

Declutter Your Chart of Accounts With the New Bank Account Ledger

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SAPinsider



In This Session

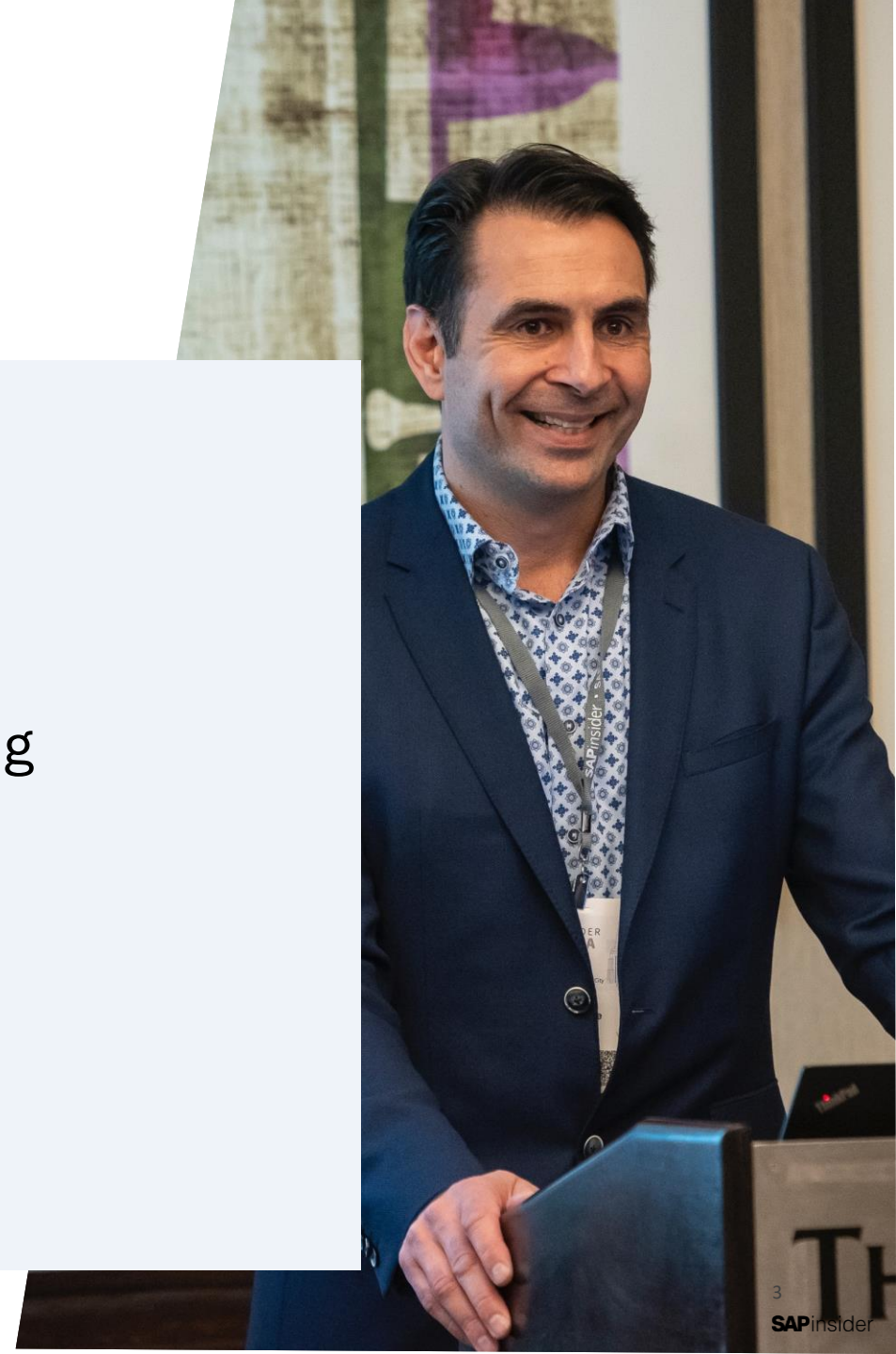
"How are bank accounts modeled in SAP?"

"SAP has subledgers for payables, receivables, and fixed assets so there's one for banks too, right?"

"We've been running R/3 and ECC for 20+ years. Now we are upgrading to S/4HANA and want to know if what the practical benefits and changes are in SAP Finance"

What We'll Cover

- Problem and Solution Driver
- Solution Overview
- Master Data Changes
- Bank Account Lifecycle & Reporting
- Migration
- Wrap Up



Problem and Solution Driver



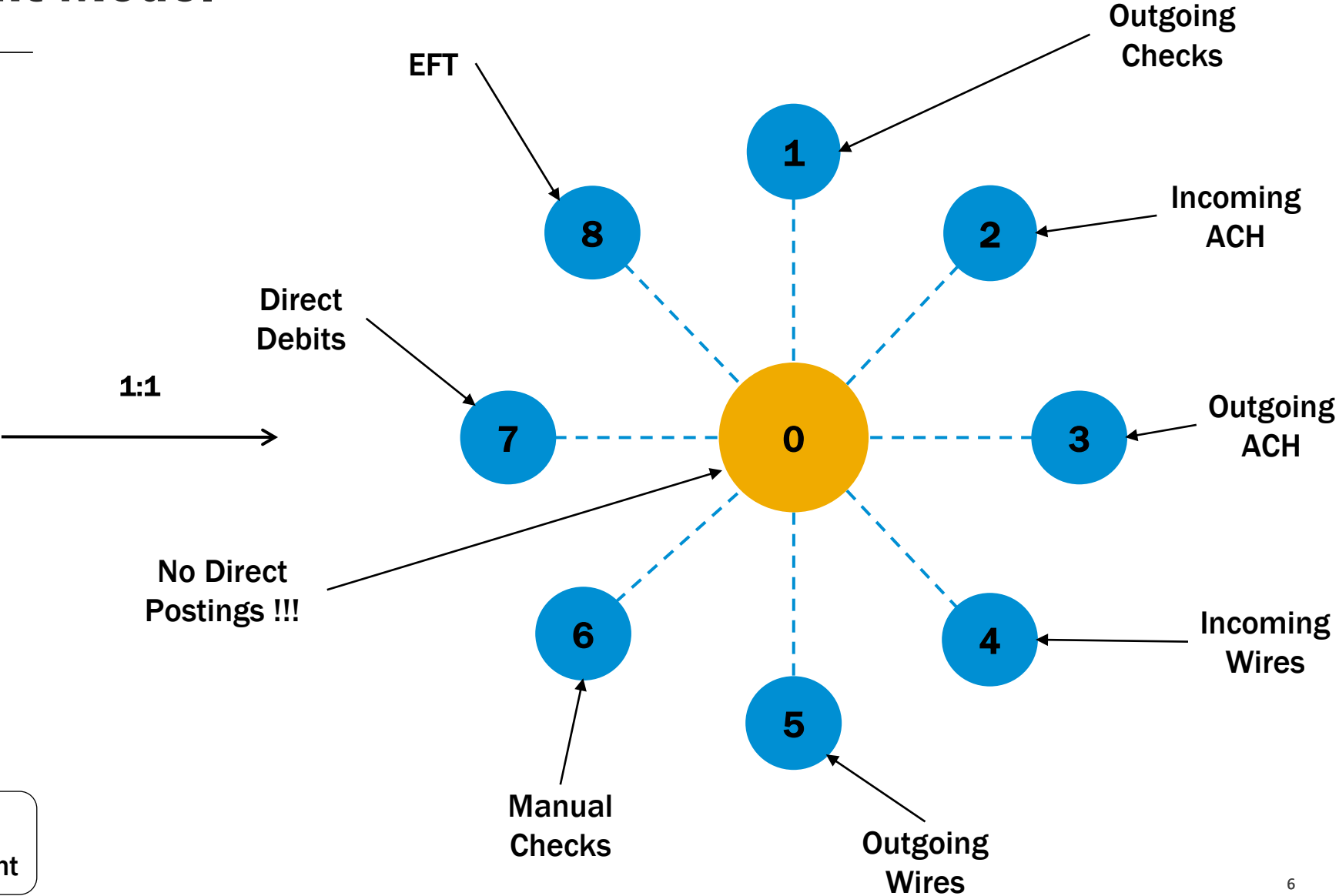
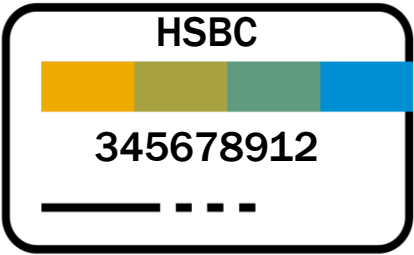
How to Manage Bank Accounts in SAP (R/3)?

In the past where we didn't have a true bank subledger...

- A significant amount of G/L accounts are required to model a single bank account
- This can lead to a large percentage of the chart of accounts devoted solely to bank accounts
- 25-40% on average
- Creating new bank accounts requires involvement from non-Treasury resources

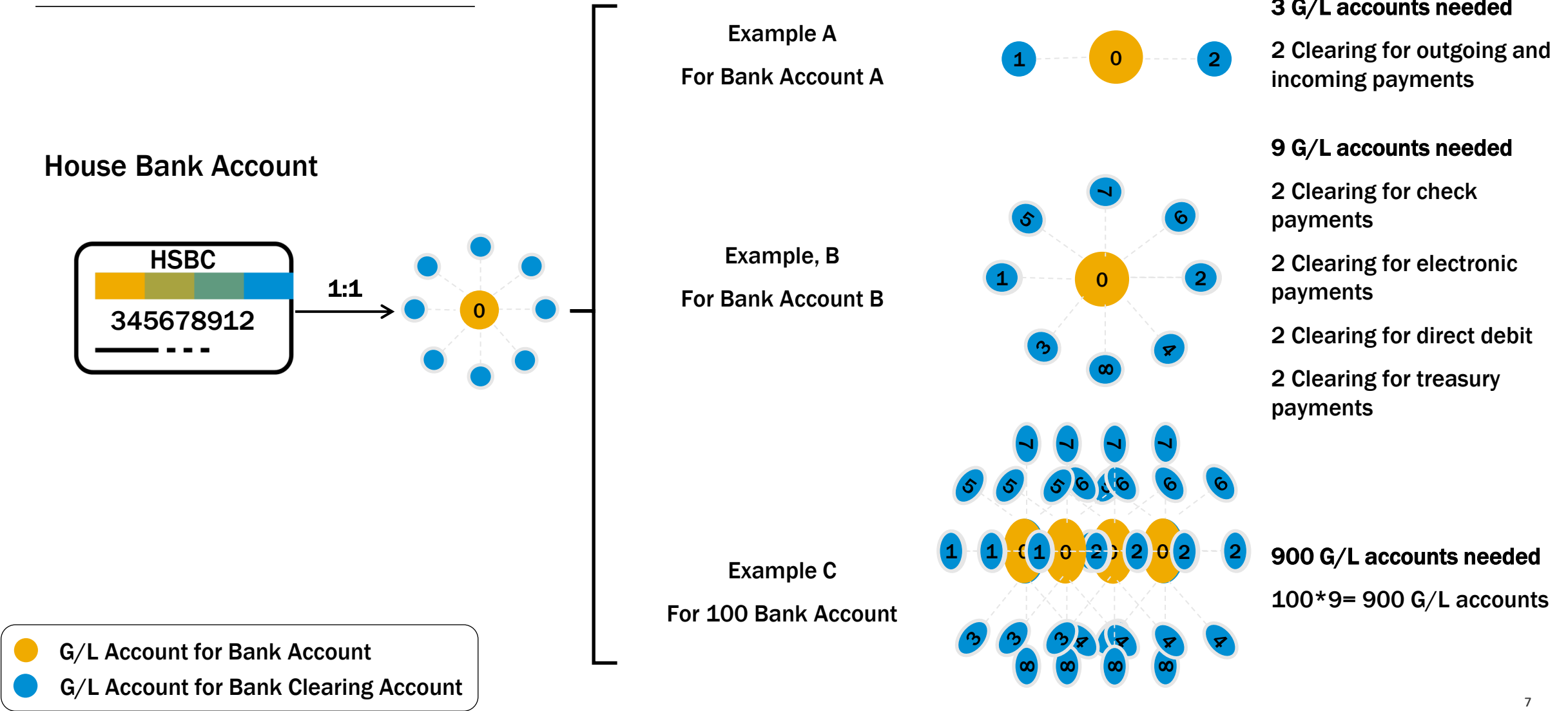
Typical Bank Account Model

House Bank Account



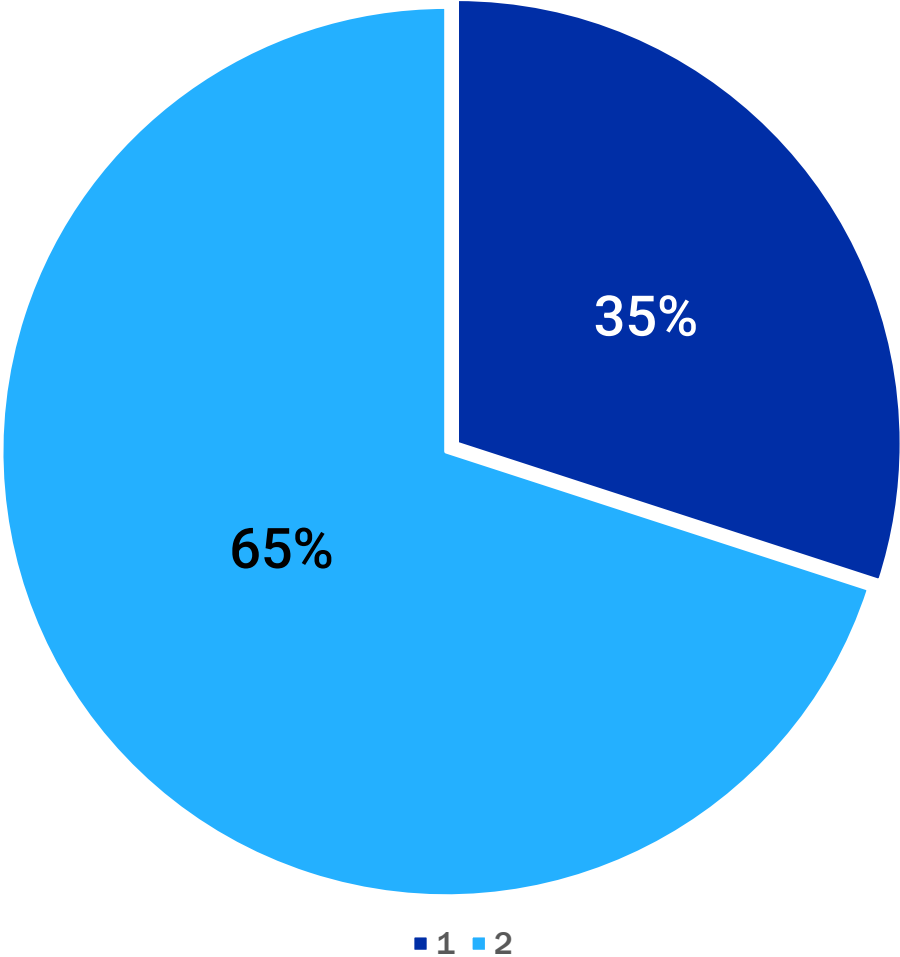
- G/L Account for Bank Account
- G/L Account for Bank Clearing Account

Pain Point 1 – Does it Scale?



Pain Point 2 – Impacts on the Chart of Accounts

Chart of Accounts Composition

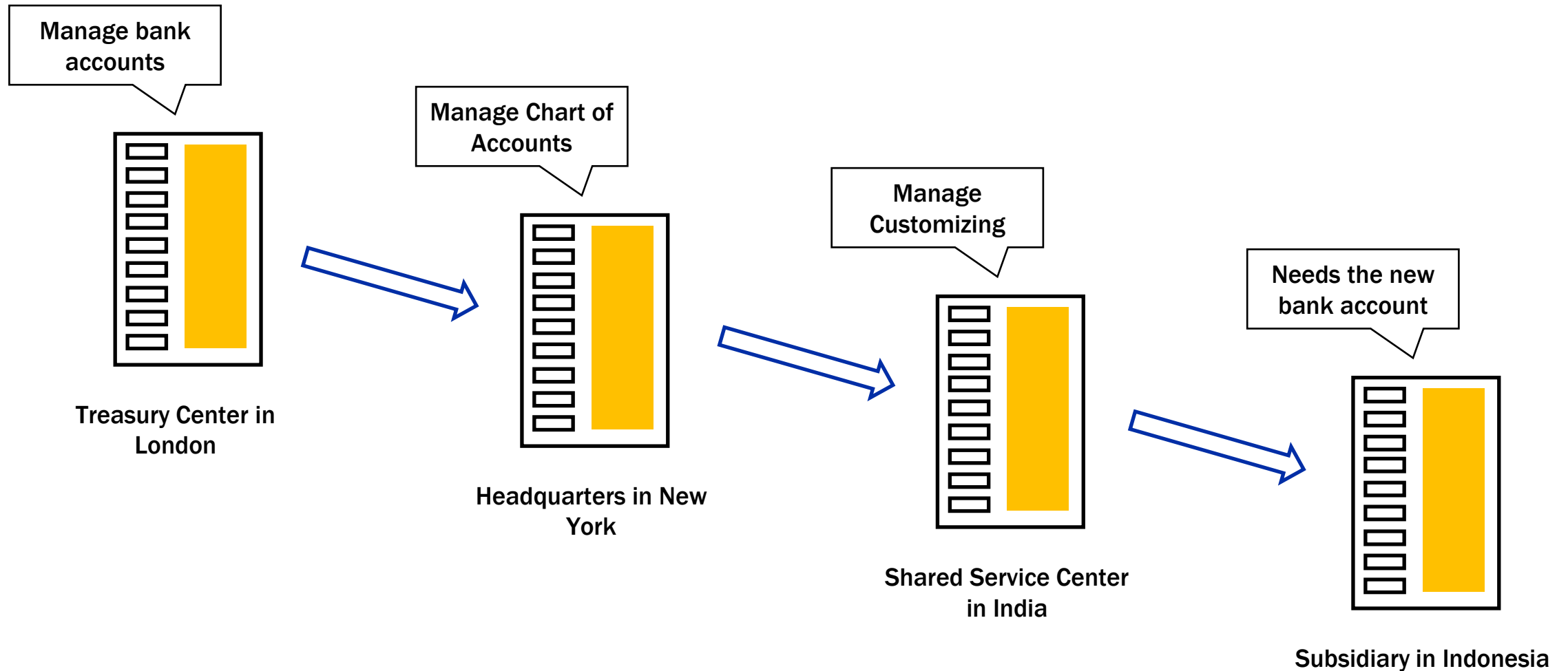


Pain Point 2 – Impacts on the Chart of Accounts

SAP's delivered chart of accounts
YCOA contains 14 GL accounts per
bank account

Bank 1 - Bank (Main) Account	1710	11001000
Bank 1 - Cash Payment	1710	11001010
Bank 1 - Bank Transfer (Domestic/SEPA/Foreign)	1710	11001020
Bank 1 - Other Interim Transfers	1710	11001030
Bank 1 - Direct Debit	1710	11001040
Bank 1 - Returns	1710	11001045
Bank 1 - Checks Out	1710	11001050
Bank 1 - Checks In	1710	11001060
Bank 1 - Check Clearing Account	1710	11001070
Bank 1 - Cash Receipt	1710	11001080
Bank 1 - Technical Account for Bank Statement	1710	11001090
Bank 1 - Foreign Currency Adjustment	1710	11001099
Bank 1 - Bank (Main) Account Foreign Currency	1710	11001100
Bank 1 - Bank (Lockbox) Account	1710	11001200
Bank 2 - Bank (Main) Account	1710	11002000
Bank 2 - Cash Payment	1710	11002010
Bank 2 - Bank Transfer (Domestic/SEPA/Foreign)	1710	11002020
Bank 2 - Other Interim Transfers	1710	11002030
Bank 2 - Direct Debit	1710	11002040
Bank 2 - Returns	1710	11002045
Bank 2 - Checks Out	1710	11002050
Bank 2 - Checks In	1710	11002060
Bank 2 - Check Clearing Account	1710	11002070
Bank 2 - Cash Receipt	1710	11002080
Bank 2 - Technical Account for Bank Statement	1710	11002090
Bank 2 - Foreign Currency Adjustment	1710	11002099
Bank 3 - Digital Payments Acquirer Bank	1710	11008000
Bank 3 - Digital Payments Transfer Account	1710	11008030
Bank 3 - Digital Payments Acquirer Clrng (Stlmnt)	1710	11008070
Bank 3 - Foreign Currency Adjustment	1710	11008099

Pain Point 3 – Managing Bank Accounts



New Bank Account Ledger

Goals

- Reduce the number of G/L accounts required to model a bank account
- Simplify the chart of accounts
- Re-use G/L accounts for multiple bank accounts
- Reduce administration and TCO
- Process simplification particularly when creating and closing bank accounts
- Easy migration path and timeline

New Bank Account Ledger

Solution and Intent

- House bank account represents a bank account in all payment and posting processes
 - G/L account is no longer an alternative ID to the bank account itself
 - Semantical decoupling of bank account from G/L account(s)
 - The bank account is the object that has the focus
- Old and new solutions must run side-by-side
- Migration: handled Bank Account –by– Bank Account

New Bank Account Ledger

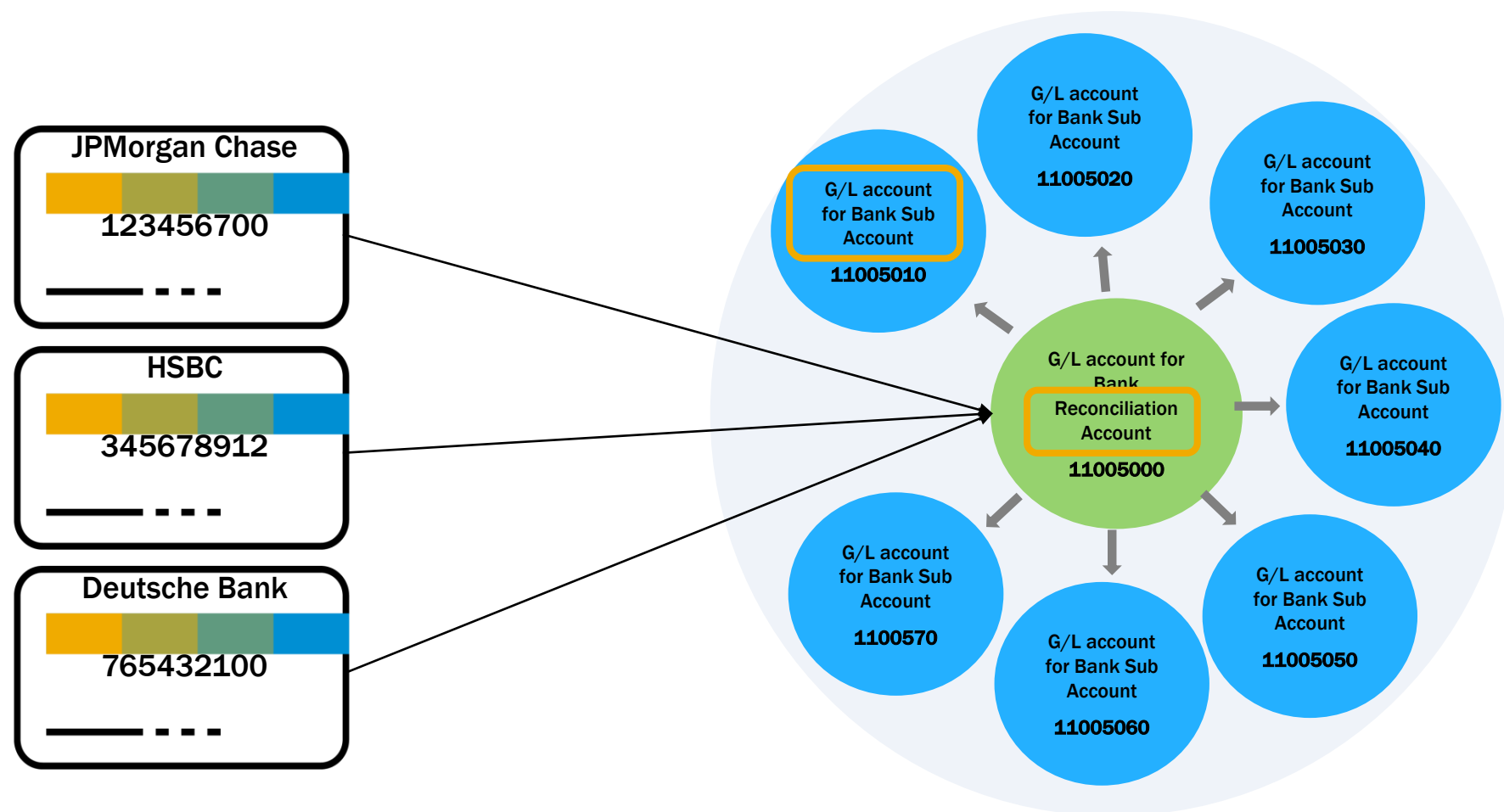
Benefits

- Greatly reduce the number of the G/L accounts
- Design is consistent with other ledger/subledger solutions in S/4HANA
- Improve treasury efficiency
 - Faster opening of new bank accounts to support business expansion
- Harmonized payment configuration, faster enabling of new payment methods
- Allow customers to use bank account ledger step-by-step

Solution Overview



New Design in the Bank Account Ledger



Reporting per bank
account according to:
House Bank
House Bank Account

How Many Models Are Needed?

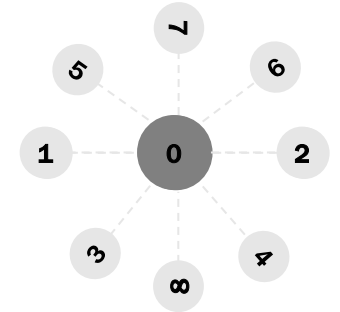
Example: Different types of bank accounts need to be placed in different position in balance sheet

- i.e., current account vs. margin account

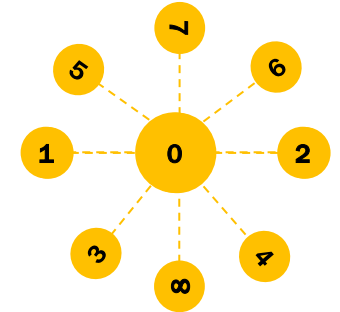
Result: Only 3 sets of G/L account groups with a total of 27 G/L accounts



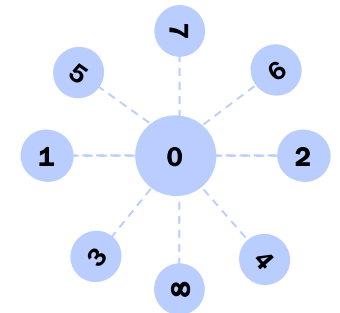
Current accounts



Margin accounts



Loan accounts



Old and New Solutions

Classic and New solutions work side-by-side

- No changes for the existing solution
- Migration from the classic to new solution is handled bank account –by– bank account in the Migration Cockpit

There is no (current) requirement to switch to the new bank account ledger or adopt the master data changes

- Customers can choose which solution they want to use/implement

Master Data Changes



Required Changes

All G/L Accounts are specified as [Cash Account] in the [GL Account Type] field

Bank account subtype must be specified

Assign all House Bank Accounts to Reconciliation G/L Account

Configuration for bank statements stay unchanged

New G/L Account Settings

< SAP

G/L Account Master Data

11005000

Common Bank Account

General

Company Code Data

Controlling Data

Where Used

Public Sector Management Data

Basic Information

Control

Chart of Accounts: YCOA (Standard Chart of Accounts)

G/L Account Type: Cash Account

G/L Account Subtype: Bank Reconciliation Account

Account Group: FIN. (Liquid funds accounts)

Description in Maintenance Lang. (EN)

Short Text: Common Bank Account

G/L Account Long Text: Common Bank Account

Administration

Created on: 01/08/2021

Created by: CB9980000581 (John GIAccountant)

Group Chart of Accounts: YGR1 (Consolidation Chart of Accounts)

Others

Blocked for Creation: No

Blocked for Posting: No

Blocked for Planning: No

G/L Account Not Used: No

< SAP

G/L Account Master Data

11005020

Bank Transfer

General

Company Code Data

Controlling Data

Where Used

Public Sector Management Data

Basic Information

Control

Chart of Accounts: YCOA (Standard Chart of Accounts)

G/L Account Type: Cash Account

G/L Account Subtype: Bank Subaccount

Reconciliation Acct: 11005000 (Common Bank Account)

Account Group: FIN. (Liquid funds accounts)

Description in Maintenance Lang. (EN)

Short Text: Bank Transfer

G/L Account Long Text: Bank Transfer

Administration

Created on: 01/08/2021

Created by: CB9980000581 (John GIAccountant)

Group Chart of Accounts: YGR1 (Consolidation Chart of Accounts)

Others

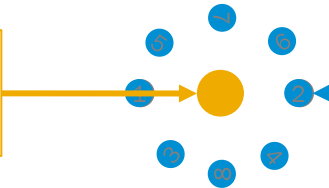
Blocked for Creation: No

Blocked for Posting: No

Blocked for Planning: No

G/L Account Not Used: No

For main bank account:
G/L Account Type: Cash Account
G/L Account Subtype: Bank Reconciliation Account



For the clearing accounts:
G/L Account Type: Cash Account
G/L Account Subtype: Bank Sub Account
Reconciliation Account: Associated GL account

Assignment of House Bank Account to G/L Account

The screenshot displays the SAP 'House Bank Account Connectivity' interface. At the top, the breadcrumb 'USD Bank Acc 1 / 1010/DEBK1/N1USD' is visible. Below the header, there are four tabs: 'Connectivity Path', 'House Bank Account Data', 'Bank Details For Returned BoE Payable', and 'Bank Details For Returned Presentation'. The 'House Bank Account Data' tab is active. It contains a table with the following data:

ID Category: Central System: House Bank Account (01)	Company Code: 1010 (Company Code 1010)	Valid From: 01.01.2021
	House Bank: DEBK1	Valid To: 31.12.9999
	House Bank Account: N1USD	Use in Cash Pooling: No

Below this table, the 'House Bank Account Data' section is expanded, showing two sub-sections:

G/L Account Data	Other House Bank Account Data
Bank Reconciliation Account: Yes	Altern. Bank Acct No.: -
G/L Account: 11005000	DME identification: -

A blue arrow points from the 'G/L Account' field (11005000) to the text on the right side of the slide.

Classic and New Logic work side-by-side

No changes for classic logic

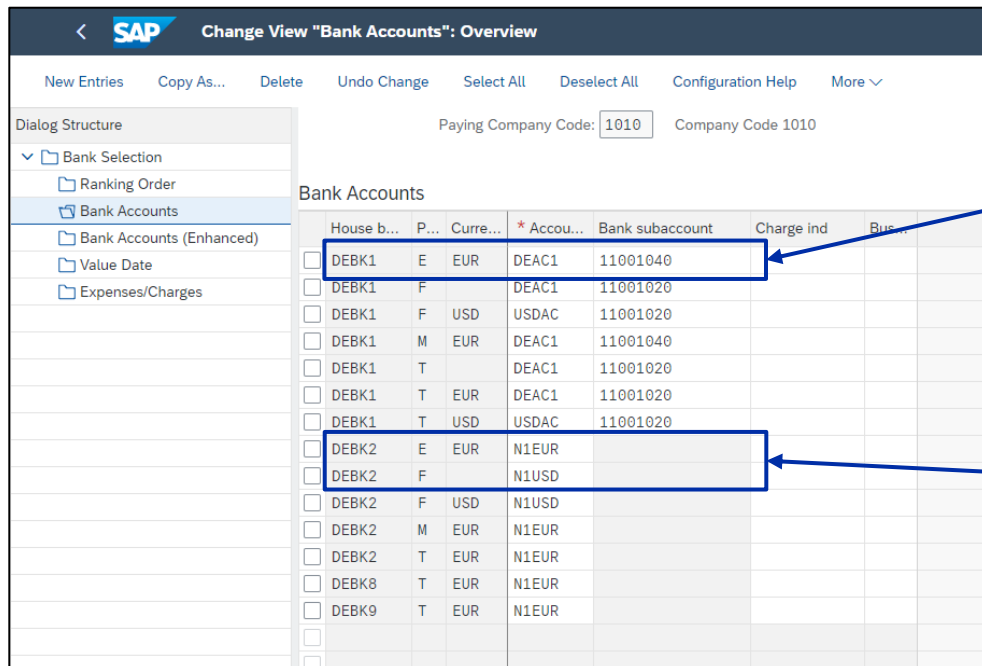
Migration from classic to new logic bank account by bank account with the Migration Cockpit

If G/L Account is specified as [Cash Account] then [Bank Reconciliation Account] is set to [Yes]

Configuration Changes – Finding Bank Accounts for Payments

Assign House Bank Account to House Bank and Payment Method

If House Bank Account is of the new type then “Bank subaccount” is not relevant



	House b...	P...	Curre...	* Accou...	Bank subaccount	Charge ind	Bus...
☐	DEBK1	E	EUR	DEAC1	11001040		
☐	DEBK1	F		DEAC1	11001020		
☐	DEBK1	F	USD	USDAC	11001020		
☐	DEBK1	M	EUR	DEAC1	11001040		
☐	DEBK1	T		DEAC1	11001020		
☐	DEBK1	T	EUR	DEAC1	11001020		
☐	DEBK1	T	USD	USDAC	11001020		
☐	DEBK2	E	EUR	N1EUR			
☐	DEBK2	F		N1USD			
☐	DEBK2	F	USD	N1USD			
☐	DEBK2	M	EUR	N1EUR			
☐	DEBK2	T	EUR	N1EUR			
☐	DEBK8	T	EUR	N1EUR			
☐	DEBK9	T	EUR	N1EUR			

House Bank Account DEAC1 is assigned to a normal GL account and therefore the “Bank subaccount” is still needed

House Bank Account N1EUR and N1USD are both of the new type and therefore the “Bank subaccount” is not needed

Configuration Changes – New Authorization Group

< **SAP** House Bank Account Connectivity ▾

USD Bank Acc 1 /
1010/DEBK1/N1USD

Connectivity Path House Bank Account Data Bank Details For Returned BoE Payable Bank Details For Returned Presentation

ID Category:
Central System: House Bank Account (01)

Company Code:
1010 (Company Code 1010)

Valid From:
01.01.2021

House Bank:
DEBK1

Valid To:
31.12.9999

House Bank Account:
N1USD

Use in Cash Pooling:
No

House Bank Account Data

G/L Account Data

Bank Reconciliation Account:
Yes

G/L Account:
11005000

Authorization Group:
—

Other House Bank Account Data

Altern.Bank Acct No.:
—

DME Identification:
—

- New optional customizing entity "Bank Account Authorization Group"
- Assigned to the House Bank Account and controls who can post to the bank account
- Example Values
 - AR Group
 - Treasury Group
 - HR Payments
 - Vendor Payments
 - Etc.

Bank Account Lifecycle & Reporting



Closing a Bank Account (in ECC without BAM)

Typical legacy process to close out a bank account in ECC:

- There is no official SAP process
- Key element: Block for Posting of the corresponding G/L Account (in FS00)

Issues:

- This cannot be used for Cash Accounts, since blocking for posting of a G/L Account of GL Account Type [Cash Account] would block posting for all assigned House Bank Accounts

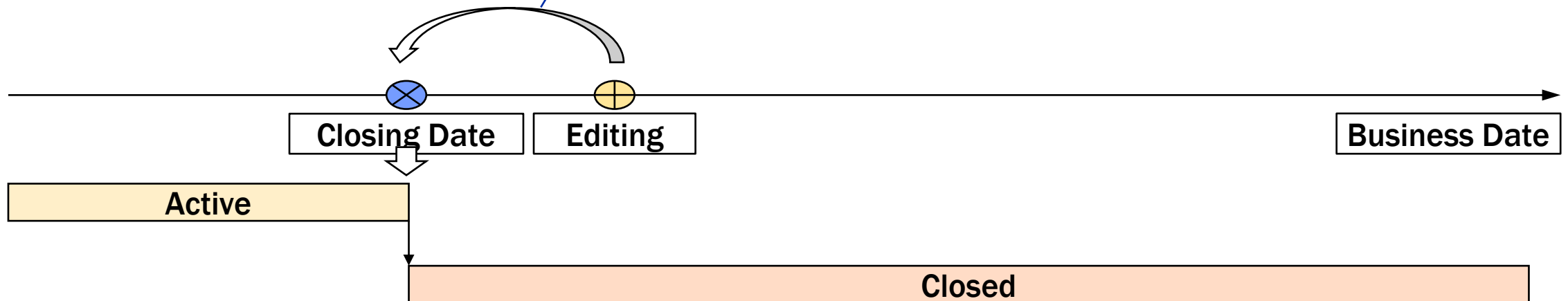
Idea:

- Control must be done in BAM on House Bank Account ID level.

Closing a Bank Account (in BAM)

Setting the Closing Date:

- Can only specify a past date
- Can only be done if balance of account is zero
- Exception: User has special authorization

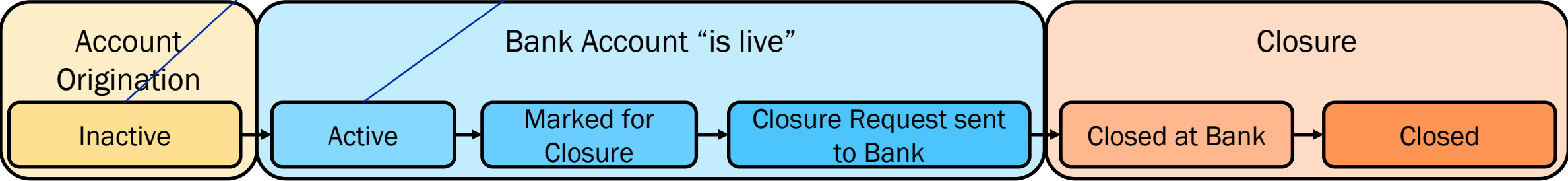
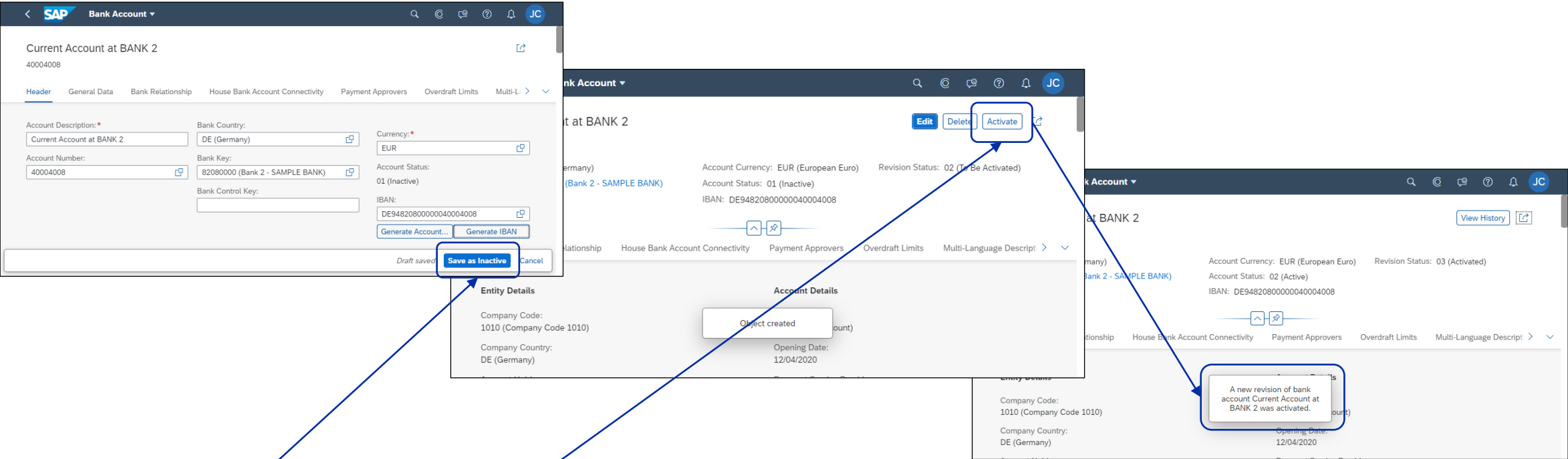


Bank Account Lifecycle

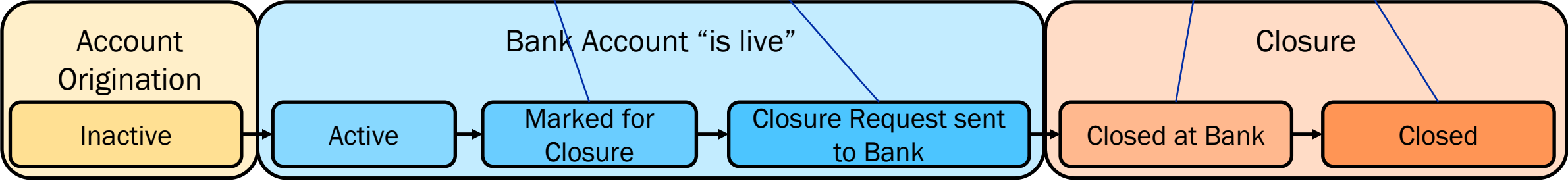
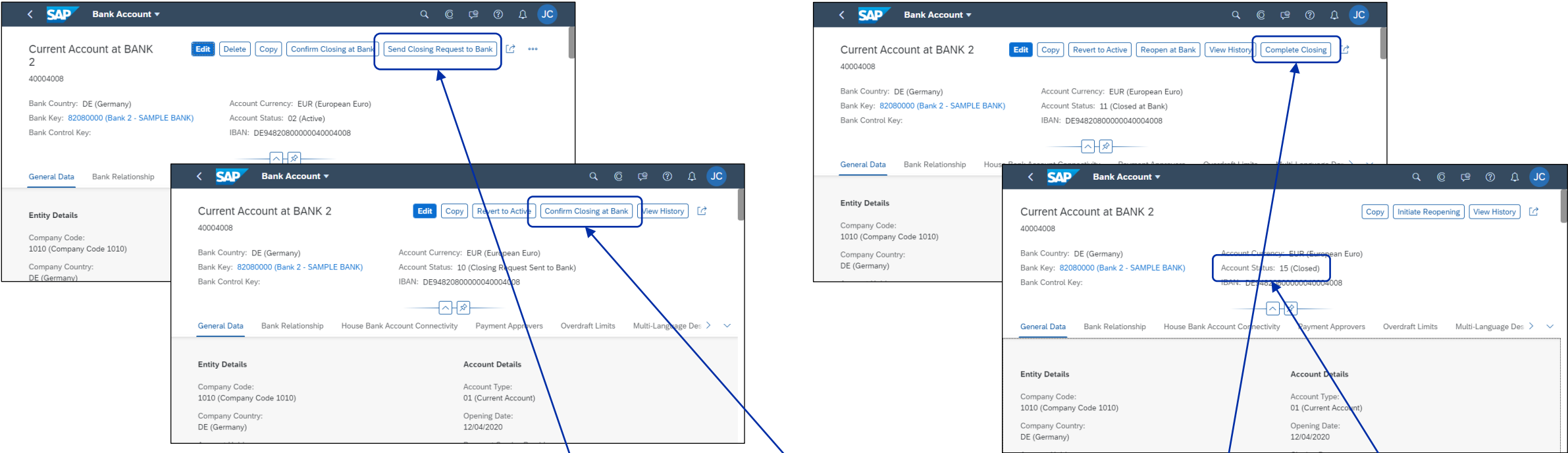
New process for managing the lifecycle of a bank account

- Identity of bank account is independent of G/L account
- Opening of a bank account should be independent of G/L account creation
- Closing of a bank account should be independent of ability to post to G/L account
- System representation of bank account lifecycle should reflect what is happening in real world
- Lifecycle of a bank account is managed in Bank Account Management

Bank Account Lifecycle – Account Creation



Bank Account Lifecycle – Account Closure



Reporting on Cash Balances on Bank Accounts

Reporting on individual bank account balances in **Cash Management**:

SAP Bank Account Balance

Bank Account Ledger*
Filtered By (7): Value Date, Position in Days, Bank Account Balance Profile, Display Currency, Company Code, ...

Cash Position (4) Opening Bal only*

Bank Account	Opening Balance In Bank ...
40004000 (Bank Account EUR - Type Cash Acc...	- 99 . 300 , 00 EUR
40006000 (Bank Account BGP - Type Cash Acc...	- 600 , 00 GBP
40005000 (Bank Account USD- Type Cash Acc...	200 , 00 USD
40005500 (Bank Account USD - 2 - Type Cash ...	200 . 000 , 00 USD

Show Details

SAP Cash Flow Analyzer

Cash Position BAL

Cash Flows Cash Position* Display Hierarchy Switch Views

House Bank	House ...	Currency	Bank Account	Flow Dire...	06/11/2021
DEBN1	DEEU1	EUR	40004000		-99.300,00 EUR
DEBN1	DEEU1	EUR	40004000		-99.300,00 EUR
DEBN1	DEGB1	GBP	40006000		-600,00 GBP
DEBN1	DEGB1	GBP	40006000		-600,00 GBP
DEBN1	DEUD1	USD	40005000		200,00 USD
DEBN1	DEUD1	USD	40005000		200,00 USD
DEBN2	DEUS2	USD	40005500		200.000,00 USD
DEBN2	DEUS2	USD	40005500		200.000,00 USD
					0,00 *

Reporting on individual bank account balances in **General Ledger**:

<

SAP

Trial Balance

Navigation Panel

Standard * ▾

Hide Filter Bar

⚙ ▾

📄 ▾

🔍 ▾

▼ Data Analysis

Graphical Display

Query Information

Bank Accounts ▾

▼ Filter ▾

Sort ▾

Hierarchy ▾

Drilldown ▾

Display ▾

Measures ▾

Totals ▾

Navigate to ▾

📄 ▾

House Bank	House Bank Account	G/L Account	Debit Balance in Transaction Currency	Credit Balance in Transaction Currency	Ending Balance in Transaction Currency
1010/DEBN1	1010/DEBN1/DEEU1	YCOA/11005000 Main Bank Account	700.00 EUR	-100,000.00 EUR	-99,300.00 EUR
		Result	700.00 EUR	-100,000.00 EUR	-99,300.00 EUR
	1010/DEBN1/DEGB1	YCOA/11005000 Main Bank Account	£ 0.00	£ -600.00	£ -600.00
		Result	£ 0.00	£ -600.00	£ -600.00
	1010/DEBN1/DEUD1	YCOA/11005000 Main Bank Account	\$ 200.00	\$ 0.00	\$ 200.00
		Result	\$ 200.00	\$ 0.00	\$ 200.00
1010/DEBN2	1010/DEBN2/DEUS2	YCOA/11005000 Main Bank Account	\$ 300,500.00	\$ -100,500.00	\$ 200,000.00
		Result	\$ 300,500.00	\$ -100,500.00	\$ 200,000.00
	Result	\$ 300,500.00	\$ -100,500.00	\$ 200,000.00	
Result			*	*	*

Reporting on Clearing Accounts

SAP Trial Balance

Navigation Panel Standard * Hide Filter Bar

Data Analysis Graphical Display Query Information

Bank Clearing Accounts * Filter Sort Hierarchy Drilldown Display Measures Totals Navigate to

House Bank	House Bank Account	G/L Account	Debit Balance in Transaction Currency	Credit Balance in Transaction Currency	Ending Balance in Transaction Currency
1010/DEBN1	1010/DEBN1/DEEU1	YCOA/11005020 Bank Transfer	0.00 EUR	-230,000.00 EUR	-230,000.00 EUR
		YCOA/11005030 Other Transfer	0.00 EUR	-454,000.00 EUR	-454,000.00 EUR
		YCOA/11005090 Techn. Account	100,000.00 EUR	-100,000.00 EUR	0.00 EUR
		Result	100,000.00 EUR	-784,000.00 EUR	-684,000.00 EUR
	1010/DEBN1/DEGB1	YCOA/11005020 Bank Transfer	£ 340,500.00	£ 0.00	£ 340,500.00
		YCOA/11005050 Check Out	£ 0.00	£ -70,000.00	£ -70,000.00
		Result	£ 340,500.00	£ -70,000.00	£ 270,500.00
	1010/DEBN1/DEUD1	YCOA/11005045 Returns	\$ 75,000.00	\$ 0.00	\$ 75,000.00
		YCOA/11005080 Cash Receipt	0.00 EUR	\$ -200.00	\$ -200.00
		Result	\$ 75,000.00	\$ -200.00	\$ 74,800.00
1010/DEBN2	1010/DEBN2/DEUS2	YCOA/11005040 Direct Debit	\$ 55,000.00	\$ 0.00	\$ 55,000.00
		YCOA/11005080 Cash Receipt	\$ 0.00	\$ -10,000.00	\$ -10,000.00
		YCOA/11005090 Techn. Account	\$ 250,500.00	\$ -290,500.00	\$ -40,000.00
		Result	\$ 305,500.00	\$ -300,500.00	\$ 5,000.00
	Result		\$ 305,500.00	\$ -300,500.00	\$ 5,000.00

Reporting on clearing accounts with open balances using Trail Balance report

Examination of open balance using Display Line Items in General Ledger

Select open items for:
House Bank and House Bank Account

SAP Display Line Items in General Ledger

Standard Bank View Show Filters

Filtered By (7): Ledger, Company Code, G/L Account, Status, Open on Key Date, ...

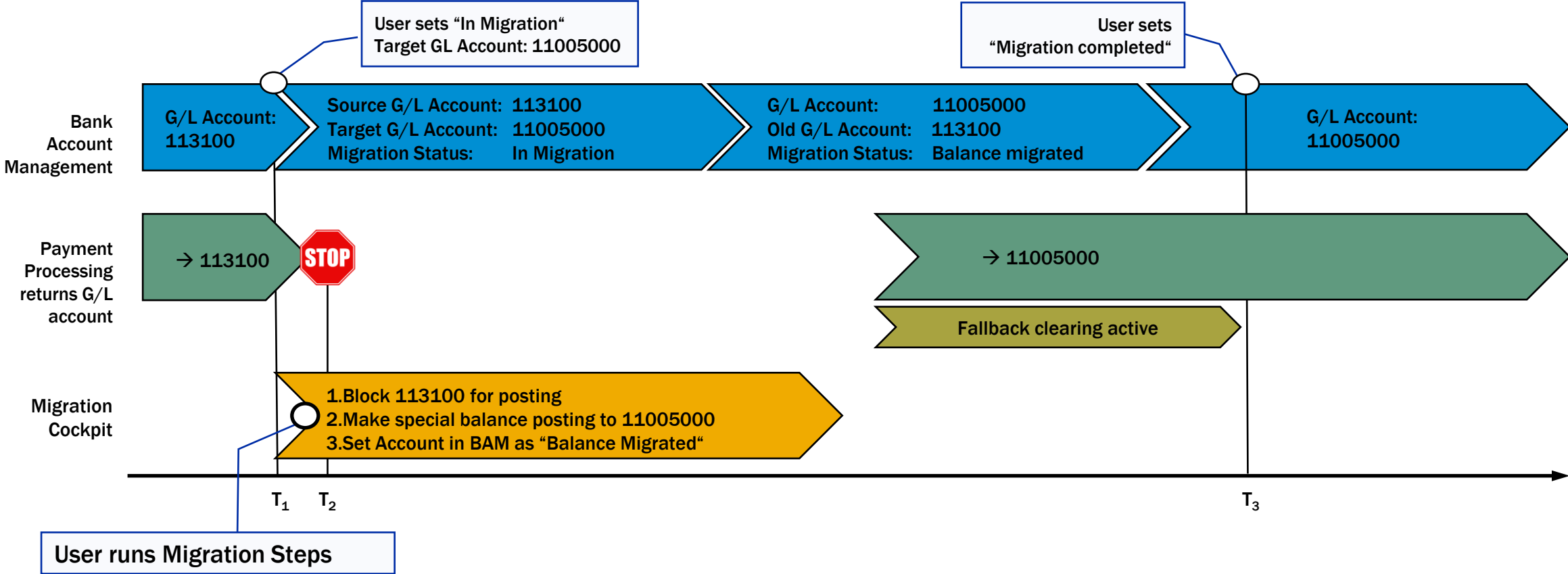
Line Items (8) Standard Bank View Line Item Details

Company Code	G/L Account	House Bank	House Bank A...	Journal Entry	Journal Entry Item Text	Amount in Transaction Cu...
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100014861	test posting	-150,500.00 USD
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100019718	return vendor invoice	-50,000.00 USD
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100019717	direct debit collect	-40,000.00 USD
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100019716	incoming 30 f006	-30,000.00 USD
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100019715	incoming 20 f002	-20,000.00 USD
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100019713	cash out	40,000.00 USD
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100019712	check paid now	60,000.00 USD
1010 (Company Code 1010)	11005090 (Techn. Account)	DEBN2	DEUS2	100014866	test posting	-40,000.00 USD

Migration



Migration Process



Migration Process

There is a delivered process to make a balance posting to the new bank reconciliation accounts

- Only the bank balance accounts (i.e., *0-accounts) are migrated
- Bank sub accounts (clearing accounts) receive no transfer posting

[Post selected accounts](#)
[Unblock Account](#)
[Reverse Migration](#)

CoCode	House Ba...	Account ...	Curre...	G/L Account	Type	Bl	Balance	Target Account	Type	Bl	Target Balance	Old Account	Type	Bl	Old Balance	DocumentNo	Migration Status
--------	-------------	-------------	----------	-------------	------	----	---------	----------------	------	----	----------------	-------------	------	----	-------------	------------	------------------

Need to Know



Implementation Considerations

No separate license required

Minor configuration changes

Supported in Central Finance

- SAP Note 3208210

Provides a major benefit to cleaning up the Chart of Accounts

Allows Treasury to handle their master data requirements on their own without burdening FI

Implementation Considerations

Are there are Payment Process Changes?

- All payment relevant transactions/apps keep retain their historical capability... no changes to what you have already.
- No new transactions, apps, or parallel payment process for the new solution

Migration is simple and can be handled at your own speed

Bank Account Ledger Capabilities

Released in S/4HANA OP 2020, also available in S/4HANA Cloud

G/L Account Master Data

- New G/L Accounts Type Cash Account
- Setup of Bank Reconciliation Account and Bank Sub Accounts

Bank Account Management

- Link House Bank Account to G/L Account (must be specified as Cash Account)
- Updated process to better handle bank account activation and closure

Bank Account Ledger Capabilities

Cash Management

- Cash management updated with cashflows according to House Bank and House Bank Account

Migration

- Classic and New Bank Account Sub-Ledger work side-by-side
- Migration from classic to new logic is handled bank account –by– bank account

Posting in General Ledger

- Accounting Interface (RWIN) accepts postings only if...
 - House Bank and House Bank Account are populated, AND
 - House Bank Account has GL Account assigned to it in BAM

Limitations

Please refer to SAP Note 3007105 for more information.

- Tip: search on "Single Reconciliation Account for Bank Accounts"

Localization limitations for Japan, Poland, Portugal, Czech and Slovak Republics

- SAP Note 3107606 and 2953103

Migration in S/4HANA Cloud

- Currently it is not possible to use the migration in the cloud

Balance Sheet by Profit Center

- Automatically assign a profit center to bank account balance sheet posting depending on bank account (=G/L account)

Limitations

Bill of Exchange

- Planned for S/4HANA OP 2021

Automatic display of Bank Account in Financial Statement

- House Bank Accounts are not individually visible on the Balance Sheet of the Financial Statement
- Planned for S/4HANA OP 2021

FX valuation of G/L accounts

- FX valuation can only be done on the G/L Account and not for each House Bank Account
- Should be fixed in S/4HANA OP 2022

Limitations

Interest Calculation

- The interest calculation on a G/L Account to model the interest on a bank account is not supported

DART and Advanced Compliance Reports (German Audit Z3) are not supported

- SAP Note 3143577

Retail POS inbound IDocs do not support BAcL

- SAP Note 3228180

Wrap Up



Where to Find More Information

[S/4HANA What's New Viewer - Bank Reconciliation Accounts](#)

[SAP Online Help: Migrate GL Account Balances](#)

[SAP S/4HANA Cash Management – What is new in release 2020](#)

- SAP Community blog post with brief overview of Bank Account Ledger

[Serio Consulting Blogs](#)

- Coming blog series on Bank Account Ledger detailed settings and migration process

Key Points to Take Home

- What release of S/4HANA are you on?
- Do you need a justification 'win' for an upgrade?
- Review your chart of accounts
- Get familiar with the Bank Account Management app
- Review your configuration for the payment program and electronic bank statement
- Review the list of limitations and the release notes for your current S/4HANA release
- You can migrate at any time, account-by-account

Thank you! Any Questions?

Nathan Genez

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Linkedin.com/in/nathangenez

Please remember to complete
your session evaluation.

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