Legacy to S4 Latest Changes Best Practices: End User Perspective-PART 1

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Abstract: *SAP This article explains all changes made at the level of transactions between SAP ECC 6.0 (Classical Finance) and SAP S/4 HANA Finance. In summary, all existing transactions in SAP ECC 6.0 have been tested in SAP S/4 HANA Finance. All modified, removed or new transactions impacting end-users have been identified documented and gather in this article. When relevant, an "AS-IS" and "TO BE", illustrating the change, has been incorporated. It is organized by function, the impacted transactions, the type of change and global roles assigned to these transactions. The aim of this article is to support the knowledge transfer to support organization and end-users of these changes during the transition period until S/4 HANA Finance is fully adopted and becomes the new ways of working. Additional material has been created to support Knowledge Transfer to technical teams and End-users and is published to support the transition period.*

Keywords: SAP, S4, Cloud, ERP, END Users, Latest Changes, S4/HANA, FICO and MM

1. Introduction

What is S/4 HANA Finance at a glance on CORE SAP?. It is a new version of SAP ERP Financial & Controlling which has been rebuilt based on the SAP HANA database; is an Add-on installed on SAP ERP; contains a new table ACDOCA which represents the Universal Journal for FI, CO and AA; removes the totals tables of FI and CO (for e.g. GLT0), the index tables (for e.g. BSIS) and some asset accounting tables (for e.g. ANEP); brings new tables for Bank Accounting Management (T012K is obsolete); uses a migration cockpit to convert the existent data; introduces new transactions (for e.g. for Foreign currency valuations); merges GL accounts and cost elements master data and brings changes in AA customizing and posting logic.

2. Reduced reconciliation between FI/CO in S/4 HANA FINANCE

One of the main change coming with S/4 HANA Finance is a simplification in its architecture and structure of its database and tables. Records and their dimensions are now stored in a single table, often referred to the Universal Journal. In 2 words, a new table will contain a line item table with full detail for all components (FI, CO, AA). This has the following impact:

- Main table is updated in real time.
- Transactions related to FI, CO, AA reconciliation steps become obsolete

- Reconciliation effort is reduced in FICO

TR code	Transaction name/description	Overview of the change
KAL7	Reconciliation	These reconciliation transactions become obsolete in S/4 HANA Finance asnowitis a real time update - hence reconciliation is not necessary anymore.
KALC	Perform Posting from CO Reconciliation Ledger	
KALS	Reverse CO Reconciliation	

3. Assets Accounting main changes

The main changes are:
1) **Changes in treatment of parallel depreciation areas and multiple GAAP posting processes**
- **Periodic posting** program (**ASKB**) in asset accounting **is not needed any more**. In new asset accounting depreciation areas are directly linked to accounting principles and the timing of the posting indicators is changed to real time posting. **Local values are updated to general ledger in real time.**
- **Introduction of Accounting Principle field** within all asset posting transactions.
- **Usage of limited transaction types** for postings to specific areas is **not supported anymore and replaced by Accounting Principle specific postings**. This leads to reduction of posting complexity.

2) **Changes in reconciliation processes between General Ledger and Asset sub ledger**
- **Reconciliations** (**ABST, ABST2**) between asset accounting and general ledger **are obsolete** due to commonly used posting table (Universal Journal)

3) **Changes in depreciation run functionality**
- Improved overall **run time performance** for depreciation run program
- **Simplified parameter options for end users**: different run options are now included and recognized automatically by the program (re-run, restart etc.)
- Possibility to perform the **run in parallel for different accounting principles.** Time advantage for fast close requirements.
- New approach for **summarization of depreciation postings**: **1 financial document per 5 assets and depreciation area** instead of only 1 single financial document per ALL valid assets and depreciation area of the run in the classic approach

4) **Changes in concept of value transfer from asset accounting to profit center accounting**
- The **transfer** or update of the **values from asset accounting to Profit Center Accounting is not needed anymore** as PC information is stored in the same table as Asset Accounting
- New Asset Accounting includes information for direct profit center update in every document (reports)

4. GL Accounts vs Cost Elements

To achieve the goal of providing a holistic view of Accounting, Controlling (CO) and Financial Accounting (FI) have been merged. As a result, cost elements are no longer maintained separately in CO but as a special type of G/L account.

In the past, G/L account master data was classified by balance sheet account and income statement account. Separate cost element master data was stored in Controlling for all G/L accounts relevant to cost management. Secondary cost elements, which are used to allocate costs for internal activities, had no corresponding G/L account. Only primary cost elements had an associated G/L account.

With S/4 HANA Finance, all business transactions - both external and internal - are recorded on G/L accounts. Cost element master data is maintained as G/L account master data.

As a result, some CO tables becomes obsolete and the transactions required to manage these Master Data Records in these tables as well and Transactions used to manage GL Accounts modified to accommodate this merge.

Table: TR code changes

TR code	Transaction name/ description	Overview of the change
KA01-KA02 - KA03	Create/change/display Cost Element	Maintain Cost Element is done in SDR which is not FICO so no change to the role and transaction in FICO system it can be displayed using T-Code FS00
FSS0	G/L account master record in co code	1. Due to the merge of Cost elements and GL accounts, cost element creation date is available in FS00 transaction, tab "Information (CoCd)
SE16_SKA1	Display GL account at Chart of Accounts	New field "Account type"- includes 4 types of GL account including what were previously secondary cost elements
FS00	Edit GL account centrally	New concept in GL account master data maintenance to accommodate Cost elements maintenance.
FS03	Maintain GL Account Master Records Centr	
FSP0	Maintain GL account master records in Chart	
FSS0	G/L account master record in co code	

Today Accounting in SAP is separated into Financial Accounting (for external reporting) and Management Accounting (for internal reporting). While Management Accounting is based on Cost Elements, Financial Accounting is based on GL accounts.

For external postings (entered outside CO) GL accounts are used. If the posting is CO relevant a corresponding primary Cost Elements with the same number is required. External postings are transferred real time into CO.

For CO internal postings (CO prima nota) secondary Cost Elements are used. There must not exist a corresponding GL account!

For CO internal postings the real time integration makes the transfer of Cost Elements to GL accounts. That is done on the level of GL reporting entities via a mapping of secondary Cost Elements to GL accounts.
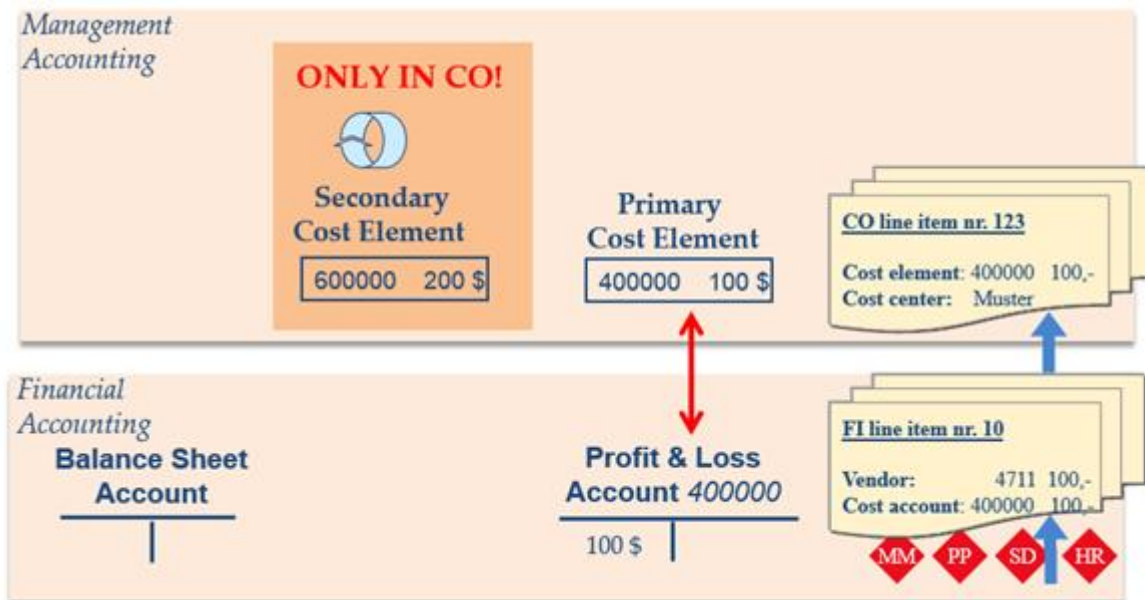
CO relevant external postings update a P/L account in FI and a primary Cost Element in CO. Two different master data records are needed. CO internal postings are shown on secondary Cost Elements, this postings are not reflected in FI.

FI postings to balance sheet accounts are not CO relevant and therefore not reflected in CO.

All cost or revenue relevant postings in HR, MM, PP, SD like good issues, material consumption, creation of a billing document for a sales order result in a posting of a line item in Financial Accounting at the relevant profit and loss accounts.

At the same time, these data are also transferred as costs or revenues to Management Accounting. A specific CO line item is posted; the relevant primary Cost Element is updated.

For this kind of postings, two master data records are used: the master data for the profit and loss account in FI and the master data record for the primary Cost Element in CO. In the past it was necessary to define both master data records separately for each P/L account in FI and for each primary Cost Element in CO.

For CO internal allocations secondary Cost Elements had to be created in CO. This CO internal posting could not be reflected in FI.

TO BE: S/4 HANA Finance as 'Integrated Accounting System': Merge of ‚Worlds' and Master Data

SAP Accounting brings Financial Accounting and Management Accounting closer together:
The gap between financial accounting and Management accounting is further closing, suppressing the need for reconciliation between the two. Only one master data maintenance for GL accounts and Cost Elements. P & L accounts can be classified as Cost Elements. That means Cost Elements become G/L accounts with a specific semantic. The master data transactions in Management Accounting for Cost Elements, for example, KA01, are outdated and can no longer be used. The Chart of Accounts covers all balance sheet and all P & L accounts (also accounts for secondary costs). G/L reporting shows the whole value flow (also CO internal postings) on the 'original' account number. Only one document is created: the universal journal entry.
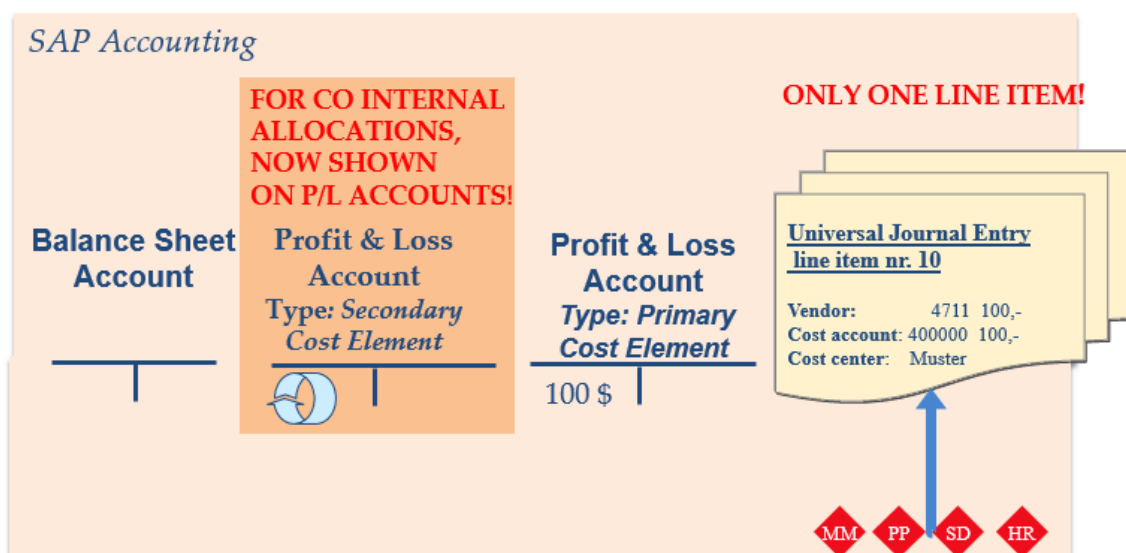
For cost or revenue relevant postings you have to create an account from type 'Profit and Loss Account' in Financial Accounting. For a real time integration between FI and CO it is no longer necessary (and not possible) to create a corresponding cost element in CO.

For the execution of internal allocations in CO it is no longer necessary to create master records for secondary cost elements in CO, as they are now created as G/L accounts from type 'Secondary Costs' in Financial Accounting. This kind of accounts can only be used for CO transactions.

All accounts for internal CO allocations (Accounts from type 'Secondary Costs') are in the GLOBAL chart of accounts which allows seeing and analyzing the whole CO internal value flow in FI reporting.

For all profit and loss relevant FI postings and all internal CO allocations only one line item is posted: the Universal Journal Entry.

Unified Master Data Maintenance for G/L Accounts and Cost Elements I: One master data maintenance for GL accounts and cost elements means:
P & L accounts can be classified as cost elements that mean cost elements become GL accounts with a specific account type.
All details for cost elements as the flag for 'Recording Quantities', 'Unit of measure' and 'Cost Element Category' remain in existing tables as before but are specified now directly in GL account master.

The cost element category, specifying which transactions can use the cost element, remains without changes. So secondary cost elements are still only posted from CO allocations but are included in the chart of accounts.
Cost elements move into GL account logic that means:
- no time dependency for cost elements any longer
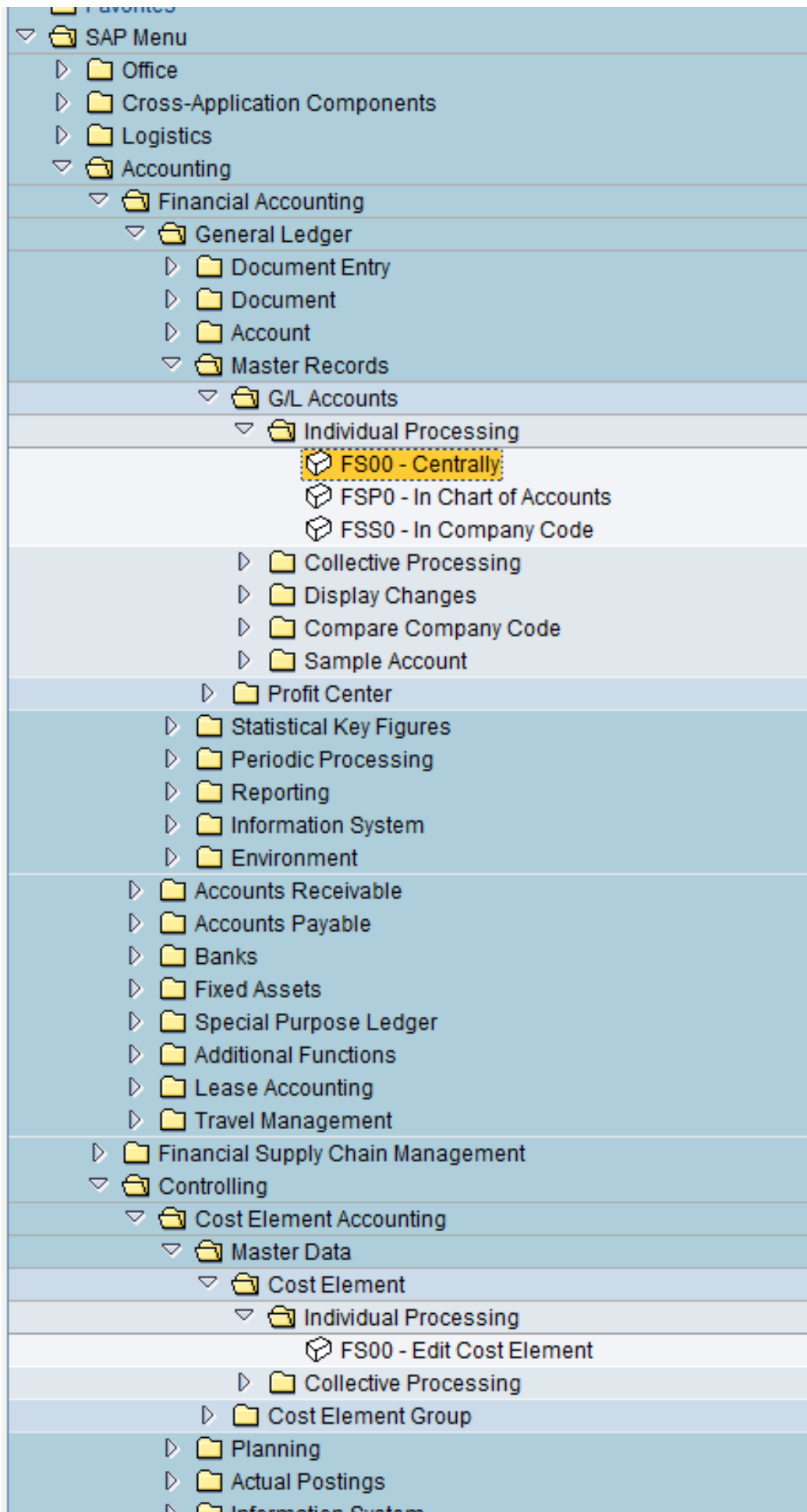- No default account assignments for cost elements in master data maintenance. New default account

assignments can be made via transaction OKB9. Default account assignments maintained in old cost element master are migrated to transaction OKB9.

Unified Master Data Maintenance for G/L Accounts and Cost Elements II
a) G/L accounts can not be deleted.
b) The cost element groups remain as before for reporting and allocations and can be created as before in Cost Element Accounting.
c) Cost element attribute mix does not exist any longer.
d) FI period lock and CO period lock, both are checked for CO relevant postings.
e) Fiscal year variants in FI and CO have to be identical (also in special periods).
f) The definition of customer specific additional fields in cost element master data remains as before in transaction SMOD (SAP enhancement COOMKA01). Now you can display this additional fields in G/L master data selecting the button, Additional Fields'
g) Changes in data tables:
- for secondary cost elements from now there are created entries in the tables SKA1, SKB1 and SKAT
- A new field for the account type (GLACCOUNT_TYPE) is added to table SKA1 for to classify G/L accounts by their type (e.g. balance sheet account, primary cost element etc.)

Unified Master Data Maintenance for G/L Accounts and Cost Elements - Effects in Reporting
In the past postings on secondary cost elements in CO effecting GL reporting entities (e.g. profit center, functional area) created real time integration postings on primary G/L accounts. For the real time integration a mapping of secondary cost elements to primary accounts was necessary. With S/4 HANA Finance postings on G/L accounts with account type 'secondary cost elements' appear directly on the same account in GL reporting. No mapping between different accounts is needed. The P & L versions have to be updated accordingly.

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   ▷ 📁 Logistics
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            ▷ 📁 Planning
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            ▷ 📁 Information System
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5. Conclusion

There are several changes taken place between legacy ECC and S4. FI and CO Merger, Material Number Extension, Integrated Business Partners, Real-time MRP, Integrated SAP APO, Mandatory Material Ledger and Revenue Accounting and Reporting (RAR) changes in s4 are consuming lesser objects and faster pace execution.

Better integration with other SAP products

Lower costs, such as lower operational and ownership costs
A smaller database footprint due to simplified data models
Automated processes improving productivity and performance

Faster, more intelligent decision-making

Higher overall profits

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