In this sample chapter, you will learn about essential financial close processes for month-end and year-end, including opening and losing periods, carrying balances forward, periodic processing, and more.
In this chapter, we cover essential financial close processes for month-end and year-end, including opening and closing periods, carrying balances forward, periodic processing, and more.

16  Financial Close Processes

This chapter covers financial close steps in FI. For details on integrated financial close processes, see Chapter 17.

Financial close is one of the most important business functions in FI. It requires knowledge of internal business processes, relevant SAP transactions, and financial reporting. Special attention is given to the timing of steps executed in the close process. Well-crafted close procedure documentation is your best friend. If your company has not documented its close procedures, you should take the initiative to do so.

SAP developed a tool called the Financial Close Cockpit to monitor, control, and provide greater efficiency when closing. The Financial Close Cockpit is beyond the scope of this chapter, but it is important to be aware of its existence and capabilities.

Whether you use a spreadsheet to track financial close steps or the Financial Close Cockpit, your financial close procedures should list steps and transactions in the order in which they need to be executed. In addition, throughout the close process it is important to track the persons responsible for executing each step and expected completion dates.

For the most part, year-end financial close consists of month-end steps plus additional tasks, such as opening and closing fiscal years and carrying forward G/L balances. You may also be required to create additional master data, such as cost centers.

In the next section, we will begin our financial close discussions on the opening and closing accounting periods in FI.
16.1 Opening and Closing Financial Periods

This section discusses the opening and closing of accounting periods using Transaction OB52. Keep in mind that other modules (e.g., MM) require opening and closing of periods, which use different SAP transaction codes. This scope of this section is limited to FI periods only. For further details on opening and closing periods in other modules, see Chapter 17.

To open and close periods in FI, enter “OB52” in the Command field (as shown in Figure 16.1) and press [Enter].

![Figure 16.1 OB52 in Command Field](image)

The Change View “Posting Periods: Specify Time Intervals”: Overview screen will open (Figure 16.2). The periods open for postings are the range of periods in the From Per.2 and To Period fields shown on the right-hand side of Figure 16.2. In this example, general users are allowed to post in period 12, 2015.

![Figure 16.2 Change Posting Periods](image)

Sometimes, a person with special privileges (e.g., the accounting director) needs to make accounting entries in a period not open to general users, or there may be a need to post a prior period that was closed or post to a special period (i.e., 13–16). To allow select individuals to perform these tasks, assign them to an authorization group.

Figure 16.3 shows an example of Transaction OB52 with an authorization group specified. This authorization group is entered in the AuGr field. The periods open for posting to individuals assigned to the authorization group are the range of periods in the From Per.1 and To Period fields shown on the left-hand side of Figure 16.3.

![Figure 16.3 Change Posting Periods Screen with Authorization Group](image)

To limit specific users to a particular posting period, an authorization group must be created and the posting period authorization (i.e., authorization object F_BKPF_BUP) added to the group members’ security roles.

Transaction OB52 has a masking feature, indicated in column A (second column from the left) in Figure 16.3. This feature enables you to designate open periods by account type. The + sign indicates all account types, but it is overridden when more specific account designations are provided.
Available masking options are listed in Table 16.1.

<table>
<thead>
<tr>
<th>Masking Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>Valid for all account types</td>
</tr>
<tr>
<td>A</td>
<td>Assets</td>
</tr>
<tr>
<td>D</td>
<td>Customers</td>
</tr>
<tr>
<td>K</td>
<td>Vendors</td>
</tr>
<tr>
<td>M</td>
<td>Materials</td>
</tr>
<tr>
<td>S</td>
<td>G/L accounts</td>
</tr>
<tr>
<td>V</td>
<td>Contract accounts</td>
</tr>
</tbody>
</table>

Table 16.1 Transaction OB52 Masking Options

The masking feature provides flexibility and control in designating open FI periods by account type.

Now that we have discussed opening and closing financial periods, let’s move on to discuss the carryforward of G/L account balances.

### 16.2 Balance Carryforward

Carrying forward balances to a new fiscal year is a core accounting concept and necessary for year-end close.

When you think of carryforward balances, you probably think automatically of G/L account balances. It’s true that G/L account balances are the primary target in the carryforward process, but you also need to perform carryforward functions for local ledgers, special ledgers, and subledgers. In this section, we will begin with a discussion of G/L account balances and then address these other areas.

The primary balance carryforward step is for G/L account balances in the leading ledgers. It is executing using Transaction FAGLGVTR. In the same way, this step needs to be completed for each of your local ledgers. The program used to carryforward G/L balances can be run multiple times but does not normally need to be run more than once per year. After the program is run, postings to the previous fiscal year are automatically carried forward to the new fiscal year.

The process of G/L balance carryforward is twofold: First, balance sheet accounts are summarized with additional account assignments and transferred to the new fiscal year. Second, profit and loss accounts are carried forward to the retained earnings account without additional account assignments. For both, the transaction currencies are not transferred and are totaled in the local currency.

To carry forward G/L balances, use Transaction FAGLGVTR or application menu path Accounting • Financial Accounting • General Ledger • Periodic Processing • Closing • Carrying Forward • FAGLGVTR—Balance Carryforward (New), as shown in Figure 16.4.

![Figure 16.4 Transaction FAGLGVTR Application Menu Path](image-url)
Double-click on FAGLVTR—Balance Carryforward (New) from the menu path shown in Figure 16.4 and the Balance Carryforward screen will open (Figure 16.5). Here, enter values in the Ledger, Company Code, and Carry forward to Fiscal Year fields. Notice in the Processing Options section of the screen the option to run the program in test mode. In this example, we also selected options in the List Output section at the bottom of Figure 16.5 to output results and profit and loss balance transfers to retained earnings.

Note that the screen selection permits the entry of a range of company codes, but only one ledger. Therefore, this program has to be run separately for each ledger.

With all field selections made, click the Execute icon.

The output screen will open (Figure 16.6).

Click on the Balance Sheet Accounts button, and the Display of Balance Sheet Accounts screen will open (Figure 16.7). This screen shows individual balance sheet account balances, summarized by additional account assignment elements, being carried forward to the new fiscal year.

Click on the Back button to return to the output screen (Figure 16.6). Click on the Retained Earnings Accounts button, and the Display of Retained Earnings Accounts screen will open (Figure 16.8). This screen shows individual profit and loss account balances to be carried forward to the new fiscal year.
In addition to Transaction FAGLGVTR, there are some other balance carryforward transactions for Special Purpose Ledger, AP, AR, and Classic G/L. A list of these transactions is provided below.

- **Transaction GVTR**
  This transaction is used to carryforward balances in the Special Purpose Ledger.

- **Transaction F.07**
  This transaction is used to carryforward subledger balances in A/R and A/P.

- **Transaction F.16**
  This transaction is used to carryforward G/L balances in Classic G/L (versus New G/L).

Now that you have learned about carrying forward G/L account balances in the G/L, let's discuss financial close steps for fixed assets.

### 16.3 Fixed Assets

Whenever you have subledgers, there are financial close activities that have to take place. For both vendor and customers, you carryforward subledger balances using Transaction F.16 at year-end. At month-end, you also run dunning, the automated payment program, etc., in A/P. For A/R you execute billing and customer statements.

*Asset Accounting* (FI-AA) is also a subledger. As such, it has unique steps for financial close. For FI-AA at year-end, there are two primary steps that must be performed. The first is to change the fiscal year using Transaction AJRW. This is a technical step required to carry forward assets into a new fiscal year.

To carry forward fixed assets, use Transaction AJRW or application menu path **Accounting > Financial Accounting > Fixed Assets > Periodic Processing > AJRW—Fiscal Year Change**, as shown in Figure 16.9.

Double-click AJRW—Fiscal Year Change from the menu path shown in Figure 16.9 and the Asset Fiscal Year Change screen will open (Figure 16.10). On this screen, enter values in the **Company Code(s)** and **New Fiscal Year** fields. There is also a checkbox for **Test Run**, giving you the ability to execute this program in test mode.

With all field selections made, click the **EXECUTE** icon.
The Asset Fiscal Year Change output screen will open (Figure 16.11). If the Status column shows a green light, it indicates that the test run is successful and the fixed assets can be carried forward into the new fiscal year specified.

While Transaction AJRW can be run in the foreground in test mode, in production mode it must be run in the background. This is also true of the next step in FI-AA: Transaction AJAB.

The second step for FI-AA at year-end is to change the fiscal year using Transaction AJAB or application menu path Accounting > Financial Accounting > Fixed Assets > Periodic Processing > Year-End Closing > AJAB—Execute, as shown in Figure 16.12.

Double-click AJAB—Execute from the menu path shown in Figure 16.12 and the Year-End Closing Asset Accounting screen will open (Figure 16.13). On this screen, enter values in the Company code and Fiscal year to be closed fields. You can also execute this program in test mode.

Transaction AJAB checks that there are no assets that have been posted (i.e., have an acquisition date) but not capitalized (i.e., no capitalization date). These assets are captured as errors when the program runs. This check does not make sense for assets under construction (AuC), and therefore you have the ability to specify AuC asset classes in the Asset Classes Asset U. Const screen selection to bypass the check and keep your error log clean.

You can execute Transaction AFAB in the foreground in test mode. As previously mentioned, when run in production mode, Transaction AFAB must be run as a background job. Enter your field values as in Figure 16.13, save as a variant, and work with your SAP Basis Administrator to schedule the job to run automatically at each year end.

Now that we’ve covered fixed asset close processes, let’s look at periodic processing functions in the next section.
16.4 Periodic Processing

Periodic processing is a classification of transactions that are executed at regular intervals. Some of them may be executed more frequently than at month end or year end, but they are included as closing steps because they are essential to producing financial statements.

There are numerous transactions considered to be periodic processing tasks. Which ones you need to execute in financial close is dependent upon your business processes and the SAP modules implemented to support your business. The following are some of the more common transactions; this is not a complete list, but provides a good representation.

- Recurring entries
  Transaction F.14 creates financial documents from recurring entry documents. Recurring entry documents can be created for financial transactions with a fixed amount, interval (e.g., monthly), and life (e.g., twenty-four months).

- Dunning
  Transaction F150 creates dunning notices to send customers for overdue payments and updates customer master data with the dunning level and a last dunned date.

- Payments
  Transaction F110 issues vendor payments in mass. It creates the payment medium necessary for monetary transfer and the financial postings necessary to update the G/L and subledgers. For details on running Transaction F110, see Chapter 7.

- Depreciation
  Transaction AFAB creates depreciation postings. Fixed asset net book values are updated and accounting entries are made to accumulated depreciation and depreciation expense accounts.

- Interest calculations
  There are several types of interest calculations. Transaction F.52 is used to calculate interest on G/L balances. Transaction FINT is used for calculating interest in arrears for overdue customer accounts. Transaction FINTAP is used for vendor interest calculation. Other interest calculation transaction codes also exist for interest in arrears.

In addition to the transactions listed in the preceding list, periodic processing steps may include transactions for automatic clearing, printing correspondence, currency translation and valuation, manual accruals, reverse accruals, and more.

Now that you have an understanding of what periodic processes are, let’s walk through an example for recurring entries.

In Chapter 3, the creation of a recurring document is demonstrated. As discussed in that chapter, when a recurring document is saved, no accounting entries are created. It is only when the recurring entry program is run that accounting documents are posted and G/L balances updated.

To create accounting documents from recurring entry reference documents, use Transaction F.14 or application menu path ACCOUNTING • FINANCIAL ACCOUNTING • GENERAL LEDGER • PERIODIC PROCESSING • RECURRING ENTRIES • F.14 — EXECUTE, as shown in Figure 16.14.

Figure 16.14 Application Menu Path Execute Recurring Entries

Double-click on F.14 - EXECUTE from the menu path shown in Figure 16.14 and the CREATE POSTING DOCUMENTS FROM RECURRING DOCUMENTS screen will open (Figure 16.15).
Create Posting Documents from Recurring Documents

Make sure to fill all required fields, such as COMPANY code, DOCUMENT NUMBER (this is the reference document number), FISCAL YEAR, and BATCH INPUT SESSION name. You can also enter additional field values in the GENERAL SELECTIONS portion of the screen to narrow your selection of recurring documents.

The SETTLEMENT PERIOD field is particularly important. Within the date range provided, it must contain the date on which the next recurring entry is scheduled. If you are unsure, view the recurring entry document in your reference document using Transaction FBD3.

With all field values entered, press the EXECUTE icon. A message will appear that a session was created (Figure 16.16).

Create Posting Documents from Recurring Documents

Figure 16.15  Create Posting Documents from Recurring Documents

Make sure to fill all required fields, such as COMPANY code, DOCUMENT NUMBER (this is the reference document number), FISCAL YEAR, and BATCH INPUT SESSION name. You can also enter additional field values in the GENERAL SELECTIONS portion of the screen to narrow your selection of recurring documents.

The SETTLEMENT PERIOD field is particularly important. Within the date range provided, it must contain the date on which the next recurring entry is scheduled. If you are unsure, view the recurring entry document in your reference document using Transaction FBD3.

With all field values entered, press the EXECUTE icon. A message will appear that a session was created (Figure 16.16).

To view your session, use Transaction SM35. The BATCH INPUT: SESSION OVERVIEW screen will appear (Figure 16.17).
Highlight your session name and click the Process button. The Process Session dialog box will appear (Figure 16.18).

Select Process/foreground to watch your accounting document as it’s created. Click the Process button. The Realize Recurring Entry: Header Data screen will appear (Figure 16.19).

In configuration, a valuation method must be defined. In the valuation method, the valuation procedure must be specified. For example, one type of valuation procedure is the lowest value principle. In the valuation method, specifications are also provided that determine how exchange rate differences should be posted and the basis for determining the exchange rate type used. In addition to defining the valuation method in configuration, you also define valuation areas, accounting principles, and specify account determinations.

In a nutshell, foreign currency valuation is needed to produce financial statements. The ability to valuate account balances in your reporting currency is provided with Transaction FAGL_FC_VAL (or Transaction F.05 if you are using the classic G/L). This step is relevant to G/L accounts managed in foreign currency and open items that were posted in foreign currency. You can perform the valuation in local currency or parallel currency. The result of the valuations can be stored per valuated document and posted to adjustment accounts and P&L accounts.

You may have G/L accounts managed in foreign currency, for example, when you process payments in foreign currency. In this case, a G/L account can only be posted in this foreign currency and the transaction figures and the account balance are kept in the foreign currency and the local currency. In such a case, G/L accounts are not open item managed.

There are a couple different ways in which valuation take place. For open items in customer, vendor, and G/L accounts, the items are read as of specified key date.

Press Enter through the screens until your document is posted.

This concludes our discussion of periodic processes. As you can see, there are numerous types of periodic processes utilized during month-end and year-end close. It is important to know your company’s business processes to understand which periodic processing transaction codes to use.

### 16.5 Foreign Currency Valuations

In this section, we will discuss foreign currency valuation at a high level. To execute this process, several configuration steps are required. This book is not a configuration guide, but you should be aware of this configuration since you depend on it to execute foreign currency valuation.

In configuration, a **valuation method** must be defined. In the valuation method, the **valuation procedure** must be specified. For example, one type of valuation procedure is the **lowest value principle**. In the valuation method, specifications are also provided that determine how exchange rate differences should be posted and the basis for determining the exchange rate type used. In addition to defining the valuation method in configuration, you also define **valuation areas**, **accounting principles**, and **specify account determinations**.

In a nutshell, foreign currency valuation is needed to produce financial statements. The ability to valuate account balances in your reporting currency is provided with Transaction FAGL_FC_VAL (or Transaction F.05 if you are using the classic G/L). This step is relevant to G/L accounts managed in foreign currency and open items that were posted in foreign currency. You can perform the valuation in local currency or parallel currency. The result of the valuations can be stored per valuated document and posted to adjustment accounts and P&L accounts.

You may have G/L accounts managed in foreign currency, for example, when you process payments in foreign currency. In this case, a G/L account can only be posted in this foreign currency and the transaction figures and the account balance are kept in the foreign currency and the local currency. In such a case, G/L accounts are not open item managed.

There are a couple different ways in which valuation take place. For open items in customer, vendor, and G/L accounts, the items are read as of specified key date.
and balanced by account or group and currency. For G/L account balances, reconciliation accounts and accounts managed on an open item basis are not valuated, and P&L accounts are only valuated as required.

Documents or balances are balanced by currency and account. The exchange rate type for the valuation is determined from this balance. Valuation differences are posted as determined by the valuation area configured and selected. Postings for accounts managed on an open item basis in the subledger and the general ledger are posted to an adjustment account and a P&L account. Postings for G/L accounts not managed on an open item basis are posted to adjustment accounts or by account determination.

### 16.6 GR/IR Clearing

The next topic we’ll discuss is the GR/IR clearing function. This topic is also discussed in Chapter 17. The content here, however, is more focused on FI, whereas Chapter 17 discusses GR/IR clearing from the broader perspective of integrated financial close.

GR/IR clearing computes price variances between GR and IR and allocates variances to inventory, price differences, or the assignment object based on the valuation procedure in the material master and the settings in the PO line item. The values are stored in a G/L GR/IR clearing account and settled periodically using the GR/IR clearing function.

GR/IR account maintenance is a process that should be performed regularly, although most consider it as strictly a month-end function. The system matches GRs with IRs based on the PO number, PO item, type of PO, indicator for invoice verification, and material or delivery costs.

There are several tools available for GR/IR clearing account analysis. The first is Transaction F.19. This can be found using application menu path Accounting • Financial Accounting • General Ledger • Periodic Processing • Closing • Reclassify • F.19 – GR/IR Clearing, as shown in Figure 16.20.

Double-click on Transaction F.19 and the Analyze GR/IR Clearing Accounts and Display Acquisitions Tax screen appears (Figure 16.21).

This program is used to analyze GR/IR clearing accounts at a specified key date. It can also be used to generate adjustment postings which are needed to display the following business transactions in the balance sheet:
Financial Close Processes

- Goods delivered, but not invoiced
- Goods invoiced, but not delivered

When Transaction F.19 is executed, it selects all items in GR/IR clearing accounts that are open at the specified key date. If the open items per purchase order number and items in local currency do not balance to zero, adjustment postings are created. A credit balance in the GR/IR account reflects PO items that are delivered, but not invoiced. A debit balance reflects items that are invoiced, but not delivered.

Keep in mind that the adjustments to GR/IR are necessary for reporting, but subsequent purchasing activity will likely take place to net GR/IR line items to zero. Therefore, adjustment postings are intended to be reversed at a future date. All postings are reversed at the specified reverse posting date entered on the Postings tab, as shown in Figure 16.22. If no date is entered, the program reverses the postings on the day after the key date.

Another tool in FI for GR/IR account maintenance is Transaction F.13. This can be found using application menu path Accounting → General Ledger → Periodic Processing → Automatic Clearing → F.13 – Without Specification of Clearing Currency, as shown in Figure 16.23.

SAP Easy Access

- General Ledger
- GR/IR Account
- GR/IR clearing

Double-click on Transaction F.13 and the Automatic Clearing screen appears (Figure 16.24).

Transaction F.13 is not used exclusively for GR/IR clearing. It is also used to clear open items in customer, vendor and G/L accounts. The logic, however, is the same for clearing GR/IR accounts. For GR/IR accounts, the program logic attempts to match documents that can be cleared by and omit documents that cannot.

There is one particular point to emphasize with GR/IR matching. There is a GR/IR Account Special Process checkbox (Figure 16.24) you can select. This special process is used when the assignment of goods receipts to the corresponding invoice receipts is insufficient, based on the purchase order number and purchase order item. This indicator then not only matches GR/IR items by PO number and the PO item, but also using the material document if a goods receipt-related invoice verification is defined in the purchase order item.

Figure 16.22 Analyze GR/IR Clearing Accounts Postings Tab

Figure 16.23 Automatic GR/IR Account Clearing
16.7 Depreciation

Depreciation is covered in detail in Chapter 13. Rather than repeat the information already contained in that chapter, we’ll summarize a few of the key points here.

Depreciation of an asset is typically referred to as asset consumption. It decreases the value of an asset and allocates costs of an asset to periods in which it is used.

The primary output of an SAP depreciation run is a summary level document with accounting entries that include credits to accumulated depreciation G/L accounts (on the balance sheet) and debits to asset expense G/L accounts (on the profit and loss statement).

Executing depreciation is an important step in financial close. It is done using Transaction code Transaction AFAB or application menu path ACCOUNTING • FINANCIAL ACCOUNTING • FIXED ASSETS • PERIODIC PROCESSING • AFAB—EXECUTE, as shown in Figure 16.25.

It is always a good idea to run depreciation in test mode first. To view the results of a depreciation run, use Transaction AFBP.

16.8 Summary

This chapter covered essential transactions in the month-end and year-end close processes. Financial close involves much more than the system mechanics of closing FI in SAP. Several manual steps, analyses, and accounting corrections need to
be made to produce clean and accurate financial statements. Having a complete and organized process for closing the books is vital.

This chapter began with a discussion of opening and closing FI periods using Transaction OB52. This transaction is the control center to ensure general users are restricted to posting in a particular accounting period. Furthermore, this transaction provides flexibility in allowing you to specify open periods by account type. Transaction OB52 also permits the use of authorization groups which enables a special user (e.g., the accounting director) to make entries in periods not open to general users.

G/L account balance carryforward is another important financial close process and is the critical step in year-end close. Transaction FAGLG VTR is the primary transaction in New G/L used to carry forward G/L balances. However, if you use a Special Ledger, you will also need to execute Transaction GVTR to carry forward Special Ledger balances. This chapter also covered the carryforward of subledgers, including vendors and customers.

Fixed assets is a subledger that needs special consideration. Depreciation is a process step in both month-end and year-end close. During year-end close, two transactions must be executed. The first, Transaction AJRW, is a technical step to carryforward fixed assets into the new fiscal year. The second, Transaction AJAB, changes the fiscal year in FI-AA.

There are also several different type of periodic processes that were discussed. This category includes numerous transactions, such as recurring entries. Which ones you need to execute as a part of financial close is dependent upon your business processes and the SAP modules implemented to support your business. They include such functions as recurring entries, dunning, outgoing payments, depreciation, interest calculations, and more. In this chapter, an example of a recurring entry is demonstrated.

This concludes our discussion of month-end and year-end close procedures in FI. Closing the books is not isolated to SAP FI. Any integrated process that crosses SAP modules may require action, due to financial integration. In the next chapter, we build on the financial close processes discussed in this chapter by addressing integrated financial close, for which specific steps are needed in modules other than FI.
Contents

1 Introduction to Financial Accounting .............................. 15
  1.1 Defining the Organizational Structure ............................. 16
      1.1.1 Company ................................................................. 18
      1.1.2 Company Code ......................................................... 19
      1.1.3 Credit Control Area .................................................. 21
      1.1.4 Segment ................................................................. 22
      1.1.5 Profit Center ......................................................... 23
      1.1.6 Business Area ....................................................... 24
      1.1.7 Functional Area ....................................................... 25
      1.1.8 Financial Management Area ................................. 26
  1.2 Assigning Organizational Structures .............................. 27
      1.2.1 Company Code to Company .................................... 29
      1.2.2 Company Code to Credit Control Area ..................... 30
      1.2.3 Company Code to Financial Management Area .......... 30
      1.2.4 Profit Centers to Company Code ............................. 31
  1.3 Making Cross-Modular Assignments .............................. 32
      1.3.1 Company Code to Controlling Area ......................... 33
      1.3.2 Plants to Company Code ......................................... 35
      1.3.3 Sales Organization to Company Code ....................... 37
      1.3.4 Purchasing Organization to Company Code ............... 38
      1.3.5 Personnel Area to Company Code ............................ 39
  1.4 Summary ................................................................. 41

2 Financial Accounting Master Data ................................. 43
  2.1 General Ledger Accounts .............................................. 44
      2.1.1 Chart of Accounts .................................................. 45
      2.1.2 G/L General Data ................................................... 46
      2.1.3 G/L Company Code Data ....................................... 48
  2.2 Vendor Accounts ........................................................ 51
      2.2.1 Vendor General Data .............................................. 52
      2.2.2 Vendor Company Code Data .................................. 55
  2.3 Customer Accounts ...................................................... 58
      2.3.1 Customer General Data ........................................... 59
      2.3.2 Customer Company Code Data ................................ 62
Index

A

A/P account inquiry, 279
A/P accounting documents, 239, 243
A/P invoice, 169–170, 172, 176, 180, 441
A/P module, 179–180, 223, 245
A/P reversal document, 231
A/P transactions, 179
A/R account balances, 397
A/R accounting document, 384
A/R invoice, 310, 317, 403–404, 461
A/R reconciliation balances, 397
A/R reports, 411
A/R transactions, 321
Account balance, 149
display, 280
G/L, 72, 180
General Ledger (G/L), 18
Account determination, 166, 434, 469, 472, 474–475, 477–478, 480, 488, 504
Account displays
G/L, 72, 180, 252
Account ID, 496
Account inquiries
G/L, 71, 179, 251
Account line item display, 152
Account statements, 313, 417
Accounting documents, 430
Accounting editing options, 347
Accounting standards, 462
Accounts payable
account inquiries, 279
Accounts Payable (A/P), 556
Accounts receivable
account inquiries, 397
Accumulated depreciation, 471, 488, 530
Acquire-to-retire, 421, 432, 434
process, 467
Acquisition and production cost, 470
Acquisition lock, 452
Acquisition values, 454
Active document splitting, 573, 575
Activity allocations, 550
Activity-based costing, 550
Additional logs, 278
APC write-up, 462
Asset accountant, 434
Asset accounting, 470
Asset acquisition, 421, 427, 429, 434, 469, 475, 477
document, 444
Asset balance sheet accounts, 477
Asset capitalization, 428, 441, 467
Asset change, 423
Asset classes, 64, 434, 439, 470, 473–475, 488
screen layout rules, 474
Asset creation, 423
Asset deletion, 423
Asset display, 423
Asset Explorer, 453, 457, 467
navigation pane, 454
Asset fiscal year change, 527–528
Asset lifecycle, 419–420, 422
Asset lock, 423
Asset maintenance, 421
Asset master data, 423
Asset number, 448
ranges, 474
Asset postings, 469, 481, 488
Asset retirement, 461, 467, 475, 477
Asset revaluations, 475, 477
Asset sale, 461
Asset scrapping, 461
Asset subnumber, 445
Asset transactions, 469
Asset transfer, 457, 460, 467, 473
Asset types, 424
Asset valuation attributes, 439
Asset valuation methods, 421
Asset value, 441
Asset write-up, 461
Assets under construction (AuC), 428, 432, 457, 529
Authorization groups, 521, 542
Automated payment program, 179, 251, 261, 277
Automatic clearing, 531
Automatic payment program, 251, 556
Automatic payment run, 273–274
Automatic payment transactions additional log, 266
free selection, 264
Automatic payments, 170

Balance carryforward, 524
Bank accounts, 500
Bank balance sheet accounts, 501
Bank clearing accounts, 503
Bank G/L clearing accounts, 503
Bank key, 495
Bank master data, 491, 517
Bank master record, 67, 492–493, 500, 517
Bank reconciliation, 492, 501, 505, 517
Bank statement algorithms, 507
Bank statement file specifications, 506
Bank statement formats, 506
Bank statement posting parameters, 506
Billing, 318, 558
Billing run, 558
Block asset, 450–451
Blocking customer accounts, 318
Business area, 24, 572, 574
Business partners, 500

Carry forward assets, 527
Carry forward G/L account balances, 519, 522, 542
Carry forward to fiscal year, 524
Cash and Liquidity Forecasting, 501
Cash forecasting, 558
Cash Management, 313, 398, 507
Change actual period lock, 546
Change asset fiscal year, 527–528
master data, 446
master record, 444
Change document, 241, 382
Change fiscal year, 523
Change house bank, 497
Change posted documents, 317
Change sales order, 307
Changing and displaying documents, 126, 239, 380
Chart of accounts, 20, 44, 469–470, 477, 500
Chart of depreciation, 475
Check management, 290
Check register, 290
Classic G/L, 563–564, 575
Classic PCA, 578, 581
Cleared customer invoice, 408
number, 289
Clearing transactions, 574
Closing functions, 569
CO allocations, 550
CO assessments, 550
CO distributions, 550
CO period control, 544, 547
CO period locks, 544
CO transaction type, 544
CO version, 544
Collections, 318
Company, 18
Company code, 19, 30–31, 33, 36, 38, 41, 150
Consolidated financial statements, 581
Controlling (CO), 543
area, 41
Cost accounting, 544
Cost center accounting, 550
Cost element accounting, 550
Cost-of-sales accounting, 25
Cost-of-sales ledger, 567
Country chart of accounts, 45
Create asset master record, 444
Create asset record, 437
Create inbound delivery, 161
Create payment proposal, 251–252, 256
Create purchase requisition, 161
Create sales order, 307
Credit control area, 21, 30
Credit Management, 313, 318, 394, 417
Credit memo, 173–174, 223, 314, 321, 363
Cross-modular processes, 304
Currency translation, 531
Currency valuation, 531
Customer account, 326, 400, 404, 408, 415
analysis, 409, 418
balance account analysis, 409
balance display, 398
balances, 398, 411, 417
displays, 398, 411
inquiries, 398, 401, 416
line item display, 417
line items, 400
maintenance, 318, 418
Customer analysis, 404, 408
Customer balance display, 399
Customer balances, 398, 411, 415
Customer bill, 318
Customer billing document, 309
Customer credit memo, 364–365
Customer credit ratings, 313, 318, 417
Customer down payment, 371
request, 369
Customer due date analysis, 412
Customer due date forecast, 414–415
Customer invoice, 314, 318, 321, 355, 358, 363, 386, 401, 558
Customer invoice document, 322, 362
Customer line item display, 398, 400, 402, 404, 406–407
Customer line items, 401, 411
Customer master data, 411, 530
Customer master records, 58
Customer open items, 412, 414–415
Customer payment, 386, 406–407
history, 418
Customer-defined fields, 574
Customizing Implementation Guide (IMG), 16
Data medium exchange, 268
Days sales outstanding (DSO), 416
Delete asset master record, 445
Depreciation, 421, 434, 462, 475, 530, 542
areas, 439, 454, 475
calculation, 455
expense, 472, 488, 530
key, 455
parameters, 467
posting run, 463
posts, 469, 530
run log, 467
terms, 473, 488
transactions, 470
Depreciation run, 464–465, 469
display log, 465
Direct deposit, 313
Direct invoices, 169, 304, 311
Discounts, 409, 417
Display A/R account balances, 397
Display asset classes, 474
master data, 449
master record, 444, 447
Display bank, 493
Display documents, 321, 380, 385
Display of retained earnings accounts, 525
Display payment proposal, 227
Display sales order, 307
Display vendor, 494–495
Displaying documents, 126, 239
Document entry, 322
Document hold, 83, 192, 334, 336
Document line items, 572, 581
Document parking, 185, 326
Document relationship browser, 133
Document reversal, 318
Document splitting, 563, 572–574, 576, 581
rules, 575
Document type, 444, 457
Down payment received, 321, 367
Down payment request, 227, 230
Down payments, 227, 399, 409, 417, 478
Due date check, 266
Index

Dunning, 313, 318, 390, 417, 530, 542, 558

levels, 530
notices, 530
parameters, 391
run, 390

E
Editing options, 72, 95–96, 180, 206, 209, 212, 322, 346
Electronic bank reconciliation, 501
Electronic bank statement, 501, 503, 505, 511, 518
Enter customer invoice, 323, 357
Enter vendor credit memo, 224–225
Enterprise structure, 15
Evaluated Receipt Settlement (ERS), 166
Execute payment run, 251–252
External acquisition transaction types, 428
External asset acquisitions, 431
External fixed asset acquisition, 428, 431, 441

F
FI-AA account determinations, 426
Financial Accounting, 15
Financial close, 558
Financial Close cockpit, 519
processes, 519
steps, 519, 543
Financial management (FM) area, 26, 30
Financial periods, 519–520
Financial reporting, 564
Financial statements, 574, 581
Fiscal year change, 522
Fiscal year variant, 20
Fixed asset balance sheet accounts, 471
Fixed asset balances, 434
Fixed asset financial close, 526
Fixed asset lifecycle, 467
Fixed asset master data, 64
Fixed asset subledger, 420
Fixed asset transactions, 435, 468
Fixed asset types, 421
Fixed asset value adjustments, 461
Fixed assets, 64
Follow-on documents, 559
Free selection, 278
Functional area, 25
Funds, 574

G
G/L account, 44, 74, 470
balances, 149–151, 155, 160, 185
company code data, 45
displays, 149
general data, 45
groups, 470
inquiries, 149, 160
line item display, 160
line items, 221
type, 522, 542
G/L accounts, 469–470, 472, 475, 478, 488, 492, 496, 498, 502, 504, 569
G/L bank accounts, 500, 504, 511, 517
G/L clearing accounts, 503
G/L line item, 225
G/L maintenance functions, 149
G/L reconciliation account, 469
G/L subaccounts, 496
G/L transactions, 179
G/L view, 573
General ledger transactions, 71
Generally Accepted Accounting Principles (GAAP), 570
Goods receipt, 162, 164, 166, 176–177, 556
Goods receipt-based invoice verification, 557
GR/IR account clearing, 557
GR/IR account maintenance, 536, 557
GR/IR balances, 557
GR/IR clearing function, 536, 556
Group chart of accounts, 45

H
Hold, 76, 184, 326, 334
House bank, 67, 492, 495, 501–502
accounts, 504, 517
Human Resource Management, 41
David Burns has more than 25 years of experience as a solution architect, consultant, author, and project manager. David regularly consults with leading public and private enterprises on the implementation and support of SAP and other enterprise applications. He advises on infrastructure and application selection, and provides expertise in finance, accounting, project and program management, and strategic planning. Over the past two years, David has also been a contributing writer to SAP Experts, and was featured in the 2015 Q1 edition of insiderPROFILES magazine.