2013

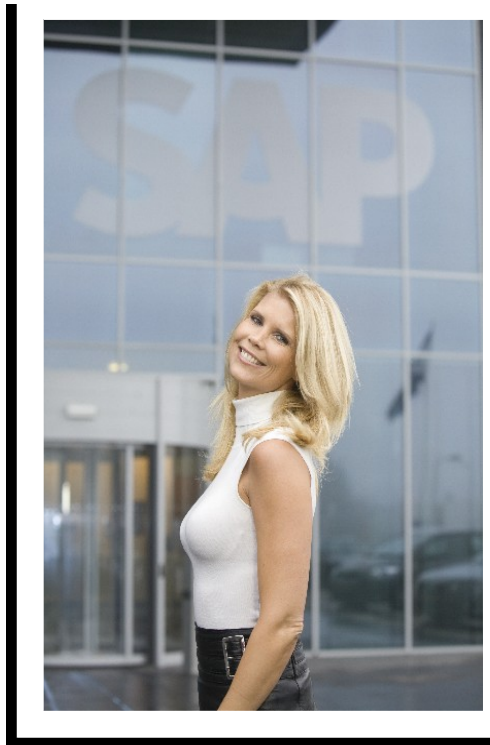## Dmitry Kaglik

[FREQUENTLY ASKED QUESTIONS ON SAP FINANCE]

Frequently asked questions about the Financial module of the SAP system obtained via constant monitoring of issues which Financial consultants can face

Second edition

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(DarkDuck)

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Introduction

My name is Dmitry Kaglik. I am a SAP Finance consultant and Solution Architect with 11 years of experience in this area.

You may know me as an active member and moderator of Finance forums at sapfans.com (in English) and sapboard.ru (in Russian).

During the years spent in consulting and helping people on forums, I constantly received more or less similar questions.

This book gathers my experience and answers the most frequently asked questions in a clear and popular format.

This book is not intended for novice users or consultants of SAP. It uses terminology and language generally accepted among this community, which sometimes may be confusing for new starters. If you do not understand something, please do not hesitate to ask your questions.

If you are still having difficulties in any area mentioned in this book, you are more than welcome to join the community on the above mentioned forums and ask your question there.

You may also consider buying a book about SAP.

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Chapter 1. Currency

Foreign currency revaluation

Question 1: Transaction FAGL_FC_VAL (foreign currency revaluation) has a tab "Open items" and a tab "G/L balances". What is the difference?

Answer: The "Open items" tab is for revaluation of vendors' and customers' line items, as well as line items on GL accounts managed with open items. Revaluation of these items always go via a special technical GL account and always reverses. Reversal is usually done with a posting date which falls into the next posting period.

The "G/L balances" tab is for revaluation of GL accounts without open items management, for example, bank accounts. As a rule, revaluation posts the same GL account, although nothing stops you from posting it to a separate GL account. Then, usually GL balances revaluation is not reversed. The checkbox "Reverse postings" at the bottom of the "Postings" tab controls reversal of these revaluation postings.

Question 2: I configured revaluation for the transaction KDF, assigning the GL account to be used for the revaluation purposes. But I still have problems with account determination in FAGL_FC_VAL (foreign currency revaluation). What have I done wrong?

Answer: When you specify the GL accounts for a KDF transaction, you do it for your Chart of Accounts. Versions with NewGL also require a Valuation Area to be specified there. If you only specified the Chart of Accounts, the system will create records in a configuration table with an empty Valuation Area field. These records will not be found by FAGL_FC_VAL when searching for the GL accounts for automatic revaluation postings. In order to set the Valuation Area, please click the small button with a yellow arrow on the pop-up window with Chart of Accounts request.

Dmitry: I changed "put" to "set" above. If "put" is a term with a special technical meaning here, don't use my word; if it isn't, "set" is easier for an English speaker to understand. The same goes for some put → set changes I did on pages 24 and 25.

Displaying the foreign currency revaluation results

Question 1: Is it possible to display a revaluation amount for each open item when using the New (Flexible) General Ledger?

Answer: Yes, it is possible. Please read SAP Notes 883851, 879690(especially p.2), 373268.

It is important to run reports RFPOSXEXTEND and BALVBUFDEL after the implementation of SAP Notes.

Chapter 2. VAT in down payments received and paid

This section may mostly apply to users in Russia. But the Russian market itself is big and growing, so nobody knows when he might get on a project there.

Question 1: I received a down payment (prepayment) from the customer, and SAP generated a posting

Dr	Bank	118
Cr	Customer Down Payment	100
Cr	Output VAT	18

Why does the system behave the wrong way? It should be

Dr	Bank	118
Cr	Customer Down Payment	118
Cr	Output VAT	18
Dr	VAT from down payments received	18

Answer: The system will use a special GL account "VAT from down payments" when several prerequisites are met:

- Customer line item has Special GL indicator of "down payment" type. Check this in transactions OBXR.

- Reconciliation account for the customer down payment should have tax category +B. Alternative GL account is defined in the same transaction OBXR. Tax category of GL account can be checked in the transaction FS00.

- Postings should contain tax code of an "Output tax" category. This can be checked in transaction FTXP.

"Output VAT" GL account number is set up in tax code (the same transaction FTXP).

"VAT from down payment received" GL account number is set up in transaction code OBXB for MVA transaction. You can specify the same clearing account for all down payments, or split them using the clearing account identifications. If you want to use the split functionality, please tick the "Output tax clearing" checkbox in the rules for MVA transaction. Then, you can specify different clearing accounts for

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different identifications in transaction OBXB. These identifications are assigned to Special GL indicators in transaction OBXR.

Question 2: I pay a down payment (prepayment) to the vendor and SAP generates posting

Cr	Bank	118
Dr	Vendor down payment	100
Dr	Input VAT	18

Why does system behaves itself the wrong way? It should be

Cr	Bank	118
Dr	Vendor down payment	118
Dr	Input VAT	18
Cr	VAT from down payments paid	18

Answer: The system will use the special GL account "VAT from down payments" when several prerequisites are met:

Vendor line item has a Special GL indicator of "down payment" type. Check this in transactions OBYR.

Reconciliation account for the vendor down payment should have tax category -B. Alternative GL account is defined in the same transaction OBYR. Tax category of GL account can be checked in transaction FS00.

Postings should contain tax code of the "Input tax" category. This can be checked in transaction FTXP.

"Input VAT" GL account number is set up in tax code (the same transaction FTXP).

"VAT from down payment paid" GL account number is set up in transaction code OBXB for VVA transaction. You can specify the same clearing account for all down payments, or split them using the clearing account identifications. If you want to use the split functionality, please tick the "Input tax clearing" checkbox in the rules for VVA transaction. Then, you can specify different clearing accounts for different identifications in transaction OBXB. These identifications are assigned to the Special GL indicators in transaction OBYR.

Chapter 3. Payments

Setting up the Automatic Payment Program (APP)

Question 1: What is the process of payments using the Automatic Payment Program?

Answer: The process in general is as follows.

You launch transaction F110 and specify parameters for the selection of items to be paid. Then you run Proposal Run, which creates a Payments Proposal. This proposal is analysed by Treasury / Accountants / somebody else, and then it is approved immediately or with some corrections. After that you run the Productive Run of APP. At this moment postings are done (or not done – see separately). When Productive Run is finished, you can create a payment file or paper payment documents for the bank and/or payment recipients.

Question 2: What is the first step of the APP configuration?

Answer: The process begins from an understanding of payment types in use. Have a look at the bank statement, talk to the people responsible for payments and statements. You will create a special payment method for each of the payment types.

Basic configuration of APP is carried out in transaction FBZP. Go through all the sections in it and understand what you will configure and what you will copy from existing examples (maybe just use delivered standard examples without copying).

Question 3: We have a special payment type when paper fax is sent to the "bank". This fax contains all the parameters for the payment processing. The "bank" is not a real bank but a company within our group (holding). It gives us periodic statements like paper bank statements. Payments of this type are absolutely manual. Do I need to set up a special payment method for this?

Answer: There are 2 points to consider:

1) If the payment is done for the preliminary known open items, you can simply use the "Manual payments" transaction F-53 without APP. No payment method is required in this case. A payment document can be

printed out in an external system (Word/Excel) or via the Correspondence functionality.

2) If you want APP to choose the documents to be paid via "fax", then you have to use it. A special payment method is required. Of course, you can set up your own printing program for this payment method, as for any usual payment method.

Question 4: We periodically make payments to the government authorities. For example, taxes. How should we process these payments?

Answer: I saw 3 scenarios for tax payments:

1) Russian. You create a special vendor with a reconciliation account in the area of "tax" GL accounts in your Chart of Accounts. You post an "invoice" from this vendor, even though there is no actual invoice. The amount is manually taken from the tax return. Then you pay the amount to the vendor as usual.

2) Western with direct debit. Very simple. Tax authorities take money from the bank account by themselves.

3) Western with an invoice. It is like scenario 1, but the actual invoice exists.

Question 5: Bill of exchange. What is this? Implementation Guide (IMG) has lots of settings about it, but I do not understand if I need them.

Answer: It is a payment with notes (bill of exchange, bill). I have never seen it in use. Simply forget about it.

Question 6: Are there any recommendations for the best usage of Identification field in transaction F110? The one below the date on the first screen. Should we put clerk's initials in there, country code, company code?

Answer: The approach depends on number of people processing the payments, whether they have on-line connection to each other etc. If people are in several geographical locations, then it is logical to put the code of the country or Company Code. If they sit next to each other, they can work out their own rules.

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Question7: Why do I have Vendors and Customers on the selection screens of APP? What is the relationship between Customers and Payment program, which is used for the outgoing payments?

Answer: First of all, we can pay Customers too. For example, refunds or returns of down payments.

Second, APP can be also used for payments' collection. For example, direct debits.

That's why customers are pretty much on their place in APP.

Question 8: Are there any recommendations for the use of the "Next run date" field in APP? How often should the Payment Run be executed?

Answer: If you use early settlement discount functionality and automatic payment optimization, then the field "Next run date" should contain the date of the next run. The frequency of them depends on company rules and varies from 1 day to 1 month.

If you select open items manually using the external lists and factors, then the date 31.12.9999 will do.

Question 9: What is the trigger for the APP run? Vendor invoice? Purchase order?

Answer: The APP processes posted invoices and down payment requests. Purchase orders have nothing to do with APP. Frankly speaking, Purchase Orders are not relevant to SAP Finance whatsoever.

Question 10: We can control outgoing payments: what and how to pay. There is a different situation with incoming payments. How would we know that the customer has paid us in order to process the incoming payment in APP? How would we know to which bank account it sent us the money, if we have several bank accounts? It is also unclear how the customer calculates the early settlement discount.

Answer: APP is used for the outgoing payments initiated by our company. Incoming payments are only processed via APP if we initiate them (i.e. direct debit). You cannot control your customers' behaviour, hence you cannot automate it.

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Question 11: Can we specify payment method in open items? Is it done in invoice?

Answer: Payment method is specified in several places in SAP system:

1) Vendor master record. You can specify several payment methods in there, and APP will automatically select the best one.

2) Directly in the invoice.

3) In the payment terms for the vendor. This value will be inherited into the invoice.

Payment method in the invoice has priority over the payment method in the vendor master record.

Question 12: I have specified payment method in the vendor master record. But it is not automatically copied into the posted invoice. Why? What should I do?

Answer: You can specify several payment methods in the vendor master record. How should the system decide which one you want to copy into the document? What do you think? That is why there is no such functionality in SAP.

As an alternative solution, you can specify payment method in the payment terms and then put payment terms into the vendor master record. Payment terms will be inherited into the document and will bring the payment method too.

Question 13: Is it possible to change the payment method in Payment proposal? Or do we need to block the payment and change the payment method somewhere else?

Answer: When APP has analysed the open items and created a Payment Proposal, you can edit the Proposal: change payment methods, banks, regroup payments etc. There is a button for this on the Edit Proposal screen. You can do this for individual documents. This information will only be kept in Payment Proposal. If you wish to keep the information in the documents, you need to cancel the Proposal and edit the documents.

Question 14: Do I need to make any developments for the APP?

Answer: You will need development only for the output forms, and only if:

1) there are extraordinary requirement from the bank in regards to an output file. For example, development is required for the integration with Russian bank-client systems;

2) you need to amend forms for cheques / Payment advice for the company/bank requirements (logo, fields location and other small details)

Question 15: How will the bank know that it has to process the payment? What is the file format for the bank? Does the APP process have a step for the output file generation?

Answer: Formats for the bank: you should ask the bank yourself. SAP has lots of standard formats used worldwide and locally. You should understand which ones to switch on.

Based on my own experience, international banks work well with formats SWIFT MT101 or MT103. They are in the standard delivery of PMW (Payment Medium Workbench).

Unfortunately, Russian banks are very egoistic and only accept their own formats. One of the national standards (but not official) is the format of the "1C" system, but standard SAP does not support it (yet). That is why the file extract for the bank-client system is a development in this case.

Of course, file or printout for the bank is one of the results of APP work. You can generate them using the "Print" button on the instrument panel in APP.

Question 16: In which format can we extract the data from the system to send it to the bank?

Answer: It depends on the formats which the bank accepts. SWIFT MT101 is very convenient and widespread. Some countries have their own requirements for the format. As a rule, they are already in SAP standard delivery.

If you are at the cross-road and do not know what to start with, try to give a SWIFT MT101 file to the bank and look at their reaction. You can also ask the company's Treasury department which format they use at present.

Question 17: What do I need to do in APP settings to enable the generation of a file with information about outgoing payments?

Answer: There are 6 buttons in transaction FBZP which you should start with. One of them (Payment method for the country) has a choice of "classical" payment program or Payment Medium Workbench.

Next we set up a variant for the "classical" program or set up PMW (also known as DMEE).

You can find lots of customizing options for the extraction file in the IMG:
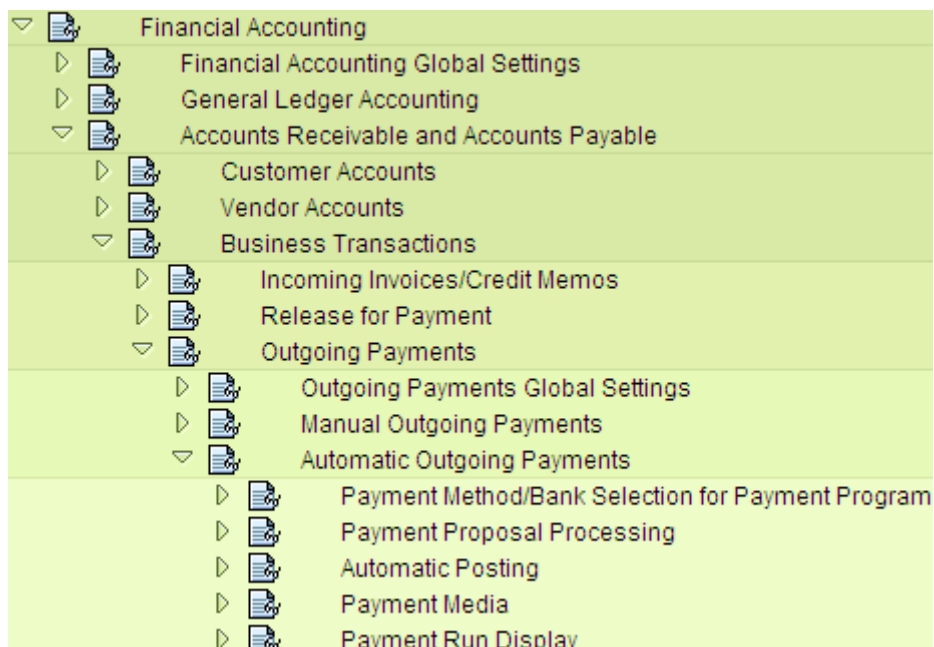
The exact list of nodes you need to go into depends on the format you have chosen.

IDOC is another option for sending payments to the bank. Program RFFOEDI1 generates IDOCs and is always available in F110 on the "Print" tab.

Question 18: I have decided to use the SWIFT MT101 format. Which settings are required in the system in this case? Do I need to make settings for each individual bank?

Answer: Format MT101 is defined by SWIFT, which is an international organisation. It should not be changed in most cases. In the meantime, there are some parameters (fields) in which values can be changed because of requirements of the client or the bank.

Question 19: The bank asks for different structure of field 59 in the format SWIFT MT101 for domestic and international payments. How should I set it up?

Answer: Separate payment method is usually used for international payment. Different payment methods can have different variants in PMW.

Question 20: How can I set up an instruction key, which defines who pays commission for the payment, payer or payee? This instruction key is used in field 71A of format SWIFT MT101. How can I assign the key to the bank or the vendor?

Answer: IMG Node
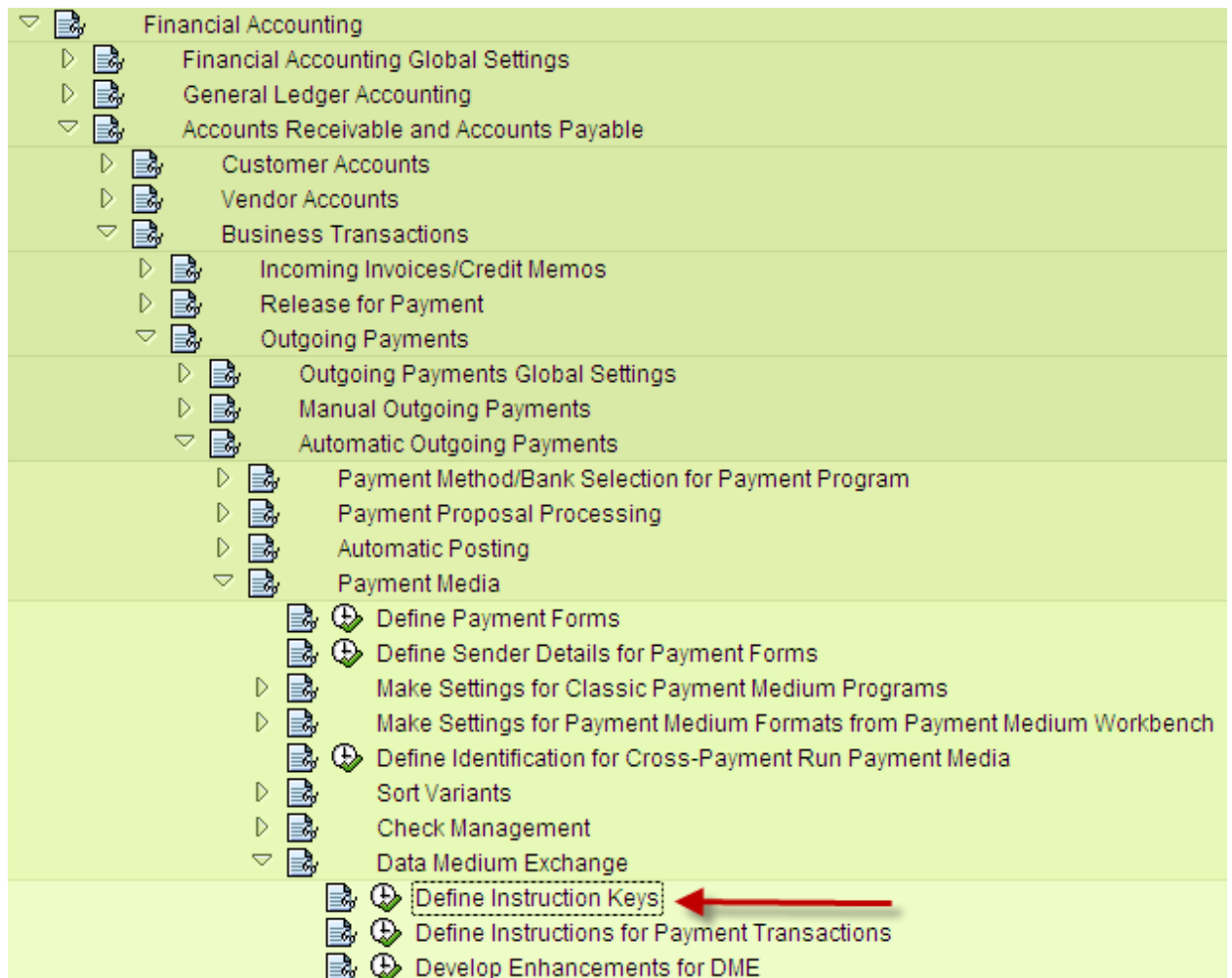
You define the instruction key for the payment method. Then, the payment method is assigned to the vendor or invoice (see above).

By the way, my own experience shows that banks usually ignore this instruction and always charge the payer with the commission.

Question 21: How can I activate the functionality "State Central Bank indicator" (SCB indicator), which is used in the field 77B of the format SWIFT MT101?

Answer: Look at IMG Node:
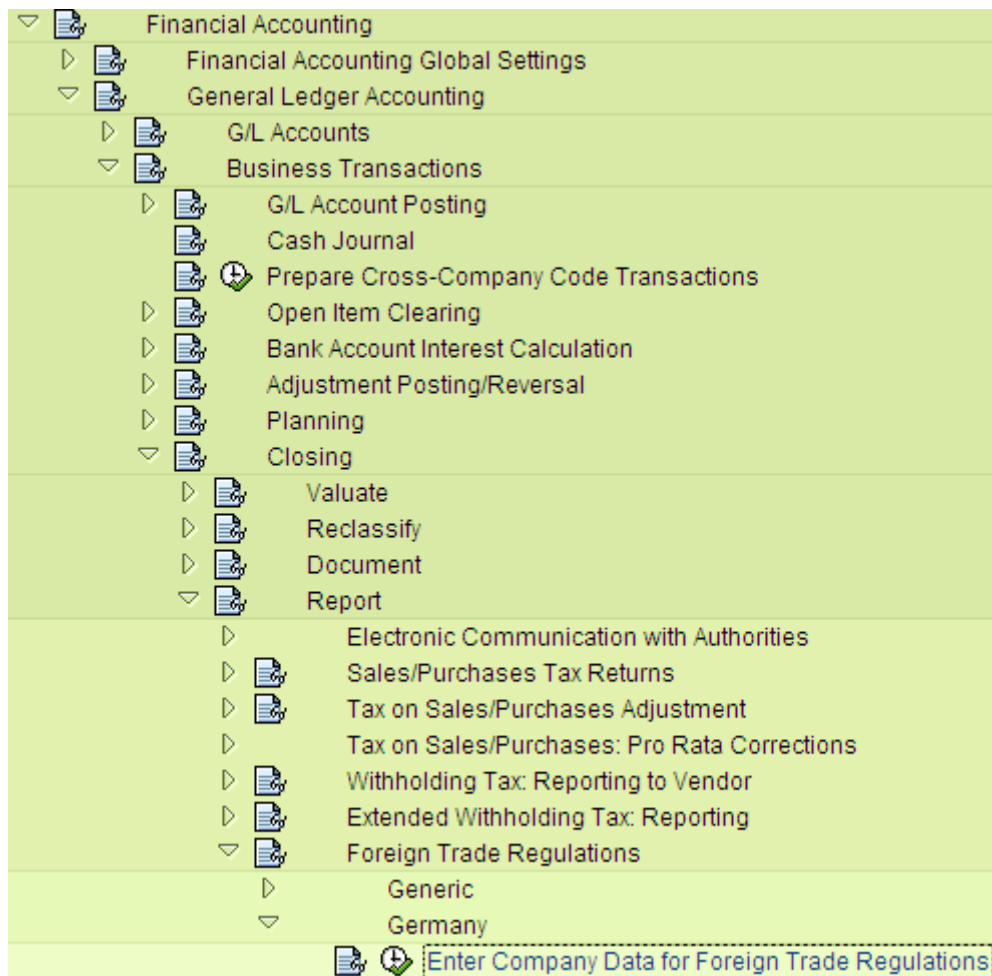
Here we put the Company Code, i.e. "activate" the SCB for it.

Don't be confused with "Germany" in the path. It will work for other countries too.

The same configuration is located in a different place, if your system has NewGL activated: *Financial Accounting (New) > General Ledger Accounting (New) > Periodic Processing > Report > Foreign Trade Regulations > Enter Company Data for Foreign Trade Regulations*

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Next step is to define the SCB indicator:
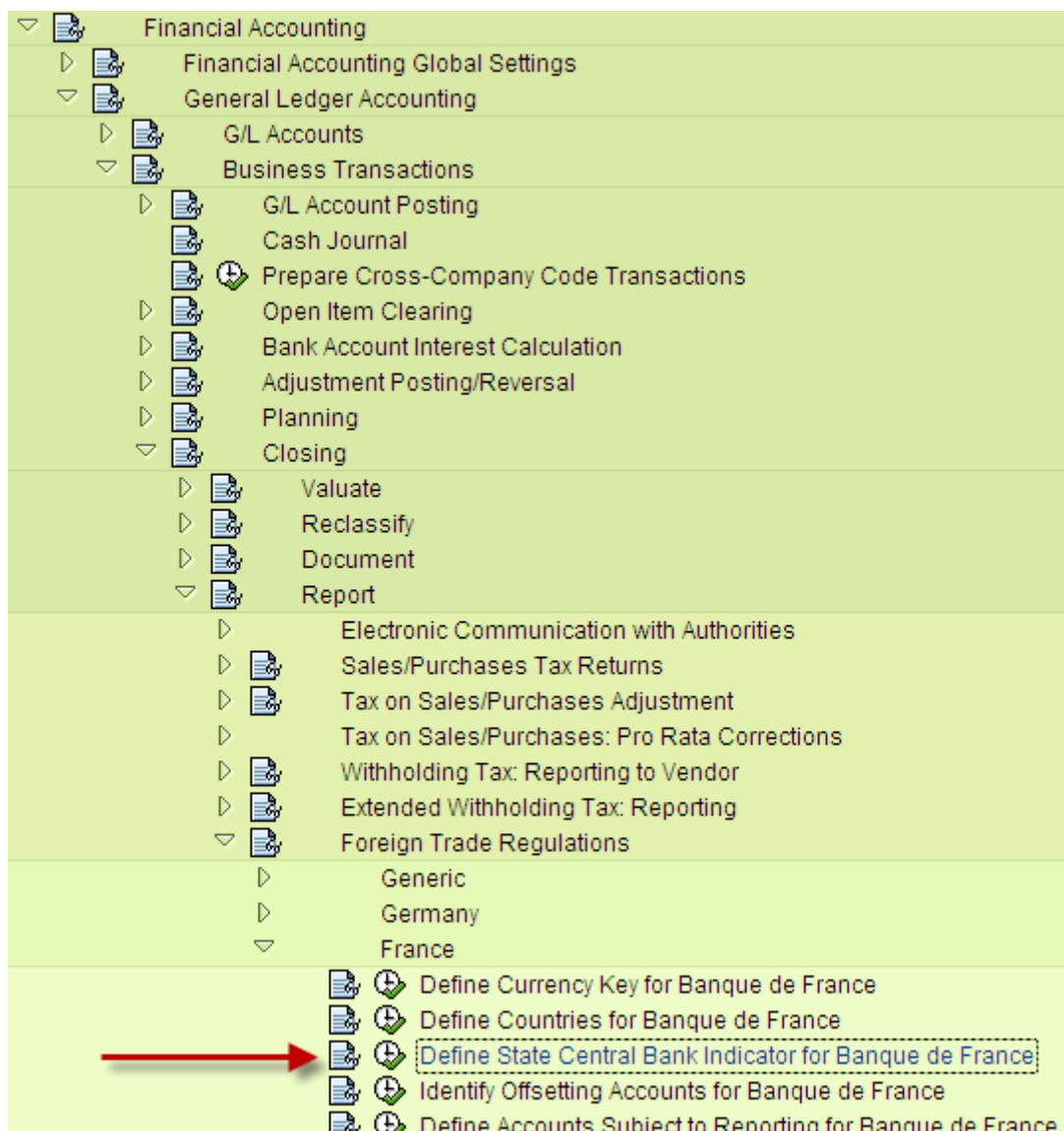
Again, don't be confused by "France" in the path. It will work for any other country too.

Both configuration points are placed next to each other if you use the system with NewGL activated.

When "SCB indicator" functionality is activated for the Company Code, the "Details" tab of an Invoice entry transaction (FB60) will have the relevant fields: SCB ind and Suppl.Cntry. The condition: vendor should belong to a country different from the country of your Company Code. Play with these fields and see which information is taken to field 77B. The rest is just a technical question.

**Question 22:** Where do I set up the output forms?

Answer: Output forms are defined in the payment methods. You can assign a program/form or a Payment Medium Workbench (PMW) structure. There are tons of output forms ready to use. All the standard forms are supported, including European. Print programs can be found using the RFFO* mask. A list of PMW variants can be seen by using the F4 key. You can create your own PMW forms in transaction DMEE. Please read PMW and DMEE documentation.

Other than the payment order itself, the company may require you to produce Payment Advice, which informs the vendor about the payment details. You can configure the form for Payment Advice in the Paying Company Code section of the transaction FBZP.

Question 23: Do I need to configure anything for the format SWIFT MT101 in transaction DMEE? I do not see anything like this in PAYM tree. If I need to create my own format, which option should I choose: flat file or XML message? How can I assign / activate my own new format?

Answer: Format SWIFT MT101 exists in standard PMW delivery. DMEE covers only a few PMW formats. Fortunately, SWIFT MT101 requires only minimal configuration, and it is not done in DMEE. Have a look at:
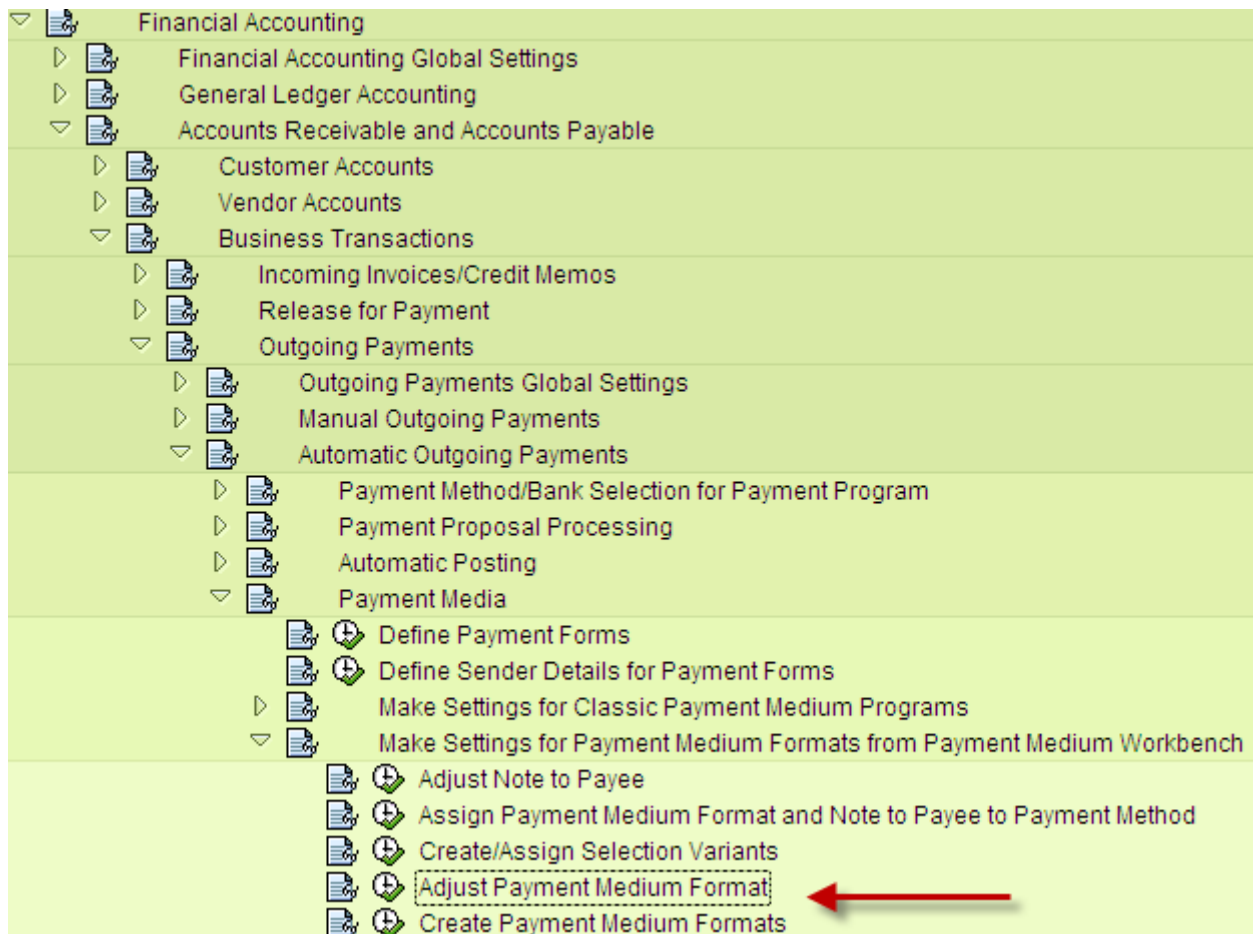
And also Create/Assign Selection Variants (OBPM4) in the same IMG node.

If you need to create something very new, you can use DMEE for configuration and then assign the newly created format to payment method in the same IMG node which I have already mentioned.

The type of the tree (xml / flat file) depends on the bank's preferences and requirement.

Question 24: I have run the Payment Program, posted the documents and planned the print phase. Where should I see the file in the format SWIFT MT101?

Answer: Transaction F110. Menu Environment – Payment Media.

Question 25: I need to print a document for the vendor which informs him about the payment details. Where can I configure it?

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Answer: You can do this in transaction FBZP, section "Paying Company Code". This is called "Payment Advice". It is a usual SAPscript form. SAP has delivered a form for the IDES template company, which can be adjusted with a little ABAP.

Question 26: Company uses bank chains. What is this? Does APP support them?

Answer: Bank chains are usually used for international payments, and very rare for domestic payments. Generally speaking, banks can usually determine how to transfer money from payer to payee themselves. But if a company wants to help the bank and speed up the process, bank chains can help.

In short, here is the purpose of bank chains. If you want to transfer money from one bank to another, these banks should have accounts for each other (correspondence accounts) open. It means that banks put money into these accounts. When a client of bank A pays a client of bank B, then bank B increases the balance of the correspondence account and bank A reduces the balance. There is no physical money transfer unless the balances are negative. As soon as there are too many banks in the world, it is impossible to have correspondence accounts for each pair of the banks. Historically there are some banks which carry out the functions of an intermediate bank. For example, Bank of New York (BONY). In this case, banks A and B open correspondence accounts with BONY, but not with each other. When a client of bank A transfers money to a client of bank B, there are only movements on the correspondence accounts which link banks (A and BONY) and (BONY and B). Again, there is no physical money movement. BONY has no impact on its balance, but it gets a commission from the transaction. If a payer wants to specify a bank chain, it has to let its own bank know that BONY is an intermediate bank, and sometimes the correspondence account number of bank A in BONY.

There can be 2 intermediate banks in the worst scenario.

SAP has a very simple customising of bank chains. IMG Node:
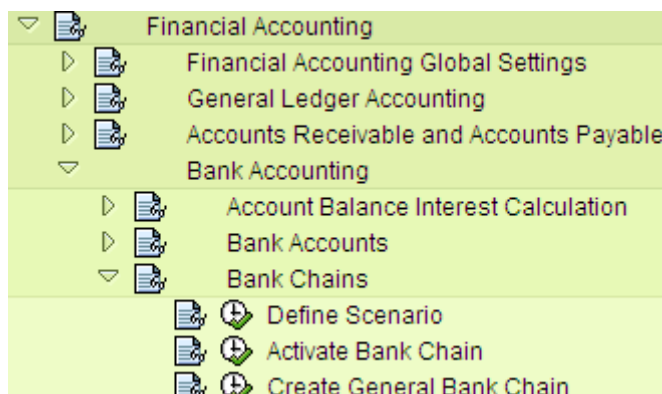
If bank chains are active, the system will automatically find the necessary chain and put it into the internal table of APP. These data will get into the payment order.

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Question 27: What are the possible options to display Payment Proposal and the list of items in Proposal?

Answer: Payment Proposal and a list of items in it can be viewed in 2 variants: classical and ALV-grid. You can customize classical display in IMG. If you want to switch the display to ALV-grid, you have to put a parameter in the user master record (transaction SU3). The proper parameter code is F110OALV.

It may not work in new versions (6.0 and higher) where ALV-grid is set up as default.

Setting up the Electronic Bank Statement (EBS)

Question 1: Does Electronic Bank Statement show transactions from the customer or bank point of view? «+» means debit from the bank point of view, but credit from the client point of view. How can I distinguish incoming and outgoing payments?

Answer: Bank statements in format SWIFT MT940 show transactions from the bank point of view. It means D (Debit) is the company's outgoing payment and C (Credit) is an incoming payment to the bank.

SAP automatically understands the direction of money movement and transforms them from D/C into +/-.

Anyway, a test run of a real bank statement is the best indicator whether the settings are correct or not.

Question 2: I received the full documentation for the statement in format SWIFT MT940. It has a huge list of possible transaction codes. Do I need to configure all of them in Electronic Bank Statement? How can I do this?

Answer: It is worth asking your colleagues (like treasury, cashiers and accountants) which of those transactions do actually exist in statements. Surely, not all of them will be in use. The same people will also tell you how to post each transaction in the General Ledger. Then you set up these transactions as external transactions and group them into internal transaction codes where possible.

Question 3: Transaction codes in the SWIFT MT940 statement are very high-level. For example, TRF (NTRF) can be an incoming or outgoing payment. Don't even mention smaller details. You can't say more using field 61. And it is field 61 which maps to the posting rule. Some banks like Credit Suisse can give more details in the structured field 86. But the system recognizes the transaction type using field 61. How can I ask it to look into field 86??

Answer: Transaction FF.5 has a choice of variants for upload, with field 86 structured and unstructured. Of course, you have to configure transaction types as they are in field 86 if you use the structured statements.

As for NTRF transaction type for incoming and outgoing payments, they can be split by the direction of money movement.

If a bank uses NTRF, say, for outgoing payments and bank commissions, you cannot do much here, unfortunately. You have to do it manually. Or try to use search strings to automatically replace the transaction type.

Question 4: How can I split domestic and international payments if they go under the same transaction type in the bank statement?

Answer: As a rule, all the payments use the same transaction type in the bank statement. It does not matter if the payment is domestic or international. That is why you cannot distinguish them in the statement.

It is different in Russia, where all domestic payments are in roubles and international payments are in foreign currency, except for loans and deposits. Things are easier in this case.

Question 5: Is it a good idea to use a special document type for the bank statement postings? Or is document type SA good enough?

Answer: It is very good idea to use a special document type. Of course, document type SA will suit the first posting area. But I would recommend the use of document types KZ/DZ for the second posting area. Or even introduce a special document type for the bank statement.

Question 6: Our chart of accounts has an account number with less than 10 symbols. How should I specify a mask for the account symbol in the bank statement configuration? Should it be left justified or right justified?

```
+++++++++

+++++++

   +++++++
```

Answer: SAP always adds zeros on the left of numeric account number up to 10 characters. That is why you have to set the mask for all 10 characters.

http://help.sap.com/saphelp_erp60_sp/helpdata/en/43/0bd49743de11d1896f0000e8322d00/frameset.htm

This help document has an example where an account has 6 characters, but the mask has 10 pluses.

Question 7: When I configure the bank statement, I can set "+" for the currency. Do I need to create separate GL accounts for each currency?

Answer: If you need to create different masks for different currencies, then set each currency separately. Usually a bank account is single-currency. That is why "+" should be enough.

http://help.sap.com/saphelp_erp60_sp/helpdata/en/43/0bd4a443de11d1896f0000e8322d00/frameset.htm

Question 8: What is the Interpretation Algorithm?

Answer: Interpretation Algorithm is a link between data in the bank statement and data in the SAP system. For example, the interpretation algorithm can find paid items using the payment order number or cheque number.

You can see the list and details of most of the available algorithms in SAP Note 114713.

Question 9: I set posting type = 8 (open item clearing) in the posting rule of the EBS. There are no open items in the system when I run a test. And I cannot post a payment now. What should I do if I get a down payment from the customer? Which other posting type should I use for the subledger?

It is unclear what to do with subledger postings. Even if I put a customer number in the manual bank statement, posting only goes to the General Ledger.

Answer: A posting rule can have a posting type without clearing. I.e. just a customer posting. Try to use it. Or you can leave incoming payments unposted in the bank statement. Leave this task to treasury/accountants. Of course, it depends on the number of payments like this.

Question 10: When I try to post to subledger, a Payment advice is created. What should I do with it? What is a Payment Advice?

Answer: If I correctly understand, Payment Advice is created for the Cash Management functionality. There is no use for it unless you implement Cash Management. You can switch off Payment Advices in the parameters of a manual bank statement entry. Transaction FF67, menu Settings – Specifications.

If it does not help, have a look at SAP Note 452579 (older SAP versions - 162571).

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Question 11: How can I delete a bank statement?

Answer: Use the program RFEBKA96. This program deletes the bank statement itself, but not the posted documents. That's why I would recommend using this program in the test systems only; and being very careful all the time.

Question 12: What else can I read about the bank statement?

Answer: Have a look at SAP Note 549277.

Question 13: Where do I define the interpretation algorithms?

Answer: Interpretation algorithms are defined in the program RFEBBU10.

Integration of APP and EBS

Question 1: What is the rule for GL accounts' creation for payments? (APP and bank statement)

Answer: Each physical bank account should be configured as a bank account in the transaction FI12.

Additional technical accounts should be created in General Ledger (transaction FS00). I would recommend naming them with a purpose description: cheques, transfers etc. They should have the open items management. You do not need to create separate "bank" accounts for technical GL accounts in FI12.

Bank accounts and the GL account are linked to each other via the special fields. You should only do this for the real bank GL accounts, but not for technical ones.

As a rule, you do not need special technical accounts for bank charges and exchange rate differences. Usually bank charges are posted directly to the special GL account (Cr Bank Dr Costs or Dr/Cr Bank Cr/Dr Exchange rate difference). Of course, you can only do this if the bank shows these charges and FX differences as a separate transaction type. It is very arguable whether the bank should put exchange rate differences into the bank statement or not. Try to come to an agreement with a bank that these transactions are not to be in the statement, if you can.

Question 2: Which GL accounts should be used in Automatic Payment Program (APP) from an accounting point of view? Should they be the same as for the bank statement? Do I need to clear these accounts?

Answer: Yes! The process is precisely the same as described in the question itself. If you use APP to make postings, then it should use the same GL accounts which will be posted from the bank statement from another side. These 2 open items (APP and EBS ones) should be cleared then. Doing it this way, you can check which payments were sent to the bank but not processed by it yet, or any other discrepancies etc.

Posting schema is like this:

1. APP – outgoing payment

Dr Vendor

Cr Bank technical outgoing payment

2. Bank statement

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Dr Bank technical outgoing payment

Cr Bank

   3. Technical account clearing

Cr Bank technical outgoing payment

Dr Bank technical outgoing payment

(Clearing document can have no line items in versions without NewGL activated)

Question 3: What is the best way to split technical bank accounts in GL? I understand they should be split by payment methods. But how will I distinguish domestic and international payments in the bank statement? Do I need to create separate technical GL accounts for incoming and outgoing payments?

Answer: You should know the limit when you split the technical accounts. If you cannot distinguish different payment methods in the bank statement, then it is useless to split GL accounts in APP. But you can always distinguish incoming and outgoing payments, so they should be definitely split.

Question 4: Do I need to have the same document types in EBS and APP?

Answer: Usually you can use different document types for APP and EBS. This will help to distinguish them in the line items list.

Question 5: We post a payment in APP and then in EBS. Is there a duplication?

Answer: No, there is no duplication. Bank Statement has the 1st and the 2nd posting areas. You can choose whether you do the second area or not. APP can only do the second area, but only for payments generated by APP. There should not be a duplication.

Question 6: Automatic Payment Program can be configured with or without postings. What is the difference? I think that APP with postings makes more sense.

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Answer: APP with postings is the most widely used variant in the Western countries. It reduces the configuration complexity because only one posting area will be necessary for the bank statement.

If you configure APP without postings, it only produces the payment order which you send to the bank. You should ask your bank to return the payment order number in the corresponding field of the bank statement. Otherwise you will have a very bad situation. Items paid with a payment order can be only cleared with this payment order number. Those items are not visible in clearing transactions with any other selection option.

Therefore if you have a choice, go for the "with postings" option. Unfortunately, Russian accountants are not very flexible in these terms and prefer to make a posting on the basis of a bank statement. That is why in Russia you have to configure APP without postings.

Question 7: House banks are the banks in which our company has bank accounts for incoming and outgoing payments. What should I do with other bank data? I heard that I need to specify bank data in the vendor or customer master record if I want to process APP correctly. Does it mean I need to maintain all the banks of our customers and vendors?

Answer: House banks are the banks in which our company holds the accounts. You maintain these house bank accounts in transaction FI12.

There are also banks of our partners. You can maintain them in transaction FI02. In general, you get a bank data maintenance screen (analogue of FI02) from the customer or vendor master record when you specify a combination of bank country and bank key, which does not exist yet. The system will ask you about the name, SWIFT code etc.

You have to maintain bank master data only for those payment methods which are paid directly to the bank account of our partner. Not all the payment methods require this. For example, you can draw a cheque without bank details of the payee. But most of the modern electronic payment methods require the bank data. It means we need to think about the bank master data maintenance.

Of course, you create any GL account (normal or technical) only for our own bank accounts in house banks.

It is slightly confusing that both bank account and GL account are called "account", but this is the terminology we need to use.

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Question 8: We have a non-standard situation with bank accounts. We have 2 house banks (A and B) with 3 bank accounts: one account in bank A and two accounts in bank B. The first account in bank B is used for normal payments. The second account in bank B is only technical. There are no direct transactions on this account. The balance of bank accounts in bank B is zero at the end of each day. All available balance of the first account automatically transfers to the second account, and then from there to the account in bank A. The account in bank A is also used for normal payments. How can I configure this in SAP?

Answer: SAP will not be able track the balance of the bank accounts. We can only see the movements in the bank statement, which is issued post-facto. Usually you reach an agreement about all the automatic money movements, including zero-balancing, with the bank. These agreements have nothing to do with SAP.

All the transfers between bank accounts for SAP are just transfers between main and technical bank accounts in General Ledger.

Question 9: What is Direct Debit? How should I process it?

Answer: Direct Debit is a transaction in which the vendor automatically withdraws money from a customer bank account for the goods or services sold. It is widely used in the Western countries, especially for communal payments, instalments, municipal and tax payments. The Russian analogue is Payment Request which is not in common use.

Chapter 4. Other

This will be the shortest chapter of the book. Like dessert: small and sweet.

Question 1: I know the IMG node for the configuration. How can I find the transaction code for quick access to it?

Answer: Activate Activity display in the IMG tree view by choosing menu Edit – Display IMG Activity. A new column will appear on the right of the IMG structure.

First of all, try to call up the transaction from the last 4 characters in this new column. For example, SIMG_CFMENUORFBOB58 transforms into OB58.

If that does not help, copy the full value from the column. Then call up table CUS_IMGACH in the transaction SE16. Paste your value into the field Activity. The transaction code will be in the field TCODE.

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From the author

SAP FI is an area full of both standard solutions and non-standard approaches. Many functional consultants in the SAP FI area try to solve similar issues from time to time. Of course, the context of these solutions is as different as each customer is. But the solution remains the same.

This book is dedicated to the most common issues of Finance implementations on different projects. I hope it was useful for you.

If you still have questions, please come and ask your questions in the forums which I mentioned in the Introduction.

Or you may still prefer to buy yourself a paper or electronic copy of a book from this site.

Sincerely yours,

Dmitry Kaglik

aka DarkDuck