

# SAP Business One

General Ledger Transactions Generated from Order to Invoice

---

**ESAP SAP Business One Online University**

**[www.esapuniversity.com](http://www.esapuniversity.com)**

# Table of Contents

- Introduction ..... 3
- Purpose of this document..... 3
- Delivery ..... 4
  - Creating Deliveries ..... 4
  - Journal Transactions Created by Deliveries ..... 4
- A/R Invoices ..... 5
  - Creating A/R Invoices ..... 5
  - Journal Transactions Created by Invoices ..... 5
- A/R Credit Memos..... 6
  - Creating A/R Credit Memos ..... 6
  - Journal Transactions Created by A/R Credit Memos ..... 6
- Returns ..... 7
  - Creating Returns ..... 7
  - Journal Transactions Created by Deliveries ..... 7
- A/R Reserve Invoice ..... 8
  - Creating A/R Reserve Invoices ..... 8
  - Journal Transactions Created by A/R Reserve Invoice ..... 8
- A/R Down Payment Invoice ..... 9
  - Creating A/R Down Payment Invoices ..... 9
  - Journal Transactions Created by A/R Down Payment Invoice ..... 9

## Introduction

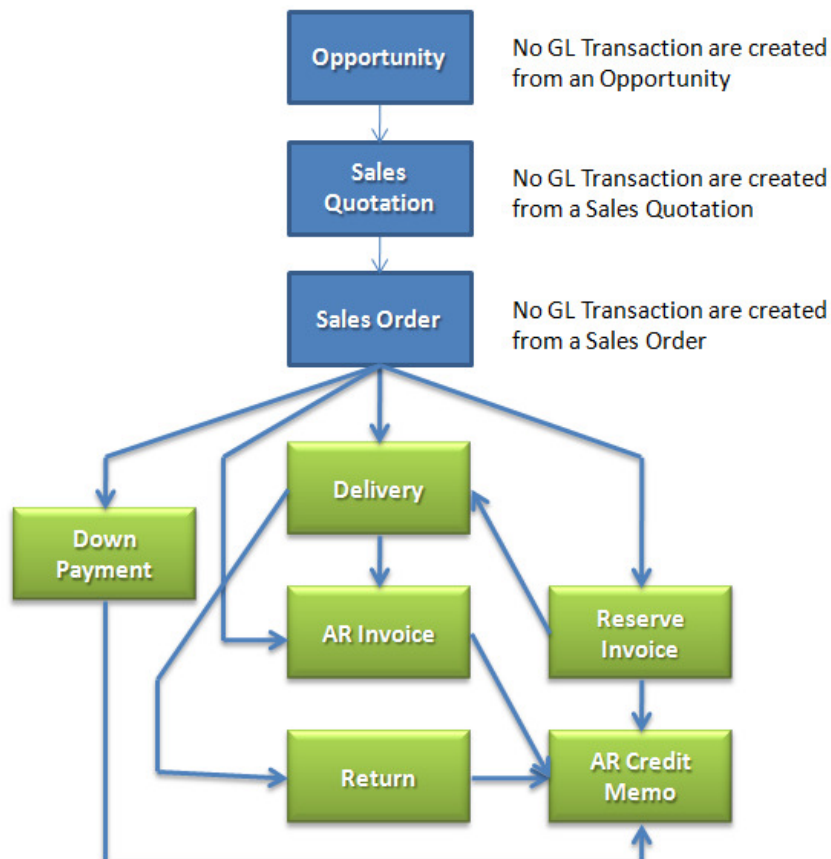
One of the key advantages of SAP Business One is its ability to create journal entries automatically as your business transactions take place. In many ERP systems, the accounting transactions are “batched” for execution at the end of the day, week or accounting period. In SAP Business One, the accounting entries are executed in “real-time” as each appropriate, sales, purchasing or inventory transaction requires them.

In order for SAP Business One to make this happen, your clients accountant must define these default account entries in what SAP Business One designates as GL Account Determinations. These determinations or system wide defaults are defined by Fiscal Period and module; Sales, Purchasing, General and Inventory. Once defined they are used by SAP Business one as the starting point for the journal entries associated with master records and each transaction.

For a complete overview of the GL Account Determination, please review the “**GL Account Determinations – North America**” document.

## Purpose of this document

The purpose of this document is to provide detailed insight as to which GL accounts are updated and when. Knowing this information while in the implementation phase can help to ensure accurate financial reporting.



## Delivery

The Delivery is a legally binding document indicating that the shipment of goods or the delivery of services has occurred. Without this document, goods can be delivered only if an invoice has already been created.

## Creating Deliveries

Deliveries can be hand entered and do not require a Sales Order. Deliveries can also be generated from Sales Orders and Reserve Invoices.

The screenshot shows the SAP Delivery Accounting tab. The top section contains fields for Customer (C40000), Name (Earthshaker Corporation), Contact Person (Bob McKensly), and Posting Date (02/16/2010). The middle section shows a table of items with columns for #, Type, Item No., Quantity, Unit Price, Disc..., Tax C..., Total (LC), and Tax. The bottom section shows a journal entry table with columns for #, G/L Acct/BP Code, G/L Acct/BP Name, Debit, and Credit.

#	Type	Item No.	Quantity	Unit Price	Disc...	Tax C...	Total (LC)	Tax	
1		A00001	1	400.00 \$	0.000	LG	400.00 \$	Yes	
2		A00002	1	200.00 \$	0.000	LG	200.00 \$	Yes	
3		A00003	1	300.00 \$	0.333	LG	299.00 \$	Yes	
4	Σ						899.00 \$	No	
5	T	UPS Tracking Number: 77483920395738274364							No

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit
1	51100000-01-001-01	COGS - Domestic (HO, USA, GA )	896.29 \$	
2	13400000-01-001-01	Inventory - Finished Goods (HO, USA, GA )		896.29 \$

## Journal Transactions Created by Deliveries

**Cost of Goods Sold Account** is determined by the “Set GL Accounts By” setting in the Item Master. This account can come from Item Master, Warehouse or GL Account Determination.

**Finished Goods Inventory Account** is determined by the “Set GL Accounts By” setting in the Item Master. This account can come from Item Master, Warehouse or GL Account Determination.

## A/R Invoices

The invoice is a legally binding document. When an invoice is received, the posting is made to the related customer accounts in the accounting system. If a delivery did not precede the invoice and you sell the warehouse items, stock quantities are also updated accordingly when you issue the invoice.

## Creating A/R Invoices

Invoices can be hand entered and do not require a delivery. Invoices can also be generated from Sales Orders, Sales Quotations and Deliveries

The screenshot shows the 'A/R Invoice' window. At the top, customer information is displayed: Customer C40000 (Earthshaker Corporation), Contact Person Bob McKensly, and Posting Date 02/16/2010. The 'Accounting' tab is selected, showing a table of items and a detailed journal transaction table below it.

#	Item No.	Quantity	Unit Price	Discount %	Tax Code	Total (LC)	Tax	Scan Item	Line Total
1	A00001	1	400.00 \$	0.000	CA	400.00 \$	Yes		0.00
2	A00002	1	200.00 \$	0.000	CA	200.00 \$	Yes		0.00
3	A00003	1	300.00 \$	0.333	CA	299.00 \$	Yes		0.00
4						899.00 \$	No		0.00
5	UPS Tracking Number: 77483920395738274364								

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit
1	c1000	APS	947.35 \$	
2	22220000-01-001-01	Sales Tax Accrual - State (HO, USA, GA )		52.32 \$
3	22240000-01-001-01	Sales Tax Accrual - City (HO, USA, GA )		0.00 \$
4	22230000-01-001-01	Sales Tax Accrual - County (HO, USA, GA )		0.00 \$
5	41100000-01-001-01	Sales Revenues - Domestic (HO, USA, GA )		872.03 \$
6	41400000-01-001-01	Sales Revenues - Freight (HO, USA, GA )		23.00 \$

## Journal Transactions Created by Invoices

**Business Partner** is the actual Business Partner code from the Invoice

**Sales Tax Accrual Accounts** come from the Sales Tax Jurisdictions.

**Sales Revenues Domestic** account comes from Revenue Account in; Item Master, Warehouse or GL Account Determination. Depends on Item Master "Set GL Accounts By" setting.

**Sales Revenue Freight** account comes from Freight Setup under Administration Settings.

## A/R Credit Memos

For legal reasons, you cannot change or delete a delivery or invoice that you enter in SAP Business One. However, the customer might send the goods back for various reasons, or you may have made a mistake when you entered the documents.

## Creating A/R Credit Memos

A/R Credit Memo's can be hand entered or copied from Invoices, Returns or Reserve Invoices.

#	Item No.	Quantity	Unit Price	Disc...	Tax C...	Total (LC)	Tax	Scan Item
1	A00001	1	400.00 \$	0.000	CA	400.00 \$	Yes	
2	A00002	1	200.00 \$	0.000	CA	200.00 \$	Yes	
3	A00003	1	300.00 \$	0.333	CA	299.00 \$	Yes	
4						899.00 \$	No	
5	UPS Tracking Number: 77483920395738274364							

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit
1	c1000	APS		947.35 \$
2	22220000-01-001-01	Sales Tax Accrual - State (HO, USA, GA )	52.32 \$	
3	22240000-01-001-01	Sales Tax Accrual - City (HO, USA, GA )		0.00 \$
4	22230000-01-001-01	Sales Tax Accrual - County (HO, USA, GA )		0.00 \$
5	41100000-01-001-01	Sales Revenues - Domestic (HO, USA, GA )	872.03 \$	
6	51100000-01-001-01	COGS - Domestic (HO, USA, GA )		896.29 \$
7	13500000-01-001-01	Inventory F Goods (HO, USA, GA )	896.29 \$	
8	41400000-01-001-01	Sales Reveues - Freight (HO, USA, GA )	23.00 \$	
				947.35 \$

## Journal Transactions Created by A/R Credit Memos

**Business Partner** is the actual BP code from the A/R Credit Memo

**Sales Tax Accrual Accounts** come from the Sales Tax Jurisdictions.

**Sales Revenues Domestic** account comes from Revenue Account in; Item Master, Warehouse or GL Account Determination. Depends on Item Master "Set GL Accounts By" setting.

**Cost of Goods Sold Account** is determined by the "Set GL Accounts By" setting in the Item Master. This account can come from Item Master, Warehouse or GL Account Determination.

**Finished Goods Inventory Account** is determined by the "Set GL Accounts By" setting in the Item Master. This account can come from Item Master, Warehouse or GL Account Determination.

**Sales Revenue Freight** account comes from Freight Setup under Administration Settings.

## Returns

For legal reasons, a delivery or invoice that you have created in SAP Business One cannot be subsequently changed or deleted. However, the customer might send the goods back for various reasons, or you might have made a mistake when you entered the documents.

## Creating Returns

Returns can be hand entered, or generated from Delivery that not been invoiced yet. If the Delivery has already been invoiced, an A/R Credit Memo would need to be created.

The screenshot shows the SAP Business One 'Return' document interface. The 'Accounting' tab is selected, displaying a table of items and a G/L account table. A red box highlights the 'Accounting' tab and the G/L account table.

#	Item No.	Quantity	Unit Price	Disc...	Tax C...	Total (LC)	Tax
1	A00001	1	400.00 \$	0.000	LG	400.00 \$	No
2	A00002	1	200.00 \$	0.000	LG	200.00 \$	No
3	A00003	1	300.00 \$	0.333	LG	299.00 \$	No

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit
1	51100000-01-001-01	COGS - Domestic (HO, USA, GA )		896.29 \$
2	13500000-01-001-01	Inventory - Returns (HO, USA, GA)	896.29 \$	

Summary: Tax 80.91 \$, Total 979.91 \$

## Journal Transactions Created by Deliveries

**Cost of Goods Sold Account** is determined by the "Set GL Accounts By" setting in the Item Master. This account can come from Item Master, Warehouse or GL Account Determination.

**Inventory Returns Account** is determined by the "Set GL Accounts By" setting in the Item Master. This account can come from Item Master, Warehouse or GL Account Determination. This account is also known as the Sales Return account.

## A/R Reserve Invoice

The A/R reserve invoice allows you to issue invoices for warehouse items without deducting the items from the inventory. If you create a reserve invoice, SAP Business One creates an accounting journal entry without creating an inventory entry.

### Creating A/R Reserve Invoices

A/R Reserve Invoices can be created directly from Sales Quotation, Sales Orders and can also be hand entered.

The screenshot shows the SAP Business One 'A/R Reserve Invoice' window. The 'Accounting' tab is selected and highlighted with a red box. Below the tab, a table lists the invoice items. Item 1 is 'A00003' with a quantity of 1 and a unit price of 300.00. The total amount is 299.00. A red box highlights the journal entry table below the items table.

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit
1	c1000	APS	325.91 \$	
2	22220000-01-001-01	Sales Tax Accrual - State (HO, USA, GA )		17.94 \$
3	22240000-01-001-01	Sales Tax Accrual - City (HO, USA, GA )		2.99 \$
4	22230000-01-001-01	Sales Tax Accrual - County (HO, USA, GA )		5.98 \$
5	41100000-01-001-01	Sales Revenues - Domestic (HO, USA, GA )		299.00 \$

At the bottom right, a summary table shows the following values:

Tax	26.91 \$
Total	325.91 \$
Applied Amount	
Balance Due	325.91 \$

### Journal Transactions Created by A/R Reserve Invoice

**Business Partner** is the actual BP code from the A/R Reserve Invoice.

**Sales Tax Accrual Accounts** come from the Sales Tax Jurisdictions.

**Sales Revenues Domestic** account comes from Revenue Account in; Item Master, Warehouse or GL Account Determination. Depends on Item Master "Set GL Accounts By" setting.



## A/R Down Payment Invoice

Businesses require down payment from customers to ensure that the customers are committed and will carry out the orders placed for them. In addition, such business practice increases the cash flow.

### Creating A/R Down Payment Invoices

A/R Down Payments can be created directly from Sales Orders and can also be hand entered.

The screenshot displays the 'A/R Down Payment Invoice' window. The 'Accounting' tab is selected and highlighted with a red box. Below it, a table lists items with their respective quantities, unit prices, and tax details. A second table, also highlighted with a red box, shows the G/L Acct/BP Code entries, including a debit to c1000 and a credit to 12550000-01-001-01 Downpayments (HO, USA, GA).

#	Item No.	Quantity	Unit Price	Disc...	Tax C...	Total (LC)	Tax
1	A00001	1	400.00 \$	0.000	CA	400.00 \$	Yes
2	A00002	1	200.00 \$	0.000	CA	200.00 \$	Yes
3	A00003	1	300.00 \$	0.000	CA	300.00 \$	Yes

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit
1	c1000	APS	450.00 \$	
2	12550000-01-001-01	Downpayments (HO, USA, GA)		450.00 \$

### Journal Transactions Created by A/R Down Payment Invoice

**Business Partner** is the actual BP code from the A/R Down Payment Invoice.

**Downpayments Account** aka Payment Advances is defined in the GL Account Determination settings for Financials Setup.