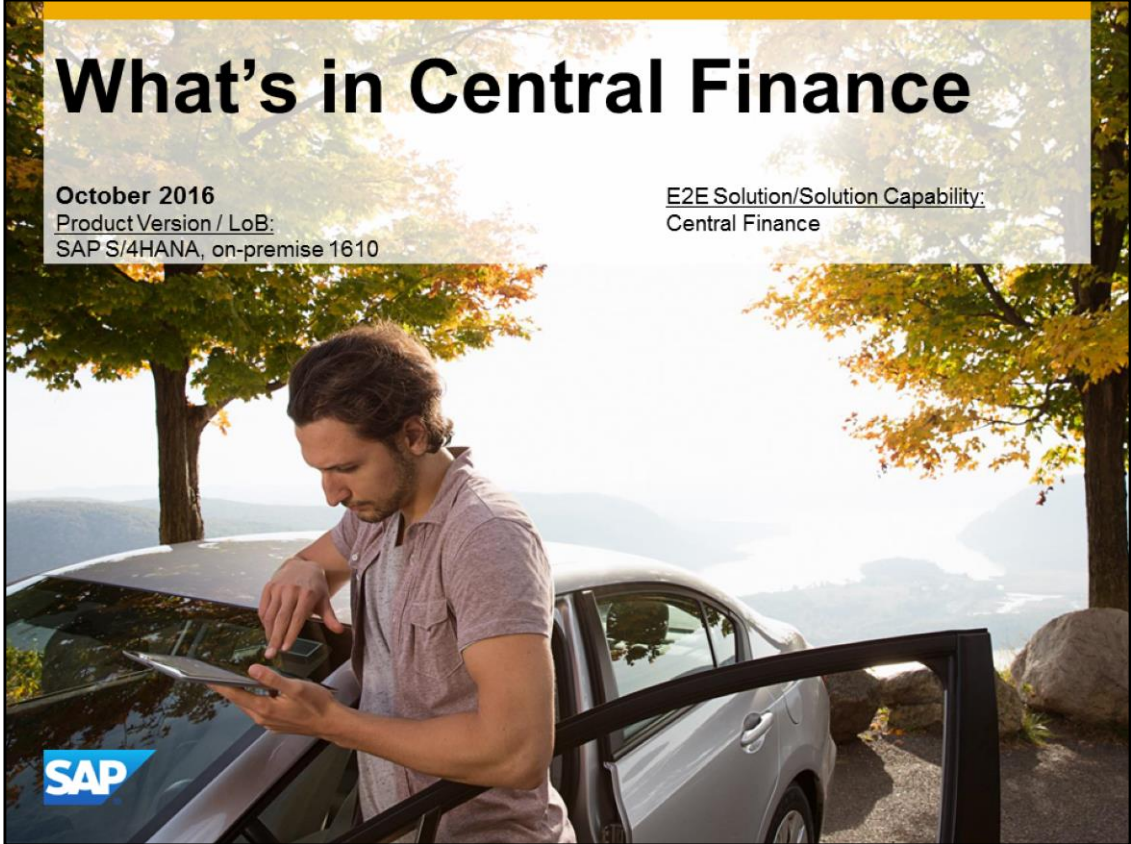# What's in Central Finance

October 2016

Product Version / LoB:
SAP S/4HANA, on-premise 1610

E2E Solution/Solution Capability:
Central Finance

SAP

Objectives Slide

At the end of this lesson, you will be able to:

- Outline how customers can connect their distributed system landscape (which can be made up of a combination of SAP systems of different releases and non-SAP system) to a centralized SAP S/4HANA Finance system.

- Describe how customers can establish a Central Reporting Platform for FI/CO with the option to create a common reporting structure.

- Explain how acquired companies can be integrated more easily

- Explain how a foundation can be established today for further centralizing financial processes in future

- Explain how reposted Financial Accounting (FI) and Management Accounting (CO) documents look in Central Finance and how they reconcile back to the source systems

- Explain how the Central Finance integration works (including mapping and error handling)

Table of Contents

Motivation and General Overview

Posting of FI Documents

Reporting: Once the documents are in – there are new possibilities in reporting

Mapping and Error Handling

Posting of CO Documents

Initial Load

Reconciliation Reports

Integrated Planning in Central Finance with SAP BPC for S/4HANA Finance.

Summary: New compared with the first release

Future scenarios

Motivation and General Overview

Situations we find at many customers:
Finance is complex … and not (digitally) connected

Signs of complexity

- Extractions and transformations
- Mappings and harmonization
- Delays, anomalies, inconsistency's
- Data reconciliation, data validation
- Report provision (data-to-people)

Business issue(s)

- Limited transparency
- Throttled productivity
- Pro-longed process execution
- Service level challenges

Early Knowledge Transfer — Customer — 5
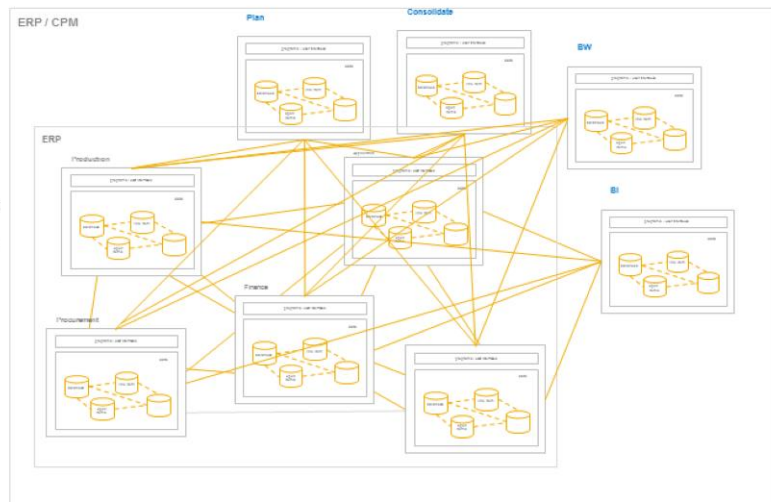
- Customers who have a large distributed system landscape – are lacking full insight into the entire company.
  There is often no single source of truth that gives insights with a harmonized view.

- Often they load financial data from their system into various data warehouses, for example, SAP Business Warehouse (SAP BW), to be able to report on figures of the entire company.

- In order to load the data in the data warehouse mostly long-running batch-jobs need to be scheduled regular to extract data, to transform the data and to load data into the data warehouse.
  This typically does not happen in realtime, but rather once a day or week. So the data that a customer is looking at in the data warehouse is never up-to-date.

- OLAP-systems like data warehouse normally need to transform the data to be able to flexibly report on the data with acceptable performance. However, this makes it difficult to reconcile the data with the source systems.

- Furthermore, the data quality is often very poor – as a data warehouse – in contrast to an ERP system – accepts the data without checking whether it is correct.

-
  So, many customers build custom-logic to do similar checks like ERP Financials does when a document gets posted – just for improving the data quality.

Trusted Insights

Typical Challenges

Address challenges in Reporting

Instant insight across the entire company
- What do I spend in my entire company on external consultants?
- How well do I benefit from cash discounts across my entire company?
- How does the aging of my payables overall look like?
- What vendor groups are most overdue?
- What customers are most overdue?
- Why do customers not pay on time?
- …

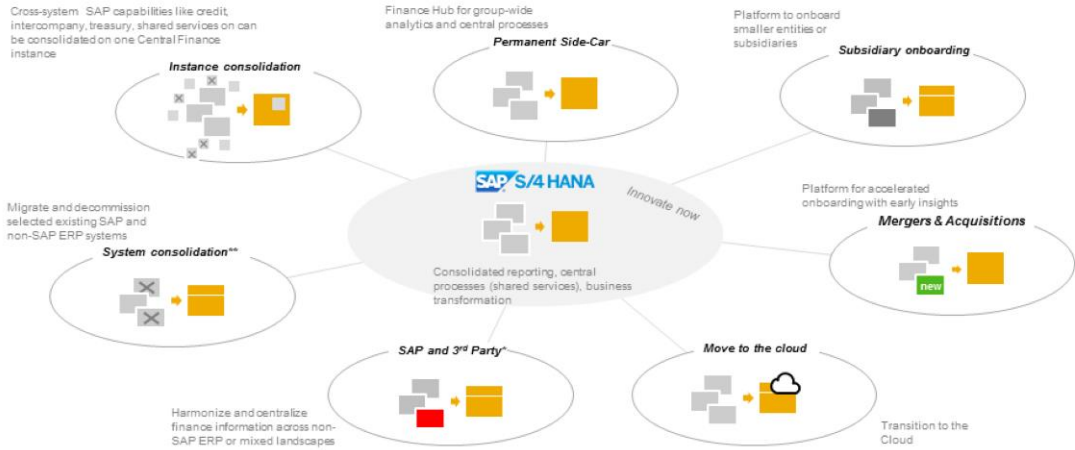Challenges that customers have today
- No single source of truth
- or very aggregated view only and without drill-down capabilities to operational lineitems
- Lack of real-time view
- Unharmonized master data (vendors, customers, accounts, payment terms, cost centers, profit centers…)

Centralize Processes (planned functionality)

- Streamline processes – do it the same way in the entire company
- Improve efficiency in Shared Service Centers (fewer systems to connect to)
- Reduce training efforts for different releases and vendors
- Simplify interfacing with external partners (e.g. banks, rating agencies…)

IT Strategy and Vision

Cross-system SAP capabilities like credit, intercompany, treasury, shared services on can be consolidated on one Central Finance instance

Instance consolidation

Finance Hub for group-wide analytics and central processes

Permanent Side-Car

Platform to onboard smaller entities or subsidiaries

Subsidiary onboarding

SAP S/4 HANA

Innovate now

Consolidated reporting, central processes (shared services), business transformation

Migrate and decommission selected existing SAP and non-SAP ERP systems

System consolidation*

Platform for accelerated onboarding with early insights

Mergers & Acquisitions

new

SAP and 3rd Party*

Harmonize and centralize finance information across non-SAP ERP or mixed landscapes

Move to the cloud

Transition to the Cloud

* Integration infrastructure (mapping content for specific Non-SAP systems not predelivered) –refer to note **2184567, question #5**)
** preparation for later system consolidation (start with FI and move logistics later)

    Early Knowledge Transfer   Customer   9

THE non-disruptive step towards system consolidation
Real-Time repost financial transactions into Central Finance instance

- **Transaction-level data** replicated into instance with latest SAP innovations, HANA optimizations and cutting edge UI
- **Existing systems** remain **untouched** *(notes need to be applied but no process changes)*
- **Benefit from harmonized master data** for processing, planning, consolidating, and reporting
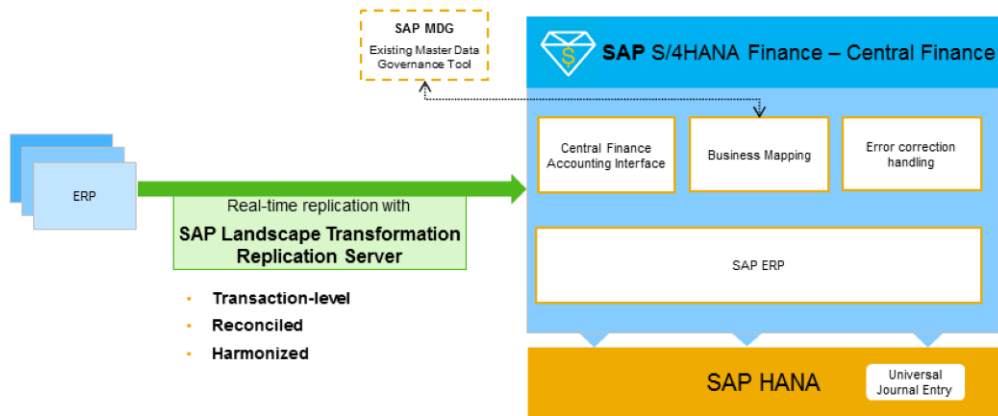
SAP S/4HANA Finance – Central Finance

Instant Insight	Real-time Analytics
Single Source of Truth	Highest Granularity
Real-time Processes	Closing on the Fly
Planning, Forecasting and Simulation	Integrated, predictive
Intuitive User Experience	Easy to use

ERP → Real-time replication → SAP HANA

source system(s):
- SAP (any release*)
- non-SAP systems*
- over-customized

Simplified single system landscape

* requires respective SAP products and licenses (e.g. SAP Accounting powered by SAP HANA, SAP Business Planning and Consolidation, BOBJ BI) etc.

* Some releases supported out-of-the-box – others require additional effort – refer to note **2184567, question #5**

- You can **provide or replicate finance transactions** real-time without any disruption. You can harmonize underlying source data "on the fly"

- … get (consolidated) reporting with better performance, better service levels

- … get transaction processing, and planning and reporting off the same shared data set (single source of truth) – leverage centrally-staged data for consolidation activities

- … get process optimizations and productivity improvements (UI) through the likes of Fiori, Lumira, and Smart Business Cockpits

- … and a new Finance architecture, HANA optimized transactions, and unified FI/CO with the Universal Journal

- ** requires respective SAP products and licenses (e.g. SAP Accounting powered by SAP HANA, SAP Business Planning and Consolidation, BOBJ BI) etc.*

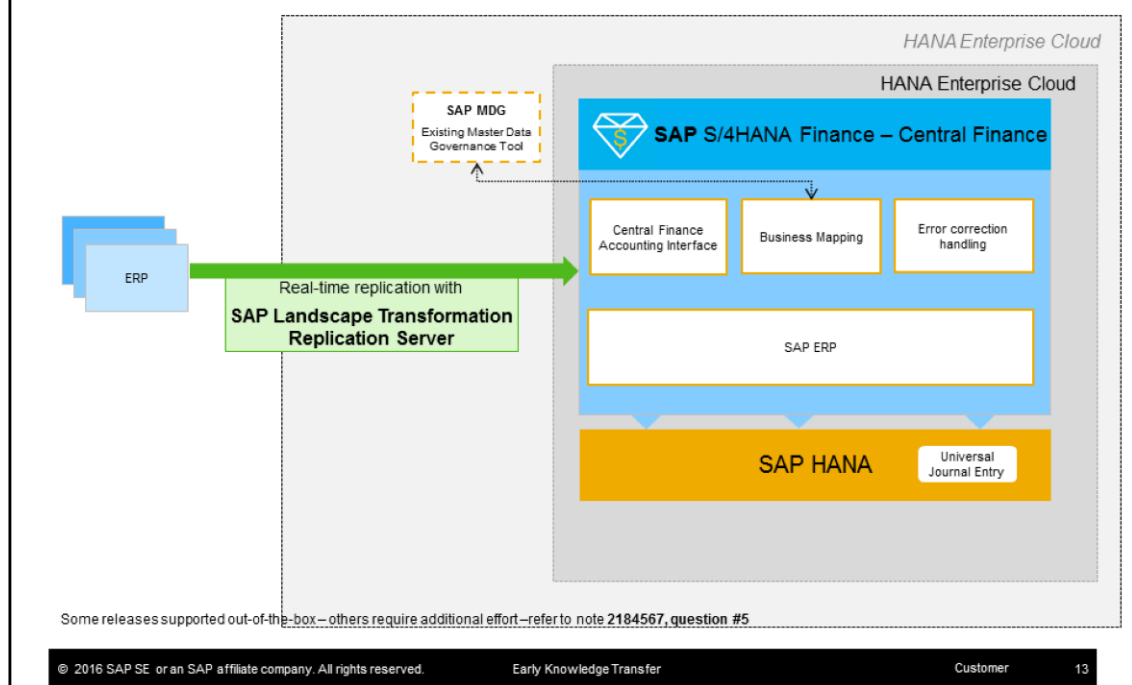## Functionalities supporting Central Finance

SAP MDG
Existing Master Data Governance Tool

SAP S/4HANA Finance – Central Finance

| Central Finance Accounting Interface | Business Mapping | Error correction handling |

SAP ERP

ERP

Real-time replication with
SAP Landscape Transformation Replication Server

- **Transaction-level**
- **Reconciled**
- **Harmonized**

SAP HANA Universal Journal Entry

Some releases supported out-of-the-box – others require additional effort –refer to note **2184567, question #5**

- At the left, we see the source systems – these are the ERP systems that we do not want to change. They can be any release of SAP (out-of-the-box functionality supports systems down to ERP6.0 – older releases have to be integrated in a services project), or a non-SAP system. Often they have been over-customized, making it too expensive to migrate or upgrade the system to take advantage of new innovation.

- Data is replicated using the SAP LT Replication Server (SAP SLT). The SLT can be located on premise or in the HANA Enterprise Cloud. SLT can replicate data from SAP systems as well as non-SAP systems. It will pull the data directly from the database without having to adapt the programs in the non-SAP applications.

- There are specific functionalities that have been developed to help our customers use this Central Finance deployment option.

- There is a Central Finance Accounting Interface which reposts:

- FI/CO postings

- CO secondary postings (where the CO document is the leading document – example: secondary cost elements)

- certain cost objects (e.g. production orders, internal orders, QM orders)

- Next, master data is mapped, either using SAP Master Data Governance or another MDG solution (which can be in the same system or somewhere else in the landscape, or in the case of SAP MGD, deployed in SAP HANA Enterprise Cloud); for customers that do not have an existing Master Data Governance solution, there are basic mapping tables in the solution for key master data (chart of accounts, customers, suppliers, etc). There is also a Business Add-In (BAdI) which can be used for customer-specific mapping logic.

- Error correction capabilities for FI documents is provided by AIF (Application Interface Framework); this provides a worklist-based approach for correcting replication errors or mapping errors.

- Once the mapping and checks have been completed, all postings go through the standard internal Accounting Interface into FI/CO (in the SAP HANA database).

Functionalities supporting Central Finance

Some releases supported out-of-the-box – others require additional effort – refer to note 2184567, question #5

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Central Finance Accounting Interface
Reposting harmonizes data but retains line item-based detail
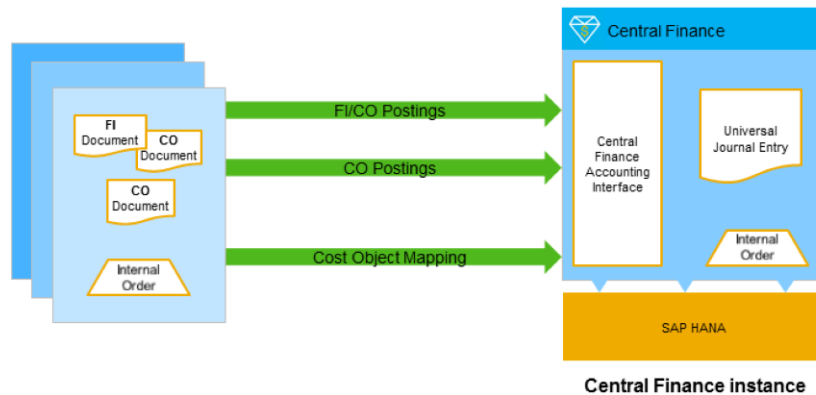
Further information on the functional scope of the interfaces
can be found in notes 2184567, 2103482, 2180924 and 2184567

Early Knowledge Transfer Customer 15

- Central Finance helps companies report on financial figures sourced from different systems.

- These systems might be running Classic G/L or the New G/L. They probably have different customizing settings and unharmonized master data:

- Chart of accounts

- Controlling areas, operating concerns

- Material Numbers, Product hierarchies

- Customer / Vendor Numbers

- Cost Centers / Cost Center Hierarchies.

- There are three interfaces that feed data from the source systems into the target system's Accounting Interface.

- An interface for reposting FI/CO postings: Financial documents that are posted in the source system get reposted as new FI documents in the central finance system. If these postings are relevant to CO (expenses on cost elements), CO will be updated, too

- An interface for reposting CO postings: This interface reposts CO postings where the CO document is the loading document. In contrast to the interface for FI/CO postings, these are postings that are not necessarily reflected in Financials in the source system (sometimes only for reconciliation purposes). For example, postings on secondary cost elements.

- An interface for replicating certain cost objects (such as production orders, internal orders, QM orders etc.).

- The posted documents are stored in the universal journal entry of the SAP Simple Finance add-on system. It is possible to take advantage of NewGL features within SAP Simple Finance add-on as well as the ability of a flexible reporting based on line-items instead of pre-aggregated totals. Furthermore beautiful Fiori User Interfaces and reporting tools can be used in the Central Finance. Reporting with the speed of HANA is available on line-item levels.

- The new postings transactions replace use of existing BAPI_ACC_DOCUMENT_POST
  - addresses limitations in older BAPI (better extensibility, industry solution inserts, custom fields etc.)
  - not limited to 999 line item limit anymore (utilized new ACDOCA in Simple Finance 2.0)
  - Are only available for Central Finance use

- The master data harmonization in existing distributed landscapes is a real challenge. Documents have to be "forced to fit" and stocks have to be reposted or transferred.

- One major benefit of Central Finance is that before the reposting in performed in the central system, master data mappings can be performed. This allows harmonizing the different master data of the various source systems on the fly. As a consequence a harmonized financial reporting can be achieved across the entire group. The new system will be "clean".

- In summary:

- Replication

- via SAP SLT
- Transaction-based, not table-based

- **Requirements**
  - System configuration and customizing
  - Master data synchronization (chart of accounts etc.)

- **Restrictions**
  - Centrally executed processes must not result in back-postings to the source systems in order to maintain the integrity (completeness etc.) and legacy system status of those systems
  - The amount of configuration, customizing, and master data synchronization required in the central finance depends on the type of process desired. Many scenarios, especially core GL scenarios, are achievable with limited effort. More complex scenarios, or scenarios beyond (core GL) Finance might be challenging or in selected cases not feasible

Posting of FI Documents

Document Display in Fiori

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- If a document gets reposted in the Central Finance system, it is posted as new document with a new document number (external numbering is possible, too)

- In the document header of the newly posted FI document in the Central Finance / target system, new fields have been added to reference back to the original FI document.

- By double-clicking on the reference document number, it is possible to navigate back to the source ERP system to view the original FI document.

From Central Finance, reference back to FI document in source ERP system

Journal Entry view in Central Finance system

Reference key to identify document in source system

Early Knowledge Transfer

Customer

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In the related documents view of the newly posted FI document in the Central Finance / target system, you can see information back to the original FI document.

Example – Reposted FI document

If a document gets reposted in the Central Finance system, it is posted as new document with a new document number (external numbering is possible, too)

Example – Drill Back

New data fields that explicity track source

Double-click to navigate back to FI document in source system

Early Knowledge Transfer

Customer 22

- In the document header of the FI document, new fields are added to reference back to the original FI document.

- By double clicking on the sender document number, it is possible to navigate back to the source system to see the FI document there.

Example – Drill Back – Document Relationship Browser

Early Knowledge Transfer

Customer

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- Using the document relationship browser, it is possible to see the document flow of the FI document.

- From there it is even possible to navigate to the logistics document (e.g. sales order in the source system).

- The document relationship browser can be found in FB03 by choosing the menu Environment –> Document Environment – > Relationship Browser.

Example – Search by Original Document Number

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- It is also possible to search the reposted FI document by the original document number of the source system.

- In transaction code FB03, click the button „Document List". In document list screen, click the button „Dynamic Selection". The fields below can be added to dynamic selection:

- Company code in sender system

- Document number in sender system

- Fiscal year in sender system

- Logical System of the Sender

Example – Profitability Segment

Display Document: Line Item 2

G/L Account 800000 Domestic revenue - Trading Goods
Company Code F001 Tools Inc. Europe

Line Item 2 / Debit entry / 40
Amount 187,60 EUR
Tax code

Additional Account Assignments
Cost Center — Order
WBS element — Profit. segment
Profit Center DUMMY — Sales Order
Assignment 20141205
Text

Assignment to a Profitability Segment

- Entry aids
  - Central entry aids
  - My entry aids

Characteristic	Char. value	Text
Customer	36	JR Test Corp. 1
Product	JR_SERVICE1	
Billing Type	G2	Credit Memo
Sales Order	60000160	
Sales ord. item	10	
Order		
Company Code	F001	Tools Inc. Europe
Plant	P001	Tools Germany
Business Area	F001	Mechanical Enginee
Functional Area		
Segment		
Sales Org.	S001	Sales EMEA
Distr. Channel	S1	Direct Sales
Division	S1	Tools
WBS Element		

Continue   Cancel

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- When a document line item is posted with profitability segment in the source system, the attributes of the profitability segment are also transferred to the Central Finance system.
  Attributes of the profitability segment can also be mapped if necessary.

- A new profitability segment number will be derived in the Central Finance system and stored in **account-based** CO-PA and in the universal journal entry.

Reporting
Once the documents are in – there are new possibilities in reporting

SAP

SAP

Standard

*Company Code:	*Ledger:	*Financial Statement Version:	*Fin. State. Type:	*Key Period:	Key Comparison Period:	*Currency:
1010	0L (Leading Ledger)	1110	Normal	12 2015	12 2014	EUR (Company Co...

Hide Filter Bar | Filters (5) | Go

ALL ACCOUNTS | BALANCE SHEET | PROFIT & LOSS | UNASSIGNED ACCOUNTS | NOTES

Select Node

Search | Default

Description	G/L Account	Period Balance	Comp. Period Balance	Absolute Difference	Relative Difference
ASSETS		-3,210,161.71	-85,608.61	-3,124,553.10	-3,649.8
FIXED ASSETS		331,281.28	0.00	331,281.28	0.0
INTANGIBLE ASSETS		15,242.45	0.00	15,242.45	0.0
Goodwill		15,242.45	0.00	15,242.45	0.0
Goodwill	19330000	15,200.00	0.00	15,200.00	0.0
Amortization - Goodwill	19430000	42.45	0.00	42.45	0.0
TANGIBLE ASSETS		316,038.83	0.00	316,038.83	0.0
CURRENT ASSETS		-3,541,442.99	-85,608.61	-3,455,834.38	-4,036.8
LIABILITIES & EQUITY		2,584,823.71	85,608.61	2,499,215.10	2,919.4
PROFIT & LOSS STATEMENT		-57,253.70	-2,352.94	-34,900.76	-1,483.3
GROSS SALES REVENUE		-378,567.92	-327,596.74	-50,971.18	-15.6
SALES DISCOUNTS & DEDUCTIONS		501.62	0.00	501.62	0.0
Over/Underpayments and Unallowed Deductions	44000000	950.62	0.00	950.62	0.0
Sales Discounts - Domestic	44002000	208.00	0.00	208.00	0.0
Sales Discounts - Foreign	44002100	123.00	0.00	123.00	0.0
Sales Deduction Domestic - Time	44910000	-780.00	0.00	-780.00	0.0
COST OF SALES		4,011.70	0.00	4,011.70	0.0
OTHER COGS		4,011.70	0.00	4,011.70	0.0
DISTRIBUTION EXPENSE		0.00	304,642.39	-304,642.39	-100.0
FREIGHT & CARRIAGE		0.00	304,642.39	-304,642.39	-100.0
SELLING & ADMINISTRATION EXPENSE		-78,650.66	230,777.02	-309,427.68	-134.1
MAINTENANCE AND REPAIRS		6,500.00	0.00	6,500.00	0.0
UTILITIES		13,575.75	0.00	13,575.75	0.0
INSURANCE		1,311.00	0.00	1,311.00	0.0
TRAVEL & ENTERTAINMENT		123,342.00	0.00	123,342.00	0.0
MOTOR VEHICLE EXPENSES		49,333.94	33,333.00	16,000.94	48.0
DEPRECIATION		31,729.97	0.00	31,729.97	0.0
FINANCIAL EXPENSES		-50,275.73	0.00	-50,275.73	0.0
GENERAL EXPENSES		-20,126.00	0.00	-20,126.00	0.0
SALARY & BENEFITS		38,672.00	228,269.00	-189,597.00	-83.1

Related Apps

Display G/L Line Items
Display G/L Balances

Design Studio

Early Knowledge Transfer

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Fiori

Trial Balance – Flexible Drill-down to Any Dimension

Analysis for Office

Analysis for Office

Apps working on Receivables and Payables Information
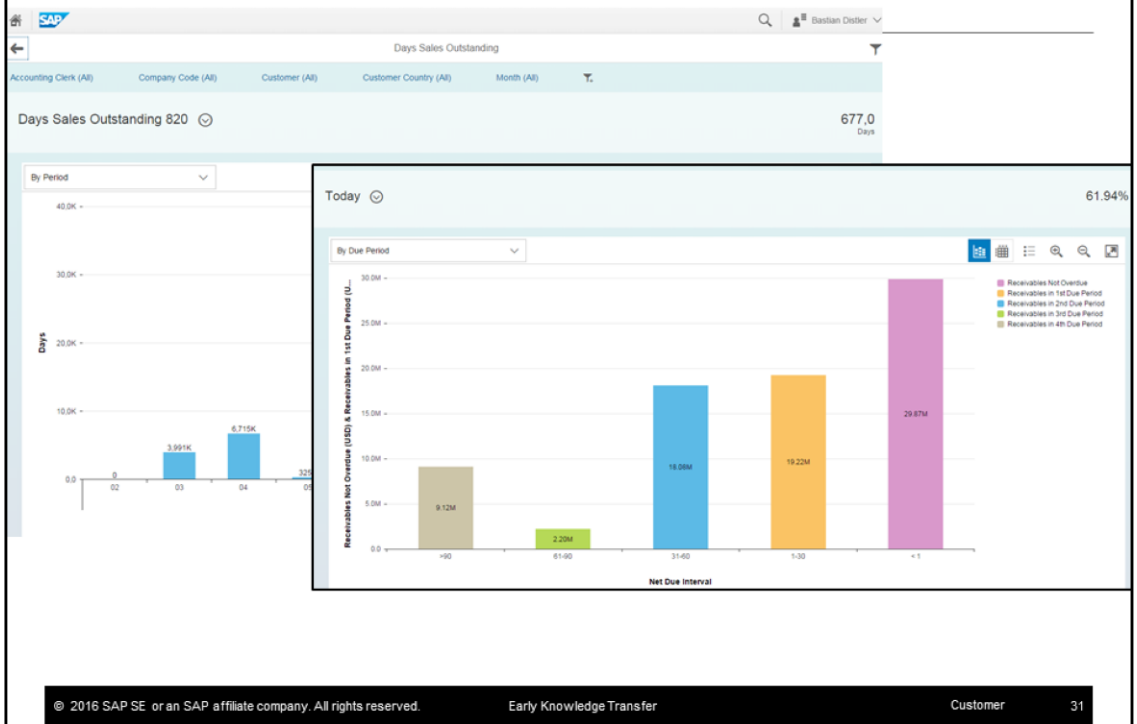
KPI Tiles: no more looking for work
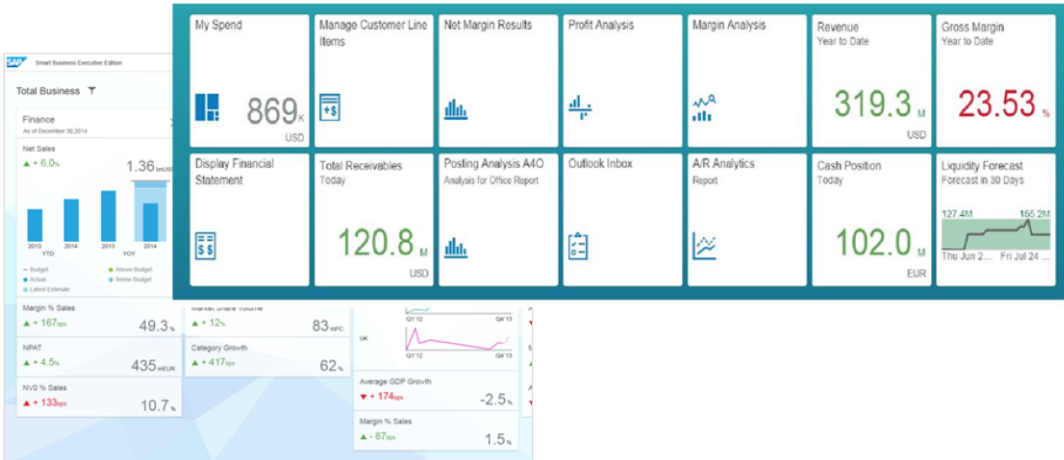
Mapping and Error Handling

Functionalities supporting Central Finance

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Typical candidates for mapping

- **Company Code (BUKRS)**
- **GL Account (HKONT, SAKNR)**
- **Cost elements (KSTAR)**

- **Cost Centers (KOSTL)**
- **Profit Center (PRCTR)**
- **Business Area (GSBER)**
- **Functional Area (FKBER)**

- **Customer (KUNNR)**
- **Supplier (LIFNR)**

- **Material (MATNR)**
- **Plant (WERKS)**

- **Purchasing Organization (EKORG)**
- **Sales Organization (VKORG)**
- **Sales Group (VKGRP)**
- **Sales Office (VKBUR)**

- **Tax Code (MWSKZ)**
- **Company (VBUND)**

Typical candidates for mapping - continued

- **Payment Methods**
- **Dunning Area**
- **Cash Discount Terms**
- **Distribution channel,**
- **Division code**
- **Valuation type**
- **Measure units,**
- **Tax jurisdiction code**
- **Country codes**
- **Region codes**
- **Industry Key**

Key Mapping and Value Mapping

Key-Mappings:
Usually distributable by MDG
new ones created frequently
- Customer
- Vendor
- Material
- Accounts
- …

Value Mappings:
typically customizing values
rather stable
typically an attribute for master data:
- Payment terms
- Dunning area
- Payment methods
- …
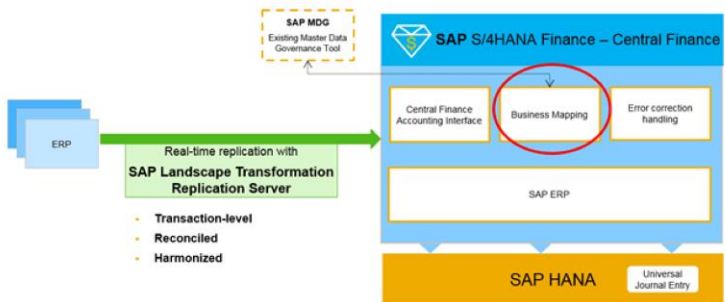
SAP MDG
Existing Master Data Governance Tool

SAP S/4HANA Finance – Central Finance
- Central Finance Accounting Interface
- Business Mapping
- Error correction handling

ERP

Real-time replication with
SAP Landscape Transformation Replication Server
- Transaction-level
- Reconciled
- Harmonized

SAP ERP

SAP HANA

Universal Journal Entry

- There are two kinds of mapping entities:
- Keys: these are the master data that are typically created every day distributed throughout the system landscape, such as customer, material, vendor, GL account.
- Values: these are rather like customizing and more stable. They are often used within master data that is distributed (e.g. a customer is assigned to a certain dunning areas, payment terms etc.).

Example – Replicated FI Document with Mapping

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- Master data can be mapped before the FI document is posted in the Central Finance system.
- In this example the vendor is mapped from 100000 to VEND_CENT.

Master data can be mapped, harmonized and distributed with SAP Master Data Governance

Create customer CUST_CENT ① SAP Master Data Governance

Customer "100000" created ②

Un-harmonized Master Data
- Chart of Accounts
- Material Numbers / Product Hierarchies
- Customer / Vendor Numbers
- Cost Centers / Cost Center Hierarchies
- ...

SAP ERP

Receivable customer **100000**: 10.00
Revenue   10.00

④

Receivable customer **CUST_CENT**: 10.00
Revenue   10.00

Central Finance Customer Mapping Table		③
Central Finance	System A	
CUST_CENT	100000	

Central Finance Accounting Interface

Business Mapping / MDG

Error correction handling

SAP ERP

SAP HANA — Universal Journal Entry

Central Finance instance

Early Knowledge Transfer

Customer

- This slide shows the setup if a customer has SAP Master Data Governance somewhere in their landscape. In this case, if they are using SAP MDG, they have all needed mapping information already available.

- This slide shows an example of what happens when a new customer needs to be created in a Central Finance scenario:

  1. The business user creates a new customer in the central master data governance system. This central leading SAP MDG systems sends a notification to one of the source systems that a customer with certain attributes needs to be created.

  2. The sender system creates the customer using their own master data settings (number range), and replies with the local number of the newly created customer.

3. SAP MDG stores this information in a table. If MDG is not in place, there is a very basic user interface which can be used in the Simple Finance Add-on to store this information. (In this case, MDG does not have to be licensed).

4. Then, when an FI document is posted in the source system (in this case a Receivables amount for customer 1000000, SLT pushes the posting in through the Central Finance Accounting Interface, through the business mapping rules where it is mapped to CUST_CENT, and posted.

Mapping – Manual Maintenance of Mappings
If SAP MDG is not Used

- **Key mapping** (Webdynpro: MDG_BS_WD_ID_MATCH_SERVICE)

Key Mapping Customer : CENT_ONLY

Save

Object Selection

* Business Object Type:	Customer
* Business System:	Q92_820
* Object ID Type/Object ID:	ERP Customer Number (ERP) / CENT_ONLY

Show

Mapped Objects

Add Row | Change Row | Delete Row | Undo Changes

*No.	*System ID	*Business Object Type	Object ID Type	*Object ID
1	Q92_820	Customer	ERP Customer Numb...	CENT_ONLY
2	Q7Q_820	Customer	ERP Customer Numb...	100000

- **Value mapping** (MDG Customizing)
  performed via IMG

Early Knowledge Transfer   Customer   41

- If SAP MDG is not used by the customer, the mapping needs to be maintained manually in a user interface.

- There are two kinds of mapping entities:
    - Keys: these are the master data that are typically created every day distributed throughout the system landscape, such as customer, material, vendor, GL account.
    - Values: these are rather like customizing and more stable. They are often used within master data that is distributed (e.g. a customer is assigned to a certain dunning areas, payment terms etc.).

Central Finance Tool for Mass Maintenance of Mappings
Introduction

The Central Finance tool for mass handling of mappings is delivered in **S/4 HANA on premise 1610 FPS0**.

The Central Finance mapping tool is part of Central Finance and is available only in the Central Finance system.

The tool can be started in the backend by executing the program FINS_CFIN_MAPPING or calling the transaction FINS_CFIN_MAP_MANAGE.

The **report documentation** is available in the system and can be called by clicking the I-button.

Central Finance: Manage Mappings

Selection of Mapping Entity and Source System	
Mapping Entity	KOKRS Controlling Area
Source System	Q7Q_002

User Action
- ○ Display Mappings
- ○ Generate Template
- ◉ Upload Mappings
- ○ Download Mappings
- ○ Delete Mappings

File Selection
File Name

Simulation
☑ Test Run

Early Knowledge Transfer   Customer   42
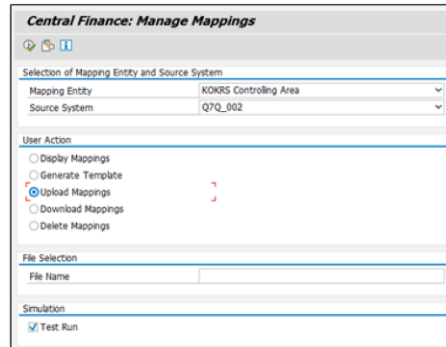
- The Central Finance Mapping Tool allows mass handling of mappings in Central Finance.

- The tool offers following functions:
  - Generation of Excel (CSV) templates per mapping entity (S/4 HANA 1610 FPS0 key mapping only)
  - Mass upload of mapping values from Excel (CSV) templates (S/4 HANA 1610 FPS0 key mapping only)
  - Mass download of mapping values for checking purposes
  - Display existing mapping values
  - Mass deleting of mapping values (S/4 HANA 1610 FPS0 key mapping only)
  - The tool performs several checks when uploading (and deleting) mapping entries, in test run as well as in update run mode:
  - For example, in the CSV file it checks the format, it looks for duplicate entries and checks whether there are 1:n mappings.
  - During the upload, the mapping tool checks also if the new mapping values together with the ones already in the system would result in duplicates or 1:n mappings.
  - As additional service it checks also if the mapping values already in the Central Finance system contain 1:n mappings.

Central Finance Tool for Mass Maintenance of Mappings
Generate Template

	A	B	C	D
1	Source: Controlling Area	Source: Cost Center	Target: Controlling Area	Target: Cost Center
2				
3				
4				
5				
6				

- Because the CSV file used for upload or deletion of mappings must have a specific format, we offer the function "Generate Template" to create an empty CSV file, which can be used for preparing the mapping values.

- You select a Mapping Entity, the function "Generate Template", a file name for the CSV file, and then execute the report.

- The CSV template contains on column per mapping entity and context ID in the source and target system.

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Central Finance Tool for Mass Maintenance of Mappings
Upload Mappings – Test Run

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- Once you have prepared the CSV file with the mapping values you want to upload, you can use it for uploading mappings into the Central Finance system.

- You select a Mapping Entity, a Source System, the function "Upload Mappings", a CSV file, and then execute the report.

- You can execute the report in test run mode first. After the report has run, the application log is displayed automatically and shows information, warning and error messages.

- In test run mode no update of the MDG tables takes place, but all checks that are executed in the update run, are executed.

Central Finance Tool for Mass Maintenance of Mappings
Upload Mappings – Update Run

Central Finance: Manage Mappings

Selection of Mapping Entity and Source System

Mapping Entity	COST_CENTRE_ID Cost Center ID (ERP)
Source System	Q7Q_002

User Action

- Display Mappings
- Generate Template
- Upload Mappings
- Download Mappings
- Delete Mappings

File Selection

File Name	C:\Users\D032893\Documents\SAP\SAP GUI\TEST DEM…

Simulation

Test Run

Mapping Application Log

Technical Information   Help

Overview	Nu...
Error Category	1
· Information	1

Ty Message Text
9 row(s) are uploaded.

- Once you are sure that the mapping values in the CSV file are correct, you execute the report in update mode.

- You select a Mapping Entity, a Source System, the function "Upload Mappings", a CSV file, and then execute the report.

- After the report has run, the application log is displayed automatically and shows information, warning and error messages.

- If the CSV file contains some correct and some wrong mapping values, the correct ones are uploaded to the Central Finance system, while the wrong ones are ignored. This is the standard MDG logic.

Central Finance Tool for Mass Maintenance of Mappings
Display Mappings

- You can use the „Display Mappings" functionality to display a list of mappings for a specific mapping entity and, optionally, a source system. If you don't select any source system, all mapping values for the mapping entity across all systems are displayed.

- You select a Mapping Entity, a Source System (optional), the function "Display Mappings", and then execute the report.

- In the next screen, you can use the usual ALV functions for searching, sorting, filtering and downloading mapping values.

Central Finance Tool for Mass Maintenance of Mappings
Download Mappings

- You can use the „Download Mappings" functionality to download a list of mappings for a specific mapping entity and, optionally, a source system. If you don't select any source system, all mapping values for the mapping entity across all systems are downloaded.

- You select a Mapping Entity, a Source System (optional), the function "Download Mappings", a file name for the CSV file, and then execute the report.

Central Finance Tool for Mass Maintenance of Mappings
Delete Mappings

Central Finance: Manage Mappings

Selection of Mapping Entity and Source System

Mapping Entity	COST_CENTRE_ID Cost Center ID (ERP)
Source System	Q7Q_002

User Action
- ○ Display Mappings
- ○ Generate Template
- ○ Upload Mappings
- ○ Download Mappings
- ● Delete Mappings

File Selection

File Name	DEMO\Cost_Center_Delete.CSV

Simulation
- ☑ Test Run

Mapping Application Log

Technical Information   Help

Overview	Nu...
Error Category	2
Information	2

Ty...	Message Text
	This is a test run only.
	2 row(s) are deleted.

- Should you realize that some mapping values are wrong, you can use the mapping tool to delete them from the MDG tables.

- You select a Mapping Entity, a Source System, the function "Delete Mappings", a CSV file (optional), and then execute the report.

- You can delete selected mapping values at once: in this case, you need to prepare a CSV file containing the values to be deleted and select it before executing the report.

- If you would like to delete all mapping values for a certain mapping entity, then you don't select any file.

- After the report has run, the application log is displayed automatically and shows information, warning and error messages.

Places Where Mapping and Derivations are Performed

S/4HANA – Central Finance

SAP Landscape Transformation Replication Server → Central Finance Accounting Interface → **1** Business Mapping → **2** BAdI → AIF Error Correction Tool

Internal Accounting Interface

Exits, BAdIs, BTEs — **3**

Standard Derivations and Substitutions — **4**
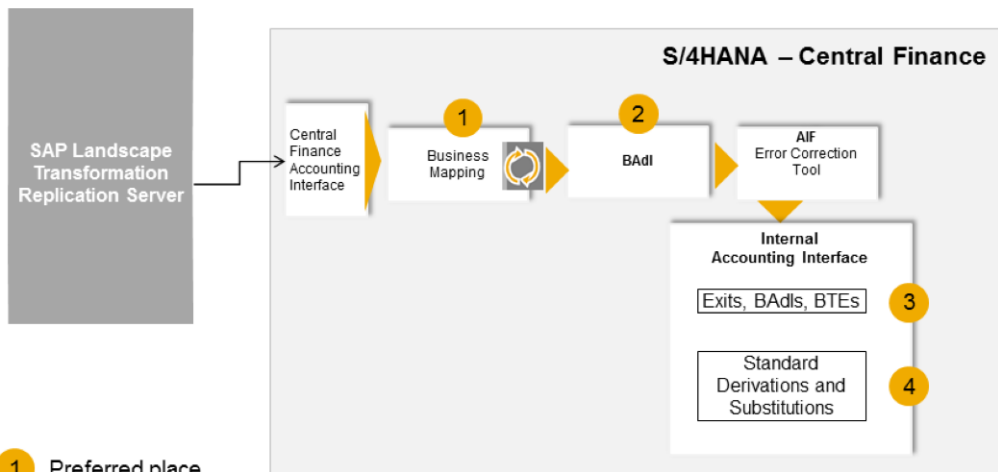
1 Preferred place

Standard derivations and substitutions based on master data and configuration of the target system can overwrite mappings to ensure consistency.
(e.g. for postings into the P&L, the profit center is derived from the cost center)

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- Apart from the standard mapping via SAP MDG or the manual mapping maintenance UIs, customer can also implement BAdIs for custom-specific mapping logic if mapping information is stored somewhere else.

- Finally, the Central Finance interface will call the internal accounting interface (AC_DOCUMENT_CREATE), where user exits, derivation and substitution tools are still called. These places can also be used to perform derivations and mappings.

- It's important to note that consistency rules need to stay intact.

Example:
Cost center CC01 and profit center PCA are assigned to the line item of FI document.

- Cost Center CC01 is mapped to cost center CC99 in Central Finance.

- Cost Center CC99 is assigned to profit center PCX.

- Even if the mapping is configured in a way that PCA maps to PCZ – the profit center will still follow the normal profit center derivation rules in an SAP ERP Financials system.

- The profit center will be derived from cost center CC99 which is PCX.

- For further details on how to implement the mapping – please refer to chapter „how to install".

Mapping – Store Original Values for Reconciliation

By default:

- GL Account
- „Real" cost object (that carries the cost)

User can add additional fields into universal journal entry if he wishes to store original values of more fields

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- To be able to reconcile with the source system, the following original values from the document of the source system are persisted in the universal journal entry:

- GL account

- Cost object that carries the costs (non-statistically)

- If a customer wishes to store more original values, they can do it by adding those fields to the universal journal entry which can be enhanced by customer fields.

Error Handling Tool (AIF) for Central Finance Scenarios

Calendar based view

User has mouse-over feature to see how many messages and how many errors there are on a certain date

Color of calendar day changes based on message status

User can click in calendar (click on month, week, day) to show only selected time frame or a time range can be entered

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Error Handling Tool (AIF) for Central Finance Scenarios

AIF shows multiple errors, not just the main message.

Field names can be shown with own texts.

Messages can be rephrased if a message text is not meaningful.

Messages can be assigned to SAP-transaction codes (e.g. IMG activities) which allows users to navigate the place where the error can be solved.

Emergency correction mode (requires special authorization) allows changing any posting data field by entering the correct value

Early Knowledge Transfer

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Posting of CO documents

Cost Object Mapping Framework
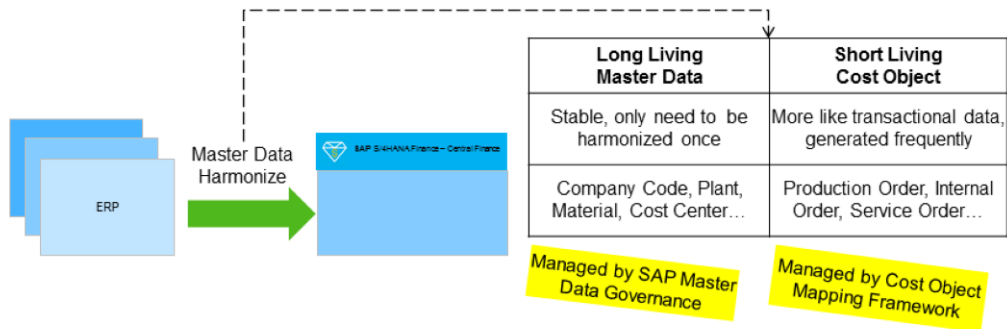
	Long Living Master Data	Short Living Cost Object
	Stable, only need to be harmonized once	More like transactional data, generated frequently
	Company Code, Plant, Material, Cost Center...	Production Order, Internal Order, Service Order...

Master Data Harmonize

ERP → SAP S/4HANA Finance – Central Finance

Managed by SAP Master Data Governance

Managed by Cost Object Mapping Framework

Details on scope see SAP note 2180924 .

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- One of the challenges of moving to Central Finance is the question of which master data needs to be harmonized in the central system. It is obvious that organizational units such as legal entities, plants and so on and management entities such as segments, profit centers, business areas, cost centers and so on are quite stable in the central system. For those objects, harmonization between the local system and the central system can be done in SAP MDG.

- The question is how to handle CO-relevant objects that exist in the local system, such as production orders, quality orders, maintenance orders, WBS elements and so on. We have to decide where to make mapping between the local and the central system. Cost centers are stable enough to be loaded to the central system (though even there we might see a mapping in SAP MDG). Some orders will be long-living enough that they are almost as stable as a cost center (e.g. cars in a car pool, regular trade fairs). Others objects live for less than a day, e.g. production orders in the food industry or maintenance orders for small tasks. For these orders, it would be a huge burden to replicate them to the central system before posting could begin. Thus a cost object mapping framework is developed for these objects.

Example:

- Production orders of the same order type behave as cost objects in the local system. However, in the central system, it's unnecessary to have all production orders information. Instead, we can map all the similar production orders to a central cost object - product cost collector. And later during reposting, we can use this central product cost collector to collect costs from production orders.

Cost Object Mapping Framework

Data Browser: Table FINS_CFINT_ASGMT Select Entries   6 Mapping information between Cost object in Source system and Central system

MANDT	SCENARIO	LOCAL_LOGSYS	LOCAL_OBJECT_CATEGORY	LOCAL_OBJECT...	LOC_PO_ID	CENTRAL_OBJECT_CATEGO...	CTRL_PCC_ID	CTF
820	SAP001	Q7QCLNT002	PROD_ORD	000001007300	000001007300	PCC	000000700020	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007882	000001007882	PCC	000000700142	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007884	000001007884	PCC	000000700020	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007885	000001007885	PCC	000000700121	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007921	000001007921	PCC	000000700142	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007922	000001007922	PCC	000000700024	

Currently supported cost objects and mapping scenarios. See more information in note 2180924.

Cost Object in Source System	Cost Object in Central system
Production Order	Product Cost Collector
Product Cost Collector	Product Cost Collector
Internal Order	Internal Order
Service Order(PM Order)	Service Order(PM Order)
QM Order	QM Order
Production Order	Internal Order
Service Order(PM Order)	Internal Order
QM Order	Internal Order

Changes of cost objects now replicated see note 2308365 *New*

New

- With the cost object mapping framework

- A cost object in the source system can be mapped to a cost object in the central system

- You can customize how a cost object in the source system is mapped to a cost object in the central system

- Cost objects in the central system can be generated automatically according to Customizing

- Mapping information between cost objects in the source system and the central system is kept in the central system

- The change of cost object in source system can also be updated to the already replicated cost object in central system, see note 2308365.

- While doing FI/CO document replication, cost object in the source document will be automatically replaced by a corresponding cost object in the central system

Cost Object Mapping Framework- Customizing

Path in Customizing

Display IMG

☰ ☰ ☰ | Existing BC Sets ☰ BC Sets for Activity ☰ Activated BC Sets for Activ

Structure

- ☐ ☐ Activate Business Functions
- ▶ Migration auf SAP S/4HANA Finance
- ▶ SAP NetWeaver
- ▶ ☐ Enterprise Structure
- ▶ ☐ Cross-Application Components
- ▼ Financial Accounting (New)
  - ▶ Financial Accounting Global Settings (New)
  - ▶ General Ledger Accounting (New)
  - ▶ ☐ Accounts Receivable and Accounts Payable
  - ▶ Bank Accounting
  - ▶ Consolidation Preparation (New)
  - ▶ Asset Accounting (New)
  - ▶ ☐ Special Purpose Ledger
  - ▼ Central Finance
    - ▶ General Settings
    - ▼ Mapping
      - ☐ Settings for Mapping
      - ☐ ☐ Define Technical Settings for Business
      - ☐ ☐ Define Mapping Actions for Mapping Er
      - ▶ Define Key Mapping (ID Mapping)
      - ▶ Define Value Mapping (Code Mapping)
      - ▼ Cost Object Mapping
        - ▼ Define Cost Object Mapping
          - ☐ ☐ Define Scenarios for Cost Object Mapping
          - ☐ ☐ Define Mapping Rules for Cost Object Mapping Scenarios
        - ☐ ☐ Correct Cost Object Mapping
        - ☐ ☐ Delete Cost Object Mapping and Cost Objects

Step 1: Define scenarios for cost object mapping

Change View "Maintain Scenarios for Object Mapping": Overview

☰ New Entries ☐ ☐ ☐ ☐ ☐ ☐ ☐ /

Dialog Structure
- ▼ ☐ Maintain Scenarios for Ol
  - ☐ Source Characteristic
  - ☐ Central Characteristic

Maintain Scenarios for Object Mapping

Scenario	Scenario Description	Table Name	Source Object Category	Central Object Category	Cardinality	Active
SAP001	SAP Template: Production Order to Product Co..	FINS_CFINC_SMPL1	Production Order ▼	Product Cost Coll.. ▼	N to 1 ▼	☑
SAP002	SAP Template: Product Cost Collector to Produ..	FINS_CFINC_SMPL2	Product Cost Col.. ▼	Product Cost Coll.. ▼	1 to 1 ▼	☑
SAP003	SAP Template: Internal Order to Internal Order	FINS_CFINC_SMPL3	Internal Order ▼	Internal Order ▼	1 to 1 ▼	☑
SAP004	SAP Template: Maintenance Order to Maintena..	FINS_CFINC_SMPL4	Maintenance Order ▼	Maintenance Order ▼	N to 1 ▼	☑
SAP005	SAP Template: Quality Management Order to Q..	FINS_CFINC_SMPL5	QM Order ▼	QM Order ▼	N to 1 ▼	☑

Step 2: Define mapping rule for selected scenario

Central Finance Mapping Entry - TESTIO2IO

☰ | ☐ ☐ ☐ ☐ ☐ ▲ ▼ ☐ ☐ ☰ ☰ ☐

Business System(Source)	Order Type(Source)	Company Code(Source)	Business Area(Source)	Plant(Source)	Responsible CCtr(Source)	Order Type	Costing Sheet
Q7Q_002	0100	LC01				0100	CS01
Q7Q_002	0100	LC02				0200	CS02
O7O_002	0100	LC01	LBA1	LCC1	LP01	0300	CS03

Example – Reposting CO Document with Master Data Mapping

Display Actual Cost Documents — Source System

Layout	1SAP	Primary cost posting
COarea currency	EUR	EUR
Valuation View/Group	0	Legal Valuation

SAP MDG Mapping	
Source Cost Center	Central Cost Center
ZZZ01	ZZZC1

| DocumentNo Doc. Date Document Header Text | RT RefDocNo User Name Rev RvE |
| PRw OTy Object | CO object name | Cost Elem. Cost element name | Val/COArea Crcy | Total quantity PUM |

7000005026 14.11.2014 — ZHAODO
1 ATY ZZZ01/4130 Local Cost Center 1 / Labor H 620000 DAA Machine Costs 3.600,00- 20- H
2 ORD 102680 Local Internal Order 1 620000 DAA Machine Costs 3.600,00 20 H

Q7Q (1) 002 | kdai2q7q | INS

Cost Object Mapping	
Source Internal Order	Central Internal Order
102680	100621

Display Actual Cost Documents — Central System

Layout	1SAP	Primary cost posting
COarea currency	EUR	EUR
Valuation View/Group	0	Legal Valuation

| DocumentNo Doc. Date Document Header Text | RT RefDocNo User Name Rev RvE |
| PRw OTy Object | CO object name | Cost Elem. Cost element name | Val/COArea Crcy | Total quantity PUM |

7000002802 14.11.2014 — ZHAODO
1 ATY ZZZC1/4130 central CC 01 / Labor Hours 620000 DAA Machine Costs 3.600,00- 20- H
2 ORD 100621 Central Internal Order 620000 DAA Machine Costs 3.600,00 20 H

Q91 (1) 820 | dciq91 | INS

Details on scope see SAP note 2103482.

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- Cost relevant business transactions can be entered in the SAP application components such as Financial Accounting, Human Resource, Asset Accounting and Materials Management. The result of these postings is transferred to CO component as primary cost posting which means external postings from FI. While replicating FI documents, these kinds of CO documents will be automatically generated together with the FI document.

- However, there are also postings from pure CO internal processes, such as distribution, allocation and so on. These postings are called secondary postings. These kinds of CO documents need to be replicated separately. CO document reposting is mainly for CO secondary posting documents.

- Details on scope see SAP note 2103482.

Example – Drill Back – Document Relationship Browser

- Using the document relationship browser, it is also possible to see the document flow of CO document.

- From there, it is even possible to navigate to the logistics document (e.g. sales order in the source system).

- The document relationship browser can be found in transaction code KSB5 using the path Environment – > Relationship Browser.

CO Secondary Posting and Universal Journal Entry

- In a non-SAP Simple Finance add-on system, pure CO postings on secondary cost elements are usually not reflected in Financials (except for reconciliation accounts via the reconciliation ledger or the online COFI reconciliation in NewGL).

- In the SAP Simple Finance add-on system, a CO posting is always reflected in Financials by the universal journal entry.

- So an FI document is posted directly on secondary cost elements.

While MDG keeps long-life data harmonized, Cost Object Mapping Framework manages very short-lived cost objects

Long-Life Master Data

Stable, only need to be harmonized once

Examples: Company Code, Plant, Material, Cost Center

Managed by SAP Master Data Governance

Short-Life Cost Object

Similar to transactional data, generated frequently

Examples: Production Order, Internal Order, Service Order…

Managed by Cost Object Mapping Framework

Expense1 → Production Order 1
Expense2 → Production Order 2
Expense3 → Production Order 3

Source System

Cost Object Mapping

Primary and Secondary Cost Postings

Central Finance

Production Order1
Production Order2
Production Order3

Central Product Cost Collector

Central Cost Object Reporting

Expense1
Expense2
Expense3

SAP HANA
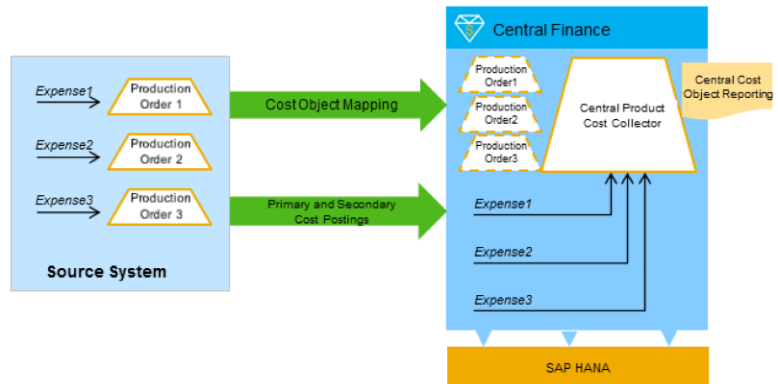
A cost object in the source system is mapped to an automatically generated cost object in Central Finance

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- One of the challenges of moving to Central Finance is the question of which master data needs to be harmonized in the central system. It is obvious that organizational units such as legal entities, plants and so on and management entities such as segments, profit centers, business areas, cost centers and so on are quite stable in the central system. For those objects, harmonization between the local system and the central system can be done in SAP MDG. Some orders will be long-living enough that they are almost as stable as a cost center (e.g. cars in a car pool, regular trade fairs).

- However, others objects exist for less than a day, e.g. production orders in the food industry or maintenance orders for small tasks. Or, the objects may are created in the source system because that is where the relevant processes take place (production orders, quality orders, maintenance orders, WBS elements and so on). It would not make sense to create the objects in a central system and then "wait" for these objects to be distributed to the source systems.

- In the Central Finance approach, we continue to create these objects in the local source systems. We replicate them into the central system and note the relevant mapping (cost object in source system and cost object in central system) using the Cost Object Mapping Framework. When there is a posting that affects the local source system, the mapping will ensure that the centrally mapped cost object is also updated.

- You also have the option in the Central Finance system to have a different level of granularity. It may make sense in the Central Finance system to have a central product cost collector (like in the picture on the slide) to which multiple source-system production orders are mapped during the replication process.

- Example:

- Production orders of the same order type behave as cost objects in the local system. However, in the central system, it's unnecessary to have all production order information. Instead, we can map all the similar production orders to a central cost object – "product cost collector". And later during reposting, we can use this central product cost collector to collect costs from production orders.

- A cost object is created in the local system and replicated to the central system

- You can customize how a cost object in the source system is mapped to a cost object in the central system

- Cost objects in the central system can be generated automatically according to Customizing

- Mapping information between cost objects in the source system and the central system is kept in the central system

- When an FI/CO document gets replicated, the cost object in the source document is automatically replaced by the corresponding cost object in the central system

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- There are some situations where a distributed system landscape limits the business's attempt to measure the costs involved in an activity and therefore make correct decisions regarding cost allocations, profitability, etc.

- By bringing all the cost postings (primary and secondary) into the Central Finance system, it is also possible to

- Centrally allocate costs between cost objects that originate from different source systems

- Centrally report on all costs originating from different source systems for entire group

- By getting a true cross-system view of costs, you can

- **Better allocate resources** Determine which areas of the business are incurring which types of costs

- **Improved transparency**   Allocate the correct costs to the correct activities driving the costs, regardless of system landscape

- **Drive cost accountability**   Understanding which activities are the cause of which costs allows you to better manage your business and avoid surprises, regardless of the IT landscape

Initial Load

Overview

Initial Load is used to transfer a starting balance and FI and CO documents from previous periods.

The recommendation is to keep the number of periods small.

There are different types of Initial Loads (see next slides)

More important information can be found in the EKT material for the application consultant

General Information – Sequence of the different Initial Loads

There are different kinds of initial loads – recommendation is to perform them in the following sequence:

1. **Initial Load of cost objects**
   - Performed via SLT
   - Cost objects might be needed by the other initial loads
   - Requires configuration of cost object mapping framework in the Central Finance System
   - Basis for replication: table AUFK and related tables
   - Work with filters in SLT (controlling area, order types, creation dates etc.)

2. **Initial Load of FI postings**
   - Performed via IMG of the Central Finance System
   - Basis for replication: GLT0/FAGLFLEXT/BKPF/BSEG/COEP/CE4xxx
   - More information see below

3. **Initial Load of CO-internal postings**
   - Performed via SLT
   - Basis for replication: COBK/COEP
   - Work with filters (controlling area, company codes…)

Initial Load of Balances

- Reposting each and every single FI document causes effort (master data, runtime, data quality…)
  for older data it makes sense to only take over the **balances** instead of individual documents

  Replication Start

  | Balances & Open Items | Documents | Online Transfer… |

  t
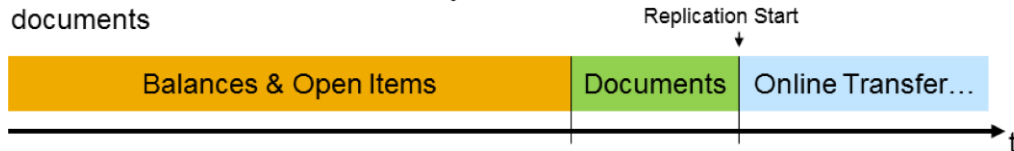
- The timespan for the take over of individual documents shall be kept as short as possible

- The phases are configured via customizing in the source system

  Customizing View:
  VCFIN_SOURCE_SET

  Display View "Customizing Central Finance Source system": Overview

  Customizing Central Finance Source system

CoCd	Start - Bal...	Start - Do...	Period - D...	Periods	GL Reconc...	Initial Load...
T001	14	2014	6	3		✓

- Tip: add default account assignment for offsetting account in OKB9 to avoid errors

---

- **Initial Load - Transfer FI Documents to Central Finance System**

- This step of the initial load is a prerequisite for productive use. It transfers the FI documents to the Central Finance system in intermediate database tables. This is a prerequisite for the second step.

- It also populates the characteristics database table of the profitability analysis in the source system.

- For replication of FI documents, the replication needs to be activated by company code.

- To have starting balances in the Central Finance system, an initial load needs to be performed.
  In the same Customizing view, the initial load is configured.

- The initial load has two granularities:

- Take over of balances: for historic data where only a lower granularity (like in the FI totals GLT0 or FAGLFLEXT) is required

- Take over of individual FI-documents: for a higher granularity, each FI posting is reposted

- In this configuration, you can define:

- From which year balances shall be taken over

- From which period/year individual documents

Initial Load for Financial Accounting
Preparation

Balances & Open Items	Documents	Online Transfer…

t →

Like in a migration scenario it makes sense to

- **Apply account maintenance in the source system upfront in order to keep the number of open items to be loaded small**

- **Keep the time horizon for the Initial Load of Documents at a minimum:**
  - Cover only documents which will most likely be required for follow up processes
  - Don't load more documents than you would also cover in a migration project

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Reconciliation Reports

Central Finance - Reconciliation Reports
Introduction

Reconciliation or "comparison" reports provide **different levels of analysis** for FI and CO documents transferred to a Central Finance system:

Level 1 – FI/CO Documents count: Are all FI and CO documents, which should have been replicated from a source system to a Central Finance system, replicated as expected?
- Show number of documents successfully replicated, not replicated, in the AIF tool.
- Jump to the AIF tool.

Level 2 – FI/CO Balance Comparison: Which G/L accounts (cost elements) have different debit or credit totals in a source system and a Central Finance system?
- Show debit/credit/balance per G/L account.
- Jump to the FI/CO documents.

Level 3 – FI/CO Documents Comparison: Which FI (CO) documents have a different amount in a source system and a Central Finance system?
- Show document data per FI/CO document and G/L account.
- Jump to the FI/CO documents.

- Reconciliation or "comparison" reports provide different levels of analysis for FI and CO documents transferred to a Central Finance system.

- The basic idea is that you start with the first report in order to get a rough idea of how many documents have been replicated correctly to Central Finance or not. Then you use the other 2 reports to look for the root cause in case of errors.

  - **Level 1 – FI/CO Documents count:** Are all FI and CO documents, which should have been replicated from a source system to a Central Finance system, replicated as expected?

  - Show number of documents successfully replicated, not replicated, in the AIF tool.

  - Jump to the AIF tool.

  - **Level 2 – FI/CO Balance Comparison:** Which G/L accounts (cost elements) have different debit or credit totals in a source system and a CFIN system?

  - Show debit/credit/balance per G/L account.

  - Jump to the FI/CO documents.

  - **Level 3 – FI/CO Documents Comparison:** Which FI (CO) documents have a different amount in a source system and a CFIN system?

  - Show document data per FI/CO document and G/L account.

- Jump to the FI/CO documents.

Central Finance Reconciliation Reports
Report Names and Purpose

Level of Analysis	Purpose	Report Name
Level 1	FI Documents Count	FINS_CFIN_DFV_FI_DOC_COUNT
Level 2	FI Balance Comparison	FINS_CFIN_DFV_FI_BAL_COMPARE
Level 3	FI Documents Comparison	FINS_CFIN_DFV_FI_DOC_COMPARE
Level 1	CO Documents Count	FINS_CFIN_DFV_CO_DOC_COUNT
Level 2	CO Balance Comparison	FINS_CFIN_DFV_CO_BAL_COMPARE
Level 3	CO Documents Comparison	FINS_CFIN_DFV_CO_DOC_COMPARE

Early Knowledge Transfer

- In this slide you see at a first glance the reports names and their purpose.

- There are 3 reports for FI and 3 reports for CO documents and totals.

- Central Finance Reconciliation Reports are available in all Central Finance releases.

- Source systems are supported up to release ECC 6.00.

- You need to apply some SAP Notes or the respective support package.

- You can find the relevant SAP Notes by searching by DFV* and component FI-CF-AC.

- The SAP Note 2352483 lists all relevant notes and contains the reports documentation: https://launchpad.support.sap.com/#/notes/2352483

Central Finance - Reconciliation Reports
Level 1 - FI Documents Count

- Reconciliation reports are always executed in the CFIN system.

    - All reports require a source system as first selection parameter.

    - All selection parameters like company code, G/L account number, etc. refer to the source system.

    - The report displayed in this slide compares documents headers in the source system and in Central Finance system.

    - It counts how many FI documents should have been replicated and provides the number of

    - Documents posted in the source system

    - Documents which have been replicated to the Central Finance system

    - The ones with errors, which can be found in the AIF tool

- Documents which have been replicated successfully and have status „successful" in the AIF, but could not be posted to the Central Finance system. It can happen in some exceptional cases, that a document posted in the source system cannot be posted in the Central Finance system due to different customizing settings. For example, if in the source system a currency evaluation document is posted and this document contains positive amounts only in a parallel currency, if the company code in the Central Finance system does not use this parallel currency, the valuation document cannot be posted there. This is not a replication error though.

- Documents with errors, which are not in the AIF tool.

- It is also possible to display the document numbers and to jump in the error correction tool AIF directly from the result screen.

- A similar report has been developed for CO documents.

Central Finance - Reconciliation Reports
Level 2 – FI Balance Comparison

Central Finance: Comparison of FI Balances

Selection for Source System

| Source System | Q7QCLNT002 |

Parameters for Source System

Ledger	
Company Code	F901	to
Posting period	2	to
Fiscal Year	2016	to
G/L Account		to

☑ Show Errors Only

Central Finance: Comparison of FI Balances

Source: Company C	Source:	Source:	Sourc_	Source: Debit	Source: Credit	Source: Balance	Target: Company Code	Target:	Target_	Targe_	Target: Debit	Target: Credit	Target: Balance	Difference	Variance
F901	160000	2016	EUR	0,00	2.340,00-	2.340,00-	F901	160000	2016	EUR	0,00	0,00	0,00	X	2.340,00-
F901	161000	2016	EUR	0,00	1.250,00-	1.250,00-	F901	161000	2016	EUR	0,00	0,00	0,00	X	1.250,00-
F901	416300	2016	EUR	3.040,00	0,00	3.040,00	F901	416300	2016	EUR	700,00	0,00	700,00	X	2.340,00
F901	416400	2016	EUR	1.750,00	0,00	1.750,00	F901	416400	2016	EUR	500,00	0,00	500,00	X	1.250,00

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- The balance comparison report can be used to determine, whether the totals per G/L account in the source system and in the Central Finance system are the same.

- This report reads G/L account balances from FI totals tables in the source system, then it searches for the corresponding FI documents in the ACDOCA table in Central Finance, and sums up these amounts per G/L account. The field RACCT_SENDER, which contains the G/L account number from the source system, is used for finding the right FI documents in the ACDOCA table in the Central Finance system.

- Differences in the debit/credit total or in the account balances are marked in red.

- A similar report exists for comparing CO balances. This report works in a similar way as the FI report. Cost elements are used instead of G/L accounts and the CO totals tables are read in the source system.

Central Finance - Reconciliation Reports
Level 3 – FI Documents Comparison

- The third level of analysis is done by executing the FI documents comparison report. This report reads FI documents in the source system and finds all line items which fulfill the selection criteria. Then the report sums up the FI document line items and builds sums per document number and G/L account. By using the SENDER fields in the FI documents in the Central Finance system, the report finds the corresponding entries in the ACDOCA table in Central Finance. The amounts in source and Central Finance system are compared and the differences are highlighted in red.

- If no FI document could be found in the Central Finance system, all „Target:…" fields are empty.

- A similar report has been developed for comparing CO documents.

Integrated Planning in Central Finance with SAP BPC for S/4HANA Finance.

SAP

Integrated Planning in Central Finance

SAP ERP Planning
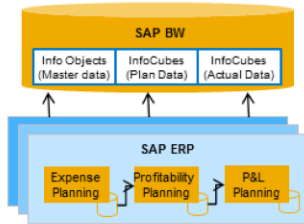

SAP BPC for S/4HANA Finance.

- SAP GUI
- Sequential Planning Process
  - Cost Center Plan
  - Project Plan...
  - No direct share of values
- Fixed data model

- HTML5 UI, Analysis for Office
- Parallel Planning Process
- HANA Optimized performance
- Workflow/Workstatus support
- Real time Actuals
- Activity Log

Early Knowledge Transfer

Customer

Use centralized harmonized data as platform for integrated business planning to replace "SETL" approaches

Scheduled extraction, transformation, loading

SAP BW
- Info Objects (Master data)
- InfoCubes (Plan Data)
- InfoCubes (Actual Data)

SAP ERP
- Expense Planning
- Profitability Planning
- P&L Planning

Corporate alignment difficult
- Process time lags due to data loading
- Data harmonization difficult in multi-system setup
- Updates in one plan not immediately reflected in other related plans

Central Financial Planning

Central Finance
- Expense Planning
- Profitability Planning
- P&L Planning

Common Planning Model

Master Data & Actual Data ERP

Plan Data InfoCube

SAP HANA
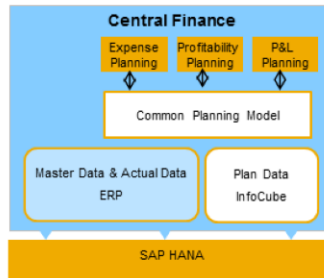
Corporate alignment
- Harmonized data and common planning model improve transparency and accountability
- Dynamically adapt to changing business environments
- Simulation capabilities for better decision making

Improved planning cycles
- No replication into BW required
- Faster cycle times
- Integrate and automate planning and transaction processing for speed and efficiency

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- Planning typically relies on actual data. Customers often load master data and actual data into an SAP BW system for their planning there. This is a process that is time-consuming, and the IT department must be involved. This produces time lags, especially as changed data in the source system means you have to re-kick-off the Scheduled, Extraction, Transformation, Loading process.

- Integrated Business Planning (IBP) in Simple Finance covers

- Expense Planning

- Profitability Planning

- P&L Planning

- The characteristics of this "next generation financial planning" solution include:
  - Common Planning Model
  - In-Memory capabilities

- No replication into BW required – BW is embedded (every SAP Simple Finance add-on system comes with embedded SAP BW.)

- Faster planning cycles

- Better decision making by simulation capabilities
  - IBP is based on SAP BPC 10.1, version for SAP NetWeaver, powered by SAP HANA

    Integrated data-model (embedded model) based on logical FI-CO document

    Business content (templates with queries, planning functions, sequences)

    Cost Center, Internal Order, Project, Profit Center, Cost of Sales. P&L / Market Segment planning

- The **older alternative SAP ERP Planning** relied on the SAP GUI user interface, a sequential planning process (Cost Center Plan, Project Plan…etc), with no direct sharing of values, and a fixed data model

- This **IBP solution** has a HTML5 user interface, works with Analysis for Office, and has parallel planning processes with HANA-optimized performance. It also offers workflow/workstatus support and activity logs. Most importantly, it uses real-time actuals - so your plan reflects your business.
  - **Central Finance** offers an alternative to planning processes in SAP ERP FI&CO, with real-time access to actuals and master data from SAP ERP without data replication to BPC. (Since actual / current data and master data already exists in Central Finance, it is unnecessary to load data to a separate system for planning purposes.)

New compared with the first release

Overview

Replication of clearings

Replication of document changes

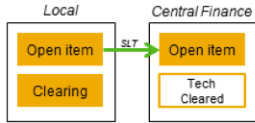Replication of changes to cost objects

Error Handling (AIF)

Performance Improvements (bulk mode)

Tools supporting the Initial Load

Support of mismatching currency decimals definition

Early Knowledge Transfer   Customer   84
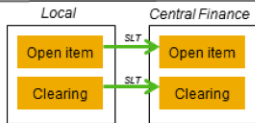
Open Item Management in Central Finance

Open items are replicated into Central Finance. To avoid duplication of effort to pay/clear, there are the following options:

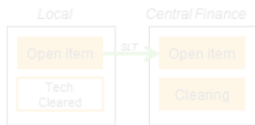| Local — Central Finance		
Local **Open item** — SLT → *Central Finance* **Open item** / **Tech Cleared**; **Clearing**	Replicate open item and automatically/technically clear in Central Finance • Available as of 1503 • Continued open item management in source system	*Not suitable for central reporting or central processing (since clearing status not correct)*
Local **Open item** — SLT → *Central Finance* **Open item**; **Clearing** — SLT → **Clearing**	Replicate open item and clearing status in Central Finance • Continued open item management in source system • *For restrictions and further information, please see note 2292043*	*Centralization of finance operations reporting and central process orchestration* • A/R and A/P reporting (cross-system view of customer or vendor account) • Central Disputes, Collections, Invoice Mgmt, Credit, Shared Services • Local clearing processes optimized based on central clearing advices**
Local **Open item** / **Tech Cleared** — SLT → *Central Finance* **Open item**; **Clearing**	Replicate open item and automatically/technically clear in Central Finance • **Not yet available • Centralized open item management in Central Finance system • No posting back to the source systems	Similar to existing ALE scenarios, this is a customer-specific process where consistency in certain local logistics processes has to be determined in a case-by-case analysis *ALE, RFC, other **roadmap item, not committed

Early Knowledge Transfer

Customer

Centralization of finance operations reporting and central process orchestration

- A/R and A/P open items can be replicated to Central Finance (along with their clearing status) starting with the 1511 release.

- This centralized reporting and process orchestration can be seen as interim step before central payments is available. Or, if your company does not want to centralize payments, you can stay on this level of centralization for as long as you want.

- You have to replicate all information regarding the clearing status of the open items in both systems.

- Some document only have a header (because credit and outstanding amounts perfectly match); there is no real posting document associated. These get replicated as well.

- Documents with details (discounts, etc) also get replicated.

- Regardless of type of document, the replicated message in central system includes extra information (the new document number, clearing, date, purpose).

- You can then use the SAP Smart Business reporting and HANA Live reporting tools to create real-time reporting. As open items' status change in the source system, these documents are automatically updated in the Central Finance system.

- In addition to vendor and customer analyses, you can do dispute resolution, collections management and credit evaluations processes. There are some limitations that apply – for example, if a credit memo is the result of the dispute resolution process, this might have to be manually posted in the source system as well, if required by the business process.

Reporting scenarios at a glance (excerpt)

Supported with Central Finance in earlier releases

New scenarios enabled by replication of clearings

General Ledger Accountant
- Trial Balance
- Display Financial Statement
- Display G/L Account Line Items
- Display G/L Account Balances

Financial Analyst
- Cost Center – Plan / Actual
- Internal Orders – Plan / Actual
- Market Segments – Plan / Actual
- Profit and Loss – Plan / Actual
- Projects – Plan / Actual

Cost Manager
- My Spend
- My Unusual Items

Global Cash Manager
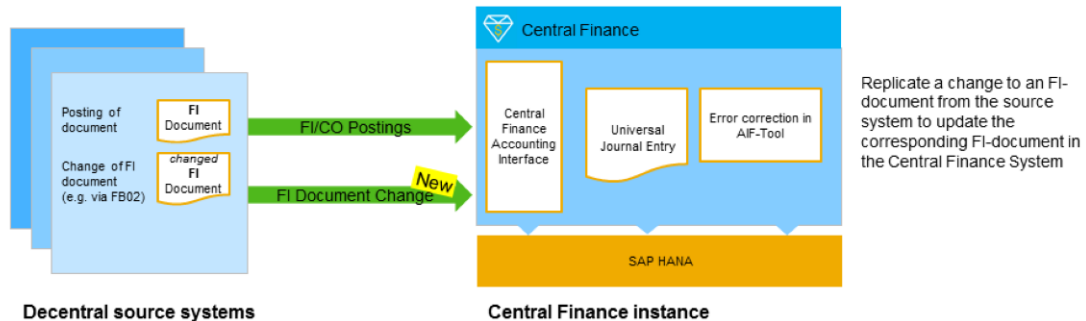- Cash Flow Analysis
- Liquidity Forecast (based on AP/AR)

Accounts Payables / Receivables Accountant
- Display Vendor Balances
- Display Customer Balances

Accounts Payables / Receivables Manager
- Future Payables
- Aging Analysis
- Dunning Level Distribution
- Days Beyond Terms
- Future Receivables
- Overdue Receivables
- Total Receivables
- Days Payable Outstanding
- Vendor Payment Analysis (Open Payments)
- Vendor Payment Analysis (Manual and Automatic Payments)

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Central Finance: Replication of Document Changes

Replicate a change to an FI-document from the source system to update the corresponding FI-document in the Central Finance System

- With SAP S/4HANA Finance, on-premise edition 1503 it was possible to replicate FI/CO-postings from a source system into the Central Finance System.

- However, if the document was changed in the source system (e.g. via transaction FB02 or via logistics transactions) – those kind of changes have not been replicated so far.

- Central Finance now offers the possibility to also replicate a document change to update the corresponding FI-Document in the Central Finance System.
  Please note: a clearing process is not considered as a document change (although it updates the clearing document number)

Cost Object Mapping Framework
new scenarios and support of cost object changes

Data Browser: Table FINS_CFINT_ASGMT Select Entries   6   Mapping information between Cost object in Source system and Central system

MANDT	SCENARIO	LOCAL_LOGSYS	LOCAL_OBJECT_CATEGORY	LOCAL_OBJECT...	LOC_PO_ID	CENTRAL_OBJECT_CATEGO...	CTRL_PCC_ID	CTF
820	SAP001	Q7QCLNT002	PROD_ORD	000001007300	000001007300	PCC	000000700020	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007882	000001007882	PCC	000000700142	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007884	000001007884	PCC	000000700020	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007885	000001007885	PCC	000000700121	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007921	000001007921	PCC	000000700142	
820	SAP001	Q7QCLNT002	PROD_ORD	000001007922	000001007922	PCC	000000700024	

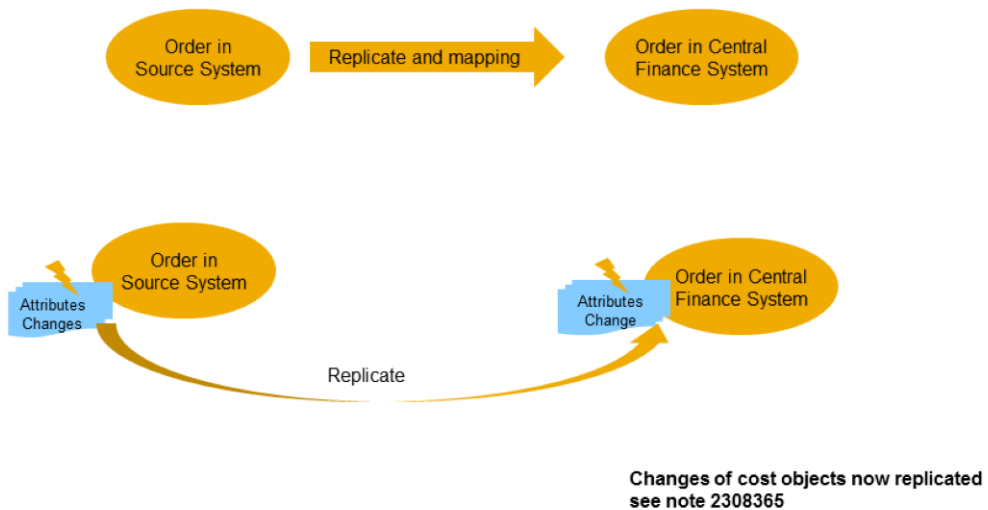Currently supported cost objects and mapping scenarios. See more information in note 2180924.

Cost Object in Source System	Cost Object in Central system
Production Order	Product Cost Collector
Product Cost Collector	Product Cost Collector
Internal Order	Internal Order
Service Order(PM Order)	Service Order(PM Order)
QM Order	QM Order
Production Order	Internal Order
Service Order(PM Order)	Internal Order
QM Order	Internal Order

Changes of cost objects now replicated see note 2308365 *New*

New

- With the cost object mapping framework

- A cost object in the source system can be mapped to a cost object in the central system

- You can customize how a cost object in the source system is mapped to a cost object in the central system

- Cost objects in the central system can be generated automatically according to Customizing

- Mapping information between cost objects in the source system and the central system is kept in the central system

- The change of cost object in source system can also be updated to the already replicated cost object in central system, see note 2308365.

- While doing FI/CO document replication, cost object in the source document will be automatically replaced by a corresponding cost object in the central system
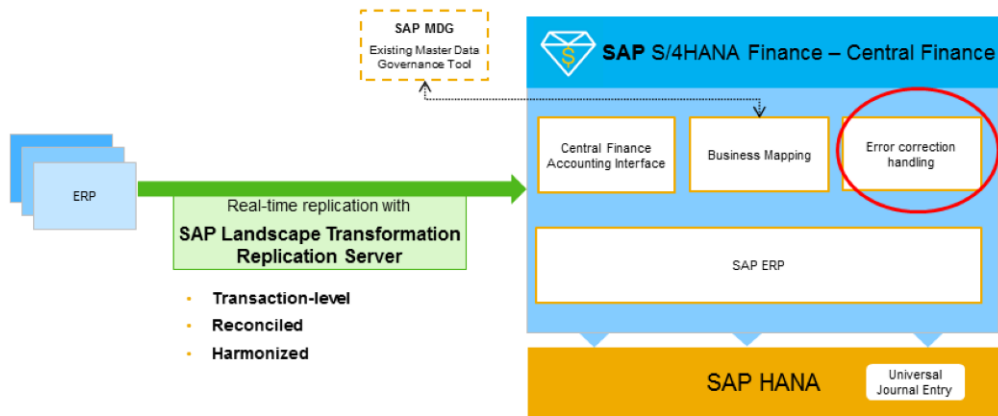
1. The replication of cost object change only applies to 1:1 cardinality. And N:1 should not be supported.

■ For cardinality 1:1, during replication, a central object is always newly created for source object which means source object completely 'own' its central object. It makes sense to replicate changes when source object is updated.

■ For cardinality N:1, during replication, central object is created if it doesn't exist in central system. But for remaining source objects, the previous created central object will be used for mapping. In this case, the changes to one of the source cost objects shall not be replicated to central object. Otherwise data inconsistency may occur.

2. The replication of cost object change only applies to central characteristics marked as 'Derive From Source'.

- In scenario definition of cost object replication framework, user can configure which of central object attributes shall be copied from source object. Then during central cost object creation, the corresponding attributes are copied from source object if they are configured as 'Derive from Source'. For replication of cost object change, this setting is also applied.

3. The replication of cost object change is only limited to the attributes relevant controlling (attributes in AUFK)

- The order relevant cost objects shares common framework (AUFK table)

- For Production order/PM order/QM order/Product cost collector, besides controlling relevant attributes, there are also logistics relevant attributes. These part of data is not the focus in Central Finance. For replication of cost object change, only attributes in AUFK (controlling relevant information) is considered.

4. Status change.

- There are several common and critical statuses for all order relevant cost object. (Created/Released/Completed/Closed) These status are enough for document postings.

- In Central system, cost object is directly created as 'Released'. For the moment, only changes among 'Released/Completed/Closed' are reflected in central objects.
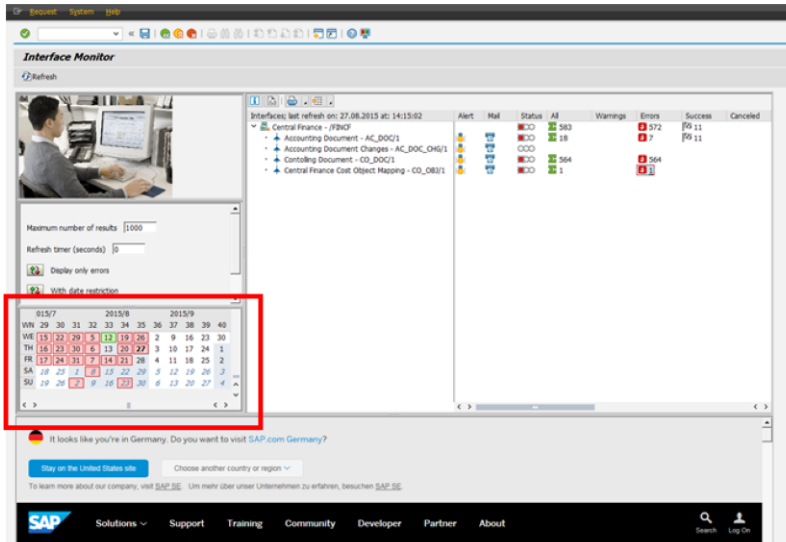
Functionalities supporting Central Finance

SAP MDG
Existing Master Data Governance Tool

SAP S/4HANA Finance – Central Finance

Central Finance Accounting Interface

Business Mapping

Error correction handling

SAP ERP

ERP

Real-time replication with
SAP Landscape Transformation Replication Server

- Transaction-level
- Reconciled
- Harmonized

SAP HANA

Universal Journal Entry

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■ Master data can be mapped, either using SAP Master Data Governance or another MDG solution (which can be in the same system or somewhere else in the landscape, or in the case of SAP MGD, deployed in SAP HANA Enterprise Cloud); for customers that do not have an existing Master Data Governance solution, there are basic mapping tables in the solution for key master data (chart of accounts, customers, suppliers, etc). There is also a Business Add-In (BAdI) which can be used for customer-specific mapping logic.

■ Error correction capabilities for FI documents is provided by AIF (Application Interface Framework); this provides a worklist-based approach for correcting replication errors or mapping errors.

■ Once the mapping and checks have been completed, all postings go through the standard internal Accounting Interface into FI/CO (in the SAP HANA database).

New Error Handling Tool (AIF) for Central Finance Scenarios
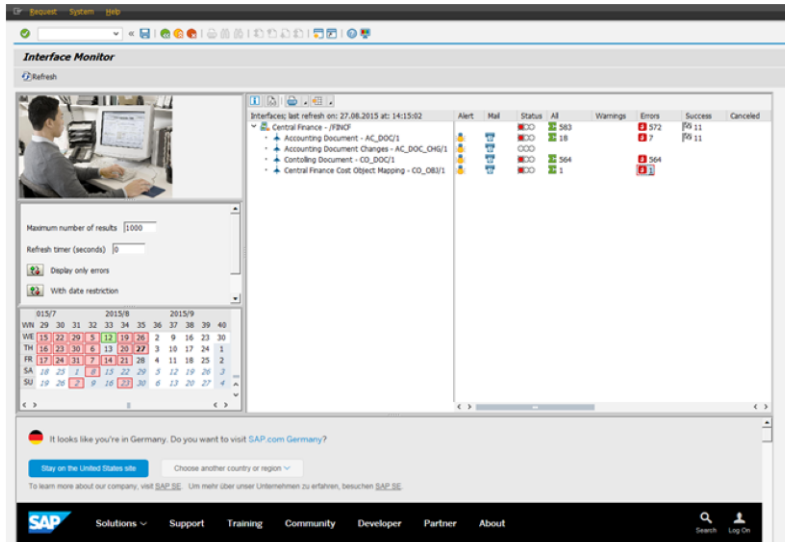
- Single place for error handling of all Central Finance Replication Scenarios
- Quick Overview
- Role based view
- No need to select
- User can toggle Email Notifications
- Show and confirm Alerts
- Prec-calculated and role based statistics

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New Error Handling Tool (AIF) for Central Finance Scenarios

Calendar based view

User has mouse-over feature to see how many messages and how many errors there are on a certain date

Color of calendar day changes based on message status

User can click in calendar (click on month, week, day) to show only selected time frame or a time range can be entered

Early Knowledge Transfer

Customer

New Error Handling Tool (AIF) for Central Finance Scenarios

AIF shows multiple errors, not just the main message.

Field names can be shown with own texts.

Messages can be rephrased if a message text is not meaningful.

Messages can be assigned to SAP-transaction codes (e.g. IMG activities) which allows users to navigate the place where the error can be solved.

Emergency correction mode (requires special authorization) allows changing any posting data field by entering the correct value

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Error Correction via AIF

AIF is used as the error handling tool in Central Finance for

- Errors during FI-document replication (new documents & document changes)
- Errors during CO-document replication
- Errors during cost object replication (new cost objects and cost object changes)
- Errors during the Initial Load of cost object
- Errors during the Initial Load of CO-internal postings

The Initial Load of FI balances and FI documents uses a different error monitor

Usually AIF requires a separate license.
But it is included in the Central Finance license for the delivered Central Finance scenarios listed above.

Performance improvements have been achieved (see next slide)

AIF Bulk Processing
Performance improvement

With this new functionality SLT and AIF process the financial transactions being replicated to Central Finance bulk mode.

Advantages

- Reduced number of background processes started by AIF

- Improved througput (performance)

Deployment

- <u>New standard configuration</u>

- Available per Note 2291942 for lower releases

- SLT content to be adapted according to note 2154420

Standard Configuration and included in the following Support Packs:

- SAP S/4HANA Finance 1503 (SAP_FIN 720 SP5)
- SAP S/4HANA Finance 1605 (SAP_FIN 730 SP3)
- SAP S/4HANA OP 1511 feature pack FPS02 (S4CORE 100 SP2)

New Tools supporting the Initial Load

- Simulation of Initial Load (FI)
  see IMG activities

- Simulation of Initial Load (CO-internal postings & cost objects)
  triggered via SLT (see EKT material for application consultant)

- Smoke Test Tool (test replication for a number of CO-internal postings & cost objects)
  (see EKT material for application consultant)

- Initial Load (FI): Initial Load by company codes
  (see EKT material for application consultant)

- Initial Load (FI): Aggregated Message Monitor: program RFINS_CFIN_DISPLAY_LOG

Other new tools

- Correct Cost Object Mappings *(see next slides)*
- Delete Cost Object Mappings *(see next slides)*

Early Knowledge Transfer

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New Tools: Cost Object Mapping Framework

Correct Cost Object Mapping

Cost Object Mapping Correction

Logical System ID
Object Category
Object ID _____ to _____
Processing Option
☑ Test Run

Delete Cost Object Mapping and Cost Objects

Delete Mapping and Cost Objects in Central System

Scenario
Logical System ID _____ to _____
Processing Options
☑ Test Run

Correct Cost Object Mapping

■ Sometimes, after the replication of cost objects from source system to target system happens, you might want to change the mapping rules for Cost Object Mapping Scenarios.

■ After the change takes place, the already-replicated cost objects need to be replicated and mapped again according to the new mapping rules.

Delete Cost Object Mapping and Cost Objects

■ Sometimes, after the replication of cost objects from source system to target system, you need to clean up all replicated cost object and also the mappings. In this Customizing activity, you can clean up and delete replicated cost objects and mappings. Then you can do replication again. This activity only deletes the cost objects; it does not delete the master data and transactional data that refer to the cost objects

Special Configurations

Support of Postings with Currencies having mismatching number of Decimals configured in source and target system

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Enabled by SAP Notes

- 2318183 - Central Finance: Wrong number of decimals for amounts in replicated documents

- 2325587 - Central Finance: Wrong number of decimals for amounts in replicated CO documents

Configuration: Define Decimal Places for Currencies in Source Systems

Source System

Set Decimal Places for Currencies

Central Finance System

Set Decimal Places for Currencies

In case of mismatch the Central Finance system needs to know the currency configuration of the Source Systems in order to convert the currency amounts appropriately:

Change View "Central Finance: Maintena

New Entries

Central Finance: Maintenance view for source system currency

Logical sys...	Crcy	Decimals
Q7QCLNT002	DEM	1
Q7QCLNT002	DEM3	4
Q7QCLNT002	EUR	2
Q7QCLNT002	KWD	2
Q7QCLNT002	USD	2

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- **Define Decimal Places for Currencies in Source Systems**

- **Use**

- In this activity you set the number of decimal places for currencies of the source system, if they are defined differently than in the Central Finance system.

- **Requirements**

- The number of decimal places for currencies in both the source and Central Finance systems has been maintained in the IMG activity **Set Decimal Places for Currencies.** This activity is usually part of the general setup of the system.

- You have compared the number of decimal places in all currencies in use in your systems and identified any currencies with differing numbers of decimals.

- **Standard settings**

- In the standard setup this activity contains no settings. This means that all currencies are assumed to have the same number of decimal places in source and Central Finance system.

- **Activities**

- For any currencies with differing numbers of decimal places, enter the number of decimal places as defined in the source system. For currencies that have the same number of decimals in the source and Central Finance systems, you do not need to make any entries.

- **Example**

- In a source system (logical system Q7QCLNT002), currency KWD (Kuwait-Dinar) is set to 2 decimal places, while in the Central Finance system this currency is set to no decimal places.
  Make the following entry:

- Logical System Currency Decimals Q7QCLNT002 KWD 2

- **Note**: Even though the definition of the logical system includes the client in the source system, the corresponding setting is client-independent in the source system. This means, that the settings must be equal for different clients of the same source system.

Rounding and Rounding Differences

If the CFIN system has fever decimals configured, rounding is required

The system applies „Round half up" logic

Rounding differences get distributed according to SAP Note 106094

Source System

Item	PK	Ac..	Account	Description	SG	G/L Account	D..	Σ	Amount	Curr.
4	50	S	220200	Bank interest expen.		220200	H		6,999-	CF2
8	50	S	220200	Bank interest expen.		220200	H		9,999-	CF2
							H		16,998-	CF2
1	40	S	113200	Bank 2		113200	S		2,333	CF2
2	40	S	113200	Bank 2		113200			2,333	CF2
3	40	S	113200	Bank 2		113200			2,333	CF2
5	40	S	113200	Bank 2		113200			3,333	CF2
6	40	S	113200	Bank 2		113200			3,333	CF2
7	40	S	113200	Bank 2		113200			3,333	CF2
							S		16,998	CF2
									0,000	CF2

Central Finance System

D..	Σ Amo..	Cu..
H	7,0-	CF2
	10,0-	CF2
H	17,0-	CF2
S	2,5	CF2
	2,3	CF2
	2,3	CF2
	3,3	CF2
	3,3	CF2
	3,3	CF2
S	17,0	CF2
	0,0	CF2

In this case a rounding difference of **- 0,2 CF2** was added to Item 1

- If the currency in the Central Finance has fewer decimals than the sender system, it can occur that rounding differences have to be handled and distributed to other document items.

- "Round half up" is applied if required

  If last digit ≤ 4 then amount is rounded down

  If last digit ≥ 5 then amount is rounded up

- How is this rounding difference distributed?

- The rounding difference is added to or subtracted from the first non-automatically generated G/L account, material or asset account item depending on the +/- sign in the document. The amount of a vendor line item or customer line item is only changed if special prerequisites are met (the document contains, for example no G/L line item or only lines with small amounts) because the previous application is supposed to display the same amounts for business partners than the ones that are posted in Financial Accounting.

Planned Future Scenarios

Way forward

Central Processes* (Collections Management, Dispute Management)	Centralization of Processes** (Central Payments, Asset Accounting, CO allocations…)	
Consolidation Preparation	Legal and Management Consolidation	
Reporting Scenarios (GL Reporting, Overhead Cost Reporting, Profitability)	Reporting Scenarios (AP/AR*, DSO*, Overdue Analysis* etc., Liquidity Forecast*)	Reporting Scenarios** (Profit Center, Profitability, Assets,…)
Foundation (replication, error handling, Mapping, Initial Load)		

First release   Today

- Foundation:
- More flexible Initial Load
- Rederivations
- Mapping UI
- Reconciliation
- Replication of Projects
- Cloud

Open Item Management in Central Finance

Open items are replicated into Central Finance. To avoid duplication of effort to pay/clear, there are the following options:

Local / Central Finance	Description	Use case
Local: Open item, Clearing → SLT → Central Finance: Open item, Tech Cleared	Replicate open item and automatically/technically clear in Central Finance • Available as of 1503 • Continued open item management in source system	_Not suitable for central reporting or central processing (since clearing status not correct)_
Local: Open item, Clearing → SLT → Central Finance: Open item, Clearing	Replicate open item and clearing status in Central Finance • Continued open item management in source system • _For restrictions and further information, please see note 2292043_	_Centralization of finance operations reporting and central process orchestration_ • A/R and A/P reporting (cross-system view of customer or vendor account) • Central Disputes, Collections, Invoice Mgmt, Credit, Shared Services • Local clearing processes optimized based on central clearing advices**
Local: Open item, Tech Cleared → SLT → Central Finance: Open item, Clearing	Replicate open item and automatically/technically clear in Central Finance • **Not yet available • Centralized open item management in Central Finance system • **No posting back** to the source systems	Similar to existing ALE scenarios, this is a customer-specific process where consistency in certain local logistics processes has to be determined in a case-by-case analysis _*ALE, RFC, other_ _**roadmap item, not committed_

Central process execution for AP / AR processes
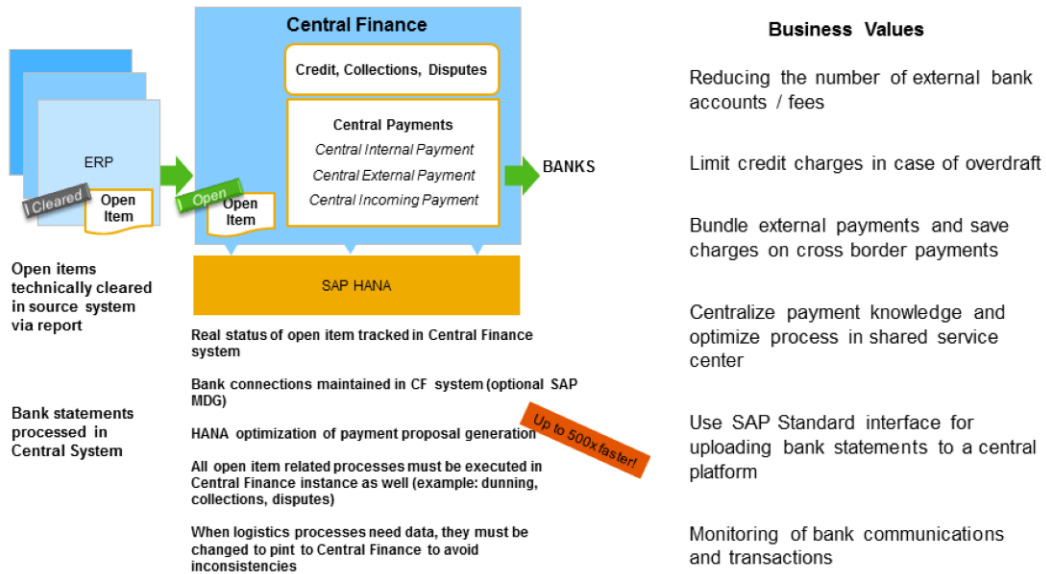
- Many companies have centralized payments, since this reduces the costs associated with reducing fees and optimizing internal use of cash. There are 3 aspects of Central Payments. Internal payments between companies, external payments, where money is sent via an external bank. Finally, incoming payments, where payments are routed into the system from a bank.

- There has been some HANA optimization of payment proposal generation – the first delivery is in S/4HANA Finance 1503 release (more speed in long-running processing jobs). However, the capability of central payments is not yet ready for use in a central finance system.

- Many of the benefits of Central Finance are those of In-house Cash and Bank Communication Management. These would be additionally licensed.

- Bank connection information can be managed via SAP MDG and distributed to Central Finance system.

- In this scenario, the source documents would be automatically cleared in the source system – and steps are taken to ensure that the documents will NOT be paid from the source systems. The single source of truth for the clearing status is the Central Finance system.

- Because the clearing status in the source system is no longer "accurate", many processes that rely on this status MUST now be run centrally. For example, dunning, collections, disputes, credit exposure calculations.

- Benefits in detail

- Central control of external payments reducing the need for a vast number of external bank accounts

- Limit credit charges to external bank accounts in case of overdraft as the IHC center is now holding all subsidiary current accounts internally and can sweep them as needed

- Bundle external payments and save charges on cross border payments

- Make a Shared service center that handles all payments and thereby centralize this knowledge and optimize the process - no need for experts in each subsidiary

- Make use of the SAP Standard interface for uploading bank statements to a central platform

Lesson Summary

You should now be able to

- Judge whether Central Finance would be an approach to adopt S/4 HANA for a customer without disrupting the existing system landscape
- Explain how Central Finance can be used as a harmonized Reporting and Planning Platform
- Discuss with a customer a possible roadmap of how to centralize processes in future
- Design with the customer how master data could be harmonized in the Central Finance system

Early Knowledge Transfer Customer 111

- The summary allows the learner to recap what they learned during the lesson.
- It should be more than a listing of the objectives of the lesson. It should be result oriented and review the main learning points of the lesson.