

GENERAL LEDGER

Chart of Account

Chart of Accounts The chart of accounts list is a directory of all charts of accounts that can be used in a client. This is a list of all G/L accounts used by one or several company codes. For each G/L account, the chart of accounts contains the account number, account name, and the information that controls how an account functions and how a G/L account is created in a company code. You have to assign a chart of accounts to each company code. This chart of accounts is the operating chart of accounts and is used for the daily postings in this company code.

You have the following options when using multiple company codes: You can use the same chart of accounts for all company codes if the company codes all have the same requirements for the chart of accounts set up, assign all of the individual company codes to the same chart of accounts. This could be the case if all company codes are in the same country. In addition to the operating chart of accounts, you can use two additional charts of accounts if the individual company codes need different charts of accounts, you can assign up to two charts of accounts in addition to the operating chart of accounts. This could be the case if company codes lie in multiple countries. The use of different charts of accounts has no effect on the balance sheet and profit and loss statement. When creating the balance sheet or the profit and loss statement, you can choose whether to balance the company codes which use different charts of accounts together or separately. **Structure** Charts of accounts can have three different functions in the system:

- **Operating chart of accounts** The operating chart of accounts contains the G/L accounts that you use for posting in your company code during daily activities. Financial Accounting and Controlling both use this chart of accounts. You have to assign an operating chart of accounts to a company code.
- **Group chart of accounts** The group chart of accounts contains the G/L accounts that are used by the entire corporate group. This allows the company to provide reports for the entire corporate group. The assigning of an corporate group chart of accounts to a company code is optional.
- **Country-specific chart of accounts** The country-specific chart of accounts contains the G/L accounts needed to meet the country's legal requirements. This allows you to provide statements for the country's legal requirements. The assigning of an country-specific chart of accounts to a company code is optional. The operating chart of accounts is shared by Financial Accounting as well as Controlling. The accounts in a chart of accounts can be both expense or revenue accounts in Financial Accounting and cost or revenue elements in cost/revenue accounting. G/L account master data in the chart of accounts area contains information about the G/L account that is valid for all company codes. The chart of accounts area also contains data that controls how a G/L account is created in the company code-specific area. To make certain that company codes using the same chart of accounts can also use the same G/L accounts, a master record is created for the G/L account in the chart of accounts and in the company code-specific areas. The following information is contained in the chart of accounts area of a G/L account master record.

- The account number and account name (short and long text) • The indicator that specifies whether the account is a balance sheet account or an P&L statement account. At the start of a new fiscal year, the balance of a balance sheet account is carried forward to itself. With P&L statement accounts, you must specify the account to which the profit or loss is carried forward at the end of a fiscal year

- The account group - With the account group, you group similar accounts together and control the creating and changing of master records. They control The account number interval in which the account number must lie. The screen layout for creating G/L accounts in the company code-specific area. This means that you can define whether fields require an entry, may have an entry, or are hidden when creating or changing a master record in the company code-specific area.

Edit Chart of Accounts List

If you enter a chart of accounts in the chart of accounts list, note the importance of the following settings:
Maintenance language The chart of accounts is created and changed in one language, the maintenance language. This means that the names of the G/L accounts are created and changed in the maintenance language. If the chart of accounts is used by multiple company codes using varying languages, you can translate the account names into the languages needed.

Group chart of accounts You can assign an alternative group chart of accounts to the chart of accounts. Length of the G/L account number You can define the length of the G/L account numbers. The maximum length is ten characters. Internally, the system keeps the account numbers with a ten character length. The system pads purely numeric account numbers with zeroes from the left, and alphanumeric account numbers from the right.

PATH: SPRO → Financial Accounting (New) → General Ledger Accounting (New) → Master Data → G/L Accounts → Preparations → Edit Chart of Accounts List.

Transaction Code: OB13

Click on (IM Activity), so will take you to screen here click on it will take to following screen.

New Entries: Details of Added Entries	
Chart of Accts	1102
Description	1102 operational chart of accounts
General specifications	
Maint. language	English
Length of G/L account number	6
Integration	
Controlling integration	Manual creation of cost elements
Consolidation	
Group Chart of Accts	
Status	
<input type="checkbox"/>	Blocked

Click on save button to save the activity and go back to SPRO screen.

Define Account Group

The account group is a summary of accounts based on criteria that effects how master records are created. The account group determines:

- The number interval from which the account number is selected when a G/L account is created.
- The screen layout for creating G/L accounts in the company code-specific area

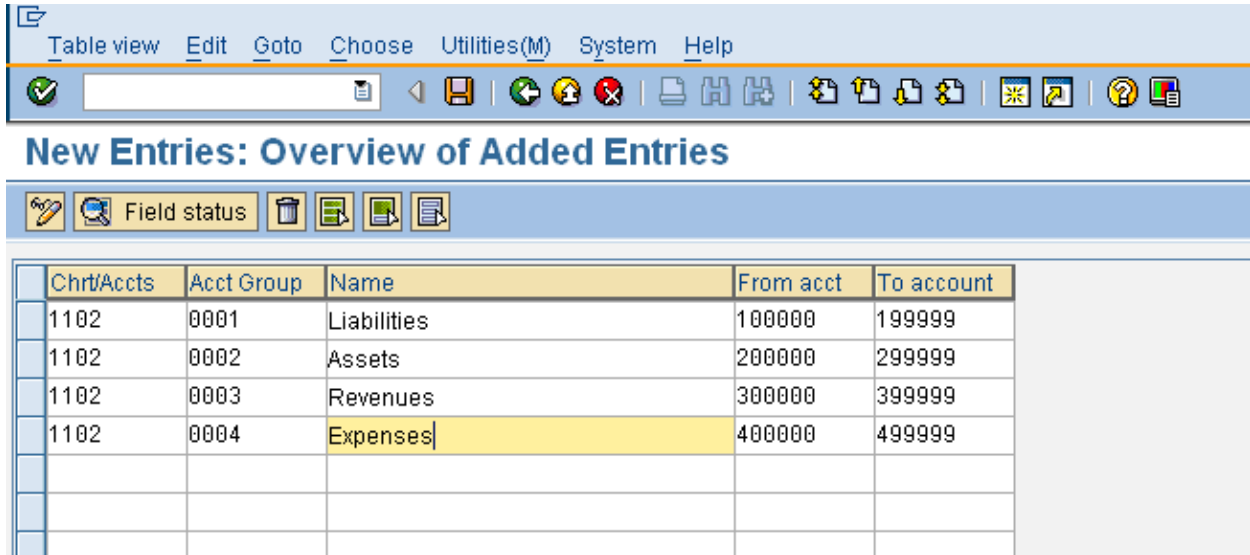
When you create a G/L account in the chart of accounts area, you must specify an account group. Using the account group, you can group the G/L accounts according to functional area. The account group also defines the set up when creating a G/L account in the company code and chart of accounts. By defining the number interval and the screen layout, you simplify G/L account creation by reducing the number of entry fields. The account group contains the following definitions:

Number interval If you create a G/L account with this account group, you must select a number from this number interval. Account number 131000 for G/L account petty cash would be rejected as incorrect since it does not fall within the number interval of account group "Liquid funds". However, you could create this account using the account number 101000. The number intervals for G/L account groups can overlap. As a result, for G/L accounts that you do not want to assign to any special functional area, you can create a separate account group that has a number interval already contained in a different account group.

PATH: SPRO→Financial Accounting (New)→ General Ledger Accounting (New)→ Master Data→ G/L Accounts→ Preparations→ Define Account Group.

Transaction Code: OB13

Click on (IM Activity), so will take you to screen here click on it will take to following screen



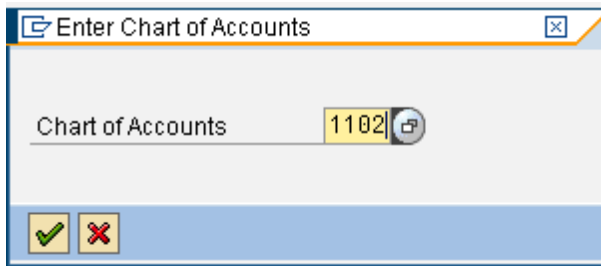
Click on save button to save the activity and go back to SPRO screen

Define Retained Earnings Account

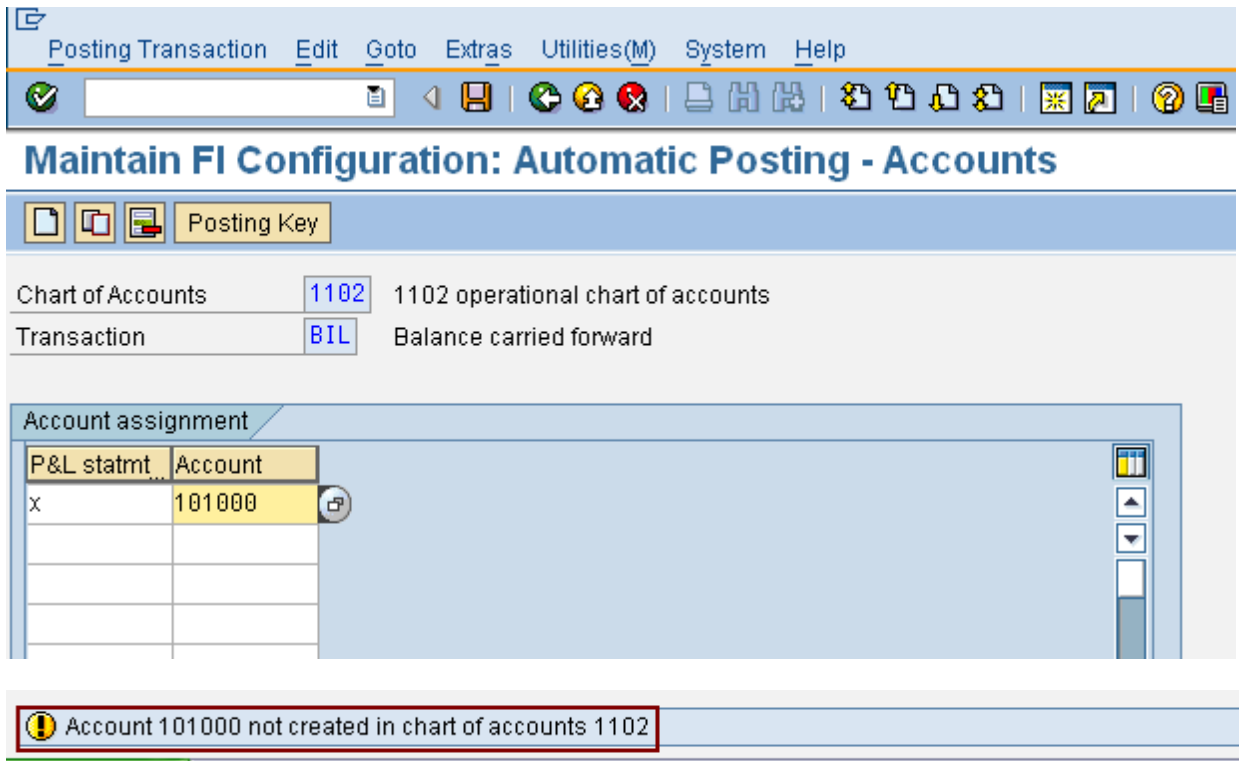
PATH: SPRO→Financial Accounting (New)→ General Ledger Accounting (New)→ Master Data→ G/L Accounts→ Preparations→ Define Retained Earnings Account.

Transaction Code: OB53

Click on (IM Activity), so will ask for Chart of accounts as follow



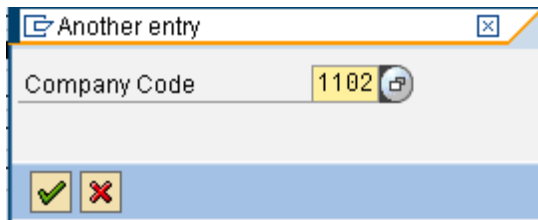
In this screen enter your chart of accounts and pres enter or continue button. It will display the following screen as follow: Now click save button it will display following warning message. Now just



Now just pres enter button twice and back to SPRO screen

Assign Company Code to Chart of Accounts

Transaction Code: OB62 It will display an screen in that pres so it will display following window:



Enter your company code and pres enter or click on continue button so it display your company code on the top of your screen. Against to your company code assign your chart of accounts as follow:

The screenshot shows the SAP SPRO interface for 'Change View Assign Company Code -> Chart Of Accounts'. The menu bar includes 'Table View', 'Edit', 'Goto', 'Selection', 'Utilities(M)', 'System', and 'Help'. The title bar reads 'Change View "Assign Company Code -> Chart Of Accounts": Over'. Below the title bar is a toolbar with various icons. The main area contains a table with the following data:

Co...	Company Name	City	Chrt/Accts	Cty ch/act
1102	XYZ manufacturing P.ltd	hyderabad	1102	
2000	IDES UK	London	INT	CAGB
2100	IDES Portugal	Lisbon	INT	

Click on save button to save the activity and go back to SPRO screen

Definition

G/L account master data in the chart of accounts area contains information about the G/L account that is valid for all company codes. The chart of accounts area also contains data that controls how a G/L account is created in the company code-specific area. To make certain that company codes using the same chart of accounts can also use the same G/L accounts, a master record is created for the G/L account in the chart of accounts and in the company code-specific areas. Structure

The chart of accounts: The account number and account name (short and long text) The indicator that specifies whether the account is a balance sheet account or an P&L statement account. At the start of a new fiscal year, the balance of a balance sheet account is carried forward to itself. With P&L statement accounts, you must specify the account to which the profit or loss is carried forward at the end of a fiscal year.

The account group: With the account group, you group similar accounts together and control the creating and changing of master records. They control. The account number interval in which the account number must lie. The screen layout for creating G/L accounts in the company code-specific area. This means that you can define whether fields require an entry, may have an entry, or are hidden when creating or changing a master record in the company code-specific area.

Balances in Local Currency Only: When creating a G/L account in a company code, you can decide whether the transaction figures should only be kept in the local currency for this account. You have to set this indicator for clearing accounts you use to clear line items in various currencies with one local currency amount and without posting any exchange rate differences that may occur. • Do not set this indicator for A/P A/R reconciliation accounts. You have to set the indicator for the following accounts: • Cash discount clearing accounts • Clearing accounts for goods receipt / invoice receipt The indicator is usually set for the following balance sheet accounts: • Accounts without open item management in which no foreign currencies are managed • You manage a clearing account for goods received and invoices received. This account is posted to manually. You post the incoming invoices in an invoice currency and the goods received in all cases in the local currency.

Defining the Tax Category In tax accounts, you can specify the type of tax on sales/purchases (input or output tax) that can be posted to the account. In rare cases, it is useful to assign a certain tax code to an account. You enter the tax code in the master record in this case. Only this tax code can be used when posting to this account. If a G/L

account is not tax relevant, you may make no specification in this field. For more information on sales tax and other taxes in your system, see the documentation *FI General Topics*. - 82 - 82

Defining "Posting without Tax Allowed": If you select this indicator, no tax code needs to be entered when posting to this account. If a tax code is entered, it is checked according to the tax category for this account. You use this indicator if taxable and non-taxable postings are to be entered to an account at the same time. In such a case, you normally set up your own tax code to allow for non-taxable transactions. However, this is not possible - for example - for tax entry with jurisdiction code, since no jurisdiction code can be specified for customers abroad. You would then allow postings without tax codes for the corresponding expense or revenue accounts. This indicator is not needed for invoice verification postings, since the account assignments are generally derived from the purchase order. The indicator is therefore not checked by the system for these postings. For items with no tax code, no tax information is created, and they are not contained in the tax report lists.

Define "Reconciliation Account for Account Type": You use this field to indicate G/L accounts as being reconciliation accounts. For each sub ledger account, you must keep at least one reconciliation account in the general ledger. When you post to an account in the sub ledger, the system automatically posts to the corresponding reconciliation account. The "Receivables from goods and services" account is an example of a reconciliation account for customers. Enter Customer in the Reconciliation account for account type field. Enter a Vendor in this field for a vendor reconciliation account. Using the reconciliation account procedure, it is possible to create a balance sheet and a profit and loss statement at any time, since the amounts posted to sub ledger accounts are also posted automatically in the general ledger. During regular reconciliation, you check whether the balance of the reconciliation account matches the balance of the corresponding sub ledger account. You define reconciliation accounts by specifying in the G/L account master record the account type (such as fixed assets, vendor or customer) for which the account is to be used. In this way, the account can only be assigned to accounts in the corresponding sub ledger. You set the assignment of the sub ledger account to a reconciliation account in the master record of the sub ledger account. You cannot post to reconciliation accounts manually. You have created a reconciliation account "Receivables" for accounts receivable. You must specify the account number of the reconciliation account in the master records of the customer accounts. The system checks whether the named reconciliation account is permitted for the account type "customer".

Defining "Open Item Management": If you set the "Open item management" indicator in the master record for an account, the line items in this account is marked as open or cleared. The balance of an account with open item management is equal to the balance of the open items. General ledger accounts are kept with open item management if you need to check whether there is an offsetting posting for a given business transaction. You should use open item management for bank clearing accounts, clearing accounts for goods receipt/invoice receipt, and salary clearing accounts. Bank accounts, however, do not use open item management. If you subsequently define open item management for a G/L account, this entry only applies to the items which are posted afterwards. At the date of the change, the account must display a zero balance. Also, when canceling this indicator, the balance must be zero. You therefore have to clear the remaining open items before making the change in the master record.

Defining "Line Item Display": - 83 - 83 If you set the "Line item display" indicator in the master record for an account, all line items that have been posted to this account are displayed if they have not been archived. You use line item display to display the document line items from the account. For line item display, the system lists all the line items for an account. For accounts with line item display, the system uses special indices to define the link between the account and the document. For accounts with many transactions, a corresponding number of indices must be defined and read for line item display. This means that when posting items to such accounts and

displaying line items, additional storage space and system time are required. Therefore, you should not use line item display for the following accounts: • Reconciliation accounts (detailed information is contained in the sub ledger) • Sales revenue accounts (detailed information in the *Sales and Distribution* application module) • Material accounts (detailed information in the "Materials Management" application module) • Tax accounts (detailed information is not needed since tax data is contained and checked in the document).

Defining the Field Status Group: You use this field to define which fields are displayed when you post accounting transactions to a G/L account. A field may have one of the following statuses: hidden (suppressed) Entry required (required field) Ready for input (optional field)

CREATE G/L ACCOUNTS AS BELOW

CREATE G/L ACCOUNTS AS BELOW

G/L Account No	100000	101000	120000	120001	120002	120003	120004	130000
Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code
TYPE/DESCRIPTION TAB								
Account Group	LIABILITIES	LIABILITIES	LIABILITIES	LIABILITIES	LIABILITIES	LIABILITIES	LIABILITIES	LIABILITIES
P&L Statement Acct / Balance Sheet Account	Balance sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet
Short Text / G/L Acct Long Text	Share capital	Retained Earnings	GR/IR Account	Excise Duty Payable	Cess Payable	Vat Payable	CST Payable	Loan Account
CONTROL DATA TAB								
Only Balance in Local Currency	X	X	X	X	X	X	X	X
Tax Category	NO	NO	-	+	+	+	+	NO
Posting with out Tax allowed	NO	NO	X	X	X	X	X	NO
Recon. Account for Acct Type	NO	NO	NO	NO	NO	NO	NO	NO
Recon. Account for Acct Type	NO	NO	NO	NO	NO	NO	NO	NO
Open Item Management	NO	NO	X	X	X	X	X	X
Line Item Display	X	X	X	X	X	X	X	X
Sort Key	'001	'001	'001	'001	'001	'001	'001	'001
CREATE/BANK/INTEREST TAB								
Field Status Group	G001	G001	G001	G001	G001	G001	G001	G001
Post Automatically Only	NO	NO	NO	NO	NO	NO	NO	NO
Relevant to Cash Flow	NO	NO	NO	NO	NO	NO	NO	NO
House Bank	NO	NO	NO	NO	NO	NO	NO	NO
Account ID	NO	NO	NO	NO	NO	NO	NO	NO
Interest Indicator	NO	NO	NO	NO	NO	NO	NO	NO
Interest Cal. Frequency	NO	NO	NO	NO	NO	NO	NO	NO

TYPE/DESCRIPTION TAB

Account Group	Assets	Assets	Assets	Assets	Assets	Assets	Assets	Assets
P&L Statement Acct / Balance Sheet Account	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet
Short Text / G/L Acct Long Text	SBI Check Deposit	SBI Check Issue	Finished Goods Inventory	Excise Duty Paid	Cess Paid	VAT Paid	CST Paid	Raw Material Inventory

CONTROL DATA TAB

Only Balance in Local Currency	X	X	X	X	X	X	X	X
Tax Category	NO	NO	NO	-	-	-	-	-
Posting with out Tax allowed	NO	NO	NO	X	X	X	X	X
Recon. Account for Acct Type	NO	NO	NO	NO	NO	NO	NO	NO
Open Item Management	X	X	NO	X	X	X	X	NO
Line Item Display	X	X	X	X	X	X	X	X
Sort Key	`001	`001	`001	`001	`001	`001	`001	`001

CREATE/BANK/INTEREST TAB

Field Status Group	G001	G001	G001	G001	G001	G001	G001	G001
Post Automatically Only	NO	NO	X	NO	NO	NO	NO	X
Relevant to Cash Flow	X	X	NO	NO	NO	NO	NO	NO
House Bank	SBI	SBI	NO	NO	NO	NO	NO	NO
Account ID	sbi -2	sbi -3	NO	NO	NO	NO	NO	NO
Interest Indicator	NO	NO	NO	NO	NO	NO	NO	NO
Interest Cal. Frequency	NO	NO	NO	NO	NO	NO	NO	NO

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G/L Account No	222000	250000	251000	252000	260000	261000	262000	300000
Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code

TYPE/DESCRIPTION TAB

Account Group	Assets	Assets	Assets	Assets	Assets	Assets	Assets	Incomes
P&L Statement Acct / Balance Sheet Account	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	Balance Sheet	P&L Statement
Short Text / G/L Acct Long Text	Inventor Clearing	Sundry Debtors	Down Payment To Vendors	Down Payment Request to Customer	Accumulated Depreciation a/c	Machine a/c	Asset Under Construction a/c	Sales Revenue

CONTROL DATA TAB

Only Balance in Local Currency	X	NO	NO	NO	NO	NO	NO	x
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Tax Category	NO	+	NO	NO	NO	NO	NO	+
Posting with out Tax allowed	NO	X	NO	NO	NO	NO	NO	x
Recon. Account for Acct Type	NO	D Customers	K Vendors	D Customer	Assets	Assets	Assets	NO
Open Item Management	NO	NO	NO	NO	NO	NO	NO	NO
Line Item Display	X	X	X	X	X	X	X	X
Sort Key	'001	'001	'001	'001	'002	'003	'004	'001

CREATE/BANK/INTEREST TAB

Field Status Group	G001	G001	G001	G001	G002	G003	G004	G001
Post Automatically Only	NO	NO	NO	NO	NO	NO	NO	NO
Relevant to Cash Flow	NO	NO	NO	NO	NO	NO	NO	NO
House Bank	NO	NO	NO	NO	NO	NO	NO	NO
Account ID	NO	NO	NO	NO	NO	NO	NO	NO
Interest Indicator	NO	NO	NO	NO	NO	NO	NO	NO
Interest Cal. Frequency	NO	NO	NO	NO	NO	NO	NO	NO

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G/L Account No	310000	311000	312000	350000	351000	400000	400010	400020
Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code
TYPE/DESCRIPTION TAB								
Account Group	Incomes	Incomes	Incomes	Incomes	Incomes	Expense s	Expense s	Expense s
P&L Statement Acct / Balance Sheet Account	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement
Short Text / G/L Acct Long Text	Discount Recived	Interest Recived	Exchange Rae Gain	Revenue on Sale of Asset	Profit on Sale of Asset a/c	Cost of Goods Sold a/c	Stock Transfer Loss a/c	Inventory Difference a/c
CONTROL DATA TAB								
Only Balance in Local Currency	x	x	x	x	x	x	x	x
Tax Category	NO	NO	NO	NO	NO	NO	NO	NO
Posting with out Tax allowed	NO	NO	NO	NO	NO	NO	NO	NO
Recon. Account for Acct Type	NO	NO	NO	NO	NO	NO	NO	NO
Open Item Management	NO	NO	NO	NO	NO	NO	NO	NO
Line Item Display	X	X	X	X	X	X	X	X
Sort Key	`001	`001	`001	`001	`001	`001	`001	`001
CREATE/BANK/INTEREST TAB								
Field Status Group	G001	G001	G001	G001	G001	G001	G001	G001
Post Automatically Only	NO	NO	NO	NO	NO	NO	NO	NO
Relevant to Cash Flow	NO	NO	NO	NO	NO	NO	NO	NO
House Bank	NO	NO	NO	NO	NO	NO	NO	NO
Account ID	NO	NO	NO	NO	NO	NO	NO	NO
Interest Indicator	NO	Your Indicator	NO	NO	NO	NO	NO	NO
Interest Cal. Frequency	NO	`01	NO	NO	NO	NO	NO	NO

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G/L Account No	400030	400040	400100	401000	410000	411000	412000	413000
Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code
TYPE/DESCRIPTION TAB								
Account Group	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses	Expenses
P&L Statement Acct / Balance Sheet Account	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement	P&L Statement
Short Text / G/L Acct Long Text	Price Difference a/c	Material Scraping a/c	Raw Material Consumption a/c	Purchase of material a/c	Salaries a/c	Bonus a/c	Wages a/c	Indirect Wages a/c
CONTROL DATA TAB								
Only Balance in Local Currency	X	X	X	X	X	X	X	X
Tax Category	NO	NO	NO	NO	NO	NO	NO	NO
Posting with out Tax allowed	NO	NO	NO	NO	NO	NO	NO	NO
Recon. Account for Acct Type	NO	NO	NO	NO	NO	NO	NO	NO
Open Item Management	NO	NO	NO	NO	NO	NO	NO	NO
Line Item Display	X	X	X	X	X	X	X	X
Sort Key	'001	'001	'001	'001	'001	'001	'001	'001
CREATE/BANK/INTEREST TAB								
Field Status Group	G001	G001	G001	G001	G001	G001	G001	G001
Post Automatically Only	NO	NO	NO	NO	NO	NO	NO	NO
Relevant to Cash Flow	NO	NO	NO	NO	NO	NO	NO	NO
House Bank	NO	NO	NO	NO	NO	NO	NO	NO
Account ID	NO	NO	NO	NO	NO	NO	NO	NO
Interest Indicator	NO	NO	NO	NO	NO	NO	NO	NO
Interest Cal. Frequency	NO	NO	NO	NO	NO	NO	NO	NO

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G/L Account No	414000	415000	416000	417000	417100	418000	419000	420000
Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code	Your Company Code
TYPE/DESCRIPTION TAB								

Interest Indicator	NO	NO	NO	NO	NO	NO	NO	NO
Interest Cal. Frequency	NO	NO	NO	NO	NO	NO	NO	NO

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G/L Account No	451110	452000
Company Code	Your Company Code	Your Company Code
TYPE/DESCRIPTION TAB		
Account Group	Expenses	Expenses
P&L Statement Acct / Balance Sheet Account	P&L Statement	P&L Statement
Short Text / G/L Acct Long Text	Depreciation a/c	
CONTROL DATA TAB		
Only Balance in Local Currency	x	x
Tax Category	NO	NO
Posting with out Tax allowed	NO	NO
Recon. Account for Acct Type	NO	NO

Open Item Management	NO	NO
Line Item Display	X	X
Sort Key	`001	`001
CREATE/BANK/INTEREST TAB		
Field Status Group	G001	G001
Post Automatically Only	NO	NO
Relevant to Cash Flow	NO	NO
House Bank	NO	NO
Account ID	NO	NO
Interest Indicator	NO	NO
Interest Cal. Frequency	NO	NO