

# Top-10 Features you must benefit from your SAP S/4HANA Finance

Mitresh Kundalia  
Principal  
Quality Systems & Software

Las Vegas

---

2024

**SAP**insider

# Mitresh Kundalia

## Quality Systems & Software

---



- **Leading SAP-expert**
- **Well-known Author & Speaker**
- **Published SAP-press book**
- **Written 50+ peer-reviewed technical papers**
- **Heads Premier SAP consulting firm**
- **Specializes in S4, SLO conversion**
- **Proprietary S4 & SLO product-suites**





## In This Session

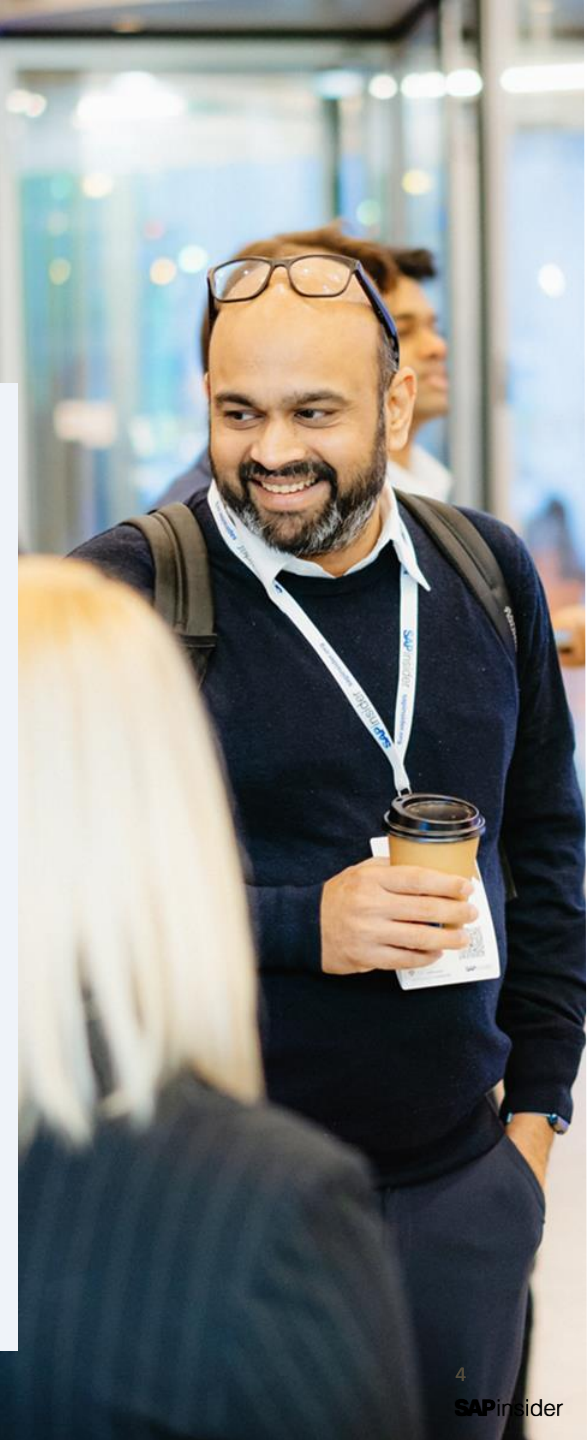
---

- Based on philosophy of delivering superior enhancements, based on simplifications, S/4HANA Finance promises significant value.
- Learn about the major Finance enhancements offered in S/4HANA
- Learn about the Top-10 major enhancements you are about to collect when you move to S/4HANA Finance.

# What We'll Cover

---

- SAP S/4HANA Finance: Simple Philosophy
- SAP S/4HANA Finance: Top-10 Features
- Wrap-up



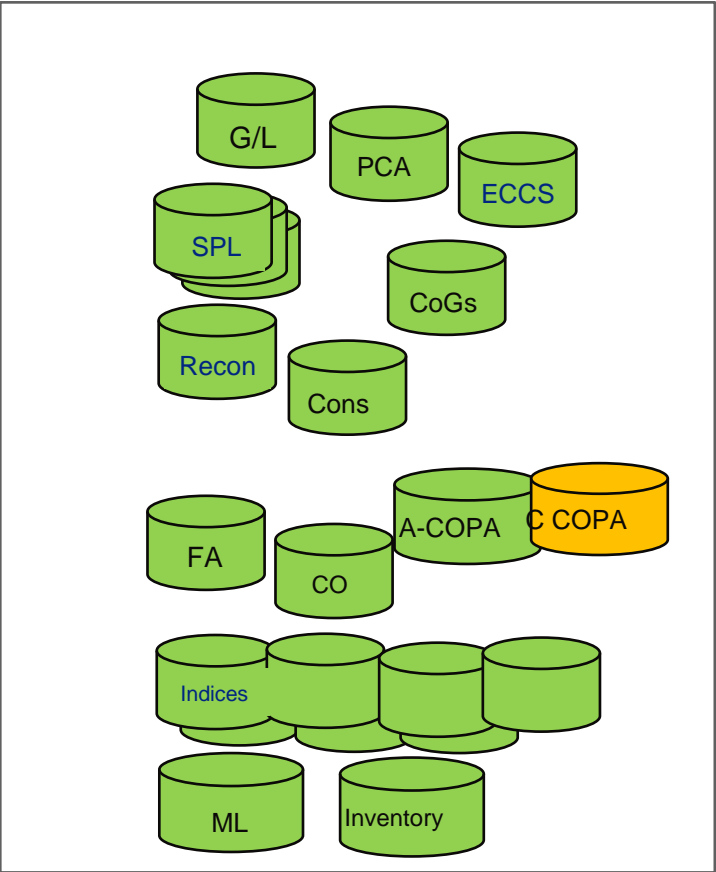
# SAP S/4HANA Finance: Overview

---

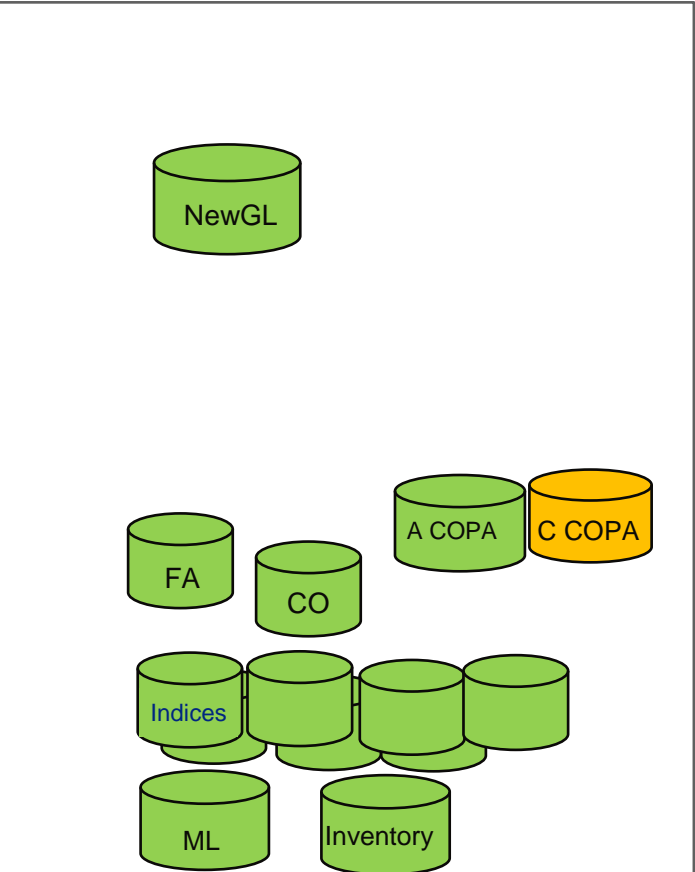


# Simplified Data Models and Reduced Data Footprint

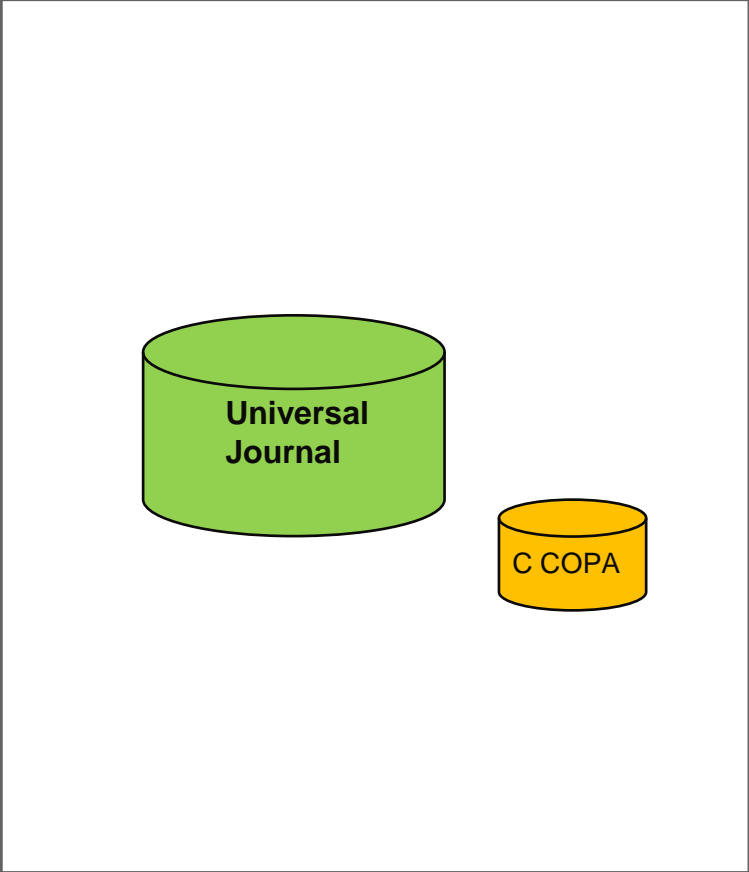
Classic G/L



SAP General Ledger



S/4HANA Finance



# •SAP S/4HANA Finance: Top-10 Features

---



# SAP S/4HANA: Migration

---

1. Universal Journal
2. Account
3. Ledgers
4. Business Partner
5. New Asset Accounting
6. CO-PA
7. Material Ledger
8. Cost-of-Goods-Sold
9. Currencies
10. Balanced Books by Any Dimension



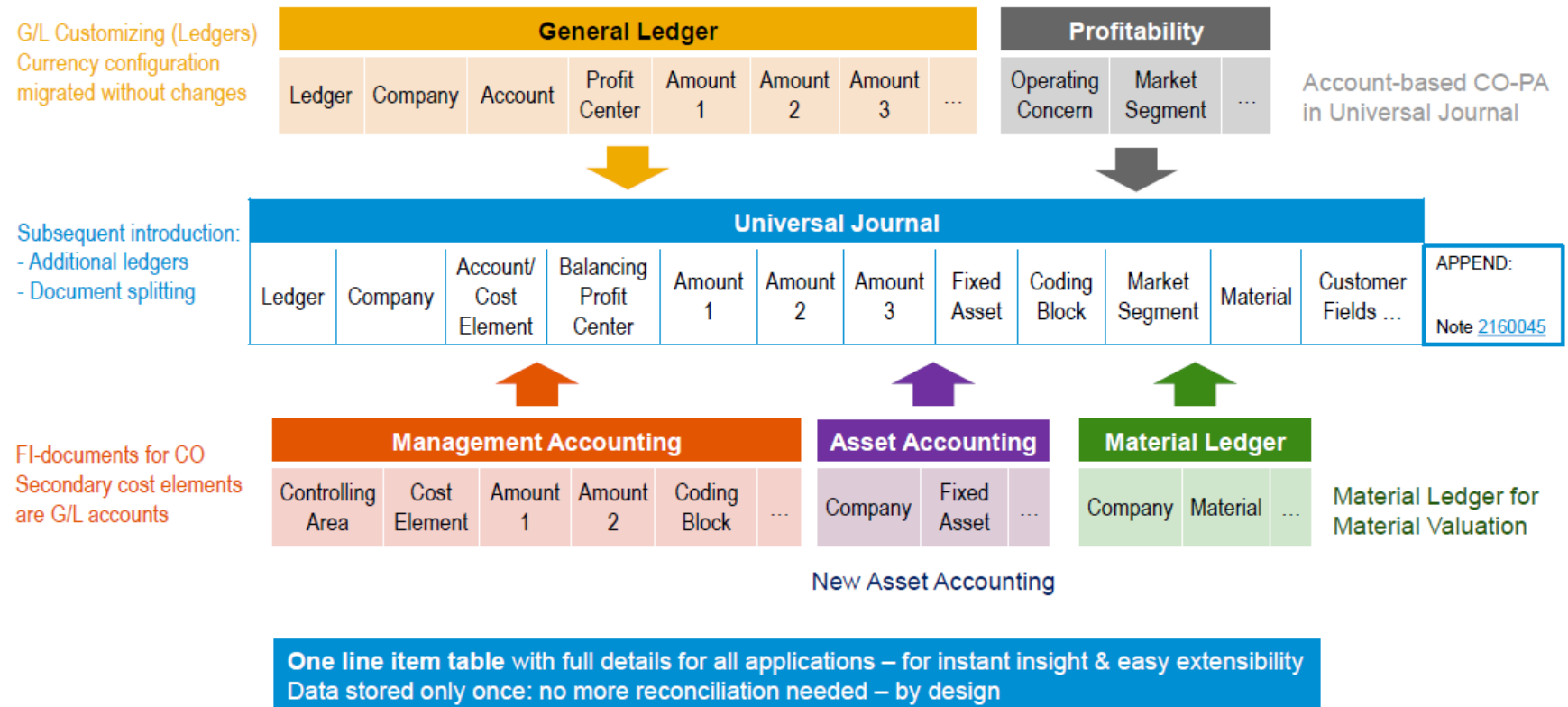
# 1. Universal Journal

---

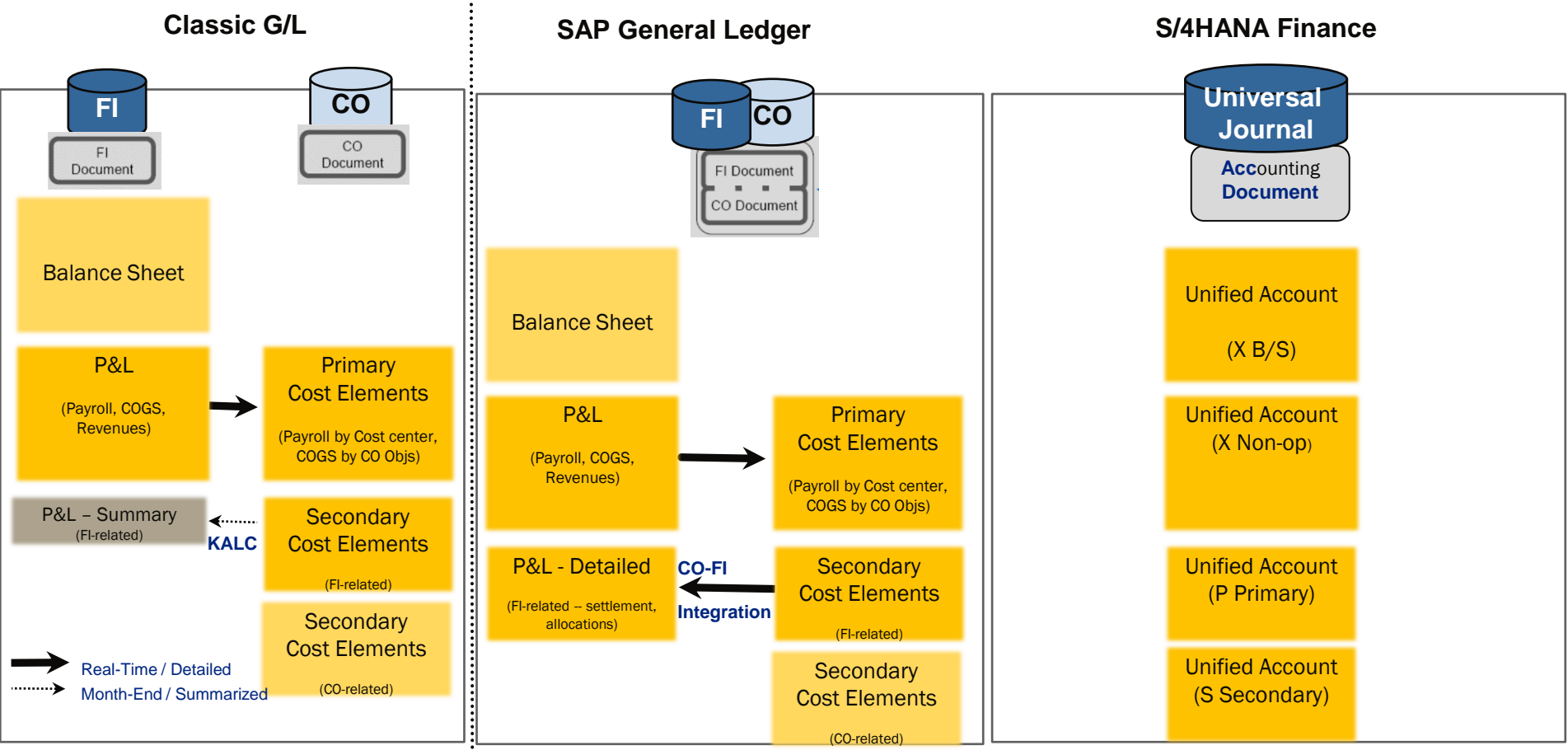


# Universal Journal

- Single source of truth
- One Line Item with all the details
- No differentiation between FI and CO
- Significantly reduced footprint
- Pretty “simple”

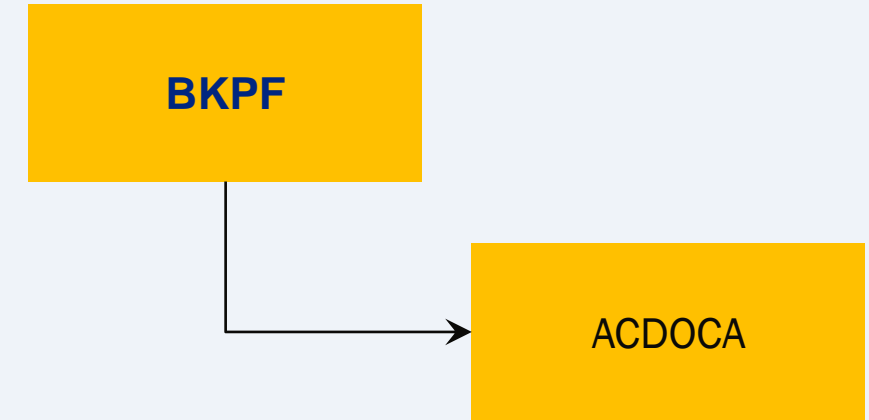


# Universal Journal..



# Universal Journal..

- “Simple” journal
- FI document consists of a header (BKPF) and line items (ACDOCA)
- The line items (ACDOCA) contains “all” the information – for FI, CO, AA, ML, and COPA
- Multi-dimensional
- Multi-valuation



Transparent Table: ACDOCA Active  
Short Description: Universal Journal Entry Line Items

Attributes | Delivery and Maintenance | Fields | Entry help/check | Currency/Quantity Fields

1 / 369

Field	Key	Ini...	Data element	Data Type	Length	Deci...	Short Description
RCLNT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MANDT	CLNT	3	0	Client
RLDNR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	FINS_LEDGER	CHAR	2	0	Ledger in General Ledger Accounting
RBUKRS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	BUKRS	CHAR	4	0	Company Code
GJAHR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	GJAHR	NUMC	4	0	Fiscal Year
BELNR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	BELNR_D	CHAR	10	0	Accounting Document Number
DOCLN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOCLN6	CHAR	6	0	Six-Character Posting Item for Ledger
RYEAR	<input type="checkbox"/>	<input type="checkbox"/>	GJAHR_POS	NUMC	4	0	General Ledger Fiscal Year
RRCTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RRCTY	CHAR	1	0	Record Type
.INCLUDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ACDOC_SI_00	STRU	0	0	Universal Journal Entry: Transaction, Currencies, Units
RMVCT	<input type="checkbox"/>	<input type="checkbox"/>	RMVCT	CHAR	3	0	Transaction Type
VORGN	<input type="checkbox"/>	<input type="checkbox"/>	VORGN	CHAR	4	0	Transaction Type for General Ledger
VRGNG	<input type="checkbox"/>	<input type="checkbox"/>	CO_VORGANG	CHAR	4	0	CO Business Transaction

## 2. Account

---

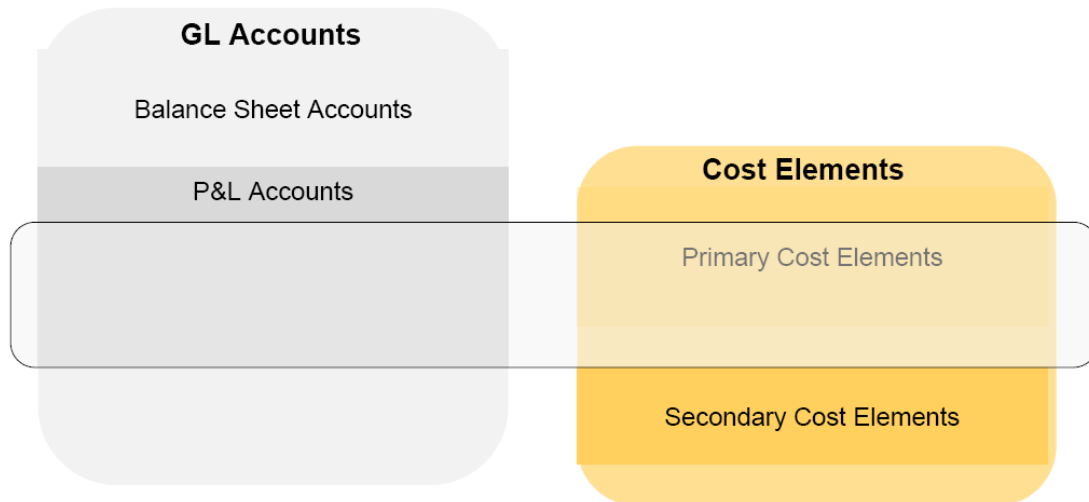




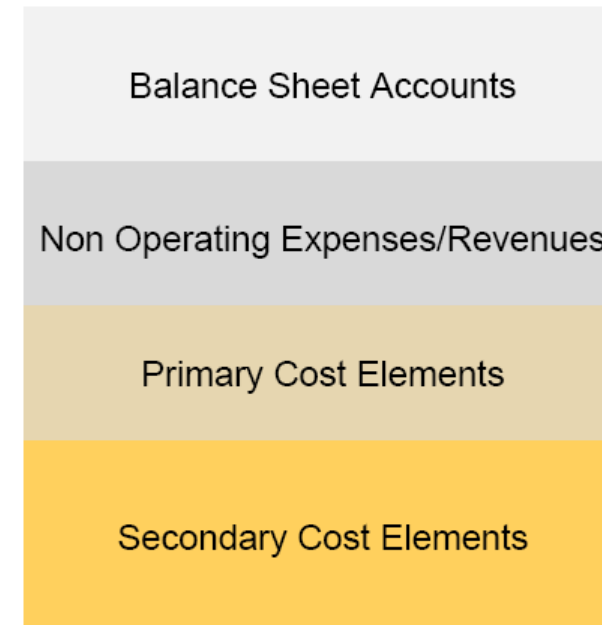
# Account

---

- BEFORE
  - G/L Account
  - Cost Element



- S/4HANA Finance
  - Account



# Account..

- Unified Account
  - X: Balance Sheet
  - N: Non-operating Expenses/revenues
  - P: Primary costs/revenues
  - S: Secondary cost elements

**Display G/L Account Centrally**

Edit financial statement version Edit set Time-Dependent Attributes

G/L Account 100100 Plant & Mechenery  
Company Code 2498 Company Code 2498 With Template

Type/Description Control Data Create/bank/interest Key word/translation I...

Control in Chart of Accounts 2498 Chart oft Accounts for 2498

G/L Account Type	Balance Sheet Account
Account Group	N Nonoperating Expense or Income
	P Primary Costs or Revenue
	S Secondary Costs
Description	X Balance Sheet Account

Short Text Plant & Mechenery  
G/L Acct Long Text Plant & Mechenery

Consolidation Data in Chart of Accounts 2498 Chart oft Accounts for 2498

Trading partner

### 3. Ledger

---



# Ledger

---

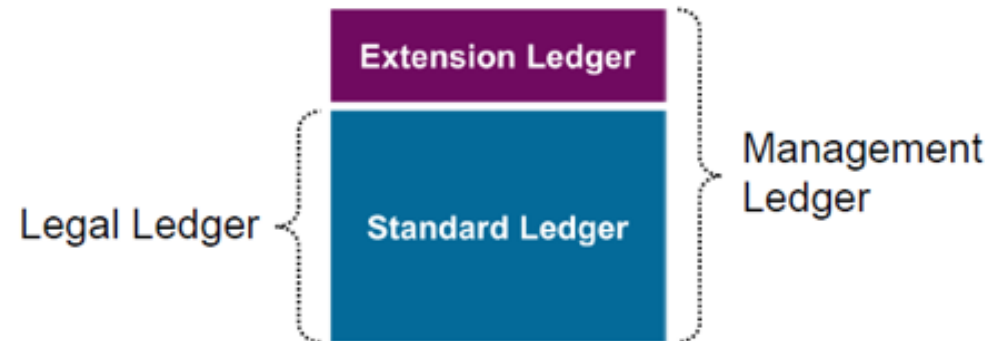
- BEFORE

- General Ledger
- Special Purpose Ledger



- S/4HANA Finance

- Standard Ledger
- Extension Ledger



# Ledger

---

- Standard Ledger
  - Leading Ledger
    - GAAP, IFRS etc.
    - There must be exactly one leading ledger
    - It is assigned to all company codes
  - Non-leading Ledgers
    - Can be assigned to selected company codes
    - Contains full set of line items as basis
- Extension Ledger
  - Defined on top of a base ledger, which is a standard ledger
  - Inherits in reporting all transaction data of underlying base ledger
  - Contains physically only line items posted to extension ledger only
  - Management Ledger
  - Predictive
  - Simulation
  - Statistical



## 4. Business Partner

---



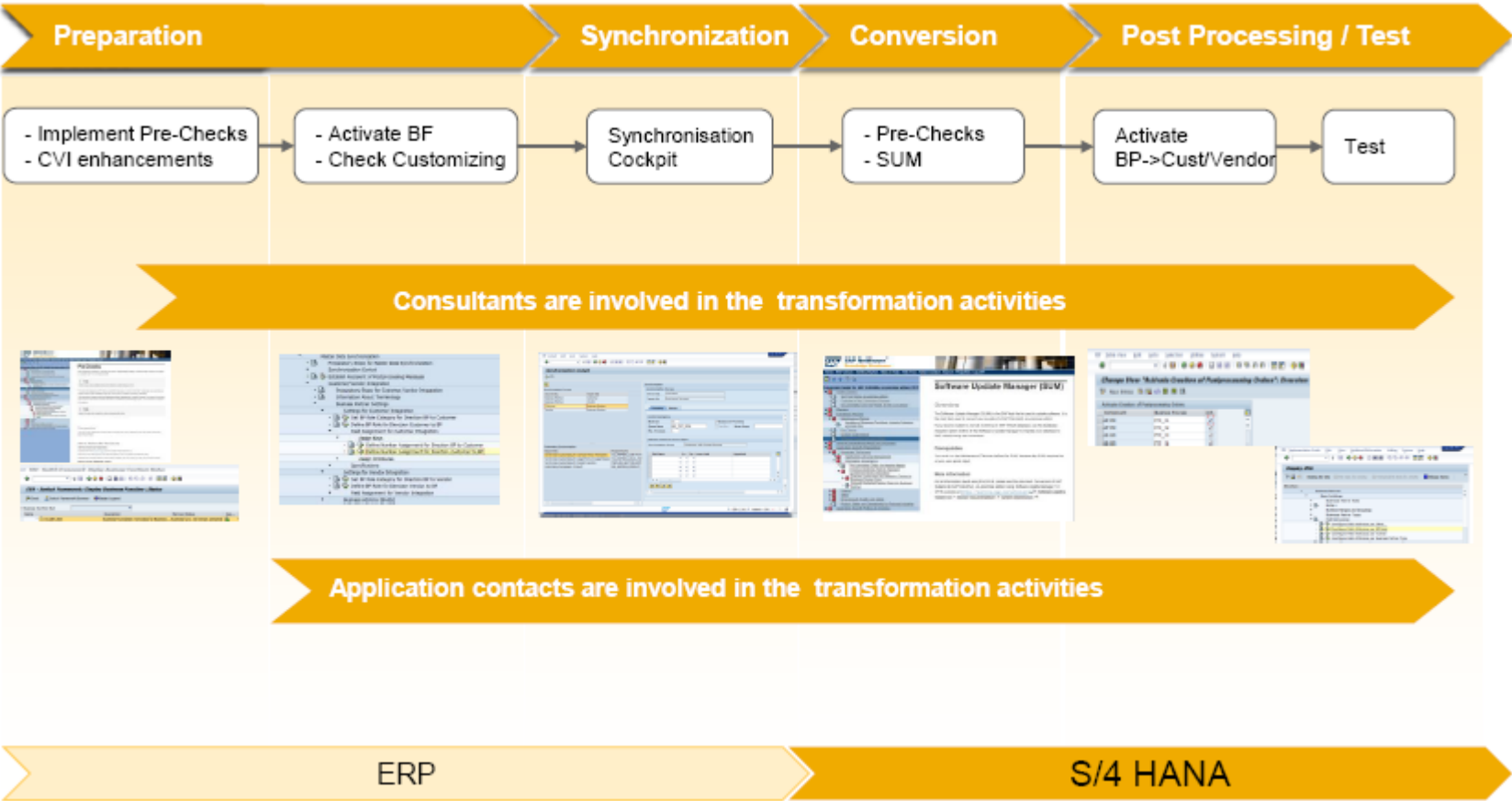
# Business Partner

---

- A legal entity is represented with one Business Partner
- –One unique Business Partner for different roles e.g. Customer, Supplier, Contact, (Employee not part of CVI)
- Different Business Partner Categories –Organization, Person, Group
- Maximal data sharing and reuse of data which leads to an easier data consolidation
- General Data available for all different business partner roles, specific data is stored for each role
- Several Addresses possible with a default Address
- Flexible Business Partner Relationships possible like contact, married etc.
- Time dependency on different sub entities e.g. roles, address, relationship, bank data etc.

# Business Partner - transformation

## High-level BP transformation visual flow



## 5. New Asset Accounting

---



# New Asset Accounting

---

- The new architecture prerequisites are:
  - Usage of New Depreciation Calculation Engine is mandatory
  - Universal Entry is active (automatic migration)
- Transition to new Asset Accounting by migration of:
  - Customizing data
  - Transactional data



# New Asset Accounting..

- Asset Postings are divided into operational and valuation postings
- Operational postings are same across all ledgers and accounting principles
- Valuation postings are ledger specific postings
- Example for ledger 0L

Ledger	Account	Amount
All (OL&L1)	Vendor A/C or GR/IR A/C	-10,000
All (OL&L1)	Tech Clr Acct	10,000

Ledger	Account	Amount
OL	Tech Clr Acct	-10,000
OL	Fixed Asset OL	10,000
L1	Tech Clr Acct	-10,000
L1	Fixed Asset L1	10,000

Display Document: Data Entry View

Accounting Principle | Display Currency | Line Items | Addit. Acct Assignment Line Item

Document Header Info

Document Date: 26.11.2016    Document type: KR    Company Code: 2498    Accounting Principle: Indian GAAP for 2498  
Posting Date: 26.11.2016    Period: 08    Fiscal Year: 2016    Display Currency: Company Code Currency

Line items

Type	Period	Ledger G...	Ref. doc.	DocumentNo	Item	PK	Bu...	Segment	Profit Ctr	G/L Acc	Short Text	Amount	Crcy	Cost Ctr	Order	WBS Ele...	Asset	A
KR	8		1900000012	1900000012	1	31				200600	Accounts Payable Dom	10,000.00	INR					K
KR	8				2	70	2498	3001	100700	000000300012	0000	10,000.00	INR				300012	A
				1900000012								0.00	INR					
KR	8	OL		1900000013	1	70	2498	3001	100100	000000300012	0000	10,000.00	INR				300012	A
KR	8	OL			2	75	2498	3001	100700	000000300012	0000	10,000.00	INR				300012	A
				1900000013								0.00	INR					
												0.00	INR					

## 6. CO-PA

---



# CO-PA

---

- There are two flavors of CO-PA
  - Costing-based CO-PA – based on Matching-Revenues principle
  - Account-based CO-PA – based on Period-Accounting principle
- In S/4HANA, the focus in Account-based CO-PA
  - The Account-based profitability analysis is integrated in the Universal Journal
  - Offering custom-characteristics as part of the core Account-code block
  - Now you can have break-down of COGS by cost components such as material, internal activity, overhead, labor, etc.
  - Multiple (up to 3) Quantity fields allowed now

# Enhancements of Profitability Analysis

---

- Account-Based CO-PA
  - ACDOCA can be extended by customer-specific fields (like in COPA)
  - Split of cost-of-goods-sold posting on multiple accounts (by cost component)
  - Split of production variances posting on multiple accounts (differentiation of price/quantity effects)
  - Three new quantity fields in the line items + BAdI for conversion of logistic quantities to common quantities (e.g. products sold in different box sizes – but KPI in Finance is calculated on tons/KG of products)
  - Real-time derivation of market segment information from cost postings (cost center, order, WBS element)
  - Immediate availability for reporting (P&L, B/S) based on ACDOCA
  - Faster soft and hard close for periods

## 7. Material Ledger

---





# Material Ledger

---

Material Ledger Conversion is MANDATORY

Upto 3 parallel currencies

Prices and stock values are automatically translated to parallel currencies

Activation and Migration during Conversion

Actual Costing in Material Ledger

Fundamental changes in actual costing

Redesign of Costing steps at period-end

Migration during conversion

## 8. Cost-of-Goods-Sold











---



# Cost-of-Goods-Sold (COGS)

---

COGS can now be split during PGI/PGR based off the cost component split

▼	General Ledger Accounting (New)
▶	Master Data
▶	Business Transactions
▶	Statistical Key Figures
▼	Periodic Processing
▶	Check/Count
▶	Multi Currency Accounting (New)
▶	Valuate
▶	Reclassify
▶	Allocation
▶	Rollup
▶	Document
▶	Report
▶	Carry Forward
▶	Closing/Opening Postings (Specific Countries Only)
▼	Integration
▶	Asset Accounting
▼	Materials Management
•	  Define Accounts for Materials Management
•	  Perform Document Summarization for Materials Management
•	  Carry Out Enhanced Document Summarization for Materials Management
•	  Define Accounts for Splitting the Cost of Goods Sold
•	  Define Accounts for Splitting Price Differences

# Cost-of-Goods-Sold (COGS).. ---

## COGS Components

**Change View "Detailed COGS Accounts": Overview**

New Entries

Splitting of Cost of Goods ...

- Splitting Scheme
- Detailed COGS Accol
- Company Code Assignme

COGS Split Scheme 2498

CO Area 2498

Chart of Accts 2498

Cost Comp. Str. Z1

Detailed COGS Accounts

COGS Acct	CComp	Name of Cost Compon...	Target Acc	Short Text	Default
450000	1	Raw Materials	450011	GS RM	<input checked="" type="checkbox"/>
450000	2	Human Resources	450012	COGS Labour	<input type="checkbox"/>

The Default checkbox groups all unassigned cost components to a single cost account

## 9. Currencies

---



# Currencies

---

- In the Business Suite (ECC), there used to be up to 3 parallel currencies in FI
  - (table T001A/tx OB22)
- 2 parallel currencies in CO (TKA01/tx OKKP)
  - CO area currency and object currency
- The currencies of non leading ledgers in New G/L (T882G) were a subset of the currencies in the leading ledger (T001A)
- One of the CO currencies needed to be the local currency (CT 10), but it was not necessary that the other currency in CO was also configured in FI

# Currencies in SAP S4/HANA

---

- With the Universal Journal and the common line item table ACDOCA for FI and CO, there is also a central currency configuration for the Universal Journal.
- As the currency configuration depends on the Universal Journal ledgers, there is a combined view cluster for ledgers and currencies, transaction code FINSC\_LEDGER.
- Starting version 1610, you can configure all currency types for each ledger and assign up to eight freely definable currency types supplementing the two fixed SAP currency types (local and global currency)
- The new currencies are converted in real time for each journal entry according to the specified currency conversion settings

# Currencies in SAP S4/HANA..

---

	HSL	KSL	OSL	VSL	BSL	CSL	DSL	ESL	FSL	GSL
Universal Journal	10	30	40	50	60	Z1	Z2	Z3	Z4	Z5
FI-GL (BSEG)	10	30	40							
Fixed Assets	10	30	40							
Material Ledger	10	30	40							
Controlling	10	30								
Realtime Currency Conversion	X	X	X	X	X	X	X	X	X	X
Balance zero per Journal Entry	X	X	X	X	X	X	X	X	X	X
Open Item Management	X	X	X	X	X	X	X	X	X	X
Foreign Currency Valuation	X	X	X	X	X	X	X	X	X	X
GL and CO Allocations	X	X	X	X	X	X	X	X	X	X



## 10. Balanced Books by Any Dimension

---



# Balanced Books by Any Dimension

---

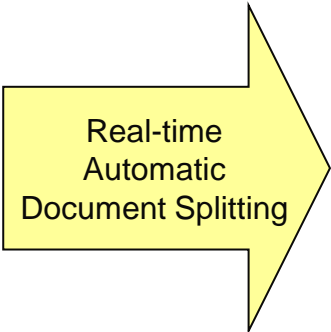
## Segment Reporting

- Segment Reporting (IFRS-8, IAS-14, US GAAP) requirements
  - Balanced books by reportable segments
- Customer-defined dimensions
  - You can extend the General Ledger with customer-defined fields
- SAP General Ledger offers a new object “Segment”
  - Segments can represent product lines/geographical areas
  - Segment is typically related to profit center
  - It can also be filled manually or defaulted

# Balanced Books by Any Dimension

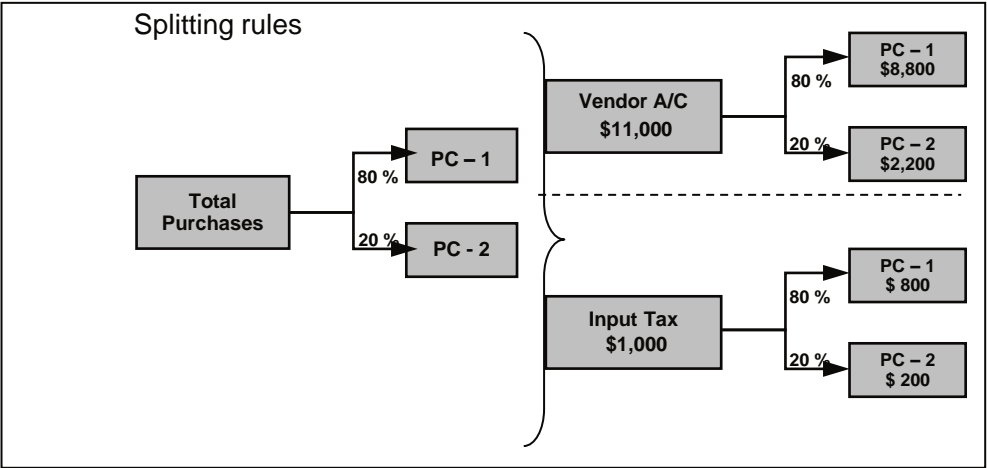
User entry – Vendor Invoice

Account Description	Amount	Profit Center
Vendor A/C	-11,000	
Purchases 1	8,000	PC-1
Purchases 2	2,000	PC-2
Input Tax	1,000	

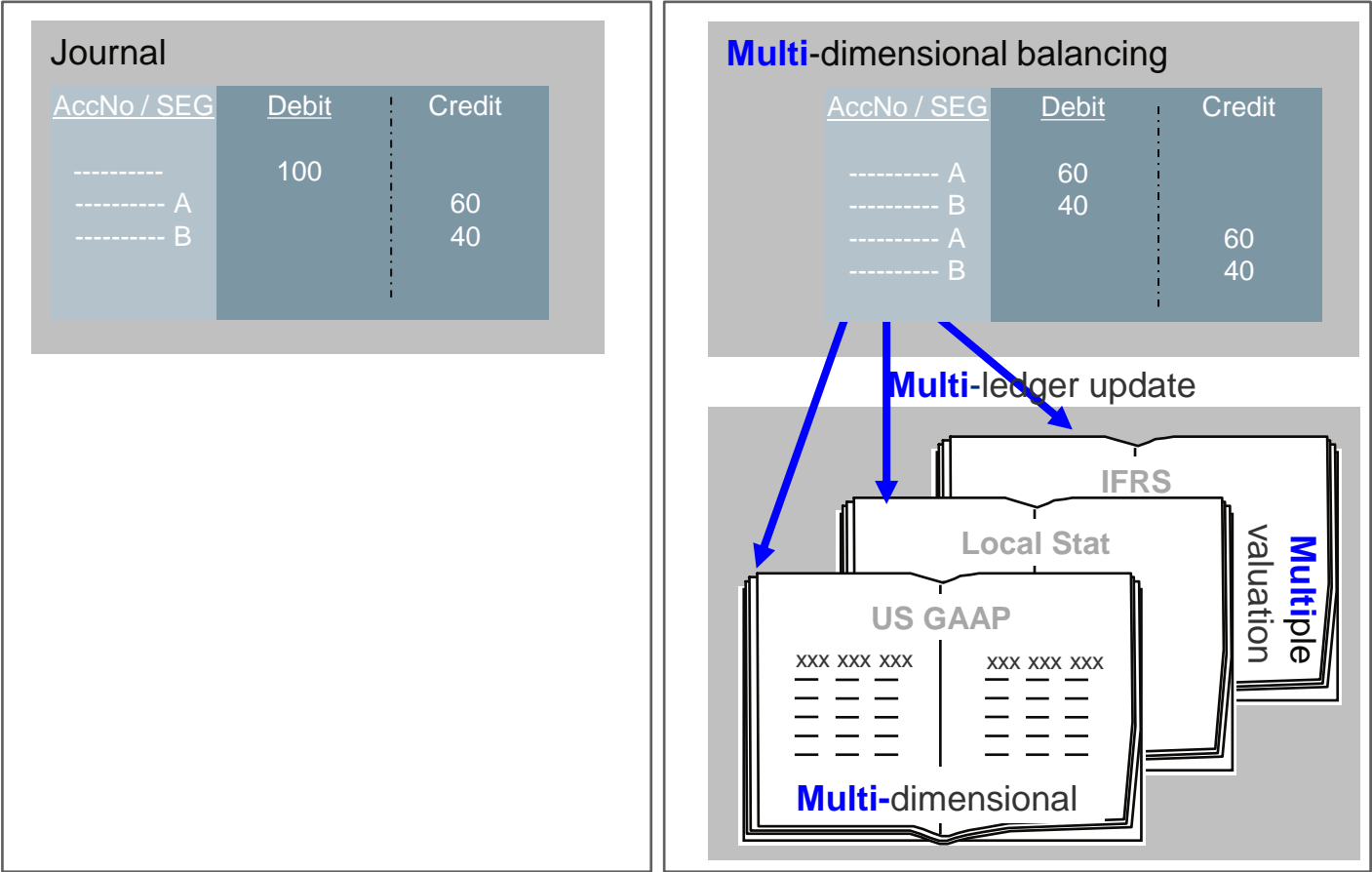


G/L view – Vendor Invoice

Account Description	Amount	Profit Center
Vendor A/C	-8,800	PC-1
Purchases 1	8,000	PC-1
Input Tax	800	PC-1
Vendor A/C	-2,200	PC-2
Purchases 2	2,000	PC-2
Input Tax	200	PC-2



# Multi-dimensional Multi-valuation



# Wrap Up

---



# Where to Find More Information

---

## Financials Expert articles

- **“Quick Tip Don’t Make the Mistake of Activating Group Currency in the Productive Environment” – Mitresh Kundalia**
- **“SAP General Ledger Consistency Checks: Open-Item-Managed Accounts”– Mitresh Kundalia**
- **“SAP General Ledger Consistency Checks: Reconciliation Accounts”– Mitresh Kundalia**

**[https://help.sap.com/viewer/p/SAP\\_S4HANA\\_FINANCE](https://help.sap.com/viewer/p/SAP_S4HANA_FINANCE)**

# Key Points to Take Home

---

- Based on philosophy of simplifications, S/4HANA Finance promises significant value
  - Utilize the Top-10 most valuable features out of your SAP S/4HANA Finance
- Universal Journal is the simplified structure for all your ledgers
- Other key structures, Ledger, Accounts etc, are dramatically simplified
- New Asset Accounting offers great simplifications for multi-valuation and multi-ledger setup

## Key Points to Take Home..

---

- Major enhancements in Fixed Assets, Profitability Analysis (CO-PA), Material Ledger (ML) and Cost-of-Goods-Sold (COGS) make the transition to S/4 super-rich with benefits
- Whereas you were limited to 2-to-3 currencies in Classic Ledger, S/4 HANA Finance provides 10 parallel currencies to meet your business needs
- Major enhancements in the areas of Ledgers and Document Splitting functions to support your multi-dimensional multi-valuation processes.



# Thank you! Any Questions?

---

**Mitresh Kundalia**

[Mitresh@QSandS.com](mailto:Mitresh@QSandS.com)

Social

<https://www.linkedin.com/in/mitresh/>



Please remember to complete  
your session evaluation.



## SAPinsider.org

PO Box 982Hampstead, NH 03841  
Copyright © 2024 Wellesley Information Services.  
All rights reserved.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies. Wellesley Information Services is neither owned nor controlled by SAP SE.

---

**SAPinsider  
comprises the  
largest and fastest  
growing SAP  
membership group  
with more than  
800,000 members  
worldwide.**

---