SAP FICO Course Curriculum

FICO stands for *Financial Accounting and Controlling*. Financial Accounting used for External Reporting purpose and **Controlling** used for Internal Reporting Purpose.

Day-1: Enterprise Structure and General Ledger Configuration

SAP FICO Course - Organizational Structure

Company consolidates all company balance sheet for consolidate reports. Company code is self stand legal entity which has its set up of accounting records.

- Define a Company

- Define a Company Code

- Assign Company Code to Company

SAP FICO Module - Global Accounting Setting

Chart of accounts: Listing of SAP general ledger is a chart of accounts which has name and number of the accounts.

Operating chart of accounts: You must assign an operating chart of accounts to a company code. One company code can have only one operating chart of accounts assigned. You organize a listing of accounts in the chart of accounts by Accounts groups.

Fiscal Year: Fiscal year means the financial year of an organization. In the **fiscal year**, you define how many normal posting periods and special posting periods are in a Fiscal Year.

Posting period Variant: Which Posting period variant controls which posting periods both normal and special, are open for each company code. To prevent documents from being posted to a wrong posting period, desired periods can be closed.

- Define Operating chart of accounts

- Allocate Company Code to Chart Of Accounts

- Setup Account Groups and their Number Ranges

- Assign Fiscal Year Variant to company code

- Assign Posting Period Variant to company code

- Document Number Ranges for company code

Document Types: Document types differentiate business transactions (General Ledger, Customer Invoice, Asset Posting, Customer Payment, etc) and control document filing. For each document type, we have to define number ranges. Number ranges control the document entry in the system.

- Maintain Document Types

- Maintain Document Number Ranges for company code

Field Status Group: Field Status groups control fields, for each general ledger account (which field is required, optional or suppress) when we post transaction in the system.

- Assign Field Status variant to Company Code

- Define Tolerances for Employees

SAP FICO Training - General Ledger

- General Ledger Accounts

- Create General Ledger Accounts

Sub Ledger: A Subsidiary ledger stores of a specific transaction to support general ledger.

Reconciliation account: When you post a transaction to the subsidiary ledger (Customer Account, Vendor Account and Asset Account), system automatically post to the relevant general ledger account. Customer transaction gets posted to A/R recon account, Vendor transaction get posted to A/P recon account and Fixed Asset transaction get posted to Fixed Assed recon account.

- Reconciliation Accounts

Retained Earnings Account

Retained earnings account is an equity account and refer as net earning but not paid as dividend. Company retain for re-investments.

- Retained Earnings Account

- Expense and Revenue G/L Accounts

- General Ledger Postings

- Display Balances of G/L Accounts

- Display Line Items

Reverse Entries

Once we post transaction in general ledger account then neither we can change certain fields nor delete entry from the system but we can reverse the transaction.

- Reverse Entries

Park Documents

You temporarily save data into park document till get approved. Then we post data into general ledger.

- Park documents in General Ledger

- Post a Parked Document

Posting Keys

Posting key controls how an account is posted in debit and credit.

- Maintain Posting Keys

Recurring Entries

Recurring entries are repetitive entries that are recorded in every posting period.

- Recurring Entries

Account Assignment Model

Account assignment model is a reference FI document used for posting repetitive transactions where we can use Different company codes, General ledger accounts and cost centers. We can distribute an amount or percentage to general ledgers.

- Account Assignment Model

Day-2: Accounts Receivable and Accounts Payable Configuration

SAP Financial Training: Set up Business Partners - Customer and Vendor

Customer: A customer is an individual or an organization that purchases the goods and services produced by us.

Vendor: A vendor is an individual or an organization that sells the goods and services to us produced by them.

Customer Invoice: Customer invoices are a document used for requesting money from the customer, relating to sale transactions.

Vendor Invoice: Vendor invoices are a document used for requesting money from us by the vendor, relating to purchasing transactions.

- Set Tolerance for Customers and Vendors

- Customer Account Groups

- Create Number ranges for customer accounts

- Allocate Number Ranges to Customer Groups

- Customer Master Record

- Create Vendor Groups

- Create Number Ranges for Vendor Accounts

- Allocate Number ranges to vendor account groups

- Create Vendor Master

- Post a Customer Invoice

Set up Business Partners: Customer and Vendor

Incoming payment: Payment received by customers.

Outgoing payment: Payment makes to vendor.

- Clear Open Items by Incoming Payments

- Post Partial Payment against an invoice

- Residual Payment

- Create Under / Over Payment Account

- Assign Under / Over Payment Account to Process Key ZDI

- Cash Discount Granted Account at General Ledger level

- Assign Cash Discount Granted Account to process Key SKT

- Cash Discount Taken Account Process Key SKE

- Payment Within Tolerance (incoming)

- Payment within Tolerance (outgoing)

- Payment within Tolerance with 3% discount

Day-3: Automatic Payment Program/Dunning/Down Payment Made & Received Configuration

SAP Financial Class - Special Program

Automatic Payment Program: Automatic payment program is used to identify due and overdue vendors, process payments, post transactions to sub-ledger, general ledger and print check or send payment details to banks.

Dunning: Dunning letter is a demanding letter to customers for overdue amount.

- Configure Automatic Payment Program

- Dunning

- Down Payment Made

- Down Payment Received

SAP FICO Course - Reporting

- The reporting tool "Financial Statement Version"

- Simple Financial Statement

- Balance Sheet

- Profit and Loss Statement

Controlling: SAP CO (controlling) module has multiple configuration steps that must be followed for complete implementation of this module. Each sub-component of the *controlling module* has its level of configuration requirements. Once you have defined your business needs in the Controlling Area, a determination can be made as to what should be configured and what you do not need.

SAP Controlling Module represents the company's flow of cost and revenue. It is a management instrument for organizational decisions. It too is automatically updated as events occur.

SAP CO allows straightforward integration into R 3 FI, SAP MM or FI AA and enables direct booking of figures from the different sectors. It also offers a wide range of charging techniques for accounting both actual and planned figures.

Day-4: Cost Center Accounting and Cost Element Accounting Configuration

Controlling (SAP CO) - Cost Center Accounting

Controlling Area: Controlling area is the highest organizational unit in **controlling**. We can assign multiple company codes to one controlling area if they are using - same Operating chart of account, fiscal year and standard hierarchy. But one company code can be assigned to one controlling area only.

Standard Hierarchy: Standard Hierarchy is repository of all cost centers.

Cost Center: A cost center is the basic organizational/responsibility component of a controlling area. A controlling area is broken down into cost centers, which are organized in a standard cost center hierarchy. Cost centers may also

be linked to a specific business area, company code, and profit center (i.e., business areas, company codes, profit centers, and controlling areas may all be viewed as collections of cost centers).

Primary Cost Elements: A chart of accounts is created for a company (company code) within the financial accounting module of SAP R/3. In SAP R/3 terminology, cost and revenue accounts within a chart of accounts that are involved in cost accounting are referred to as elements, which are further divided into primary cost elements and primary revenue elements. Primary cost and revenue elements are created in the FI module and are used both in the FI and CO modules to account for cost and revenue flows with parties external to the organization. Primary cost and revenue flows are first recorded in FI and then transferred automatically by the R/3 system to a cost or revenue object within the CO module (e.g., cost center, internal order, profitability segment, etc.)

Secondary Cost Elements: Secondary cost elements are created in the **CO module** and are used exclusively within CO to account for internal cost flow among cost objects within a controlling area (e.g., cost allocations among cost centers).

Setup Controlling Area

- Set up Controlling area

- Activate Components / Control Indicators

- Assign Company Code(s) to Controlling Area

- Set Controlling Area

- Maintain Controlling Document groups and their number ranges

- Create Standard Hierarchy

- Create Cost Center groups and Cost centers

- Create Primary Cost Elements

- Post Transaction in FB50 (FICO)

- Display controlling documents

- Allocate the cost from one cost center to other cost centers using "Distribution" method

Day-5: Internal Order and Profit Center Accounting Configuration

SAP Controlling Training - Overhead Cost Order/Internal Order

Overhead Orders are internal orders used either to monitor overhead costs for a limited period or overhead incurred by executing a job, or for the long-term monitoring of specific parts of the overhead. Independently of the cost center structure, internal orders collect the plan and actual costs incurred, enabling you to control the costs continuously. You can also use internal orders to control a cost center in more detail. You can assign budgets to jobs. These budgets are then monitored automatically by the SAP system to ensure that they are kept to.

Allocation Structure: An allocation structure can have one or more settlement assignments. An assignment shows which costs (Primary cost elements) are to be settled to which receiver type (for example, cost center, order, and so on).

- Create Order Type

- Create Secondary Cost Elements

- Maintain Allocation Structure

- Maintain Number Ranges for Settlement Documents

- Creating an Order

- Post Actual cost to Internal Order

- Settlement (Distribute cost from an order to other cost objects)

Profit Center Accounting: Profit Center Accounting (EC-PCA) lets you determine profits and losses by profit center using either period accounting or the cost-of-sales approach.

It also lets you analyze fixed capital and so-called "statistical key figures" (number of employees, square meters, and so on) by profit center. You can run your profit and loss statement and in some cases balance sheet at the profit center level.

A *profit center* is a management-oriented organizational unit used for internal controlling purposes. Dividing your company up into profit centers allows you to analyze areas of responsibility and to delegate responsibility to decentralized units, thus treating them as "companies within the company".

Dummy Profit Center: There is only one dummy profit center in one controlling area. The dummy profit center is updated in data transfers whenever Profit Center assignment is missing in the object to which the data was originally

posted (cost center, order, and so on). This ensures that the data in Profit Center Accounting is complete. You can later distribute the data on the dummy profit center to the other profit centers using distribution method.

- Set Controlling area(OKKS)

- Maintain controlling area

- Create Dummy profit center

- Set control parameter for actual postings

- Define standard hierarchy

- Create profit center group

- Create profit centers

- Assignment of account assignment objects to profit center

  - Assign Cost Centers

  - Assign Internal Order

- Define number ranges for local documents - Actual Postings

- Maintain Automatic Account Assignment of Revenue Elements

- Allocate cost/revenue from one Profit Center to other Profit Centers