Learn SAP FICO in 1 Day

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Chapter 1: Introduction to SAP FICO

SAP FI is a module used for reporting both externally and internally. The objective is to record all financial transactions that are posted by an entity and produce financial statements which are accurate at the end of the trading period. This tutorial is going to explain the major functionalities with SAP FI module.

SAP FI is made up of sub modules. The sub-modules that are often used are accounts receivables, accounts payables, asset accounting, general ledger Accounting and bank accounting.

All the sub modules are interlinked and integrate in real time. A trial balance can be extracted at an time and it will always balance because all the sub modules are connected. The diagram below shows the the integration between SAP FI modules.
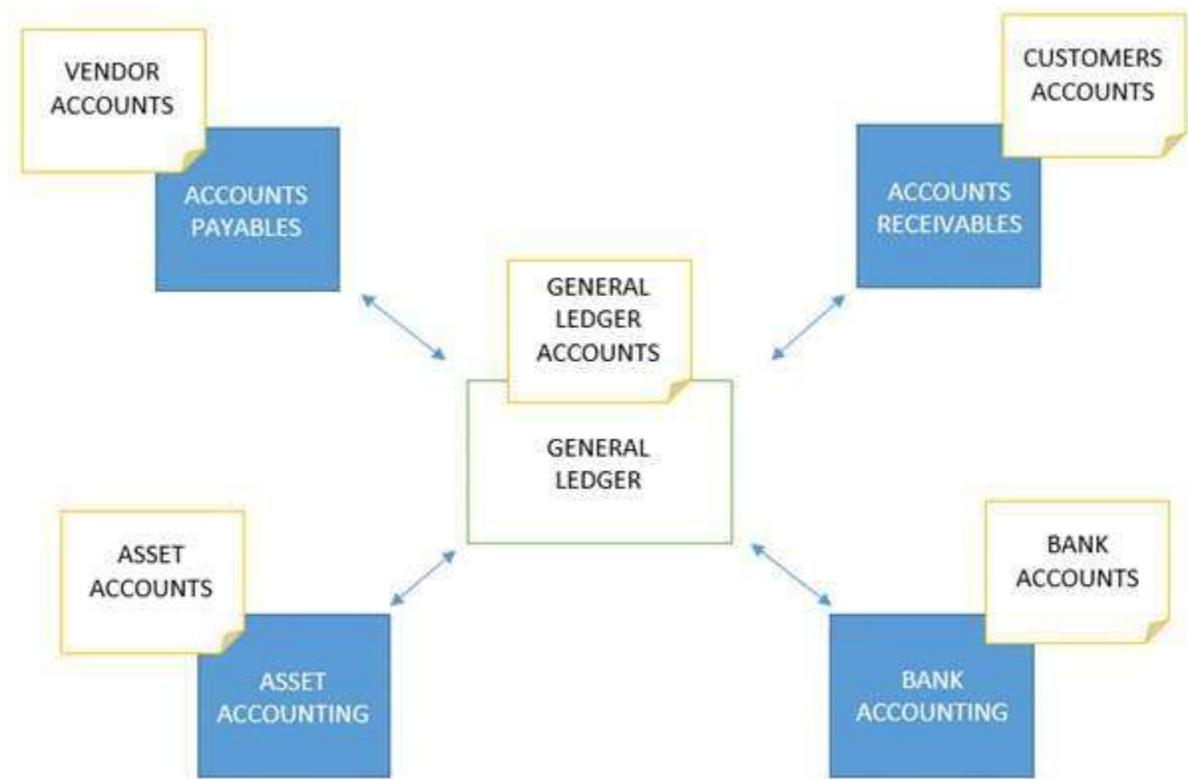
General ledger accounting

All general ledger accounts that are used for reporting are managed through general ledger accounting. In SAP a set of all general ledger accounts used by a company or a group of companies is called a chart of accounts. These are the accounts that will be used for the preparation of financial statements. Most of the transactions are recorded in sub modules and they are reconciled with the general ledgers in real time. Transactions that can be done in direct in general ledger Accounting include journal vouchers which are posted to adjust or correct transactions. Reversals can also be done from general ledger accounting. Balances in general ledger accounts can be displayed and trial balances extracted from the system.

Accounts receivables

Accounts receivables is a sub module that captures all transactions with customers and manages customer accounts. Separate customer accounts will be maintained and when transactions are posted in customer accounts, reconciliation accounts in general ledger are updated with the figures in real time. Transactions in accounts receivables include invoice posting, credit memo posting, down payments, invoice payment, dunning and executing customer reports.

Accounts payables

Accounts payables is a sub module that captures all transactions with vendors and manages vendor accounts. Separate vendor accounts are maintained and when transactions are posted in customer accounts, reconciliation accounts in general ledger are updated with the figures in real time. Transactions in accounts payables include invoice posting, credit memo posting, down payments, invoice payment, automatic payment program and executing vendor reports.

Asset accounting

Asset accounting manages all transactions realted to assets for an entity. When transactions are posted in asset accounts ,reconciliation accounts in general ledger are updated in real time. Transactions in asset accounting include asset acquisition, asset retirement, asset sale, asset transfer, asset revaluation and asset depreciation.

Bank accounting

Bank accounting captures all transactions with the banks. Bank reconciliation is done to reconcile all transactions recorded on bank statements comparing them to transactions in the system.

All SAP FI sub-modules are integrated and transactions are updated in real time which means accurate financial statements can be extracted from the system at any time.

Chapter 2: How to Create a Company in SAP

Define Company

In this tutorial, we will learn How to Create a Company

**Step 1)** Enter Transaction code SPRO in the command field

Step 2) In the next screen Select SAP reference IMG

Step 3) In next screen Display IMG follow the menu path

SAP Customizing Implementation Guide -> Enterprise Structure -> Definition-> Financial Accounting -> Define Company
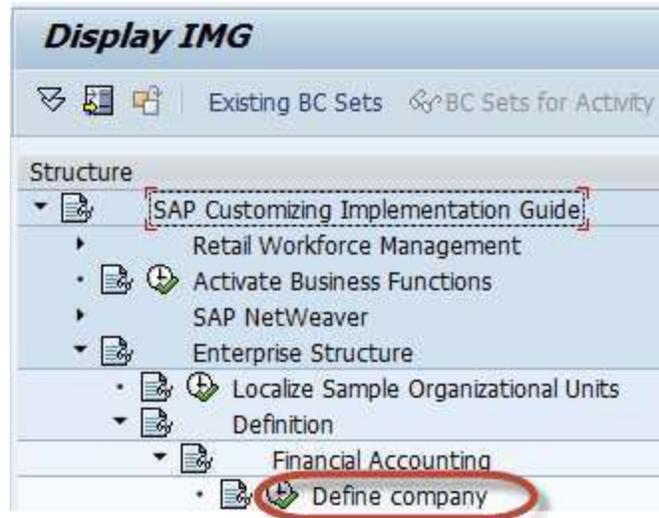
Step 4) In the next Screen

1) Press New Entries
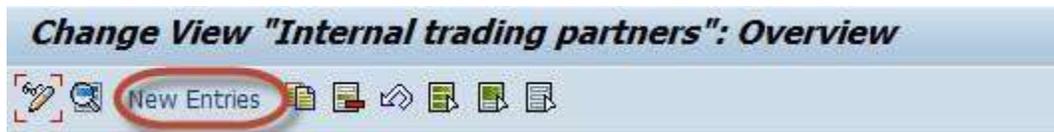
Step 5) In the next Screen Enter the Company Details :

1. Enter a unique Company Id for the Company within your corporate group
2. Enter the Company Name
3. In the Detailed Information Section Enter the Company Address details such as Street , PO Box, Postal Code, City
4. Select Country code for country the company is established
5. Select Default language for the Company for Print forms and Default Texts
6. Select a Local Currency for the Company

New Entries: Details of Added Entries

Company   Z100   1

Company name   ABC COMPANY   2

Name of company 2

Detailed information

Street   MG ROAD

PO Box   12345

Postal code   678901   3

City   NEW DELHI

Country   IN   4

Language Key   EN

Currency   INR   5

                                                 6

Step 6) After completing all the required information ,press save
 Enter your customizing request number

Prompt for Customizing request   ✕

View Maintenance: D... V_T880

Request   ENIK900006   ☐ Customizing request

Short Description   CUSTOM REQUEST 01

                         ✔ | 🔗 📋 📄 Own Requests | ✖

and your company is created.

Chapter 3: How to Create a Company in SAP & Assign Company Code

Creating Company Code is a 2 Step process

1) Create Company Code

2) Assign Company Code to Company

Define Company Code

**Step 1)** Enter Transaction code SPRO in the command field

Step 2) In the next screen Select SAP reference IMG

Step 3) In next screen Display IMG follow the menu path

SAP Customizing Implementation Guide -> Enterprise Structure ->Definition->Financial Accounting->Edit, Copy, Delete, Check Company Code
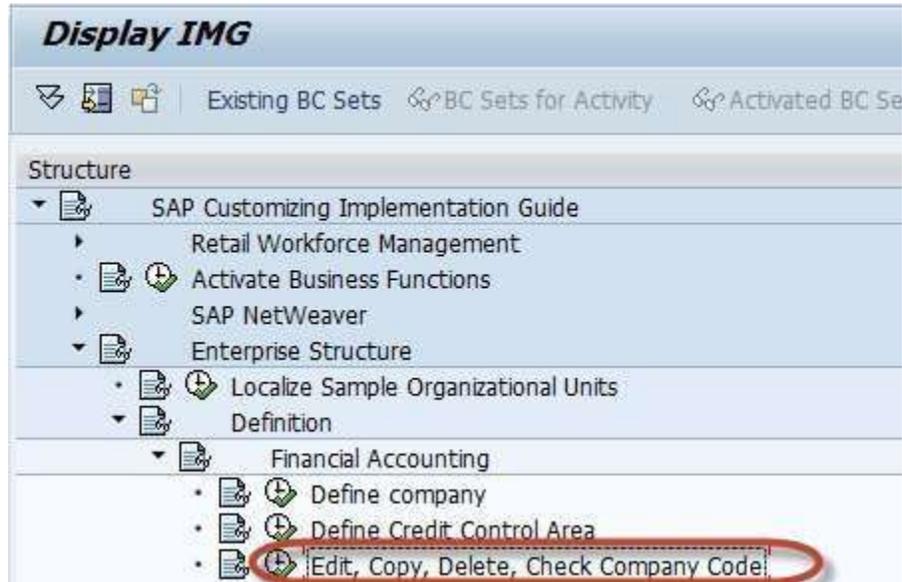
Step 4) In the next screen, select activity - Edit Company Code Data

In the Change View Company code screen

Step 5) Select New Entries

Step 6) In the Next Screen Enter the Following Details

1. Enter your Unique Company Code Number
2. Enter Company Name
3. In the Additional Data section Enter City
4. Enter Country for the Company
5. Enter Local Currency
6. Enter Default Language

Step 7) Click Address Details button on same screen

Step 8) Enter Address Details for the Company this will appear in print forms

1. In the Name Section Enter Title and Company Name
2. In the Search Term section Enter Search term 1 and 2
3. In the Street Address section enter street, postal code, city, country

4. In the P O Box Address section Enter PO Box and Postal Code
5. In Communication Section Enter appropriate details

Step 9) After Completing this information Press Save and Enter

your Change Request number.

You have successfully created a new Company code.

Assign Company Code to Company

Step 1) In the SAP Reference IMG Select the Menu path

SAP Customizing Implementation Guide ->Enterprise Structure->Assignment->Financial Accounting->Assign Company Code to Company
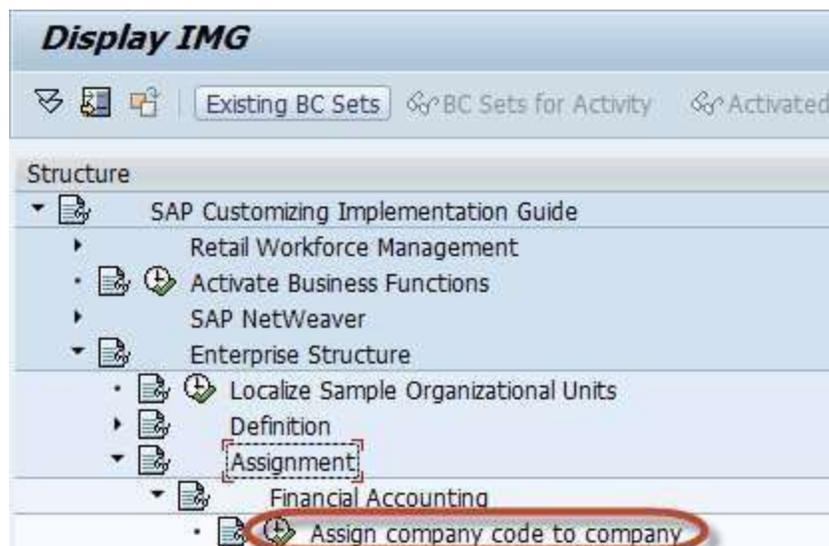
Step 2) In the Next Screen Enter the unique Company ID against the Company Code you Want to assign to this Company.

Step 3) Press Save and Enter the Customizing request Number

You have assigned the desired Company code to the Company