Intervals' Overview screen. The table lists various account types and their corresponding period specifications. The 'From acct' column is highlighted, and a callout box points to it with the text 'Select the area'.

Var.	A	From acct	To account	From per.1	Year	To period	Year	From per.2	Year	To period	Year	AuGr
0001	+			1	2001	12	2004	13	2001	16	2001	
0001	A		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	
0001	D		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	
0001	K		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	
0001	S		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	
1000	+			1	2000	12	2005	13	2001	16	2001	
1000	A		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	D		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	K		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	M		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	S		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
2000	+			1	2001	12	2004	13	2001	16	2001	
2000	A		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	
2000	D		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	
2000	K		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	
2000	S		ZZZZZZZZZZ	1	2001	12	2004	13	2001	16	2001	

Click the **Copy**  button.

Replace all 1000 with 9100

Table View Edit Goto Selection Utilities System Help

Change View "Posting Periods: Specify Time Intervals": Overview of Sel

Var.	A	From acct	To account	From per.1	Year	To period	Year	From per.2	Year	To period	Year	AuGr
1000				1	2000	12	2005	13	2001	16	2001	
1000	A		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	D		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	K		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	M		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
1000	S		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	

Table View Edit Goto Selection Utilities System Help

New Entries: Overview of Added Entries

New Entries

Var.	A	From acct	To account	From per.1	Year	To period	Year	From per.2	Year	To period	Year	AuGr
9100				1	2000	12	2005	13	2001	16	2001	
9100	A		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
9100	D		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
9100	K		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
9100	M		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	
9100	S		ZZZZZZZZZZ	1	2000	12	2005	13	2001	16	2001	

Click  to save entry.

Thus posting periods time intervals for various account types are created for variant 9100 in SAP

Various account types in SAP are:-

- A – Assets
- D – Debtors
- K - Creditors

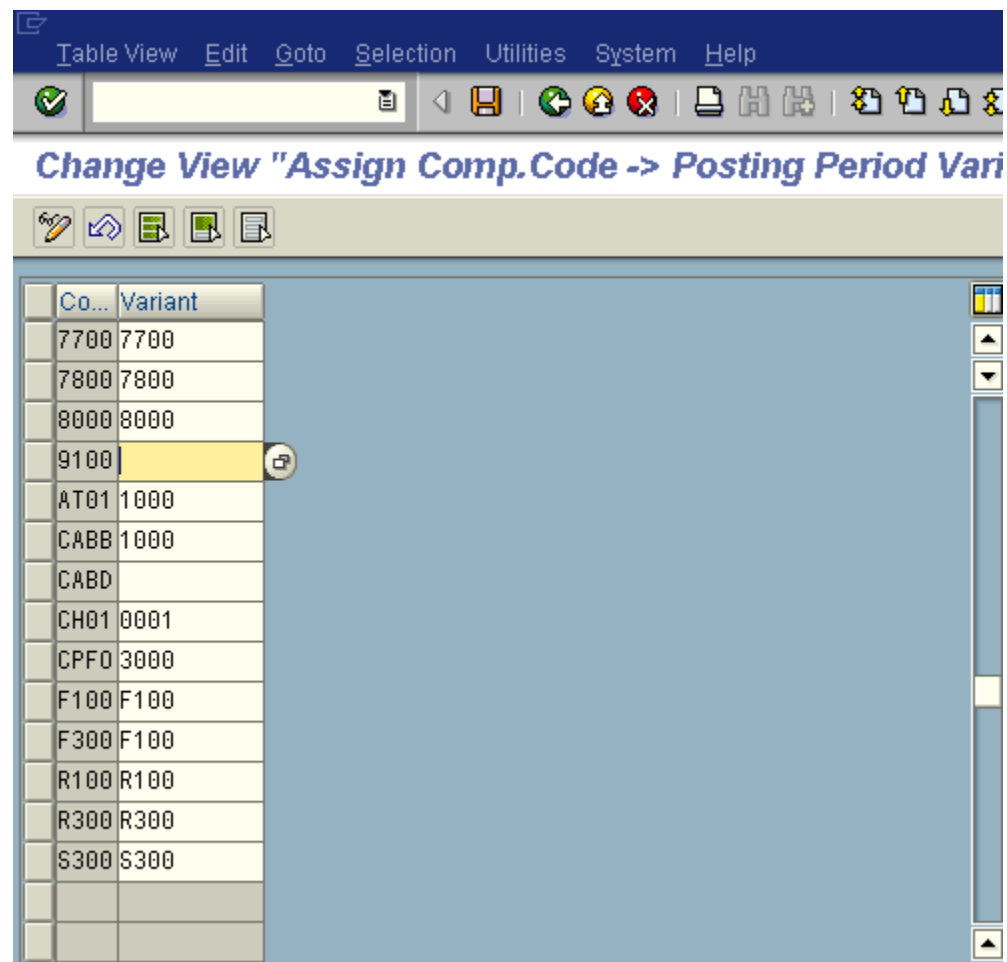
M – Material
S - GL

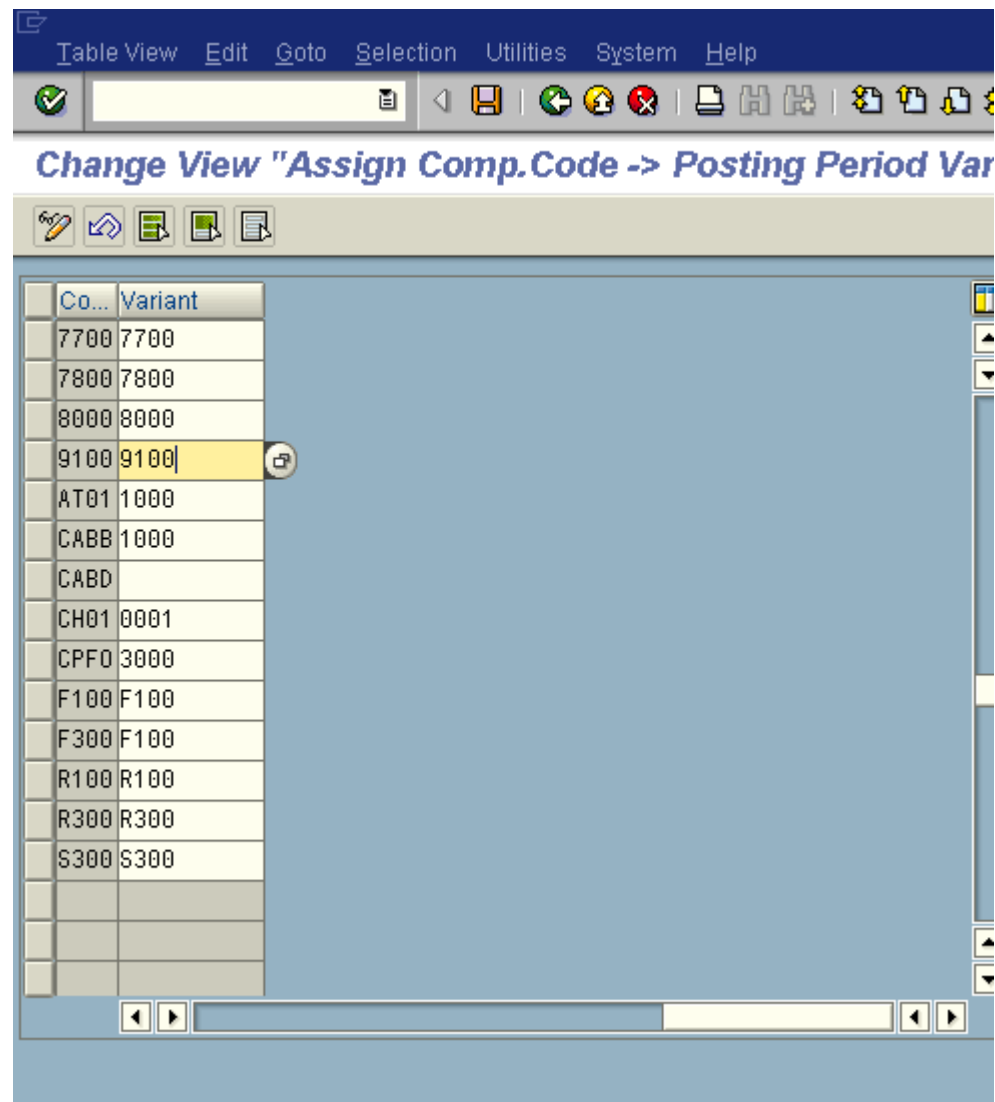
10. Assign Posting period Variant to Company code

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Posting Periods → Assign Variants to Company Code

The posting period variant 9100 needs to be assigned to company code 9100

Assign 9100 to company code 9100





Click  to save entry.

Thus posting period variant 9100 is assigned to company code 9100 in SAP.

11. Create document number ranges for company code

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Document Number Ranges → Define Document Number Ranges.

Here we create the number ranges for documents. For each number range you specify:

- a number interval from which document numbers are selected

- the type of number assignment (internal or external)

You assign one or more document types to each number range. The number range becomes effective via the document type specified in document entry and posting.

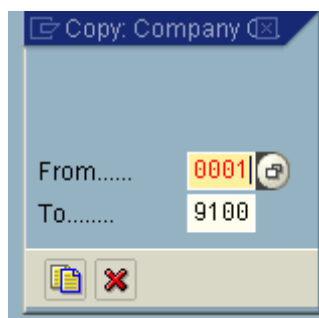
Number ranges for documents are company code-dependent. You must therefore create your number ranges for each company code in which the document type is used, namely with the same number range key.

The number intervals must not overlap. If you use year-dependent number ranges, you can specify the same interval with the same key several times for different "to- fiscal years" (the limit up to which a number range is still valid). If you want to define number ranges, which are independent of the to-fiscal year, enter 9999 in the to- fiscal year field.

For sample documents, use a number range with key X2, for recurring entry documents with key X1. These keys may not be used for other number ranges.

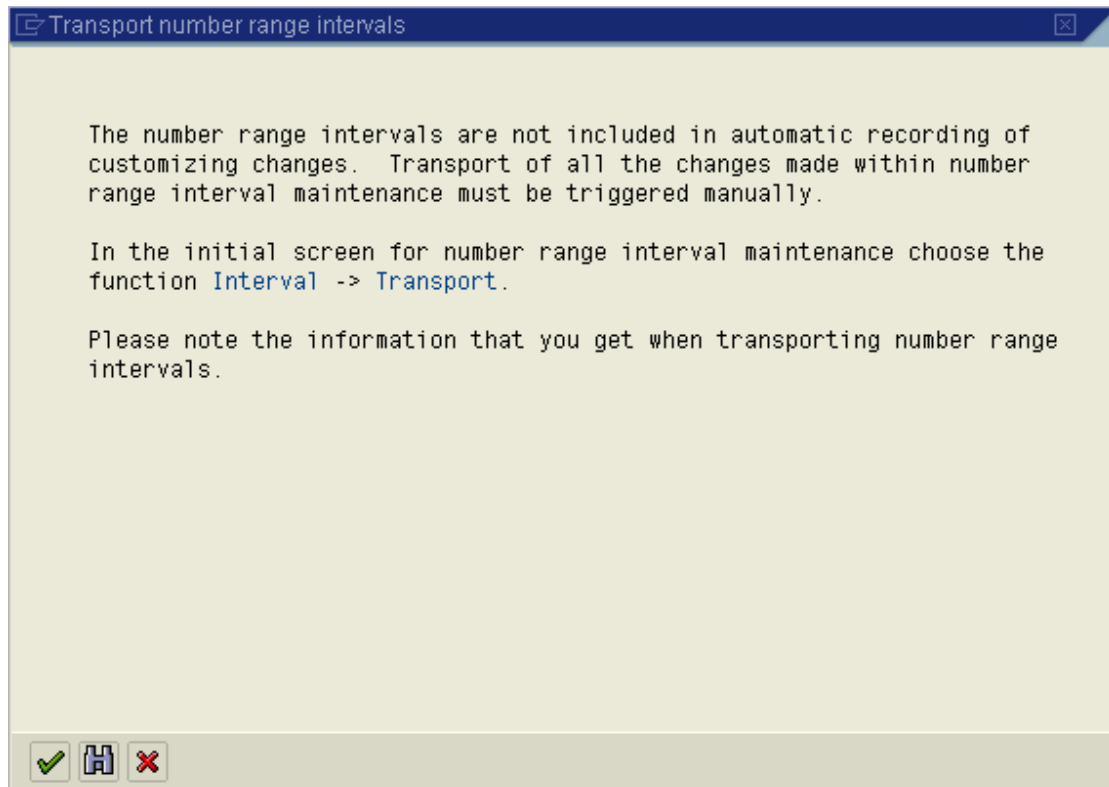
To copy from another company code:-

Click on copy  and update the company to be copied from 0001 and company to be copied to 9100.



Click 

You get the following message:-

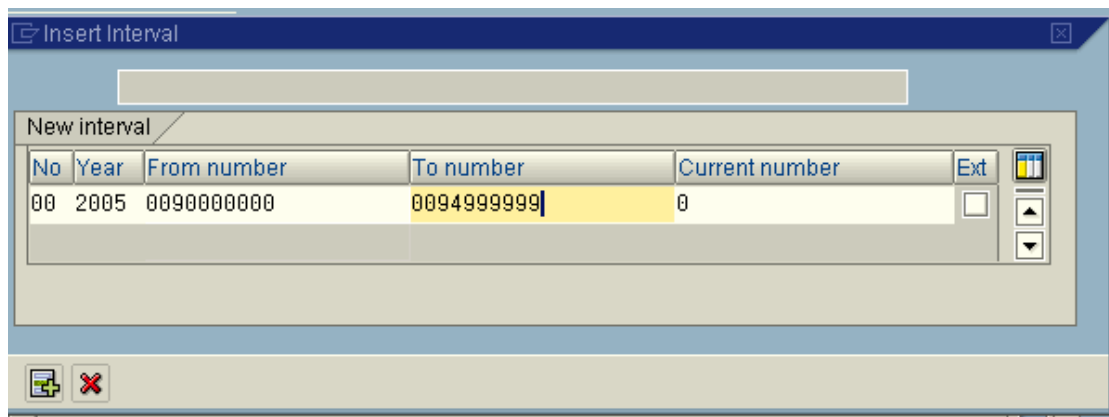


The number ranges are not transported automatically. It is advisable that you manually maintain number ranges in each system (quality, production).

To manually create number range proceeds as follows:-

Click on  Intervals

Click on  Interval and update the following fields:-



Then click on the  button

Similarly enter number key 01 to 99, X1 and X2 with no overlaps in the number range. Number range, which is used for depreciation posting, should

be defined with  tick on.

Click  to save entry.

Thus Document number ranges are created for company code 9100. These number ranges are year dependent. For company codes posting the number ranges should be defined as year dependent.

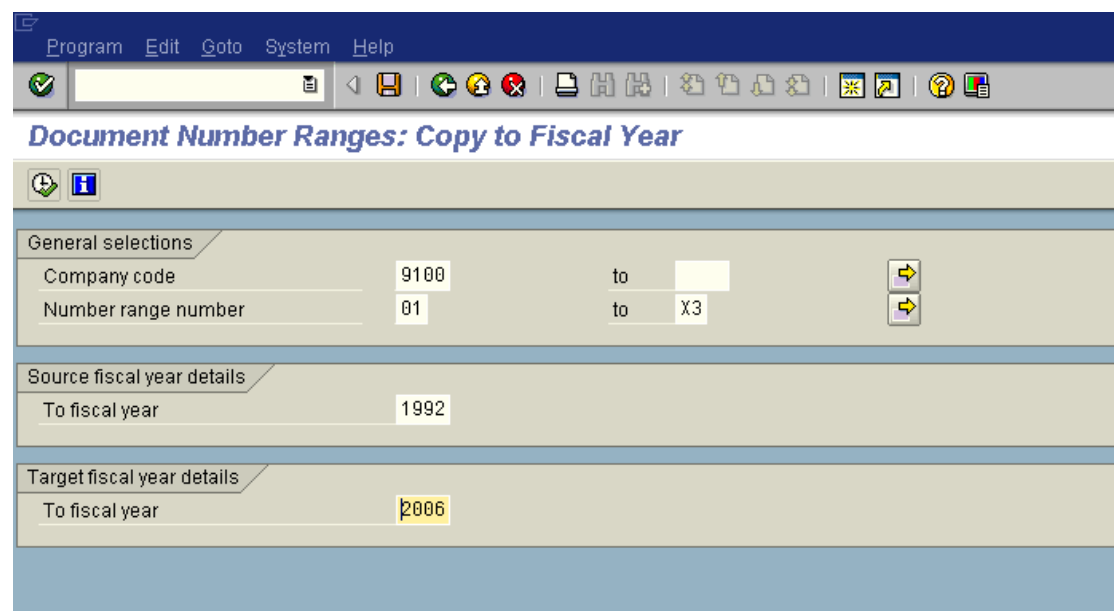
Note that the number intervals are not included in the customizing request they need to be transported manually. Click on **Interval → Transport**

11.1 Copy document number ranges to fiscal year (OBH2)

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Document Number Ranges → Copy to Fiscal Year

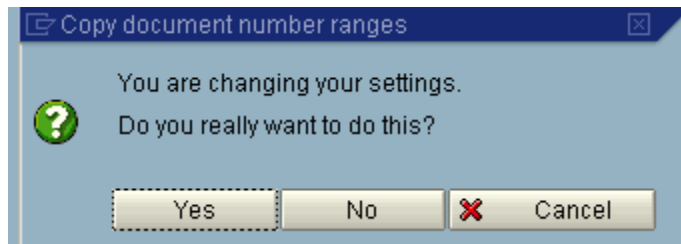
Every year you need to maintain the number ranges in FI for your company code. This can be done by copying number ranges from earlier fiscal year. This can be done using transaction code OBH2.

Update the following:-



Document Number Ranges: Copy to Fiscal Year			
General selections			
Company code	9100	to	
Number range number	01	to	X3
Source fiscal year details			
To fiscal year	1992		
Target fiscal year details			
To fiscal year	2006		

Click 



Click

Yes

Document Number Ranges: Copy to Fiscal Year			
IDES-ALE: Central FI Syst Frankfurt - Deutschland		Copy document number ranges to fiscal year Source FY : 1992 Target FY: 2006	
No.	Year	Result	Reason
Company code 9100			
01	2006	Interval added	
02	2006	Interval added	
12	2006	Interval added	
13	2006	Interval added	
14	2006	Interval added	
15	2006	Interval added	
16	2006	Interval added	
17	2006	Interval added	
18	2006	Interval added	
19	2006	Interval added	
48	2006	Interval added	
49	2006	Interval added	
50	2006	Interval added	
51	2006	Interval added	
61	2006	Interval added	
X1	2006	Interval added	
X2	2006	Interval added	
X3	2006	Interval added	

12. Define document type and assign document number range

IMG → Financial Accounting → Financial Accounting Global Settings →
Document → Document Header → Define Document Types

Existing SAP Standard document types can be used. The only thing to ensure is that the number ranges are correctly assigned to the document types

In this activity you create document types for customer, vendor and general ledger business transactions in Financial Accounting. Document types differentiate business transactions and control document filing.

You specify a number range for each document type. Document numbers are chosen from this number range. You can use one number range for several document types.

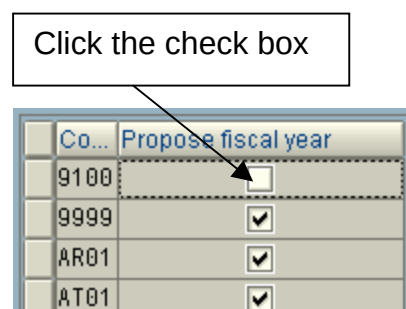
Document types are valid for all clients. You specify a number range key for each document type. You create the desired number range intervals for each number range key based on the company code. This means that you can specify intervals of different sizes for the same number range.

13. Enable Fiscal Year Default

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Default Values for Document Processing → Enable Fiscal Year Default

Here you determine that a fiscal year is proposed during document display and for document change functions in SAP. The system uses the year which was last used by the user in the work session.

This option is only useful for company codes working with year-dependent document number ranges.



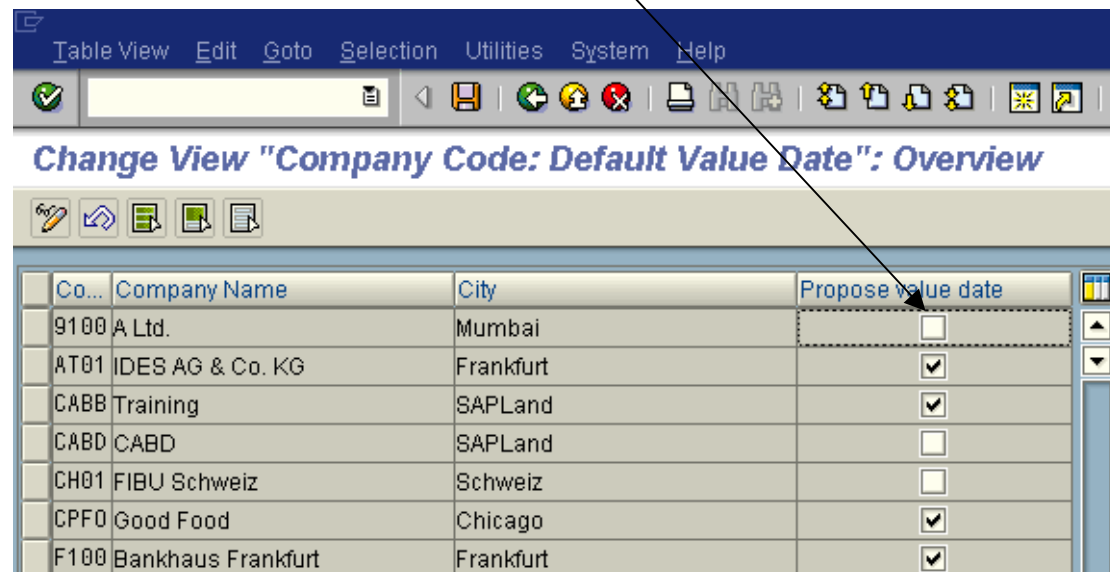
Click  to save entry.

14. Enable Default Value date

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Default Values for Document Processing → Enable Fiscal Year Default

When entering line items in SAP, you may need to enter a value date. In this activity you can determine, per company code, whether the CPU date is defaulted as the value date.

Click on Propose value date check box



Click  to save entry.

15. Maintain Field Status Variants

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Line Item → Controls → Maintain Field Status Variants

You can define and edit field status variants and groups. You group several field status groups together in one field status variant. You assign the field status variants to a company code in the activity Assign Company Code to Field Status Variants. This allows you to work with the same field status groups in any number of company codes.

You can also define and process field status groups. You must define a field status group in the company code-specific area of each G/L account. The field status group determines which fields are ready for input, which are required entry fields, and which are hidden during document entry. Bear in mind that additional account assignments (i.e. cost centers or orders) are only possible if data can be entered in the corresponding fields.

Field status variant 0001 is entered for company code 0001 in the standard SAP software. Field status groups are already defined for this variant.

The field status group you enter in the reconciliation accounts affects postings to the related customer or vendor accounts. You cannot enter a field status group in the customer or vendor accounts. Field status groups are determined

for customer and vendor accounts from their respective reconciliation accounts, via the G/L account number in their master records.

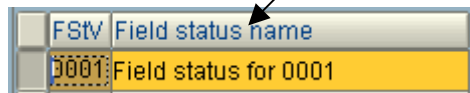
There are other factors, besides the field status group itself, which have an influence on the field status. Among these are:

The field status defined for the posting key.

The status "optional entry field" was assigned to posting keys 40 and 50 in the standard system. These are the standard posting keys for G/L account postings. The "optional entry field" status has no effect on the field status.

Copy the Standard Field status variant 0001 to create new field status variant 9100. The field status variant 9100 can be attached to all the group company codes of A Ltd.

Select the SAP standard variant

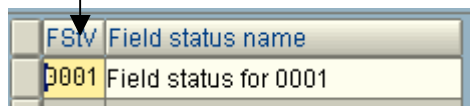


FStV	Field status name
0001	Field status for 0001

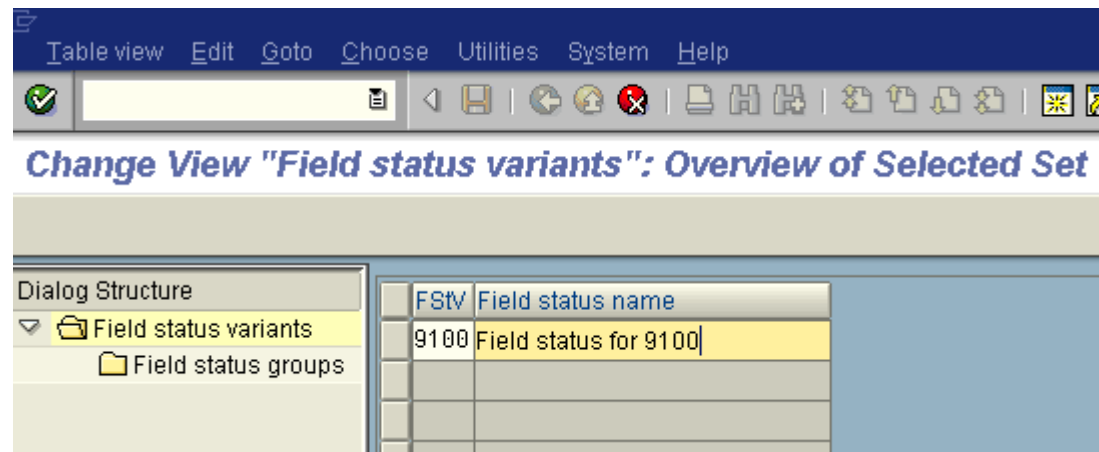
Click on Copy



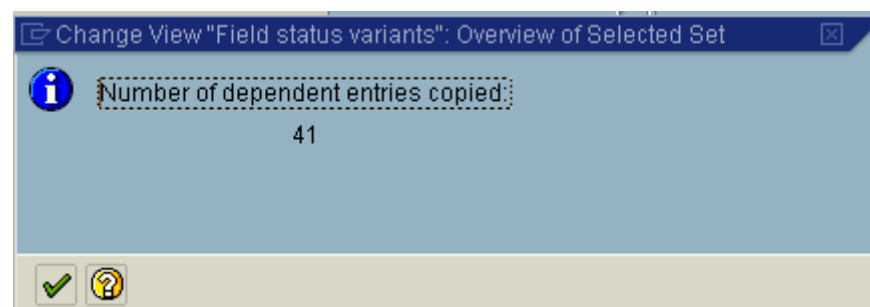
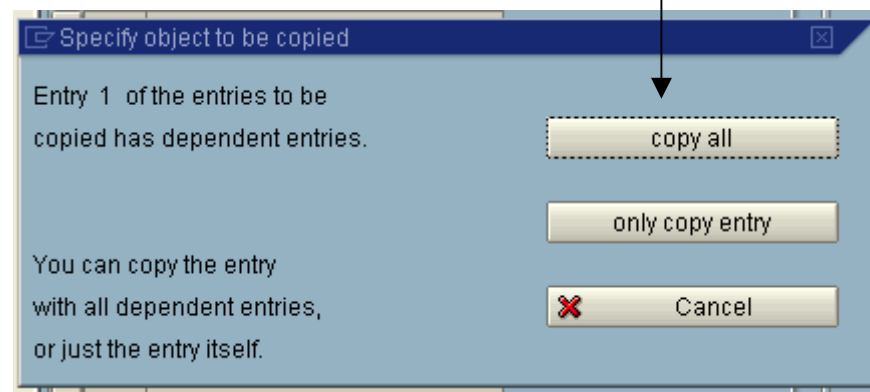
And change the field status variant from 001 to 9100



FStV	Field status name
0001	Field status for 0001



Click on Copy all



Click  to save entry.

Thus field status variant 9100 is created.

16. Assign Company Code to Field Status Variants

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Line Item → Controls → Assign Company Code to Field Status Variants

In this activity, you assign the company codes in which you want to use identical field status groups, to the same field status variant.
Assign company code 9100 to field status variant 9100.

Enter field status variant 9100

Co...	Company Name	City	Fld statvar.
8000	IDES Chile	Chile	1000
9100	A Ltd.	Mumbai	9100
AT01	IDES AG & Co. KG	Frankfurt	1000

Click  to save entry.

17. Screen variants for document entry

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Line Item → Controls → Screen Variants for Document Entry

The screen variant, which you specify for each company code, addresses special screens for documents for several specific functions in SAP. You determine the screen variant dependent on the company code.

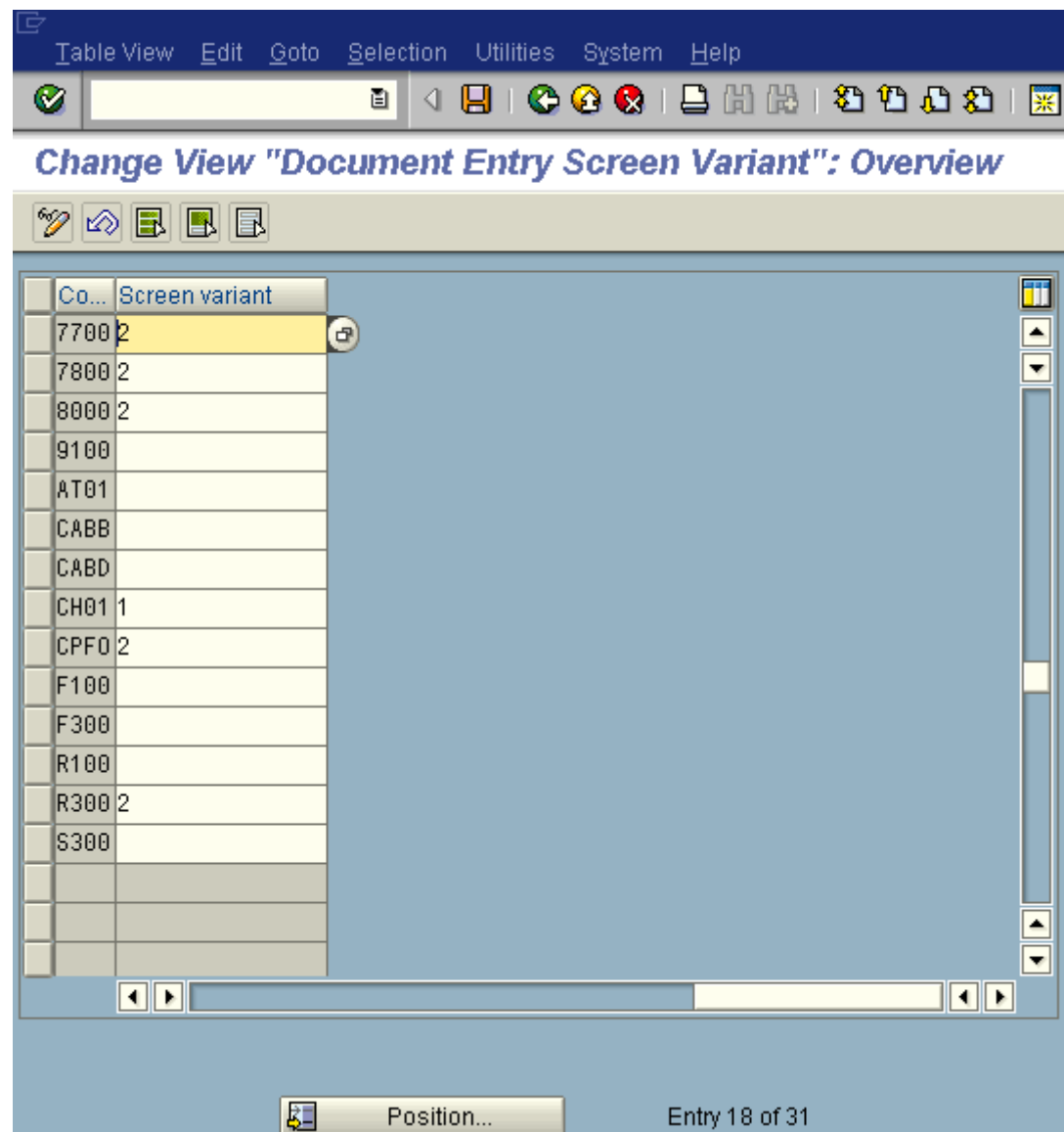
Example

In an Indian company code, for example, a screen with fields for withholding tax is required when entering a vendor item. You therefore have to select a special screen variant for Indian company codes.

Select the option, which is required.

In our example we will select the standard version only

Var.	Short text
	Standard version
1	For Austria and Switzerland
2	For France and countries with withholding tax
3	For countries with classic withholding tax



The screen variant field is already blank, so no need of saving entry.

18. Define Tolerance Groups for Employees in SAP

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Line Item → Define Tolerance Groups for Employees

We need to predefine various amount limits for our employees with which we determine:

- the maximum document amount the employee is authorized to post

- the maximum amount the employee can enter as a line item in a customer or vendor account
- the maximum cash discount percentage the employee can grant in a line item
- the maximum acceptable tolerance for payment differences for the employee.

Payment differences are posted automatically within certain tolerance groups. This way the system can post the difference by correcting the cash discount or by posting to a separate expense or revenue account.

In this respect you define:

- the amounts or percentage rates up to which the system is to automatically post to a separate expense or revenue account if it is not possible to correct the cash discount or
- up to which difference amounts the system is to correct the cash discount. In this case the cash discount is automatically increased or decreased by the difference. Using tolerance groups.

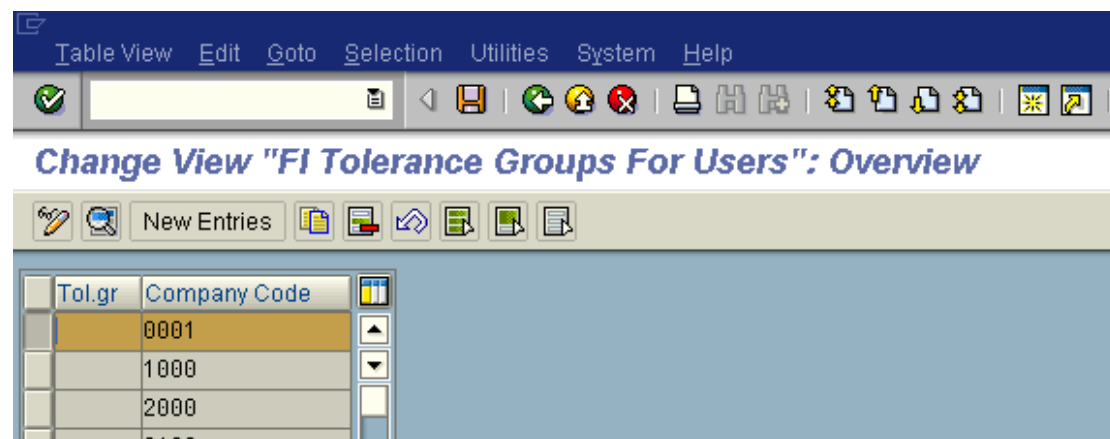
You can also additionally differentiate these settings by company code. Since the same rules usually apply to a group of employees, enter the values for employee groups. You can then enter amount limits and tolerances per employee group and company code.

You can also define tolerances without specifying a tolerance group. Leave the field Grp empty in this case. The stored tolerances are then valid for all employees who are not allocated to a group. There must be at least one entry for every company code.

You can also specify tolerances for clearing procedures depending on your customers or vendors. The lower limits from the customer/vendor specifications and employee group are taken in each case during clearing.

In our example we will define a blank tolerance group for company code 9100. You can use existing tolerance group from the sample company code.

Select company code



and click on Copy 

Table View Edit Goto Selection Utilities System Help

Change View "FI Tolerance Groups For Users": Detail

Group			
Company code	0001	SAP A.G.	Walldorf
Currency	EUR		

Upper limits for posting procedures			
Amount per document		511,291,881,196.22	
Amount per open item account item		511,291,881.20	
Cash discount per line item		5.000 %	

Permitted payment differences			
	Amount	Percent	Cash discont adj.to
Revenue	511.29	10.0 %	5.11
Expense	511.29	10.0 %	5.11

and replace company code 0001 with 9100.

Table View Edit Goto Selection Utilities System Help

Change View "FI Tolerance Groups For Users": De

Group

Company code Walldorf

Currency

Upper limits for posting procedures

Amount per document	511,291,881,196.22
Amount per open item account item	511,291,881.20
Cash discount per line item	5.000 %

Permitted payment differences

	Amount	Percent	Cash discont adj.to
Revenue	511.29	10.0 %	5.11
Expense	511.29	10.0 %	5.11

Click  to save entry.

Double click on 9100 line item

The screenshot shows the SAP FI GL CONFIG interface for 'Change View "FI Tolerance Groups For Users"'. The top menu bar includes 'Table View', 'Edit', 'Goto', 'Selection', 'Utilities', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area contains the following fields and sections:

Group: [Empty field]
Company code: 9100 A Ltd. Mumbai
Currency: INR

Upper limits for posting procedures

Amount per document	₹11,291,881,196.22
Amount per open item account item	511,291,881.20
Cash discount per line item	5.000 %

Permitted payment differences

	Amount	Percent	Cash discont adj.to
Revenue	511.29	10.0 %	5.11
Expense	511.29	10.0 %	5.11

The cash discount per line item for a user is 5% and he can post amount per document to the above limits. Further the user can per open item to the above given limit.

The permitted payment difference for revenue and expense is 511.29 INR or 10 % whichever is lower.

Thus this is a blank tolerance and applicable to all user ids. If the company wants to control posting per user id in a company code, then a tolerance group needs to be defined e.g. ZMGR, ZEXE, ZSUP, ZCL and each groups will have different limits.

The user ids in the next step have to be assigned to the tolerance group.

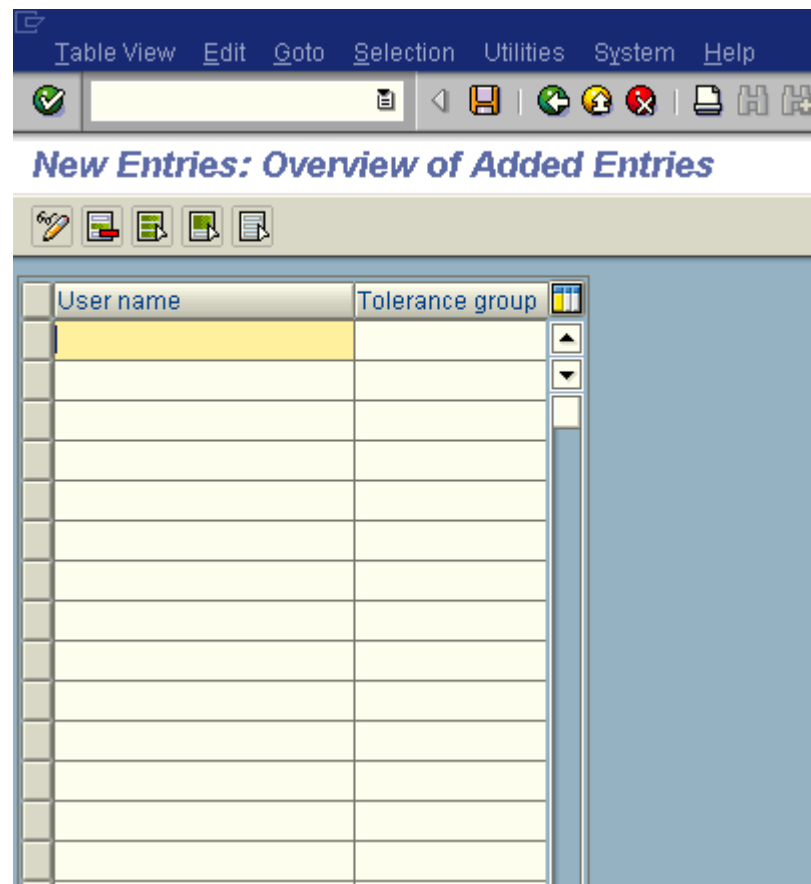
19. Assign User/Tolerance Groups

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Line Item → Assign User/Tolerance Groups

The users have to be assigned to the tolerance group.

Click on **New entries**

And update the user id and the tolerance group



Click  to save entry.

In our example we have created a blank tolerance group therefore there is no need to assign user to tolerance group.

20. Maximum Exchange Rate Difference

IMG → Financial Accounting → Financial Accounting Global Settings → Document → Document Header → Maximum Exchange Rate Difference → Define Maximum Exchange Rate Difference per Company Code

In this activity, you define, per company code, a maximum difference between exchange rates for postings in foreign currency. To do this, you specify how much the exchange rate entered manually in the document header may differ in terms of percent from the one stored in the system.

If an exchange rate or the local and the foreign currency amount were entered manually during document entry, then a comparison is made with the exchange rates stored in the system. If a deviation does occur and it exceeds the percentage rate specified here, then a warning appears.

Update 10% in Max. exch. rate dev

Table View Edit Goto Selection Utilities System Help

Change View "Maximum Difference Between Exchange Rates": Overview

CoCd	Company Name	City	Max.exch.rate dev.
☐ 8000	IDES Chile	Chile	10 %
☐ 9100	A Ltd.	Mumbai	%
☐ AT01	IDES AG & Co. KG	Frankfurt	10 %
☐ CABB	Training	SAPLand	10 %
☐ CABD	CABD	SAPLand	%
☐ CH01	FIBU Schweiz	Schweiz	10 %
☐ CPF0	Good Food	Chicago	10 %
☐ F100	Bankhaus Frankfurt	Frankfurt	10 %
☐ F300	Liberty Bank	New York	10 %
☐ R100	IDES Retail GmbH	Giessen	10 %
☐ R300	IDES Retail INC US	Los Angeles	10 %
☐ S300	IDES Services	Atlanta	10 %

Click  to save entry.

Finally after done the relevant settings for company code 9100 you can now see most of the settings and assignments at one place which is as follows:-

21. Check company Code settings in Global parameters

IMG → Financial Accounting → Financial Accounting Global Settings → Company Code → Enter Global Parameters

In this menu you can see all the assignment done earlier. You can also configure the earlier assignments done through this menu.

Table view Edit Goto Choose Utilities Environment System Help

Change View "Company Code Global Data": Overview

Co...	Company Name	City	Country	Crcy	Language
7800	IDES Peru	Perú	PE	PEN	ES
8000	IDES Chile	Chile	CL	CLP	ES
9100	A Ltd.	Mumbai	IN	INR	EN
AT01	IDES AG & Co. KG	Frankfurt	DE	EUR	DE
CABB	Training	SAPLand	DE	EUR	DE
CABD	CABD	SAPLand	DE	EUR	EN
CH01	FIBU Schweiz	Schweiz	CH	CHF	DE
CPF0	Good Food	Chicago	US	USD	EN
F100	Bankhaus Frankfurt	Frankfurt	DE	EUR	DE
F300	Liberty Bank	New York	US	USD	EN
R100	IDES Retail GmbH	Giessen	DE	EUR	DE
R300	IDES Retail INC US	Los Angeles	US	USD	EN
S300	IDES Services	Atlanta	US	USD	EN

Double click on **9100** company code

Change View "Company Code Global Data": Details

Additional details

Company Code: 9100 A Ltd. Mumbai
 Country key: IN Currency: INR Language Key: EN

Accounting organization

Chart of Accts: YCCA Country chart/accts
 Company: FM Area
 Credit control area: Fiscal Year Variant: K4
 Ext. co. code: Global CoCde
 Company code is productive: VAT registration no.

Processing parameters

Document entry screen variant: Business area fin. statements
 Field status variant: 9100 Propose fiscal year
 Pstng period variant: 9100 Define default value date
 Max. exchange rate deviation: 10 % No forex rate diff. when clearing in LC
 Sample acct rules var.: Tax base is net value
 Workflow variant: Discount base is net value
 Inflation method: Financial Assets Mgmt active
 Crpy transl. for tax: Purchase account processing
 CoCd->CO Area
 Cost of sales accounting actv.
☐ Negative postings allowed ☐ Enable amount split
☐ Cash Management activated

Click on the check box ☐ No forex rate diff. when clearing in LC if you want the following:-

When items in foreign currency are cleared in local currency, the local currency amount stored in the document is used as the amount to be cleared.

Click on the check box ☐ Tax base is net value if you want the following: -

The cash discount amount is deducted from the base amount used for calculating taxes on sales/purchases.

Click on the check box ☐ Discount base is net value if you want the following: -

Tax on sales/purchases is not included in the base amount used for calculating cash discount.

Table view Edit Goto Choose Utilities Environment System Help

Change View "Company Code Global Data": Details

Additional details

Company Code 9100 A Ltd. Mumbai
 Country key IN Currency INR Language Key EN

Accounting organization

Chart of Accts	YCCA	Country chart/accts	
Company		FM Area	
Credit control area		Fiscal Year Variant	K4
Ext. co. code	☐	Global CoCde	
Company code is productive	☐	VAT registration no.	

Processing parameters

Document entry screen variant		☐ Business area fin. statements
Field status variant	9100	☒ Propose fiscal year
Pstng period variant	9100	☒ Define default value date
Max. exchange rate deviation	10 %	☒ No forex rate diff. when clearing in LC
Sample acct rules var.		☐ Tax base is net value
Workflow variant		☐ Discount base is net value
Inflation method		☐ Financial Assets Mgmt active
Crcy transl. for tax		☐ Purchase account processing
CoCd->CO Area		
Cost of sales accounting actv.		
☐ Negative postings allowed		☐ Enable amount split
☐ Cash Management activated		

Click  to save entry.

The company code is now configured for General Ledger (GL) posting in SAP.

22. Define Additional Local currencies (Optional)

You can have 2 more parallel currencies for a company code in addition to one defined above. We can thus have 3 currencies for a company code.

To configure parallel currencies for a company code the path is:-

IMG → Financial Accounting → Financial Accounting Global Settings → Company Code → Multiple Currencies → Define Additional Local Currencies

In this case, you can choose between:

- Group currency
Group currency is the currency which is specified in the client table or which is to be entered there.
- Hard currency
Hard currency is a country-specific second currency which is used in countries with high inflation.
- Index based currency
Index-based currency is a country-specific fictitious currency which is required in some countries with high inflation for external reporting (for example, tax returns).
- Global company currency
Global company currency is the currency which is used for an internal trading partner.
For the additional currencies, define the following data:
- Currency type
The currency type specifies the role of the additional currency. An example of this would be the group currency.
- Exchange rate type for translation
The exchange rate type determines which exchange rate stored in the system is used for calculating the additional amount fields. As with the local currency, you can use the exchange rate type M (average exchange rate) or any other exchange rate type.
- Base currency for translation
The amounts in the additional currencies can be calculated based on the document currency or on the local currency.
- Date for translation
For translating amounts, the exchange rate can be determined according to the translation date, the document date or the posting date

Additional activities:-

The group currency must be stored in the client definition which can be seen using transaction code **SCC4**

Table View Edit Goto Selection Utilities System Help

Change View "Additional Local Currencies For Company Code": C

New Entries

Co...	Company Name	City	Country
2000	IDES UK	London	GB
2100	IDES Portugal	Lisbon	PT
2200	IDES France	Paris	FR
4000	IDES Canada	Toronto	CA
4500	Canadian Company	Toronto	CA
6000	IDES México, S.A. de C.V.	México DF	MX
7500	IDES Argentina	Buenos Aires	AR
7600	IDES Columbia	Columbia	CO
7700	IDES Venezuela	Venezuela	VE
7800	IDES Peru	Perú	PE
8000	IDES Chile	Chile	CL

Click on

New entries

Update the following: -

Enter the second and third currency

Table View Edit Goto Selection Utilities System Help

New Entries: Details of Added Entries

Company Code **9100** A Ltd.

1st local currency

Crcy Type	10	Company code currency	Currency	INR
Valuation	0	Legal Valuation		
ER Type	M	Standard translation at average rate		
Srce curr.	1	Translation taking transaction currency as a basis		
TrsDte typ	3	Translation date		

2nd local currency

Crcy Type	30	Group currency	Currency	EUR
Valuation	1	Group Valuation		
ER Type	M	Standard translation at average rate		
Srce curr.	1	Translation taking transaction currency as a basis		
TrsDte typ	3	Translation date		

3rd local currency

Crcy Type	30	Group currency	Currency	EUR
Valuation	2	Profit Center Valuation		
ER Type	M	Standard translation at average rate		
Srce curr.	1	Translation taking transaction currency as a basis		
TrsDte typ	3	Translation date		

Here we can select valuation 1 & 2 only if the following conditions are met:-

- 1) Controlling area has been assigned to the company code
- 2) A currency and valuation profile is defined in the controlling area
- 3) The currency and valuation profile is active which has the group and profit center valuation view

Selecting 1 and 2 leads to a greater volume of data, which will require 2 additional ledgers to store the data.

You can instead of 1 and 2 select 0 legal valuation.

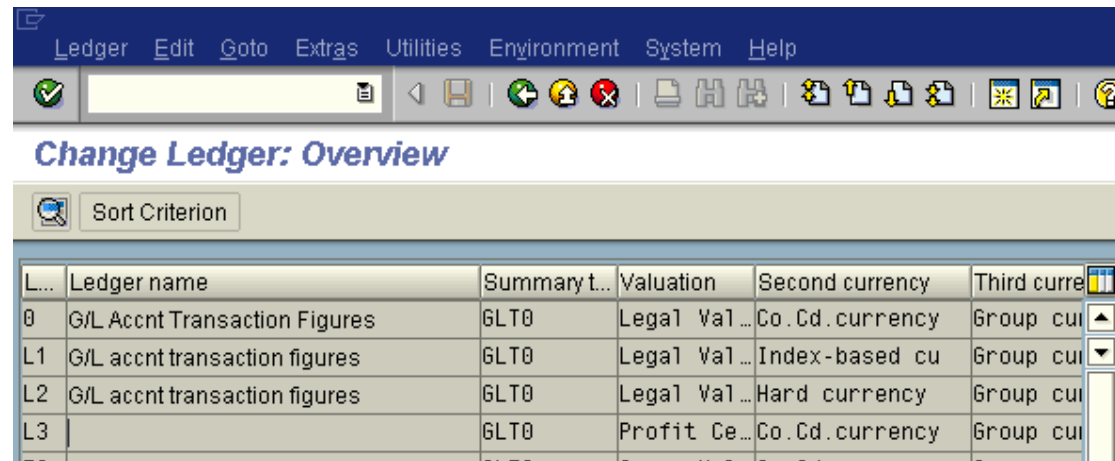
Click on Save 

23. Define Additional Local currencies for Ledgers (Optional)

IMG → Financial Accounting → Financial Accounting Global Settings → Company Code → Multiple Currencies → Define Additional Local Currencies

In this case, you can choose between:

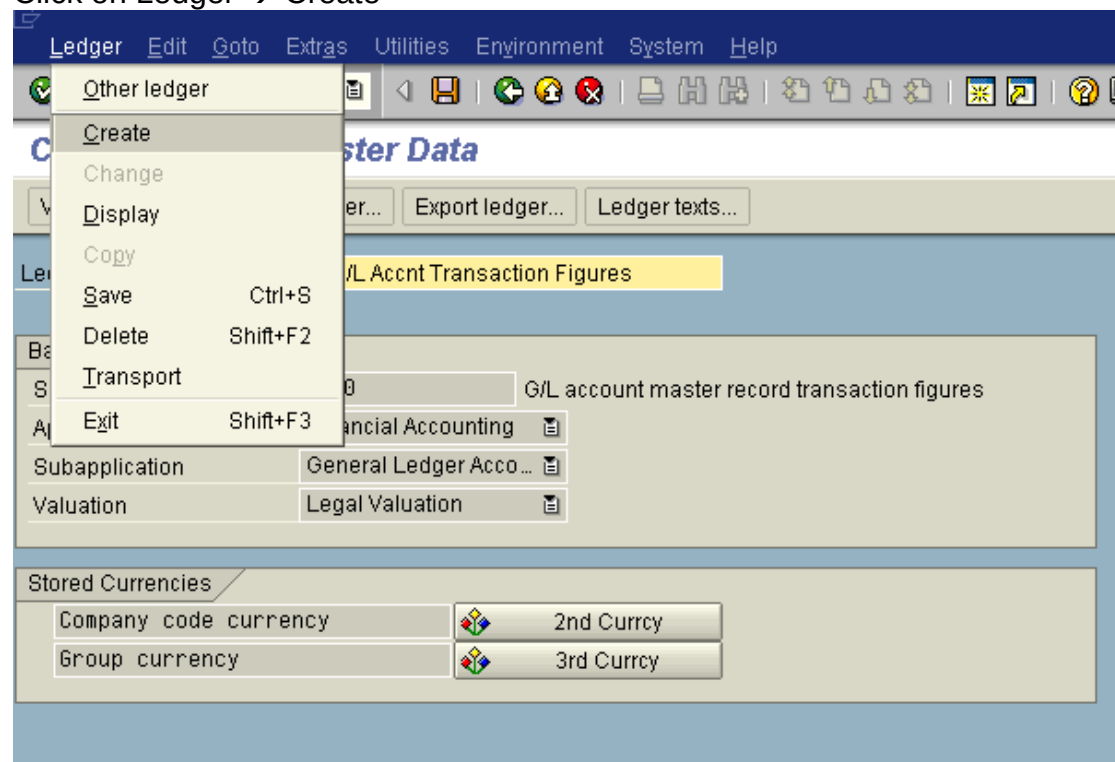
Since we have selected valuation 1 and valuation 2 in step 22 we have to configure 2 additional ledgers



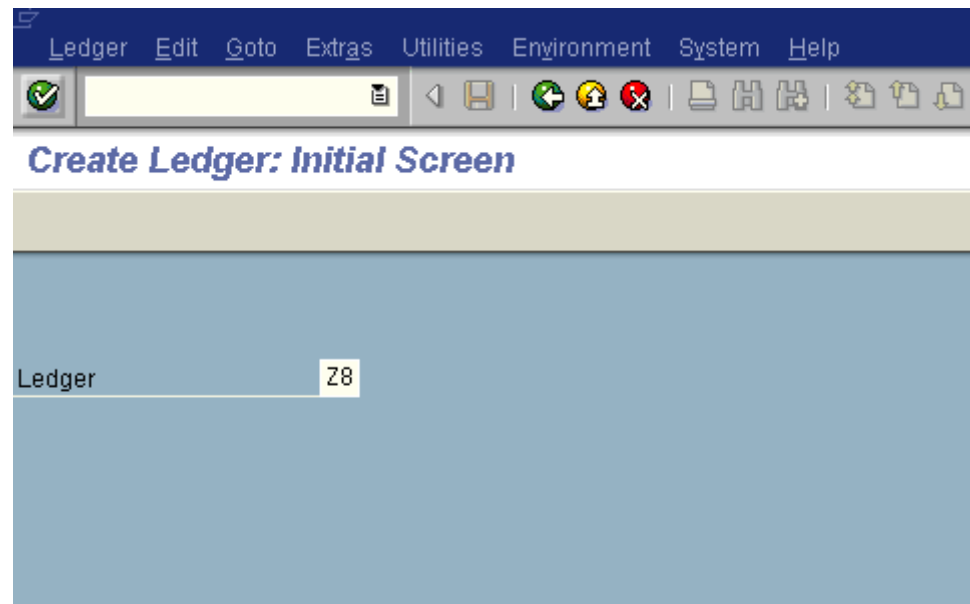
L...	Ledger name	Summary t...	Valuation	Second currency	Third cur...
0	G/L Acct Transaction Figures	GLT0	Legal Val...	Co.Cd.currency	Group cui
L1	G/L acct transaction figures	GLT0	Legal Val...	Index-based cu	Group cui
L2	G/L acct transaction figures	GLT0	Legal Val...	Hard currency	Group cui
L3	G/L acct transaction figures	GLT0	Profit Ce...	Co.Cd.currency	Group cui

Double click ledger 0

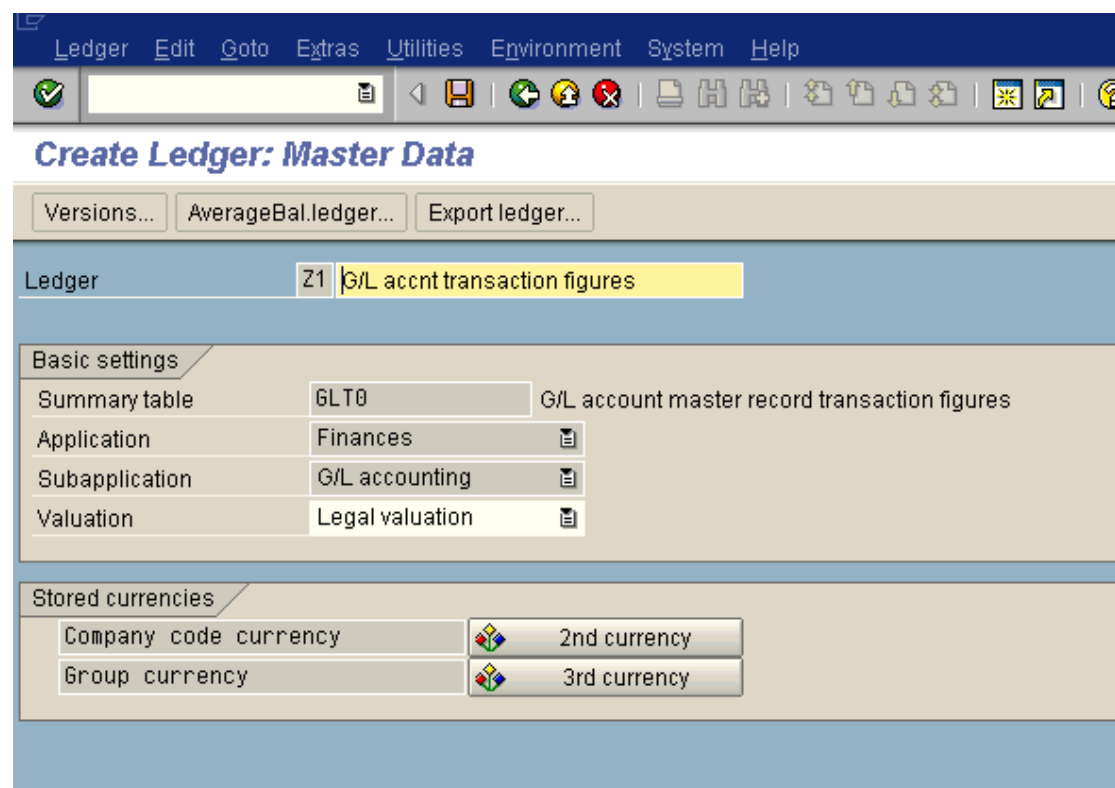
Click on Ledger → Create



Update the following



Change from legal valuation to group valuation



Create Ledger: Master Data

Versions... AverageBal.ledger... Export ledger... Ledger texts...

Ledger: Z8 G/L Acct Transaction Figures

Basic Settings

Summary table: GLT0 G/L account master record transaction figures

Application: Financial Accounting

Subapplication: General Ledger Acco...

Valuation: Group Valuation

Stored Currencies

Company code currency: 2nd Currecy

Group currency: 3rd Currecy

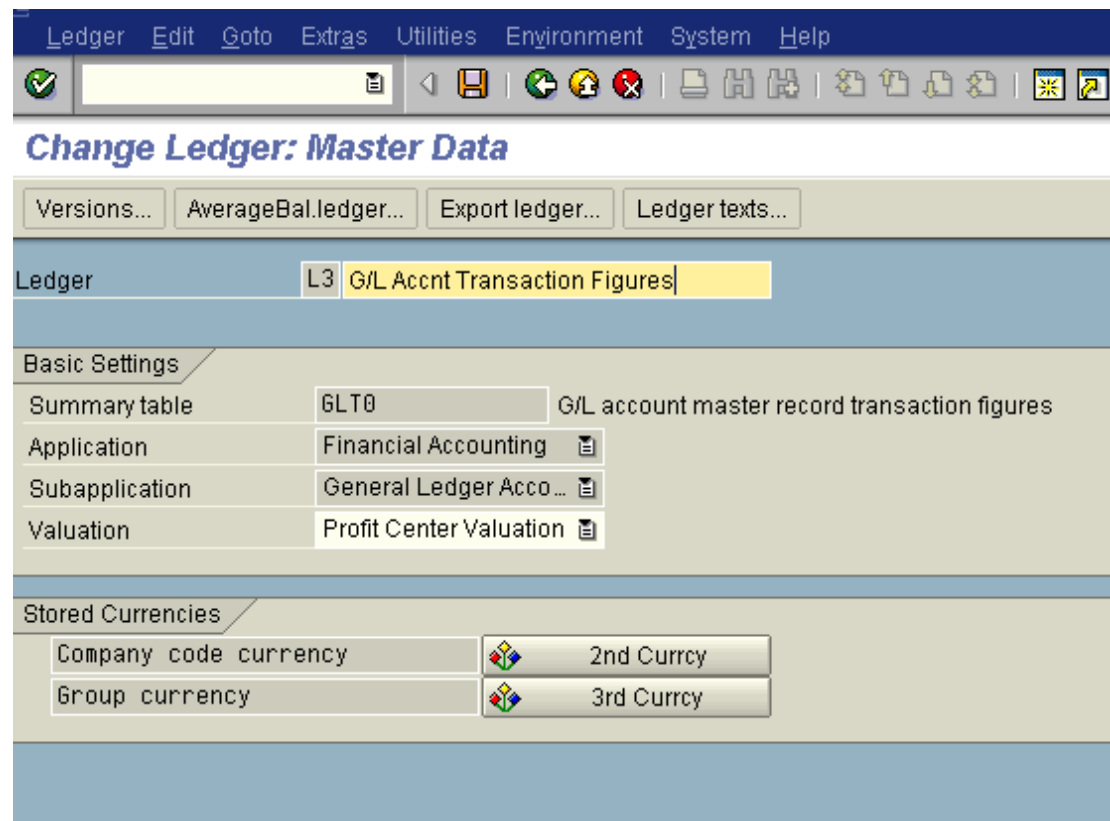
Click on 

System automatically created a ledger for profit center valuation L3.

Maintain the text for the same

Double click

L3		GLT0	Profit Ce...	Co.Cd.currency	Group cur
----	--	------	--------------	----------------	-----------



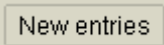
Click on 

24. Define Company

IMG → Enterprise Structure → Definition → Financial Accounting → Company Code → Define company

In the SAP system, consolidation functions in financial accounting are based on companies. A company can comprise one or more company codes.

We will create a company for our company code 9100.

Click on  and update the following: -

The screenshot shows the SAP FI GL CONFIG interface. At the top is a menu bar with 'Table View', 'Edit', 'Goto', 'Selection', 'Utilities', 'System', and 'Help'. Below the menu bar is a toolbar with various icons. The main title is 'New Entries: Details of Added Entries'. Below the title is a toolbar with four icons. The form contains the following fields:

Company	9100
Company name	A Ltd.
Name of company 2	

Below these fields is a section titled 'Detailed information' with a tab icon. It contains the following fields:

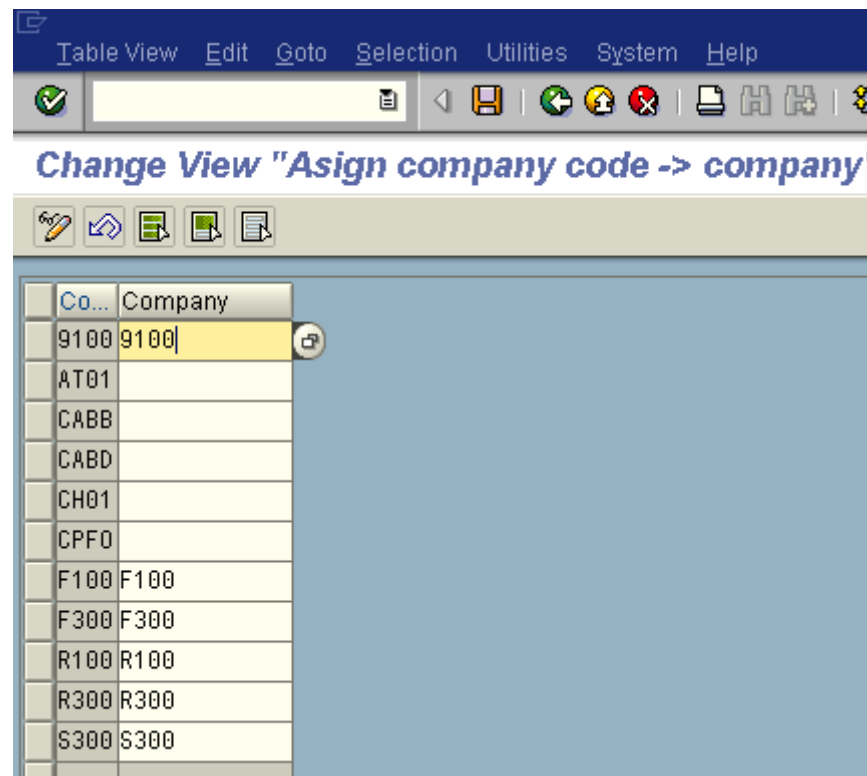
Street	
PO Box	
Postal code	
City	
Country	IN
Language Key	EN
Currency	INR

Click on Save 

25. Assign company code to company

IMG → Enterprise Structure → Assignment → Financial Accounting → Assign Company code to company

Assign company code 9100 to company 9100 in SAP.

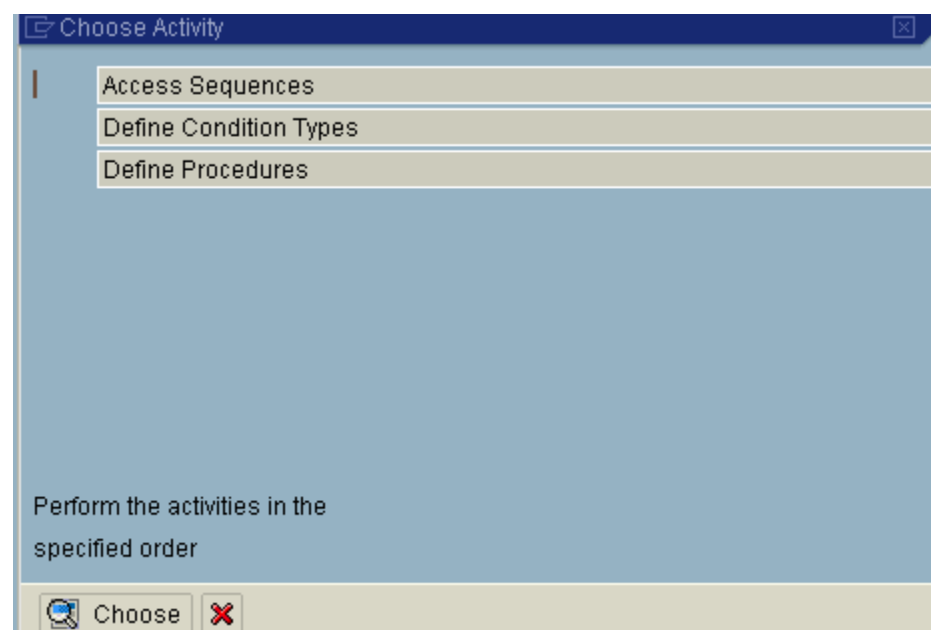


Click on Save 

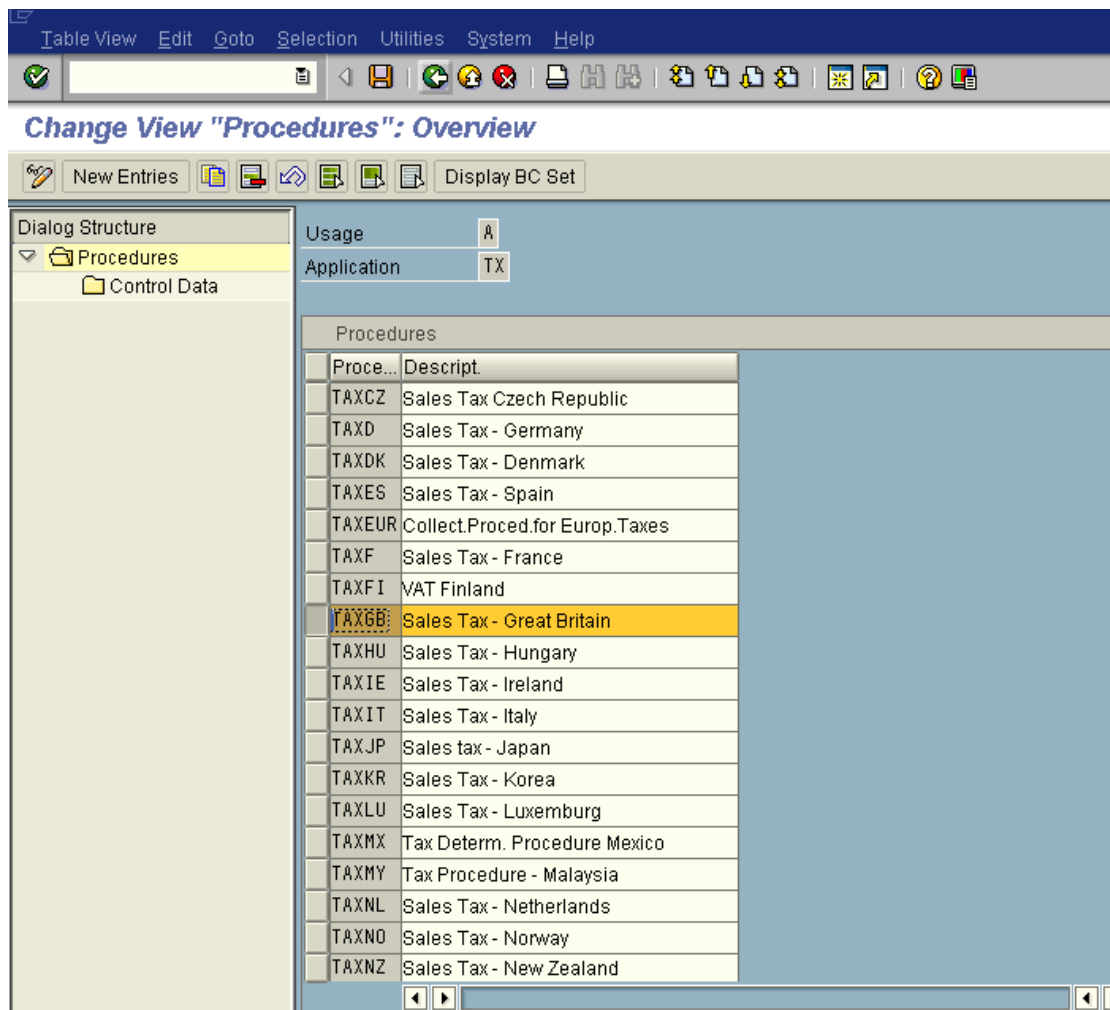
27. Check Calculation Procedure

IMG → Financial Accounting → Financial Accounting Global Settings → Tax on Sales/Purchases → Basic Settings → Check Calculation Procedure

Tax procedures are available in SAP for most of the countries. In case a tax procedure is not defined for your country proceed as follows:-



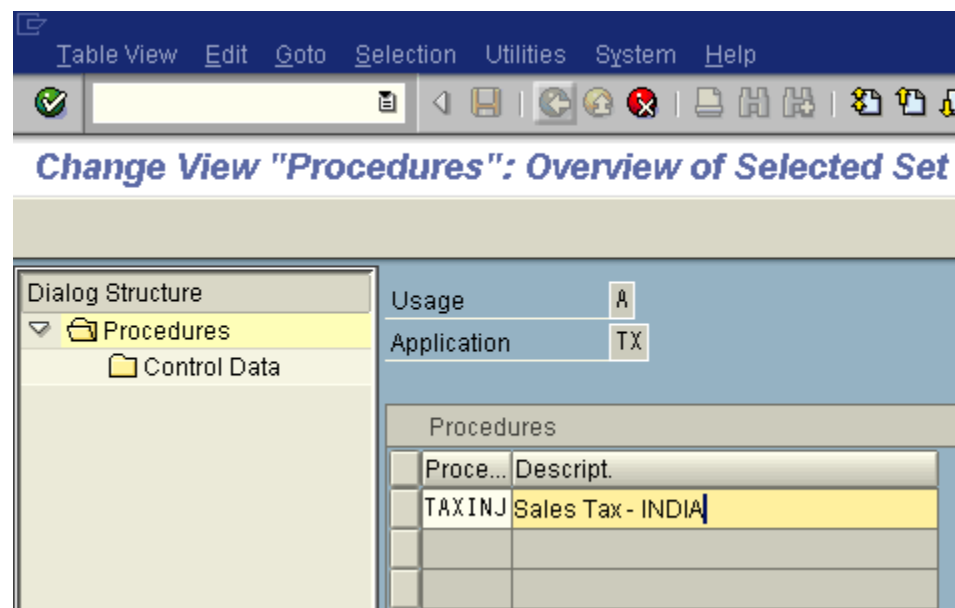
Double click **Define Procedures**



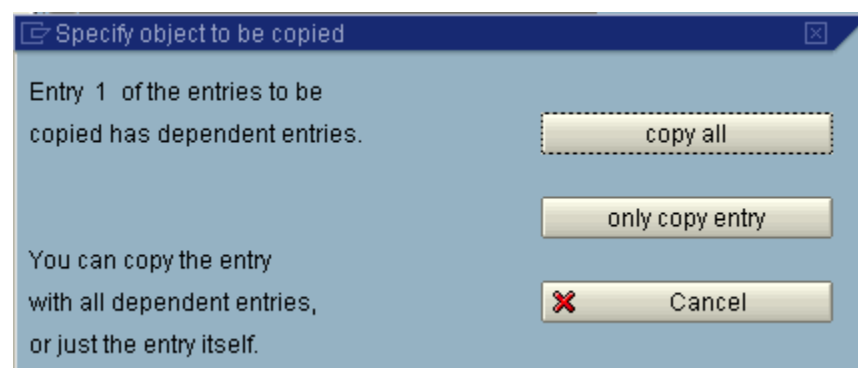
Select **TAXGB Sales Tax - Great Britain**

Click

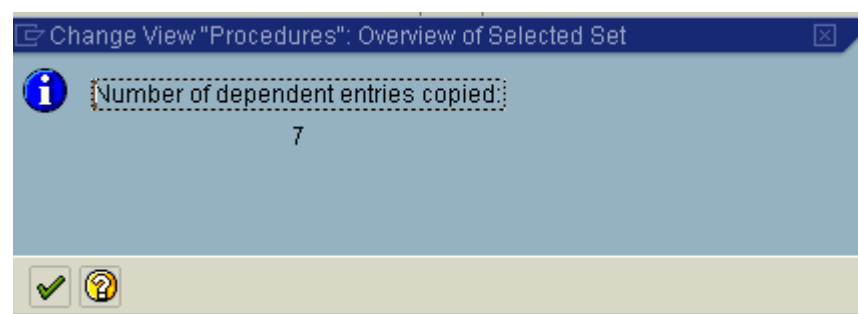
Change the existing description



Click



Click



Click

Click on

Select **TAXINJ Sales Tax - INDIA**

Double click **Control Data**

Step	Contr	CType	Description	Fro	To	Man	Mdt	Stat	PSub...	Req	AltCTy	AltCBV	ActKy	AccrIs
100	0	BASB	Base Amount											
110	0	MWAS	Output Tax	100									MWS	
120	0	MWVS	Input Tax	100									VST	
130	0	MWVN	Non-deduct Input Tax	100									NAV	
140	0	MWVZ	Non-deduct Input Tax	100									NVV	
150	0	NLXA	Acqu. Tax Outgoing	100									ESA	
160	0	NLXY	Acquisition Tax Deb.	150									ESE	

28. Assign Country to Calculation Procedure

IMG → Financial Accounting → Financial Accounting Global Settings → Tax on Sales/Purchases → Basic Settings → Check Calculation Procedure

In this step we assign the calculation procedure created in the earlier step to the country. The country is the country of the company code.

In our case the country of the company code is **India**.

Cty	Name	Proc.
HR	Croatia	
HT	Haiti	
HU	Hungary	TAXHU
ID	Indonesia	
IE	Ireland	TAXIE
IL	Israel	
IN	India	

Update the following:-

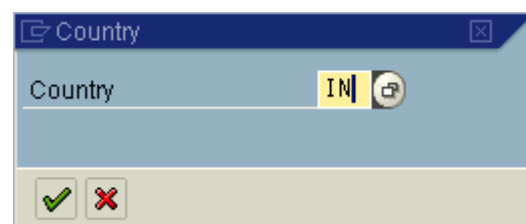


Click on 

29. Define Tax Codes for Sales and Purchases

IMG → Financial Accounting → Financial Accounting Global Settings → Tax on Sales/Purchases → Calculation → Define Tax Codes for Sales and Purchases

Update the following:-



Click 

Update the following:-

The screenshot shows the 'Maintain Tax Code: Initial Screen' dialog box in SAP. The title bar includes a menu with 'Tax code', 'Edit', 'Goto', 'Settings', 'Utilities', 'Environment', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area of the dialog has a 'Copy' button at the top left. Below it, there are two input fields: 'Country Key' with the value 'IN' and a dropdown arrow, and 'Tax code' with the value 'V0'.

Click 

Update the following:-

The screenshot shows the 'Properties' dialog box for tax code 'V0'. The title bar says 'Properties'. The main area contains several fields: 'Tax code' with value 'V0' and description 'Exempt from input VAT', 'Tax type' with value 'V', 'Check' with an empty checkbox, 'EU code' with an empty field, 'Target tax code' with an empty field, 'Tgt Tax Code: Output' with an empty field, 'Tgt Tax Code: Input' with an empty field, and 'Tol.per.rate' with value '0'. At the bottom, there is a toolbar with a green checkmark icon and a red 'X' icon.

Update the following:-

Maintain Tax Code: Tax Rates

Properties | Tax accounts | Deactivate line

Country Key: IN India
 Tax code: V0 Exempt from input VAT
 Procedure: TAXINJ
 Tax type: V Input tax

Percentage rates

Tax Type	Acct Key	Tax Percent. Rate	Level	From Lvl	Cond. Type
Base Amount			100	0	BASB
Output Tax	MWS		110	100	MWAS
Input Tax	VST	0.000	120	100	MWVS
Non-deduct.Input Tax	NAV		130	100	MWVN
Non-deduct.Input Tax	NVV		140	100	MWVZ
Acqu.Tax Outgoing	ESA		150	100	NLXA
Acquisition Tax Deb.	ESE		160	150	NLXV

ACE (3) (800) server INS

Click on

Maintain Tax Code: Tax Rates

Properties | Tax accounts | Deactivate line

Country Key: IN India
 Tax code: V0 Exempt from input VAT
 Procedure: TAXINJ
 Tax type: V Input tax

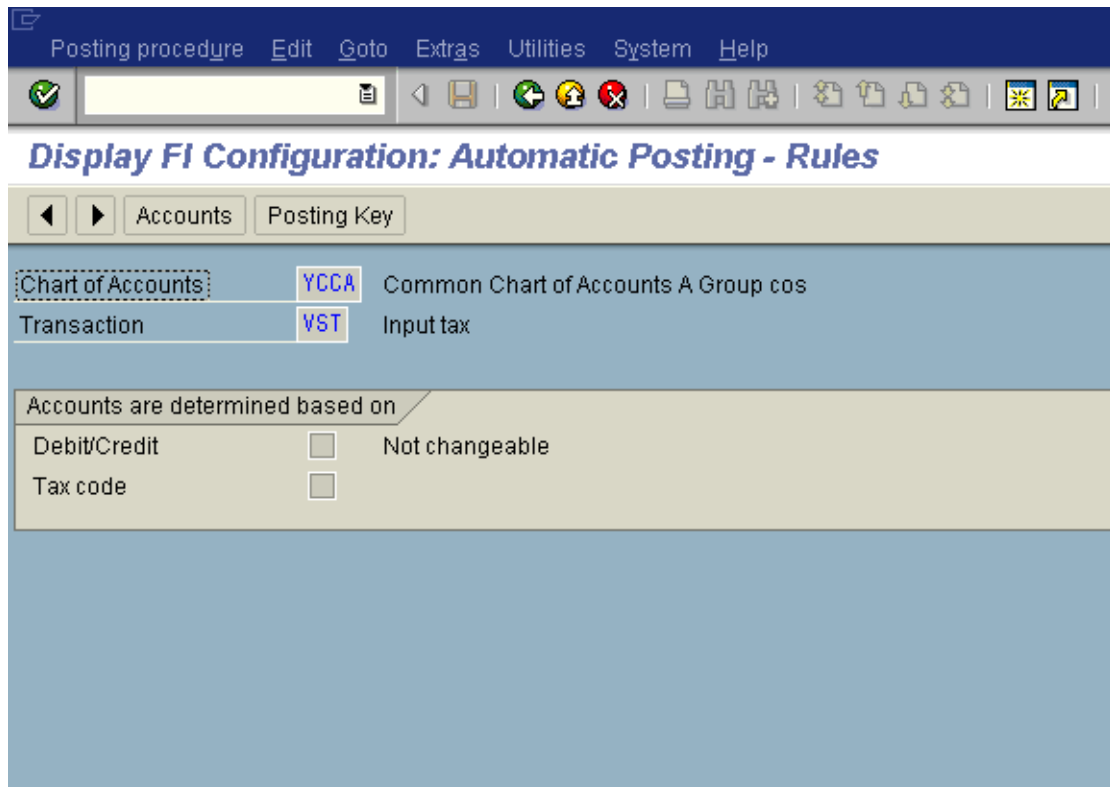
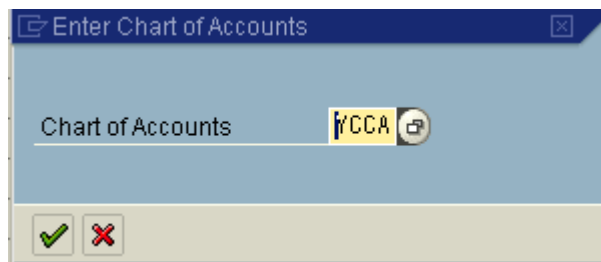
Percentage rates

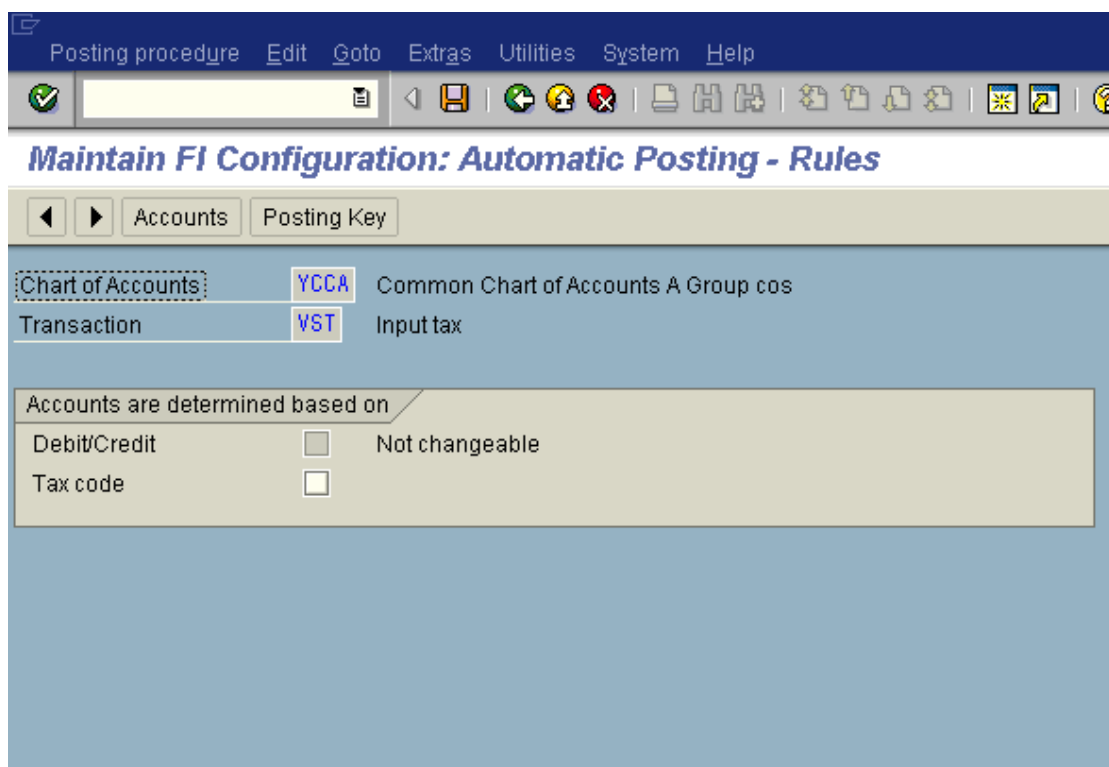
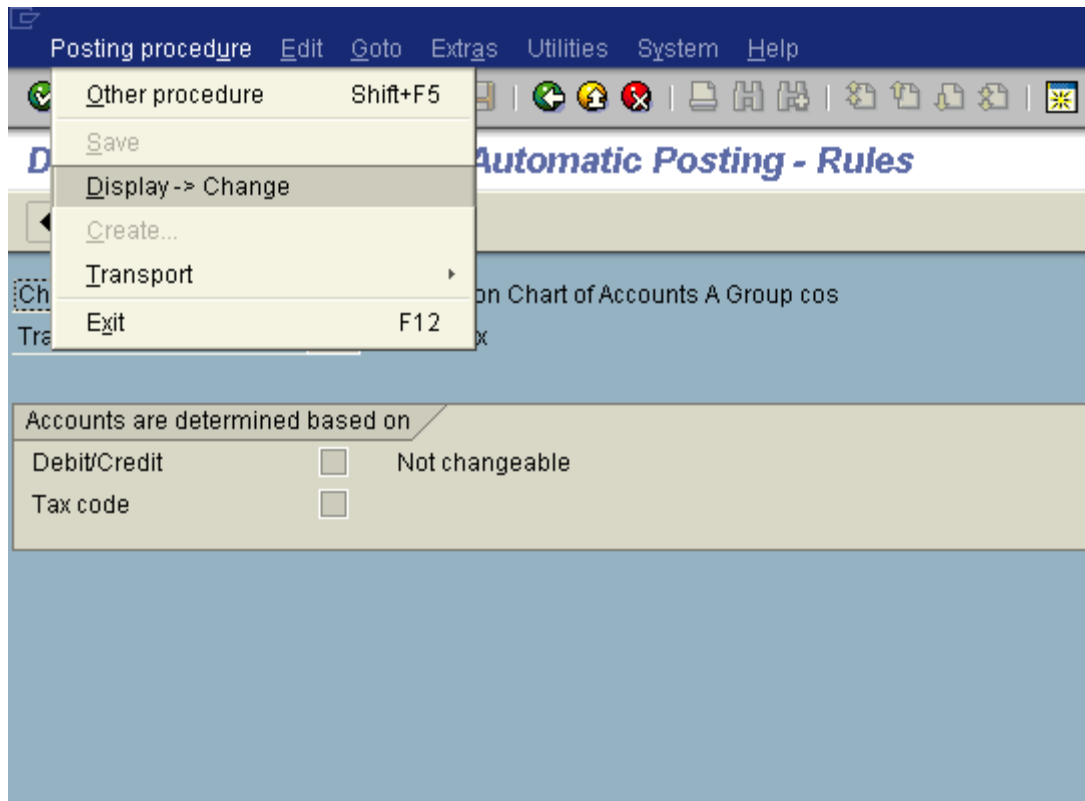
Tax Type	Acct Key	Tax Percent. Rate	Level	From Lvl	Cond. Type
Base Amount			100	0	BASB
Output Tax	MWS		110	100	MWAS
Input Tax	VST	0.000	120	100	MWVS
Non-deduct.Input Tax	NAV		130	100	MWVN
Non-deduct.Input Tax	NVV		140	100	MWVZ
Acqu.Tax Outgoing	ESA		150	100	NLXA
Acquisition Tax Deb.	ESE		160	150	NLXV

Calculation procedure F6
 Transaction key F9
 Automatic postings
 Condition lists

Double click

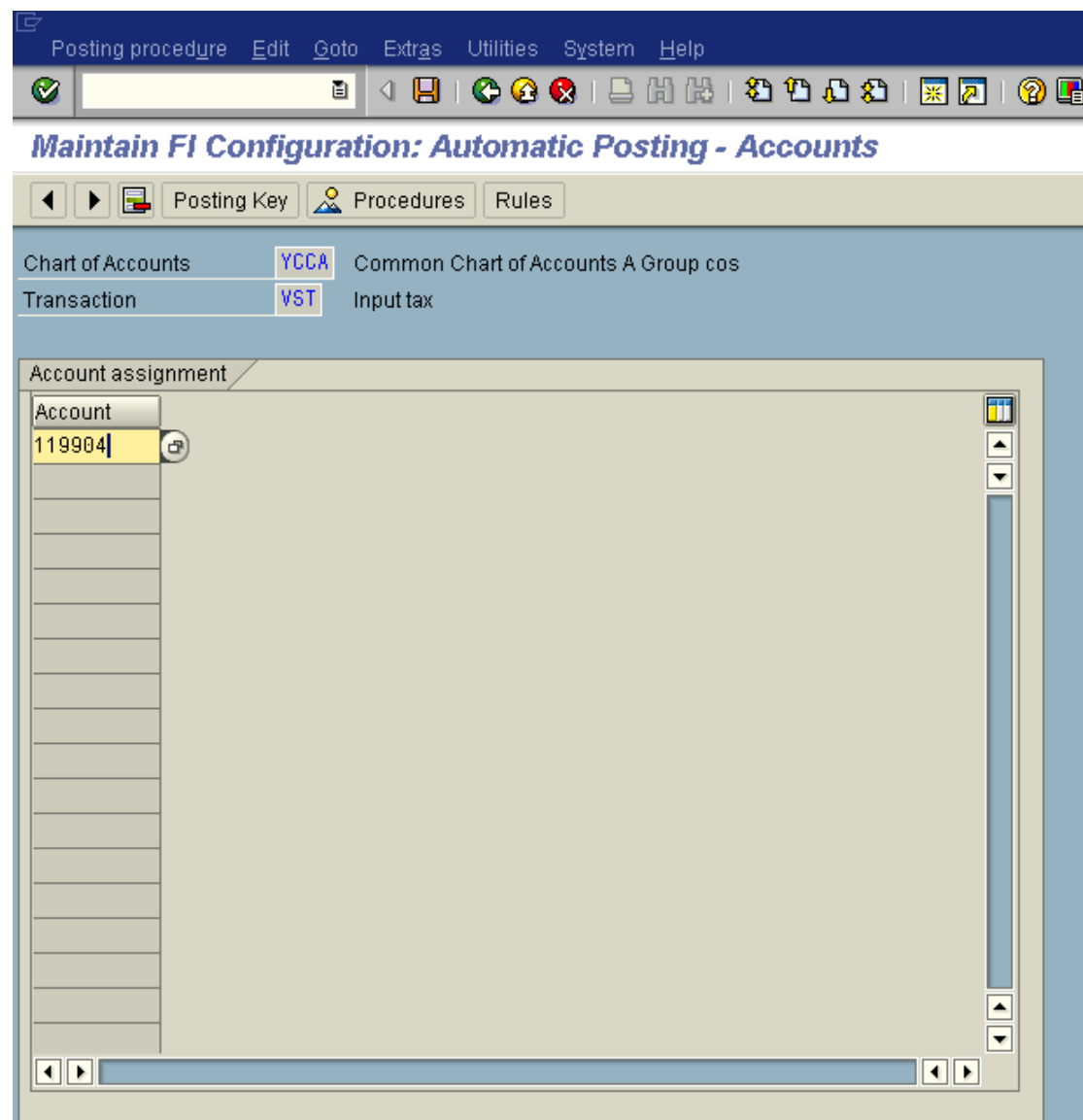
Input tax	VST
-----------	-----





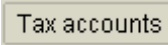
Click on 

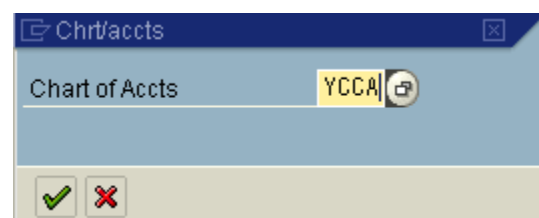
Update the following:-



Click on 

Click  twice

Click on 



Trans.	G/L Acct	Additional Information
VST	119904	Maintain all tax codes

Click 

Click on 

B) Creating General Ledger (GL) account codes in the Chart of accounts:-

1) Create GL account in Chart accounts and company code

The GL Code in SAP has two segments:-

- 1) The Chart of accounts segment – The chart of account segment is at client level. Any company code wishing to use the GL code can extend it and create a company code view
- 2) The Company code segment – A company intending to use the GL code from chart of accounts has to create the company code view so that it can post to the GL code.

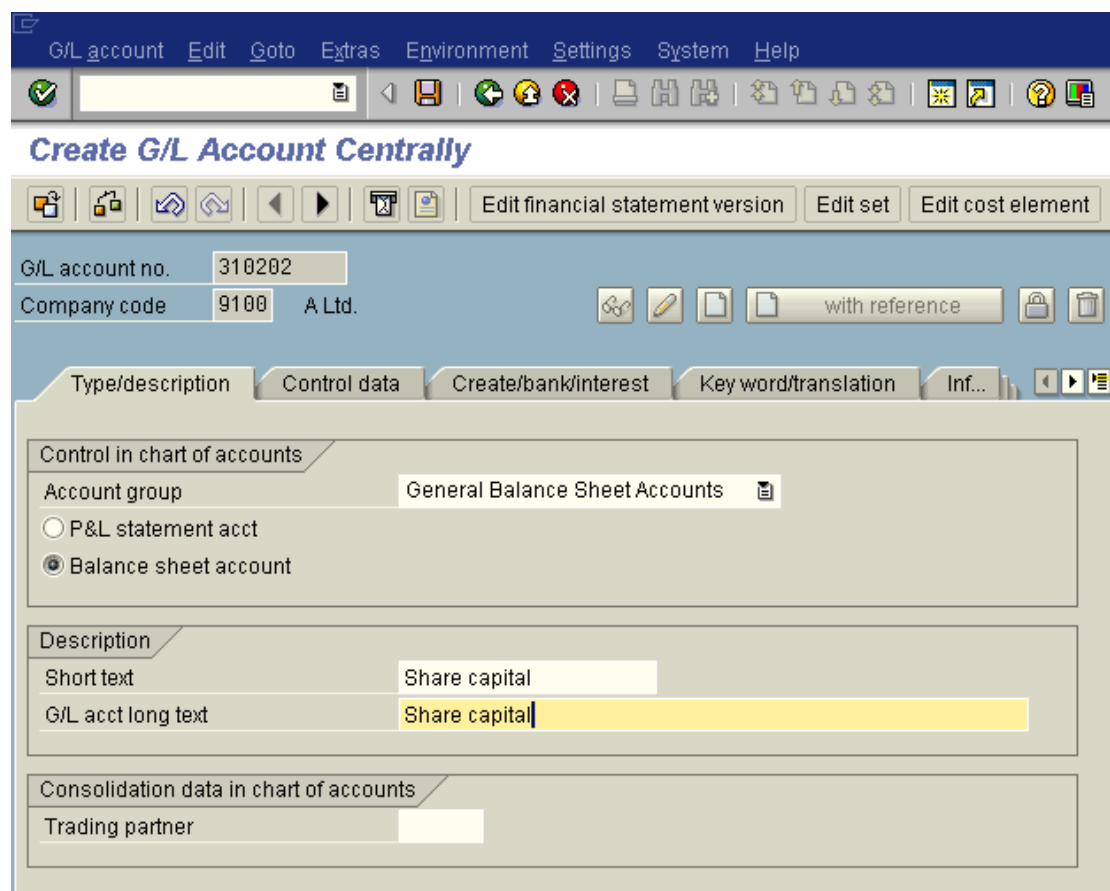
Thus there are 2 methods of creating GL codes in SAP:-

- 1) One step creation – Here you create both the chart of accounts view as well as the company code view in one step
- 2) Two-step creation – You first create the chart of accounts view in the first step. In the second step you create the company code view.
- 3) We will see the GL code creation using the one step creation:-

Path on SAP menu

SAP menu → Accounting → Financial Accounting → General Ledger → Master Records → Individual Processing → FS00 – Centrally

Click on  and enter the following



Create G/L Account Centrally

G/L account no. 310202
Company code 9100 A Ltd.

with reference

Type/description Control data Create/bank/interest Key word/translation Inf...

Control in chart of accounts

Account group General Balance Sheet Accounts

☐ P&L statement acct
☒ Balance sheet account

Description

Short text Share capital
G/L acct long text Share capital

Consolidation data in chart of accounts

Trading partner

SAP FI GL CONFIG

SAP ENTERPRISE 4.7

Create G/L Account Centrally

G/L account no. 310202
Company code 9100 A Ltd.

Type/description Control data Create/bank/interest Key word/translation Inf...

Account control in company code

Account currency INR Indian Rupee

☐ Only balances in local crcy

Exchange rate difference key

Valuation group

Tax category

☐ Posting without tax allowed

Recon. account for acct type

Alternative account no.

☐ Acct managed in ext. system

Inflation key

Tolerance group

Account management in company code

☐ Open item management

☒ Line item display

Sort key 001

Authorization group

Accounting clerk

G/L account Edit Goto Extras Environment Settings System Help

Create G/L Account Centrally

G/L account no. 310202
Company code 9100 A Ltd.

with reference

Type/description Control data Create/bank/interest Key word/translation Inf...

Control of document creation in company code

Field status group 5001

☐ Post automatically only
☐ Supplement auto. postings
☐ Recon. acct ready for input

Bank/financial details in company code

Planning level
☐ Relevant to cash flow
House bank
Account ID

Interest calculation information in company code

Interest indicator
Interest calc. frequency
Key date of last int. calc.
Date of last interest run

Click  to save GL Code

C) Configuration for GL Automatic clearing: -

1. Automatic Clearing

IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Open Item Clearing → Prepare Automatic Clearing

In this activity you enter the criteria for grouping an account's open items for automatic clearing. The clearing program clears the open items that are grouped together if their total balance equals zero in local and foreign currency.

You must enter the following standard criteria:

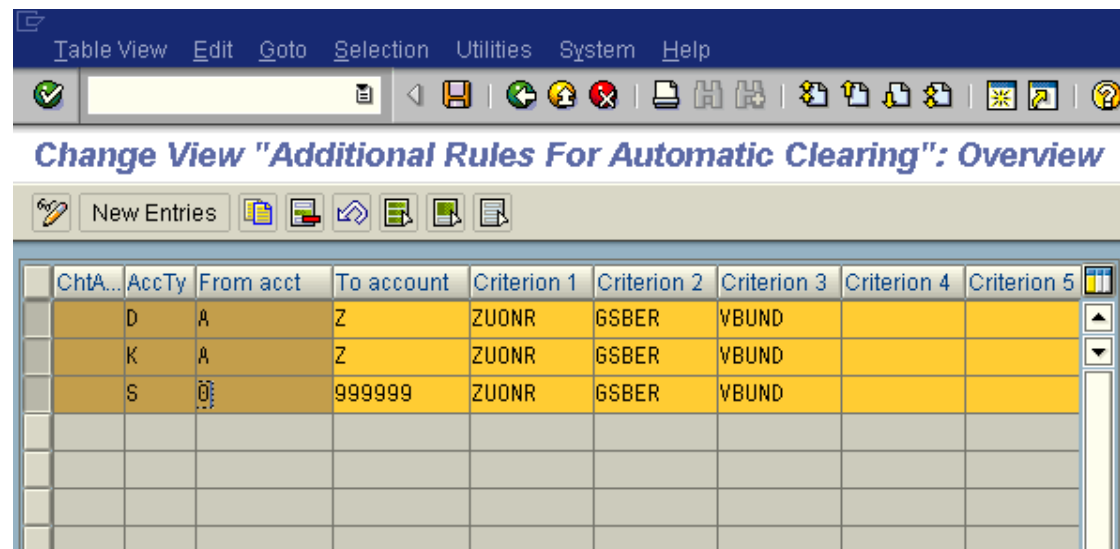
- account type
- account number or a number interval

You can also enter a further five criteria.

You select these five additional criteria from the fields in table BSEG or BKPF. If possible, you should choose fields that are also contained in table BSIS (G/L accounts), BSID (customers), or BSIK (vendors).

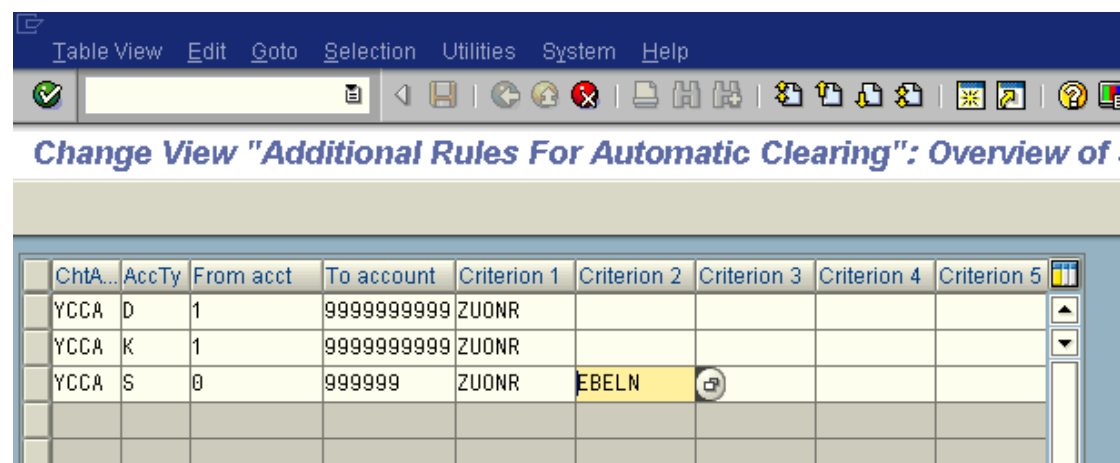
Automatic clearing is required for GR/IR clearing accounts and Bank accounts; further automatic clearing is also required for Vendors and customers

Select the existing entries in SAP



Click on  enter the chart of accounts YCCA

Update the following:-



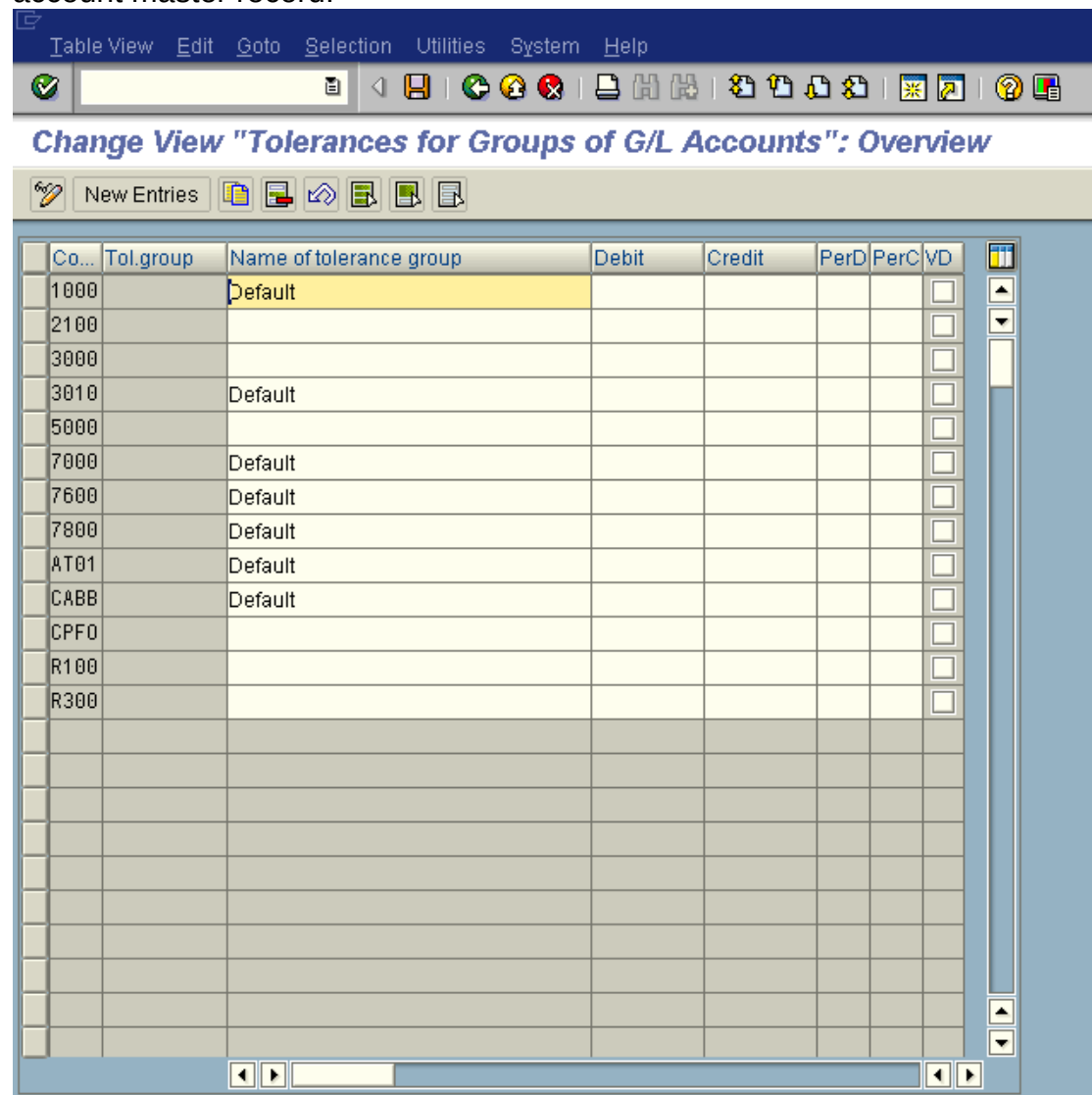
The accttyp is D for debtors K for creditors and S for General Ledger
 The first criterion specified is the assignment field for account types.
 This criteria's can be selected based on the individual company requirements.
 The GRIR account can be cleared using the criteria Purchasing document
 and line item therefore also select EBELN (purchasing document)

Click 

2. Define Tolerance Groups for G/L Accounts

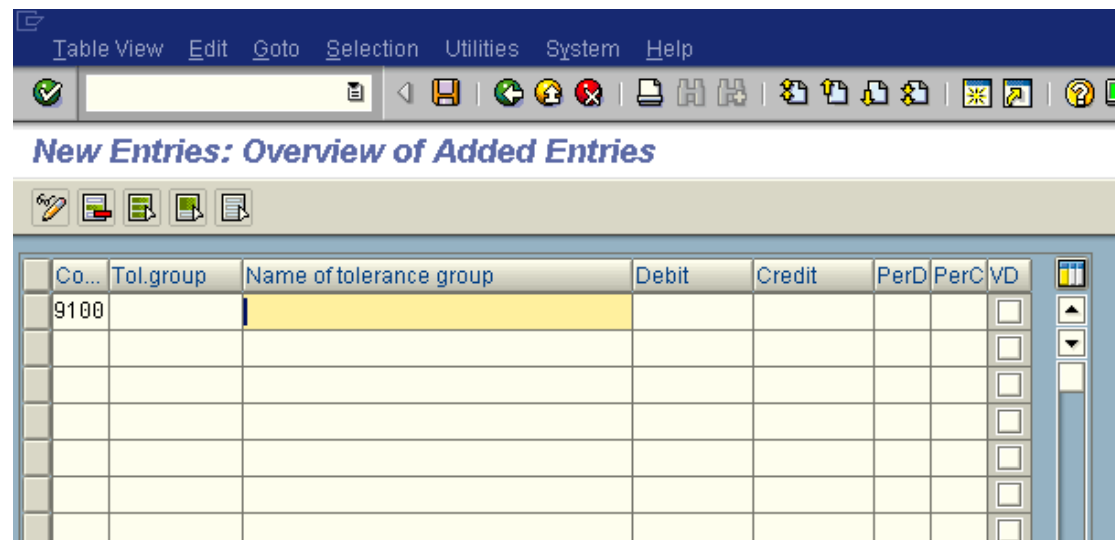
IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Open Item Clearing → Clearing Differences → Define Tolerance Groups for G/L Accounts

For G/L account clearing, tolerance groups define the limits within which differences are accepted and automatically posted to predefined accounts. The groups defined here can be assigned in the general ledger account master record.



Click on [New Entries](#)

Update the following:-



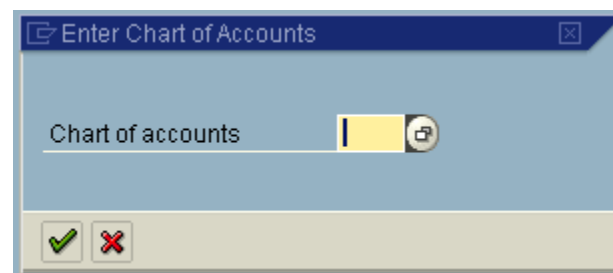
Click on 

3. Assigning accounts for GL Clearing Differences

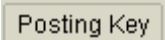
IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Open Item Clearing → Clearing Differences → Create Accounts for Clearing Differences

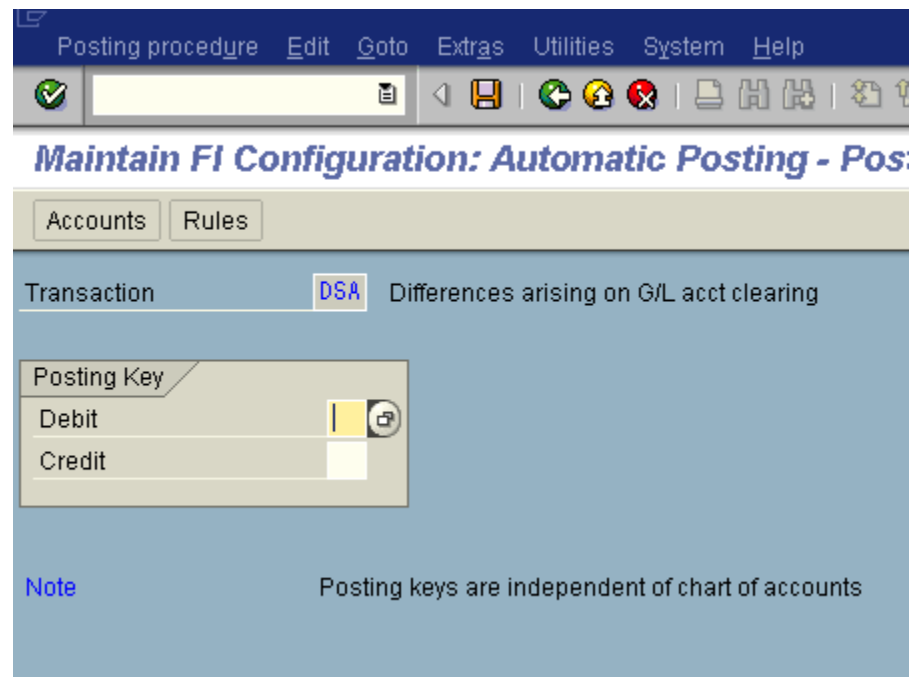
For G/L account clearing, define the limits within which differences are accepted. In this activity you define the accounts to which these differences should be posted.

Enter chart of accounts **YCCA**

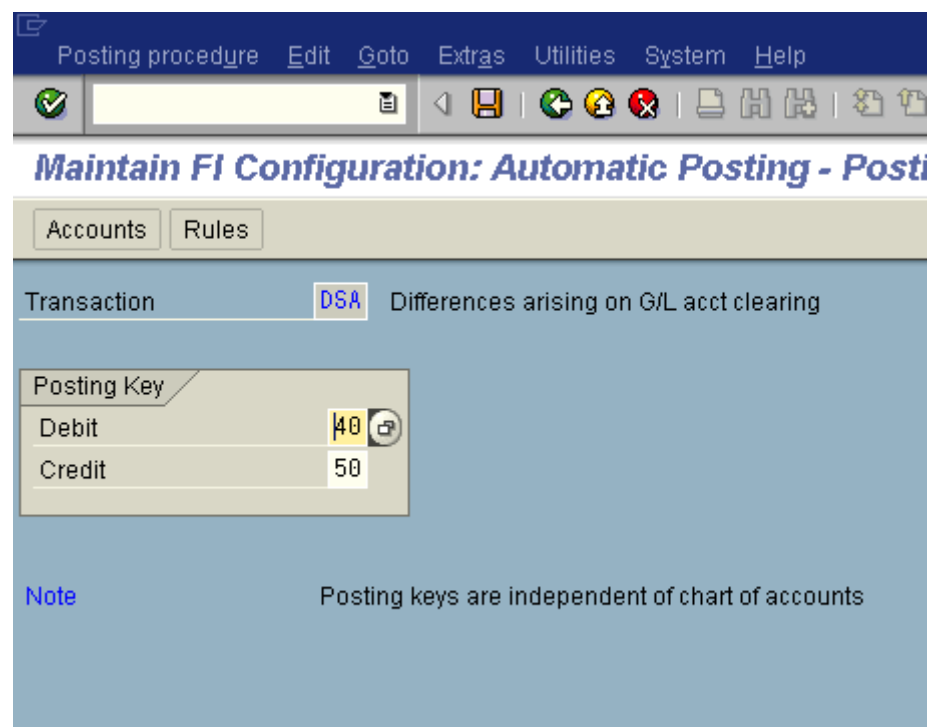


Click on  to save the rules

Click on  to update the posting keys

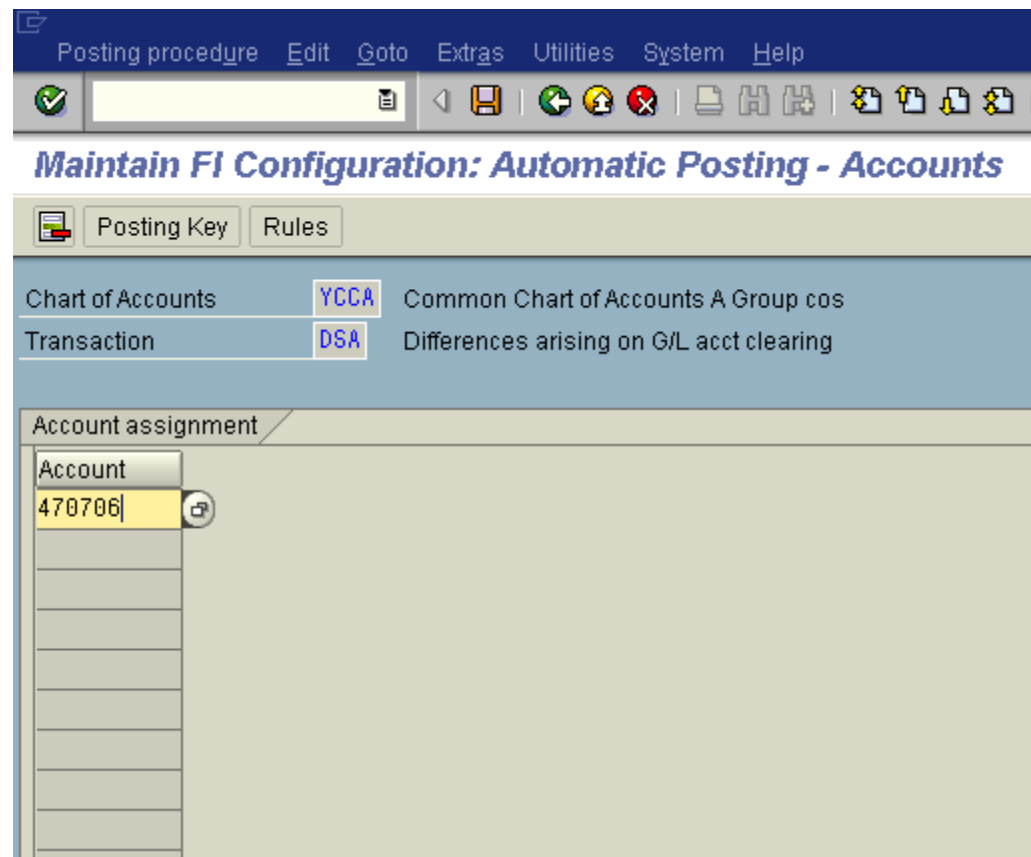


Update the following:-



Click 

And update GL code 470706, which is clearing difference account (G/L). It is an expense account



Click 

D) Configuration for Foreign currency Valuation

In this configuration you define the specifications required for the valuation of foreign currency balances e.g. Bank accounts holding foreign exchange and Open items in foreign currency e.g. Customers and Vendors

1. Define Valuation methods

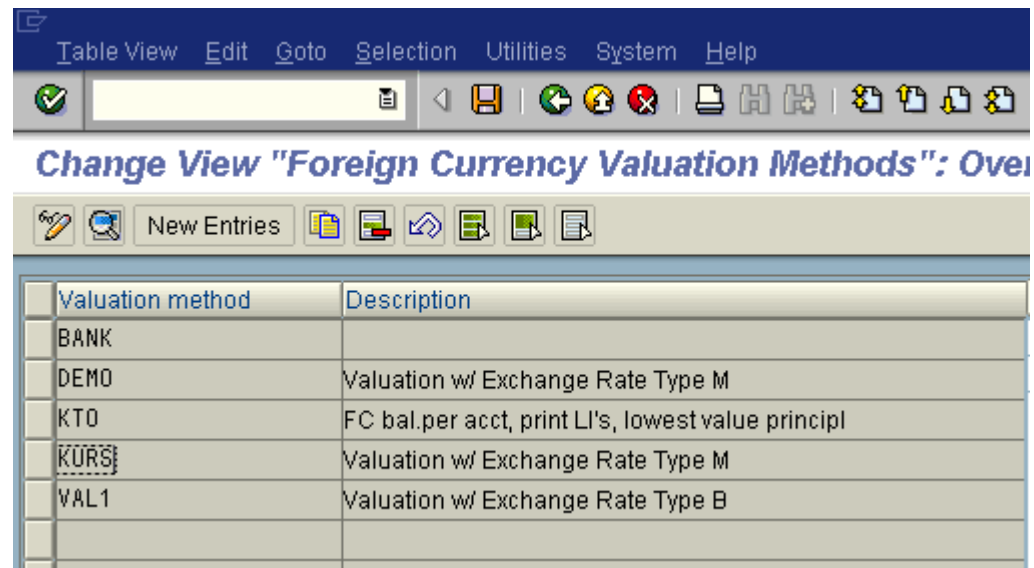
IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Closing → Valuating → Foreign Currency Valuation → Define valuation methods

SAP uses exchange rate type M to value all foreign currency items. M is the average rate of any foreign currency.

In this step, you define your valuation methods for the open items. With the valuation method, you group specifications together, which you need for the balance and individual valuation. Before every valuation run, you specify the required valuation method.

SAP provides various valuation methods. You can create your own key starting with Z.

SAP provides following valuation methods: -



Change View "Foreign Currency Valuation Methods": Overview

Valuation method	Description
BANK	
DEMO	Valuation w/ Exchange Rate Type M
KTO	FC bal.per acct, print LI's, lowest value principl
KURS	Valuation w/ Exchange Rate Type M
VAL1	Valuation w/ Exchange Rate Type B

Let us create our own valuation methods.

Click on 

Update the following:-

New Entries: Details of Added Entries

Valuation method: **ZDCR**
 Description: Valuation method for Customers and Vendors

Valuation procedure

☐ Lowest value principle
☐ Strict lowest value principle
☒ Always valuate
☐ Revalue only
☐ Reset

☐ Corp.group-vendors
☐ Corp.group-cust.
☐ G/L valuation grp
☐ Balance valuat.

☐ Post per line item
 Document type: **SA** ☐ Write extract

Exchange rate determination

Debit bal.exch.rate type: **B**
 Credit bal.exch.rate type: **G**

☒ Use exchange hedging
 Minimum difference:

☐ Determine rate type from account balance
☒ Exch.rate type from invoice reference

Relevant for open items

Exchange rate type B is Bank selling and Exchange rate G is bank buying rate.

In the valuation procedure various configuration options are available

☒ Lowest value principle

The valuation is only displayed if the valuation difference between the local currency amount and the valued amount is negative that is an exchange loss has taken place. The valuation is carried out per item total.

☒ Strict lowest value principle

The valuation is only displayed if, as a consequence, the new valuation has a greater devaluation and/or a greater revaluation for credit entries than the previous valuation. The valuation is calculated per item total.

☒ Always value

If you select this procedure, revaluations are also taken into consideration.

☒ Revalue only

If you select this method system only does a revaluation if applicable but does not do devaluation where there is exchange loss.

☒ Reset

If you select this parameter then the open items are valued at the acquisition price. This way the valuation difference is set to zero. The old valuation method is reset. The account determination is reversed: The revenue that arises is posted to the expense account.

Exchange rates are types are attached to the valuation method.

☒ Determine rate type from account balance

If you select this field, the account balance/group balance in the relevant foreign currency is used to determine the exchange rate type. This is relevant for account balance revaluation

A document type SA is attached to the valuation method.

Let us configure another valuation method for Bank Balance:

Click on

Table View Edit Goto Selection Utilities System Help

New Entries: Details of Added Entries

Valuation method

Description

Valuation procedure

☐ Lowest value princple ☐ Corp.group-vendors

☐ Strict lowest value principle ☐ Corp.group-cust.

☒ Always value ☐ G/L valuation grp

☐ Revalue only ☐ Balance valuat.

☐ Reset

☐ Post per line item

Document type ☐ Write extract

Exchange rate determination

Debit bal.exch.rate type ☐ Use exchange hedging

Credit bal.exch.rate type Minimum difference

☒ Determine rate type from account balance

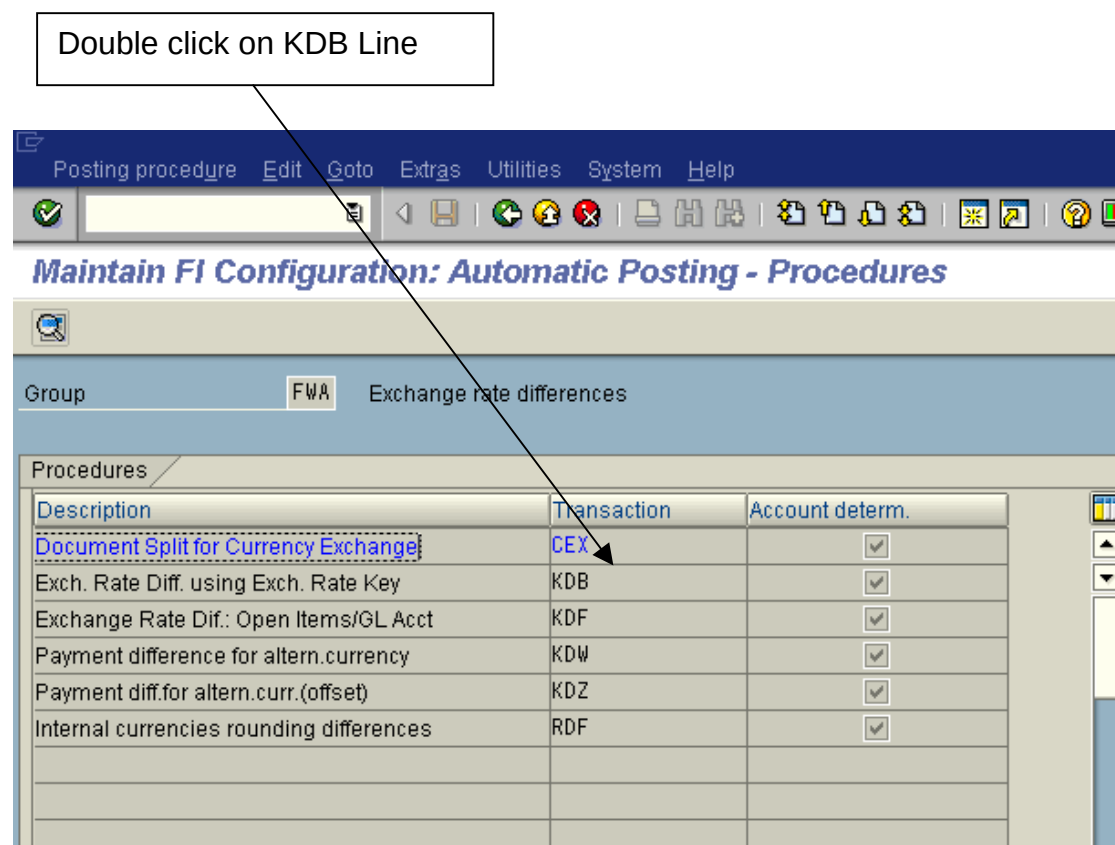
☐ Exch.rate type from invoice reference

Click 

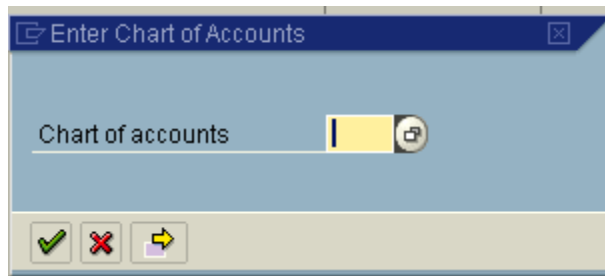
2. Assign GL accounts for Foreign Currency valuation

IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Closing → Valuating → Foreign Currency Valuation → Prepare Automatic Postings for Foreign Currency Valuation

Exchange rate difference in foreign currency balances e.g. bank accounts held in foreign currency



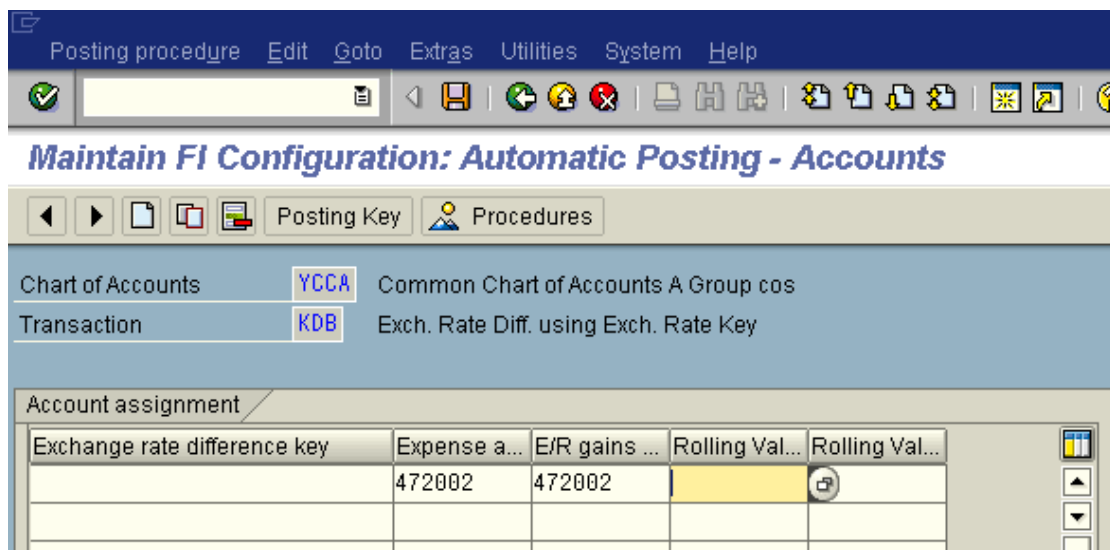
Enter Chart of accounts YCCA



Here you will enter the following

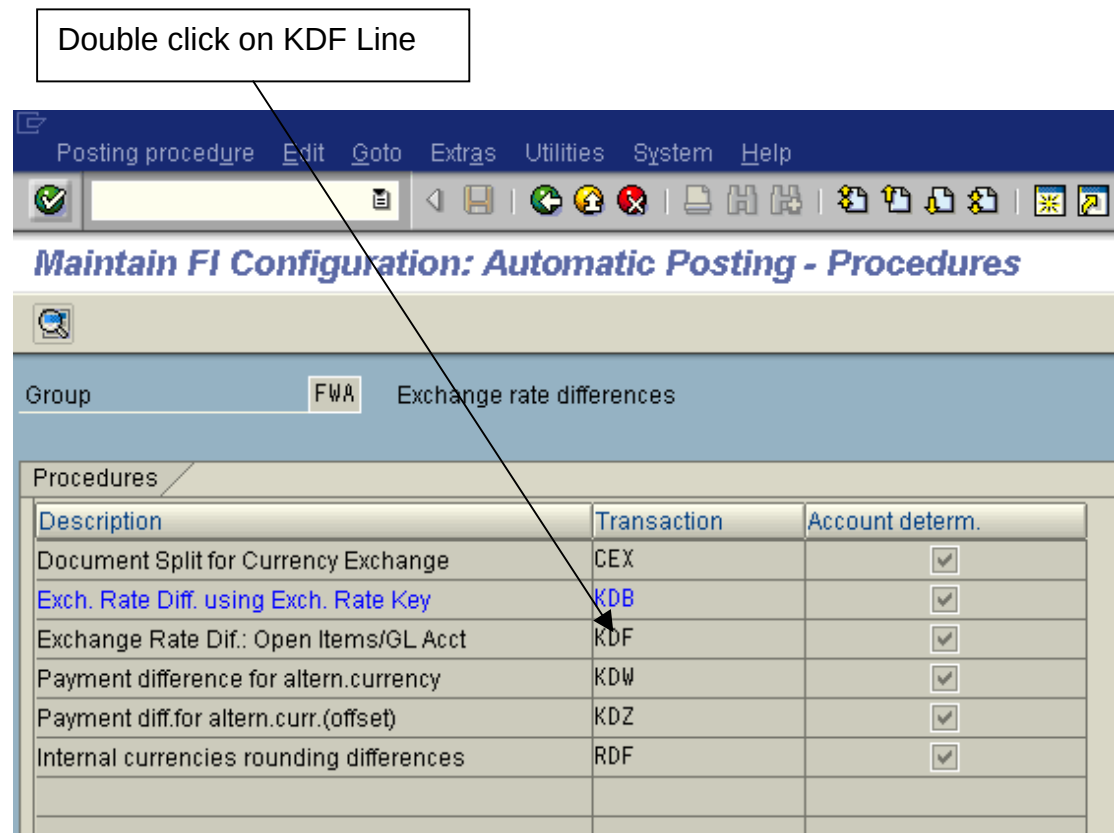
Exchange rate difference key: Can be kept blank or you can enter a key with 4 digit e.g. 0001. In case you create this exchange rate key then the same has to be updated in the GL code of the foreign currency account i.e. control data tab which has the field exchange rate difference key. Only when it is attached the system will revalue the foreign currency account.

Expense account: You need to enter the expense GL code for Unrealized foreign exchange loss. The loss on revaluation is unrealized and will be automatically reversed in the next month e.g. 472002 Unrealized Exchange Gain/Loss – Trade



E/R gains: You need to enter the revenue GL coded for Unrealized Foreign exchange gain. The loss on revaluation is unrealized and will be automatically reversed in the next month e.g. 472002 Unrealized Exchange Gain/Loss – Trade. You can have a separate account or the same account.

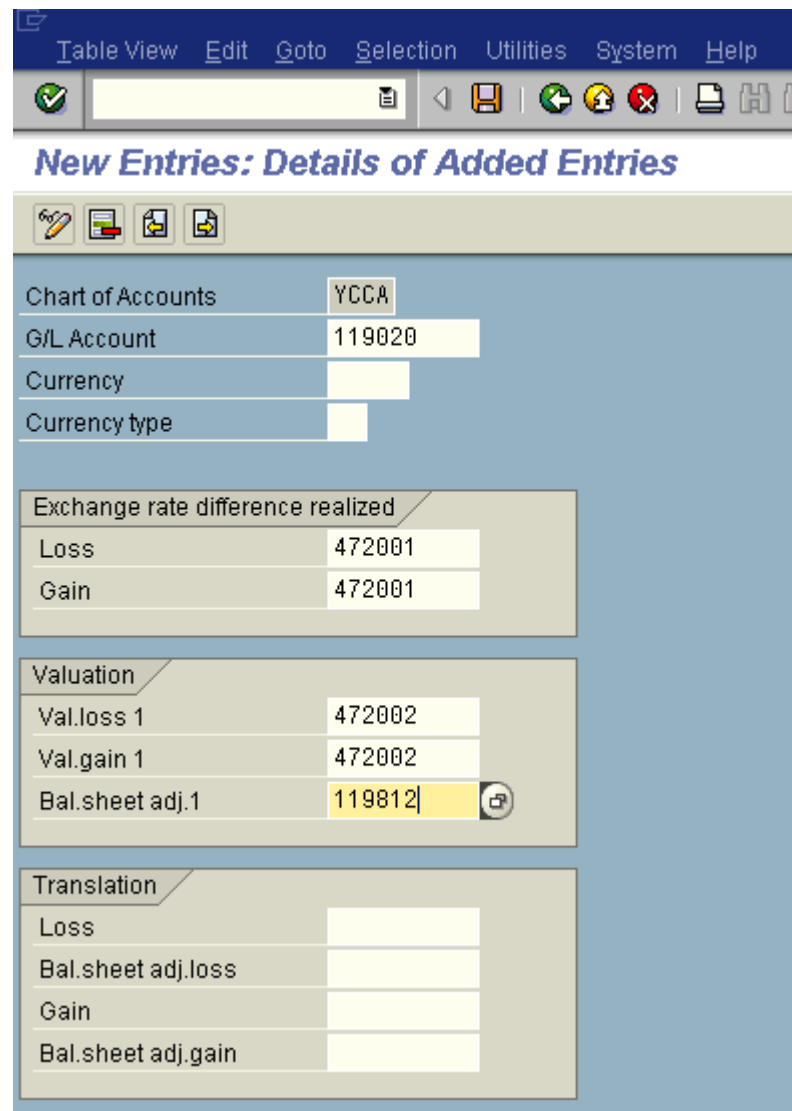
Exchange rate difference in open items e.g. Accounts Receivable and Accounts Payable



Here you will enter the GL code for Accounts receivable or Accounts Payable (the reconciliation account). You can enter different GL codes for each currency code and currency type. Alternatively if you do not want different GL codes for each currency you can keep them blank

Enter chart of accounts YCCA in the pop up

Click on **New entries** and update the following:-



New Entries: Details of Added Entries

Chart of Accounts: YCCA

G/L Account: 119020

Currency:

Currency type:

Exchange rate difference realized

Loss: 472001

Gain: 472001

Valuation

Val.loss 1: 472002

Val.gain 1: 472002

Bal.sheet adj.1: 119812

Translation

Loss:

Bal.sheet adj.loss:

Gain:

Bal.sheet adj.gain:

119020 is the GL code for Account Receivables trade 3rd parties

Loss: Here you enter the GL code for exchange loss, which is realized

Gain: Here you enter the GL code for exchange gain, which is realized.

Val. loss 1: Here you enter the GL code for unrealized exchange Loss on revaluation of open items i.e. accounts receivable and accounts payable

Val. gain 1: Here you enter the GL code for unrealized exchange gain on revaluation of open items i.e. accounts receivable and accounts payable

Bal.sheet adj.1 : Here you enter the GL code to which the receivable and payables adjustment is posted during foreign currency valuation of open items.

The SAP System supports two valuation areas in parallel. This account is used during valuation of the first valuation area.

The first valuation area reflects the local view of the Company code, the second valuation area takes the corporate policy for the valuation into consideration.

E) Configuration for regrouping postings

1. Define Adjustment Accounts for GR/IR clearing

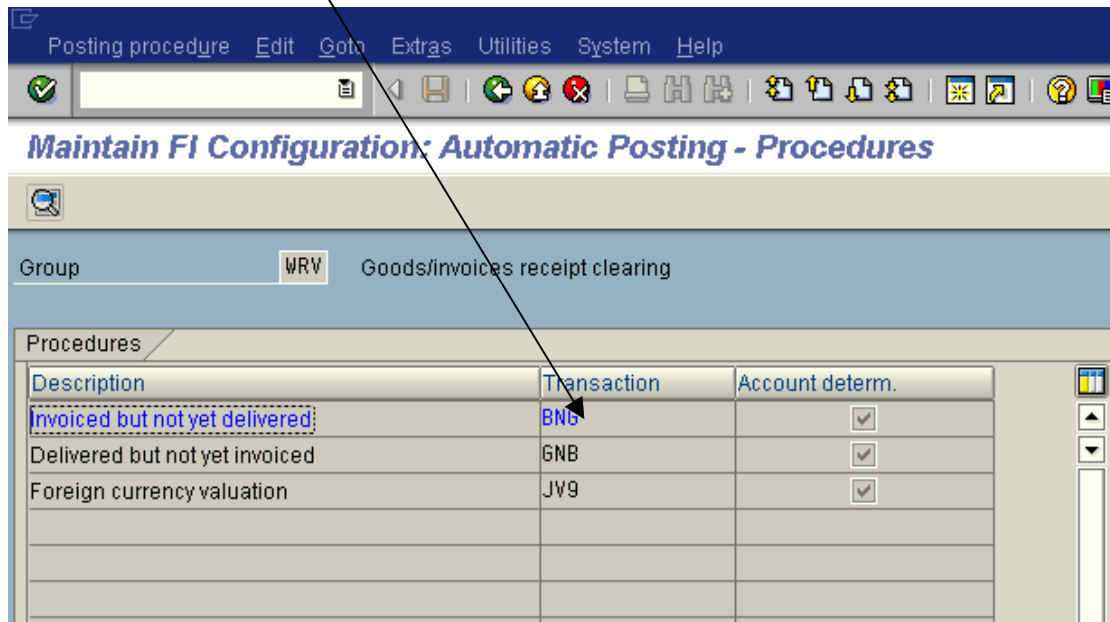
IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Closing → Regrouping → Define Adjustment Accounts for GR/IR Clearing

The goods receipt/invoice receipt (GR/IR) clearing account is a provision account, and is posted to whenever you receive goods that have not been invoiced yet or whenever you receive invoices for goods that have not been delivered yet.

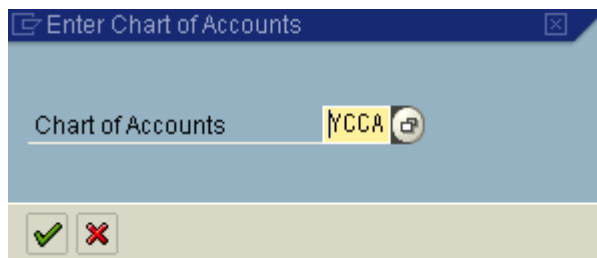
In this activity you define the numbers of the adjustment and target accounts for the automatic postings for the GR/IR clearing account.

Transfer postings have to be made at the balance sheet date to reflect the goods invoiced but not delivered and the goods delivered but not invoiced. Transaction code **F.19** analyzes the GR/IR clearing account and posts adjustments entries for outstanding amounts to adjustment accounts. It makes the offsetting entry to the account for goods delivered but not invoiced or to the account for goods invoiced but not delivered (target account).

Double click BNG



Update the following:-



Maintain FI Configuration: Automatic Posting - Accounts

Chart of Accounts: **YCCA** Common Chart of Accounts A Group cos
Transaction: **BNG** Invoiced but not yet delivered

Account assignment

Reconciliat...	Adjustmen...	Targ.acct
219914	219915	119522

Update the following: -

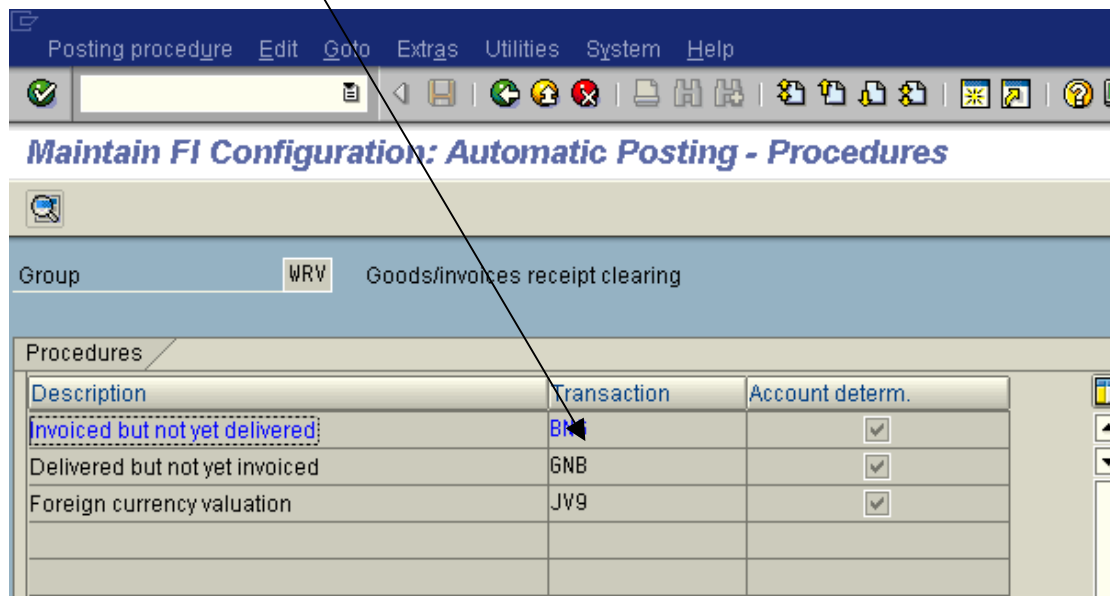
Reconciliation account: Enter the GL code 219914 i.e. GR/IR clearing account (Goods Receipt/Invoice receipt)

Adjustment account: Enter the GL code 219915 i.e. GR/IR correction account

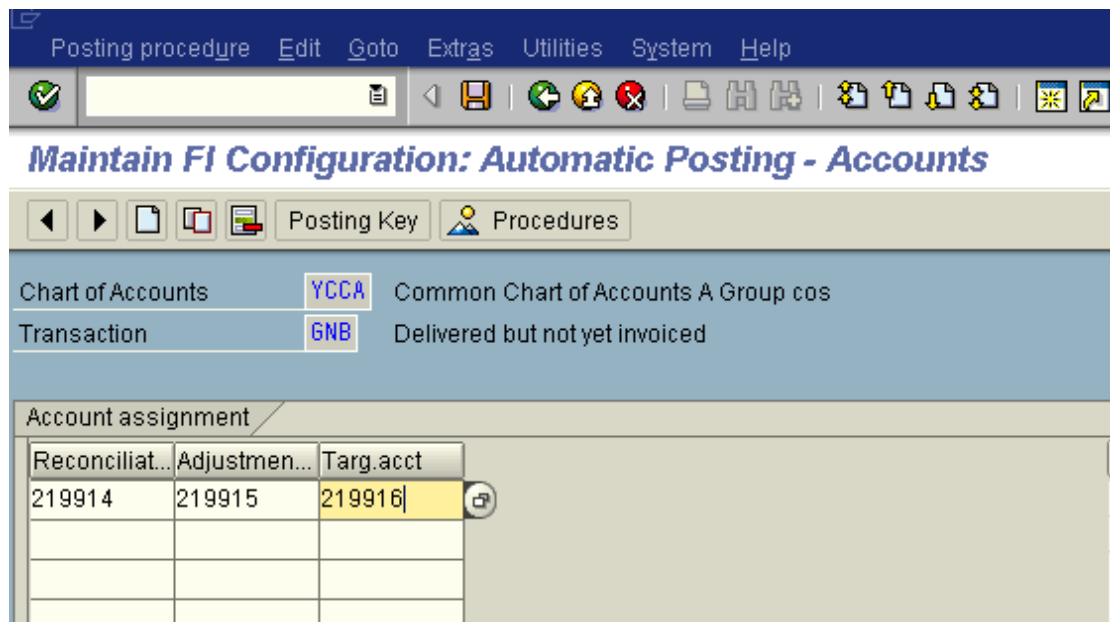
Targ. Acct : Enter the GL code 119522 GR/IR Invoiced but goods not yet received

Click Save 

Double click GNB



Enter chart of accounts YCCA if the pop up comes



Update the following: -

Reconciliation account: Enter the GL code 219914 i.e. GR/IR clearing account (Goods Receipt/Invoice receipt)

Adjustment account: Enter the GL code 219915 i.e. GR/IR correction account

Targ. Acct : Enter the GL code 219916 GR/IR Shipped not invoiced

Click Save 

F) Creating Balance sheet and Profit and Loss account

1. Define Financial Statement Version (FSV)

IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Closing → Documenting → Define Financial Statement Versions

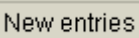
You define the versions you need to create a balance sheet and profit and loss statement. You can create number of financial statement versions for your chart of accounts one for the local reporting, one for parent reporting. In each version you can group the GL codes differently.

You can define versions for a specific chart of accounts, for a group chart of accounts, or without any specific assignment.

You then determine the financial statement items for your version.

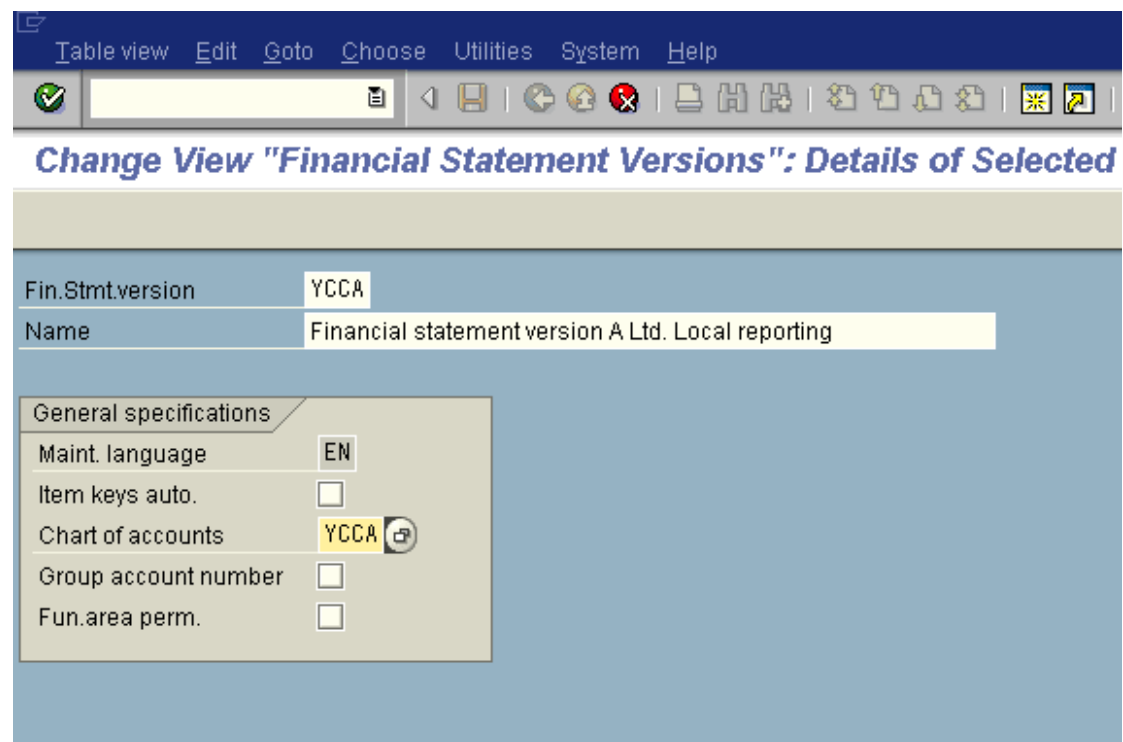
You assign groups of accounts to the items at the lowest levels of the hierarchy. You can select the criteria that determine which items the accounts are displayed in. For example, accounts or groups of accounts can be assigned to particular items based on their balance.

Alternatively, you can also assign functional area intervals at the lowest level of the structure, instead of account intervals. Either account intervals or functional area intervals can be assigned to a financial statement item. You must explicitly define financial statement versions to which functional areas are assigned as such. You do this by setting the "Fun.area allowed" indicator. This financial statement version can then also be used by the notes to financial statement in the G/L account information system.

Click on  or to start creating FSV from scratch. In case you want to copy from existing FSV you need to position the cursor on the FSV as source FSV e.g.

 Financial statement (Great Briain) and

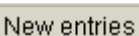
then click on  and update the following parameters



The screenshot shows the SAP 'Change View "Financial Statement Versions": Details of Selected' window. The 'Fin.Stmt.version' field is set to 'YCCA'. The 'Name' field is 'Financial statement version A Ltd. Local reporting'. A 'General specifications' panel is open, showing 'Maint. language' as 'EN', 'Item keys auto.' as an unchecked checkbox, 'Chart of accounts' as 'YCCA' with a lock icon, 'Group account number' as an unchecked checkbox, and 'Fun.area perm.' as an unchecked checkbox.

And then click on 

We will cover here Creating FSV from scratch.

Click on 

The screenshot shows the SAP FI GL configuration interface. At the top is a menu bar with 'Table view', 'Edit', 'Goto', 'Choose', 'Utilities', 'System', and 'Help'. Below the menu bar is a toolbar with various icons. The main title is 'New Entries: Details of Added Entries'. Below this is a sub-header 'Fin.statement items' with a trash icon and navigation arrows. The main area contains two input fields: 'Fin.Stmt.version' with the value 'YCCA' and 'Name' with the value 'Financial statement version A Ltd. Local reporting'. Below these is a 'General specifications' section with a tabbed interface. The 'General specifications' section contains the following fields: 'Maint. language' with the value 'en', 'Item keys auto.' with an unchecked checkbox, 'Chart of accounts' with the value 'YCCA' and a selection icon, 'Group account number' with an unchecked checkbox, and 'Fun.area perm.' with an unchecked checkbox.

Give the code for the FSV e.g. YCCA and name for the version.

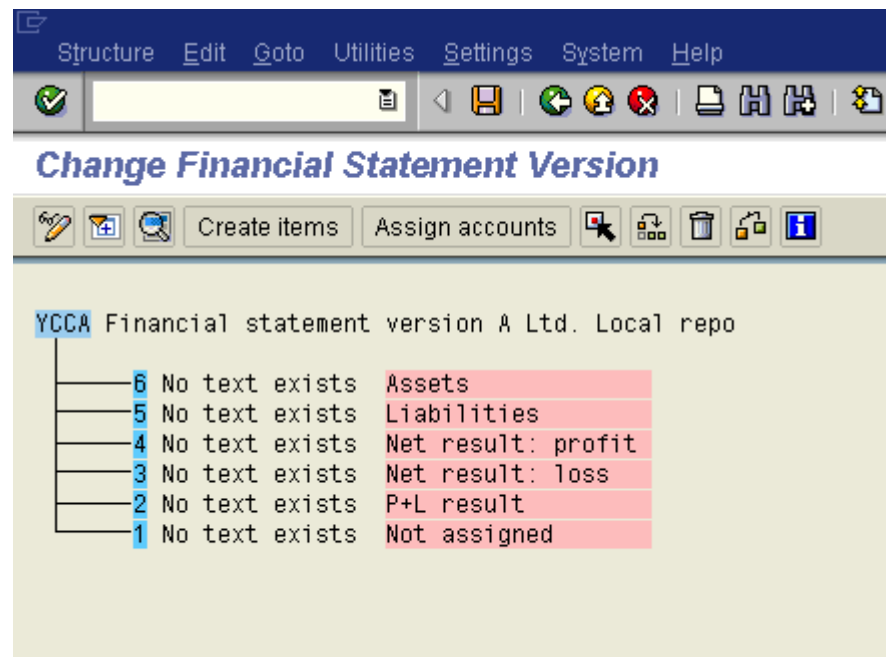
Give the maintenance language cod e.g EN (for English)

If the item keys are required automatically then you need to select, else deselect it.

Enter the chart of accounts YCCA

Click on 

Click on 



The above nodes are created automatically:-

P+L Result gives profit and loss in income statement

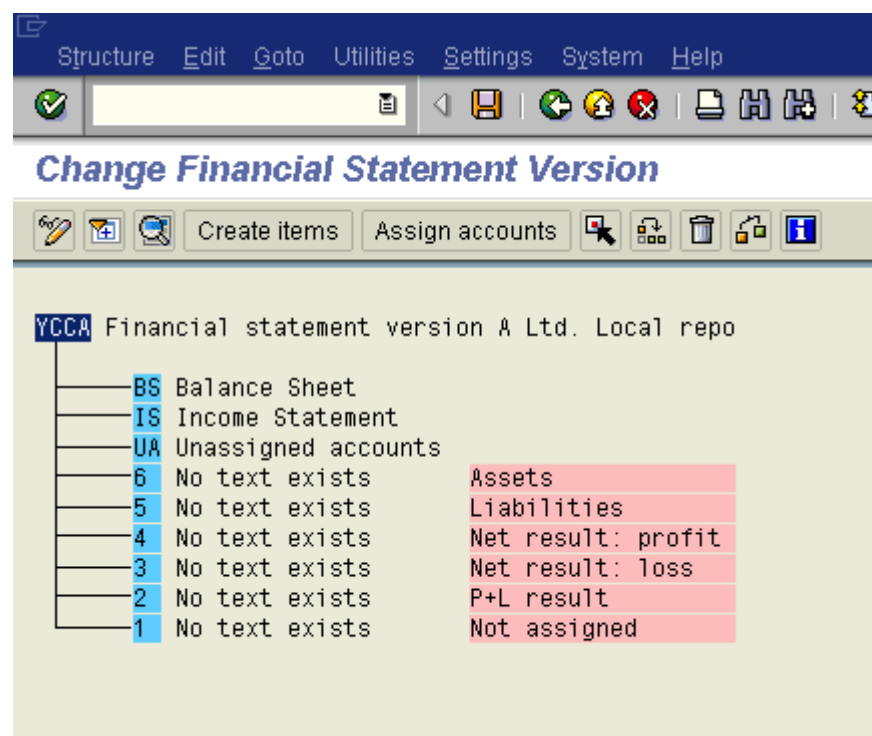
Net result: profit profit carried forward to balance sheet

Net result: loss Loss carried forward to balance sheet

Position the cursor on the node YCCA and then

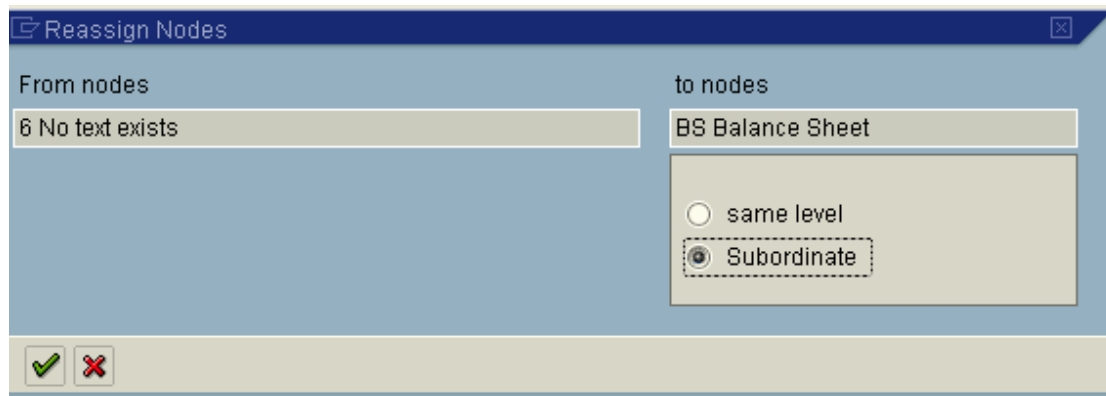
Click on 

Update the following information and click the continue button

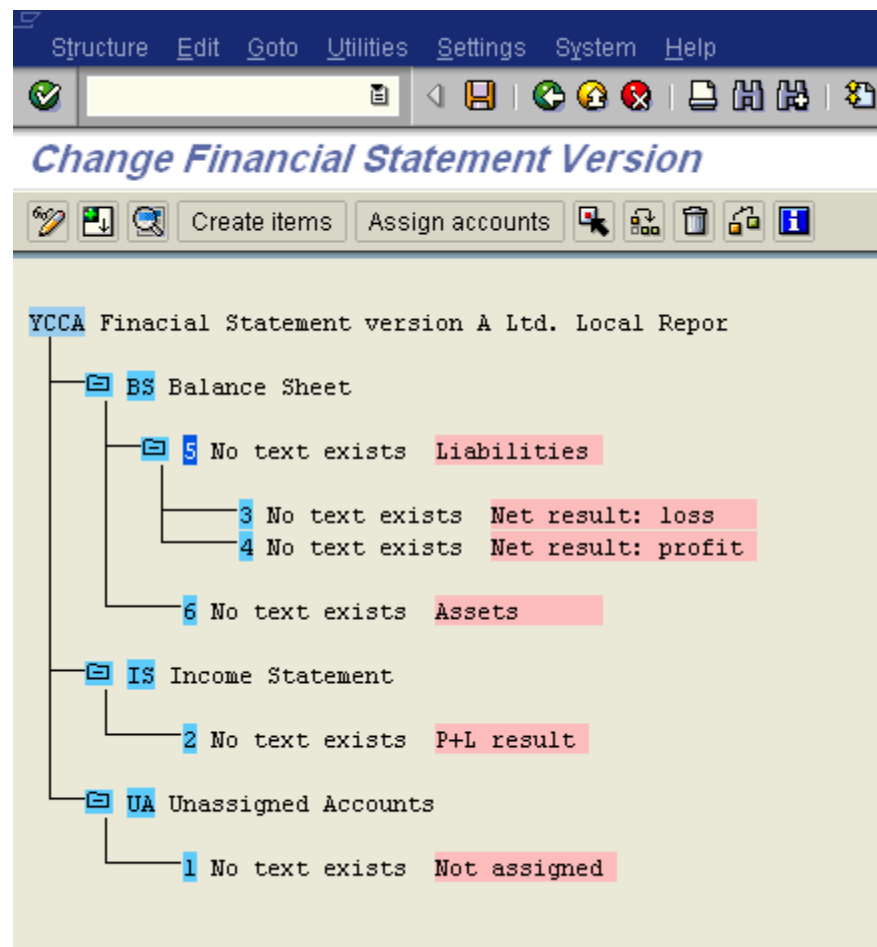


Thereafter click **6 No text exists** **Assets** and click on  and then click on **BS Balance Sheet** and click on Reassign 

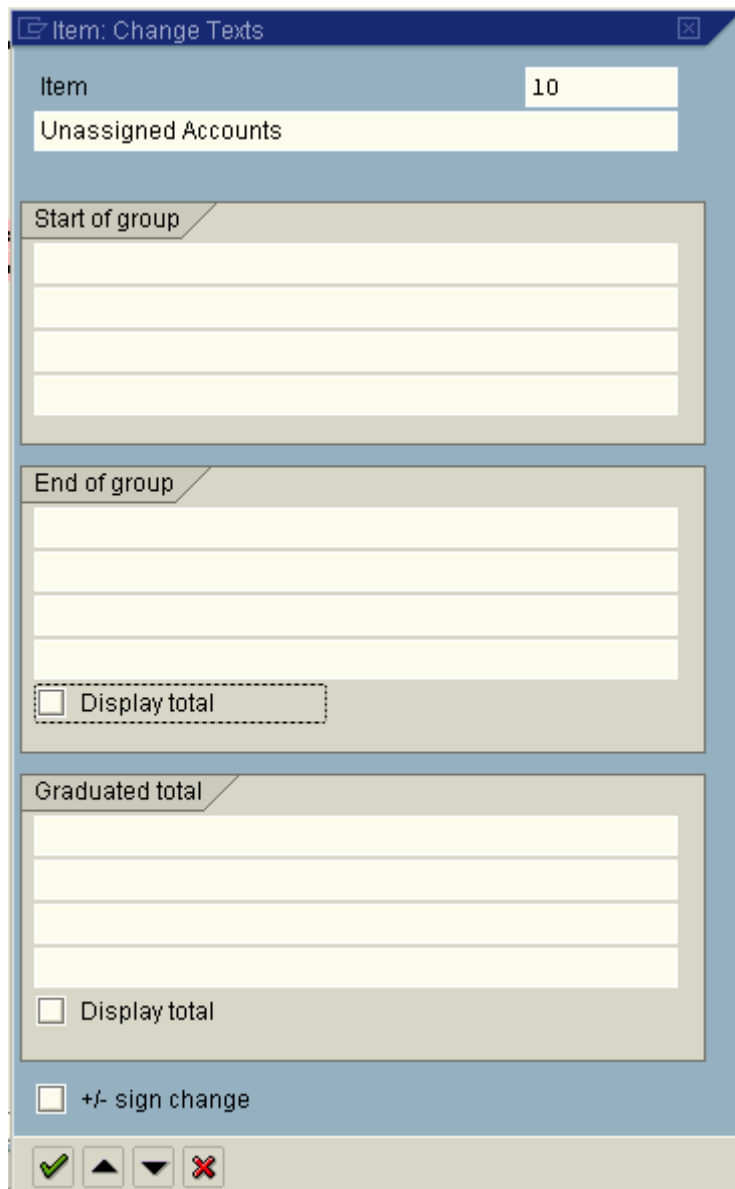
Select subordinate



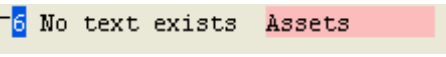
Similarly assign the various nodes to the respective elements which should finally look like this.

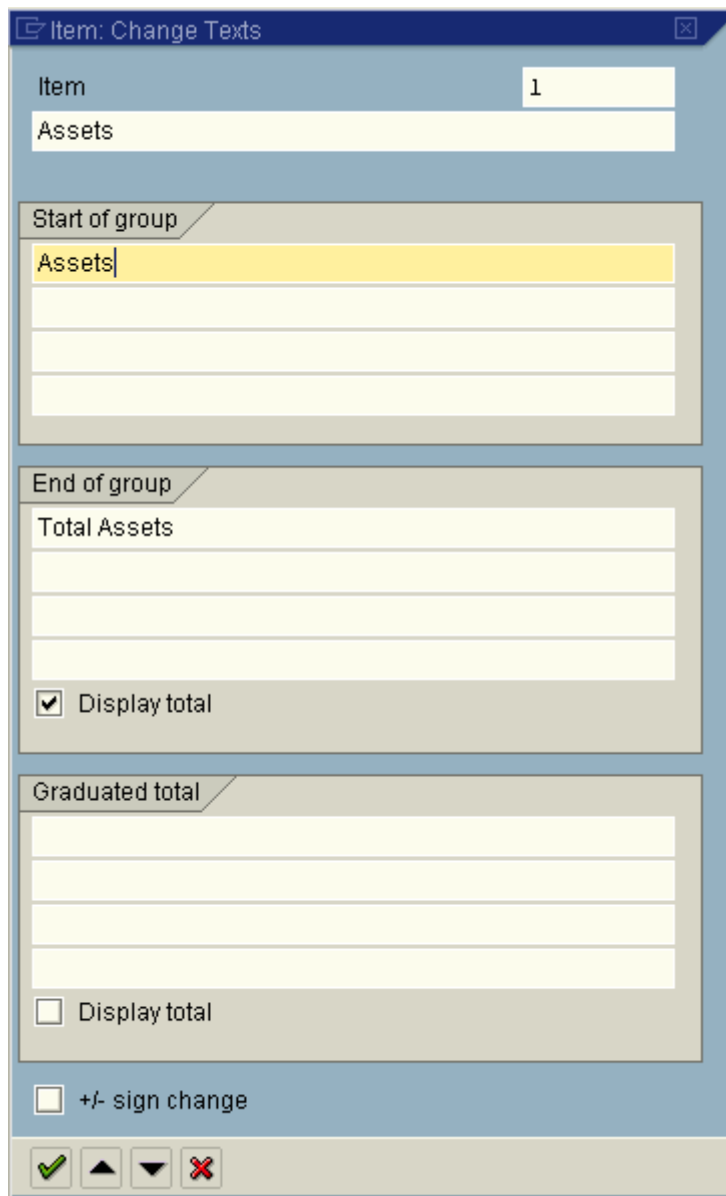


Double click on **10 Unassigned Accounts Not assigned** and update the following



The image shows the 'Item: Change Texts' dialog box in SAP. It has a title bar with a close button. Below the title bar, there is a field for 'Item' with the value '10' and a field for 'Unassigned Accounts'. The dialog is divided into three main sections: 'Start of group', 'End of group', and 'Graduated total'. Each section contains a list of text fields for editing. Below the 'End of group' section, there is a checkbox labeled 'Display total'. Below the 'Graduated total' section, there is a checkbox labeled 'Display total' and a checkbox labeled '+/- sign change'. At the bottom of the dialog, there are four buttons: a green checkmark, a black triangle pointing up, a black triangle pointing down, and a red X.

Thereafter change the description of item  by double clicking and updating the following information



The image shows the 'Item: Change Texts' dialog box in SAP. It has a title bar with a close button. The main area is divided into several sections. At the top, there is a field for 'Item' with the value '1' and a field for 'Assets'. Below this is a section titled 'Start of group' with a list of text entries, the first of which is 'Assets'. This is followed by an 'End of group' section with a list of text entries, the first of which is 'Total Assets'. Below this is a 'Graduated total' section with a list of text entries. At the bottom of the dialog, there are three checkboxes: 'Display total' (checked), '+/- sign change' (unchecked), and a '+/- sign change' checkbox. The bottom of the dialog has a status bar with four icons: a green checkmark, a black triangle pointing up, a black triangle pointing down, and a red X.

Item: Change Texts

Item 1

Assets

Start of group

Assets

End of group

Total Assets

☒ Display total

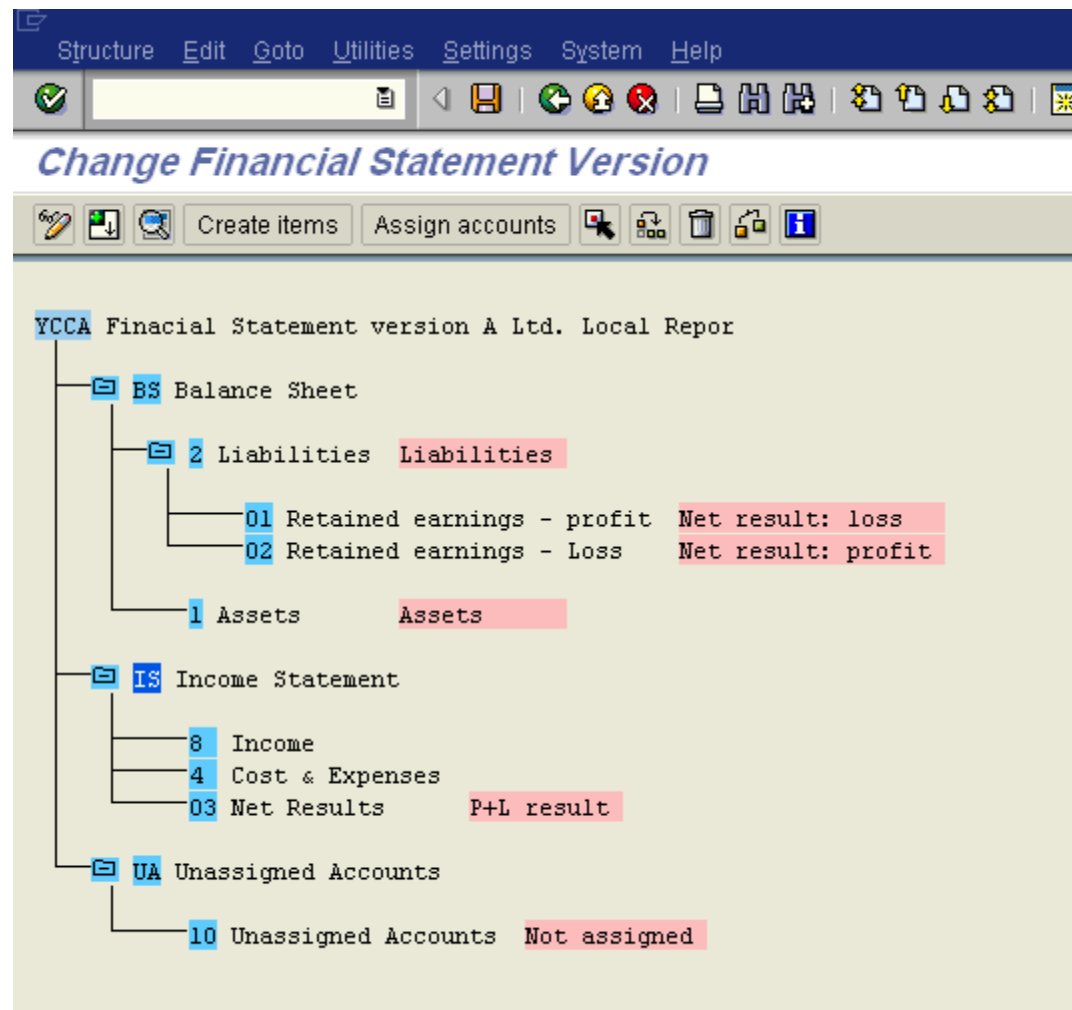
Graduated total

☐ Display total

☐ +/- sign change

☒ ☐ ☐ ☒

Rename everything to look like this



To create further nodes below Assets proceed as follows:-

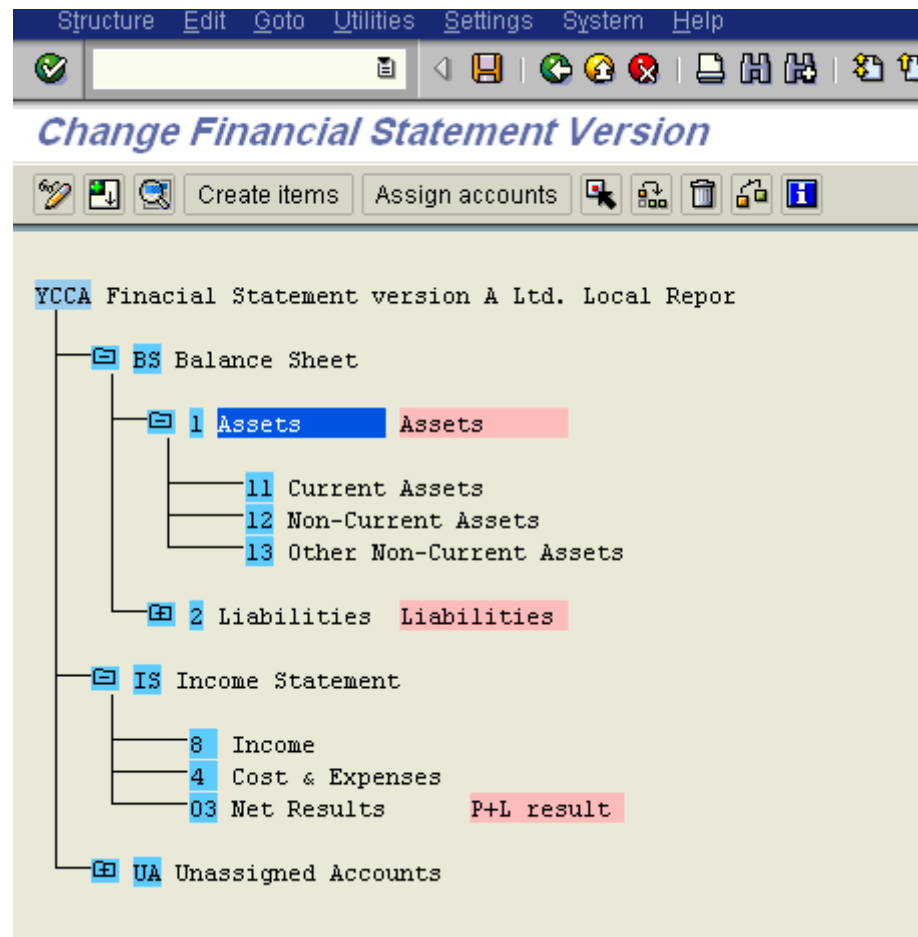
Position the cursor on **1 Assets** **Assets** and click on **Create items** and update the following information

The screenshot shows the 'Create Items' dialog box in SAP. The hierarchy is as follows:

- BS Balance Sheet
 - 1 Assets
 - 11 Current Assets
 - 12 Non-Current Assets
 - 13 Other Non-Current Assets

The '13 Other Non-Current Assets' item is highlighted in yellow. Below the main hierarchy, there are several empty rows for additional items. At the bottom of the dialog, there are two buttons: a green checkmark and a red X.

After updating your FSV will look like this



Create further nodes as follow under Current assets

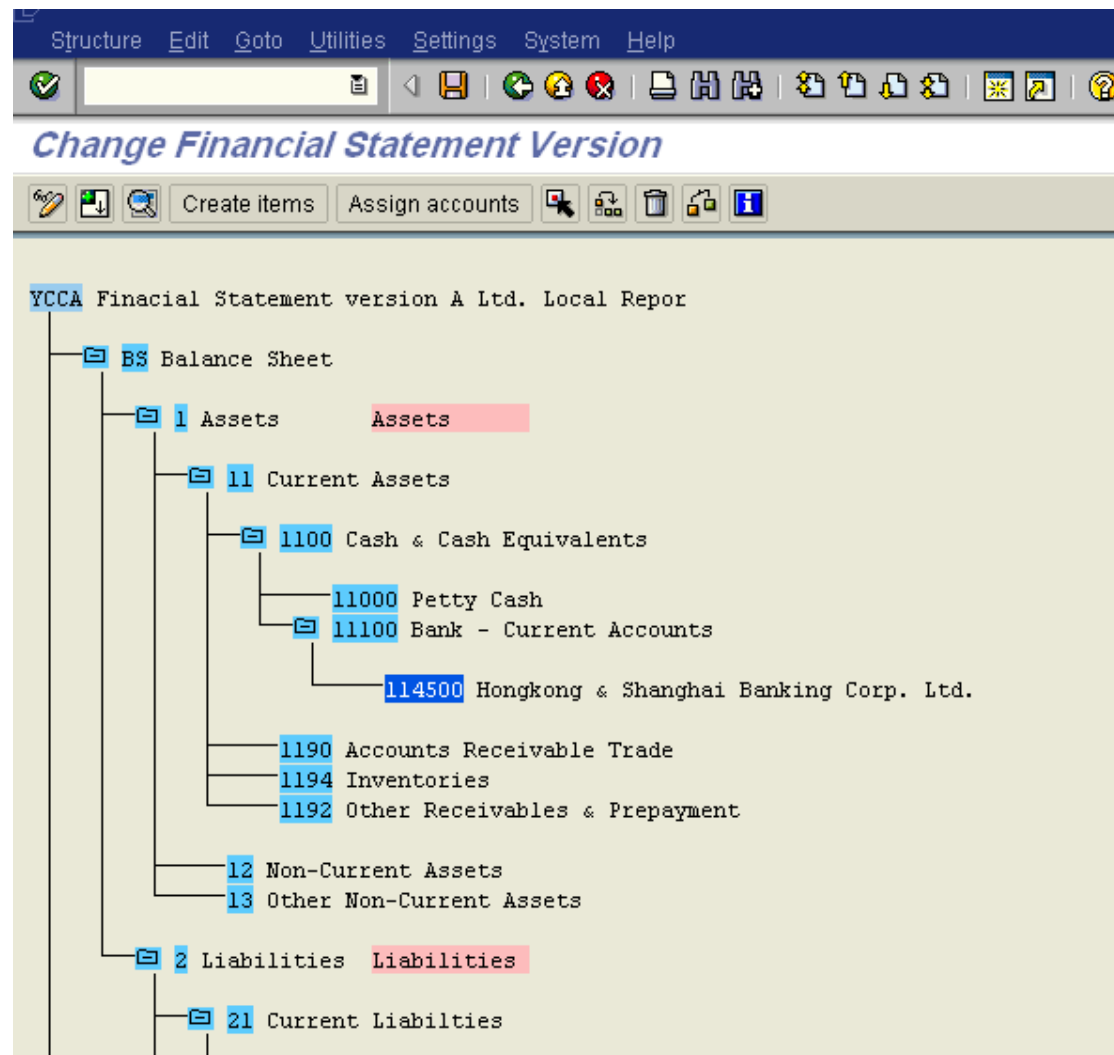
The screenshot shows the 'Create Items' window in SAP. The hierarchy is as follows:

- 1 Assets
 - 11 Current Assets
 - 1100 Cash & Cash Equivalents
 - 1190 Accounts Receivable Trade
 - 1194 Inventories
 - 1192 Other Receivables & Prepayment

The '1192 Other Receivables & Prepayment' item is highlighted in yellow. Below this, there are several empty rows for further configuration. At the bottom of the window, there are two buttons: a green checkmark and a red X.

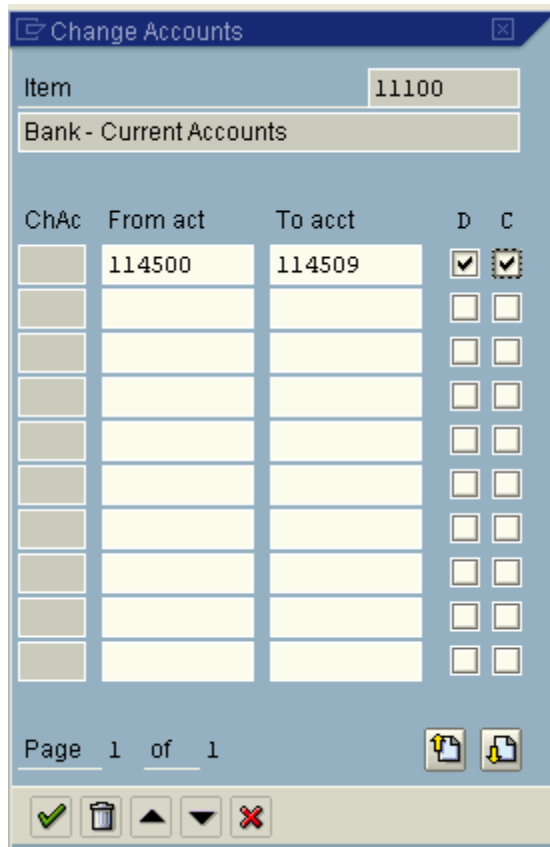
Under Cash & Cash Equivalents create further nodes 11000 Petty cash and 11100 Bank – Current accounts.

After creating all the above nodes the FSV configuration will look like this



Now we will see how to assign GL accounts to the the node Bank – current accounts

Position the cursor on the node **114500** Hongkong & Shanghai Banking Corp. Ltd. and click on **Assign accounts** and update the bank GL codes

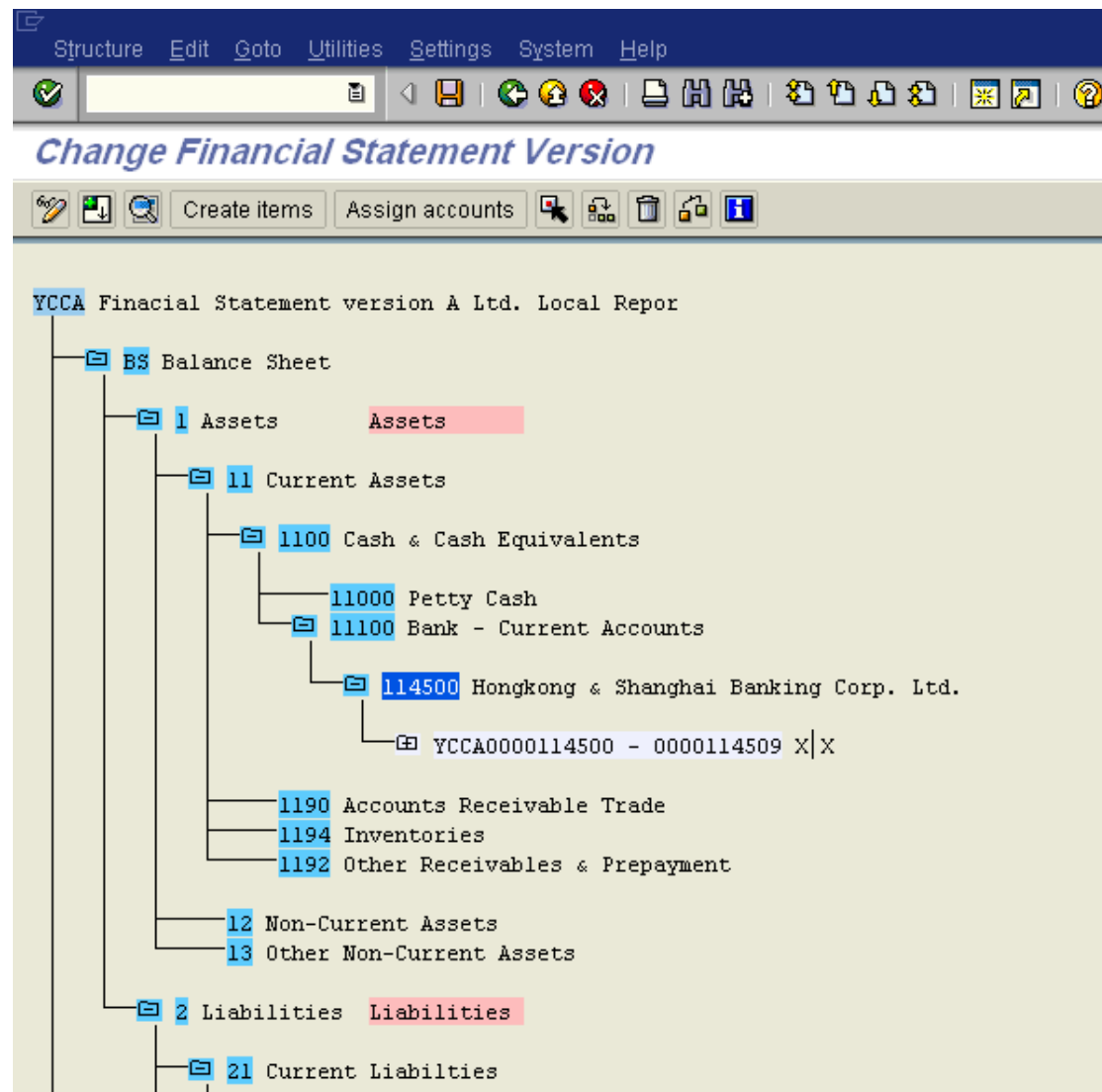


The image shows the 'Change Accounts' dialog box in SAP. At the top, the title bar says 'Change Accounts'. Below it, there is a field for 'Item' with the value '11100'. Underneath, a text box contains 'Bank - Current Accounts'. The main area is a table with columns: 'ChAc', 'From act', 'To acct', 'D', and 'C'. The first row has '114500' in 'From act' and '114509' in 'To acct', with both 'D' and 'C' checkboxes checked. There are 10 empty rows below. At the bottom, it says 'Page 1 of 1' and has icons for save, delete, up, down, and cancel. A status bar at the very bottom contains icons for a green checkmark, a trash can, and a red X.

ChAc	From act	To acct	D	C
	114500	114509	☒	☒
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐
			☐	☐

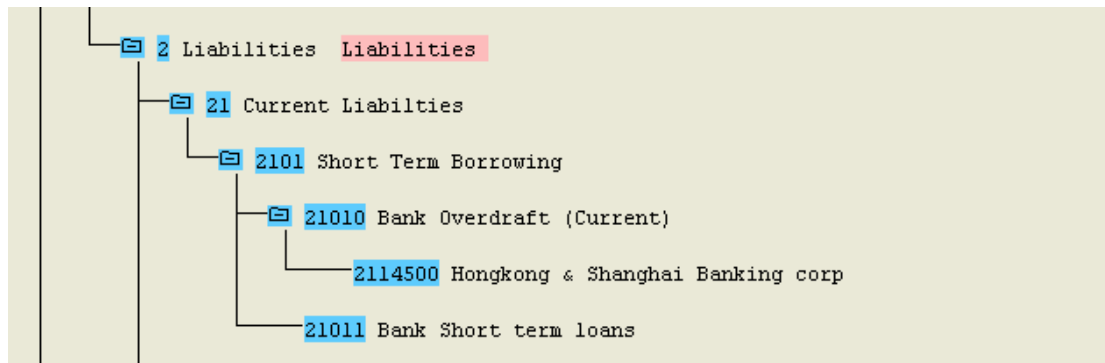
D and C are debit and credit balance of the account.

After assigning the accounts FSV will look as follows:-



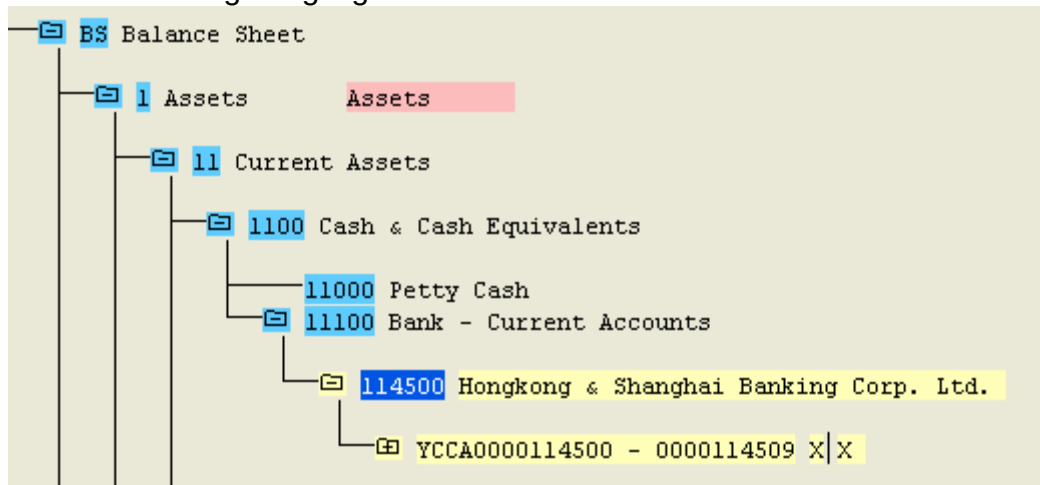
Now if this bank account is an overdraft account i.e. Bank balance can become a debit or credit balance. In case bank balance becomes credit i.e. negative then it should be regrouped to the liabilities side of balance sheet under current liabilities.

We will similarly create the various nodes under liabilities which appear as shown below:-



Now to regroup the balance from Bank – Current assets node to the current liabilities node we proceed as follows:-

Position the cursor on item **114500 Hongkong & Shanghai Banking Corp. Ltd.** in Bank -Current accounts on Current asset side and click on Select , the bank accounts get highlighted as follows:-



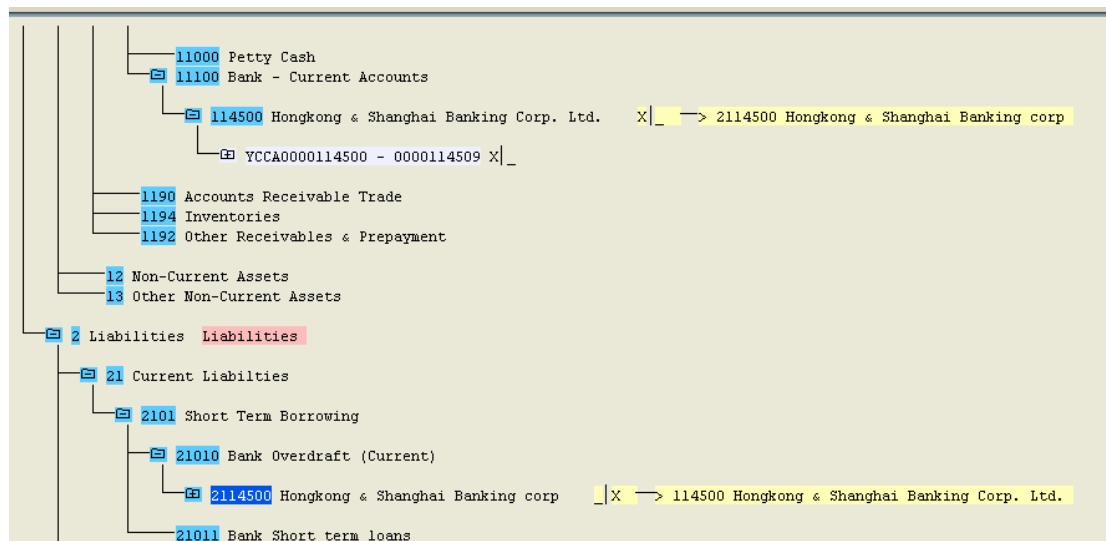
Thereafter position the cursor on the **2114500 Hongkong & Shanghai Banking corp** in bank overdraft under current liabilities and then click on Edit → Debit/credit shift → Define

Debit item	Credit item
☒ 114500 Hongkong & Sh	2114500 Hongkong & S
☐ 2114500 Hongkong & S	114500 Hongkong & Sh

Buttons: ☒ Help ☐

Click  since 114500 should be debit and 2114500 node should be credit

The display will appear as follows:-



The item

01 Retained earnings - profit	Net result: loss
02 Retained earnings - Loss	Net result: profit

 should be placed under Shareholder's Equity. To do so proceed as follows:-

Position the cursor on

01 Retained earnings - profit	Net result: loss
-------------------------------	------------------

 and click on Select  and position the cursor on

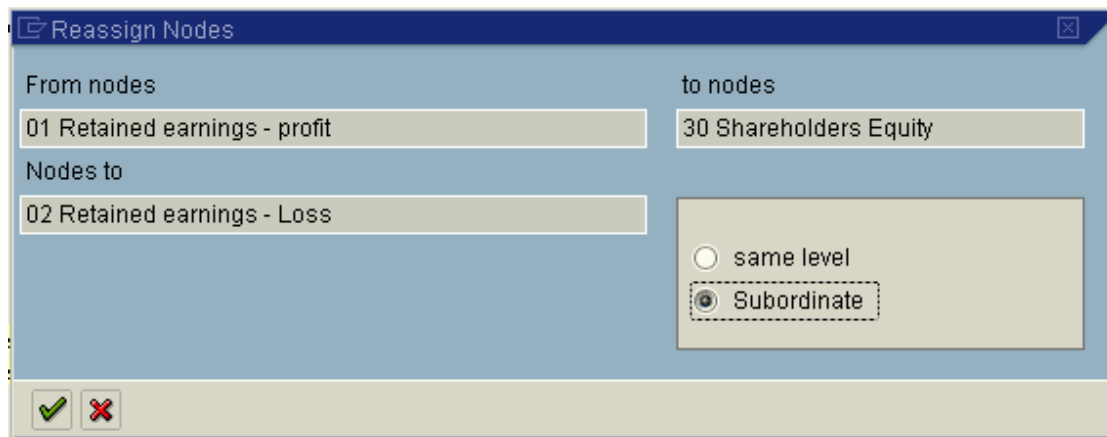
02 Retained earnings - Loss	Net result: profit
-----------------------------	--------------------

and click on Select .

Thereafter click on the item

30 Shareholders Equity

 and click on Reassign  and select subordinate



The screenshot shows the 'Reassign Nodes' dialog box. The 'From nodes' field contains '01 Retained earnings - profit'. The 'to nodes' field contains '30 Shareholders Equity'. The 'Nodes to' field contains '02 Retained earnings - Loss'. The 'Subordinate' radio button is selected under the 'Nodes to' field. The 'same level' radio button is unselected. The dialog box has a green checkmark icon and a red X icon at the bottom left.

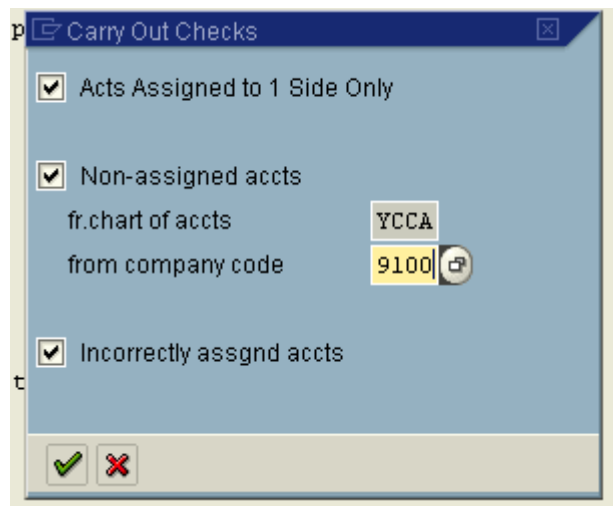
Likewise you need to create various node under Income statement and assign GL account codes to each of the lowest level node.

Finally after assigning GL code to each node, you need check the non assignment of GL codes to your company code.

Proceed as follows:-

Click on 

And update company code 9100



This step will give you list of accounts not assigned to the various nodes

After assigning the non assigned GL codes to various nodes your FSV is ready to be used by company code 9100

G) FI Integration with other modules

1. Integration with Overhead Cost Controlling

When a reconciliation ledger is implemented in the CO, you need to define this account. Postings will happen from the controlling module to the FI in order to balance FI.

Scenario:-

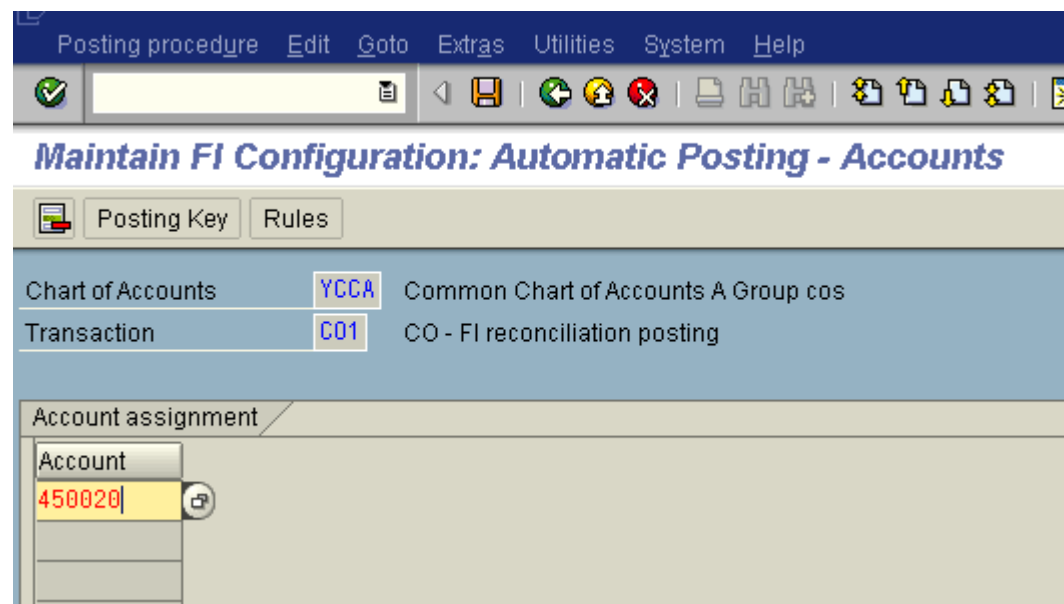
Lets assume controlling allocations has happened between 2 company codes. Since allocation has taken place in the controlling module, there will be no corresponding posting in FI in both the company codes.

In order that posting happens in both the company codes in FI, you need to configure this setting.

IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Integration → Overhead Cost Controlling → Define Accounts for Overhead Cost Controlling

Enter chart of accounts YCCA and Click on Save 

Enter GL code 450020 Reconciliation Ledger Adjustment Account



Click 

2. Integration with Materials Management

In this topic we will learn how the integration within FI MM, and SD takes place. We will also learn how accounting entries are posted automatically and how do we configure them?

There are certain simple things you need to understand to know how this integration happens.

First all Materials in SAP should have a material master.

This material master has various views right from Basic views to Purchasing views, production, sales and distribution and accounting and controlling views. We will not get into the detail of Material master at this stage but it would suffice for us to understand that Material Master is the heart of all integration.

In the accounting view of Material master amongst other values we have a **Valuation Class field**. This Valuation class is the vital link which ensures that Accounting documents are posted automatically. Every material will have a valuation class field.

You can go to transaction code mm03 put any material no and click on Accounting 1 view on which you will find the Valuation Class field.

Examples of Valuation Class could be Finished Goods, Semi Finished goods, Raw Material etc

The combination of this Valuation Class+ the Movement Type(which I have defined below) helps in determining the GI accounts. Read this statement twice to understand how GI accounts are automatically updated

What is a Movement Type?

All Material movements in MM happen with respect to a Movement Type.

For eg Goods receipt is defined with movement type 101

Goods issue to production order is defined with movement type 261

Scrapping of goods is defined with movement type 551

Goods delivered to the customer with movement type 601

Initial upload of stock is defined with movement type 561

SAP helps us to have different GI accounts for the various movements for the same material by linking this movement type to a transaction key. So where do we go and fit in all the different GI accounts which we require?

Before we get into that let us take an example of a movement type and see how GL accounts are automatically updated. If you are with me till now lets move ahead. If not I suggest you read the above page once again. All right lets get going dear friends.

Quick recap.

Material Master->Valuation Class->Movement Type-Transaction key.
Stick in all the gl accounts at this place. How we do this will see very shortly.

Let us now understand a few MM transactions and its accounting integration:-

1) Goods Receipt of Raw Material against a purchase order:-

Movement type for **goods receipt against purchase order is 101.**

The accounting entry posted is as follows:-

Inventory of Raw Material **Debit**

GR/IR (Goods Receipt/Invoice Receipt) **Credit**

The GR/IR is a provision account in SAP.

The configuration to be done for this entry is as follows:-

IMG → Materials Management → Valuation and Account Assignment → Account Determination → Account Determination Without Wizard → Configure Automatic Postings (OMWB)

Or

Type in transaction code OBYC

Posting procedure Edit Goto Extras Utilities System Help

Maintain FI Configuration: Automatic Posting - Procedures

Group **RMK** Materials Management postings (MM)

Procedures

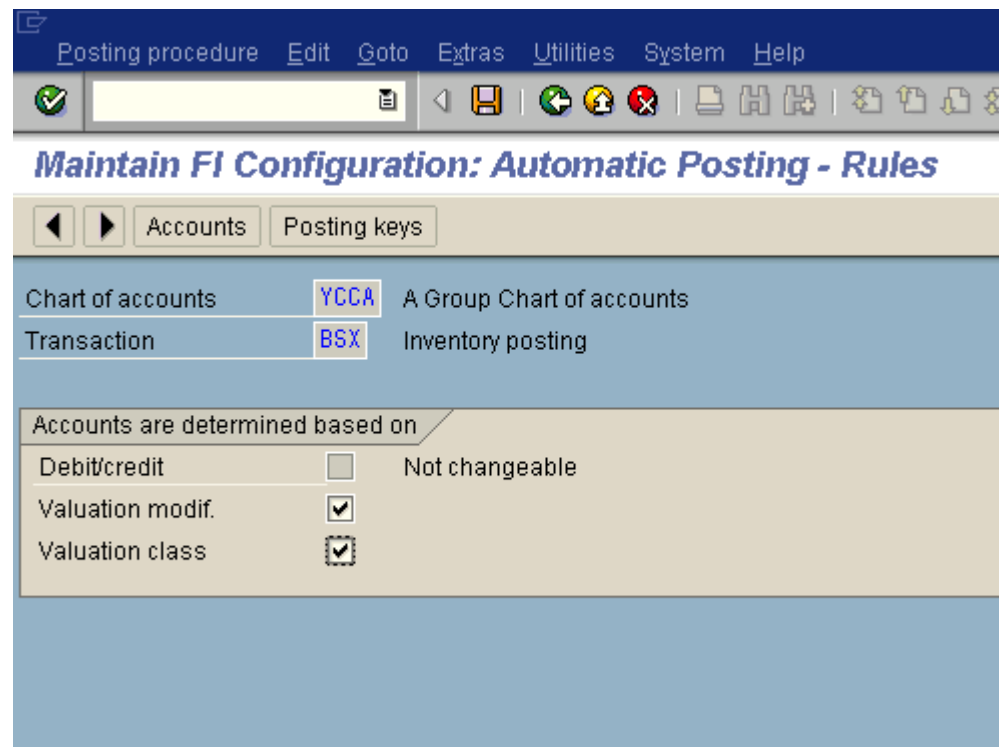
Description	Transactn	Account determ.
Expense/revenue from consign.mat.consum.	AKO	☒
Expense/revenue from stock transfer	AUM	☒
Subsequent settlement of provisions	B01	☒
Subsequent settlement of revenues	B02	☒
Provision differences	B03	☒
Change in stock account	BSV	☒
Inventory posting	BSX	☒
Revaluation of other consumables	COC	☒
Materials management small differences	DIF	☒
Purchase account	EIN	☒
Purchase offsetting account	EKG	☒
Freight clearing	FR1	☒
Freight provisions	FR2	☒
Customs clearing	FR3	☒
Customs provisions	FR4	☒
Purchasing freight account	FRE	☒
External activity	FRL	☒
Incidental costs of external activities	FRN	☒
Offsetting entry for inventory posting	GBB	☒
Account-assigned purchase order	KBS	☐
Materials management exch.rate diffs	KDM	☒

As you see above the second column contains all the Transaction keys where you need to stick the GL accounts. So lets see for the goods receipt transaction what do we do.

You need to update the **BSX** transaction key with the GL code **Inventory of Raw material account**.

Double click BSX and select Valuation modif. and valuation class.

Valuation modif. - Should be selected if the valuation grouping code is active in the Materials Management module and if separate GL codes are desired plantwise. Even if it is not required currently, still it is a better option to select.



For the GR/IR account you need to update the **WRX** transaction key with the GL code GR/IR account.

A very important point from now on. Every accounting entry with respect to a material will have a impact on the inventory. So one side of the posting (either a debit or a credit) will always be taken from the BSX field you have defined above. The second side of the posting will be determined based on your movement type which in the above case was a GR/IR.

If you understood example 1 you will understand all the other examples. As the methodology of finding GI accounts is the same. So dear friends if you want to learn SAP quickly you should learn how the things are integrated and not go through reams of material and keep on studying. Understand those vital areas and you will learn quickly. Alright lets move on

We will go through more examples below:

2) When Raw material is issued to the production order.

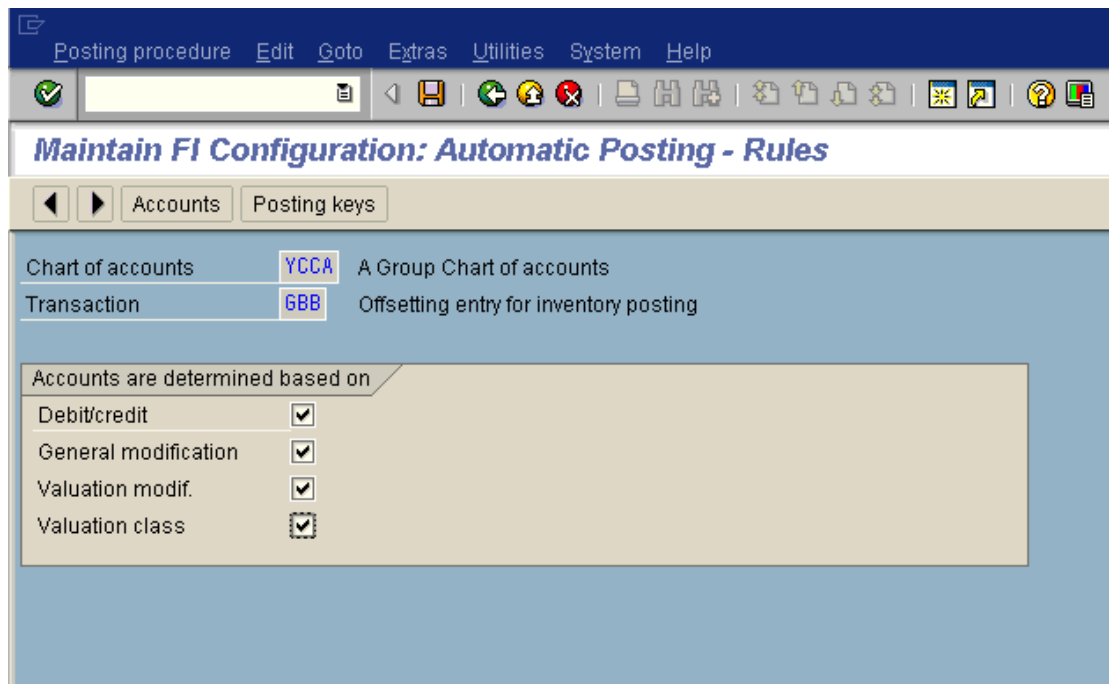
Movement type used for posting the above transaction is **261 – Goods issue to order**

The accounting entry generated in the system is:-

Raw material consumption **Debit**

Inventory of Raw Material **Credit**

The transaction Key GBB needs to be updated. GBB key is used for various offsetting posting entries. Within GBB transaction there are various account grouping (general modification). In this case you need to update general modification **VBR** with the Raw Material consumption account.



Click on 

Maintain FI Configuration: Automatic Posting - Accounts

Posting keys Procedures Rules

Chart of accounts: **YCCA** A Group Chart of accounts
Transaction: **GBB** Offsetting entry for inventory posting

Account assignment

Valuation modif.	General modific...	Valuation class	Debit	Credit
0001	VBR	3000	400000	400000

Click on 

3) When Initial stock is uploaded for Raw Material

Movement type used for posting – 561 (Initial stock upload)

The accounting entry generated is as follows:-

Inventory of Raw Material **Debit**

Stock data takeover account **Credit**

The transaction key GBB needs to be updated. General modification Key **BSA** needs to be updated with the GL code **Stock data takeover account**

4) When goods receipt is made for finished goods against a production order

Movement type used for posting – 101 (GR agst prod order)

The accounting entry generated is as follows:-

Finished goods **Debit**

Change in Finished goods **Credit**

In transaction key **BSX** for the valuation class finished goods we attach the Finished goods GL code.

For change in Finished goods we update transaction key **GBB** and general modification key **AUF**.

5) When goods issues are posted for sales:-

Movement type used for posting – 601

Accounting entry posted:-

Cost of goods sold **Debit**

Inventory of Finished goods **Credit**

For cost of goods sold transaction key **GBB** is updated with general modification key **VAX**

6) When goods are scrapped:-

Movement type use for posting – 551

Accounting entry posted:-

Raw material scrapped **Debit**

Inventory of Raw Material **Credit**

The Raw Material scrapped account is attached to transaction key **GBB** and general modification key **VNG**

7) When goods issued to sampling for Quality

Movement type used is 331

Raw Material consumption **Debit**

Inventory raw material **Credit**

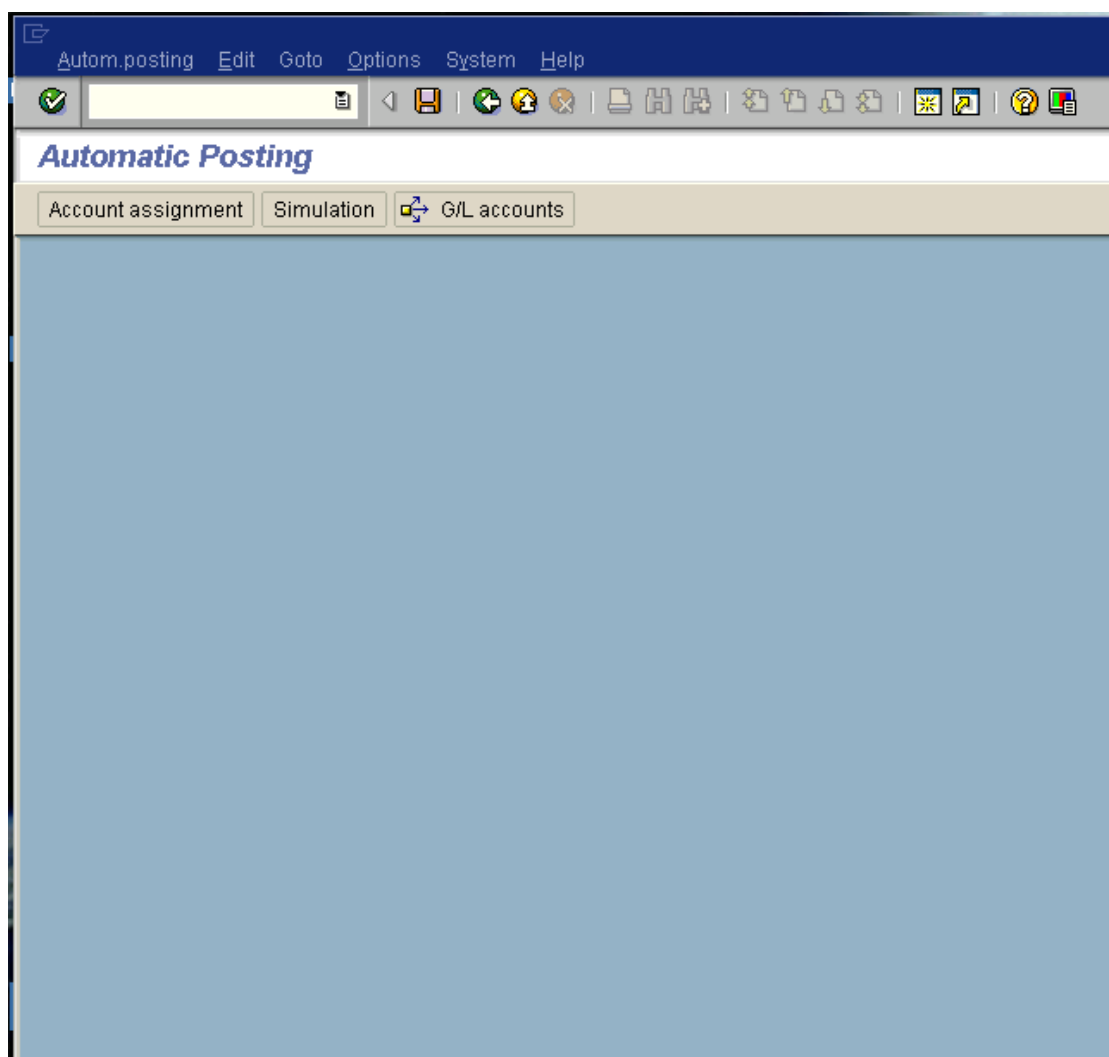
Raw Material consumption account is attached to **GBB** and general modification key **VQP** is used.

If you noticed lot of account modifiers in transaction key GBB are used in various movement type. It is difficult to remember the standard account modifiers. In that case we can also use the **Simulation mode**. This helps us in identifying what are the general modification (account modifiers) used in GBB:-

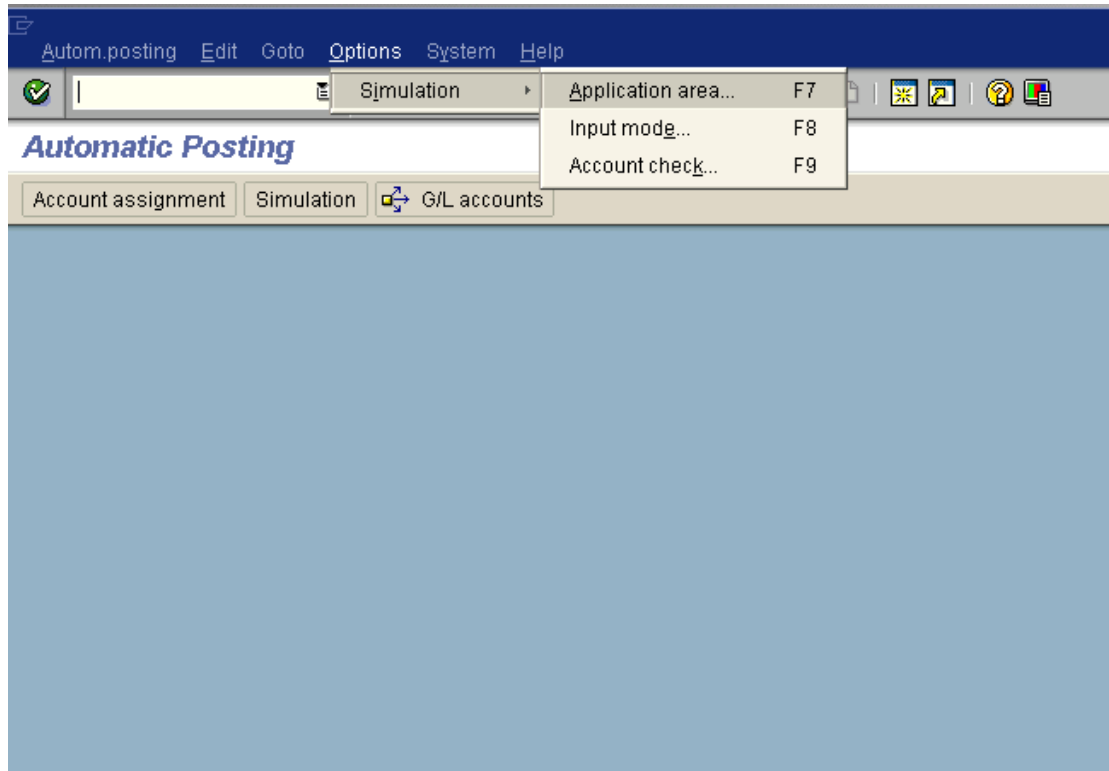
Use the following path:-

IMG → Materials Management → Valuation and Account Assignment → Account Determination → Account Determination Without Wizard → Configure Automatic Postings **or**

Transaction code: OMWB

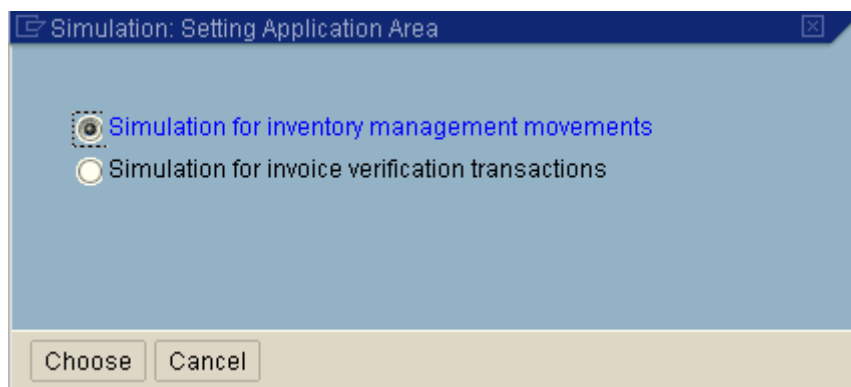


You can select the application area as follows:-

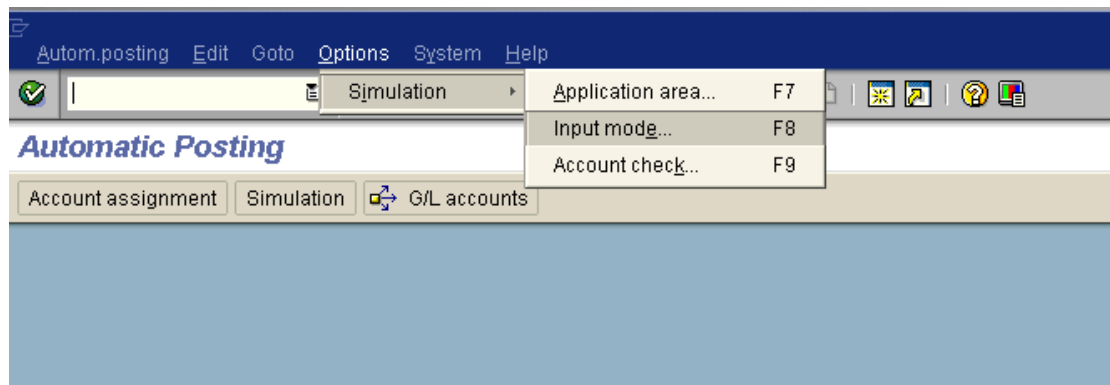


Thus you can do a simulation for Inventory management movements or also a simulation for invoice verification transactions.

Let us do a simulation for Inventory management movements.

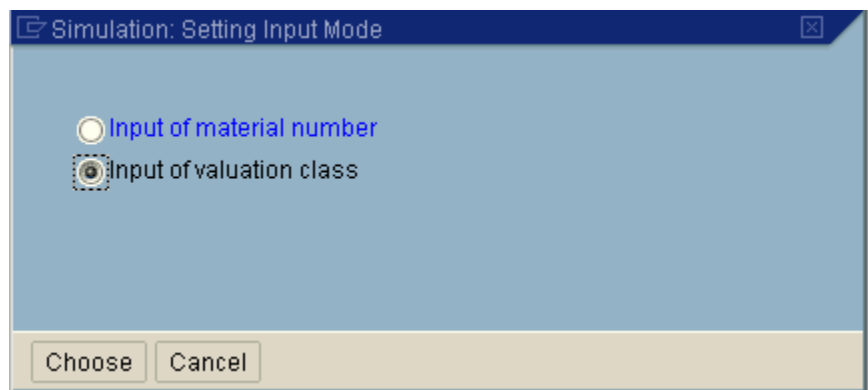


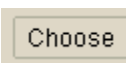
Now we select the input mode



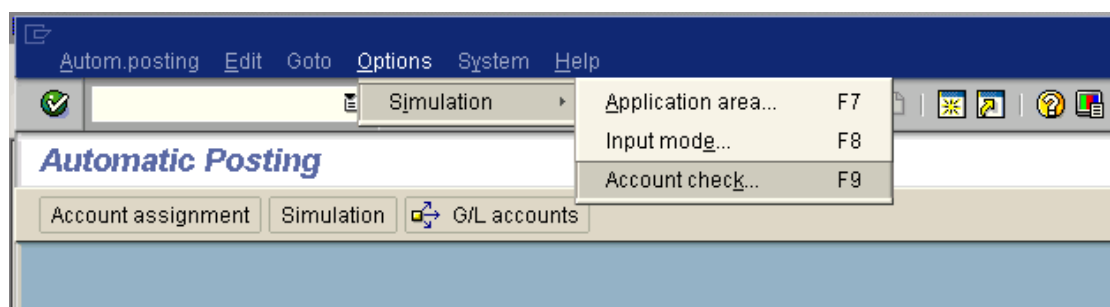
Here we can select the input of material number or input of valuation class.

We will select the input of valuation class, as it is easier to enter valuation class rather than material number. But if you want to be more specific you can select the input of material number.

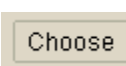


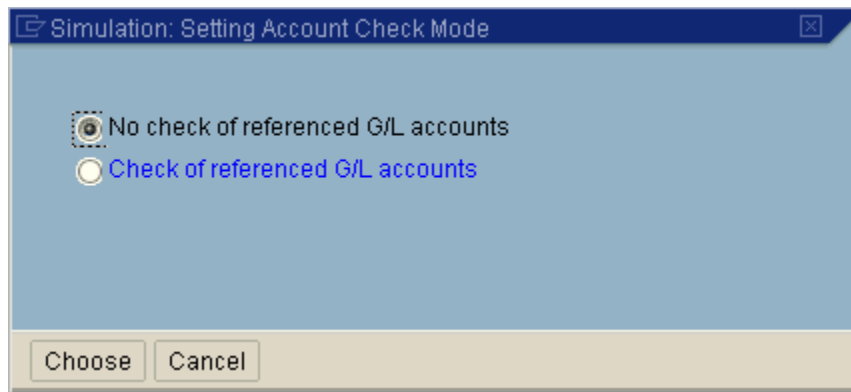
Click 

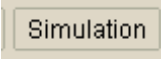
Further we will also select Account check



Here we select, whether we want check of referenced G/L accounts in the company code. Currently we will not select this.

Click 



Click 

Update the following:-

Simulation Edit Goto Options System Help

Simulate Inventory Mgmt: Entry of Simulation Data

Choose Account assignments Movement type + Movement type -

Plant 9100 Plant A.

Valuation class 3000 Raw materials

Movement types

Movement type 261

- GI for order
- GI for order
- GI order fm. sls.or.
- GI order fm. sls.or.
- GI order from consgt
- GI order from consgt
- GI order fm.pipeline
- GI order fm.pipeline
- GI order fm. project
- GI order fm. project
- GI order fm.cu.cons.
- GI order fm.cu.cons.

Double click **GI for order** so that it becomes blue

Simulate Inventory Mgmt: Entry of Simulation Data

Choose Account assignments Movement type + Movement type -

Plant 9100 Plant A.

Valuation class 3000 Raw materials

Movement types

Movement type 261 GI for order

GI for order

GI order fm. sls.or.

GI order fm. sls.or.

GI order from consgt

GI order from consgt

GI order fm.pipeline

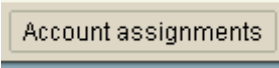
GI order fm.pipeline

GI order fm. project

GI order fm. project

GI order fm.cu.cons.

GI order fm.cu.cons.

Click 

Now here it shows the offsetting entry posting and the required account modifier. In this case the general modification required is VBR.

Simulation Edit Goto Options System Help

Simulate Inventory Mgmt: Account Assignments

Movement + Movement - Valuation class + Valuation class -

Organization

Plant **100** -> Company code **9100** -> Chart of accounts
 -> Valuation area **9100** -> Valuation grpg. code **-M--**

Valuation

Valuation class **3000** Raw materials

Movement

Movement type **261** GI for order

Posting line

Posting lines text	VIGCd	A6C	VC1	PK	Acct. D	PK	Acct. C
Gain/loss from revaluation		-e-	3000	83	--missing--	93	--missing--
Inventory posting		-e-	3000	89	--missing--	99	--missing--
Cost (price) differences		PRA	3000	83	--missing--	93	--missing--
Offsetting entry for inventory		VBR	3000	81	--missing--	91	--missing--
Inventory posting		-e-	3000			99	--missing--

Thus simulation helps us in finding the general modification required for transaction key GBB and the general modification for transaction key PRD (price difference).

Let us now check the general modification key required for movement type 601 for finished goods.

Update the following:-

Simulation Edit Goto Options System Help

Simulate Inventory Mgmt: Entry of Simulation Data

Choose Account assignments Movement type + Movement type -

Plant 9100 Plant A.

Valuation class 3000 Raw materials

Movement types

Movement type 601

GD goods issue:delvy
GD goods issue:delvy
GD goods issue:delvy
GD goods issue:delvy
GD delivery sls.ord.
GD goods issue:delvy
GD goods issue:delvy
GD goods issue:delvy
GD goods issue:delvy
GD goods issue:delvy
GD delivery project

Double click GD goods issue:delvy

Simulation Edit Goto Options System Help

Simulate Inventory Mgmt: Entry of Simulation Data

Choose Account assignments Movement type + Movement type -

Plant 9100 Plant A.

Valuation class 3000 Raw materials

Movement types

Movement type 601 GD goods issue:delvy

- GD goods issue:delvy
- GD goods issue:delvy
- GD goods issue:delvy
- GD goods issue:delvy
- GD delivery sls.ord.
- GD goods issue:delvy
- GD goods issue:delvy
- GD goods issue:delvy
- GD goods issue:delvy
- GD goods issue:delvy
- GD delivery project

Click Account assignments

Here we notice that general modification key required for 601 is VAX

Simulation Edit Goto Options System Help

Simulate Inventory Mgmt: Account Assignments

Movement + Movement - Valuation class + Valuation class -

Organization

Plant **100** -> Company code **9100** -> Chart of accounts
 -> Valuation area **9100** -> Valuation grpg. code **-n--**

Valuation

Valuation class **3000** Raw materials

Posting string **WA01** ☒ Value updating
☐ Quantity updating

Movement

Movement type **601** GD goods issue:delv

Posting line

Posting lines text	VIGCd	AGC	VC1	PK	Acct. D	PK	Acct. C
Gain/loss from revaluation		-e-	3000	83	--missing-	93	--missing-
Inventory posting		-e-	3000	89	--missing-	99	--missing-
Cost (price) differences		PRA	3000	83	--missing-	93	--missing-
Offsetting entry for inventory		VAX	3000	81	--missing-	91	--missing-
Inventory posting		-e-	3000			99	--missing-

3 Integration with Sales and Distribution

FI – SD account determination:-

All Billing transactions happening in the Sales and distribution module will result in FI postings.

All accounting entries with respect to the billing will have one side of the account as a Customer or receivable and the other side to be a revenue account

Eg

Customer –Dr
To Revenue Account- Cr

You have to bear in mind that the customer account gets picked up from the customer master data . All we need to do is to configure the revenue account or the discounts and surcharges

Where and how do we do this?

You make the allocation for each of these through access sequences.

Access sequence is nothing but SAP's terminology of determining the GI accounts. SAP provides the following six ways of determining the GI accounts in SD.

- Application (key for the Sales and Distribution application)
- Account determination type
- Chart of accounts (from the FI System)
- Customer account assignment group
- Materials account assignment group
- Account key

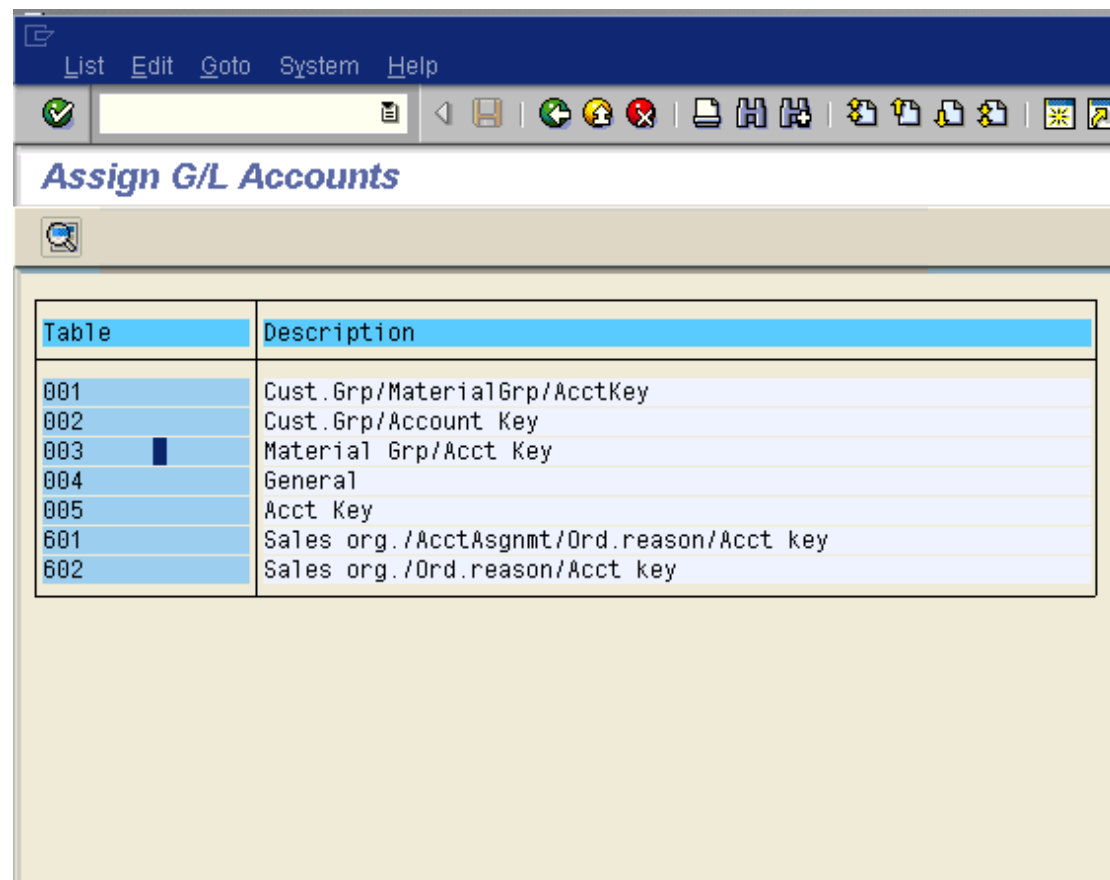
The allocated accounts are used to post revenues, surcharges and discounts automatically.

IMG → Financial Accounting → General Ledger Accounting → Business Transactions → Integration → Sales and Distribution → Prepare Revenue Account Determination **or**

IMG → Sales and Distribution → Basic Functions → Account Assignment/Costing → Revenue Account Determination → Assign G/L Accounts **or**

The transaction can also be accessed by typing in transaction code VKOA from SAP Easy Access screen.

The account determination in SD happens through an access sequence which can be seen in the below table.



The screenshot shows the SAP 'Assign G/L Accounts' (VKOA) transaction. The title bar includes 'List', 'Edit', 'Goto', 'System', and 'Help' menus. Below the title bar is a toolbar with various icons. The main area displays a table with two columns: 'Table' and 'Description'.

Table	Description
001	Cust.Grp/MaterialGrp/AcctKey
002	Cust.Grp/Account Key
003	Material Grp/Acct Key
004	General
005	Acct Key
601	Sales org./AcctAsgmt/Ord.reason/Acct key
602	Sales org./Ord.reason/Acct key

The system goes about checking for the gl account(which we will stick in here you will see more of that later) from more specific criteria to less specific criteria.

Thus you can maintain different GL codes for each combination of the above table entry.

This is how SAP will determine the revenue account:

It will go through first table entry CustGrp/Material grp/ account key. If any GI account is maintained here the system will then go to the transaction data of the particular billing document and see whether such a combination of Customer group and material group exists if it does it will pick that relevant Revenue account and post the accounting document . If it does not it moves to the next combination in the table which is Customer group/account key and so on and so forth

Customer grp is maintained in the Sales view of the customer master.

Material grp is maintained in the Sales view of the material master.

Account key is maintained in the pricing procedure for that condition type.

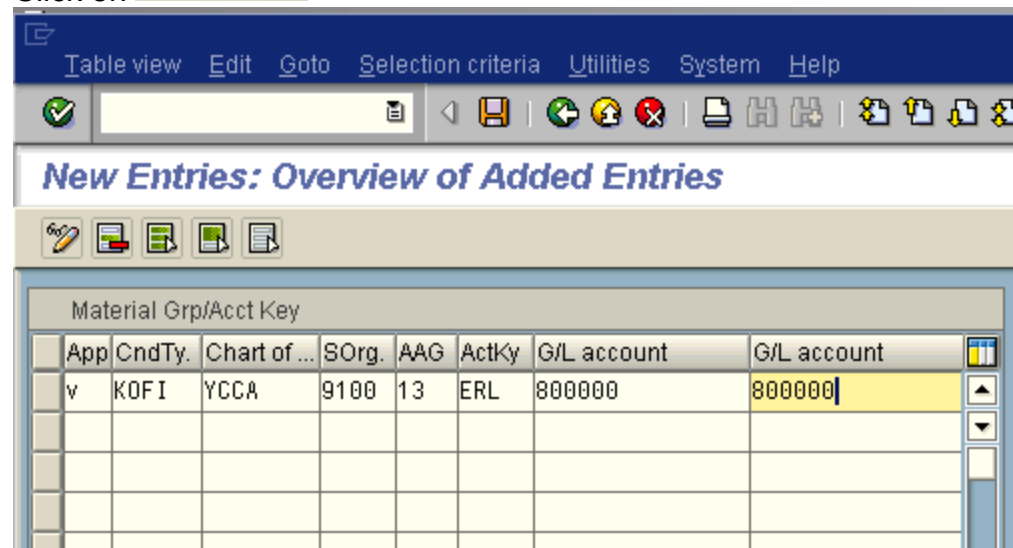
The last option it checks is account key entry

We will now maintain the GI account for the combination of Material Grp/account key

Double Click 003 Material Grp/Acct Key

AAG is the material grp. We maintain this since we want it to post to a different GL code as Sales 3rd parties.

Click on [New entries](#)



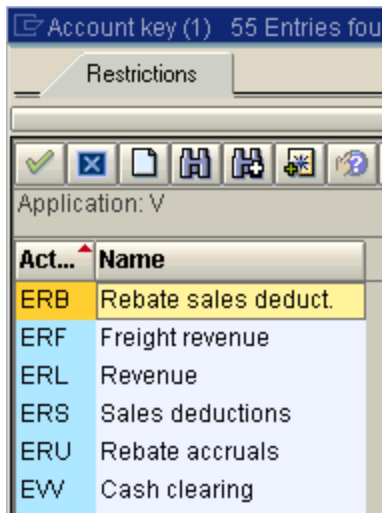
Click on 

That's it . The system will look into this table see this combination and if the relevant combination exists in the transaction it will debit the customer account and credit this account 800000.

As simple as it is. So basically the FI-Sd integration is for picking up the revenue accounts or the discounts and surcharges.

The account key determines whether it is a revenue or a surcharge or discount. Examples of some are given down below:

Various account keys are available



Act...	Name
ERB	Rebate sales deduct.
ERF	Freight revenue
ERL	Revenue
ERS	Sales deductions
ERU	Rebate accruals
EW	Cash clearing

Let us now maintain for the table entry account key. And post to a different GL code.

Click on 

And update the following information

App : V (Sales/distribution)
 Cond type: KOFI (Account determination)
 Chrt/accounts: YCCA
 SOrg: Sales organization
 ActKey : ERL
 GL account no: 810203

New Entries: Overview of Added Entries

App	CndTy.	Chrt/accts	SOrg.	ActKy	G/L account no.	G/L account no.
V	KOFI	YCCA	9100	ERL	810203	810203

Click on Save 

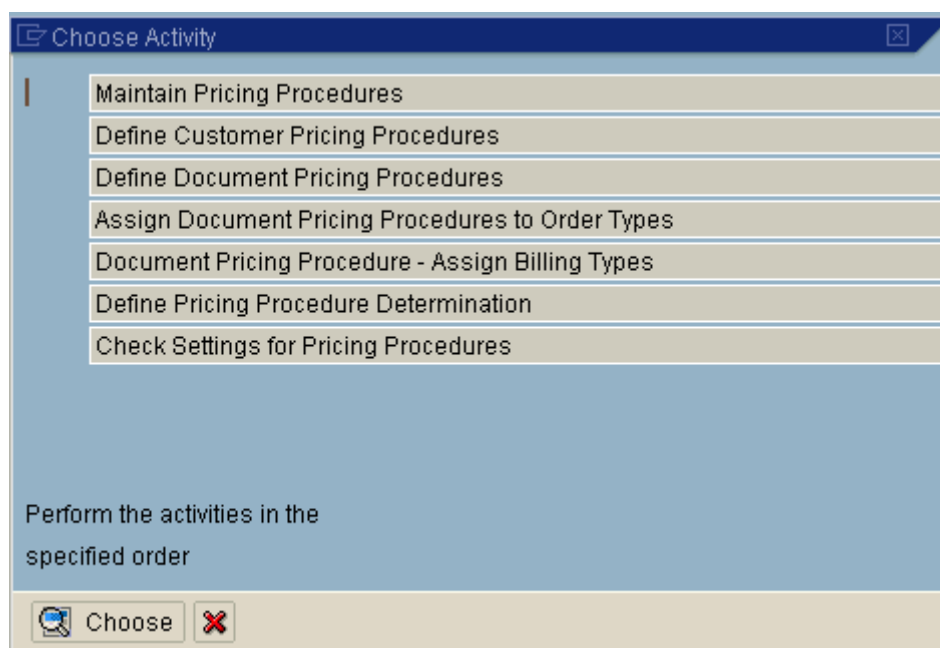
So you are done.

It is also useful to know a bit of the configuration of the **Sales and Distribution**.

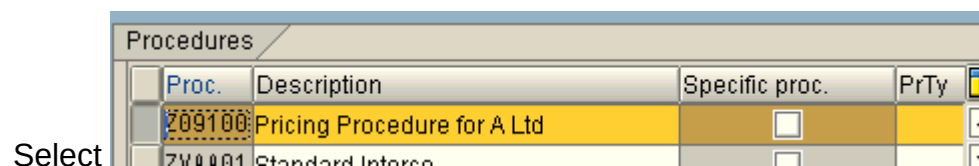
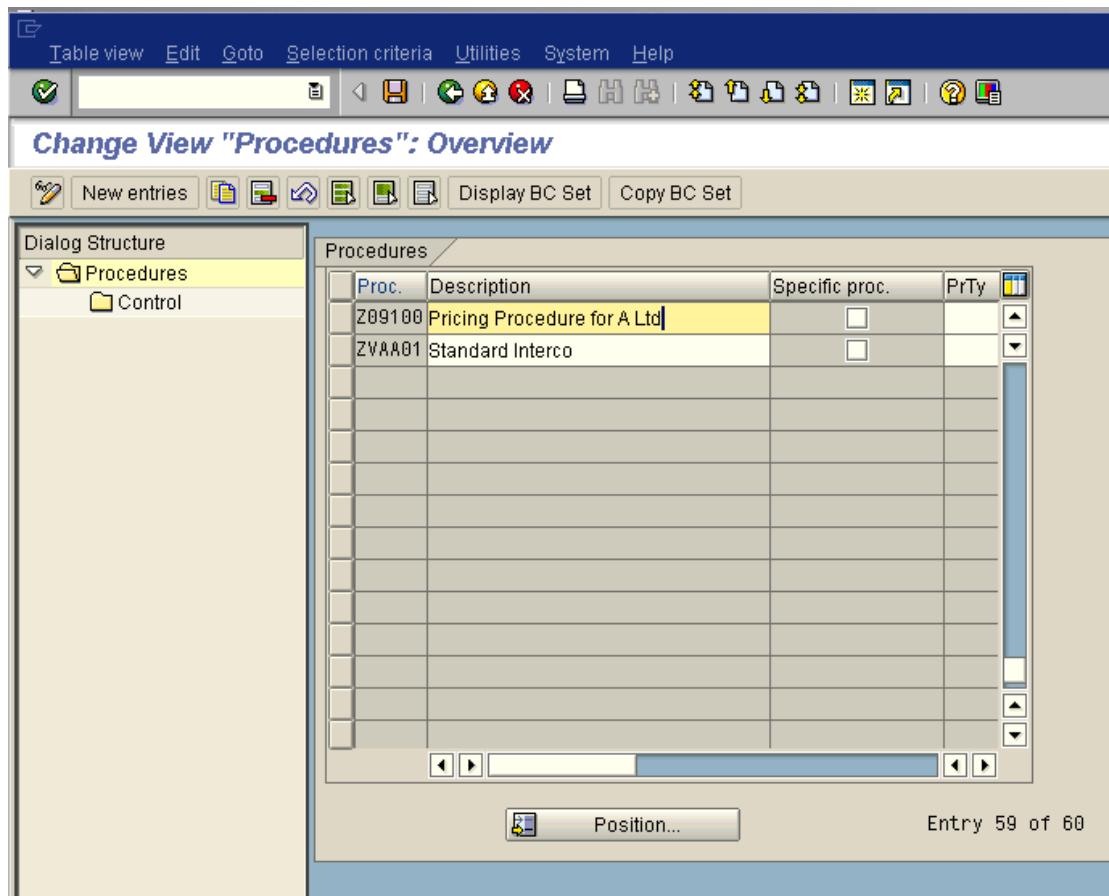
The account keys are attached to the condition type in the sales pricing procedure.

Let us see the sales pricing procedure.

IMG → Sales and Distribution → Basic Functions → Pricing → Pricing Control → Define And Assign Pricing Procedures



Double click Maintain Pricing Procedures



Double click Control

Here we see that account key ERL and ERS is attached to various condition types.

Table view Edit Goto Selection criteria Utilities System Help

Change View "Control": Overview

New entries Display BC Set Copy BC Set

Dialog Structure

- Procedures
 - Control

Procedure: Z09100 Pricing Procedure for A Ltd

Step	Cntr	CType	Description	Fro	To	Man.	Mdt	Stat	PSub...	Reqt	AltCty	AltCBV	ActKy	AccrIs
8	0	EK01	Actual Costs			☒	☐	☐					ERL	
11	0	PR00	Price			☐	☒	☐		2			ERL	
13	0	PB00	Price (Gross)			☒	☐	☐		2			ERL	
20	0	VA00	Variant Price			☐	☐	☒		2			ERL	
100	0		Gross Value			☐	☐	☒	1	2				
101	0	KA00	Sales deal			☐	☐	☒		2			ERS	
102	0	K032	Price Group/Material			☐	☐	☒		2			ERS	
103	0	K005	Customer/Material			☐	☐	☒		2			ERS	
104	0	K007	Customer Discount			☐	☐	☒		2			ERS	
105	0	K004	Material			☐	☐	☒		2			ERS	
106	0	K020	Price Group			☐	☐	☒		2			ERS	
107	0	K029	Material pricing grp			☐	☐	☒		2			ERS	
108	0	K030	Customer/Mat.Pr.Grp			☐	☐	☒		2			ERS	

Position... Entry 1 of 61

Table view Edit Goto Selection criteria Utilities System Help

Change View "Control": Overview

New entries Display BC Set Copy BC Set

Dialog Structure

- Procedures
 - Control

Procedure: Z09100 Pricing Procedure for A Ltd

Step	Cntr	CType	Description	Fro	To	Man.	Mdt	Stat	PSub...	Reqt	AltCty	AltCBV	ActKy	AccrIs
900	0		Net Value 2			☐	☐	☐	3	2				
901	0	B001	Mat/Group Rebate	400		☐	☐	☐		24			ERB	ERU
902	0	B002	Material Rebate	400		☐	☐	☐		24			ERB	ERU
903	0	B003	Customer Rebate	400		☐	☐	☐		24			ERB	ERU
904	0	B004	Hierarchy Rebate	400		☐	☐	☐		24			ERB	ERU
905	0	B005	Hierarchy rebate/mat	400		☐	☐	☐		24			ERB	ERU
908	0		Net Value 3			☐	☐	☐						
909	0	PI02	Inter-company %			☐	☒	☒	X B	22			ERL	
910	0	PI01	Inter-company Price			☐	☐	☒	X B	22			ERL	
914	0	SKTV	Cash Discount			☐	☐	☒	D	14	2			
915	0	MWST	Output Tax			☐	☐	☐		10	16		MWS	
919	0	D1FF	Rounding Off			☐	☒	☐		13	16	4	ERS	
920	0		Total			☐	☐	☐	A	4				

Position... Entry 40 of 61

So that's it then my dear friends. I hope you enjoyed reading it and it is my sincere advice that you absorb the technique with which SAP performs the transaction and the method rather than going through it in a hurry.

Good luck and take care. If you liked this you can circulate this document to your friends and let them know about our full FICO package.

<http://www.sap-topjobs.com/SpecialPP/8431654231.html>