Transformation is a Journey, not a Destination

Continuous Improvement

Realize SAP

Understand SAP

Run SAP

Deploy SAP

Discover and Explore SAP

Disclaimer
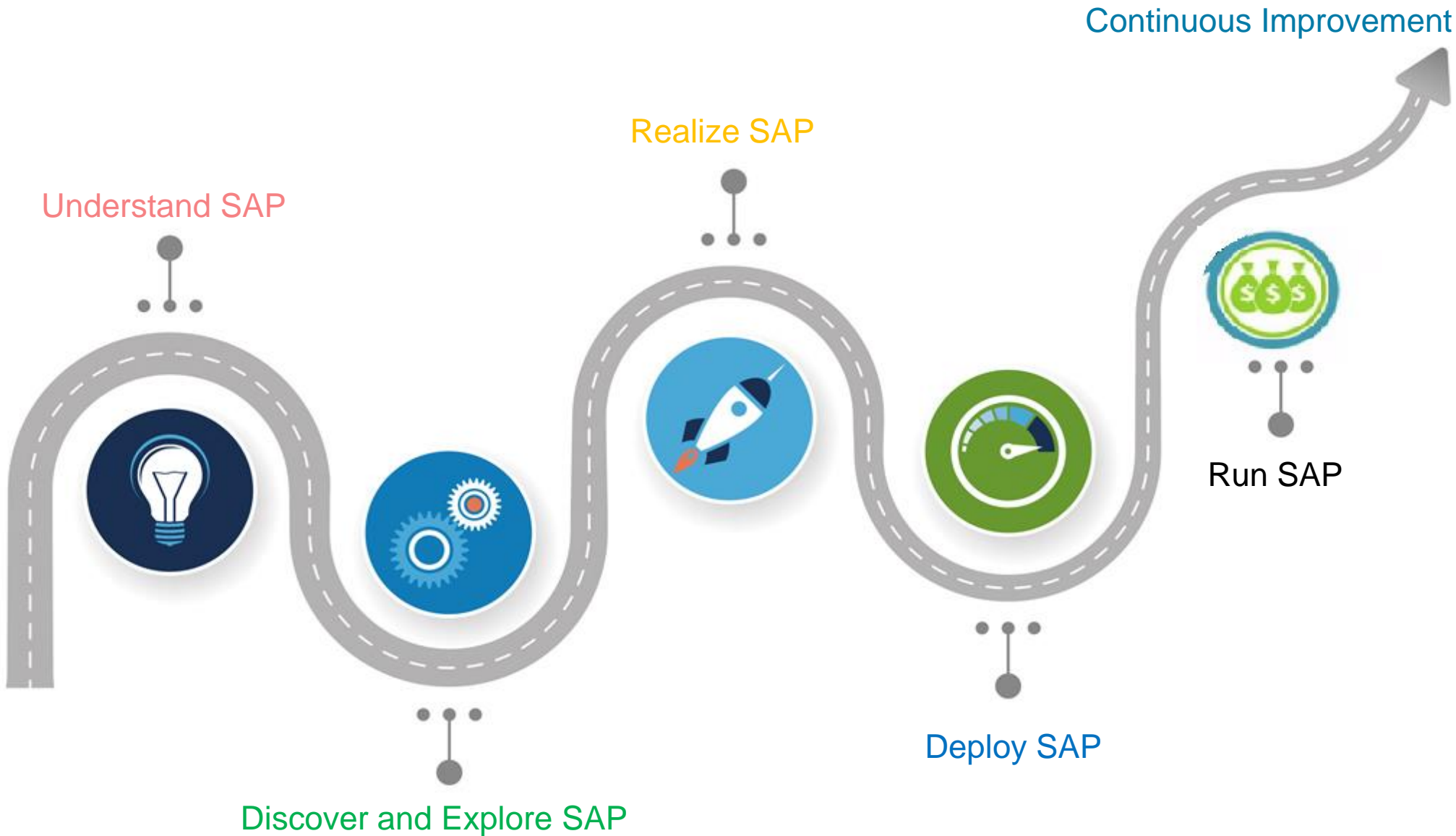
Core and End User Training sessions are mainly focus on, IISc specific configured and customized SAP Application. Request all the participants to concentrate on the training sessions and learn how to operate SAP Business Functions

The purpose of this training is to enable Core User to performer User Acceptance Test later on.

This training is not designed for any Business Scenarios discussion and demonstration.

Please note that kindly keep your mobile phone in silent mode and maintain moderated discussion

Indian Institute of Science

SAP S/4 HANA Implementation Project

Project : ISTAR

SAP Core User Training
Treasury and Cash Management

Wipro Team
Nov 12, 2018

Course Overview

1	Course Goals
2	Course Objectives
3	Course Content
4	Main Business Scenario
5	Introduction of Treasury Management Process for IISc

Course Goals

This Course will prepare you to :

❖ Understand how "Treasury and Cash Management" supports different business processes in IISc (Investments in FD, Mutual Funds and Bonds)

❖ Adopt and apply the customized SAP S/4 HANA application in every day operations.
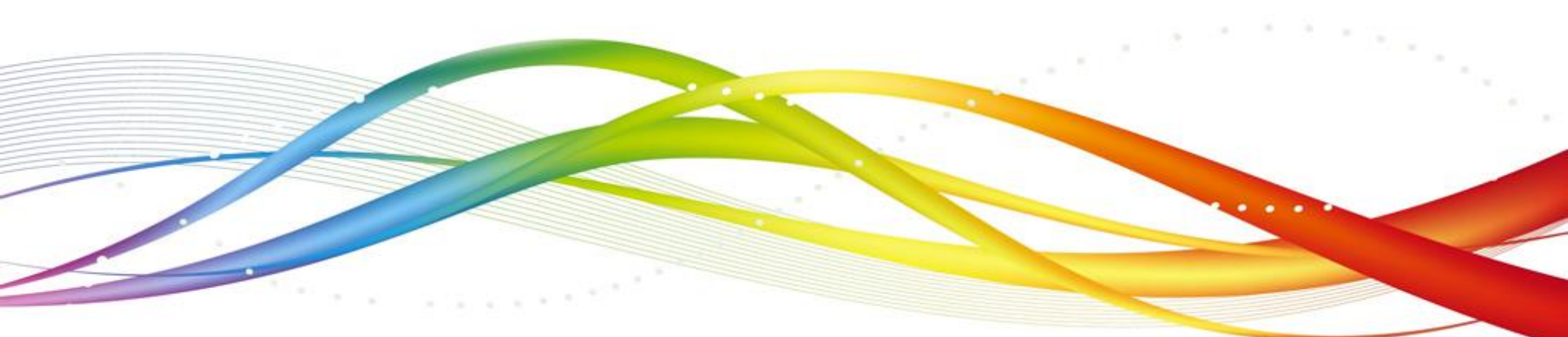
After Completing this Course, you will be able to :

❖ Understand how "Treasury Management" supports Investment Processes of IISc.

❖ Understand how "Cash Management" support the IISc working capital management.

❖ Adopt and apply SAP S/4 HANA TRM and Cash Management applications in day to day Investment Process.

❖ Perform various Investment options like Fixed term deposits, Mutual Funds and Bonds.

❖ Generate real-time operational reports and ensure better control

❖ Effectively use the functionalities and enrich skillsets on Treasury and Cash Management
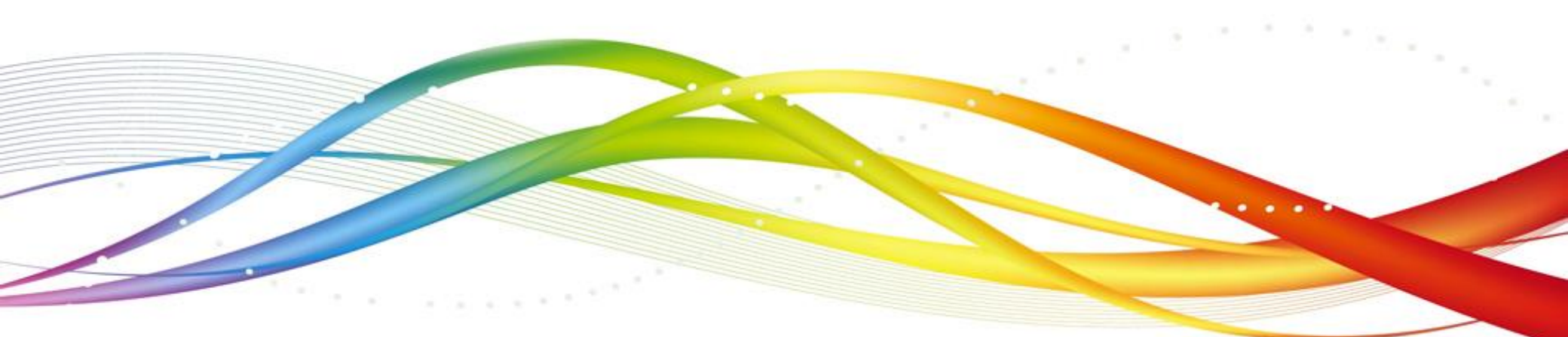
Preface:

- ❖ **Overview of Treasury and Cash Management**

- ❖ **Master Data**

- ❖ **Fixed Term Deposits**

- ❖ **Mutual Funds**

- ❖ **Bonds & Reports**

Day 1

Introduction of Treasury and Cash Management

Treasury Management Lifecycle

Treasury Management

1. Investment decision
2. Quotation
3. Payment
4. Create Deal
5. Settlement
6. Posting
7. Maturity/Sale
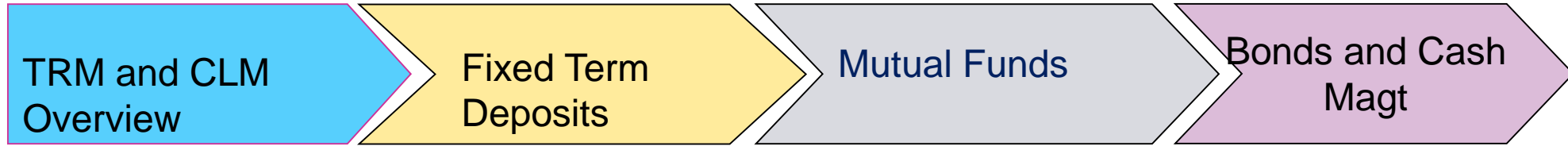8. Reporting
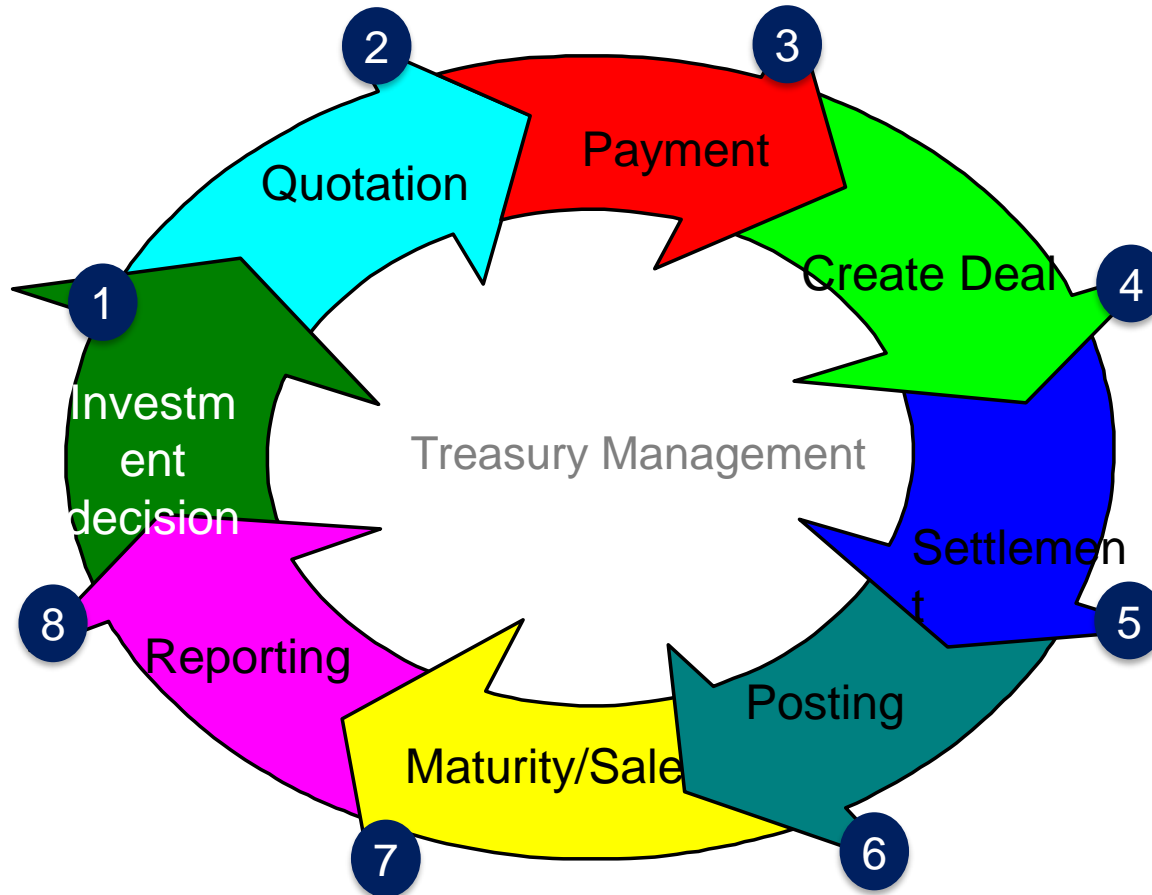
TRM FI Cash Magt and Banks

Overview of Treasury and Cash Management

Treasury and Cash Magt Processes in SAP

TRM and CLM Overview → **Fixed Term Deposits** → **Mutual Funds** → **Bonds and Cash Magt**
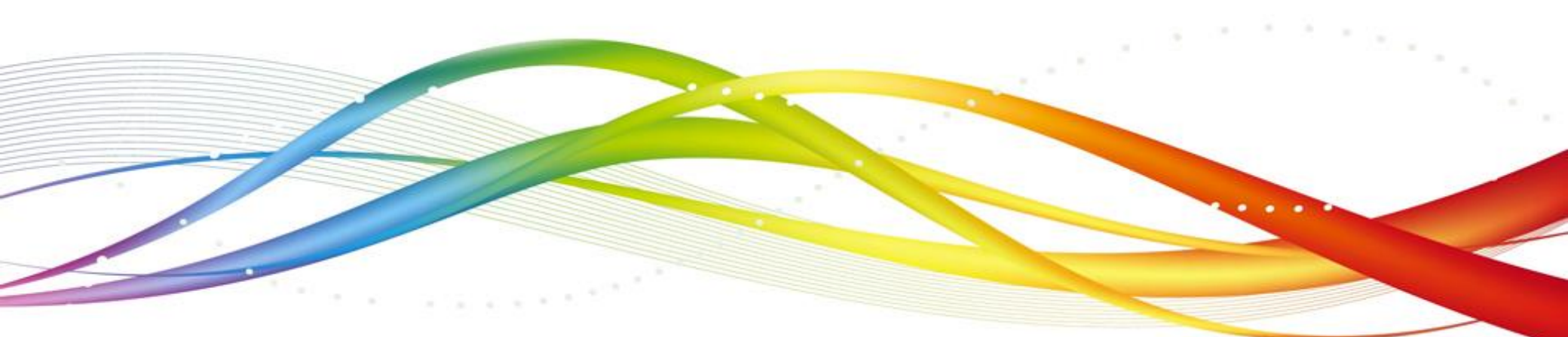
❖ Master Data

- ✓ Business Partner
    - General Data
    - Counter Party
    - Issuer
    - Depository Bank
- ✓ Security Class
- ✓ Securities A/c

❖ Fixed Deposits

- ✓ Make Payment
- ✓ Fixed Deposits
    - Create Deal
    - Change / Display
    - Settle
    - Post
- ✓ Interest Receipts
- ✓ Maturity

❖ Mutual Funds

- ✓ Make Payment
- ✓ Mutual Funds- Purchase
    - Create Deal
    - Change / Display
    - Settle
    - Post

  Mutual Funds- Sale

❖ Bonds

- ✓ Make Payment
- ✓ Bonds-Purchase
    - Create Deal
    - Change / Display
    - Settle
    - Post
- ✓ Bonds- Maturity/Sale

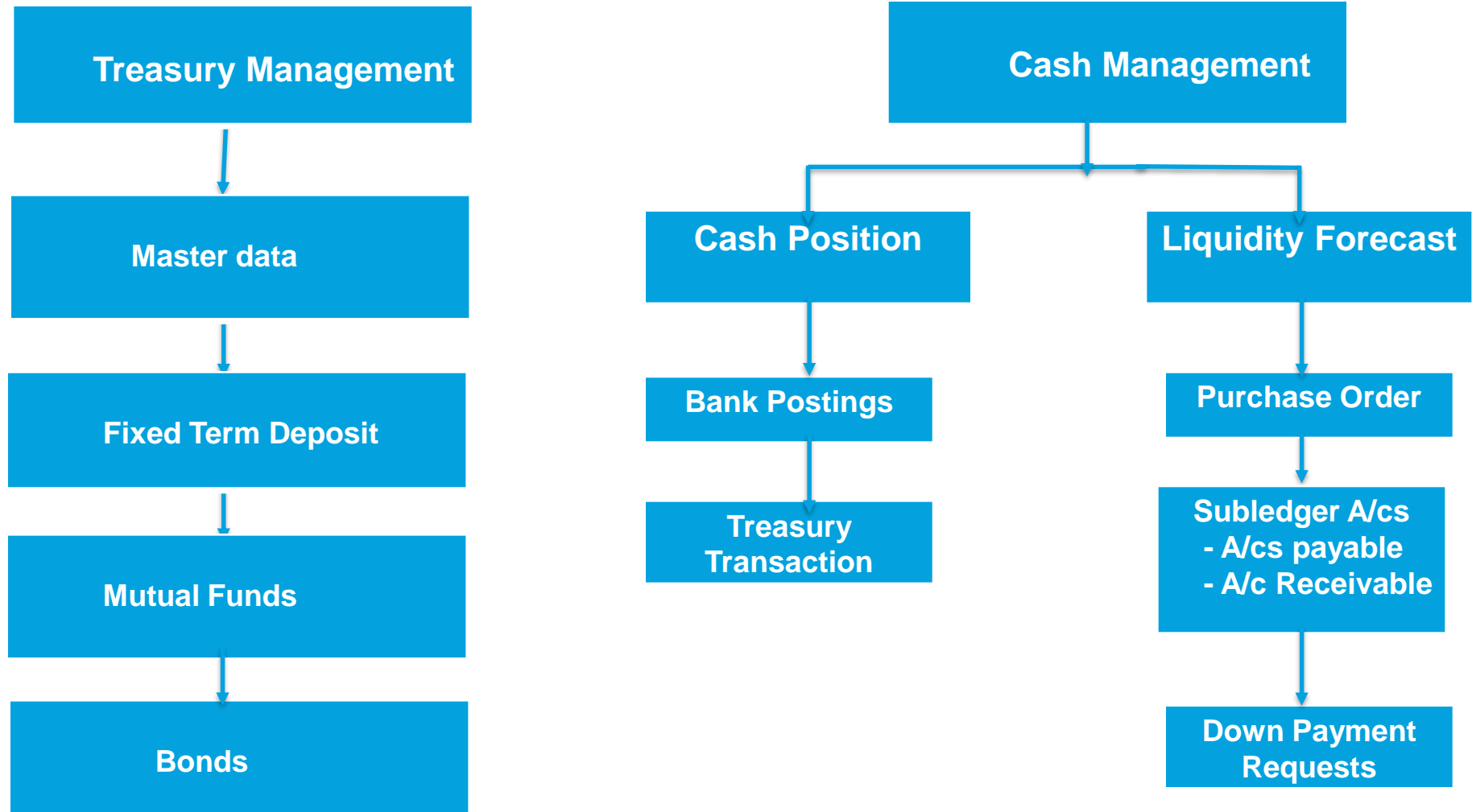**← TRM, Cash Magt, Finance & Banks →**

Treasury Management

SAP Treasury Management is based on a series of solutions that primarily analyze and optimize business processes in the financial area of a company The Transaction Manager provides the instruments for processing the related financial transactions, from deal capture through to transferring the relevant data to Financial Accounting.

Treasury Management is fully integrated with other components of the SAP System.

Cash Management

SAP Cash Management enables an organization's cash or treasury department to manage bank accounts centrally, overview the cash daily operations and long-term liquidity trends accurately and precisely. Cash managers can easily and intuitively get a high-level overview and detailed insight into bank accounts, cash position and cash flows, enabling them to make decisions and take actions directly. The major features include:

➢ Bank Account Management

➢ Cash Position

➢ Liquidity Forecast

Overview of Treasury and Cash Management

Treasury Management
↓
Master data
↓
Fixed Term Deposit
↓
Mutual Funds
↓
Bonds

Cash Management

Cash Position
↓
Bank Postings
↓
Treasury Transaction

Liquidity Forecast
↓
Purchase Order
↓
Subledger A/cs
- A/cs payable
- A/c Receivable
↓
Down Payment Requests

Master Data

1	Business Partner (Create, Change & Display)

2	Security Class (Create, Change & Display)

3	Securities Account (Create, Change & Display)

BUSINESS PARTNER MASTER DATA - LAYOUT

Business Partner Master Data

Header Data

Code
Name
Group
Currency
...

Business Partner Type

Local, System, or BP Currency
Account Balance
Deliveries
Orders
Opportunities

General	Contact Persons	Addresses	Payment Terms	Payment System	Accounting	Properties	Remarks
Telephone/Fax	Name	Bill to Address/ Pay to Address	Payment Terms	House Bank	Consolidating	Up to 64 different Business Partner Properties	Text
Active / On Hold with Dates	Address	Ship to Address	Discount	Payment Method	Control Account		Photo
Contact Person	...	...	Credit Limit	...	Dunning	...	...
...			Partial Delivery		Tax		
			...		...		

Business Partner. All financial Institutions, Banks will be created as Business Partner in the system. You create and manage centrally your **business partners** (BPs) and the roles they assume for your company.

Business Partner Grouping:
For IISc, Business Partner Grouping is FIN-Financial Institutions.

Below are the Segments for Business Partners in SAP:

BP General:
- Grouping:
- Title:
- Name:
- Search term:
- Postal Code:
- City:
- Country:
- Language:

Company Code:
Company Code
SI Authorizations

Roles:
Counterparty
Issuer
Depository Bank

Security Class. In the SAP system, a security is a security class. The security class data includes all the structure characteristics of a security:

Below are the Key fields in Security Class in SAP:

- ID Number
- Product Type
- Short Name
- Long Name
- Product Category
- Product Type
- Issuer
- Currency
- End of Term
- Repayment Type
- Conditions
- Exchanges

Securities Account. You use securities accounts to manage and value your positions. You need securities accounts for all transactions which require position management. The securities accounts created in the system usually correspond to actual securities accounts at a bank. You must have a securities account if you want to purchase or sell a security.

Below are the Key fields in Securities Account in SAP:

- Company Code
- Securities Account
- Securities Account ID
- Securities Account Type
- Depository Bank

Demonstration on System

1	Business Partner– Create / Change / Display

2	Security Class– Create / Change / Display

3	Securities Account

Click each tab to view the demo

TRMUSER01	Welcome@123
TRMUSER02	Welcome@123
TRMUSER03	Welcome@123
TRMUSER04	Welcome@123
TRMUSER05	Welcome@123
TRMUSER06	Welcome@123

Thank you
End of Day 1

Day – 2

Fixed Deposits Life Cycle

➢ Master Data
➢ Fixed Term Deposits
➢ Mutual Funds
➢ Bonds

Fixed Term Deposits

1. Investment decision
2. Quotation
3. Payment
4. Create Deal
5. Settlement
6. Posting
7. Accruals
8. Maturity
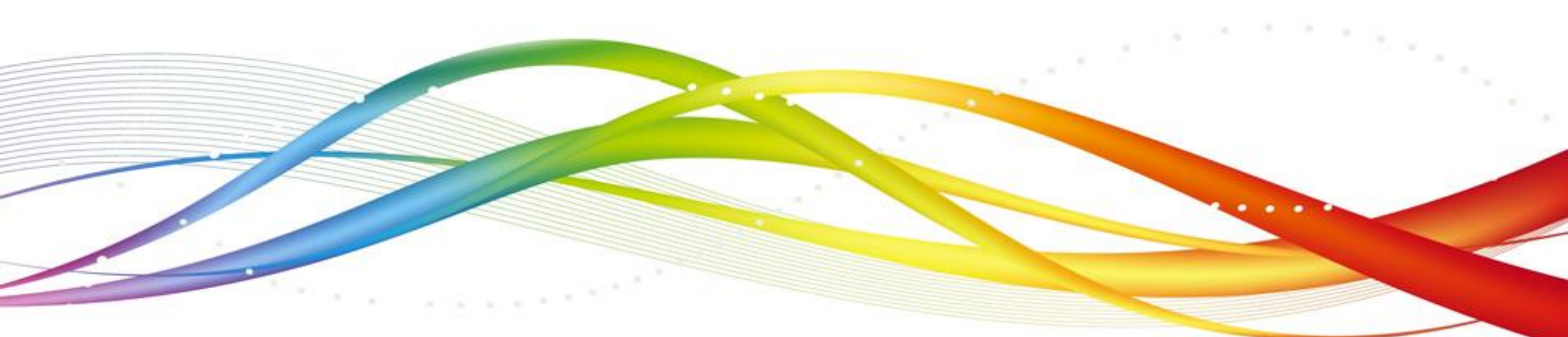
Fixed Deposits Process
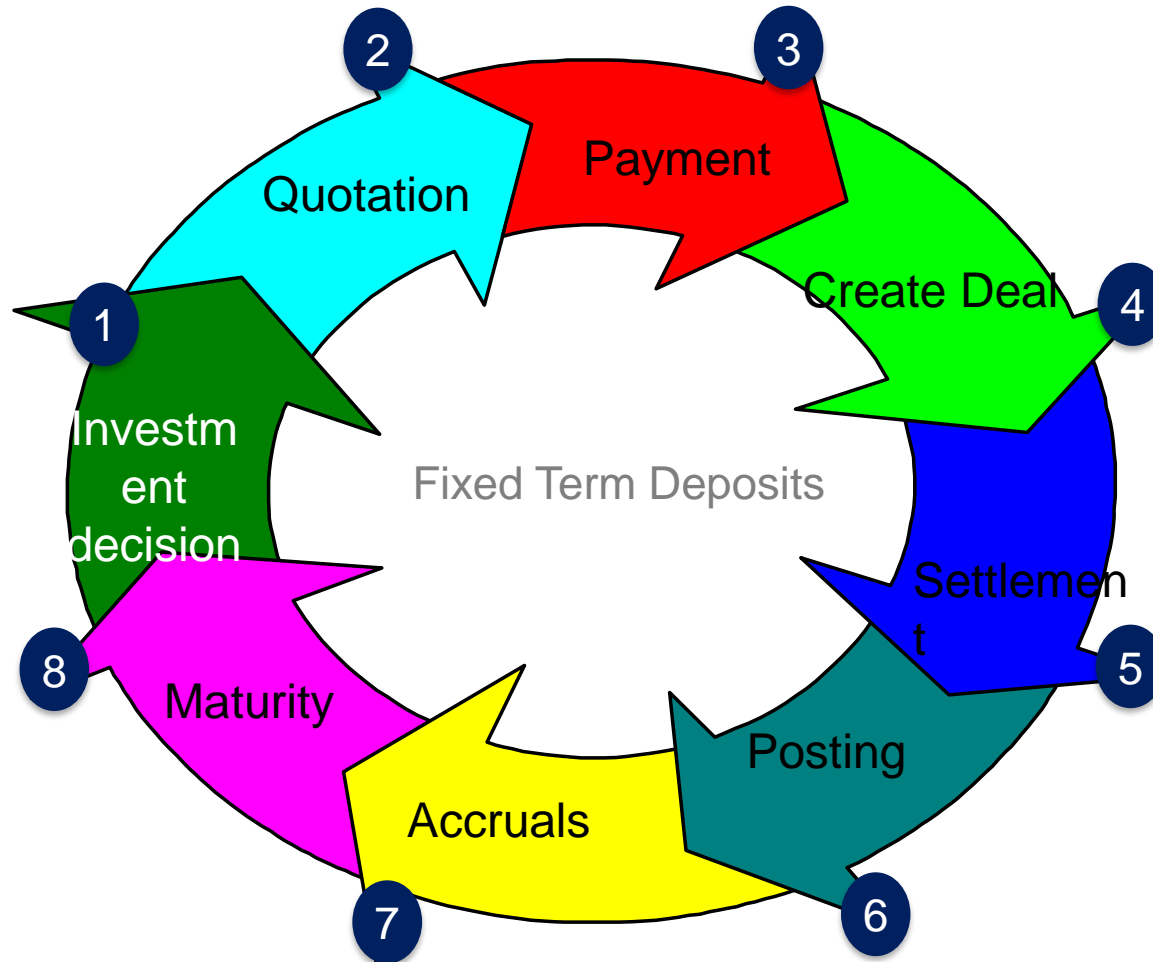
Based on an investment decision Fixed Term Deposit is currently used by IISc both for short term and long-term category of investments. Deposits less with than one year are treated as Short Term Deposits and more than one Year are treated as Long Term Deposits. It attracts a fixed interest rate according to the term of the deposit.

As investments are based on fund wise, below Product Types are configured to meet IISc requirement.

P Type	Description	P Type	Description
101	FD- Corpus	110	FD-CISTUP
102	FD-Pool PMF	111	FD-J N TATA CHAIR
103	FD-FAR	112	FD-J R D TATA CHAIR
104	FD-Tata Housing Fund	113	FD-HOMI BABA CHAIR
105	FD-RIF	114	FD-SID Res Fund
106	FD-Aminities Fund	115	FD-Deposit Account FD- Common
107	FD-Tata Welface Trust- CCS	116	FD-PF
108	FD-SAF	117	FD-MBF
109	FD-IISc Centenary Fund		

Fixed Deposits Process Flow

➢ Master Data
➢ Fixed Term Deposits
➢ Mutual Funds
➢ Bonds

Step No.	Process Flow	App/Transaction
01	Make Payment	GL Posting (FB50)
02	Create Deal	Create Fixed Deposit (FTR_CREATE)
03	Settlement	Create Fixed Deposit (FTR_EDIT)
04	Posting	Post Flows (TBB1)
05	Accrual posting	Run Accruals/Deferrals (TPM44)
06	Maturity	Post Flows (TBB1)

Demonstration on System

1	Make Payment
2	Create Deal
3	Settlement
4	Posting
5	Maturity

Click each tab to view the demo
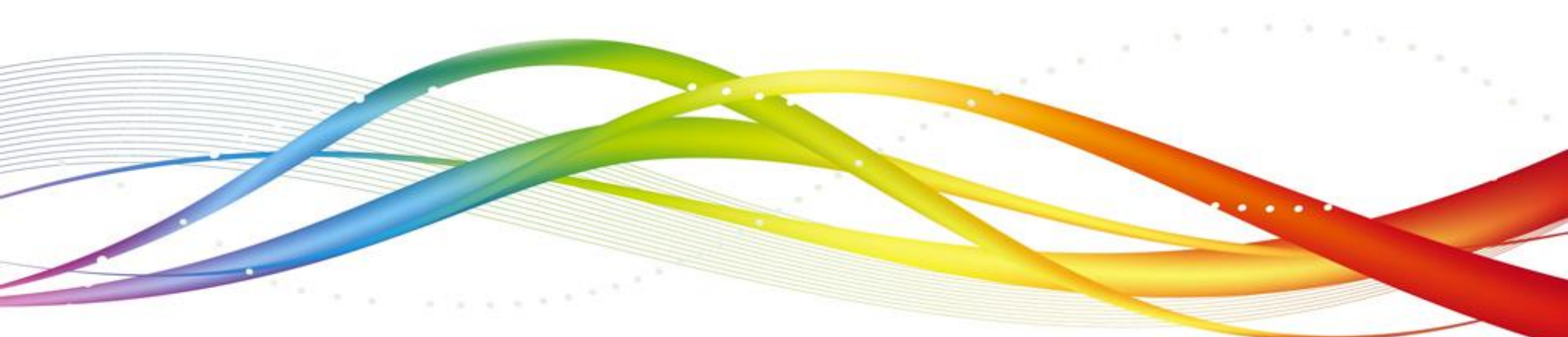
Fixed Deposits Process FLow

Key Fields
- ✓ Company Code
- ✓ Product Type
- ✓ Transaction Type
- ✓ Partner
- ✓ Certificate No.
- ✓ Payment Amount
- ✓ Start Date
- ✓ End Date
- ✓ Percentage
- ✓ Frequency
- ✓ Assignment
- ✓ House Bank

Investment Decision

Quotation

Payment → **Clearing Ac Dr Bank Ac Cr**

FD (150 days)

FD (200 days)

FD (250 days)

Investment Ac Dr Clearing Ac Cr

Investment Ac Dr Clearing Ac Cr

Investment Ac Dr Clearing Ac Cr → **Principal Decrease**

Normal Maturity

Other Bank Receipts

Final Maturity

Bank Ac   Dr Investment Cr Interest   Cr

Bank Ac   Dr Investment Cr Interest   Cr

Bank Ac   Dr Investment Cr Interest   Cr

Bank Ac   Dr Investment Cr Interest   Cr

Process

GL Entries

Thank you
End of Day 2

# Day – 3

Mutual Fund Process

Mutual fund is one of the treasury products used by IISc for investment purpose. The treasury department of IISc analyses the cash position on periodic basis and takes the decision to Invest based on availability of surplus cash. IISc invests in Mutual funds as per the IP. The investment in IISc happens only in INR currently.

As investments are based on fund wise, below Product Types are configured to meet IISc requirement.

P Type	Description	P Type	Description
201	MF- Corpus	210	MF-CISTUP
202	MF-Pool PMF	211	MF-J N TATA CHAIR
203	MF-FAR	212	MF-J R D TATA CHAIR
204	MF-Tata Housing Fund	213	MF-HOMI BABA CHAIR
205	MF-RIF	214	MF-SID Res Fund
206	MF-Aminities Fund	215	MF-Deposit Account FD- Common
207	MF-Tata Welface Trust- CCS	216	MF-PF
208	MF-SAF	217	MF-MBF
209	MF-IISc Centenary Fund		

Mutual Funds Life Cycle
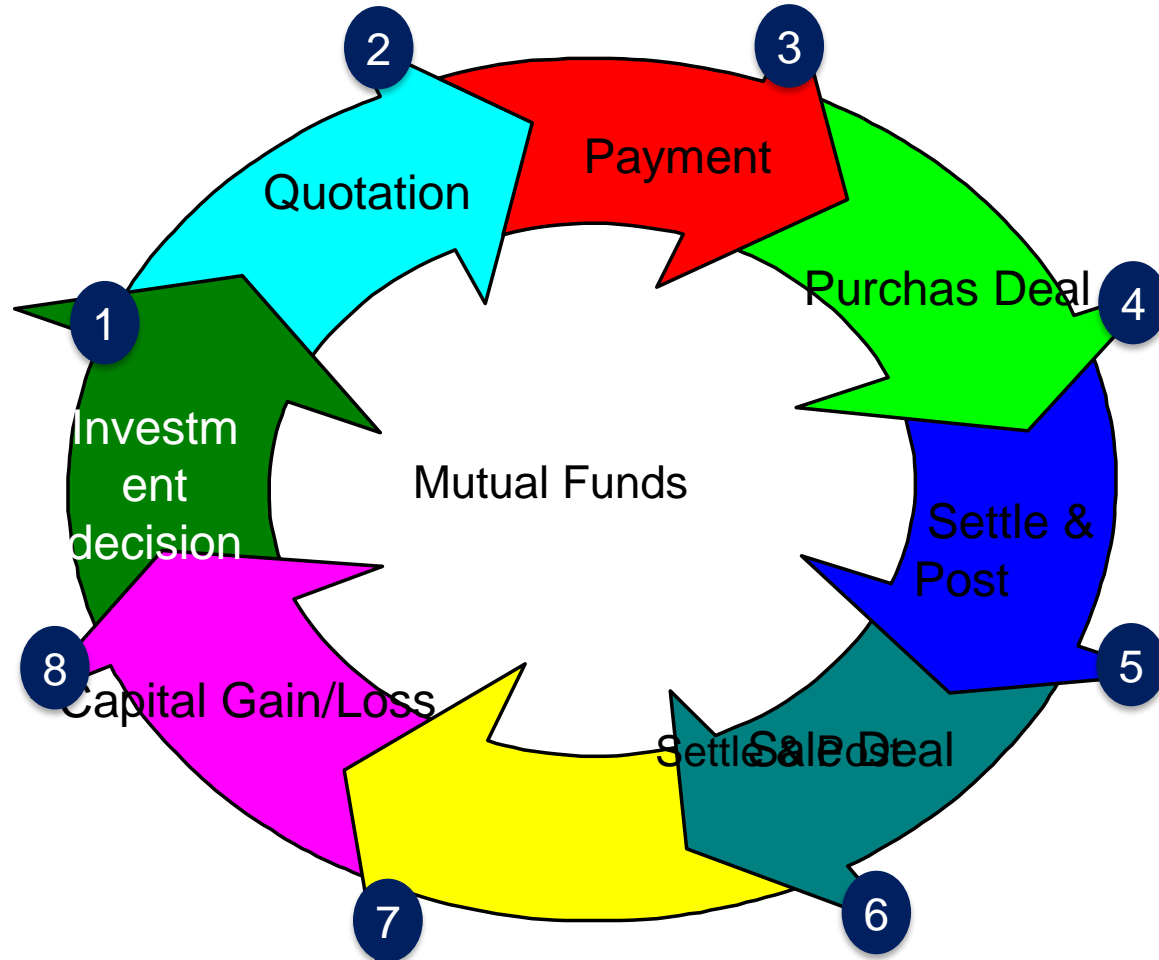
➢ Master Data
➢ Fixed Term Deposits
➢ **Mutual Funds**
➢ Bonds

Mutual Funds Process Flow

- Master Data
- Fixed Term Deposits
- Mutual Funds
- Bonds

Step No.	Process Flow	App/Transaction
01	Make Payment	GL Posting (FB50)
02	Memo Print	ZFI_JV
02	Create Purchase Deal	Create Securities Transaction (FTR_CREATE)
03	Settlement	Create Securities Transaction (FTR_EDIT)
04	Posting	Post Flows (TBB1)
05	Create Sale Deal	Create Securities Transaction (FTR_CREATE)
06	Settlement	Create Securities Transaction (FTR_EDIT)
07	Posting	Post Flows (TBB1)

Demonstration on System

1	Create Purchase Deal
2	Settlement & Posting
3	Create Sale Deal
4	Settlement & Posting

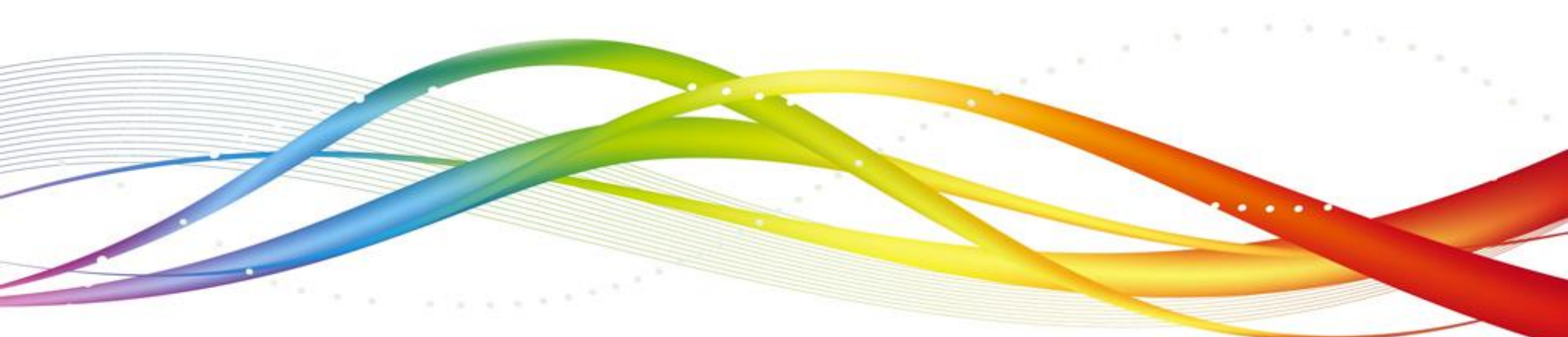Click each tab to view the demo

Mutual Funds Process Flow

Key Fields
- Company Code
- Product Type
- Transaction Type
- Partner
- ID Number
- Certificate No.
- Securities Account
- Pos. Value date
- Calculation date
- Payment Date
- Number of Units
- Assignment
- House Bank

```
Payment ───────────────► Clearing Ac Dr
   │                      Bank Ac Cr
   ▼
Deal Creation
(Purchase)
   │
   ▼
Settlement
   │
   ▼
Posting ───────────────► Investment Ac Dr
                         Clearing Ac Cr
                                │
Deal Creation                   ▼
(Sale)                     Capital
   │                       Gain/Loss
   ▼                            ▲
Settlement                      │
   │                            │
   ▼                            │
Posting ───────────────► Bank Ac Dr
                         Investment Ac Cr
```
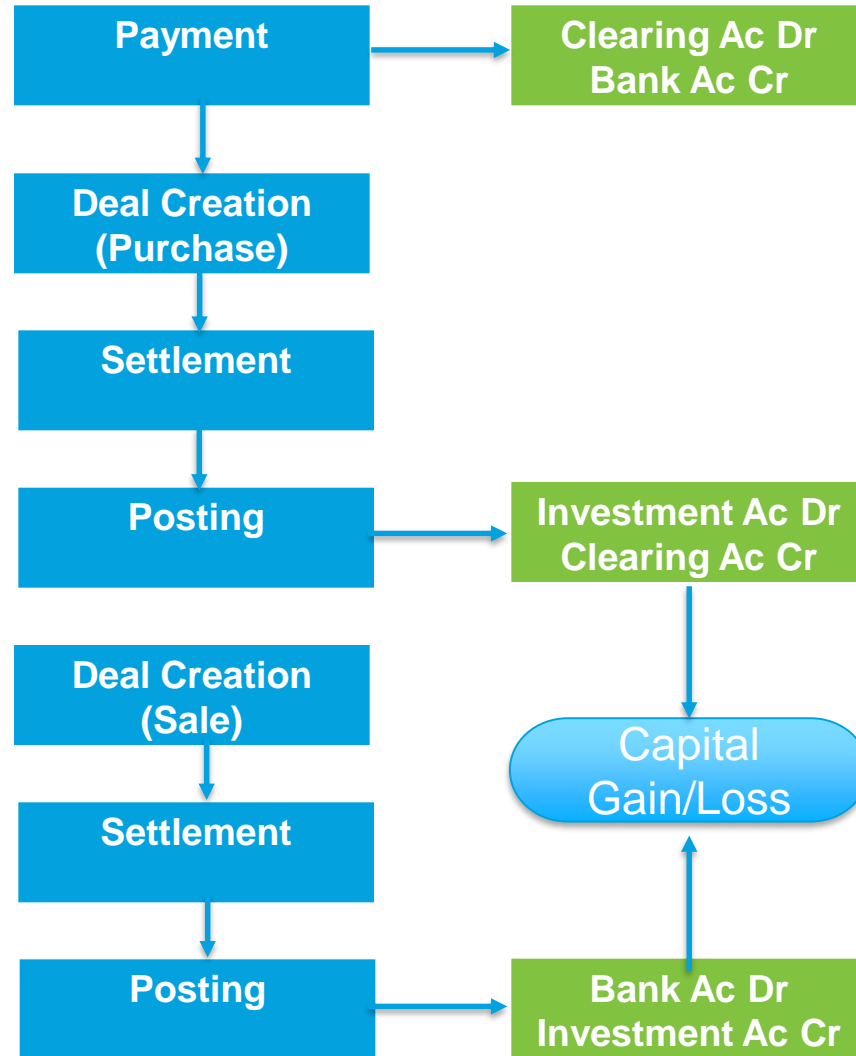
# Thank you
End of Day 3
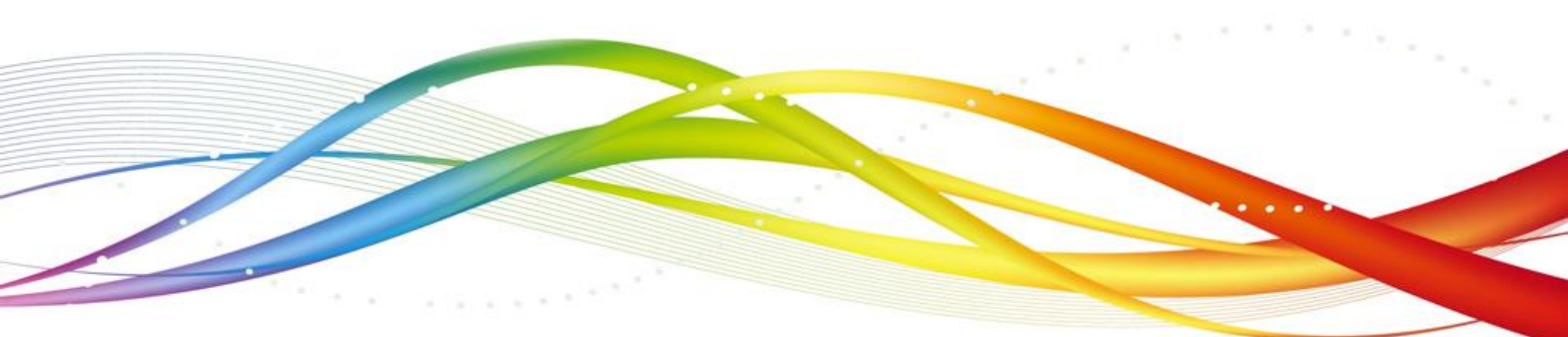
Day – 4

As part of long term investment, IISc purchases Govt bonds and perpetual or other bonds.

As investments are based on fund wise, below Product Types are configured to meet IISc requirement.

P Type	Description	P Type	Description
301	Govt Bonds- Corpus	310	Govt Bonds-CISTUP
302	Govt Bonds -Pool PMF	311	Govt Bonds-J N TATA CHAIR
303	Govt Bonds-FAR	312	Govt Bonds-J R D TATA CHAIR
304	Govt Bonds-Tata Housing Fund	313	Govt Bonds-HOMI BABA CHAIR
305	Govt Bonds-RIF	314	Govt Bonds-SID Res Fund
306	Govt Bonds-Aminities Fund	315	Govt Bonds-Deposit Account FD- Common
307	Govt Bonds-Tata Welface Trust- CCS	316	Govt Bonds-PF
308	Govt Bonds-SAF	317	Govt Bonds- MBF
309	Govt Bonds-IISc Centenary Fund		

Perpetual or Other bonds product types are from 401 to 417

- ➢ Master Data
- ➢ Fixed Term Deposits
- ➢ Mutual Funds
- ➢ Bonds
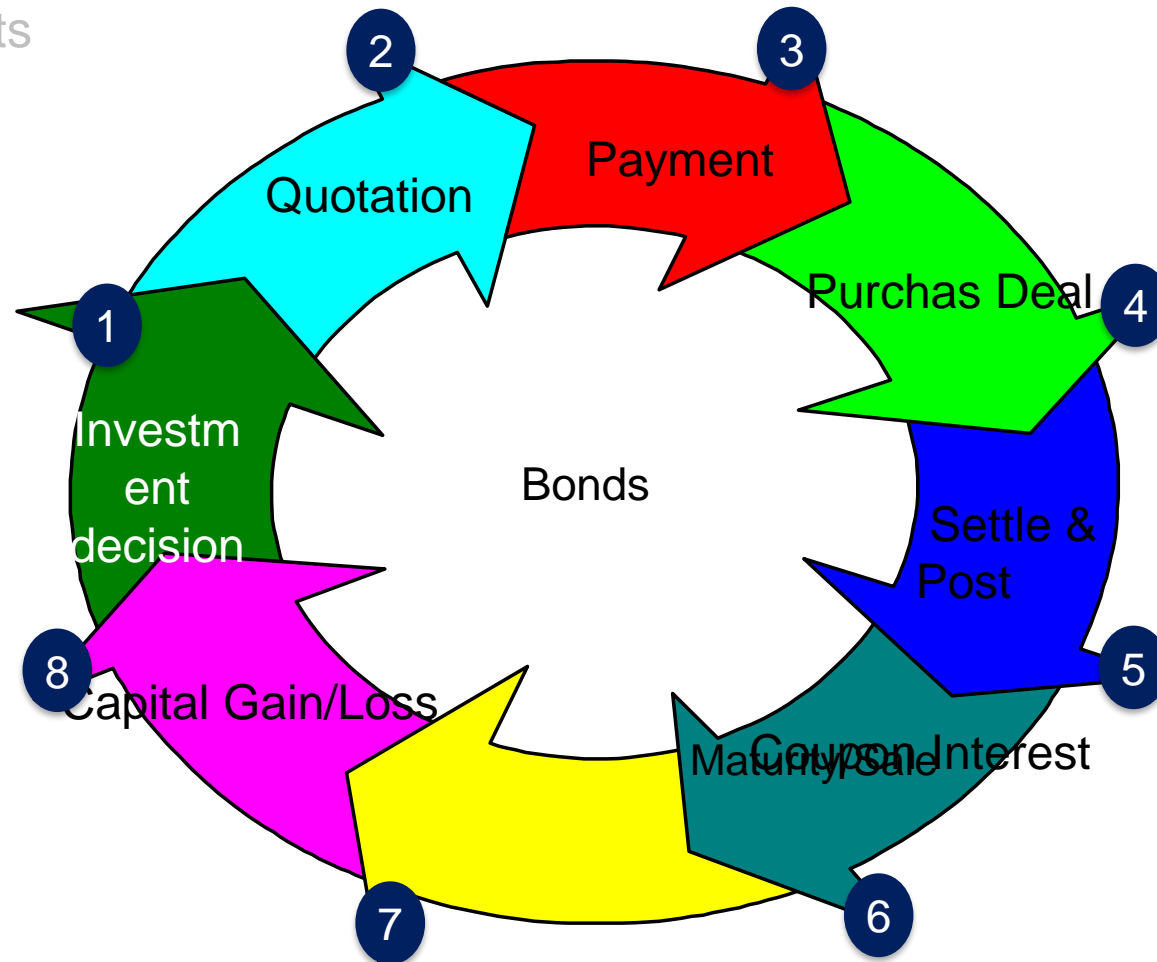
Bonds Process Flow

- ➤ Master Data
- ➤ Fixed Term Deposits
- ➤ Mutual Funds
- ➤ Bonds

Step No.	Process Flow	App/Transaction
01	Make Payment	GL Posting (FB50)
02	Create Purchase Deal	Create Securities Transaction (FTR_CREATE)
03	Settlement	Create Securities Transaction (FTR_EDIT)
04	Posting	Post Flows (TBB1)
05	Coupon Interest	Execute Debit Position (FWZE)
06	Sale/Maturity	Execute Debit Position (FWZE)

Demonstration on System

1	Create Purchase Deal
2	Settlement & Posting
3	Coupon Interest
4	Sale/Maturity

Click each tab to view the demo

Bonds Life Process Flow

Key Fields
- ✓ Company Code
- ✓ Product Type
- ✓ Transaction Type
- ✓ Partner
- ✓ ID Number
- ✓ Certification No.
- ✓ Securities Account
- ✓ Pos. Value date
- ✓ Calculation date
- ✓ Payment Date
- ✓ Number of Units
- ✓ House Bank

Payment → **Clearing Ac Dr / Bank Ac Cr**

↓

Deal Creation (Purchase)

↓

Settlement

↓

Posting → **Investment Ac Dr / Clearing Ac Cr** →

↓

Coupon Interest → **Bank Ac Dr / Interest Ac Cr**   **Loss or Gain**

↓

Sale/Maturity → **Bank Ac Dr / Investment Ac Cr** →

Cash Management

Thank you!