

Chapter

1

General Ledger

This portion will familiarize you with the transactions and business processes associated with the General Ledger

The central task of G/L accounting is to provide a comprehensive picture for external accounting and accounts. Recording all business transactions (primary postings as well as settlements from internal accounting) in a software system that is fully integrated with all the other operational areas of a company ensures that the accounting data is always complete and accurate.

Essentially, the general ledger serves as a complete record of all business transactions. It is the centralized, up-to-date reference for the rendering of accounts. Actual individual transactions can be checked at any time in real-time processing by displaying the original documents, line items, and transaction figures at various levels such as:

- Account information
- Journals
- Totals/transaction figures
- Balance sheet/profit and loss evaluations

In this manual we will be explaining the various business processes associated with General Ledger. The following are the items which will be discussed in detail:

- GL Master Data
- Journal Voucher Posting
- Bank Voucher Posting

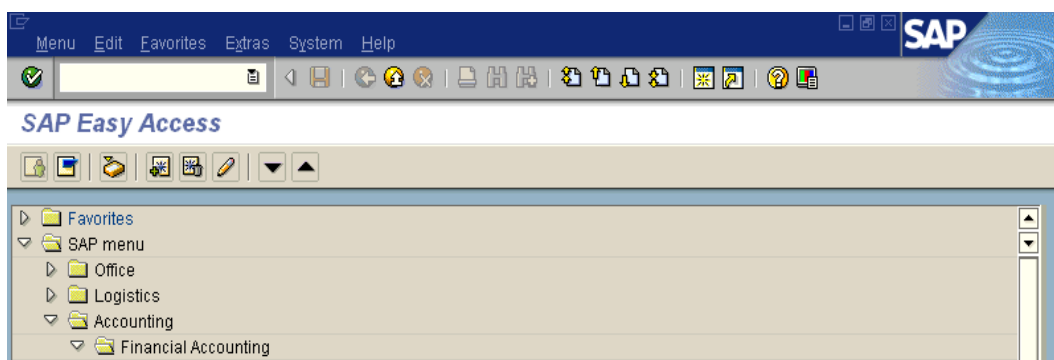
- Reference Document
 - o Account Assignment Model
- Reversals
 - o Individual
 - o Mass
- Manually Clearing Documents
- Debit Note / Credit Note Application
- House Banks & Bank Keys
- Creation of Cheque Lots
- Scripts
 - o Denomination Script (Only for HO)
 - o Exchange Cheque Posting (Only for HO)
 - o Transfer Letter (Developed for Life Sciences)

GL Master Data

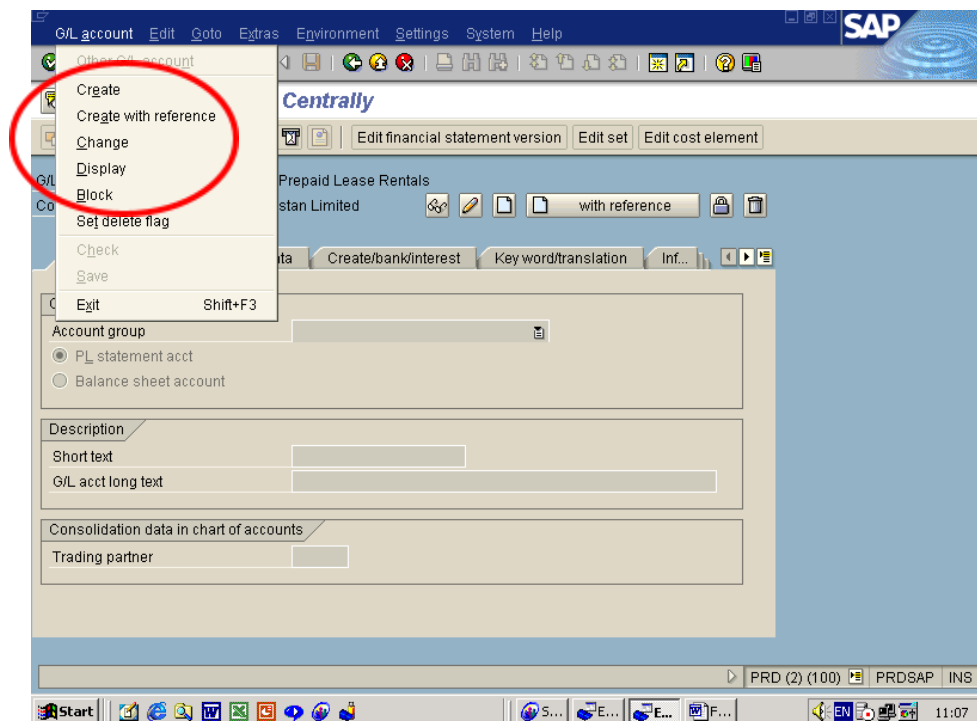
G/L account master records contain the data that is always needed by the general ledger to determine the account's function. The G/L account master records control the posting of accounting transactions to G/L accounts and the processing of the posting data. Before you can make postings to a G/L account, you have to create a master record in the system for the account.

The collection of all GL Accounts make up the Chart of Accounts(COA) for the business and is basically is a list of all G/L account master. For every G/L account master record, the chart of accounts contains the account number, the account name and controlling information.

To create a account go to transaction **FS00**.

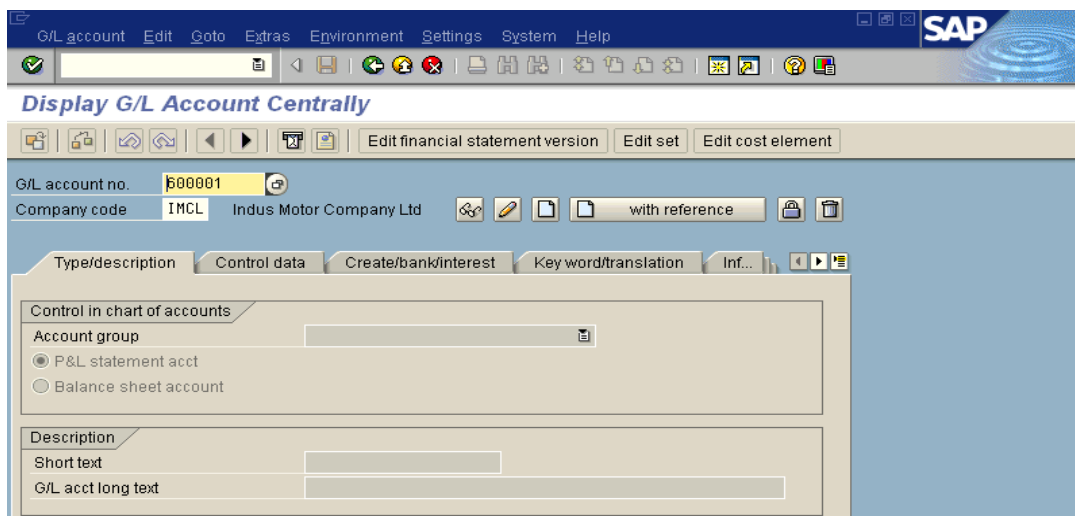


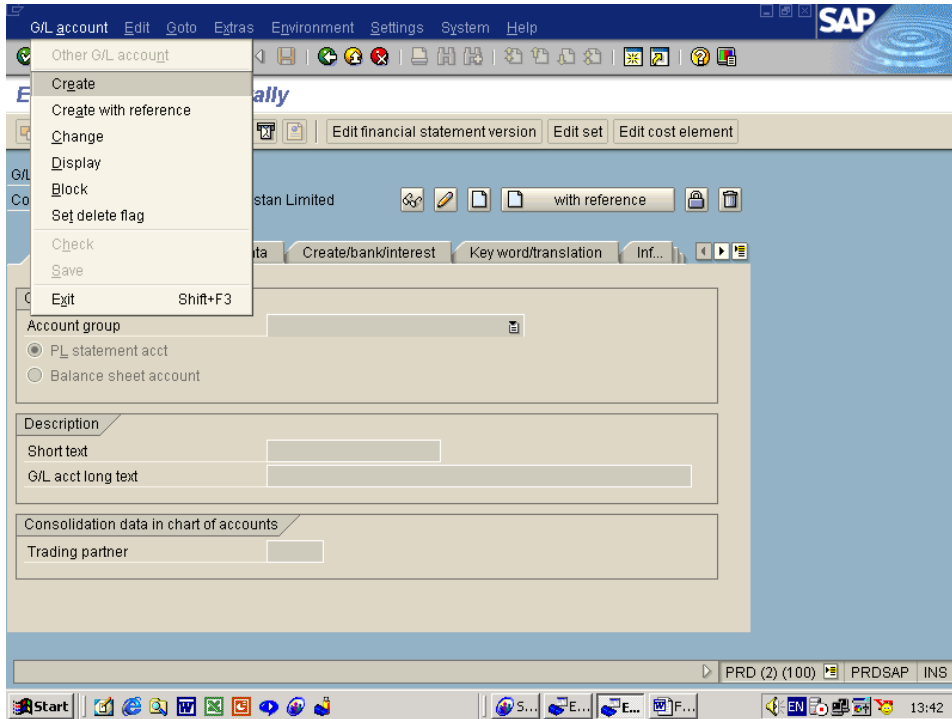
- Created
- Changed
- Displayed
- Blocked for Posting



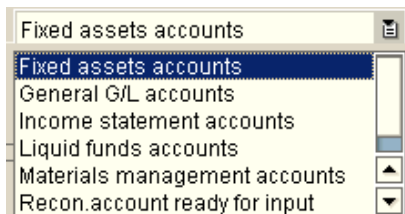
Creating an Account

To create an account, write new account number in GL Account Number field and then go to menu bar and select **GL Account**

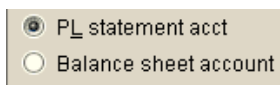




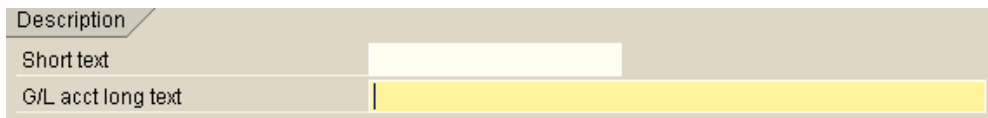
The account group has to be specified. These are the various groups:



It has to be specified whether this account will be a P/L account or B/S account.



A short Description for the account has to be specified



These were the fields required in the Type/Description Tab of this screen. After entering these, go to the Control Tab

The screenshot shows the 'Create G/L Account Centrally' dialog box in SAP. The 'Control data' tab is selected. The 'Account control in company code' section is visible, showing the following fields and values:

Field	Value
Account currency	PKR Pakistani Rupee
☐ Only balances in local crcy	
Exchange rate difference key	
Valuation group	
Tax category	
☐ Posting without tax allowed	
Recon. account for acct type	
Alternative account no.	
☐ Acct managed in ext. system	
Inflation key	
Tolerance group	

The 'Company code' is IMCL (Indus Motor Company Ltd). The 'G/L account no.' is 600001. The 'Type/description' tab is also visible, showing 'Account control in company code'.

Posting without Tax allowed: If you select this indicator, no tax code needs to be entered when posting to this account. If a tax code is entered, it is checked according to the tax category for this account.

Recon Type for Account Type: An entry in this field characterizes the G/L account as a reconciliation account. The reconciliation account ensures the integration of a sub ledger account into the general ledger. The G/L account itself is not designed for direct posting. In this way, a reconciliation between sub ledger and general ledger is always guaranteed.

Leave blank if not a recon account

Go to tab Create/Bank/Interest to fill up the other fields required to create an account

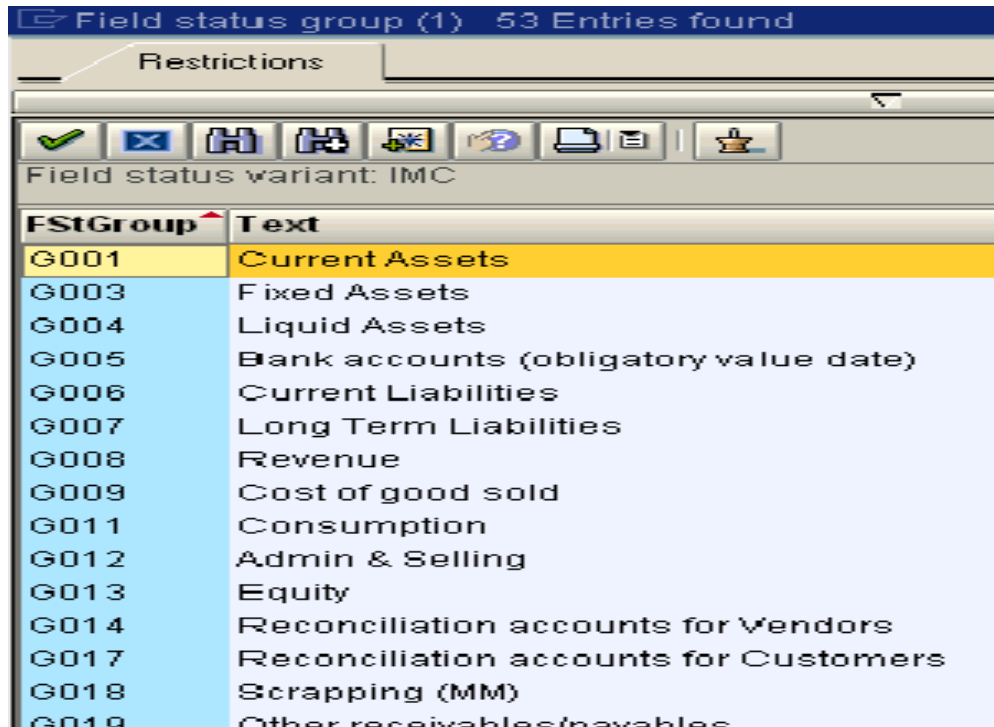
The screenshot shows the 'Create G/L Account Centrally' dialog box in SAP. The 'Create/bank/interest' tab is selected. The 'Control of document creation in company code' section is visible, showing the following fields and values:

Field	Value
Field status group	
☐ Post automatically only	
☐ Supplement auto. postings	
☐ Recon. acct ready for input	

The 'Bank/financial details in company code' section is also visible, showing the following fields and values:

Field	Value
Planning level	
☐ Relevant to cash flow	
Commitment item	
House bank	
Account ID	

The 'Company code' is IMCL (Indus Motor Company Ltd). The 'G/L account no.' is 600001. The 'Type/description' tab is also visible, showing 'Account control in company code'.



FStGroup	Text
G001	Current Assets
G003	Fixed Assets
G004	Liquid Assets
G005	Bank accounts (obligatory value date)
G006	Current Liabilities
G007	Long Term Liabilities
G008	Revenue
G009	Cost of good sold
G011	Consumption
G012	Admin & Selling
G013	Equity
G014	Reconciliation accounts for Vendors
G017	Reconciliation accounts for Customers
G018	Scrapping (MM)
G019	Other receivables/payables

Creating with Reference

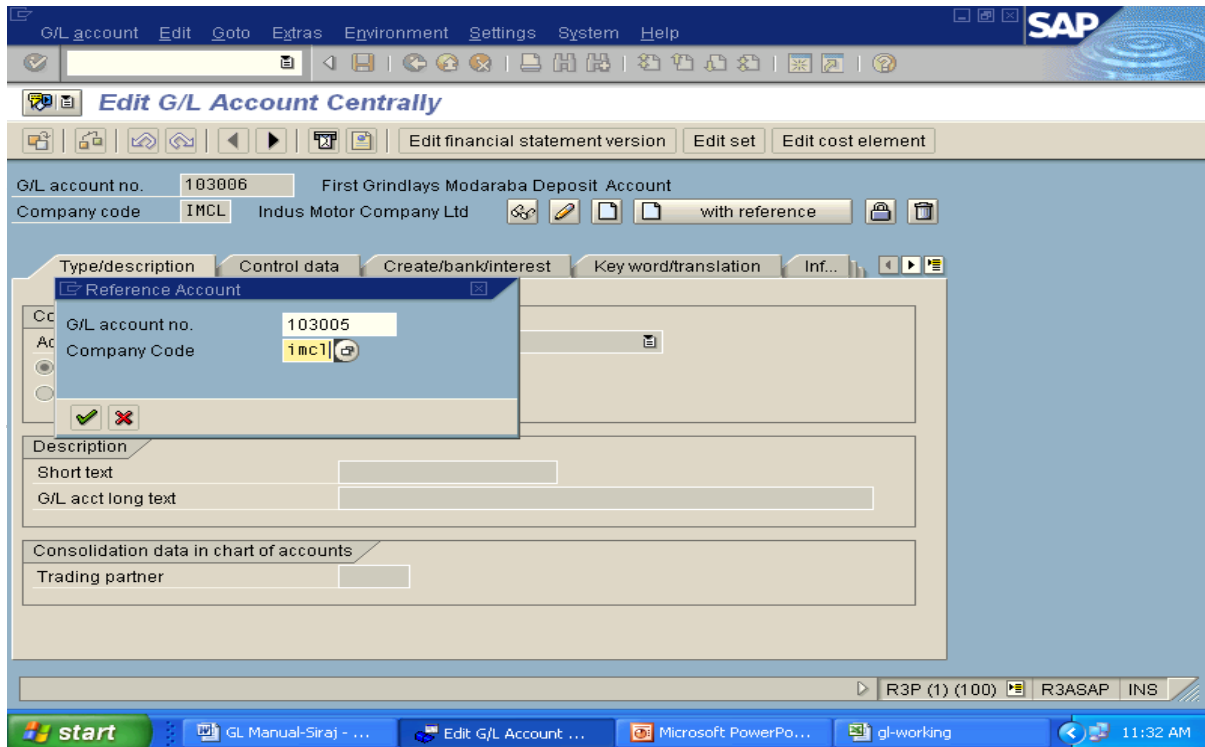
The simplest way of making a GL account is by creating with reference. In this way you create an account with reference to an account created in that particular category. For example in the COA the following are the

Long Term Deposits	103
Deposits	1030
Deposit agnst Rent	103000
Deposit agnst Telephone	103001
Deposit agnst Clubs	103002
Deposit agnst Fuel	103003
Other Deposits	103004
First Grindlays Modaraba	103005

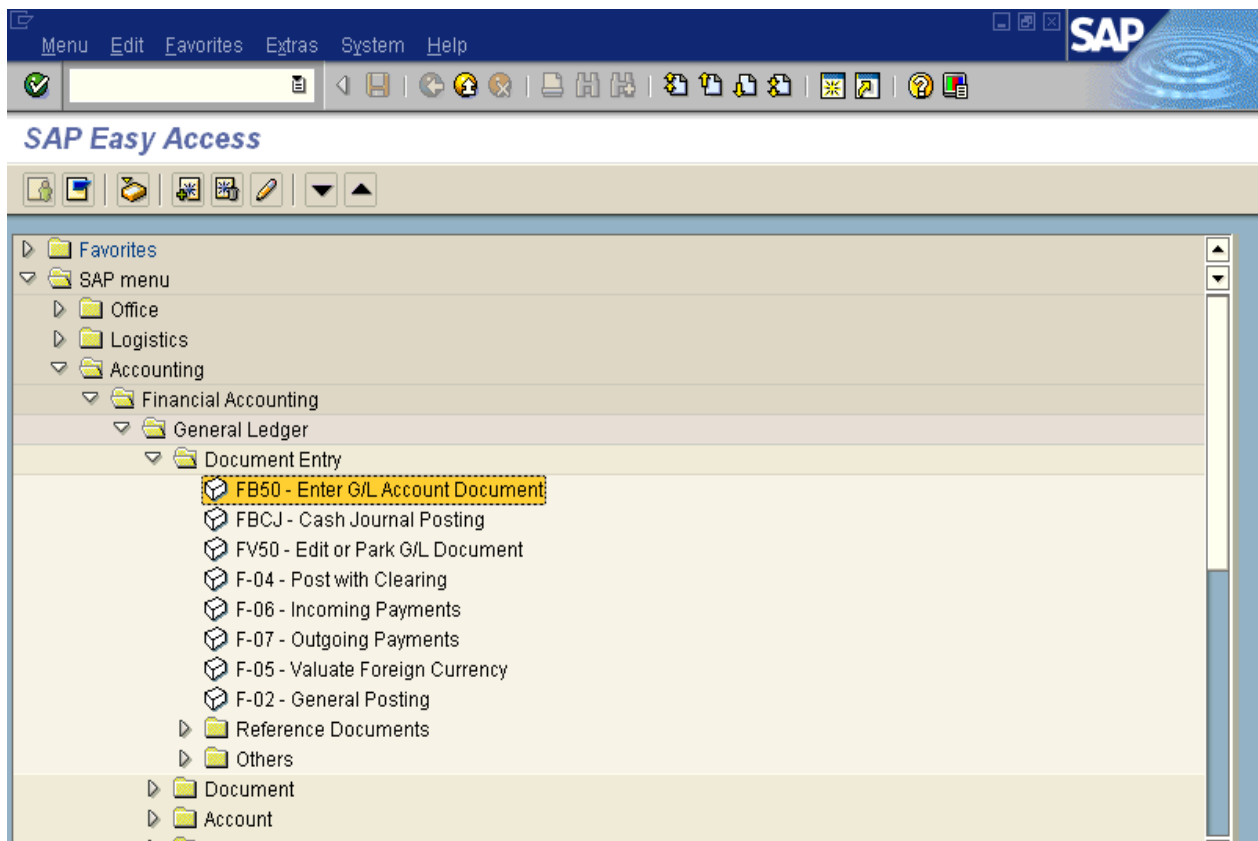
Therefore an account created in this head will be 103006 and will have the same features as 103005. Therefore create the new account with this reference as follows:

Click on the With reference button specifying the account to be created the GL Account no.

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Posting by FB50



The following screen will be visible:

The **Business Area** field is mandatory.

For **Expense Accounts**, the cost center is a mandatory.

Text field is used for line item description.

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Total deb.

100,000.00 PKR

Total cred.

0.00 PKR

●●●

After the JV Entries have been made, the following entry would be simulated. This is done by clicking on the simulate button.

Please note that simulation of the JV is not mandatory.

The screenshot displays the SAP Financial Accounting (FI) interface for document simulation. It consists of three overlapping windows:

- Top Window: Enter G/L account document**
 - Menu: Document, Edit, Goto, Extras, Settings, Environment, System, Help
 - Toolbar: Standard SAP icons for document management.
- Middle Window: Document Overview**
 - Menu: Document overview, Edit, Goto, Settings, System, Help
 - Toolbar: Reset, Taxes, Filter, Print, Copy, Paste, Choose, Save, etc.
 - Table of document data:
- Bottom Window: Enter G/L Account Posting: Header Data**
 - Menu: Menu, Edit, Favorites, Extras, System, Help
 - Toolbar: Standard SAP icons.
 - Buttons: Held document, Act assignmt model..., G/L item fast entry, Post with reference
 - Form fields for document header data.

Document Overview Table:

Doc.type : SA (G/L account document) Normal document			
Doc. number		Company code	IMCL
Doc. date	21.02.2006	Fiscal year	2005
Doc. currency	PKR	Posting date	21.02.2006
		Period	08

Enter G/L Account Posting: Header Data Form:

Document date		Type	SA	Company code	IMCL
Posting date	21.02.2006	Period	8	Currencyrate	PKR
Document number				Translation dte	
Reference				Cross-CC no.	
Doc.header text					
Trading part.BA					

Bottom Status Bar: R3P (1) (100) R3ASAP INS 37 PM

If account is to be **debited**: 40

If account is to be **credited**: 50

First line item			
PstKy	40	Account	721000
		G/L	Trans.type

After entering this information, press ENTER.

The following screen will be visible:

Document Edit Goto Extras Settings Environment System Help

Enter G/L account document: Add G/L account item

More data Act assignmt model... G/L item fast entry Tax amounts

G/L account 721000 Salaries, Wages & Other benefits
Company code IMCL Indus Motor Company Ltd

Item 1 / Debit entry / 40

Amount 100000 PKR
Tax code Z0 ☐ Calculate tax
Business area
Cost center 6111701 Order
Profit center
Network
More

Purchasing doc. Quantity
Value date 08.03.2006 Due on
Assignment
Text Ali Abbas-Muzaffarabad exp-10/01/06 to 20/02/2006 Long text

Next line item

PstKy 50 Account 261001 G/L Trans.type New co.code

R3P (1) (100) R3ASAP INS

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item that you

at you would
credited(50) or

The similar procedure will be followed for entering other line items

Document Edit Goto Extras Settings Environment System Help

Enter G/L account document: Correct G/L account item

G/L account 261000 HBZ-Main a/c - G/L item fast entry (Shift+F8)

Company code IMCL Indus Motor Company Ltd

Item 1 / Debit entry / 40

Amount 100,000.00 PKR

Tax code 20 ☐ Calculate tax

Business area 900

Profit center 9000 424

Value date 05.04.2006 Due on

Assignment

Text Long text

Next line item

PstKy Account Sp.G/L Trans.type New co.code

R3D (1) (500) R3DSAP INS

start SAP R/3 R3... Microsoft Ex... GL Manual-5... SAP Easy Ac... Enter G/L ac... 4:29 PM

After entering all line items, simulate the document by pressing the document overview. Although simulation is not required, it is still recommended.

After simulating, the following will be visible. The Debit & Credit amounts are equal, therefore the system will let you post the document. Posting is carried out by clicking the SAVE button.

Document Edit Goto Extras Settings Environment System Help

Enter G/L account document: Display Overview

Display currency Park document Act assignmt model... G/L item fast entry Taxes

Document date 05.04.2006 Type SA Company code IMCL
 Posting date 05.04.2006 Period 10 Currency PKR
 Document number INTERNAL Fiscal year 2005 Translation dte 05.04.2006
 Reference Cross-CC no.
 Doc.header text Trading part BA

Items in document currency

PK	BusA	Acct	PKR	Amount	Tax amnt
001	40	900 0000261000 HBZ-Main a/c -	100,000.00		Z0
002	50	900 0000721000 Salaries & benefits	100,000.00-		Z0

D 100,000.00 C 100,000.00 0.00 * 2 Line items

Other line item

PstKy | Count Sp.G/L Trans.type New co.code

R3D (1) (500) R3DSAP INS

start SAP R/3... Microsof... GL Man... SAP Eas... Enter G/... SAP SC... 4:32 PM

To Post with Reference

Enter G/L Account Posting: Header Data

Held document Act assignmt model... G/L item fast entry **Post with reference**

Document date Type SA Company code Post with reference Shift+F9

Posting date 06.03.2003 Period 3 Currency rate PKR

Document number Translation date

Reference Cross-CC no.

Doc. header text

Trading part BA

First line item

Pstkv 40 Account So G/L Trans type

PRD (2) (100) PRDSAP INS

To post with reference, go to transaction F-02 and click on the Post with reference button. The following screen will be visible:

Post Document: Header Data

Reference

Document number

Company code **IMCL**

Fiscal year **2005**

Flow control

☐ Generate reverse posting

☐ Enter G/L account items

☐ Do not propose amounts

☐ Recalculate days and percentages

☐ Display line items

☐ Copy texts

☐ Transfer functional area

R3D (1) (500) R3DSAP INS

Specify the Document Number with which you require to create with reference.

If you wish to change amounts click on **Enter GL Account Items & DO not propose accounts.**

The subsequent screens will take you through different line items. After simulating the document, post after making changes to the document.

GL Fast Entry

To enter different account line items, go to F-02 and click on GL Fast Entry

Document Edit Goto Extras Settings Environment System Help

Enter G/L Account Posting: Header Data

Held document Act assignmt model... G/L item fast entry Post with reference

Document date		Type	SA	G/L item fast entry Shift+F8	
Posting date	06.03.2003	Period	3	Currencyrate	PKR
Document number				Translation dte	
Reference				Cross-CC no.	
Doc.header text					
Trading part.BA					

First line item

PstKv 40 Account Sn G/L Trans line

PRD (2) (100) PRDSAP INS

15

Document Edit Goto Extras Settings Environment System Help

Enter G/L account document: Add G/L account items

Act assignmt model... G/L item fast entry Tax amounts

Company code **IMCL** Indus Motor Company Ltd ☐ Calculate tax

PK	Account	Amount	PKR	Tx	BuAr	Cost ctr	Order	WBS element	CoCd

Other line items

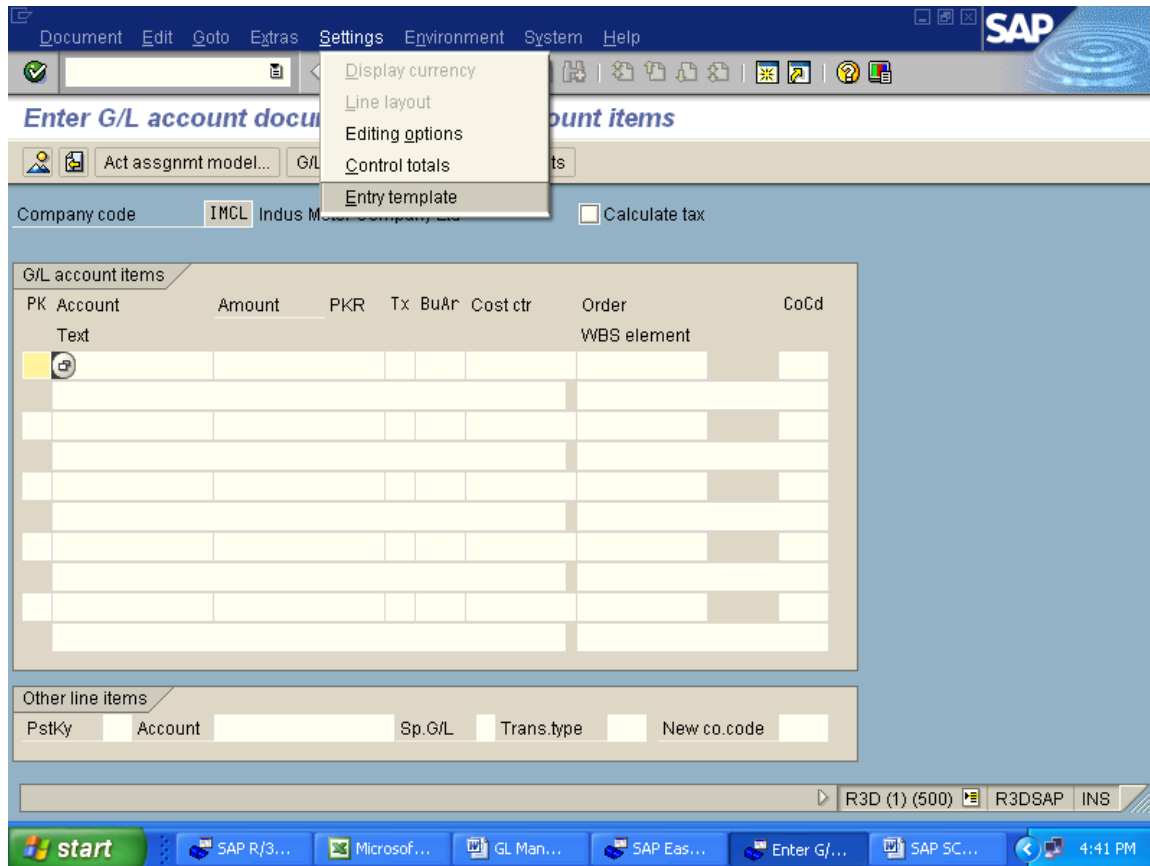
PstKy Account Sp.G/L Trans.type New co.code

R3D (1) / 50M R3DSAP INS

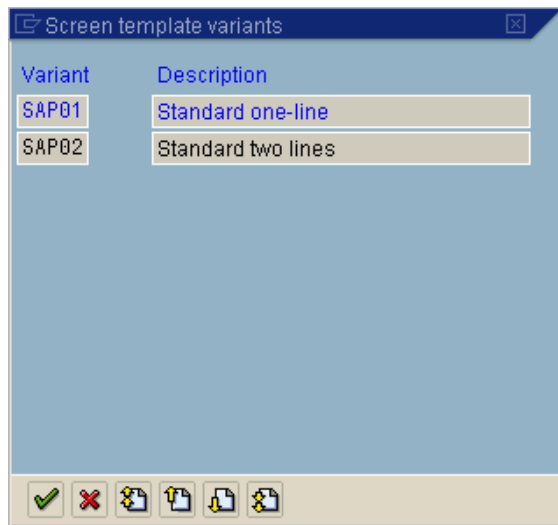
Enter G/L account document: Add G/L account items

start SAP R/3... Microsof... GL Man... SAP Eas... Enter G/... SAP SC... 4:40 PM

The other template available can be selected by clicking on Settings in Menu Bar and selecting Entry Template



The above window will be displayed:



Double click on the SAP02 template. The following will be displayed. This includes additional fields including texts.

Document Edit Goto Extras Settings Environment System Help

Enter G/L account document: Add G/L account items

Act assignmt model... G/L item fast entry Tax amounts

Company code IMCL Indus Motor Company Ltd ☐ Calculate tax

PK	Account	Amount	PKR	Tx	BuAr	Cost ctr	Order	WBS element	CoCd

Other line items

PstKy Account Sp.G/L Trans.type New co.code

start SAP R/3... Microsof... GL Man... SAP Eas... Enter G/... SAP SC... 4:40 PM

Cash Voucher

To post a Cash voucher, use the same procedure as posting a JV using either transaction **FB50** or **F-02**. The only difference will be using the following document types:

- **ZB:** Cash Expense
- **ZC:** Cash Receipts

Bank Voucher

Similarly for posting a bank voucher use transaction **FB50** or **F-02**. Change document type if required and as per your business decision.

Employee Transactions

There are 3 ways employee Master Data is being maintained in the system and the reason for creating master data varies.

- **Personal Number:** This is created in the system by the HR Department. This is used by Finance for recoding details for Balance Sheet Items
- **Internal Order:** This is created by Finance Department used for recording details for expenses. The number assigned to an employee is derived from the personal number.
- **Customer:** Employee is created in the system as a customer, only when a Cheque has to be given to the employee.

Personal number of Employee

In the HR Module, every employee in ICI is being maintained. Every employee is assigned a Personal Number which is created in SAP by the HR Department. As can be seen the personal number used is a 8 digit number assigned by the HR Department.

Restrict value range (1) 783 Entries found

IC number Organizational assignment ✓ Last name - First name

Last name	First name	Title	Birth date	Pers.no.	Start date	End date
Chaudhry	Altaf H.		16.05.1945	00000001	16.05.1945	31.12.9999
NAWAZ	JEHANGIR BASHIR		23.11.1947	00000002	23.11.1947	31.12.9999
AHMED	NEHAL		30.11.1956	00000003	30.11.1956	31.12.9999
LAKHANI	RUBAB A		09.07.1949	00000004	09.07.1949	31.12.9999
MALIK	WAQAR AHMAD		25.05.1958	00000005	25.05.1958	31.12.9999
AGHA	S IMRAN		03.12.1953	00000006	03.12.1953	31.12.9999
USMAN	MOHSIN		18.01.1955	00000007	18.01.1955	31.12.9999
BAIG	MOHAMMED ZUBAIR		21.07.1954	00000008	21.07.1954	31.12.9999
IQBAL	TANVEER		16.05.1959	00000009	16.05.1959	31.12.9999
AWAN	SULTAN		01.05.1955	00000010	01.05.1955	31.12.9999
HASSAN	MOHAMMAD KHALID		14.05.1957	00000011	14.05.1957	31.12.9999
KHAN	ATTAULLAH TAHIR		26.10.1957	00000012	26.10.1957	31.12.9999
RIZVI	FEROZ		09.05.1953	00000013	09.05.1953	31.12.9999
QAZI	SHAKEEL AHMAD		05.04.1955	00000014	05.04.1955	31.12.9999
FAROOQUI	M ABDUS SALAM		26.03.1950	00000015	26.03.1950	31.12.9999
HUSSAIN	MASOOD IJAZ		07.07.1958	00000016	07.07.1958	31.12.9999
AQUEEL	S M IRFAN		31.12.1958	00000017	31.12.1958	31.12.9999
GILANI	S NAVEED H		02.04.1956	00000018	02.04.1956	31.12.9999
MAHMOOD	AFZAL		05.10.1953	00000019	05.10.1953	31.12.9999
ZAIDI	SYED RAZA M		15.11.1954	00000020	15.11.1954	31.12.9999

If the finance department wants to record Balance Sheet accounts by employees, so that a record can be derived employee wise, the personal number should be input at the time of recording a finance accounting document. For example, If finance department would like to keep a record of Imprest Cash and give a break up of this balance sheet item by employee, it will have to record the personal number.

At the time of creating a JV, CV or Bank Voucher, when you are entering the details of the Balance sheet item, click on the More button to input the personal number field:

Document Edit Goto Extras Settings Environment System Help

Enter G/L account document: Add G/L account item

More data Act assignmt model... G/L item fast entry Tax amounts

G/L account 721000 Salaries, Wages & Other benefits
Company code IMCL Indus Motor Company Ltd

Item 1 / Debit entry / 40

Amount 200000 PKR
Tax code ☐ Calculate tax
Business area
Cost center Order
Profit center Network
Purchasing doc. Quantity
Value date 05.04.2006 Due on
Assignment
Text Long text

Next line item

PstKy Account Sp.G/L Trans.type New co.code

R3D (1) (500) R3DSAP INS

The following dialog box will appear

Coding Block

Business area 9000
Cost center 7000101
Order
Profit center
Profit segment
Network
Personnel no.
Material
Real estate obj

Enter the personal number for which the transaction has to be recorded. If a name can not be found, consult the HR Department.

Only record balance sheet items by Personal Numbers.

Internal Order for an Employee

The Internal order is created in the system if an expense has to be recorded for an employee and can only be used for P/L Items and NOT Balance Sheet items.

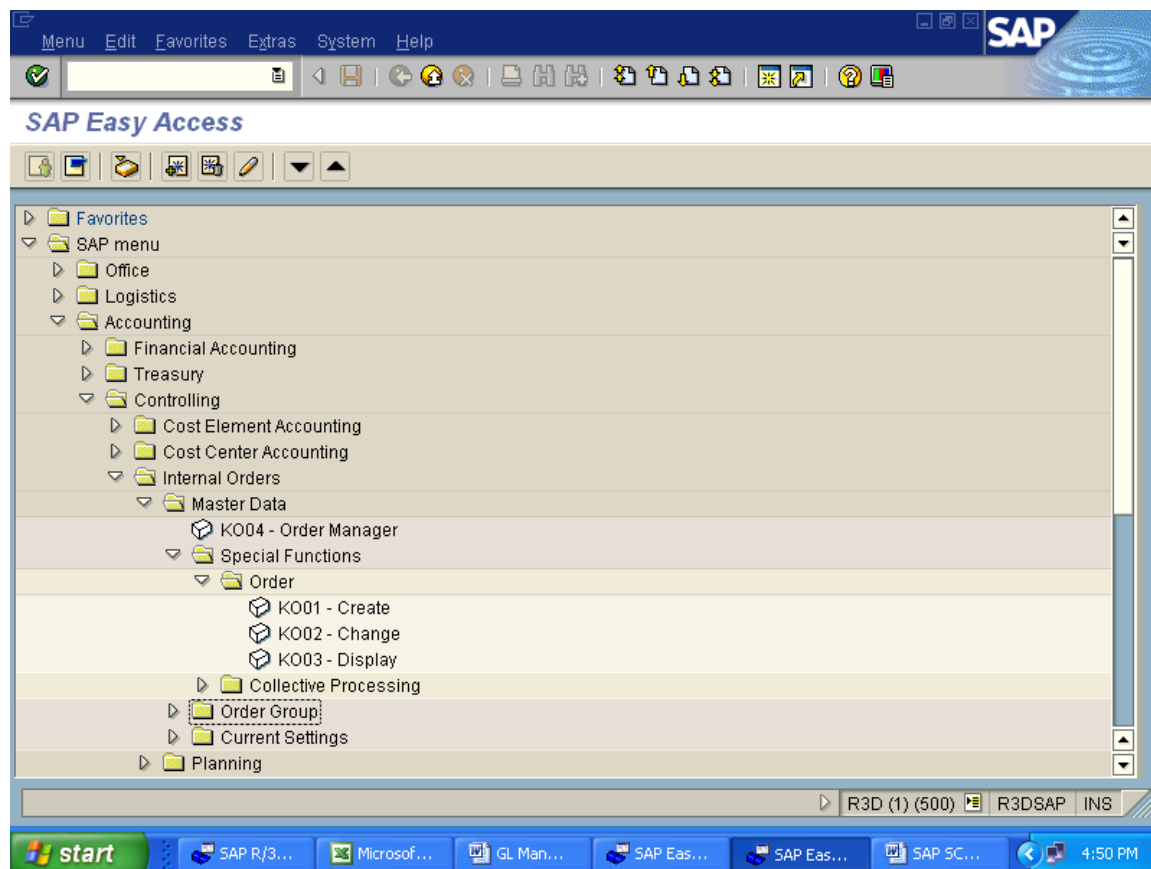
If an Internal Order for an employee is not created in the system, find the corresponding Personal Number of that employee. For example if an Employee has the personal number 00001234, than the Internal Number assigned to that employee should be A00001234.

In this was Personal Number and the Internal Order will always belong to just one employee. Ensure that whenever an Internal Order is being created, it does not exist in the system, otherwise wrong numbers and duplicate Internal Orders will be created.

00000001 ☐ A00000001

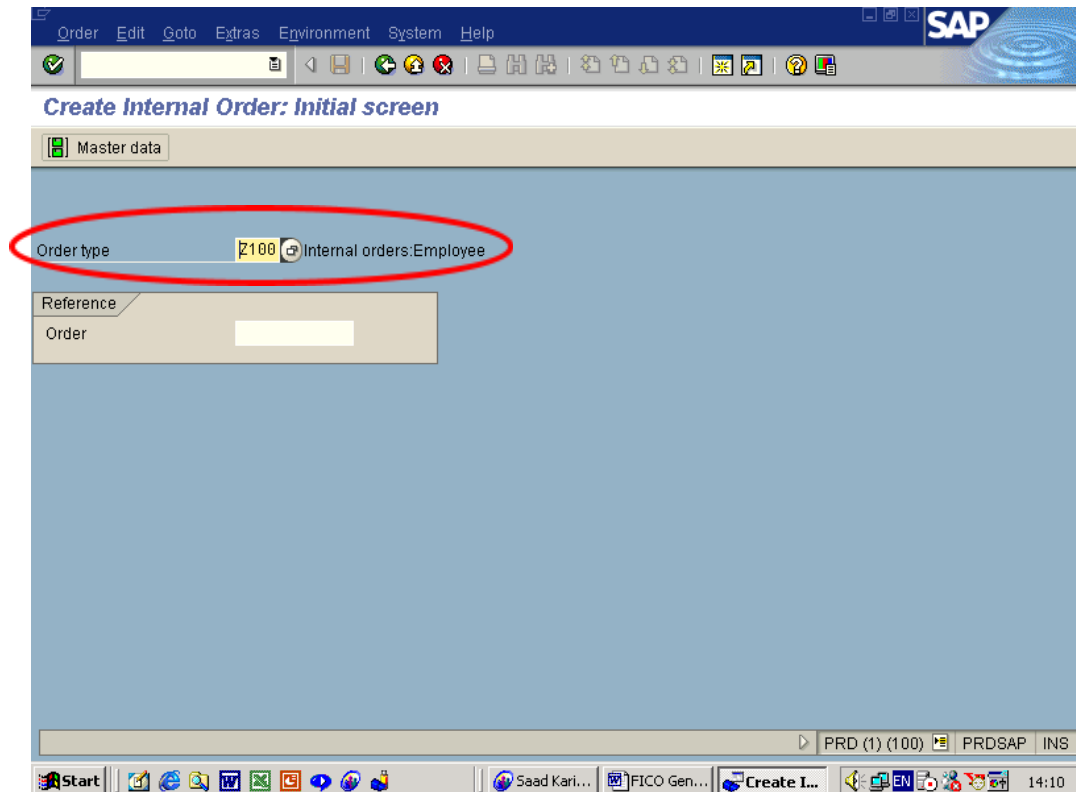
Personal Number ☐ Internal Order

Creation of Internal Order



To create an Internal Order go to transaction **KO01**.

The Order type for Creating Employee Internal Order will always be **Z100**. Enter this and press Enter.



The screenshot displays the SAP 'Create Internal Order: Master data' interface. The 'Order' field is populated with '400000440' and the 'Short text' field with 'SIRAJ-UR REHMAN'. The 'Order type' is set to '0650' with the description 'Capital investmen...'. The 'Assignments' tab is selected, showing 'Company code' as 'IMCL' (Indus Motor Company Ltd) and 'Business area' as '900'. The 'Control data' and 'General data' tabs are also visible. The bottom status bar indicates 'Company code currency transferred' and 'R3D (1) (500) R3DSAP INS'.

Enter the Internal **Order Number** to be given (to be derived from personal number as given above), and enter the **short text** which will be the name of the employee. Enter the Business area as well. After entering this, go to **Control Data** Tab

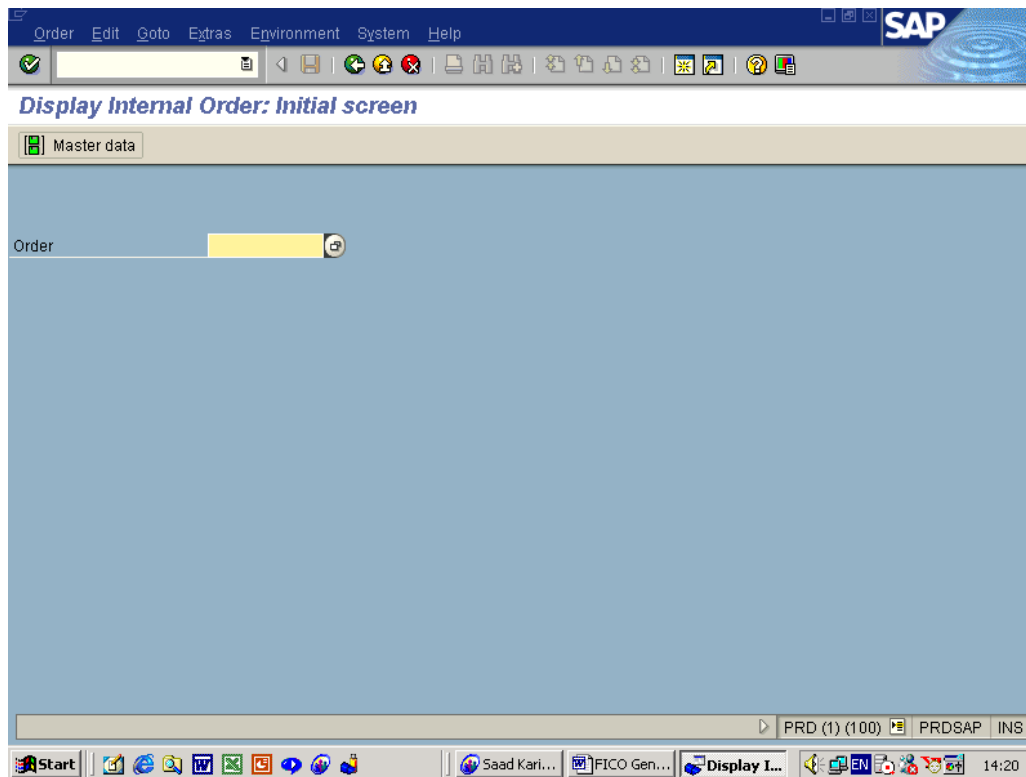
The screenshot shows the SAP 'Create Internal Order: Master data' screen. The 'Status' section includes fields for System status (REL), User status (PLIM), and Status number (0). The 'Control data' section includes Currency (PKR - Pakistani Rupee), Order category (1 - Internal Order (Controlling)), and checkboxes for 'Statistical order' and 'Plan-integrated order'. The 'Plan-integrated order' checkbox is circled in red. The 'Allowed transacts.' button is also visible. The bottom status bar shows 'PRD (1) (100)' and 'PRDSAP INS'.

Here DESELECT this check box. After this save the employee created.

To change an Internal Order created go to **KO02**.

The screenshot shows the SAP 'Change Internal Order: Initial screen' screen. The 'Master data' tab is selected. The 'Order' field is visible at the top. The bottom status bar shows 'PRD (1) (100)' and 'PRDSAP INS'.

To Display an Internal Order go to **KO03**



Using Internal Orders to record expenses incurred for Employees

At the time of creating a JV, CV or Bank Voucher, when you are entering the details of the Expense item, enter the number created in the Order field as shown as follows:

In the legacy system, to pay a check to a Employee, the following was the accounting entry generated:

But in SAP, to take out a Cheque from the system a liability must be created in the SAP System. So this entry will be carried out in two steps:

This will be done through transaction **F-02**

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This will be done through transaction **F-58**

Reversals of Accounting Documents

To reverse a accounting document created in Finance, go to transaction **FB03**.

Reverse Document: Header Data

Display before reversal Find documents

Document details

Document no.	100008624
Company code	IMCL
Fiscal year	2005

Reverse posting details

Reversal reason	01
Posting date	
Posting period	

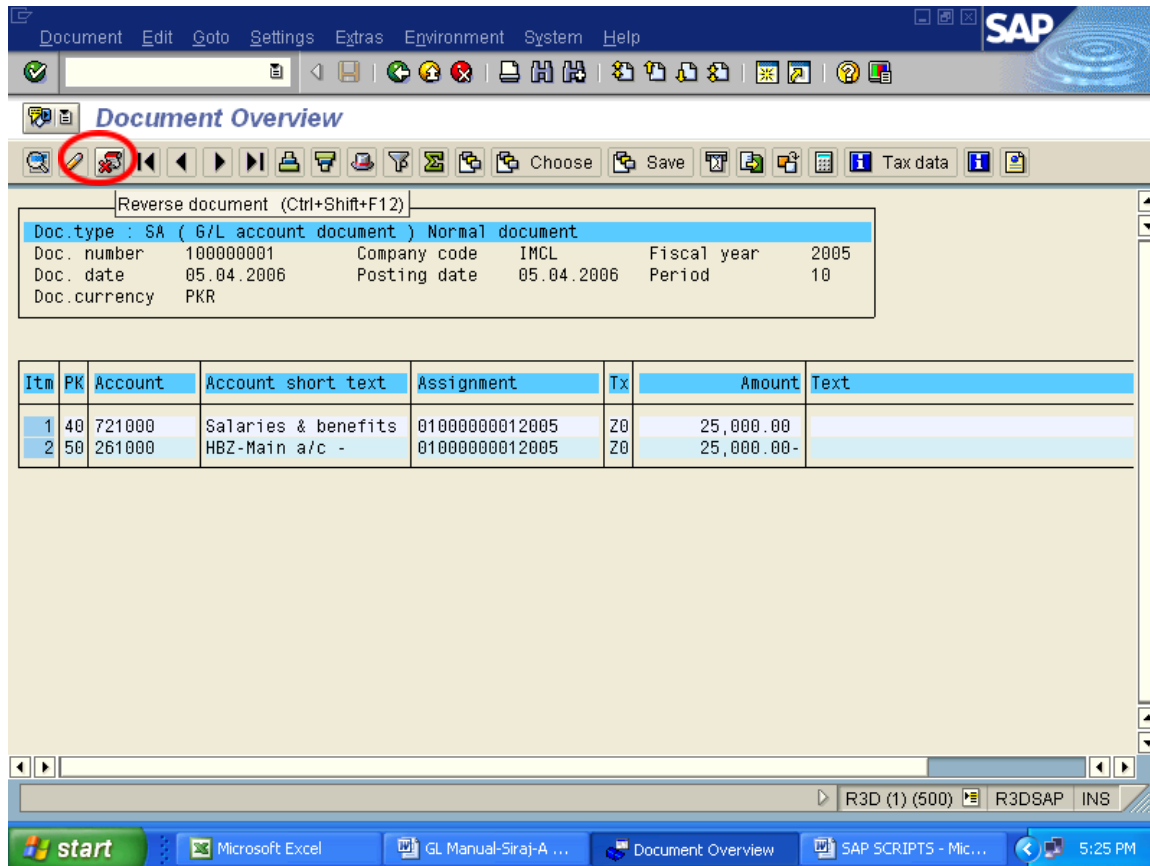
Check management specifications

Void reason code	
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R3D (1) (500) R3DSAP INS

start Microsoft Excel GL Manual-Siraj-A... Reverse Documen... SAP SCRIPTS - Mic... 5:22 PM

Enter the Account document number which is to be reversed. Make sure that the fiscal year is accurate as the same document number could exist in multiple fiscal years as well. Press enter to continue



Click on the reverse button after confirming that this is the button to reverse. The following window will be displayed:

Reverse Document

Company Code: IMCL

Document number: 100000001

Fiscal year: 2005

Reversal reason: 01 Reversal in current period

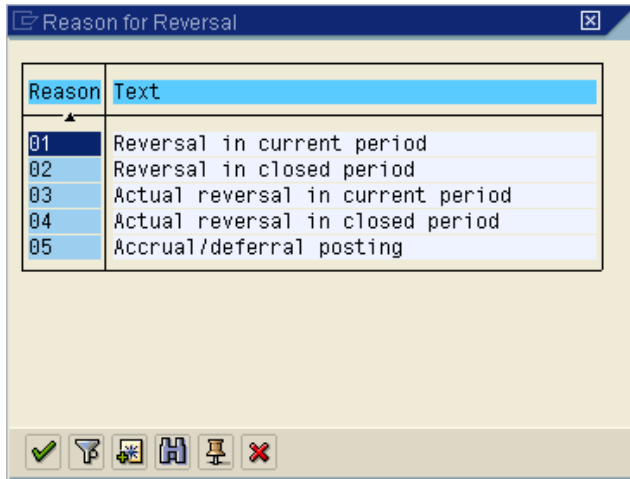
Posting date:

Period:

Void reason:

Specify the reversal reason, posting date.

The reversal reasons are the following:

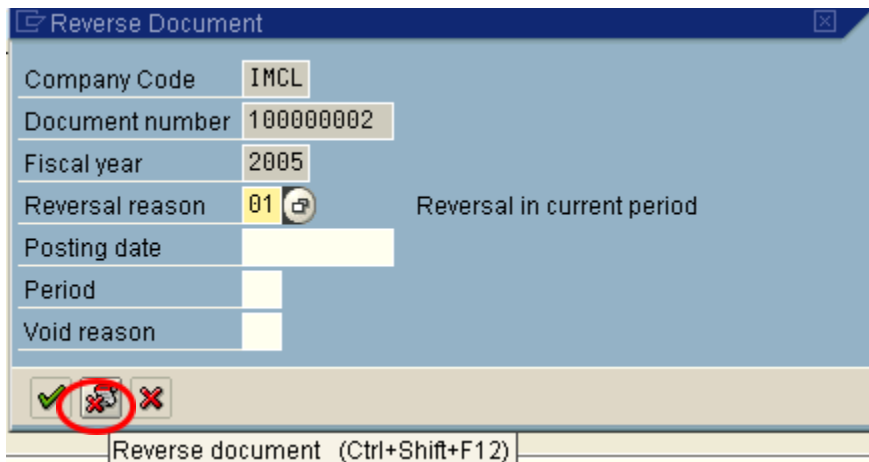


Reason for Reversal

Reason	Text
01	Reversal in current period
02	Reversal in closed period
03	Actual reversal in current period
04	Actual reversal in closed period
05	Accrual/deferral posting

Buttons: [OK] [Cancel] [Help] [Print] [Close]

Enter the Posting date. The posting date for reversal cannot be before the posting document for the document which is to be reversed.



Reverse Document

Company Code: IMCL

Document number: 100000002

Fiscal year: 2005

Reversal reason: 01 Reversal in current period

Posting date:

Period:

Void reason:

Buttons: [OK] [Cancel] [Help] [Print] [Close]

Reverse document (Ctrl+Shift+F12)

Click on the reversal button as shown above. This will reverse the Document and the system will create a RV Document.

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The screenshot displays the SAP Document Overview interface. At the top, the menu bar includes Document, Edit, Goto, Settings, Extras, Environment, System, and Help. Below the menu is a toolbar with various icons. The main area is titled "Document Overview" and contains a summary of document details and a table of items.

Document Details:

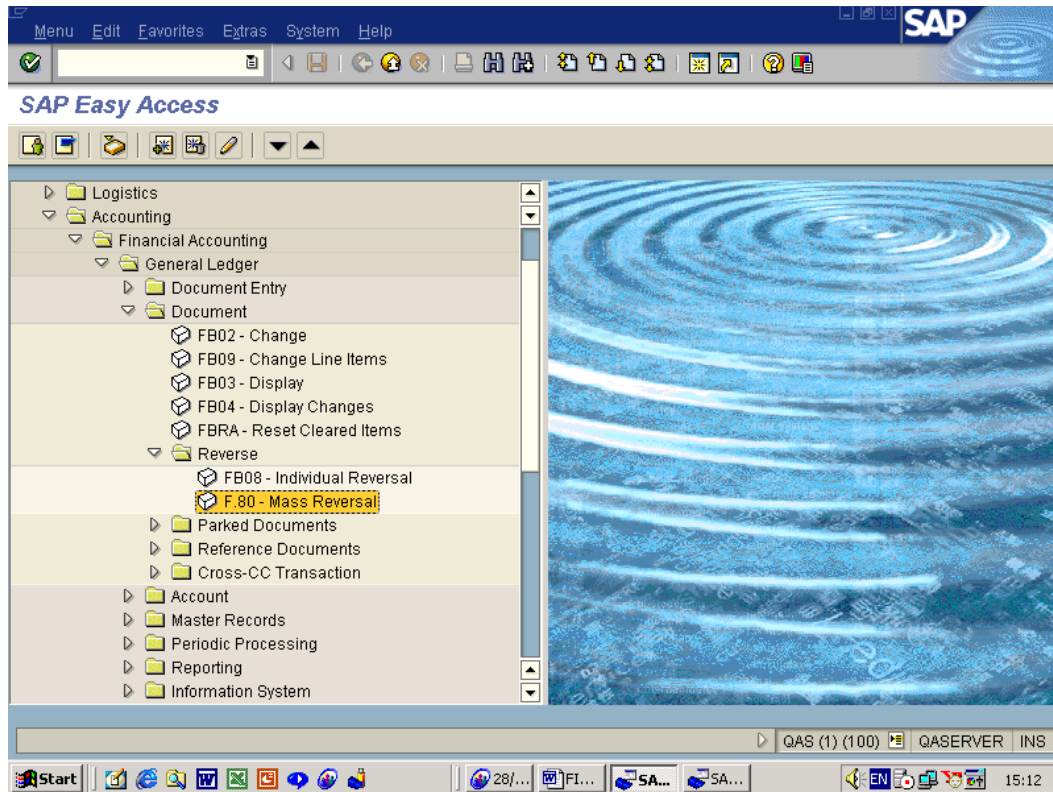
Doc. type	SA (6/L account document) Normal document				
Doc. number	100000002	Company code	IMCL	Fiscal year	2005
Doc. date	05.04.2006	Posting date	05.04.2006	Period	10
Doc. currency	PKR	Reversed by	600000001 / 2005		

Item Table:

Item	PK	Account	Account short text	Assignment	Tx	Amount	Text
1	40	721000	Salaries & benefits	01000000012005	Z0	500,000.00	
2	50	261000	HBZ-Main a/c -	01000000012005	Z0	500,000.00-	

At the bottom of the screen, a status bar shows a green checkmark icon and the message: "Document 600000001 was posted in company code IMCL". The taskbar at the very bottom shows the Start button and several open applications: Microsoft Excel, Document Overview, SAP SCRIPTS-A - ..., GL Manual-Siraj-A ..., and the system clock showing 5:34 PM.

Mass Reversal



To reverse a number of documents execute transaction **F.80**

Enter the documents which have to be reversed in the Document Number field. Enter the fiscal year and execute this selection ensuring that the test run click button is selected. The posting date for the reversal document has to be entered as well.

Program Edit Goto System Help

Mass Reversal of Documents: Initial Screen

Company code IMCL to Document number 10000001 to 10000002 Fiscal year 2005 to

General selections

Document type to Posting date to Entry date to Reference number to Reference transaction to Reference key to Logical system to

Reverse posting details

Reason for reversal 01 Posting date 05.04.2006 Posting period Test run

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start Microsoft Excel Mass Reversal of ... SAP SCRIPTS-A - ... GL Manual-Siraj-A ... 5:37 PM