



**OTTO BIKES**  
makes IT easy

Created by



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# Financial Accounting (FI)

Curriculum:

Introduction to S/4HANA using Otto Bike

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# Training Material - Information

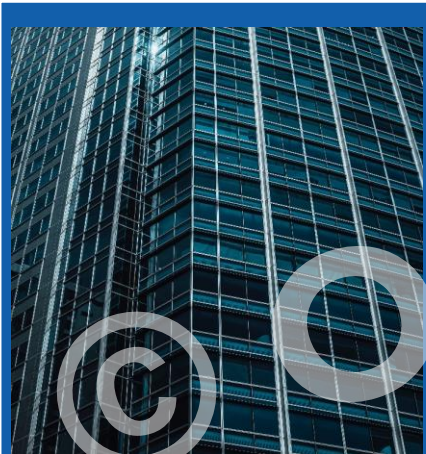
## Target Audience

- Beginner

## Learning Objectives

- Define the central organizational units of the financial accounting module
- Summarize master data of particular importance to the financial module
- To explain standard processes of the financial module
- To explain the basic functionality of reporting
- Identify some of the integration points with other SAP modules

# Agenda



1

FI  
Organizational  
Structures



2

FI Master Data



3

FI  
Processes



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FI  
Reporting

# Agenda



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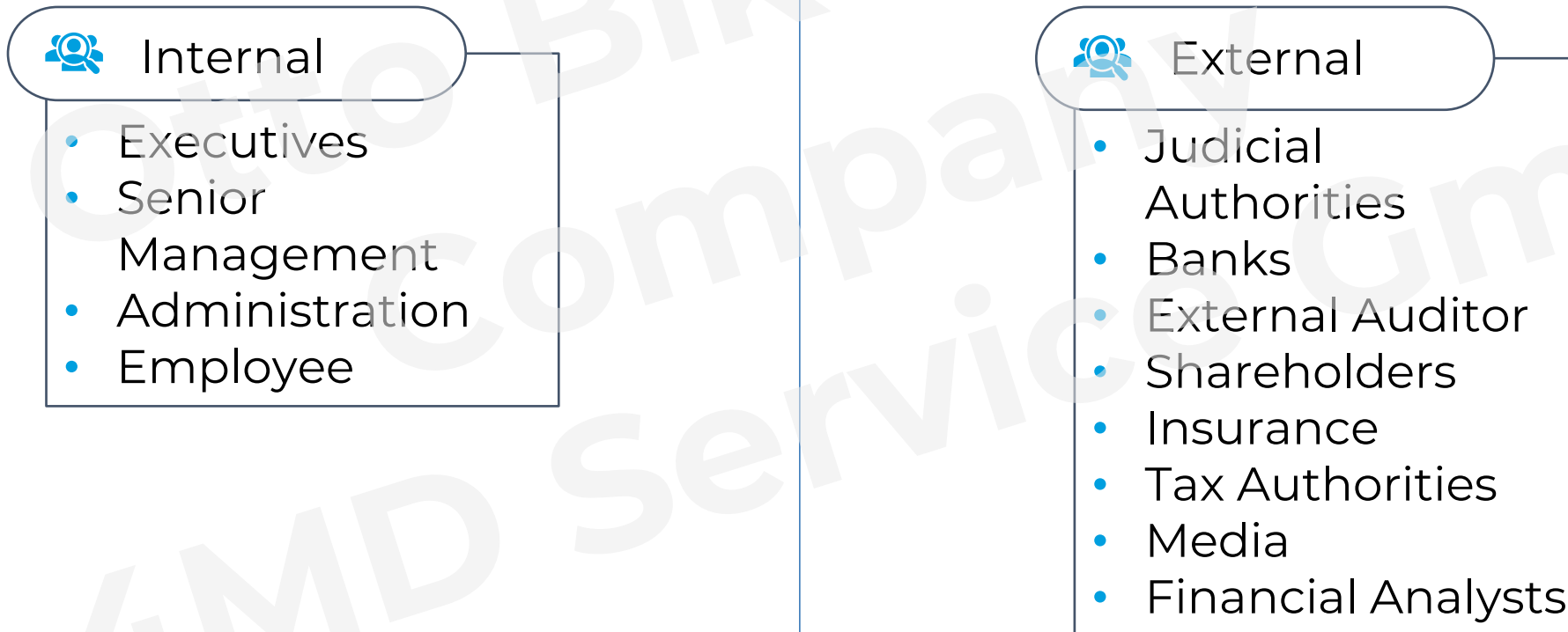
4

FI  
Reporting

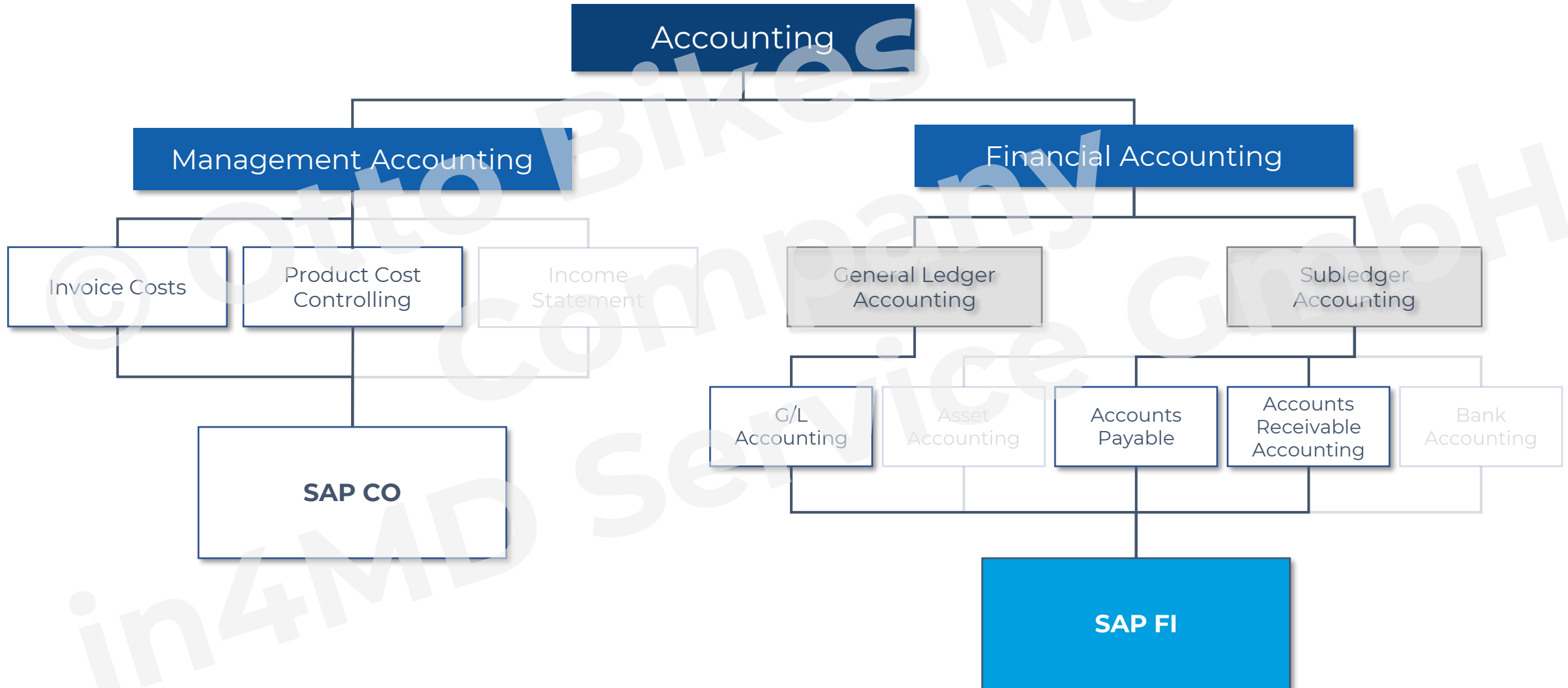
# Objectives of Financial Accounting (FI)

- The FI module was designed to manage and map all accounting transactions (data) of a company in real time.
- In the legal and business context, these business transactions can be provided in the form of reports via the FI module.
- In general, these reports are primarily, but not exclusively, addressed to external parties:
  - Standard reports include:
    - A balance sheet
    - Profit and Loss (P&L) Statement
    - Cash Flow Statement (Cash Flow)

# Target Groups



# Differentiation SAP FI / SAP CO





# FI Organizational Structures

- Organizational elements (organizational units) are used to represent the legal and/or organizational structure of a company.
- Each SAP module has specific organizational elements. However, there are also organizational elements that are used across modules:



## FI specific

- Company Code

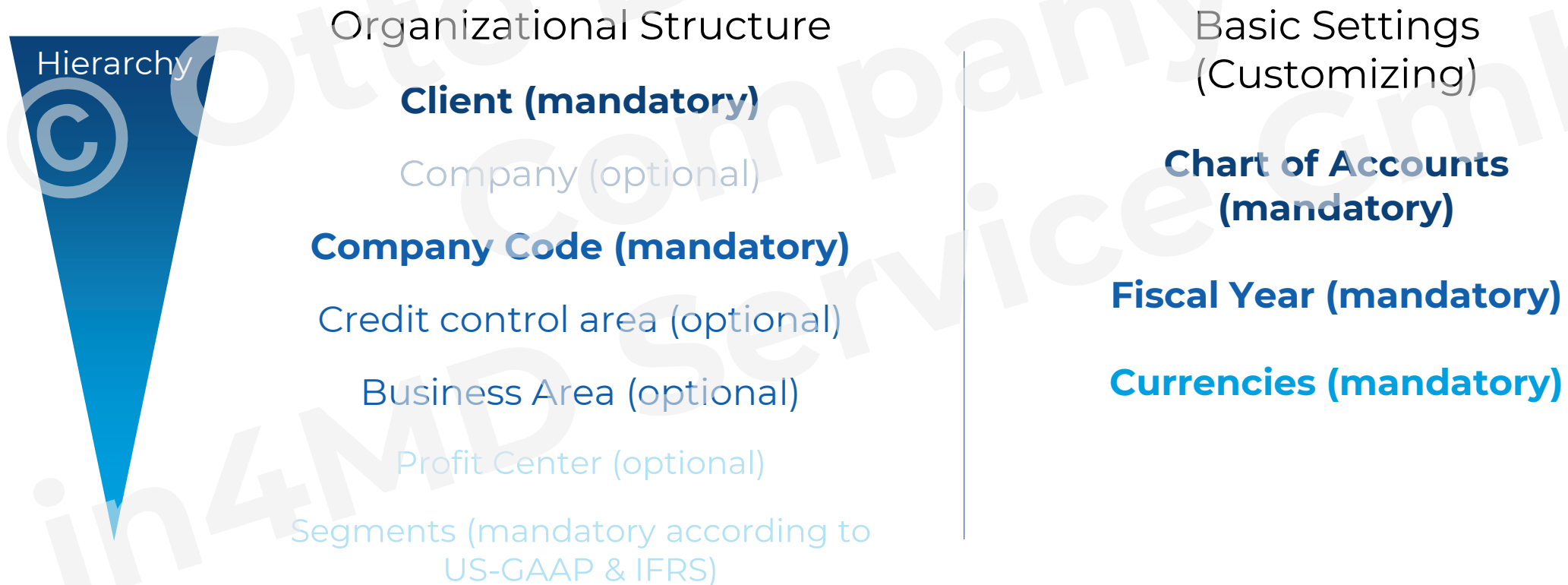
## Cross

- Plant

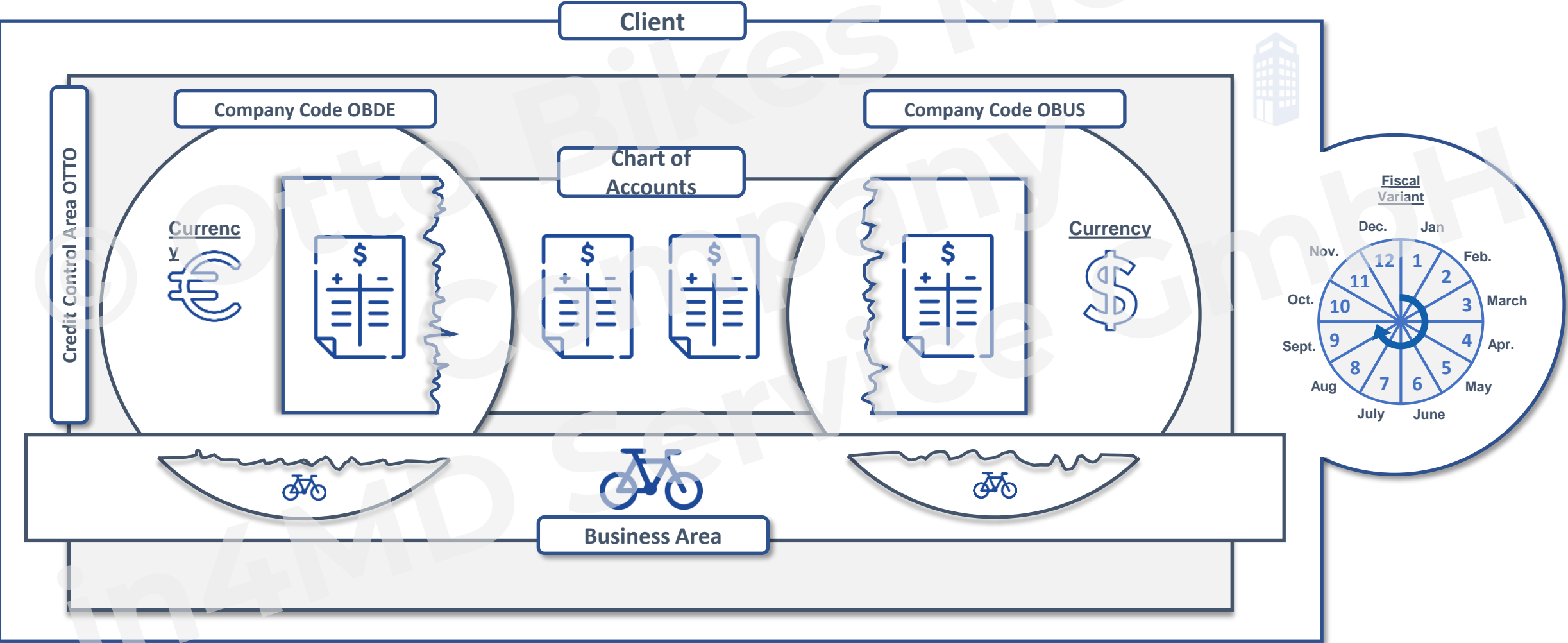
- Provides a framework for making strategic decisions in the financial context of a company.
- Enables accurate and comprehensive collection of business incidents.
- Supports the development and presentation of relevant information in the form of individual reporting to support business decisions.

# Types of FI Organizational Structures

- In addition to the organizational units, basic settings (Customizing) are made for your company-specific organizational structure. These two aspects can easily be confused.



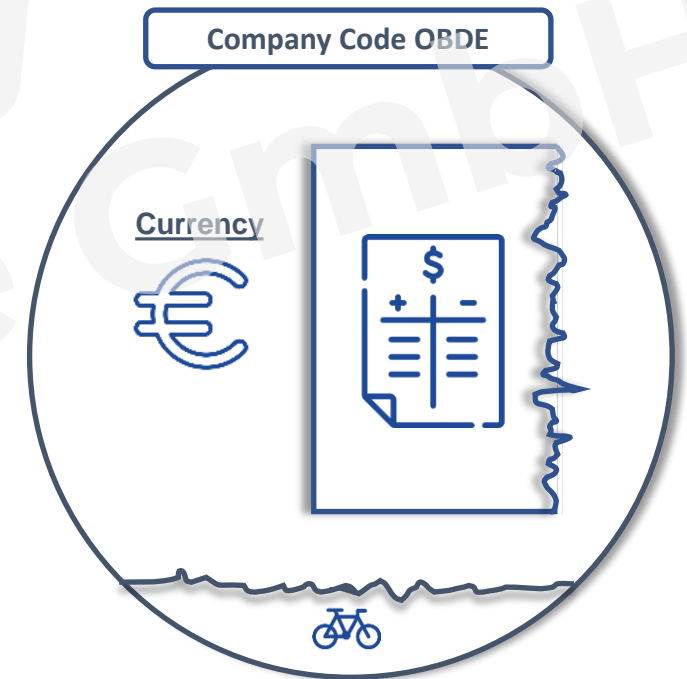
# Overview of Organizational Structures and Customizing



- The client is the highest hierarchy level of the organizational units and is therefore superior to all other units in an SAP system.
- It forms a unit that is self-contained in commercial, organizational, and data terms. This means that it has its own master data records and only tables assigned to it in the system.
- All decisions or data maintained at client level are valid for all organizational units below. This ensures a uniform dataset (e.g. Addresses of Vendors or Customers).
- From a business point of view, the client can be interpreted as the corporate group or head office of the company.

# Company Code

- Represents the smallest organizational unit in external accounting for which a complete self-contained set of accounts (balance sheet, income statement, and so on) can be portrayed.
- A client can have several company codes. For example, the company code is often used in groups (~client) to differentiate between companies or countries (~company codes) with different accounting principles.
- Forms the central organizational unit in external accounting (~ SAP module FI). All business transactions relevant for financial accounting are recorded at company code level.
- Strong integration with other SAP modules and their organizational units, such as the SAP module Controlling (SAP CO) with the central organizational unit Controlling Area.



# Credit Control Area

- Organizational unit of external accounting (SAP FI), in particular accounts receivable accounting (SAP FI-AR), which is responsible for the allocation and monitoring of loans, ergo solvency of individual customers.
- You can define customer-specific credit limits (~credit control area).
- In general, a credit control area is defined by a key, a currency, and a description.
- A credit control area can comprise several company codes, but a company code cannot contain several credit control areas. This occurs and is of particular importance if, for example, a customer makes purchases in different countries (~company codes).
- In general, a distinction is made between central and decentralized credit management.

# Business Area

- The business area is an optional internal organizational element of external accounting (SAP FI) and can be defined across company codes.
- It is often used to define a delimited area of activity or responsibility (for example: product lines or subsidiaries) within the company.
- Value movements and transaction figures can be assigned to this area to a large extent (fixed assets, receivables, payables, goods inventories, and so on). However, other information, such as capital and taxes, cannot be attributed or can only be attributed indirectly.
- For internal analysis purposes, however, balance sheets and profit and loss statements cannot be created at business area level.
- The business area is either maintained directly when a business transaction is entered or derived indirectly from a cost center.



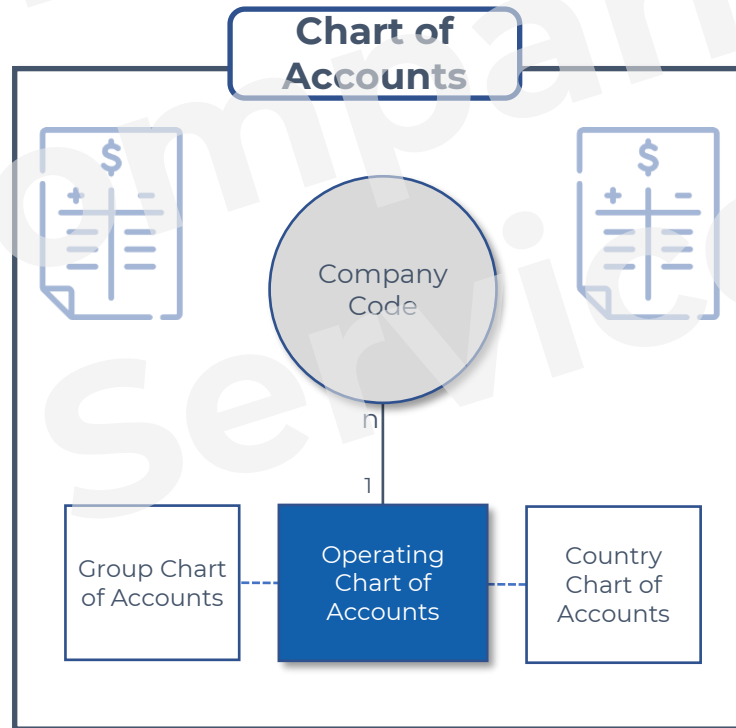
# Chart of Accounts

- The chart of accounts is a structured list of all general ledger accounts (G/L accounts) and therefore provides the framework for a comprehensive display of accounting data.
- There are 3 types of chart of accounts:
  1. Operating chart of accounts (mandatory) → All accounts (numbers) that are posted in daily business and are therefore required for financial reporting
  2. Group Chart of Accounts (optional) → Consolidation of Charts of Accounts
  3. Country chart of accounts (optional) → Commercial country-specific charts of accounts
- Exactly one operating chart of accounts must be assigned to each company code. However, several different company codes can be assigned to one chart of accounts (n:1 relationship).



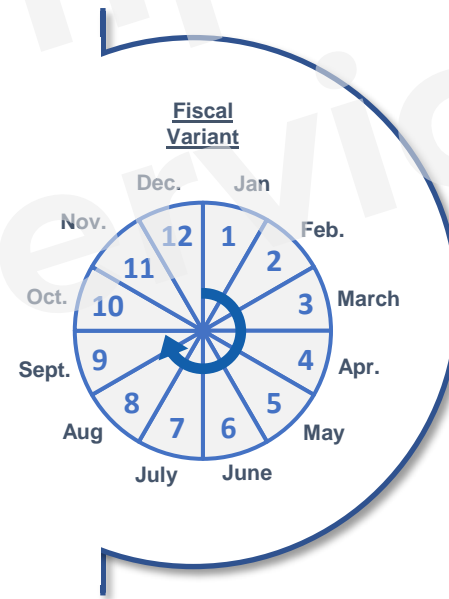
# Chart of Accounts

- The operating chart of accounts is used for postings by both Financial Accounting (FI) and Cost Accounting (CO).
- If cross-company code controlling is to be used, the same chart of accounts must be assigned to the respective company codes.



# Fiscal Year

- Definition of the fiscal year in the form of a Fiscal year variant is mandatory.
- As a rule, a 12-month period must be created for the physical inventory and balance sheet.
- Classification into accounting periods with start and end dates and so-called special periods. This is done to be able to assign business transactions to individual periods.



# Fiscal Year

- There are two possible values for a fiscal year variant, which in turn can have subvariants:

## Year-Independent



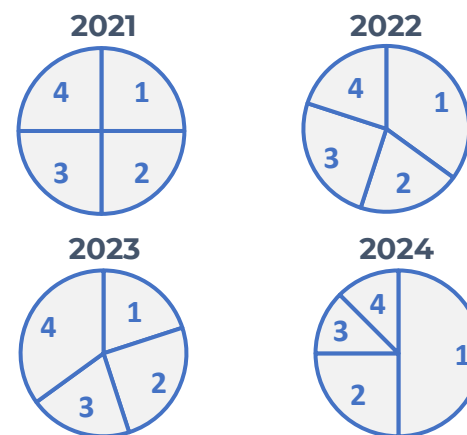
Booking periods corresponding to the months of the calendar year



Booking periods differ from the months of the calendar year

## Year-Dependent

- The start and end dates of the posting periods differ from other fiscal years.
- Different number of posting periods differentiate for each fiscal year



# Fiscal Year

- Special cases are also possible:

## Special Periods

Special Periods



Regular Periods

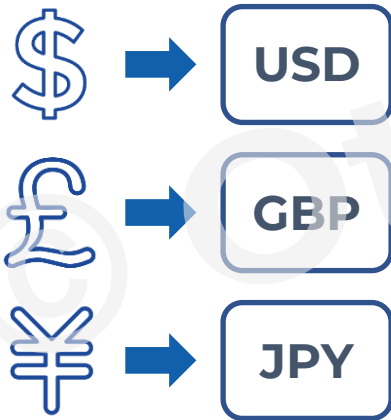
## Shortened fiscal year



- Fiscal year has fewer accounting periods than the previous fiscal years
- for example, Change of fiscal year or sale of the company.

- Monetary amounts entered must be entered with a currency in the form of the ISO standard (e.g. USD for US dollars).
- For each company code in combination with a chart of accounts, the official currency must be defined. The accounts are then managed in this currency.
- These currencies (currency keys) and corresponding exchange rates must be defined in Customizing.
- Note to Payee: Posting and Clearing, Exchange Rate Differences, Foreign Currency Valuation
- Both direct quotation and indirect quotation can be used to define the exchange rates.

## Currency Key



## Exchange Rate Types

- Middle Rate
- Ask Rate
- Buying Rate
- Historical Rate
- Exchange Rate on Specific Key Dates

## Currency Translation Tables (TCURV)

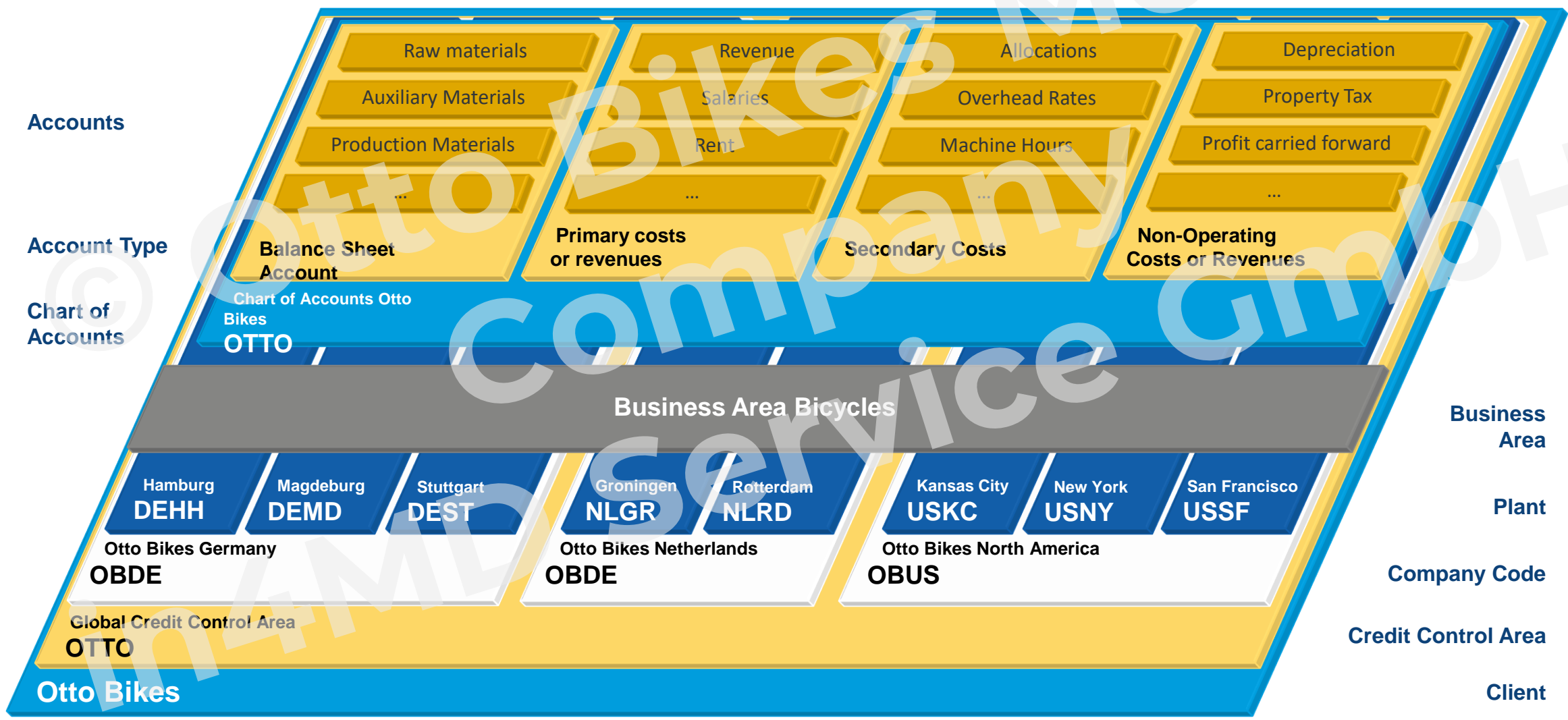
Reference currency = EUR

Exchange Rate Type	Valid From	Indirectly quoted	Factor (From)	From	Direct quotation	Factor (To)	After
M	January 1	-	1	USD	0.88581	1	USD
M	January 1	1,12891	1	USD	-	1	USD
M	January 1	1,40820	100	JPY	-	1	USD

$$1 \text{ €} = 1,12891 \$ \quad 1 \text{ €} = 140,820 ¥ \quad 1 \$ = ? ¥$$

- The system always uses exchange rate type M (average rate) for postings. This exchange rate type, including its required base currencies and the corresponding exchange rates, must always be maintained.

# Otto Bikes FI Organizational Structure



# Agenda



1

FI  
Organizational  
Structures



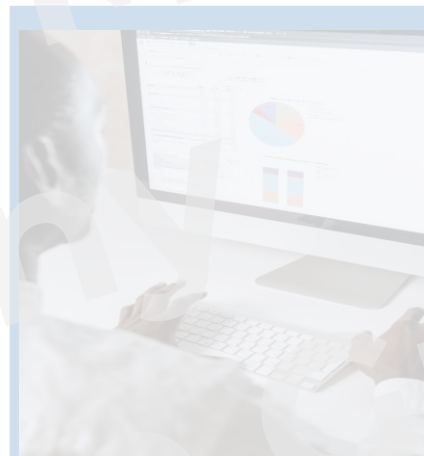
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FI Master Data



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# FI Master Data Overview

**Interested?  
Contact us!**

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