

**SAP Fact Sheet
SAP Business One**



Financials Management with SAP® Business One

Manage accounting, controlling, and banking transactions effectively with Financials Management in SAP® Business One

Regulatory topics and compliance have become key considerations when it comes to selecting business management software.

Financials are affected by virtually every transaction occurring in your business. It is critical to not only have a stable and reliable system to manage your accounting, controlling, and banking transactions, but also integrate other key functions of your business, such as purchasing, warehousing, and sales.

Find out how SAP Business One will provide you with integrated and comprehensive financials management and enable your business to optimize and streamline your financial processes.

SAP Business One provides users with a comprehensive and integrated set of tools to effectively manage all financial processes in your organization.

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

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

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

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

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

Figure 1: Features of SAP Business One Financials Management

Accounting

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

SAP Business One fully integrates the creation of new journal entries. Journal entries can be created individually by authorized users. However, journal entries are also posted automatically when relevant business transactions are created in other modules of SAP Business One. For example, a goods receipt posting will automatically create the necessary journal entry to adjust

inventory levels and valuation as well as update corresponding expense accounts, if necessary. As such, most journal entries are created automatically from the purchasing, sales, and banking modules. In order to more efficiently manage journal entries, SAP Business One allows you to create multiple journal entries and save them to a journal voucher. The journal voucher can then be processed in batch mode which posts all entries simultaneously. The journal voucher feature allows you to collect and verify postings before they are entered into the general ledger.

Accounting transactions can further be simplified by using posting templates. Transactions that occur frequently with similar data, e.g. in accounting distribution, can be saved as template and later reused, avoiding redundant input of the same data. Postings that occur in the same fashion with the same or similar set of accounts or amounts can be set up as recurring postings. Recurring postings will remind the user at pre-defined intervals to create the relevant accounting transaction. Multiple recurring postings that need to

be applied on the same day can be processed in batch mode in a simple selection screen.

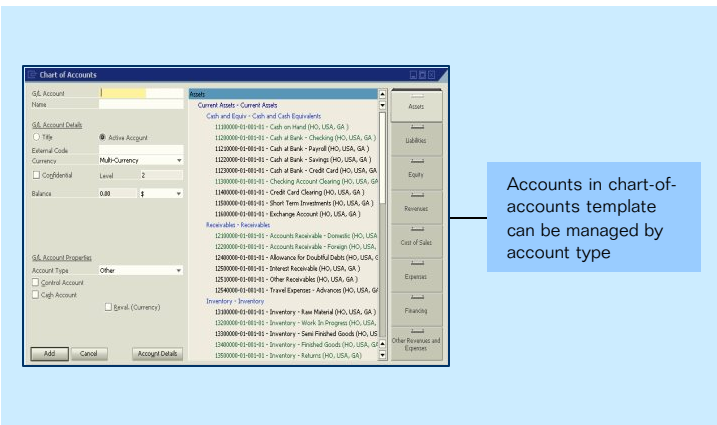


Figure 2: Chart-of-accounts template

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

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

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

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

Controlling

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

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

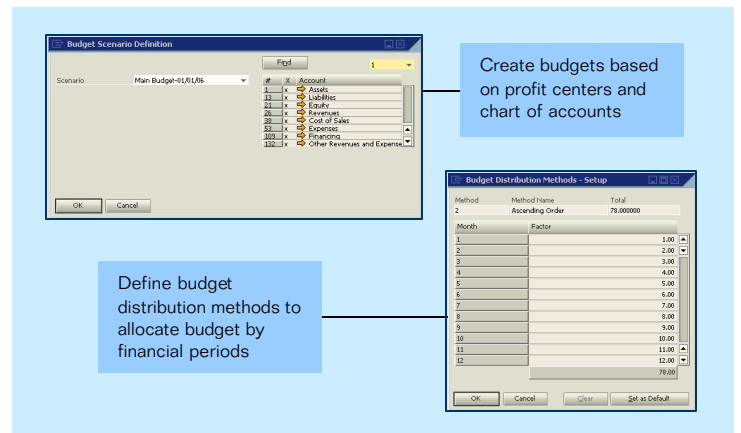


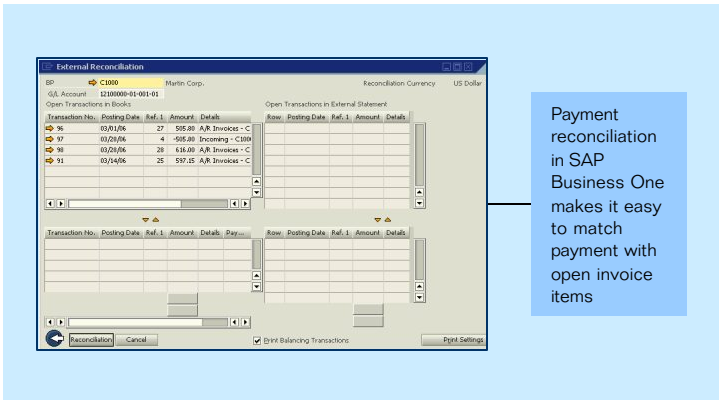
Figure 3: Budget definition

Integrate controlling with financial accounting by defining profit (or cost) centers and assigning them to revenue and cost accounts. Set up distribution rules which allow for automatic distribution of amounts to profit centers based on pre-defined factors. In order to get an overview of distribution rules in the system, use the *Table of Profit Centers and Distribution Rules*, which can be used to view and edit distribution factors.

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

Banking

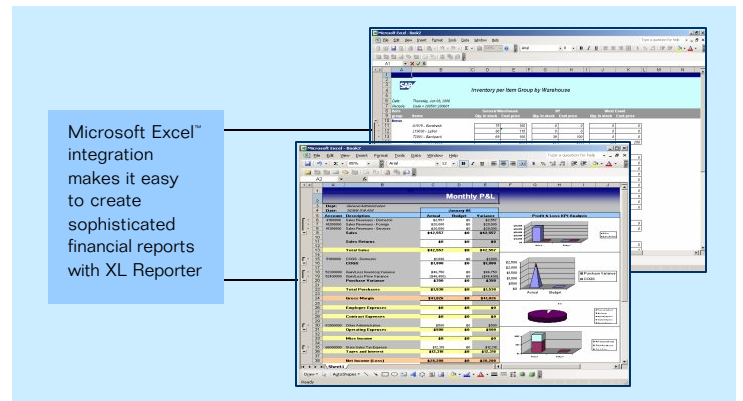
All incoming and outgoing payments can be managed with the banking module in SAP Business One. Post incoming and outgoing payments manually and choose from payment methods, such as check, bank transfer, credit card, or cash. Checks are managed with the check register where inbound and outbound checks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



Payment reconciliation in SAP Business One makes it easy to match payment with open invoice items

Figure 4: Payment reconciliation report

The *Payment Wizard* allows you to clear multiple A/R and A/P invoices in batch mode by creating a payment run which generates the payment and automatically posts the journal entry transaction. Payments that are not automatically reconciled, such as payments made “on account”, can be matched to open items using automatic or manual reconciliation, which can be filtered by general ledger account or by business partner. You can also create a bank statement to reconcile your payment data in SAP Business One with the data from your bank.



Microsoft Excel™ integration makes it easy to create sophisticated financial reports with XL Reporter

Figure 5: XL Reporter financial report samples

Powerful Financial Reporting with XL Reporter™

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

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

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