# TABLE OF CONTENTS

## INTRODUCTION .............................................................................................4

1) Accounts Receivable and Accounts Payable...............................................5

### 1.1 Customer Accounts...................................................................................5

#### 1.1.1 Master Records ..................................................................................5

##### 1.1.1.1 Define Account Groups with Screen Layout (Customers) .............5

##### 1.1.1.2 Define Screen Layout per Company Code (Customers) .............11

##### 1.1.1.3 Define Screen Layout per Activity (Customers)............................12

##### 1.1.1.4 Enter Accounting Clerk Identification Code for Customers.........17

##### 1.1.1.5 Define Industries ..........................................................................19

##### 1.1.1.6 Create Number Ranges for Customer Accounts .......................20

##### 1.1.1.7 Assign Number Ranges to Customer Account Groups ...............23

##### 1.1.1.8 Delete Customer Master Data (OBR2) .....................................24

### 1.2 Vendor Accounts .....................................................................................25

#### 1.2.1 Master Records ..................................................................................25

##### 1.2.1.1 Define Account Groups with Screen Layout (Vendors) .............25

##### 1.2.1.2 Define Screen Layout per Company Code (Vendors) .............29

##### 1.2.1.3 Define Screen Layout per Activity (Vendors).............................31

##### 1.2.1.4 Define Accounting Clerks ..........................................................36

##### 1.2.1.5 Create Number Ranges for Vendor Accounts .........................37

##### 1.2.1.6 Assign Number Ranges to Vendor Account Groups .................40

##### 1.2.1.7 Delete Vendor Master Data (OBR2) .........................................41

### 1.3 Business Transactions .............................................................................42

#### 1.3.1 Incoming Invoices/Credit Memos .....................................................42

##### 1.3.1.1 Maintain Terms of Payment ......................................................42

##### 1.3.1.2 Define Terms of Payment for Installment Payments ...............47

##### 1.3.1.3 Define Cash Discount Base for Incoming Invoices ..................52

#### 1.3.2 Outgoing Payments ..........................................................................53

##### 1.3.2.1 Outgoing Payments Global Settings ..........................................53

##### 1.3.2.1.1 Define Accounts for Cash Discount Taken .........................53

##### 1.3.2.1.3 Define Accounts for Exchange Rate Differences (OB09) .........54

##### 1.3.2.1.4 Define Accounts for Rounding Differences ...........................58

##### 1.3.2.1.5 Define Accounts for Bank Charges (Vendors) ....................61

##### 1.3.2.1.6 Define Payment Block Reasons ...........................................62

##### 1.3.2.1.7 Define Default Values for Payment Block ..............................63

##### 1.3.2.2 Manual outgoing Payments .......................................................64

##### 1.3.2.2.1 Define Tolerances (Vendors) .................................................64

##### 1.3.2.2.2 Define Reason Codes (Manual Outgoing Payments) ..............67

##### 1.3.2.2.3 Define Accounts for Payment Differences (Manual Outgoing Payment) ...................................................67

##### 1.3.2.3 Automatic Outgoing Payments ..................................................71

##### 1.3.2.3.1 Set Up All Company Codes for Payment Transactions ...........74

##### 1.3.2.3.2 Set Up Paying Company Codes for Payment Transactions ......76

##### 1.3.2.3.3 Set Up Payment Methods per Country for Payment Transactions .................................................................82

##### 1.3.2.3.4 Set Up Payment Methods per Company code for Payment Transactions .................................................................88

##### 1.3.2.3.5 Set Up Bank Determination for Payment Transactions ...........94

#### 1.3.3 Outgoing Invoices/Credit Memos .....................................................97
FIAPR CONFIGURATION

1.3.3.1 Maintain Terms of Payment ....................................................97
1.3.3.2 Define Cash Discount Base for Outgoing Invoices...............97
1.3.4 Incoming Payments ....................................................................98
1.3.4.1 Define Accounts for Cash Discount Granted .......................98
1.3.5 Down payment received from customer ....................................101
1.3.5.1 Define Reconciliation Accounts for Customer Down Payments
.....................................................................................................101
1.3.6 Down payment made to vendor .................................................106
1.3.6.1 Define Alternative Reconciliation Account for Down Payments
made to Vendor ........................................................................... 106
1.3.7 Define Sort Method and Adjustment Accts for Regrouping
Receivables/Payables ........................................................................111
1.3.8 Define Reply Addresses for Balance Confirmation ...............118
FIAPR CONFIGURATION

INTRODUCTION

Having configured the FI-GL component, we now need to configure the second important module Accounts Receivable (AR) and Accounts Payable (AP) of SAP.

The AR and AP acts as a sub ledger to FI-GL for managing the balances of Customers and Vendors. The AR and AP components store all the information and balance details for each customer and vendor.

Data is updated from AR and AP in real time to the FI-GL module. Most of the Data in AP module is obtained from the Materials Management (MM) module. Similarly most of the Data in AR module is obtained from the Sales and Distribution module.

Here we will see the configuration for AR and AP and also cover the configuration for Automatic payment program.
1) Accounts Receivable and Accounts Payable

1.1 Customer Accounts

1.1.1 Master Records

1.1.1.1 Define Account Groups with Screen Layout (Customers)

When creating a customer account, you must specify an account group. You use the account group to determine:

- the interval for the account numbers
- whether the number is assigned internally by the system or externally by the user (type of number assignment)
- whether it is a one-time account
- which fields are ready for input or must be filled when creating and changing master records (field status)

Click on New entries

Update the following:
Click on Save

Double Click
FIAPR CONFIGURATION

Maintain Field Status Group: Overview

General Data
- Acct group Z310
- Sold to party
- General data

Select Group
- Address
- Communication
- Control
- Marketing
- Payment transactions
- Unloading points
- Contact person
- Foreign trade

Double Click Address
### Maintain Field Status Group: Address

**General Data**
- Acct group: Z910
- Sold to party
- General data

<table>
<thead>
<tr>
<th>Address</th>
<th>Suppress</th>
<th>Req. Entry</th>
<th>Opt. Entry</th>
<th>Display</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name 1 (last name)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Form of address</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Search term A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name 2 (first name)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name 3, name 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postal code, city</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P.O. Box</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P.O. box postal code</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation zone</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax jurisdiction code</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P.O. Box city</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Search term B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ID name</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Click [twice]
Double Click **Account management**

Change Reconciliation account and sort key from Opt entry to Req. entry

![Maintain Field Status Group: Account management]

<table>
<thead>
<tr>
<th>Account management</th>
<th>Suppress</th>
<th>Req. Entry</th>
<th>Opt. Entry</th>
<th>Display</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation account</td>
<td></td>
<td>✗</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash management group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previous account number</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sort key</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head office</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preference indicator</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest calculation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buying Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel number</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Release Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value adjustment key</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Click on

Change Terms of payment from Opt. Entry to Req. entry
Click on Save

1.1.1.2 Define Screen Layout per Company Code (Customers)

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Customer Accounts → Master Data → Preparations for Creating Customer Master Data → Define Screen Layout per Company Code (Customers)

Here in this step you specify, depending on the company code, which company code-dependent master record fields

![Field Status Group: Payment transactions](image)

<table>
<thead>
<tr>
<th>Field Status Group: Payment transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Data</strong></td>
</tr>
<tr>
<td>Acct group Z910</td>
</tr>
<tr>
<td>Sold to party</td>
</tr>
<tr>
<td>Company code data</td>
</tr>
<tr>
<td><strong>Payment transactions</strong></td>
</tr>
<tr>
<td>Terms of payment</td>
</tr>
<tr>
<td>Bill of exch. charges terms</td>
</tr>
<tr>
<td>Payment block</td>
</tr>
<tr>
<td>Payment methods</td>
</tr>
<tr>
<td>Alternative payer account</td>
</tr>
<tr>
<td>Clearing with vendor</td>
</tr>
<tr>
<td>Bill of exchange limit</td>
</tr>
<tr>
<td>Next payee</td>
</tr>
<tr>
<td>Indicate payment history</td>
</tr>
<tr>
<td>Tolerance group</td>
</tr>
<tr>
<td>House bank</td>
</tr>
<tr>
<td>Known/negotiated leave</td>
</tr>
<tr>
<td>Lockbox</td>
</tr>
<tr>
<td>Payment advice via EDI</td>
</tr>
<tr>
<td>Payment advice notes</td>
</tr>
<tr>
<td>Single print, grp key, PM suppl.</td>
</tr>
<tr>
<td>Credit memo terms of payment</td>
</tr>
<tr>
<td>Diff payer in document</td>
</tr>
<tr>
<td>Accts reconcile/pledging ind.</td>
</tr>
</tbody>
</table>
FIAPR CONFIGURATION

- are ready for input
- require an entry
- are hidden.

This specification is linked to the field status of the account group and a specification for the transaction. By means of the link, you can see which status the fields have on the entry screen for master data. In this case, the fields take on the status which has the highest priority. Hiding a field has the highest priority, followed by a display field, a required field and then an optional field:

The entry under the company code * applies to the company codes which are not explicitly entered in the table. You should not delete this entry.

Normally no configuration is required except in exceptional cases. For example, if the company codes are in different countries or some company codes do not use automatic payment processing for customers. If fields are to have an alternative status depending on the company code, specify the company code and determine the status of the fields.

We will not configure anything here since we do not want field status differently based on company codes.

1.1.1.3 Define Screen Layout per Activity (Customers)

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Customer Accounts ➔ Master Data ➔ Preparations for Creating Customer Master Data ➔ Define Screen Layout per Activity (Customers)

In this activity you specify, depending on the transactions (display, create, change) for customer master data, which master record fields
FIAPR CONFIGURATION

- are ready for input
- require an entry
- are hidden.

This specification is linked with the field status of the account group and the company code-dependent specification. By means of the link, you can see which status the fields have on the entry screen for master data. In this case, the fields take on the status which has the highest priority. Hiding a field has the highest priority, followed by a display field, a required field and then an optional field:

This particular configuration is required if the fields are to be filled when creating and are not to be changed via the change transaction. This is required for reconciliation account. The reconciliation account updated during the create mode should not be changed later on in the change mode. This will create a lot of problem. In the change mode the field should not be available for change. It should be only in the display mode.

Let us configure that.

Double click
Double click **Company code data**

**Maintain Field Status Group: Overview**

Double click **Account management**

Change the reconciliation account from Req entry to display
Maintain Field Status Group: Account management

Click on

Click

Double click Change Customer (Centrally)
Double click **Company code data** and change reconciliation account from optional entry to display
Click on

1.1.1.4 Enter Accounting Clerk Identification Code for Customers

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Customer Accounts ➔ Master Data ➔ Preparations for Creating Customer Master Data ➔ Enter Accounting Clerk Identification Code for Customers

In this step, you define the names of the accounting clerks under a name identification code. You enter the identification code in the customer master records which the accounting clerk supervises. You can use this information for evaluations and for correspondence.
Click on New entries

Update the following:

Click on Save
1.1.1.5 Define Industries

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Customer Accounts ➔ Master Data ➔ Preparations for Creating Customer Master Data ➔ Define Industries

In this activity you define the industries you require. You can group together your customers by industry. The industry field is located in the general area of the customer’s master record. You specify what industry a business partner belongs to by entering an industry key in its master record. You can use this information for evaluations, for example, to create a customer list according to industry.

We will not configure anything here. In case you want to configure click on new entries, enter a 3 digit code and description.
1.1.1.6 Create Number Ranges for Customer Accounts

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Customer Accounts ➔ Master Data ➔ Preparations for Creating Customer Master Data ➔ Create Number Ranges for Customer Accounts

In this activity you create the number ranges for the customer accounts. To do this, specify the following under a two-character key:

- A number interval from which the account number for the customer accounts is to be selected
- The type of number assignment (internal or external number assignment)

In this screen you will notice that there is no company code selection. The customer number is created at a client level. This means that the same customer number can be extended by more than one company code.
FIAPR CONFIGURATION

Maintain Number Range Intervals

Click on

Insert Interval

New interval

Existing number ranges

Page 21 of 21

SAP ENTERPR1SE
FIAPR CONFIGURATION

Click  

Click on Save  

The number range intervals are not included in automatic recording of customizing changes. Transport of all the changes made within number range interval maintenance must be triggered manually.

In the initial screen for number range interval maintenance choose the function **Interval -> Transport**.

Please note the information that you get when transporting number range intervals.

To Transport

When we transport in the above manner all intervals for the selected number range object are deleted in the target system first. After the import, only the
FIAPR CONFIGURATION

intervals you export are present. The number statuses are imported with their values at the time of export. Dependent tables are not transported or converted.

It is advisable that the number ranges are manually maintained on the respective system (quality, production).

1.1.1.7 Assign Number Ranges to Customer Account Groups

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Customer Accounts ➔ Master Data ➔ Preparations for Creating Customer Master Data ➔ Assign Number Ranges to Customer Account Groups

In this step you assign the number ranges you created in the preceding step to the account groups for customers. You can use one number range for several account groups.
We will assign number range Z9 created to account Z910.

![Change View "Assign Customer Acct Groups->Number Ranges"

<table>
<thead>
<tr>
<th>Group</th>
<th>Name</th>
<th>Number range</th>
</tr>
</thead>
<tbody>
<tr>
<td>D170</td>
<td>Consumer</td>
<td>08</td>
</tr>
<tr>
<td>BR01</td>
<td>National Brazilian Customer</td>
<td>XX</td>
</tr>
<tr>
<td>BR02</td>
<td>Internacional brazilian Customer</td>
<td>XX</td>
</tr>
<tr>
<td>CP0</td>
<td>One-time customers</td>
<td>01</td>
</tr>
<tr>
<td>CP0A</td>
<td>One-time customer</td>
<td>XX</td>
</tr>
<tr>
<td>CUST</td>
<td>Customers</td>
<td>01</td>
</tr>
<tr>
<td>DEBI</td>
<td>Treasury customer</td>
<td>01</td>
</tr>
<tr>
<td>KUNA</td>
<td>General customers</td>
<td>XX</td>
</tr>
<tr>
<td>PLNT</td>
<td>customer belonging to group</td>
<td>01</td>
</tr>
<tr>
<td>RE</td>
<td>Real Estate customer</td>
<td>02</td>
</tr>
<tr>
<td>VV0</td>
<td>Customer IS-IS loan</td>
<td>02</td>
</tr>
<tr>
<td>Z910</td>
<td>Sold to party</td>
<td></td>
</tr>
<tr>
<td>ZA61</td>
<td>Sold-to party R/3 ➔ CRM</td>
<td>07</td>
</tr>
<tr>
<td>ZA62</td>
<td>Sold-to party CRM ➔ R/3</td>
<td>08</td>
</tr>
<tr>
<td>ZAP0</td>
<td>Sold-to party (APO Customers)</td>
<td>XX</td>
</tr>
<tr>
<td>ZAR6</td>
<td>Sold-to party</td>
<td>02</td>
</tr>
</tbody>
</table>
Update the following:-

1.1.1.8 Delete Customer Master Data (OBR2)

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Customer Accounts ➔ Master Data ➔ Delete Customer Master Data (OBR2)

You can delete the master records for customers by using this program. This program is to be used only during test phase. The company code for which master records are to be deleted, should not be flagged as productive. Only master records for accounts which do not have any transaction data may be deleted. The general customer master data is only deleted for customers who are not also created as customers in Sales and Distribution.

You can use transaction code OBR2 in the main SAP Easy Access menu.
1.2 Vendor Accounts

1.2.1 Master Records

1.2.1.1 Define Account Groups with Screen Layout (Vendors)

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Data → Preparations for Creating Vendor Master Data → Define Account Groups with Screen Layout (Vendors)

In this step you specify the account groups for vendors.

Via the account group you determine

- The interval for the account numbers
- Whether the number is assigned internally by the system or externally by the user (type of number assignment)
FIAPR CONFIGURATION

- Whether it is a one-time account
- Which fields are ready for input or must be filled when creating and changing master data (field status)

Click on New entries

Update the following:
FIAPR CONFIGURATION

New Entries: Details of Added Entries

Account group  Z910

General data
Name  Vendors A Ltd
One-time account  

Field status
General data
Company code data
Purchasing data

Click on Save

Double Click  Company code data

Maintain Field Status Group: Overview

General Data
Acct group  Z910
Vendors A Ltd
Company code data

Select Group
Account management
Payment transactions
Correspondence
Witholding tax data, wih tax 2

Double Click  Account management
Make Reconciliation account and sort key as Req. entry as follows

<table>
<thead>
<tr>
<th>Field status</th>
<th>Edit</th>
<th>Goto</th>
<th>Extras</th>
<th>System</th>
<th>Help</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Maintain Field Status Group: Account management

<table>
<thead>
<tr>
<th>General Data</th>
<th>Page 1 / 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acct group</td>
<td>Z910</td>
</tr>
<tr>
<td>Vendors A Ltd</td>
<td></td>
</tr>
<tr>
<td>Company code data</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account management</th>
<th>Suppress</th>
<th>Req Entry</th>
<th>Opt. Entry</th>
<th>Display</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation account</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cash management group</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Previous account number</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Sort key</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Head office</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Authorization</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Preference indicator</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Minority indicator</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Withholding tax code (1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Withd. tax exempt, withd. tax 1</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Interest calculation</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Withd. tax cal, exempt, reason(1)</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Withholding Tax Country</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Personnel number</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Release Group</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Gross income tax</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

Click on

Make Terms of payment Req. entry
### 1.2.1.2 Define Screen Layout per Company Code (Vendors)

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Data → Preparations for Creating Vendor Master Data → Define Screen Layout per Company Code (Vendors)

Here you determine, depending on the company code, which company code-dependent master record fields

- are ready for input

![Maintain Field Status Group: Payment transactions](image)

**Field check**

<table>
<thead>
<tr>
<th>Field status</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppress</td>
<td></td>
</tr>
<tr>
<td>Req. Entry</td>
<td></td>
</tr>
<tr>
<td>Opt. Entry</td>
<td></td>
</tr>
<tr>
<td>Display</td>
<td></td>
</tr>
</tbody>
</table>

**General Data**

- Acct. group: Z910
- Vendors A Ltd
- Company code data

**Payment transactions**

- Terms of payment
- Double invoice validation
- Payment block
- Payment methods
- Alternative payee account
- Clearing with customer
- Bill of exchange limit
- Cashed checks duration
- Invoice verification tol group
- Tolerance group
- House bank
- Payment advice via EDI
- Single pmnt. proc key, PM suppl.
- Credit memo terms of payment
- Alternative payee in document

**Click on Save**
FIAPR CONFIGURATION

- require an entry
- are hidden.

This specification is linked to the field status of the account group and a specification for the transaction. By means of the link, you can see which status the fields have on the entry screen for master data. In this case, the fields take on the status which has the highest priority. Hiding a field has the highest priority, followed by a display field, a required field and then an optional field:

The entry under the company code * applies to the company codes which are not explicitly entered in the table. You should not delete this entry.

Normally no configuration is required except in exceptional cases. For example, if the company codes are in different countries or some company codes do not use automatic payment processing for customers. If fields are to have an alternative status depending on the company code, specify the company code and determine the status of the fields.

We will not configure anything here since we do not want field status differently based on company codes.
1.2.1.3 Define Screen Layout per Activity (Vendors)

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Vendor Accounts ➔ Master Data ➔ Preparations for Creating Vendor Master Data ➔ Define Screen Layout per Activity (Vendors)

In this activity you specify, depending on the transactions (display, create, change) for customer master data, which master record fields

- are ready for input
- require an entry
- are hidden.

This specification is linked with the field status of the account group and the company code-dependent specification. By means of the link, you can see which status the fields have on the entry screen for master data. In this case, the fields take on the status which has the highest priority. Hiding a field has the highest priority, followed by a display field, a required field and then an optional field:

This configuration is required if the fields are to be filled when creating and are not to be changed via the change transaction. This is required for reconciliation account. The reconciliation account updated during the create mode should not be changed later on in the change mode. This will create a lot of problem. In the change mode the field should not be available for change. It should be only in the display mode.

Let us configure that.
Double click **Change Vendor (Accounting)**

**Change View "Transaction-Dependent Field Selection (Vendor)" : Details**

- **Transaction:** Change Vendor (Accounting)
- **Field status:**
  - General data
  - Company code data

Double click **Company code data**

**Maintain Field Status Group: Overview**

- **Subgroup list**
  - **General Data**
    - Change Vendor (Accounting)
    - Company code data

**Select Group**

- Account management
- Payment transactions
- Correspondence
- Withholding tax data, with tax 2

Double click **Account management**
Change the Reconciliation account from Opt. Entry to Display
Click on 

Similarly also make the Reconciliation account as display in Change Vendor (centrally activity).

Double click

Field status
- General data
- Company code data
- Purchasing data
Double click Company code data

Change the Reconciliation account from Opt. entry to Display
1.2.1.4 Define Accounting Clerks

In this step, you define the names of the accounting clerks under a name identification code. You enter the identification code in the vendor master data which the accounting clerk supervises. You can use this information for evaluations and for correspondence.

Click on New entries
FIAPR CONFIGURATION

Update the following:-

![New Entries: Overview of Added Entries](image)

Click on Save

1.2.1.5 Create Number Ranges for Vendor Accounts

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Vendor Accounts ➔ Master Data ➔ Preparations for Creating Vendor Master Data ➔ Create Number Ranges for Vendor Accounts

Here you create the number ranges for vendor accounts. You specify whether the number range is internal or external. Internal number range means the system allots the number automatically from the number range. External number range means the system expects the user to allot the number from the specified range.

In this screen you will notice that there is no company code selection. The Vendor number is created at a client level. This means that the same vendor number can be extended by more than one company code.
FIAPR CONFIGURATION

Vendor Number Ranges

Click on Intervals button

Maintain Number Range Intervals

Number Range Object: Vendor

Ranges:

<table>
<thead>
<tr>
<th>No</th>
<th>From number</th>
<th>To number</th>
<th>Current number</th>
<th>Est</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>00000000001</td>
<td>0000999999</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>00001000000</td>
<td>0000199999</td>
<td>000100132</td>
<td></td>
</tr>
<tr>
<td>03</td>
<td>00002000000</td>
<td>0000299999</td>
<td>000200054</td>
<td></td>
</tr>
<tr>
<td>77</td>
<td>1988-99</td>
<td>9999-99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>XX</td>
<td></td>
<td></td>
<td>ZZZZZZZZZZZ</td>
<td></td>
</tr>
</tbody>
</table>
FIAPR CONFIGURATION

Click on

Update the following:-

Click on

Click on Save

You get the following message
1.2.1.6 Assign Number Ranges to Vendor Account Groups

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Data → Preparations for Creating Vendor Master Data → Assign Number Ranges to Vendor Account Groups

Assign number range Z9 to account group Z910

Update the following:-
1.2.1.7 Delete Vendor Master Data (OBR2)

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Vendor Accounts → Master Data → Delete Vendor Master Data

Here you can delete the master Data for vendors. You can use this program in the test phase. The company code, for which master Data are to be deleted, should not be flagged as productive. Only master Data for accounts which do not have any transaction data may be deleted. The general vendor master data is only deleted for vendors who are not also created as vendors in Purchasing.
1.3 Business Transactions

1.3.1 Incoming Invoices/Credit Memos

1.3.1.1 Maintain Terms of Payment

Here you can define rules which are stored under a four-character key called as payment term. You assign this terms of payment to the vendors master record. The payment term is proposed when entering a document to the vendor account. You can use the same key for the terms of payment for both customers and vendors who have the same payment terms. SAP recommends, however, that
FIAPR CONFIGURATION

you use different terms of payment keys for customers and vendors and limit the permitted account type correspondingly within the terms of payment.

Let us configure 2 payment terms.

1) Payable to vendor 60 days. If paid within 30 days 2 % cash discount can be availed.
2) Receivable from customer within 45 days. If paid within 15 days 2 % cash discount will be paid.

Generally document date is selected as the default baseline date. Document date is the invoice date.

You configure both the payment terms for customers and vendor using the same configuration path.
Click on New entries
Click on Save

Let us configure another payment term.

Click

Now we will configure payment term for customer.

Click on New entries
## New Entries: Details of Added Entries

<table>
<thead>
<tr>
<th>Payment terms</th>
<th>Sales text</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Day limit</th>
<th>Own explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Account tree
- [ ] Customer
- [x] Vendor

### Baseline date calculation
- Fixed day
- Additional months

### Print block or print method default
- Block key
- Payment method

### Default for baseline date
- @ No default
- Posting date
- Document date
- Entry date

### Payment terms
1. Installment payment
2. Rec. Entries: Supplement from Master
3. Payable immediately

### Explanations
- Due net
Update the following:-

<table>
<thead>
<tr>
<th>Payment terms</th>
<th>Sales text</th>
<th>45 day due net 15 days 3% disc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day limit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vendor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseline date calculation</td>
<td>Fixed day</td>
<td>Additional months</td>
</tr>
<tr>
<td>Print block amount method default</td>
<td>Block key</td>
<td>Payment method</td>
</tr>
<tr>
<td>Default for baseline date</td>
<td>No default</td>
<td>Posting date</td>
</tr>
<tr>
<td>Document date</td>
<td>Yes</td>
<td>Entry date</td>
</tr>
<tr>
<td>Payment terms</td>
<td>Installment payment</td>
<td>Rec. Entries: Supplement from Master</td>
</tr>
<tr>
<td>Term</td>
<td>Percentage</td>
<td>No. of days</td>
</tr>
<tr>
<td>1</td>
<td>3.00%</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>4.00%</td>
<td>45</td>
</tr>
<tr>
<td>3</td>
<td>3.00%</td>
<td></td>
</tr>
</tbody>
</table>

Explanations

| Within 15 days 3% cash discount | Within 45 days Due net |

Click on Save

1.3.1.2 Define Terms of Payment for Installment Payments

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Incoming Invoices/Credit Memos → Define Terms of Payment for Installment Payments

Here you can configure whether an invoice amount is to be divided into partial amounts with different due dates. For this, you must specify the amount of the holdback/retainage in percent and the terms of payment for each holdback/retainage payment. If you then post an invoice with terms of holdback/retainage payment, the system generates the corresponding number of line items due to your specifications for the holdback/retainage.

We want to create an installment payment key where 60% of the amount is payable to vendor within 90 days and the balance 40% in 120 days.
Let us create 3 payment terms (keys) using configuration path in step 1.3.1.1

The Installment payment tick is very important.

Click on Save

Click on New entries
FIAPR CONFIGURATION

**New Entries: Details of Added Entries**

<table>
<thead>
<tr>
<th>Payment terms</th>
<th>Sales text</th>
</tr>
</thead>
<tbody>
<tr>
<td>2913</td>
<td></td>
</tr>
<tr>
<td>Day limit</td>
<td>Own explanation</td>
</tr>
</tbody>
</table>

**Account type**

- [ ] Customer
- [x] Vendor

**Baseline date calculation**

- Fixed day
- Additional months

**Prompt blockform method default**

- Block key
- Payment method

**Default for baseline date**

- [ ] No default
- [ ] Posting date
- [x] Document date
- [ ] Entry date

**Payment terms**

- [ ] Installment payment

<table>
<thead>
<tr>
<th>Term</th>
<th>Percentage</th>
<th>No. of days</th>
<th>Fixed date</th>
<th>Additional months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Explanations**

- 60% payable 90 days

**Click on Save**

**Click on**

- New entries
Click on Save

Now link all the 3 keys together using the above configuration path.

Click on New entries

Update the following:
FIAPR CONFIGURATION

Take a drop down in field payment terms

Double Click Z912

Update the following:-
1.3.1.3 Define Cash Discount Base for Incoming Invoices

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Business Transactions ➔ Incoming Invoices/Credit Memos ➔ Define Cash Discount Base for Incoming Invoices

Here we define whether the tax amount is taken into consideration in the base amount for calculating the cash discount amount. This specification is per company code.

We do not want the cash discount base to be net; hence we will not configure this.
1.3.2 Outgoing Payments

1.3.2.1 Outgoing Payments Global Settings

1.3.2.1.1 Define Accounts for Cash Discount Taken

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Outgoing Payments Global Settings → Define Accounts for Cash Discount Taken

Here you define the account numbers of your cash discount received accounts. The system posts the cash discount amount to these accounts when clearing open items in vendors. You can specify tax code also.

Update the following: -
Click on Save

827110 is a cash discount received account

Click on Save

1.3.2.1.3 Define Accounts for Exchange Rate Differences (OB09)
1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Outgoing Payments Global Settings → Define Accounts for Exchange Rate Differences

The configuration procedure is same for both customer and vendor. Which means you can use the same path to maintain the customer and vendor for exchange rate differences.

Update the following:-

Click on **New entries**

Here you will enter the GL code for Accounts receivable or Accounts Payable (the reconciliation account). You can enter different GL codes for each currency code and currency type. Alternatively if you do not want different GL codes for each currency you can keep them blank.
**FIAPR CONFIGURATION**

119020 is the GL code for Account Receivables trade 3rd parties

**Loss:** Here you enter the GL code for exchange loss, which is realized

**Gain:** Here you enter the GL code for exchange gain, which is realized.

**Val. loss 1:** Here you enter the GL code for unrealized exchange Loss on revaluation of open items i.e. accounts receivable and accounts payable

**Val. gain 1:** Here you enter the GL code for unrealized exchange gain on revaluation of open items i.e. accounts receivable and accounts payable

**Bal.sheet adj.1:** Here you enter the GL code to which the receivable and payables adjustment is posted during foreign currency valuation of open items.

The SAP System supports two valuation areas in parallel. This account is used during valuation of the first valuation area.
FIAPR CONFIGURATION

The first valuation area reflects the local view of the Company code; the second valuation area takes the corporate policy for the valuation into consideration.

Similarly you can configure exchange rate difference for account payable.

213320 is accounts payable trade third parties
1.3.2.1.4 Define Accounts for Rounding Differences

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Business Transactions ➔ Outgoing Payments ➔ Outgoing Payments Global Settings ➔ Define Account for Rounding Differences

This configuration is valid for both customers and vendors.

Update the following:
Maintain FI Configuration: Automatic Posting - Rules

Click on Save

Click on Posting Key

Maintain FI Configuration: Automatic Posting - Posting Key

Update the following:-
Maintain FI Configuration: Automatic Posting - Post

Transaction: RDF - Internal currencies rounding differences

Posting Key
- Debit: 48
- Credit: 58

Note: Posting keys are independent of chart of accounts

Click on Save

Update the following:

Maintain FI Configuration: Automatic Posting - Accounts

Chart of Accounts: YCCA - Common Chart of Accounts A Group cos
Transaction: RDF - Internal currencies rounding differences

Account assignment
- Account: 472003

Click on Save
FIAPR CONFIGURATION

1.3.2.1.5 Define Accounts for Bank Charges (Vendors)

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Business Transactions ➔ Outgoing Payments ➔ Outgoing Payments Global Settings ➔ Define Accounts for Bank Charges (Vendors)

**This configuration is valid for both customers and vendors.**

Here you define the account numbers of your bank charges accounts. The system posts the charges amount you specify for a bank item when settling payment to these accounts. The bank charges accounts must be defined as relevant to cash flow.

---

**Double Click**

| Bank charges | BSP |  

Update following:-

![Chart of Accounts](Image)

**Update following:-**

![Maintain FI Configuration: Automatic Posting - Accounts](Image)
FIAPR CONFIGURATION

470103 is Bank charges account

Click on Save

1.3.2.1.6 Define Payment Block Reasons

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Outgoing Payments Global Settings → Payment Block Reasons → Define Payment Block Reasons

Using payment blocking reasons, you can differentiate why invoices are to be blocked for payment.

For each block indicator, you must decide whether:

- Changes are allowed in the payment proposal.
  - If the indicator is not set, the reason for blocking cannot be set nor removed when a payment proposal is processed.

- Documents defined with the block key are also not to be cleared during manual payment entry.

Payment blocking reasons are valid for all company codes. By using the reasons for payment blocking, you can also prevent items from being processed manually with the clearing procedures "Incoming payment" and "Outgoing payment". You define a blocking reason to do this and mark it accordingly. Such items can always be transferred or reversed.

You can configure Payment block reasons as required by you.
1.3.2.1.7 Define Default Values for Payment Block

1MG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Outgoing Payments Global Settings → Payment Block Reasons → Define Default Values for Payment Block

Here you can change (based on the payment terms) the blocking key value that is proposed as a default when entering postings to customer accounts and vendor accounts.
1.3.2.2 Manual outgoing Payments

1.3.2.2.1 Define Tolerances (Vendors)


This configuration setting is valid for both customers and vendors.

Here you specify the tolerances for vendors. These tolerances are used for dealing with differences in payment and residual items which can occur during payment settlement. Specify the tolerances under one or more tolerance

<table>
<thead>
<tr>
<th>PayT</th>
<th>Day limit</th>
<th>Block key</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2910</td>
<td>0</td>
<td></td>
<td>60 days due 2% cash disc 30 days</td>
</tr>
<tr>
<td>2911</td>
<td>0</td>
<td></td>
<td>Within 15 days 3% cash discount Within 45 days Due net</td>
</tr>
<tr>
<td>2912</td>
<td>0</td>
<td></td>
<td>60% payable 90 days 40% 120 days</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td></td>
<td>60% payable 90 days</td>
</tr>
</tbody>
</table>
FIAPR CONFIGURATION

groups. Allocate a tolerance group to each vendor via the master record. For each tolerance group, specify the following:

- Tolerances up to which differences in payment are posted automatically to expense or revenue accounts when clearing open items
- The handling of the terms of payment for residual items, if they are to be posted during clearing

When clearing, the lower limit for the customer specifications and employee group specifications are taken. Employee tolerance is configured in the F1 GL module. The tolerance needs to be assigned to the vendor master.

We are configuring a blank tolerance group

The permitted payment difference configured for gain and loss is 100 INR or 5% whichever is lower.
Change View "Customer/Vendor Tolerances": Overview

<table>
<thead>
<tr>
<th>Company Code</th>
<th>Tolerance group</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>DEB1</td>
<td></td>
</tr>
<tr>
<td>0001</td>
<td>DEB2</td>
<td></td>
</tr>
<tr>
<td>0001</td>
<td>DEB3</td>
<td></td>
</tr>
<tr>
<td>0001</td>
<td>KRE1</td>
<td></td>
</tr>
<tr>
<td>1000</td>
<td>1980</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>2100</td>
<td>2100</td>
<td></td>
</tr>
<tr>
<td>2100</td>
<td>2200</td>
<td></td>
</tr>
<tr>
<td>2200</td>
<td>2200</td>
<td></td>
</tr>
<tr>
<td>2400</td>
<td>DEB1</td>
<td></td>
</tr>
<tr>
<td>2400</td>
<td>DEB2</td>
<td></td>
</tr>
</tbody>
</table>

Click on New entries
Update the following: -

1.3.2.2.2 Define Reason Codes (Manual Outgoing Payments)

FIAPR CONFIGURATION

Here you define reason codes, per company code, for handling payment differences in the form of

- Residual items
- Partial payments
- Postings on account

Reason codes help in giving information in a structured manner, if the cash discount period was exceeded or if cash discount was taken when net payment was due, if the customer paid short and so on.

Per reason code, you determine:

- In which company code it is valid
- Which correspondence type (payment notice to the customer) is connected to it
- Short text and long text of the reason code

There are 3 indicators available:

**Charge of difference via separate account:**

- Indicator that payment differences with this reason code are charged off via a separate G/L account. The account is specified in the configuration menu depending on the reason code.

**Indicator: Disputed item:**

- Indicator which should cause a disputed item from payment differences with this reason code during residual item formation. Disputed items do not raise the total receivables for a customer in the framework of the credit management program.

**Indicator: Do not copy text:**

- If you set this indicator, the text for the reason code is not copied into the segment text of the residual item or the partial payment. Set the indicator if you want to enter the segment text manually.

**Indicator: Do not consider tol. limit for diff to payment advice note item**
Update the following:

Click on New entries
Update the following:-

Click on Save

We will create one more reason code to be charged off to a different account

Click on New entries

Update the following:-
1.3.2.2.3 Define Accounts for Payment Differences (Manual Outgoing Payment)


This configuration is valid for both customers and vendors.

Here you set the account determination for the reason codes for which payment differences are charged off via a separate G/L account. You have defined reason codes in the earlier step and determined whether an
FIAPR CONFIGURATION

outstanding receivable is to be set for the customer or whether the difference is to be charged off for each reason code.

Update the following:

![Chart of Accounts](image)

![Automatic Posting - Rules](image)

Update the following:
FIAPR CONFIGURATION

Maintain FI Configuration: Automatic Posting - Rules

<table>
<thead>
<tr>
<th>Accounts</th>
<th>Posting Key</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chart of Accounts</td>
<td>YCCA</td>
</tr>
<tr>
<td>Transaction</td>
<td>ZDI</td>
</tr>
</tbody>
</table>

Accounts are determined based on

- Debit/Credit
- Tax code
- Reason code

Click on ![Image]

Click ![Image] Accounts

Update the following:-
1.3.2.3 Automatic Outgoing Payments

1.3.2.3.1 Set Up All Company Codes for Payment Transactions

1MG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Business Transactions ➔ Outgoing Payments ➔ Automatic Outgoing Payments ➔ Payment Method/Bank Selection for Payment Program ➔ Set Up All Company Codes for Payment Transactions
FIAPR CONFIGURATION

Here you make specifications for all company codes involved in payment transactions. For each company code, you make the following specifications:

- **Paying company code**
  
  You assign a paying company code to each company code. This means that you can have one company code process payment transactions centrally for several company codes.

- **Cash discount and tolerance**
  
  The payment program uses these entries to determine the cash discount strategy for the company code.

- **Special G/L transactions**
  
  Specify which special G/L transactions are to be settled for customers and vendors.
  
  - F = Down payment request
  - P = Payment request
  - A = Down payment on current assets

Click on **New entries**

**Update the following:-**
1.3.2.3.2 Set Up Paying Company Codes for Payment Transactions


Here you make the following specifications for the paying company codes:

- Data for controlling the payment program
FIAPR CONFIGURATION

Here we specify the minimum amount for which an incoming (100 INR) or outgoing payment (1000 INR) is created. If you do not want exchange rate difference to be generated when the payment is in foreign currency you need to select the parameter. If you want to make separate payment for each reference you need to select the parameter.

➢ Specifications for paying with bills of exchange

You can show or hide the settings for paying with bills of exchange.

➢ Forms and sender details for advice notes and EDI accompanying sheets

If you wish to print payment advice notes or an EDI accompanying sheet, specify the form name. Specify also the SAPscript text modules that contain details about the sender that are to be printed on the payment advice note. You can go directly from this transaction to the transaction for editing forms and text modules.

Click on New entries and update the following fields:-
Click on "Forms" and take a drop down in the field "Form for the payment advice"
FIAPR CONFIGURATION

Click International
FIAPR CONFIGURATION

SAPscript Form Tree (Display Mode)

Click Payment Advice Note (International)

Form F110_IN_AVIS (AviS (international))

General information

Client 000

Language DE Activ
Language EN Translate, Saved
Language FR Activ
Language JA Activ
Language ES Translate, Saved

Language ZH Activ
Language TH Translate, Saved
Language KO Translate, Saved
Language HE Translate, Saved
Language CS Activ
Language DE Activ
Language EN Activ
Language FR Activ
Language HU Activ
Language IT Translate, Saved
Language JA Translate, Saved
Language DA Activ
Language PL Activ
Language ZF Translate, Saved
Language NL Translate, Saved
Click

Similarly take a drop down or press function key F4 in the field EDI accompanying sheet form

Select

Click on

 Sender details

 Text Details

 Text Elements

 Letter header

 Footer text

 Signature text

 Sender
Update the following:

![Image of Sender details]

Click on

1.3.2.3.3 Set Up Payment Methods per Country for Payment Transactions


Here you specify which payment methods are to be used in each country. The following parameters are entered:

1) whether it is an outgoing payment or incoming payment
2) payment classification – check, bank transfer
3) What master data specification required – address required, bank details required etc.
4) Document type is attached
5) The payment program name is attached.
6) Which currencies are to be permitted?

Ensure that the payment methods to be used for paying the open items of a business partner have been entered in the appropriate customer or vendor master record. To get a list of payment media programs, use transaction code SA38 and enter RFFO*. Click on Utilities → Find program → Execute.

Click on and update the following
In case there is no entry found for country IN you will have to manually create by clicking new entries.

Click on **New Entries**

**Update the following:-**

Click on **to scroll down**

**Update the following:-**
Click on Currencies Allowed
Click on New Entries

Update the following:-
Click on 🚦

In case of Bank transfers (E-Banking) we will create payment method is T (E-banking)

Click on 🚦

Update the following:-

Click on 🚦

In this list, you enter those
Click on ▼ to scroll down

New Entries: Details of Added Entries

Dialog Structure
Payment Method/Count
Currencies Allowed
Note to Payee by OR

Payment method classification
Bank transfer
Check
Check/Blank
Check/Blank

Post office curr.acct method?
Allowed for personnel payments
Create bill/bill/ch before due date

Bill of exch. accepted
FOC payment procedure
EU Internal Transfer

Required master record specifications
Street, P.O. Box or P.O. box post code
Bank details
Collection authorization

Posting details
Document type for payment
Clearing document type
Up.G/L and L/mw.: Allow print req.
Payment order only

Payment medium
Use payment medium workbench
Format
Format supplement

Use classic payment medium programs (RFFO*)
Payment medium program
Name of print dataset

Information for FINV
Information for FINV

Click on ✔ and click on ✖

Click on ✔ Currencies Allowed
Click the Save button.

1.3.2.3.4 Set Up Payment Methods per Company code for Payment Transactions


Here you specify which payment methods can be used per company code and determine the conditions under which a payment method should be used.

✦ Specifications for grouping items for payment (such as single payment for marked items)
✦ Specifications for foreign/foreign currency payments

If you specify that the payment method can also be used for foreign currencies, all currencies are permitted.
FIAPR CONFIGURATION

Specifications for optimizing bank selection

You can optimize either by bank groups or by postal codes. If you optimize by bank groups, money is transferred from the house bank to the business partner's bank in the shortest possible time. For this to be possible, you assign all banks in the master Data to a bank group defined by you.

If you optimize by postal codes, the house bank selection is determined by the business partner's domicile. If you select the "Optimization by postal codes" field, you can go directly to the activity for assigning house banks to an interval of postal codes.

Specifications for the form to be used for the payment medium

Specifications for issuing payment advice notes

Depending on the space available on the payment medium form for information about the note to payee, you have the following options:

- If unlimited space is available, you do not need to print payment advice notes (for checks, for example), but can do so if desired.

- If there is no space available, a payment advice note containing all the information about the purpose of payment is always printed (for bills of exchange, for example).

- If only limited space is available and there is therefore a risk that the space will not be sufficient, you can choose from the following options:
  
  - You can have the system create a payment advice note containing the information about the note to payee.

    If a payment advice note is to be created every time, select "Always, payment advice". The note to payee is then printed on both the form (so far as the number of lines selected on the form allow) and the payment advice note. If insufficient space is available, a payment advice note indicator is printed on the payment medium.

    A payment advice note can only be created if the note to payee information does not fit into the available space. Select Payment advice after X lines.

  - You can have the system distribute the items between several forms. To do so, select No payment advice and Distribute items, XX lines per payment.
FIAPR CONFIGURATION

You can have the payment program determine another payment method if insufficient space is available. To do so, choose No payment advice and Payment method valid to xx lines.

We are configuring payment method check for company code 9100, the minimum amount for which a check should be raised is 1000 INR and the maximum amount is 9999,999,999 INR. We have selected SAP standard check layout form F110_PRENUM_CHECK. This need to be modified as per the customer requirement and Z form needs to be attached here. Since the check will contain all the information of payment details we have selected the parameter under Note to payee lines on the form -as many as required and Parameter - no Payment advice.

In case you get error while entering the maximum amount enter a lower figure such as 9999999 and press enter. System will automatically set the format.

Click on New entries
Update the following:-

```
<table>
<thead>
<tr>
<th>Paying co. code</th>
<th>9100</th>
<th>A Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pmt method</td>
<td>c</td>
<td>Check</td>
</tr>
</tbody>
</table>

**Amount limits**
- Minimum amount: 1,000.00 INR
- Maximum amount: 999,999,999.00 INR

**Grouping of items**
- Single payment for marked item
- Payment per due day

**Foreign payments/foreign currency payments**
- Foreign business partner allowed
- Foreign currency allowed
- Customer bank abroad allowed?

**Bank selection control**
- No optimization
- Optimize by bank group
- Optimize by postal code
```

Click on Form data

Update the following:-

```
<table>
<thead>
<tr>
<th>Form</th>
<th>Form data</th>
</tr>
</thead>
<tbody>
<tr>
<td>F110_PREMUT_CHECK</td>
<td></td>
</tr>
</tbody>
</table>

**Drawer on the form**
- A Ltd
- Linking Road
- Bandra
- Mumbai - 400077

**Sorting of the**
- Correspondence: K2
- Line items: E2
```

Click on Pyt adv ctrl

Click to scroll down
Update the following:-

Click on

We will configure payment method T (eBanking Payment Method) similarly will the following fields updated.
FIAPR CONFIGURATION

New Entries: Details of Added Entries

- Payee code: 9100
- Print method: 1
- Payment method: eBanking Payment Method

Amount limits:
- Minimum amount: 1,688.80 INR
- Maximum amount: 999,999,999.80 INR

- Grouping of Items:
  - Single payment for marked item
  - Payment per due day

Foreign payments/foreign currency payments:
- Foreign business partner allowed
- Foreign currency allowed
- Customer or bank abroad allowed?

Bank selection control:
- No optimization
  - Optimize by bank group
  - Optimize by postal code

Form data:
- Form for the payment transfer medium: F118_ED1_81
- Next form: F118_ED1_81

Drawer on the form:
- A Ltd.
- Linking Road
- Bandra
- Mumbai - 400071

Sorting of the:
- Correspondence
- Line items

Payment advice note control:
- Note to payee lines on the form: restricted to 1 Rows

Payment advice output according to no. of lines:
- Pynt adv. after ... lines
- Always pyt adv
- No Pyt Adv
- Pynt mtd valid to ... lines
- Distribute items, ... lines per pynt

Payment advice note in all instances:
A restricted number of lines is provided for the note to payee on the payment medium. In addition, a payment advice note is always created to inform the business partner of the purpose of the payment.

The note to payee is transmitted up to the set number of lines both on the

Click on [button] to scroll down

Click on [button]
FIAPR CONFIGURATION

1.3.2.3.5 Set Up Bank Determination for Payment Transactions


Before you can configure this step you need a house bank to be configured. You can refer the SAP Bank configuration manual.

Here you define the following:

❖ Ranking order of banks

You specify which house banks are permitted and rank them in a list.

❖ Bank accounts

For each house bank and payment method and currency, you specify which bank account is to be used for payments.

❖ Available amounts

For each account at a house bank, you enter the amounts that are available for the payment run. You enter separate amounts for incoming and outgoing payments. Specifying available amounts enables you to control which bank account is to be used for payments. You can specify the amounts depending on the value date at the bank.

❖ Value date

You specify how many days elapse between the posting date of the payment run and the value date at the bank, dependent on the payment method, bank account, payment amount and currency. You can have the system determine the value date, taking into account the bank calendar and any individual arrangements made with the bank. To do so, choose the activity Define value date rules.

Select and double-click on

<table>
<thead>
<tr>
<th>Paying company code</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>9100</td>
<td>A Ltd.</td>
</tr>
</tbody>
</table>
Click on and update the following information:

House banks are ranked for payment based on payment method and currency. If there are more than one house bank, the second bank will be ranked based on payment method and currency.

Whenever you want to make payment from the desired bank you need to check the ranking of the house bank here and change the ranking to 1, which is possible through transaction code S_ALR_87001487 - Bank selection for payment program (which is available on the SAP Easy access menu)

Next step is to maintain bank GL sub-accounts for these house banks.

Bank sub accounts for our bank accounts are as follows:-
111411 ICICI check issued out
111412 ICICI outgoing w/tfr

Double click Bank Accounts

Click on and update the following information:-
FIAPR CONFIGURATION

Update the available amount for outgoing payment and the currency for the house bank. The available amount for outgoing payment in this case we have updated the maximum amount. The amount planned here is available for outgoing payments. The amount is only used for payments with which the bank debit entry is expected during the number of days displayed.
1.3.3 Outgoing Invoices/Credit Memos

1.3.3.1 Maintain Terms of Payment

IMG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Invoices/Credit Memos → Maintain Terms of Payment

Click on "New entries"

Update the following:-

*New Entries: Details of Added Entries*

<table>
<thead>
<tr>
<th>Payment terms</th>
<th>Sales text</th>
<th>Day limit</th>
<th>Own explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Z991</td>
<td>14 days 2%, 30 net</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Account type:
- [x] Customer
- [ ] Vendor

Baseline date calculation:
- [ ] Fixed day
- [ ] Additional months

Default for baseline data:
- [ ] No default
- [ ] Posting date
- [ ] Document date
- [ ] Entry date

Payment terms:
- [ ] Installment payment
- [ ] Rec. Entries: Supplement from Master

Term | Percentage | No. of days | Fixed date | Additional months |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2.000 %</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>30</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanations:
- Within 14 days 2% cash discount
- Within 30 days Due net

Click on [ ]

1.3.3.2 Define Cash Discount Base for Outgoing Invoices
FIAPR CONFIGURATION

IMG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Invoices/Credit Memos → Define Cash Discount Base for Outgoing Invoices

Here you determine whether the tax amount is to be taken into consideration in the base amount for calculating the cash discount amount. You make your specifications per company code.

We do not want the cash discount base to be net.

![Image of Change View "Cash Discount Base": Overview]

1.3.4 Incoming Payments

1.3.4.1 Define Accounts for Cash Discount Granted


Update the following:-

![Image of Enter Chart of Accounts]
Click on "Update the following:-"
FIAPR CONFIGURATION
1.3.5 Down payment received from customer

1.3.5.1 Define Reconciliation Accounts for Customer Down Payments

IMG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Down Payment Received → Define Reconciliation Accounts for Customer Down Payments

Here you define an account in which the customer down payments or down payment requests are managed in the general ledger. In the case of down payments or down payment requests, the posting is automatically made to this account instead of to the normal receivables account (reconciliation account).

You can use the SAP standard Sp. G/L indicator

Double Click

Update the following: -

Update the following: -
FIAPR CONFIGURATION

Maintain Accounting Configuration : Special G/L - Accounts

Chart of Accounts: YCCA
Account type: D
Special G/L ind.: A

Account assignment
Recon. acct Special G/L account Planning level Output tax clearing
119829 219924

Click on Save

Click on Properties
Click on Save

Let us create a down payment request special gl indicator F
Double click "Down payment request"

Update the following:-

<table>
<thead>
<tr>
<th>Acct Type</th>
<th>Sp. G/L</th>
<th>Sp. G/L Ind</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>A</td>
<td>Dwn pmt</td>
<td>Down payment</td>
</tr>
<tr>
<td>D</td>
<td>C</td>
<td>SecDep</td>
<td>IS-RE Rent deposit</td>
</tr>
<tr>
<td>D</td>
<td>F</td>
<td>Pmt req</td>
<td>Down payment request</td>
</tr>
<tr>
<td>D</td>
<td>J</td>
<td>AdPyReq</td>
<td>IS-RE Advance payment request</td>
</tr>
<tr>
<td>D</td>
<td>K</td>
<td>AdPy OC</td>
<td>IS-RE adv, pymt, operating costs</td>
</tr>
<tr>
<td>D</td>
<td>M</td>
<td>SC AdPrr</td>
<td>Serv.charge adv,payt</td>
</tr>
<tr>
<td>D</td>
<td>T</td>
<td>Dwn pmt</td>
<td>Down payment</td>
</tr>
<tr>
<td>D</td>
<td>U</td>
<td>AdP : SBR</td>
<td>IS-RE Ad, pymt, sales-based rent</td>
</tr>
</tbody>
</table>
Click on

Click on Properties
1.3.6 Down payment made to vendor

1.3.6.1 Define Alternative Reconciliation Account for Down Payments made to Vendor

IMG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Down Payment Made → Define Alternative Reconciliation Account for Down Payments

Here you configure the special GL account for vendor down payments. The down payment posting is then automatically made to this account instead of to the normal payables account (reconciliation account).
Double Click

Update the following:

Chart of accounts Entry

Chart of accounts: ycca
FIAPR CONFIGURATION

Update the following:-

119820 is the Vendor down payment account

Click on Save

Click on Properties
Let us configure a vendor down payment request F. This is required when you want to make payment through automatic payment program. This will create a noted item (statistical entry).

Double click

Update the following:-

Chart of accounts YCCA
Update the following:

213320 – Account trade 3rd parties (Reconciliation account)
119821 – Down payment request

Click on

Click on Properties
1.3.7 Define Sort Method and Adjustment Accts for Regrouping Receivables/Payables

IMG → Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Closing → Regroup → Define Sort Method and Adjustment Accts for Regrouping Receivables/Payables

Here you define the periods for the remaining terms of receivables and payables. For each period, you can specify whether transfer postings are to be made for customer, vendor, or G/L accounts. This configuration also regroups credit balance in Accounts Receivable and Debit balance in Accounts Payable.

We are configuring for regrouping of AR and AP balances which are maturing beyond 6 months.

119020 AR 3rd parties
FIAPR CONFIGURATION

119842 AR adjustment account regrouping
119843 Debit balance in AP
119060 A/R maturity > 6 months
213320 A/P 3rd parties
213370 A/P maturity > 6 months
219942 A/P adjustment account regrouping
219943 Cr. Balance in AR

Click on New entries

Update the following:

New Entries: Overview of Added Entries

Click on Save

Select Regroup A

Double Click Receivables

Click on New entries
Update the following: -

Click on Save

Click on

Update the following: -

Click on

Update the following: -
FIAPR CONFIGURATION

Maintain FI Configuration: Automatic Posting - Posting Keys

Transaction: V05  Receivable within 6 months

Posting Key
Debit: 40
Credit: 50

Note: Posting keys are independent of chart of accounts

Click on Save

Click on Accounts

Update the following:

Maintain FI Configuration: Automatic Posting - Accounts

Chart of Accounts: YCCA  Common Chart of Accounts A Group cos
Transaction: V05  Receivable within 6 months

Account assignment
Reconciliat. Adjustme... Targ.acct
119920 119842 119060
213320 219942 119843
FIAPR CONFIGURATION

Click

Click on Save

Update the following:

New Entries: Overview of Added Entries

Click on Save

Click on

Update the following:

Maintain FI Configuration: Automatic Posting - Accounts
Click on Save

Click thrice

Select

Double Click

Click on New entries

Update the following:

Click on Save

Click on Acct
Update the following: -

**Maintain FI Configuration: Automatic Posting - Accounts**

- Chart of Accounts: YCCA
- Transaction: V07
- Common Chart of Accounts: A
- Group: cos
- Payable within 6 months

**Account assignment**

<table>
<thead>
<tr>
<th>Reconciliation</th>
<th>Adjustments</th>
<th>Target Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>119020</td>
<td>119842</td>
<td>219943</td>
</tr>
<tr>
<td>213320</td>
<td>219942</td>
<td>119843</td>
</tr>
</tbody>
</table>

Click on Save

Click

Click on

**Update the following:**

**New Entries: Overview of Added Entries**

- Payables
- interval: 2910

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Name</th>
<th>Cust. Posting</th>
<th>Vend. Posting</th>
<th>G/L Posting</th>
<th>Acct</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Month</td>
<td>Payable within 6 months</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Month</td>
<td>Payable after 6 months</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Click on Save

Click on Acct
Update the following: -

Click on Save

1.3.8 Define Reply Addresses for Balance Confirmation

IMG ➔ Financial Accounting ➔ Accounts Receivable and Accounts Payable ➔ Business Transactions ➔ Closing ➔ Count ➔ Balance Confirmation Correspondence ➔ Define Reply Addresses for Balance Confirmation

In this step, you define the address to which the customers or vendors are to send their reply for the balance confirmation. Since this address is often different from the company code address, this specification is very important. You can define several addresses under one ID for every company code.

Click on New Entries

Update the following:-
Update the following:-