

Financial Accounting and Controlling (FICO)

40-Hour Training

This module of SAP R/3, ECC, ERP includes 3 major categories of functionality needed to run the financial accounts of a company - financials (FI), controlling (CO) and Asset Management (AM). FI includes accounts payable, accounts receivable, general ledger and capital investment, also procedures to post accounts, close books, prepare financial statements and balance sheet. Financial Accounting and Controlling are taught as one course at SAPandMore. Following is our detail curriculum.

Step-1

- Organizational Structure
- Reaching The IMG (Implementation Guide)
- Define a Company
- Define a Company Code
- Assign Company Code to Company

Step-2

- Global Account Settings
- Chart of Account
- Allocate Company Code to Chart of Accounts
- Setup Account Groups and their Number Ranges
- Assign Fiscal Year Variant
- Assign Posting Period Variant to Company Code
- Document Number Ranges for company code
- Assign Field Status variant to Company Code
- Define Tolerances for Employees

Step-3

- General Ledger
- General Ledger Accounts
- Create General Ledger Accounts
- Reconciliation Accounts
- Retained Earnings Account
- Expense and Revenue G/L Accounts
- General Ledger Postings
- Display Balances of G/L Accounts
- Display Line Items
- Reverse Entries
- Park documents in General Ledger
- Post a Parked Document
- Recurring Entries
- Account Assignment Model

Step 4

- Setup Business Partners
- Customers & Vendors
- Set Tolerance for Customers and Vendors
- Customer Account Groups

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- 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
- 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
- Configure Automatic Payment Program

Step 5

- Reporting
- The reporting tool "Financial Statement Version"
- Simple Financial Statement
- Balance Sheet
- Profit and Loss Statement

SAP Controlling Module

The CO (Controlling) Module has multiple configuration steps that must be followed for complete implementation of this module. Each sub-component of the CO (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.

Learning Objectives: To familiarize students with:

Cost accounting terminology and concepts as used in the SAP system;
management accounting tools provided within the SAP CO and EC modules; and
building blocks (master data) contained in the SAP CO and EC modules.

Controlling - Cost Center Accounting

Step-1 Setup Controlling Area

There are several configuration steps that must be considered when implementing the CO (Controlling) Module. Creating the Controlling area is one of the first steps in the CO (Controlling) configuration process. SAP has provided standard controlling areas and company codes which can be utilized as a basis for creating your company's Controlling Area. The SAP Standard for Controlling Area is "0001" and for company code is "0001".

Step-2 Activate Components / Control Indicators

Step-3 Assign Company Code(s) to Controlling Area

Step-4 Set Controlling Area

Step-5 Maintain Controlling Document groups and their number ranges

Step-6 Create Standard Hierarchy

Step-7 Create Cost Centers

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).

Step-8 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, primary revenue elements, and secondary cost elements (there are no secondary 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 are created in the CO module and are used exclusively within CO to account for internal cost flows among cost objects within a controlling area (e.g., cost allocations among cost centers).

Step-9 Post Transactions

Step-10 Display Co documents (individual)

Step-11 Display Co documents (multiple)

Step-12 Overhead Cost 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.

Step-13 Create Primary Cost Element Group

Step-14 Create Secondary Cost Elements

Step-15 Maintain Settlement Structures

Step-16 Maintain Number Ranges for Settlement Documents

Step-17 Creating an Order

Step-18 Post Actual cost to Internal Order

Step-19 Check the balance of the Order

Step-20 Settle an Internal Order

Step-21 Check the Balance of the Order

Step-22 Display the Order (Posted in CO)

Step-23 Configure Distribution Cycle

Step-24 Execute Distribution Cycle