



Unit: Data Migration Tools

Topic: Opening Balances

Note: the assumption for this exercise is that the client is starting with the SAP Business One system at the start of a new fiscal year. Therefore, P&L balances do not need to be carried forward.

The Balance Sheet from the client's legacy system shows the following:

Balance Sheet	
Date: today	
Assets:	
National Bank	200,000
Petty cash	5,000
Inventory	60,000
Office buildings (warehouse)	350,000
Office and warehouse equipment	150,000
A/R	79,000
VAT receivable	4,000
Total assets:	<u>848,000</u>
Liabilities:	
A/P	35,000
VAT payable	8,000
Bank loan	150,000
Total liabilities:	193,000
Equity / Capital and Reserves:	
Retained earnings	155,000
Share capital	500,000
Total equity:	<u>655,000</u>
Total Liabilities & Equity:	<u><u>848,000</u></u>

1. Create an Opening Balance Offset Account

Choose *Financials* → *Chart of Accounts*.

Add a new G/L account called **Opening Balance Offset** to the Equity / Capital and Reserves drawer of the chart of accounts.

Choose *Administration* → *Setup* → *Financials* → *GL Account Determination* → *GL Account Determination*.

In the G/L account determination, set this account as the default Opening Balance Account in the **General** tab.

Choose **Update**.

2. Business Partner Opening Balances

Note: This exercise assumes that the following business partners have been created in the database in the DTW – Business Partners exercise. If the business partners do not exist, you should create them first.

Choose *Administration* → *System Initialization* → *Opening Balances* → *Business Partners Opening Balance*.

Choose **OK**.

Make sure the opening balances account is selected from the G/L account determination.

Select the 1st day of the current month as the posting date.

Enter reference information in the **Ref.1** field.

Enter the balances for the business partners:

Due Date	Business Partner	Balance
One week ago	London Coliseum	64,000
One week ago	MAX Hotel Group	15,000
Two weeks ago	Sound Systems Ltd.	-25,000
Two weeks ago	Global Electronics Corp	-10,000

Note: To enter a credit balance, you must use the minus ‘-‘ sign.

Choose **Add**.

Open one of the journal entries posted by the opening balance transaction.

Open the business partner master data for one of the business partners. Drill-down to the Account Balance. Run the aging report to check that the due date is correct.

Open the chart of accounts and write down the balance of the opening balances account

_____.

3. Item Quantities and Opening Balances

Note: This exercise assumes that the following items have been created in the database in the DTW – Item Master Data exercise. If the items do not exist, you should create them first.

Choose *Inventory* → *Inventory Transactions* → *Inventory Opening Balance*.

Select the 1st day of the current month as the posting date and enter a reference for the journal entry that will be posted.

Enter the opening balance quantity and item cost for the items. Select the opening balance offset account on the row.

Item	Opening Balance	Unit Price	Account Code
Laser Light	200	50	Select the opening balance account.
Flood Light	200	100	Select the opening balance account
Light Bulb - Laser	1000	5	Select the opening balance account
Light Bulb - Flood	2500	10	Select the opening balance account

Add batch information for each item row. For each row, right-mouse click and select **Serial and Batch Selection** from the context menu.

Enter a batch number and the quantity.

Choose *Update* then OK to save the batch information.

Choose *Add*.

Check the journal entries posted by the transaction. The posting has debited the inventory account defined in the G/L account determination.

Write down the account number for the inventory account _____.

Open the item master data for one of the items. Select the *Inventory Data* tab and verify the **In Stock** quantity.

Open the chart of accounts and write down the balance of the opening balances account _____.

4. G/L Account Opening Balances

Choose *Administration* → *System Initialization* → *Opening Balances* → *G/L Accounts Opening Balance*.

Choose **OK**.

Make sure the opening balances account is selected from the G/L account determination.

Enter a reference for the journal entry.

Select the 1st day of the current month as the posting date.

Enter balances from the provided Balance Sheet:

- Avoid entering duplicate values for the inventory account. Postings were made to this account when you entered the item opening balances.
- Avoid entering duplicate values for the A/R and A/P accounts.

Note: To enter a credit balance, you must use the minus '-' sign.

5. Check the Opening Balance Account

If you entered the balances correctly, the **Opening Balance Offset** account should have a zero balance.

If the account is not zero, investigate the account history. Did you enter credit balances correctly?

6. Optional exercise

Enter a payment for one of the business partners.

Choose *Banking* → *Incoming Payments* → *Incoming Payments*.

Select one of the customers for which you entered an opening balance in step 2.

Select the Opening Balance journal entry and make the payment!
