SAP FICO Advance Course Curriculum

Day-1: New General Ledger/Document Splitting/Tax on Sales/Purchase

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- Define Company

- Define Credit Control Area

- Define Company Code

- Define Functional Area

- Assign Company Code to Company

- Assign Company Code to Credit Control Area

- Assign Company Code to financial management area

- Define Document Types

- Define Document Number Ranges

- Tolerances for employees

Overview of New General Ledger

SAP general ledger in SAP R/3 is highly assorted. R/3 customers have to implement several SAP components in order to fulfill accounting requirements. To ease this problem, SAP has created a new, flexible general ledger solution in *SAP ERP*. New G/L merges the classic general ledger with profit center accounting, special ledger.

New general ledger accounting in mySAP ERP has the following features:

- New G/L accounting has an extended data structure in the standard delivery.

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

- You can run a real time reconciliation tasks obsolete.

- New G/L accounting makes it possible to manage multiple ledgers within G/L accounting. This is one of the possible ways of portraying parallel accounting in the SAP system.

Configuration of New General Ledger

- Define Ledgers for *General Ledger Accounting*.

- Define Currencies of Leading Ledger.

- Define and Activate Non-Leading Ledger.

- Assign Scenarios and Customer Fields to Ledgers.

- Define Ledger Group.

Overview of Parallel Accounting

You can portray parallel accounting in your SAP System. This enables you to perform valuations and closing preparations for a company code according to the accounting principles of the group as well as other accounting principles, such as local accounting principles.

- Define Accounting Principles.

- Assign Accounting Principle to Ledger groups.

Overview of Tax on Sales / Purchases

Input and output tax is calculated on revenue or expense items (base amount). The tax amounts are posted to separate tax accounts and refunded by the tax office (input tax) or paid to the tax office (output tax). The tax percentage rates vary from country to country and are determined when you define the tax codes.

- Basic Settings

- Calculation

- Posting

Overview of Document Splitting

Document splitting allows you to display documents using a differentiated representation. In the representation, line items are split according to selected dimensions. So you can draw up financial statements for the selected dimensions at any time.

- Classify G/L Accounts for Document Splitting.

- Classify Document Types for Document Splitting.

- Define Zero-Balance Clearing Account.

- Define Document Splitting Characteristics for General Ledger Accounting.

- Activate Document Splitting.

- Document Methods and Rules.

Overview of Cross - Company Code Transactions

Several company codes are involved in a cross-company code transaction. In a cross-company code transaction, the system posts a separate document with its own document number in each of the company codes. Individual documents are linked by a common cross-company code number. The system generates line items automatically (receivable and payable arising between company codes) in order to balance the debits and credits in each document. You may use only one company code for offsetting entries.

- Cross-Company Code Transactions

- Foreign Exchange Currency Valuation

  o Define Valuation Methods

  o Define Valuation Areas

  o Check Assignment of Accounting Principle to Ledger Group

  o Assign Valuation Areas and Accounting Principles

  o Prepare Automatic Postings for Foreign Currency Valuation

- Validation and Substitutions

Day-2: Asset Accounting Configuration

Asset Accounting

The SAP Asset Accounting component is used for managing and supervising fixed assets with the SAP R/3 System. In SAP R/3 Financial Accounting, it serves as a subsidiary ledger to the FI General Ledger, providing detailed information on transactions involving fixed assets.

Traditional asset accounting encompasses the entire lifetime of the asset from purchase order or the initial acquisition (possibly managed as an asset under construction) through its retirement. The system calculates, to a large extent automatically, the values for depreciation, interest, insurance and other purposes between these two points in time, and places this information at your disposal in varied form, using the Information System.

- Overview of Asset Accounting

- Copy Reference Chart of Depreciation/Depreciation Areas

- Assign Chart of Depreciation to Company Code

- Asset Classes

  - Specify Account Determination

  - Create Screen Layout Rules

  - Define Number Ranges Intervals

  - Define Asset Classes

- Integration with the General Ledger

  - Assign G/L Accounts

  - Assign Input Tax Indicator for Non-Taxable Acquisition

  - Specify Posting Key for Asset Posting

- Depreciation

  - Determine Depreciation Areas in the Asset Class

  - Ordinary Depreciation

  - Special Depreciation

  - Unplanned Depreciation

  - Depreciation Key

    - Define Base Methods

    - Define Declining-Balance Methods

    - Define Maximum Amount Methods

    - Define Multi-Level Methods

    - Maintain Period Control Methods

    - Maintain Depreciation Key

  - Transaction Types

    - Acquisitions

    - Retirements

    - Transfers

    - Intercompany Asset Transfer

- ▪ Capitalization of Assets under Construction

- o Asset Master Data

  - ▪ Create

  - ▪ Change

  - ▪ Display

  - ▪ Lock

  - ▪ Delete

- o Acquisitions

  - ▪ With Vendor

  - ▪ Acquisition w/Automatic Offsetting Entry

  - ▪ Clearing Offsetting Entry

  - ▪ In- House Production

- o Credit Memo

  - ▪ In Invoice Year

- o Retirements

  - ▪ Retirement w/Revenue

    - • With Customer

    - • Asset Retirement by Scrapping

- o Transfers

  - ▪ Transfer with Company Code

  - ▪ Inter-company Asset Transfer

- o Capitalization of Assets under Construction

  - ▪ Distribution

  - ▪ Settle

- o Depreciation Run

- Execute

- Asset Explorer

Day-3: Integration between FI-MM-SD

Concepts of Lock-box: Customer payments are posted into the system to represent the collection of money and the application of this money against Customer liabilities to the company. This can be performed two ways within the system, either on an individual payment-by-payment basis, or collectively, in what is commonly called lock-box processing.

Credit Management: Large number of outstanding receivables or bad debts can have a not inconsiderable impact on company performance. Using Credit Management, you can minimize your credit risk by defining a credit limit for your customer.

Interest Calculation on G/L and A/R: We calculate interest on overdue customer accounts and general ledger accounts. Interest can be calculated by using the line items interest or overall account balances.

Integration FI-MM-SD: SAP FICO is a core module in SAP and tightly integrated with SAP MM and SAP SD.

Day-4: Activity Types/Statistical Key Figures/Accrual Calculations

Cost Center Accounting: You use Cost Center Accounting for controlling purposes within your organization. The costs incurred by your organization should be transparent. This enables you to check the profitability of individual functional areas and provide decision-making data for management. This requires that all costs be assigned according to their source. However, source-related assignment is especially difficult for overhead costs. Cost Center Accounting lets you analyze the overhead costs according to where they were incurred within the organization.

- Define Controlling Area.

- Maintain Versions.

- Automatic creation of Primary and Secondary cost Elements.

- Standard Hierarchy of cost center.

- Cost Center Categories.

Activity Type: An activity type defines activity provided by a cost center.

- Define Activity Type
  - Activity Type Categories
  - Maintain Relationship between cost center and activity type
  - Direct Activity Allocation
  - Indirect Activity Allocation

Accrual Calculation: We use Accrual calculation to prevent periodic cost fluctuation in cost accounting. You distribute irregular cost to the relevant periods in controlling.

- Accrual Calculation

  - Percentage Method

  - Plan=actual procedure

Allocation

- Plan and Actual assessment

- Plan and Actual distribution

- Direct Activity Allocation

- Indirect Activity Allocation

- Periodic Reposting

Reconciliation Ledger: Reconcile the Management Accounting to Financial Accounting on real time.

- Define Variants to Real-Time Integration

- Assign Variants for Real-Time Integration to Company Codes

- Define Rules for Selecting CO Line Items

- Define Account Determination for Real-Time Integration

Day-5: Profitability Analysis and Year end closing process

SAP Internal Order: An instrument used to monitor costs and, in some instances, the revenues of an organization.

Internal orders can be used for the following purposes:

- Monitoring the costs of short-term jobs

- Monitoring the costs and revenues of a specific service

- Ongoing cost control

Internal orders are divided into the following categories:

Overhead orders: For short-term monitoring of the indirect costs arising from jobs. They can also be used for continuous monitoring of sub-areas of indirect costs. Overhead orders can collect plan and actual costs independently of organizational cost center structures and business processes, enabling continues cost control in the enterprise.

Investment orders: Monitor investment costs that can be capitalized and settled to fixed assets.

Accrual orders: Monitor period-based accrual between expenses posted in Financial Accounting and accrual costs in Controlling.

Orders with revenues: Monitor the costs and revenues arising from activities for partners outside the organization, or from activities not belonging to the core business of the organization.

SAP FICO Configuration Steps

- Activate order management

- Maintain allocation structure

- Maintain number ranges for settlement documents

- Maintain settlement profile

- Maintain Status Profile

- Maintain Planning profile

- Maintain Budget profile

- Create order type

- External Settlement

- Period end closing of the Internal Order

- Planning, Budgeting and Availability Control

COPA -> Profitability Analysis

Profitability Analysis (CO-PA) enables you to evaluate market segments, which can be classified according to products, customers, orders or any combination of these, or strategic business units, such as sales organizations or business areas, with respect to your company's profit or contribution margin.

The aim of the system is to provide your sales, marketing, product management and corporate planning departments with information to support internal accounting and decision-making.

Two forms of Profitability Analysis are supported: costing-based and account-based.

- Costing-based Profitability Analysis is the form of profitability analysis that groups costs and revenues according to value fields and costing-based valuation approaches, both of which you can define yourself. It guarantees you access at all times to a complete, short-term profitability report.

- Account-based Profitability Analysis is a form of profitability analysis organized in accounts and using an account-based valuation approach. The distinguishing characteristic of this form is its use of cost and revenue elements. It provides you with a profitability report that is permanently reconciled with financial accounting.

Operating Concern

- Characteristics

- Value fields

- Maintain Operating Concern and Data Structure

- Maintain Characteristics Value

- Define Characteristics Hierarchy

- Define Derivation Rule

- Flows of Actual Values

    o Define Number Ranges for Actual Postings

- Characteristic Groups

    o Maintain Characteristic Groups

    o Assign Characteristic Groups for Assignment Screen

    o Assign Characteristic Groups for Line Item Screens

- Value Field Groups

- o   Maintain Value Field Groups

- o   Assign Value Field Groups for Line Item Screen

- Direct Posting from FI/MM

  - o   Maintain PA Transfer Structure for Direct Postings

  - o   Automatic Account Assignment

- Introduction to Characteristics Derivation and Valuation

- Planning

  - o   Define Number Ranges for Planning Data

  - o   Maintain Versions

  - o   Set Up Planning Framework

- Master Data - Characteristic Values

  - o   Change Characteristics Values

  - o   Display Characteristics Values

  - o   Define Characteristics Hierarchy

- Actual Posting

  - o   Create Line Items

  - o   Display Line Items

  - o   Repost Accounting Document

- Information System

Year-end Closing Process

- Open posting period for next yr (OB52)

- Run Business Area's Assignment report. (F.50)

- Review list of recurring journal entries (FBD3)

- Execute Recurring Entries for A/R, A/P, G/L (F.14)

- Process Parked A/R, A/P, G/L accounting documents (FBV0)

- Final Cutoff for the Maintenance of Fixed Asset- Add Transfer and Retire (ABUMN)

- Run Depreciation in Test Run and post (AFAB)

- Verify Display Log for Depreciation Test Run (AFBP)

- Capitalize AUC Assets if needed (AIAB, AIBU)

- Verify Depreciation Balances with GL balances (ABST2)

- Post Depreciation (AFAB)

- Execute Asset History Report, and retire assets if needed (S_ALR_87011963, ABAVN)

- Adjust specific depreciation areas if necessary (ABCO)

- Reconcile AM sub ledger with GL (ABST2)

- Check Bank Data (S_P99_41000212)

- Review AR Open Items (FBL5N)

- Review AP Open Items (FBL1N)

- Execute Pending Invoices (MRBP)

- Clear Open Item for GRIR, freight (F.13)

- Reconciliation of Financial Documents and transactional figures (F.03)

- Open new CO Posting Period: (OKP1)

- Review Internal Order Postings (OKSA)

- Settle All Orders (KO88)

- Verify All Post Goods Issue have been Invoiced (Billing Due List) (VF04)

- Review SD Billing Doc from prior month that have not yet been released to accounting (F.2D)

- Verify balance of the GR/IR account (MB5S)

- Post Accruals and Deferrals (FBS1)

- Clearing of Cancelled Documents (F-03, F-32, F-44)

- Check Profitability Segment Adjustment (KISR)

- Bank reconciliation Data (FF67 & FEBA)

- Enter Tax Journal Entry (FB41)

- Check generic cost centers for posting with wrong accounts

- Check COGI--for both month end and year end

- Post Cost Center Assessments and Distributions (KSU5 & KSV5)

- Maintain CO yr variant (KCRQ)

- Fiscal Yr Balance carries forward AP/AR/AM (F.07)

- Fiscal Yr Balance carries forward CO (CXS1)

- Fiscal Yr balance carries forward FI (F.16)

- Fiscal Yr balance carries forward PCA (2KES)

- Set Document number ranges - FI - New Year (OBH2, OBA7)

- Set Document number ranges AP/AR - (OBA7)

- Generate Financial statement Reports (OB58) OR (FSE2)

- Change Fiscal Year for Assets (AJRW)

- Year end Closing-- Asset Accounting--final for year end (AJAB)

- Close CO Posting Period : (OKP1)

- Close Prior A/R Posting Period (OB52)

- Close Prior A/P Posting Period (OB52)

- Close Prior MM Posting Period (OMSY)

- Reverse accruals and deferrals for the new month (F.81)

- Reconciliation of Financial Documents from old fiscal year and new fiscal year (FNSL)

- Update Retained Earning Account, balance carry fwd (F.16)