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Bank Communication Management in SAP[®] S/4HANA

- ▶ Explore BCM functionality in SAP S/4HANA and ECC, including process flows, reporting, and configuration
- ▶ Learn about SAP Advanced Payment Management and SAP Multi-Bank Connectivity
- ▶ Dive into the technical aspects of using BCM
- ▶ Troubleshoot common implementation challenges

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2 Process overview

In this chapter, we discuss the steps involved when using the BCM module and walk through these steps in SAP. From the process perspective, we start with the payment programs. The steps prior to the execution of the payment programs are not discussed here.

The use case scenario we use throughout this book adopts the following:

- ▶ Payments under \$10,000 are batched together and do not require approval.
- ▶ Payments from \$10,000 and under \$10,000,000 are batched together and require one approval.
- ▶ Payments of \$10,000,000 and over are batched together and require two approvals.

We assume both the AP and Treasury payment programs are in-scope and all payments are routed through the BCM module. At payment approval, a digital signature is required.

The advantages of routing all payments through BCM are:

- ▶ There is no risk that a payment file will be generated without the required approvals.
- ▶ BCM can be used as a centralized reporting hub for the company.
- ▶ There is a consistent process across all payments.

2.1 Process steps

Before viewing the process steps using SAP screenshots, we will first walk through the end-to-end process flow for a vendor payment scenario in which two approvals are required before a payment file is sent to the bank. This process is outlined in Table 2.1.

The payment file format in this case is pain.001.001.03 and the bank sends back both file and transaction level acknowledgements in pain.002.001.03 format.

Step	Description
Process payments	Upon completion of the vendor/customer payment program (Schedule Automatic Payments App/transaction code F110), accounting documents are posted, but no payment file is generated at this point. Users can see the information message PAYMENT RUN <DATE> <RUN ID> IS INTENDED FOR CROSS-PAYMENT RUN PAYMENT MEDIA at the bottom of the payment log, indicating that the payments must be processed in BCM before a payment file is generated.
Merge payments	In this step (transaction code FBPM1), payments are merged together based on predefined rules to create payment batches which are then routed for first approval.
1st payment approval	In this step (Approve Bank Payments app/transaction code BNK_APP), the approver has the ability to approve or reject all payments in the batch, or to approve or reject individual payments in the batch. Approved payments are routed for the second approval.
2nd payment approval	In this step (Approve Bank Payments app/transaction code BNK_APP), the approver can either approve the entire batch or return the entire batch to the first approver. There is no other option. Approval at this step creates the payment file.
Payment file delivery to bank	The payment file is now transmitted to the bank. The transmission can be through SAP's Multi-Bank Connectivity, the SWIFT network, or by other bank communication software.

Step	Description
Import file level acknowledgment	The file level acknowledgement confirmation is imported into SAP and the batch status is updated to RECEIVED BY BANK, which can be seen in the Monitor Payments app (transaction code BNK_MONI).
Import transaction level acknowledgment	The transaction level acknowledgement confirmation is imported into SAP and the batch status is updated to ACCEPTED BY BANK, which can be seen in the Monitor Payments app (transaction code BNK_MONI).
Import bank statement	Importing the bank statement in SAP posts to the general ledger (G/L) account assigned to the bank while clearing the payment document (if set up) which was posted by the Schedule Automatic Payments App/transaction code F110. It also updates the batch status to STATEMENT RECEIVED, which can be seen in the Monitor Payments app (transaction code BNK_MONI).
Monitor bank statement	The imported bank statements can be monitored in the Monitor Bank Statements program (transaction code FTE_BSM) for balance and status-related details.

Table 2.1: Process flow with two payment approvals

2.2 Process steps in SAP

In this section, we walk through the process flow described above, using screenshots from SAP.

2.2.1 Payment programs

If BCM is not used, or the payment run ID pattern is not maintained in the RESERVATION FOR CROSS-PAYMENT RUN PAYMENT MEDIA program (transaction code OBPM5), then the execution of the payment run (either Schedule Automatic Payments App (transaction code F110) or Automatic Payment Transactions for Payment Requests app (transaction code F111)) results in an accounting posting and the creation of the payment run media (i. e., the payment file). However, when BCM is used, the execution of the payment program does not result in the creation of a payment file. Instead, users see the message shown in Figure 2.1, at the bottom of the payment log. This is an informational message and does not indicate an error.

Date	Time	Message text
04/06/2020	23:11:45	Job F110-20200406-PG001 23114500 started
04/06/2020	23:11:45	Step 001 started (program SAPF110S, variant &0000000000127, user ID GUPTA)
04/06/2020	23:11:45	Log for payment run for payment on 04/06/2020, identification PG001
04/06/2020	23:11:48	End of log
04/06/2020	23:11:48	Step 002 started (program IDFIPAYM_SCHED_AF_PAYM_BORD_OM, variant &0000000000026, user ID GUPTA)
04/06/2020	23:11:48	Step 003 started (program SAPFPAYM_SCHEDULE, variant &0000000000056, user ID GUPTA)
04/06/2020	23:11:48	Payment run 04/06/2020 PG001 is intended for cross-payment run payment media
04/06/2020	23:11:48	Job finished

Figure 2.1: Message—payment routed to BCM

The message PAYMENT RUN 04/06/2020 PG001 IS INTENDED FOR CROSS-PAYMENT RUN PAYMENT MEDIA means that this payment run will go through BCM and is now queued for batching.

2.2.2 Merging payments

Users can view the payments that are queued for batching using the PAYMENT STATUS FOR BATCHING PROCESS report (transaction code BNK_MONIP). There are many selection option fields that can be used to determine what specific payments to display, as shown in Figure 2.2. By pressing the ALL SELECTIONS button (not shown here), users can see all input fields.

Batch and payment monitor

Save as Variant...
Get Variant...
Chosen Selections
More ▾

Batch Number:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Rule Id:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Paying company code:	<input type="text" value="Q"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Due date:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
House bank:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Account ID:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Payment Method:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Pmt meth. supplement:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Currency:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Amount Paid:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Vendor:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Customer:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
PymtAmt(ricurr):	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Origin of Grouping:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Country Key:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Bank key of the payee's bank:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Payee's bank acct number:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
SWIFT/BIC:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
IBAN of the Payee:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Unique Reference (UETR):	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
No. of Payments:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Batch Currency:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Batch Amount:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Batch Amt(rul curr):	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Run Date:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Identification:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Merge date:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Merge Id:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Payment Document Number:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Post.date.doc.:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Value date:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Create User:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Create Time:	<input type="text" value="00:00:00"/>	to:	<input type="text" value="00:00:00"/>	<input type="button" value="⇄"/>
Create Date:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Change User:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Change Time:	<input type="text" value="00:00:00"/>	to:	<input type="text" value="00:00:00"/>	<input type="button" value="⇄"/>
Change Date:	<input type="text"/>	to:	<input type="text"/>	<input type="button" value="⇄"/>
Reference Number:	<input type="text"/>			
File Name for Download:	<input type="text"/>			

Figure 2.2: Selection options for Payment status (batching) process report

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