ESPRESSO TUTORIALS

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Delta from SAP® ERP Financials to SAP S/4HANA Finance

- Key changes to financial accounting and structure in SAP S/4HANA Finance
- Master data changes in G/L accounts and the business partner
- New general ledger structure in the universal journal
- S/4HANA preparation and migration tools

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2 Financial accounting structure

Although SAP S/4HANA has had enormous implications on all areas of SAP, this book concentrates mainly on the financial accounting side. We will start by explaining what is meant by the merge of financial accounting (FI) and controlling (CO) in SAP S/4HANA, how the accounting structure and tables have changed, and the implications of those changes. We also talk about the changes to currencies and ledgers.

2.1 Background

SAP ECC 6.0 and earlier versions of SAP were made up of a number of separate modules such as financial accounting, controlling, purchasing, sales and distribution, manufacturing, plant maintenance, asset accounting, and so on. Most modules had their own tables and own data and although most of them eventually posted into the financial accounting (FI) module, they did not always post in real time; things could be missed, and a lot of batch postings and checking took place.

Primary costs were posted to FI, but not secondary costs, which stayed in CO. This could lead to different profit figures for management reporting and for financial reporting and even profitability analysis reports sometimes included or excluded items that were or were not in financial and management accounting.

In addition, if you still had the classical general ledger (G/L) and wanted to report figures according to different accounting principles, such as local generally accepted accounting principles (GAAP) or International Financial Reporting Standard (IFRS) reporting, it could be quite complicated to extend the chart of accounts to cover both, adjust the configuration and financial statement versions accordingly, and then reconcile the two figures.

At the end of each period, a considerable amount of time could be spent checking that everything was posted through to the G/L, running reports from different sources, and performing reconciliations between the different modules and different accounting principles. There were also a number of tasks which could only be performed at the period end, making the period closing a long and complicated process.

With the advent of the *New General Ledger* in 2004, things became slightly easier, as you could then create additional ledgers for the different accounting principles. You could post most items automatically to one or more ledgers at the same time, with additional adjustments to individual ledgers where values were different.

In some cases, for example in asset accounting, not all transactions could be posted in real time, and transactions to additional depreciation areas had to be posted separately to the parallel ledgers at the end of the month.

The most important changes in finance in SAP S/4HANA revolve around the concept of a *single source of truth*, which we will explain in the next section.

2.2 The single source of truth

SAP S/4HANA is all about simplicity, user friendliness, and getting rid of redundancy and unnecessary tasks. The most effective way to achieve this is to have everything posting at the same time to the same place. Not only is there less work at the period end because a lot of postings are made during the period and you don't have to check and reconcile everything, but it helps prevent postings to one module without updating finance at the same time with the same amount.

2.2.1 The merge of finance and controlling

Prior to SAP S/4HANA, for each primary cost or revenue that you wanted to report separately, you had to create a general ledger account in the chart of accounts in FI as well as a matching cost element in CO. Sometimes this was done by two separate departments.

Depending on how well users in the organization understood the concept and controlled this, you could have situations where the cost elements were either omitted altogether; created for accounts that did not require them, such as financial and non-operating costs; or accidentally created for those specifically configured not to use cost elements. This sometimes forced a configuration change, as it was difficult, if not impossible, to then delete the cost element, especially if it had already been posted to.

In SAP S/4HANA, there is no separate cost element. Financial accounting (FI) and controlling (CO) have been partially merged by moving cost elements into the general ledger master data records and adding fields to control when and how they appear in controlling reports.

The exact detail of how to set up the combined new general ledger account master record will be found in Section 4.1 which deals with all the master data changes in SAP S/4HANA.

Now, postings to all G/L accounts will appear in financial reporting (you may need to filter out secondary costs depending on the report), but all primary and secondary costs will still appear in controlling reports. Non-operating expenses or income, i.e. profit and loss (P&L) accounts that previously would not have had a cost element, continue to appear only in finance reports.

Fiscal-year variant

Because they are merged, finance and controlling must have identical fiscal-year variant codes and not just similar periods and year ends. This has particular relevance during a conversion to SAP S/4HANA as the fiscal-year variants need to be checked to ensure that they do not block the conversion.

Areas such as consolidations, profit center accounting, and special-purpose ledgers are still working, although some functionality may now be available elsewhere in SAP S/4HANA.

2.2.2 Profitability analysis

By making account-based profitability analysis (CO-PA) mandatory, there is an automatic reconciliation between finance and CO-PA. In addition, the CO-PA characteristics can be seen in the Universal Journal and added to some of the financial reports. Account-based CO-PA can use extension ledgers (see Section 2.4.3) and the new COGS split calculation (see Section 3.5).

Costing-based CO-PA is still available, but in parallel with account-based, and enhancements are coming out all the time to improve costing-based CO-PA.

There is now a third option that can be activated which will add another checkbox to the Type of Profitability Analysis in transaction KEA0 for *combined profitability analysis (cPA)*. cPA has new functionality, is flexible, and uses value fields as well as G/L accounts, giving the flexibility of costing-based profitability analysis, but with an easier reconciliation to the general ledger.

For further information, see SAP Note: 1955893—cPA: the Combined Profitability and also SAP Note: 2344093—cPA: Combined Profitability Analysis—Implementation Guide. The customizing for this is found in transaction KEPSL. See Figure 2.1.

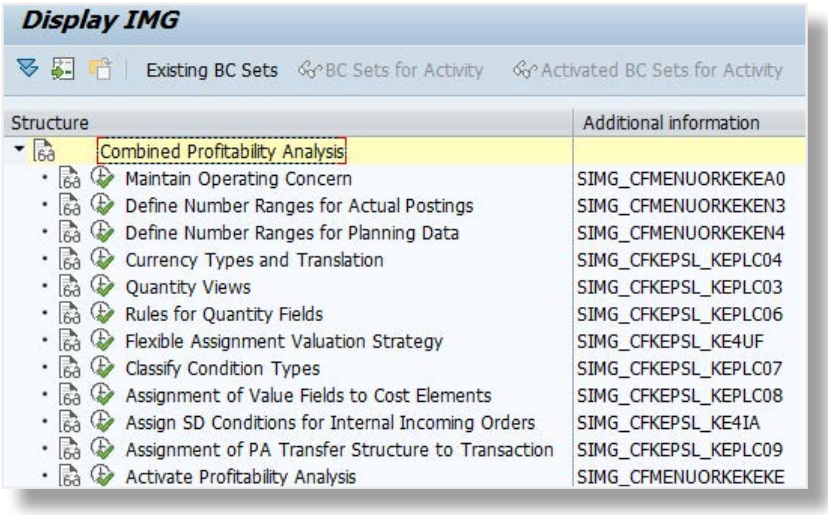

Figure 2.1: Combined profitability analysis transaction KEPSL

If you don't have the transaction KEPSL available, further information can be found in SAP Note 1955893—cPA: The combined Profitability Analysis.

2.3 ACDOCA and table content

As mentioned in Section 1.1, historically there were a large number of tables and programs in financial accounting, including a number of index and totals tables. Many of these are now obsolete and have been replaced by a single table in financial accounting *ACDOCA,* called Universal Journal Entry line items. The Universal Journal is explained in Section 3.1. Figure 2.2 shows the ACDOCA table viewed in the ABAP Dictionary using transaction

SE84, to give you an idea of the areas covered by ACDOCA. You can now directly report on multiple areas from ACDOCA without replicating data to a separate reporting system.

Transparent Table ACDOCA Active

Short Description Universal Journal Entry Line Items

Attributes | Delivery and Maintenance | Fields | Input Help/Check | Currency/Quantity Fields | Indexes

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Field	Data element	Data Type	Short Description
RCLNT	MANDT	CLNT	Client
RLDNR	FINS_LEDGER	CHAR	Ledger in General Ledger Accounting
RBUKRS	BUKRS	CHAR	Company Code
GJAHR	GJAHR	NUMC	Fiscal Year
BELNR	BELNR_D	CHAR	Accounting Document Number
DOCLN	DOCLN6	CHAR	Six-Character Posting Item for Ledger
RYEAR	GJAHR_POS	NUMC	General Ledger Fiscal Year
DOCNR_LD	FINS_DOCNR_LD	CHAR	Ledger specific Accounting Document Number
RRCTY	RRCTY	CHAR	Record Type
.INCLUDE	ACDOC_SI_00	STRU	Universal Journal Entry: Transaction, Currencies, Units
RACCT	RACCT	CHAR	Account Number
.INCLUDE	ACDOC_SI_GL_ACC...	STRU	Universal Journal Entry: G/L additional account assignments
.INCLUDE	ACDOC_SI_VALUE_...	STRU	Universal Journal Entry: Value Fields
.INCLUDE	ACDOC_SI_FIX	STRU	Universal Journal Entry: Mandatory fields for G/L
.INCLUDE	ACDOC_SI_GEN	STRU	Universal Journal Entry: Fields for several subledgers
.INCLUDE	ACDOC_SI_FI	STRU	Universal Journal Entry: Fields for FI subledgers
.INCLUDE	ACDOC_SI_FAA	STRU	Universal Journal Entry: Fields for Asset Accounting
.INCLUDE	ACDOC_SI_ML	STRU	Universal Journal Entry: Fields for Material Ledger
.INCLUDE	ACDOC_SI_CFIN	STRU	Universal Journal Entry: Fields for Central Finance
.INCLUDE	ACDOC_SI_CO	STRU	Universal Journal Entry: CO fields
.INCLUDE	ACDOC_SI_LOG	STRU	Universal Journal Entry: Fields for Logistics
.INCLUDE	ACDOC_SI_LOG_ACT	STRU	Universal Journal Entry: Fields for Logistics - actual only
.INCLUDE	ACDOC_SI_COPA	STRU	Universal Journal Entry: CO-PA fields
.INCLUDE	ACDOC_SI_PS	STRU	Universal Journal Entry: Fields for Public Sector
.INCLUDE	ACDOC_SI_JVA	STRU	Universal Journal Entry: Fields for Joint Venture Accounting
.INCLUDE	ACDOC_SI_RE	STRU	Universal Journal Entry: Fields for Real Estate
.INCLUDE	ACDOC_SI_ACR	STRU	Universal Journal Entry: Fields for Accrual object
.INCLUDE	ACDOC_SI_VAL	STRU	Universal Journal Entry: Fields for Fin. Valuation Object
.INCLUDE	ACDOC_SI_EXT	STRU	Universal Journal Entry: Extension fields
FUP_ACTION	FINS_ACDOC_FOLL...	CHAR	Follow-up action for this Universal Journal Entry Line Item
MIG_SOURCE	FINS_ACDOC_MIG_...	CHAR	Source of a migrated journal entry item
MIG_DOCLN	FINS_MIG_DOCLN	CHAR	Item ID of migrated G/L line item
_DATAAGING	DATA_TEMPERATURE	DATS	Data Filter Value for Data Aging

Figure 2.2: Table ACDOCA viewed in ABAP Dictionary

If you expand each INCLUDE, you can see the relevant fields, for example, Figure 2.3 shows the fixed asset fields now available in ACDOCA in the line ACDOC_SI_FAA, Universal Journal Entry: Fields for Asset Accounting.

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