



## **FINANCIALS MANAGEMENT WITH SAP® BUSINESS ONE**

### **Tools for Effectively Managing Accounting, Controlling, and Banking Transactions**

**Financials are affected by virtually every transaction occurring in your business. It is not only critical to have a stable and reliable system to manage your accounting, controlling, and banking transactions, but this system must also integrate other key functions of your business, such as purchasing, warehousing, and sales. Find out how the SAP® Business One application enables integrated and comprehensive financials management, helping you optimize and streamline your business's financial processes.**

The SAP® Business One application offers a comprehensive and integrated set of tools to effectively manage all financial processes in your organization.

As the core functionality of SAP Business One, financials management incorporates all key accounting processes, such as journal entries, accounts receivable, and accounts payable. Real-time accounting functions trigger accounting postings automatically when relevant business events occur. SAP Business One supports automatic tax calculations as well as multicurrency transactions. Posting templates and recurring postings further streamline and simplify your accounting processes.

Controlling software in SAP Business One allows you to define and manage budgets and compare actual and planned figures at any time to get an accurate and up-to-date picture of your business. Profit or cost centers are easily created and let you allocate revenue and expenses according to distribution rules – which are customizable and specific to your business.

The banking software in SAP Business One provides all the tools and functionality necessary to manage all your payment processing, including checks, cash, credit cards, and bank transfers. The reconciliation tool allows you to easily reconcile incoming and outgoing payments with vendor and customer invoices.

SAP Business One offers powerful financial reporting tools such as balance sheets, profit and loss statements, cash flow statements, and aging reports. The XL Reporter tool in SAP Business One enables the seamless integration of financial reports into Microsoft Excel templates.

Financials Management in SAP® Business One		
Accounting	Controlling	Banking
Implement and adapt predefined chart-of-accounts templates	Define and manage budgets	Manage incoming and outgoing payments
Manage accounting transactions such as journal entries, recurring postings, and posting templates	Manage revenue and expenses for multiple profit and cost centers	Integrate cash, check, electronic funds transfer, credit card, and other forms of payment
Manage multiple currencies for accounts payable and accounts receivable	Maintain distribution rules for automated revenue and expense allocation	Reconcile vendor and customer payments
Create balance sheet, profit and loss, and other financial reports in SAP Business One	Create controlling reports	Print check batches and generate check and payment reports

Figure 1: Financials Management Features of SAP Business One

## Accounting

SAP Business One effectively and comprehensively handles all your financial accounting transactions. Complete chart-of-accounts templates are provided and can immediately be used for accounting postings or as a framework to integrate custom or more detailed accounts based on your individual requirements. SAP Business One also supports the creation of individual charts with up to 10 segments. Chart-of-accounts templates consider specific legal requirements for each country, such as segmentation or specific numbering, and thereby assure compliance with local laws and regulations.

SAP Business One fully integrates the creation of new journal entries. Journal entries can be created individually by authorized users. However, journal entries are also posted automatically when relevant business transactions are created in other functional areas of SAP Business One. For example, a goods receipt posting will automatically create the necessary journal entry to adjust inventory levels and valuation as well as update corresponding expense accounts, if necessary. As such, most journal entries are created automatically from the purchasing, sales, and banking software. For greater efficiency, SAP Business One allows you to create multiple journal entries and save them to a journal

voucher. The journal voucher can then be processed in batch mode, which posts all entries simultaneously. The journal voucher feature also allows you to collect and verify postings before they are entered into the general ledger.

Accounting transactions can further be simplified by using posting templates. Transactions that occur frequently with similar data – for example, in accounting distribution – can be saved as templates and later reused, avoiding redundant input of the same data. Postings that occur in the same fashion with the same or a similar set of accounts or amounts can be set up as recurring postings. Recurring postings trigger reminders at predefined intervals to create the relevant accounting transaction. Multiple recurring postings that need to be applied on the same day can be processed in batch mode in a simple selection screen.

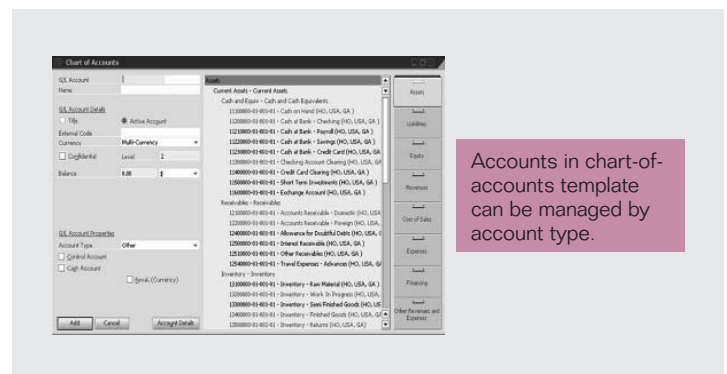


Figure 2: Chart-of-Accounts Template

Multicurrency transactions are fully supported by SAP Business One. Rate differences can easily be managed by individual business partner or by vendor and customer group. Exchange rate difference postings will be created to the corresponding profit or loss accounts whenever exchange rate or conversion differences occur in a multicurrency transaction.

Tax engines in SAP Business One comfortably handle tax-relevant transactions. Sales and withholding taxes are calculated automatically for each line item on each transaction, taking into account country-specific allocation and reporting requirements.

Accelerated closing features help you manage the month-end closing process. SAP Business One identifies control accounts that can be assigned as default posting accounts for the difference in customer or supplier balances. As a result, general and subsidiary ledgers are synchronized.

Month-end accruals can be reversed automatically in SAP Business One. By default, a reversal of specified postings will occur on the first day of the subsequent financial period, but a different reversal date can be specified for each posting.

### Controlling

Controlling (or cost accounting) functionality in SAP Business One provides a variety of features that let you go beyond financial accounting when managing your business.

Budgets can be defined and managed effectively by establishing budget allocation methods and budget amounts in any currency. You can then create a summarized budget report that compares actual and planned numbers. Budget distribution methods allow you to allocate budgets based not just on profit center but also on financial period. You can constantly keep track of budget flows by defining alerts that notify the responsible users whenever a transaction exceeds a monthly or annual budget limit.

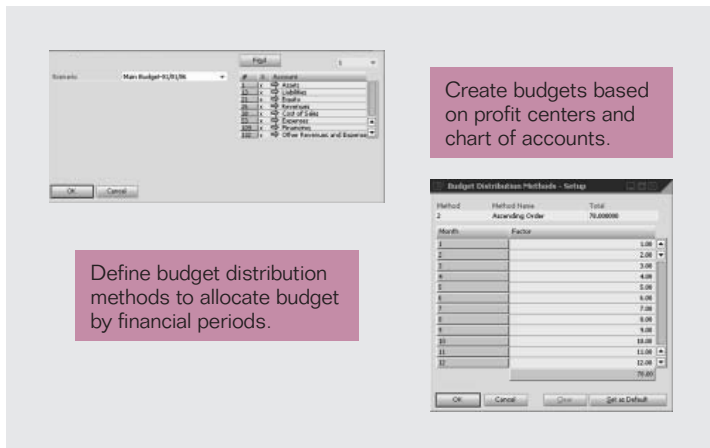


Figure 3: Budget Definition

You can integrate controlling with financial accounting by defining profit (or cost) centers and assigning them to revenue and cost accounts. Set up distribution rules that allow for automatic distribution of amounts to profit centers based on predefined factors. To get an overview of distribution rules in the system, use the table of profit centers and distribution rules, which can be used to view and edit distribution factors.

Create a detailed profit and loss statement based on direct and indirect revenue and expenses as defined in the allocation rules. Choose between annual and monthly display format, and compare the results for multiple periods.

### Banking

All incoming and outgoing payments can be managed with the banking software in SAP Business One. You can post incoming and outgoing payments manually and choose from payment methods such as check, bank transfer, credit card, or cash. Checks are managed with the check register, in which inbound and outbound checks are recorded by number together with important bank account and payment information.

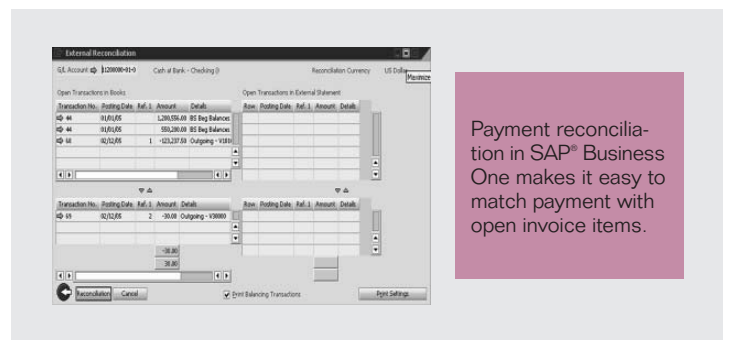


Figure 4: Payment Reconciliation Report

The payment wizard allows you to clear multiple accounts receivable and accounts payable invoices in batch mode by creating a payment run that generates the payment and automatically posts the journal entry transaction. Payments that are not automatically reconciled, such as payments made

“on account,” can be matched to open items using automatic or manual reconciliation, which can be filtered by general ledger account or by business partner. You can also create a bank statement to reconcile your payment data in SAP Business One with the data from your bank.

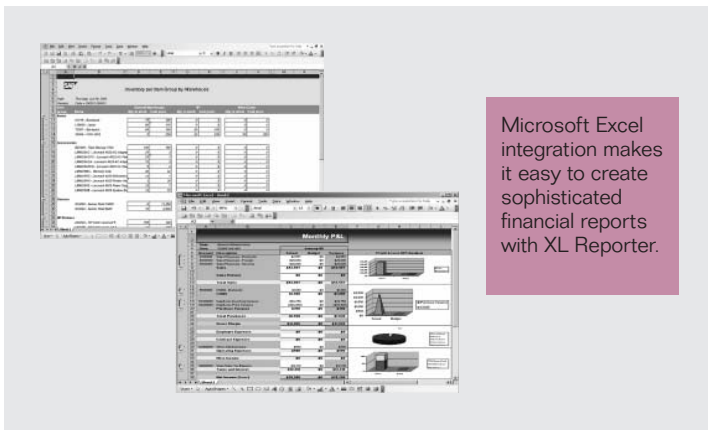


Figure 5: XL Reporter Financial Report Samples

### Powerful Financial Reporting with XL Reporter

SAP Business One provides a large number of powerful financial reports, such as balance sheets, profit and loss statements, cash flow analysis, transaction reports, multiperiod comparisons, and budget reports. In addition, XL Reporter in SAP Business One enables you to create powerful financial reports integrating your data into Microsoft Excel templates. While SAP Business One provides a large number of templates to give you a head start, you can use the report designer and report composer to create your own financial reports. The report organizer in SAP Business One helps you manage and execute your reports and allows for easy distribution to financial managers and auditors.

To learn more about how SAP Business One can empower your accounting and finance organization to grow your business and effectively service your customers, call your SAP representative today or visit us on the Web at [www.sap.com/smallbusiness](http://www.sap.com/smallbusiness).