

# FI Business Area



HELP.FIBUSI

**Release 4.6B**



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## FI Business Area

### Purpose

Business areas are primarily used to facilitate external segment reporting across company codes, covering the company's main areas of operation (product lines, branches).

You can assign all balance sheet items, such as fixed assets, receivables, payables and material stock, as well as the entire P&L statement directly to business areas. You can only assign banks, equity, and taxes manually to business areas if you do this indirectly. For this reason, it is not possible to create the legally-required financial statements and tax reports at business area level. Financial statements at business area level are therefore only suitable for use in internal reporting.

### Features

To be able to create a balance sheet and/or P&L statement, the data has to be updated in the general ledger transaction figures for each business area. There are two different procedures for doing this:

- When posting the original document, the system supplies the business area with the correct information.



You create a customer invoice. You can assign the sales revenue to exactly one business area. The same business area is also assigned to the receivable.

Account	Business Area	Amount
Customer/receivable	0001	200.00
Revenue	0001	200.00-

- The business area used in the original posting (particularly when the initial value is not entered) is changed to the correct value in a second step, using an adjustment posting in the general ledger. This may sometimes distribute the posting to several business areas.



You create a customer invoice. The sales revenue must be assigned to several business areas. The receivable is posted without a business area, and a transfer posting is made in a second step.

Account	Business Area	Amount
Customer/receivable		700.00
Revenue	0001	300.00-
Revenue	0002	400.00-

Account	Business Area	Amount
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**FI Business Area**

Receivable		700.00-
Receivable	0001	300.00
Receivable	0002	400.00

The following documentation explains how you set the business area in accounting documents created by accounting transactions from individual SAP applications. In addition, it shows the steps necessary for creating a business area balance sheet and/or P/L statement.

## Business Areas in General Ledger Accounting (FI-GL)

This section describes the role played by the organizational unit “business area” within General Ledger Accounting.

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**Overview**

## Overview

### Automatic/Manual Account Assignment

You cannot directly assign G/L account master data to a business area. The business area must be either entered manually or derived from the CO account assignment object that has been entered.

Business transactions (for which automatic procedures exist) that analyze documents/transaction figures in the system, and use them to create new documents (e.g. foreign currency valuation) assign the line items generated to the business areas entered in the documents/transaction figures that were read.

## **Business Areas in Asset Accounting (FI-AA)**

This section describes the role of the organizational unit “business area” within Asset Accounting.

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[Asset Acquisition \[Page 11\]](#)

[Depreciation \[Page 12\]](#)

[Fixed Asset Retirement \(Scrapping\) \[Page 13\]](#)

[Transfer Posting \[Page 14\]](#)

**Overview**

## Overview

### Automatic/Manual Account Assignment

Assets are allocated to a single business area in their master record. Every posting to an asset balance sheet account is automatically posted to that business area. The business area for an asset is passed on to all line items connected with the asset. Therefore you do not need to make a manual assignment to a business area at any point.

## Asset Acquisition

The clearing line item (addition to asset balance) receives the same business area as the asset.



Account	Business Area	Amount
Asset balance	0001	30.000,00
Clearing	0001	30.000,00-

## Depreciation

The asset balance is reduced by the depreciation amount in the accumulated depreciation account with the business area of the asset. The expense line item receives the business area of the asset.



Account	Business Area	Amount
Accumulated depreciation	0001	6.000,00-
Expense	0001	6.000,00

## Asset Retirement (Scrapping)

The asset balance, and any existing depreciation, are cleared using the business area of the asset. The asset's business area is assigned to the expense line item.



Account	Business Area	Amount
Asset balance	0001	30.000,00-
Accumulated depreciation	0001	6.000,00
Expense	0001	24.000,00

## Transfer Postings

## Transfer Postings

The asset is to be assigned to a different business area. In this case, you have to create a new asset (with the required new business area), and then transfer the old asset to the new asset. During this transfer, the business areas of the old/new asset is used appropriately.



Account	Business area	Amount
Asset balance	0001	30,000.00-
Depreciation	0001	30,000.00
Asset balance	0002	30,000.00
Depreciation	0002	30,000.00-

## **Business Areas in Accounts Receivable and Accounts Payable (FI-AR/FI-AP)**

This section describes the role played by the organizational unit “business area” within the Accounts Payable and Accounts Receivable systems.

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[Invoice \[Page 17\]](#)

[Payment \[Page 19\]](#)

[Down Payments \[Page 20\]](#)

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**Overview**

## Overview

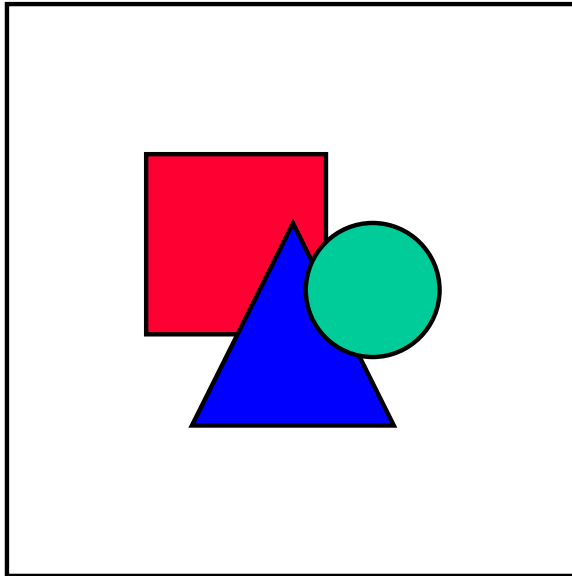
### Automatic/Manual Account Assignment

You cannot allocate customer or vendor master records to a business area. The business area is usually determined from the business area(s) allocated to the related G/L account posting(s) and does not therefore have to be entered manually.

The business area for G/L account items has to be either manually entered or derived from the CO allocation object that you enter.

## Invoice

In an invoice, the customer/vendor item takes the business area(s) of the expense or revenue postings. If the business area has been entered in the document, it is copied into the line item automatically. If there are more than one business areas in the document, the customer/vendor item remains unallocated and a transfer posting is made at a later date to the receivables or payables account.



the system checks that any business area entered in the customer/ vendor item is the same as that in the offsetting G/L account item and issues an error message if this is not the case. In Customizing, you can set the status of this message (error message, warning) or even suppress it from display entirely.

Taxes are always posted without a business area. The system then, at a later date, makes a transfer posting from the tax account to the business areas allocated to the revenue or expense accounts.



Account	Business area	Amount
Customer/receivable	0001	230.00
Revenue	0001	200.00-
Taxes		30.00-



Account	Business area	Amount
Customer/receivable	0001	690.00

**Invoice**

Revenue	0001	200.00-
Revenue	0002	400.00-
Taxes		90.00-

## Payment

For customer/vendor items in payment documents, the procedure is exactly the same as it is for the items in the invoice that they clear. Therefore these items take the business area from the invoice.

Cash discount and exchange rate difference postings take their business area from the customer/vendor item they originated from. If this item was posted without a business area and then later had one specified via a transfer posting in the general ledger, you must make this allocation yourself retroactively for both the cash discount and exchange rate difference posting.

Bank items are currently posted without a business area (unless one is entered manually). There is also no standard function that allocates the bank items to the business areas of the cleared customer/vendor items.



Account	Business area	Amount
Bank		224.00
Customer/receivable	0001	230.00-
Cash discount paid	0001	6.00

**Down Payments**

## Down Payments

The system cannot automatically derive the business area that triggers the down payments since the invoice that belongs to the down payment is not entered until later. The business area in the customer/vendor item is therefore either not assigned or is assigned by manual entry.

The bank item is currently posted without a business area (unless one is assigned manually). There is also no standard function that assigns the bank items to the business areas of the customer/vendor items.



	<b>Business Area</b>	<b>Amount</b>
Bank		100,00
Customer/receivable		100,00-

## **Business Areas in Cost Accounting (CO)**

This section describes the role played by the organizational unit “business area” within Cost Accounting.

[Overview \[Page 22\]](#)

[Assessment, Distribution, Activity Assignment \[Page 23\]](#)

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**Overview**

## Overview

### Automatic/Manual Account Assignment

Account assignment objects in Cost Accounting are allocated to a single business area in the master record. When you post to an account assignment object in Cost Accounting, the system automatically determines the business area. You do not have to assign the posting to the business area manually.

## Assessment, Distribution, Activity Allocation

Costs that have initially been allocated to an allocation object in Cost Accounting (such as a default cost center) and therefore also to a default business area are later broken down by certain distribution keys to final recipients (such as cost centers). The allocation object is then relieved of the costs.



Account	Business area	Amount
Rent expense	0001	700.00-
Rent expense	0004	700.00
Rent expense	0001	200.00-
Rent expense	0007	200.00

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**Business Areas in Materials Management (MM)****Business Areas in Materials Management (MM)**

This section describes the role played by the organizational unit “business area” within Materials Management.

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**Accounting transactions - Stock materials processing**

[Initial Entry of Stock Balances \(From Old System\), Goods/Invoices Receipt \[Page 26\]](#)

[Stock Transfer \[Page 27\]](#)

[Goods Issue \[Page 28\]](#)

[Physical Inventory/Price Change \[Page 29\]](#)

**Accounting transactions - Consumable materials processing**

[Goods/Invoice Receipt \[Page 30\]](#)

**Accounting transactions - Miscellaneous**

[Goods Receipt From Subcontracting \[Page 31\]](#)

## Overview

### Automatic / Manual Account Assignment

Materials are assigned to a business area on the basis of the combination of division and plant. Every time a material is posted, the relevant material stock account is automatically assigned to the business area belonging to that account.

The business area from the other line items is either (depending on the business transaction in question) derived from the account assignment object posted to in Cost Accounting or from the material involved. You do not need to manually assign a business area.

## Initial Entry of Stock Balances (From Old System), Goods/Invoices Receipt

## Initial Entry of Stock Balances (From Old System), Goods/Invoices Receipt

The notable thing about the business transactions being examined here is that they generate a posting record that makes a posting to the material stock account (or the account representing this account) and whose offsetting posting has no business area of its own. In this case, the offsetting item takes the business area from the material.

Additional, automatically-generated items that are directly referenced to a particular material (for example, price differences, exchange rate differences, freight charges) are also assigned to the same business area as the material.



The payable (vendor) is only allocated to the business area of the material if one is clearly specified. If the invoice contains several business areas, the payable is posted without a business area. See [Invoices \[Page 17\]](#)



### Goods receipt

Account	Business Area	Amount
Material stock	0001	1250,00
Expense from price difference	0001	50,00
GR/IR	0001	1300,00-


### Invoice receipt

Account	Business Area	Amount
Vendor/payable	0001	1300,00-
GR/IR	0001	1300,00-

## Stock transfer

If a material is transferred, e.g. between two plants, this allows you to assign the material to a new business area. The posting record that results from this transaction therefore contains two stock items, each with a different business area.

If the price of the material is different in each plant, the system creates an additional expense or revenue item. This is assigned to the same business area as the material in the receiving plant.



Account	Business area	Amount
Material stock	0001	137.00-
Material stock	0002	120.00
Transfer expense	0002	17.00

## Goods issue

## Goods issue

Goods issue for own consumption generates a posting record that constitutes both a reduction of stock on hand (using the business area specified in the material) and an expense item (using the consumption (e.g. cost center or production order) business area).

If there is any difference in price, the system generates an additional expense or revenue item. This is posted using the consumption business area.



Account	Business area	Amount
Material stock	0001	6200.00-
Expense	0010	6500.00
Price difference reven	0010	300.00-

If a goods issue is posted retroactively in the previous period with a different material price to that of the current period, the system generates an additional accounting document in the current period to reflect this price difference. The expense/revenue item that is thus posted is assigned the same business area as the material.



### Previous period

Account	Business area	Amount
Material stock	0001	2730.00-
Expense	0010	2730.00

### Current period

Account	Business area	Amount
Material stock	0001	42.00-
Revaluation expense	0001	42.00

## Physical Inventory/Price Change

When a physical stocktake is carried out or prices change, the system generates a posting record between the material stock account and an expense or revenue account. If a cost center has been defined for this expense/revenue account, the expense item is assigned to the business area of the cost center. If no cost center has been defined, the expense item is assigned to the business area of the material.



Inventory differences debited to the cost center "warehouse".

Account	Business Area	Amount
Material stock	0001	69,00-
Inventory expense	0010	69,00



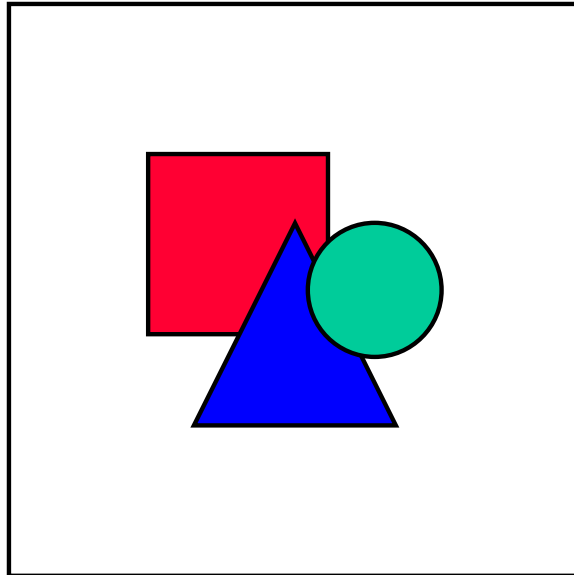
Inventory differences debited to the material.

Account	Business Area	Amount
Material stock	0001	69,00-
Inventory expense	0001	69,00

Goods/Invoice Receipt

## Goods/Invoice Receipt

The material business area does not affect the business area assignment for this transaction, since the material stock account is not involved; instead, the expense account is directly posted to. The posting is made to the consumption business area (e.g. cost center).



the payable (vendor) is only assigned to the consumption business area if this is the only business area specified. If there are more than one business areas specified in the invoice, the payable is posted without a business area. (see "Business area in accounts receivable/ accounts payable").



### Goods receipt

Account	Business area	Amount
Expense	0010	1300.00
GR/IR	0010	1300.00-

### Invoice receipt

Account	Business area	Amount
Vendor/payable	0010	1300.00-
GR/IR	0010	1300.00

## Goods Receipt From Subcontracting

In transactions involving subcontracting, a material is produced by a subcontractor from certain components made available by the customer. When the goods receipt is posted, the components are booked out. The document therefore consists of several parts, including a goods receipt document for the material produced and a goods issue document for each component. The business transactions are set separately in each part of the transaction; thus the business area assignments are the same as in "simple" goods receipt and goods issue transactions.

Component C1 is assigned to business area 0002 while component C2 is assigned to business area 0003.



### Stock material

Account	Business area	Amount
Material stock	0001	350.00
Revenue (material)	0001	350.00-
GR/IR	0001	100.00-
Expense (material)	0001	100.00
Stock C1	0002	200.00-
Expense C1	0002	200.00
Stock C2	0003	50,00-
Expense C2	0003	50,00

### Consumable material

Account	Business area	Amount
Expense	0010	100.00
GR/IR	0010	100.00-
Stock C1	0002	200.00-
Expense C1	0002	200.00
Stock C2	0003	50.00-
Expense C2	0003	50.00

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**Generating Business Area Financial Statements**

## **Generating Business Area Financial Statements**

This section explains what you need to keep in mind when you generate financial statements for a business area.

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[Readjustment of Financial Statements \[Page 35\]](#)

[Update of P&L Accounts at Business Area Level \[Page 47\]](#)

[Updating Balance Sheet Accounts at Business Area Level \[Page 49\]](#)

[Generating a Zero Balance at Business Area Level \[Page 51\]](#)

## Overview

The business area is a separate business unit capable of producing its own balance sheet and profit and loss statements. These internal reports do not need to fulfill all the requirements of external financial statements, as this would unnecessarily increase posting volumes, and is not really required.

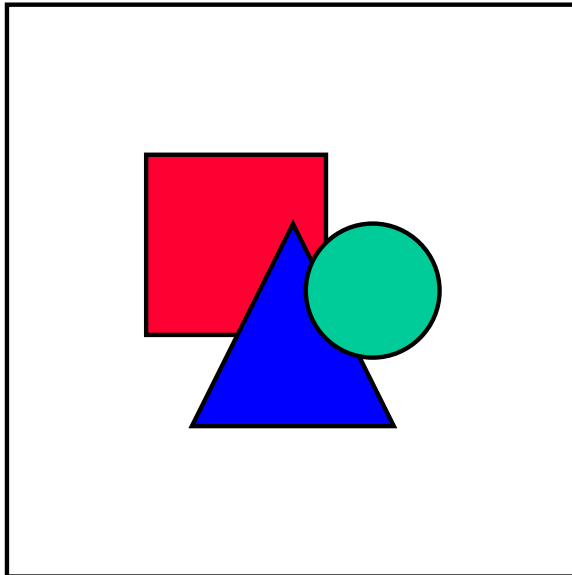
To be able to generate a business area balance sheet/P+L, the following conditions must pertain:

- First, you need to assign G/L account line items to business areas. This is not always possible during document entry, for example, when posting to the reconciliation accounts for payables or receivables.
- The data must have been updated in the general ledger transaction figures for each business area and financial statement item.
- The overall balance must be zero for each business area (only for the balance sheet).

The SAP system provides 2 separate standard functions for carrying out the activities stated above for balance sheet and P+L accounts.

The basic prerequisite is to ensure that the business area balance sheet function is activated for the company codes in question in the IMG. This guarantees, among other things, that all master records for which it is relevant are linked to a business area; the data is then automatically posted to this business area.

You can use P+L readjustment and balance sheet readjustment to achieve zero balances by assigning line items and making clearing postings. For more information on these topics, see [Balance Sheet Readjustment and Profit and Loss Readjustment \[Page 35\]](#).



Line items in bank accounts are not included. You must assign these items to business areas manually.

Overview

## Balance Sheet Readjustment and Profit and Loss Readjustment

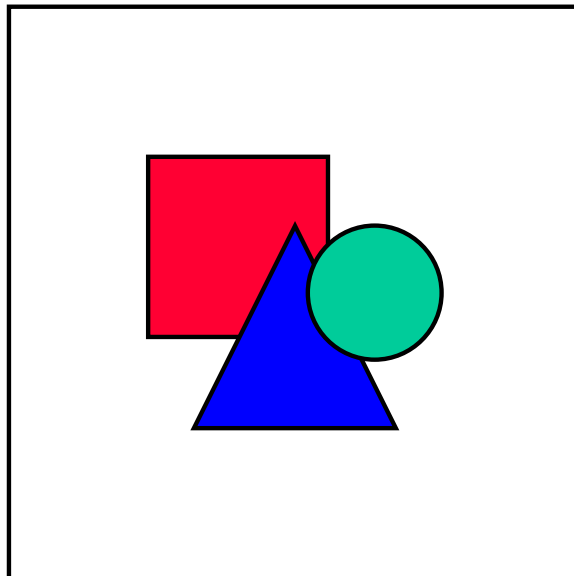
**Balance sheet readjustment** is the retroactive allocation of receivables, payables and taxes to business areas and/or profit centers. This is possible in cases where the original document was posted without account assignments being made to the appropriate fields.

**P+L readjustment** is the debiting of a profitability segment (business area, profit center, cost center and so on) with expenses and revenues that occur when a customer or vendor invoice is paid. Two major forms of these revenues and expenses are cash discounts and exchange rate differences.

### General Information

Readjustments generate adjustment postings to postings made to the accounts used for original documents. To do this, the system carries out a transfer posting from an initial account assignment (that is an account assignment without a value) to another, or several transfer postings from an initial account assignment (that is a posting without an entered value) to one or several other non-initial account assignments.

The distribution is determined according to the account assignments of the outgoing document's offsetting entry. All G/L items, except tax items and cash discount items, are regarded as offsetting entries.



You must first carry out readjustments before generating a balance sheet for a business area. These readjustments are also needed for profit center accounting.

#### See also:

[Readjustment Customizing \[Page 37\]](#)

[Profit and Loss Readjustment \[Page 38\]](#)

[Balance Sheet Readjustment \[Page 40\]](#)

[List of Programs for Profit and Loss Readjustment and Balance Sheet Readjustment \[Page 46\]](#)

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**Balance Sheet Readjustment and Profit and Loss Readjustment**

## Carrying Out Customizing for Readjustment

In Customizing for Financial Accounting, you make the following settings for readjustments:

1. For each account involved in the readjustment, you can set up an adjustment account to which the readjustment is posted. The account and its adjustment account must be displayed together in a balance sheet item.

This includes the following accounts:

- **Reconciliation accounts.** These accounts cannot be posted to directly. Therefore, you **must** enter an adjustment account.
- Tax accounts
- Cash discount accounts
- Accounts for exchange rate differences

The adjustment accounts may not be tax-relevant. This means that either the “*Tax category*” field in the master record is not to be filled or the “*Posting without tax allowed*” field must be marked.

It is possible to make adjustment postings to accounts that the system can directly post to. Therefore, you do not need to set up adjustment accounts for these accounts.

If you do not set up an adjustment account, the system posts to the original account. If you wish to separate the readjustment postings from other postings, you should create separate adjustment accounts for this purpose and post to these accounts.

2. You need to create a clearing account. Postings that ensure that the readjustment does not affect the distribution of business area balances are made to this account. The posting that balances business areas to zero is also generated from these clearing accounts.

**The programs for readjustment automatically carry out the transfer and adjustment postings. Therefore, adjustment account numbers must be stored in the system.**

**You set up the accounts via the G/L Accounting Implementation Guide. To do this, select the activity *Define Accounts for Readjustment*.**

---

**Profit and Loss Readjustment**

## Profit and Loss Readjustment

The P+L readjustment distributes

- the expense, or revenue, of cash discounts and
- the exchange rate differences (realized by pre-evaluated differences),

both of which can occur when a customer or vendor invoice is paid. The distribution is then made to the affected profitability segments (i.e. business area, profit center, cost center, etc.).

All customer and vendor items cleared within the specified reporting period are selected, and the cash discounts and exchange rate differences, noted within these items, are distributed.

The system determines distribution according to the account assignments for the outgoing document's offsetting entry. All G/L items are regarded as an offsetting entry, except taxes and cash discounts. A readjustment occurs only for those account assignments that have been posted with no value. If the business area is assigned to an account in the original document's cleared item, the system will have already posted the cash discounts and exchange rate differences with this value. A readjustment to the business area will not be carried out.

**See also:**

[Carrying Out a Profit and Loss Readjustment \[Page 39\]](#)

## Carrying Out a Profit and Loss Readjustment

The program for P+L readjustment can be carried out only once for each posting period. Once this is carried out, you can not make any clearing transactions within the period. In order to ensure this, the system searches for documents that have been appropriately indicated in the header before proceeding with postings. If such documents are found, the system displays a warning message which can be disregarded.

To carry out the P+L readjustment, proceed as follows in the *General Ledger Financial Accounting* screen:

You execute the P+L readjustment from the general ledger menu. To do this, proceed as follows:

1. Select *Periodic processing* → *Closing* → *Regroup* → *PL readjustment*.
2. Enter the following data:
  - Company code
  - Reporting year and period for which the readjustment should be carried out.
  - Field names from the account assignment block, which should not be taken into consideration during the distribution. By default the system takes into consideration all fields that you can call up using the *F4* key. Fields to which no values have been posted will be automatically ignored.
  - If you mark the Batch input field, you must specify a document type and a session name for the documents you are creating. If you do not enter a posting date, the system uses the last day of the reporting period for this date.
  - You can also select whether or not to have a protocol on the level on the line items. The system then lists for each individual transfer posting the original document these items came from.
3. Under *Program*, select the necessary execution.

The program generates a batch input session that you must process. The system display the generated transfer posting documents in the protocol. Each block represents one document. Since the size of the document is limited, a block can also be posting in several documents. If you do not properly maintain account assignment, the system does not produce a posting for the company code in question. The system lists the entries that need to be corrected at the end of the protocol.

If you have generated a protocol on the line item level, double click the document number to branch to the document display.

## Balance Sheet Readjustment

# Balance Sheet Readjustment

A balance sheet readjustment distributes:

- Receivables and payables in customer and vendor reconciliation accounts
- Postings for taxes
- Postings for cash discounts of the vendor net procedure
- Evaluated exchange rate differences in open items

The system also makes certain of the zero balance needed for each business area balance sheet.

A balance sheet readjustment is carried out according to business area if “Business area balance sheets” has been activated in the “Details” screen of the company code. To activate this, select the step *Enter global parameters* in the Implementation Guide “Financial Accounting Global Settings” section under *Company code*.

The system distributes according to trading partner business area if “Business area consolidation” is also activated.

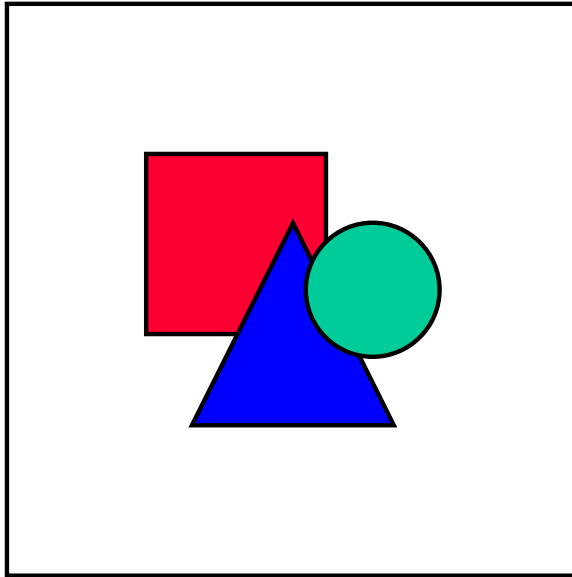
A readjustment is carried out according to profit center and trading partner profit center if profit center accounting has been activated in the controlling area allocated to the company code.

This function is separated into three steps:

1. When posting a document, the system determines whether a “Balance Sheet Readjustment” must be carried out. If so, the document is queued for the readjustment.
2. By means of a program, the system calculates a readjustment for queued documents and saves it in special tables so that you can check the results of the calculation for each individual document at any time. You can execute this program as many times as you like. To do this, see [Calculating Balance Sheet Readjustments \[Page 42\]](#) .
3. Another program reads the calculated distribution and posts it to the accounts set up for this process. This view concerns the key date, which means that postings are made for all receivables open for a key date. The receivables cleared for this key date are disregarded and the postings made during a previous view are canceled. You can also execute this program as many times as you like. The program directly posts accounting documents that are to be generated into the database. A batch input session is generated only when errors occur. This session must be processed.

To do this, see [Posting Balance Sheet Readjustments \[Page 43\]](#)

## Balance Sheet Readjustment



You must carry out balance sheet readjustment after evaluating open items. After making the readjustment, you can no longer post to the business area.

**See also:**

[Calculating Balance Sheet Readjustments \[Page 42\]](#)

[Posting Balance Sheet Readjustments \[Page 43\]](#)

[Balance Sheet Readjustment: Additional Functions \[Page 44\]](#)

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**Calculating Balance Sheet Readjustments**

## Calculating Balance Sheet Readjustments

To calculate the balance sheet readjustment, select from the General Ledger menu *Periodic processing* → *Closing* → *Regroup* → *Calc. B/S readjust.* Enter the appropriate company code and select *Program* → *Execute*.

Documents queued during posting are calculated for the readjustment. The system calculates the readjustment according to the account assignments of the outgoing document's offsetting entries. G/L items, except tax and cash discount items, are regarded as offsetting entries.

## Posting Balance Sheet Readjustments

To run the program for posting the balance sheet readjustment to the designated accounts, go into the G/L screen and proceed as follows:

1. Select *Periodic processing* → *Closing* → *Regroup* → *Post B/S readjust.*
2. Enter the following data:
  - Company code
  - Key date
    - Postings are carried out for all payables and receivables open for the specified key date. The system disregards payables and receivables cleared for this key date.
  - Lower date limit for tax
  - Here enter the posting date up to which no tax distribution should take place (for example, since the advance return for tax on sales/purchases has already taken place).
  - If you mark the *Generate postings* field, you must specify a document type for the documents that are to be created. If you do not specify a posting date, the system uses the key date as the posting date.
  - You can also select whether to have a log at the line item level. The system then lists the original document from which transfer posting occurred for each individual transfer posting.
  - Finally, you can select whether to have a log of distributed documents. This function lists for each original document selected the calculated distribution.
3. Select the required execution under *Program*.

The log displays per company code the generated transfer posting documents. Each block represents one document. The system lists the numbers of the generated document at the end of every block. You can access a document by double-clicking on the corresponding document number.

If you requested a log of the distributed documents, double click one of the displayed document numbers to branch to the document display.

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**Balance Sheet Readjustment: Additional Functions**

## Balance Sheet Readjustment: Additional Functions

There are four additional functions for the balance sheet readjustment:

### 1. Displaying logs of each individual posting run later

You can display the logs of posting runs of the balance sheet readjustment at any time. These logs are identical to the logs of the posting run.

To do this, select in the G/L screen *Periodic processing* → *Closing* → *Regroup* → *B/S readjust. log*. Enter the company code and either the run identification (internally supplied number) or the start date/time of the posting run. Use the “possible entries” key (F4) on the *Run identification* field, to get an overview of the posting runs carried out.

### 2. Reversing the last posting run of the balance sheet readjustment

The system reverses only the posting run management. Accounting documents generated by the posting run are not reversed and therefore, must be reversed manually.

You should use this function if:

a posting run can not be terminated (for example, system shut-down)

you carried out a posting run with a key day greater than one you wanted to use.

The log is identical to the standard log of the posting run. You should especially take note of the listed numbers of the transfer documents. **These documents must be reversed manually.**

To reverse the last posting run, select in the G/L screen *Periodic processing* → *Closing* → *Regroup* → *B/S readj. sp. funct*. Mark *Reverse posting run* and click *Continue*. Then enter the company code in which the last posting run should be reversed.

### 3. Changing the balance sheet readjustment adjustment accounts

You have the option to redetermine the adjustment accounts which will be posted to from the “balance sheet readjustment”.

The adjustment accounts are normally determined during the distribution calculation. If at this time you have not maintained the account determination, or if it has changed, then you must enter or update the adjustment accounts noted in the distribution before posting.

To do this, go to the general ledger menu and select *Periodic processing* → *Closing* → *Regroup* → *B/S readj. sp. funct* and select *Redetermine adjustment accounts*.

The clearing account on which the zero balance business area balance sheet postings are carried out is always determined just at the time of posting. If the system detects during posting that the adjustment account in at least one stored distribution is empty, program SAPF180K will be started automatically.

### 4. Setting up the balance sheet readjustment if you have already been using a Release prior to 3.0.

You can also carry out balance sheet readjustment for documents posted before Release 3.0.

To do this, select in the G/L screen *Periodic processing* → *Closing* → *Regroup* → *B/S readj. sp. funct*. Mark the *Set up subsequent adjustment* field and click *Continue*.

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**Balance Sheet Readjustment: Additional Functions**

Then enter the company code and the date on which the release upgrade had been carried out.

To determine the lower limit of the documents to be selected, enter the last reporting period for which a business area distribution had been carried out. The program then selects all customer and vendor items open for the end of the period as well as all documents posted as of the following period.

If you have not used business area distribution until now, specify the date from which you want a balance sheet readjustment. The program then selects all documents posted as of this date as well as all customer and vendor items open on the day before.

The log shows how many documents and customer and vendor open items per company code have been selected and queued for the readjustment.

**5. Displaying the calculated readjustment for an individual document from the document display.**

Select *Environment* → *B/S readjustment*.

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**List of Programs for Readjustment of Financial Statements**

## List of Programs for Readjustment of Financial Statements

The following programs are used to carry out readjustments to the financial statements:

Program Name	Function
SAPF181	Profit and loss readjustment
SAPF180A	Calculating balance sheet readjustment
SAPF180	Posting balance sheet readjustment
SAPF180P	Displaying balance sheet readjustment log
SAPF180N	Balance sheet readjustment for documents entered before Release 3.0
SAPF180S	Reversing the balance sheet readjustment posting run
SAPF180K	Changing the adjustment accounts for balance sheet readjustment

## Updating P&L Accounts at Business Area Level

In order to post to profit and loss accounts (primary cost element), you have to enter a CO account assignment object. This is assigned to the business area in its master record. Entering the CO account assignment object means that all the profit and loss accounts are updated at business area level.

A problem occurs however if you want to carry out automatic postings. When carrying out the automatic postings, the system cannot always determine which CO account assignment and therefore also which business area the postings should be assigned to. In this case, the system posts to a default object stored in the system (and therefore to a default business area).



### Invoice

Account	Business Area	Amount
Customer/receivable		1000,00
Revenue	0001	600,00-
Revenue	0002	400,00-

### Payment with discount

Account	Business Area	Amount
Bank		970,00
Customer/receivable		1000,00-
Cash discount paid	0010	30,00

In the standard system you can make transfer postings to the business area where the transaction originated for the following profit and loss accounts:

- Discounts
- Exchange rate differences

You can use the profit and loss readjustment to do this. At the end of the period, a report (SAPF181) reads all the items cleared in this period, analyzes the documents belonging to these items, and creates appropriate adjustment postings.



### Readjustment of the P&L business area

Account		Amount
Cash discount paid	0010	30,00-
Cash discount paid	0001	18,00
Cash discount paid	0002	12,00

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**Updating P&L Accounts at Business Area Level**

- The profit and loss account readjustment generates summarized transfer postings for each of the categories in question.
- You may only carry out the profit and loss account once for each posting period.

## Updating Balance Sheet Accounts at Business Area Level

For balance sheet accounts, you can make system configuration settings to specify whether the business area is a required entry with postings to these accounts. It may, for example, be necessary to not enter a business area if the financial statement item has to be assigned to several business areas but the original item should not be split up.



### Invoice

Account	Business Area	Amount
Customer/receivable		1150,00
Revenue	0001	600,00-
Revenue	0002	400,00-
Taxes		150,00-

In the standard system you can make transfer postings to the business area where the transaction originated for the following balance sheet accounts:

- Receivables
- Payables
- Cash discount clearing
- Taxes

You can use the balance sheet readjustment to do this. When you post a document, the system checks it and, if appropriate, marks it for the balance sheet readjustment. Program SAPF180A reads the marked documents, calculates the necessary adjustment postings, and updates these in its own database tables. A second program, SAPF180, reads the adjustment posting tables and on this basis posts the necessary accounting documents.



### Balance Sheet Readjustment

Account	Business Area	Amount
Receivable		1150,00-
Receivable	0001	690,00
Receivable	0002	460,00-
Taxes		150,00
Taxes	0001	90,00-
Taxes	0002	60,00-



- The balance sheet readjustment generates summarized transfer postings for each of the categories in question.

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**Updating Balance Sheet Accounts at Business Area Level**

- You can run a balance sheet readjustment as often as you require.
- You cannot however run the balance sheet readjustment without first activating the business area balance sheets for the company code in question.
- You can display the calculated adjustment postings for each individual document from the document display screen.

## Generating a Zero Balance at Business Area Level

## Generating a Zero Balance at Business Area Level

When a document is posted, the system does not guarantee a zero balance at business area level.



### Payment

Account	Business area	Amount
Bank		3450.00
Customer/receivable	0001	2300.00-
Customer/receivable	0002	1150.00-

In the standard system you can balance each business area to zero by means of adjustment postings.

You can use the balance sheet readjustment to do this. When a document is posted, the system checks the business area balance and if this is not zero it marks this document for the balance sheet readjustment. Program SAPF180A reads the marked documents and, calculates the necessary adjustment postings and updates these in its own database tables. A second program, SAPF180, reads the adjustment posting tables and on this basis posts the necessary accounting documents.

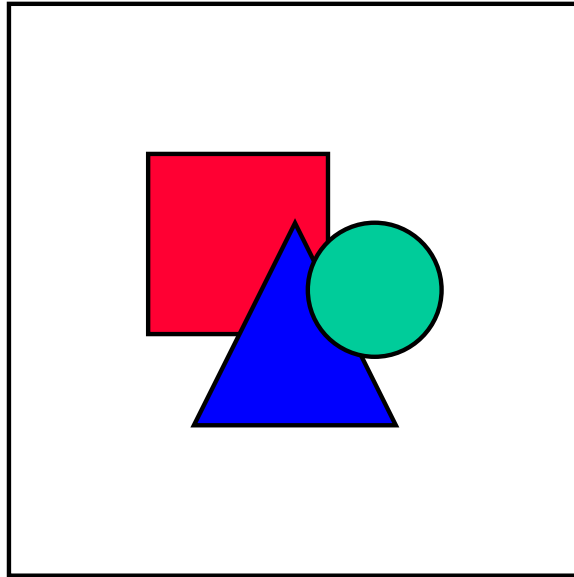
The adjustment postings are posted to a clearing account. This account fulfills the function of a receivable or payable from a business area against all other business areas.



### Balance sheet readjustment

Account	Business area	Amount
Clearing		3450.00-
Clearing	0001	2300.00
Clearing	0002	1150.00

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**Generating a Zero Balance at Business Area Level**

- The balance sheet readjustment generates summarized postings to the clearing account.
- You can run a balance sheet readjustment as often as you require.
- However, you cannot run the balance sheet readjustment without first activating the business area balance sheets for the company code in question.
- You can display the calculated adjustment postings for each individual document from the document display screen.