FINANCIALS MANAGEMENT WITH SAP® BUSINESS ONE
MANAGE ACCOUNTING, CASH FLOW, AND BANKING TRANSACTIONS

Virtually all business transactions affect financials. So the software managing your accounting, cash flow, and banking transactions must integrate with other functions, such as purchasing and sales. The SAP® Business One application provides a reliable, integrated solution to optimize financial processes.

Integrated, Comprehensive Financials Management

As your business grows, so do the challenges associated with managing its financials. Without an integrated and automated financials management solution, increased business complexity can overwhelm your existing financial and accounting processes, giving rise to inefficiencies and inaccuracies that can lead to missed opportunities and lost revenue.

The SAP® Business One application offers a complete and integrated set of tools to effectively manage and automate all of the accounting and financial processes in your growing company.

As the core component of SAP Business One, financials management incorporates all key accounting processes, such as ledger and journal entries, accounts receivable, and accounts payable. The software automatically triggers accounting postings in real time when relevant business events occur. In addition, SAP Business One supports automatic tax calculations as well as multicurrency transactions. Posting templates and recurring postings further streamline and simplify your accounting processes.

The controlling (or cost accounting) functionality in SAP Business One allows you to manage cash flow, track budgets, and compare actual and planned figures at any time to get an accurate and up-to-date picture of your business. You can easily create profit or cost centers and then allocate revenue and expenses according to distribution rules, which are customizable and specific to your business.

The banking and reconciliation tools in SAP Business One provide the functionality necessary to handle all your payment processing, including checks, cash, credit cards, and bank reconciliations.

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

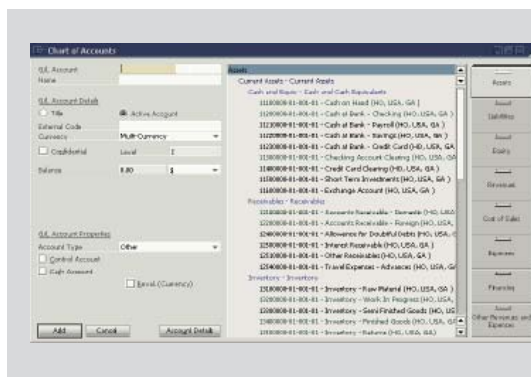Figure 1: Financials Management Features of the SAP® Business One Application

SAP

You can import electronic bank statements and automatically reconcile them. The reconciliation tool also allows you to easily reconcile incoming and outgoing payments with vendor and customer invoices.

SAP Business One offers powerful financial reporting tools, such as balance sheets, profit and loss statements, cash flow statements, and aging reports. With the intuitive, Microsoft Excel–based reports and templates, you can easily and quickly access the complete financial information you need.

Accounting

SAP Business One handles all your accounting transactions effectively and comprehensively. You can use its complete chart-of-accounts templates right out of the box or customize them on the basis of your individual requirements. SAP Business One also supports the creation of individual charts with up to 10 segments. Chart-of-accounts templates consider specific legal requirements for each country, such as segmentation or specific numbering, and thereby assure compliance with local laws and regulations.

SAP Business One integrates accounting journal entries and automatically updates them whenever relevant business transactions occur in the application. 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. Any purchasing, sales, and inven-

Manage accounts by account type using chart-of-accounts templates.

Figure 2: Chart-of-Accounts Template

tory transactions in SAP Business One automatically trigger corresponding journal entries. For even greater efficiency, SAP Business One allows you to create multiple journal entries and save them to a journal voucher. The software then processes this voucher in batch mode, posting all entries simultaneously. The journal voucher feature also allows you to collect and verify postings before you enter them into the general ledger.

SAP Business One automatically calculates taxes, such as sales tax, value-added tax, and withholding tax, for each line item on each transaction, taking into account country-specific allocation and reporting requirements.

Accelerated closing features help you manage the month-end closing process. SAP Business One identifies control accounts that you can assign as default posting accounts for the difference in customer or supplier balances – thereby synchronizing general and subsidiary ledgers.

SAP Business One can also automatically reverse month-end accruals. By default, a reversal of specified postings occurs on the first day of the subsequent financial period, but you can specify a different reversal date for each posting.

Cost Accounting and Cash Flow

SAP Business One provides a variety of features that let you go beyond financial accounting to more effectively manage cash flow and profitability for your business.

You can integrate cost accounting with financial accounting by defining profit or cost centers and assigning them to revenue and cost accounts. You can set up distribution rules that enable the automatic distribution of amounts to profit centers based on predefined factors. To get an overview of distribution rules in the software, you can use the table of profit centers and distribution rules, which you can also utilize to view and edit distribution factors.
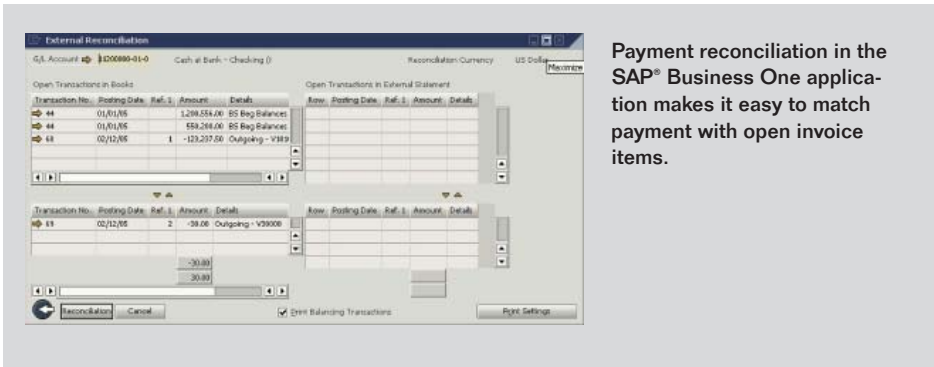
Payment reconciliation in the SAP® Business One application makes it easy to match payment with open invoice items.

Figure 3: Payment Reconciliation Report

SAP Business One also enables you to create a detailed profit and loss statement based on direct and indirect revenue and expenses as defined in the allocation rules. You can choose between annual and monthly display formats and compare the results for multiple periods.

Banking and Reconciliation

With the banking and reconciliation functionality in SAP Business One, you can manage all incoming and outgoing payments. You can post these payments manually and choose from payment methods such as check, bank transfer, credit card, or cash. The payment wizard allows you to reconcile and clear multiple accounts receivable and accounts payable invoices in batch mode by creating a payment run that generates the payment and automatically posts the journal entry transaction.

SAP Business One enables you to match payments that are not automatically reconciled, such as payments made "on account," to open items either automatically or manually through its reconciliation engine. You can filter this engine by general ledger account or by business partner. Electronic bank statement processing allows you to import statement data received from your bank and automatically create the necessary postings on the relevant balance sheet accounts.

Powerful Financial Reporting

SAP Business One provides a wide range of financial reports, such as balance sheets, profit and loss statements, cash flow analysis, profitability reports, multiperiod comparisons, and budget reports. In addition to its large number of standard reports, SAP Business One provides Microsoft Excel–based templates and tools that enable you to quickly 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.
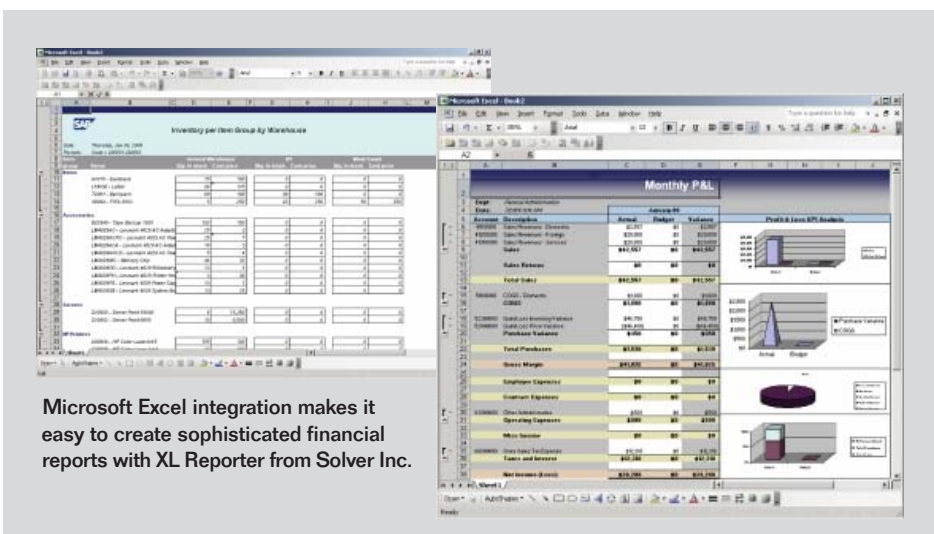

Microsoft Excel integration makes it easy to create sophisticated financial reports with XL Reporter from Solver Inc.

Figure 4: Financial Report Samples

Summary

The SAP® Business One application enables you to simplify and automate financials management. It provides a comprehensive and integrated set of tools that allows you to manage all the accounting and financial processes in your company.

Challenges

- Inefficient and error-prone accounting and financial processes due to duplicate data entries and lack of integration between financial data and key business functions, such as purchasing, warehousing, and sales
- Inadequate access to the full range of accurate financial information needed to complete month-end closings and make informed business decisions

Supported Business Processes and Software Functions

- **Accounting** – Automatically handle all key accounting processes, such as journal entries, accounts receivable, and accounts payable
- **Controlling (or cost accounting)** – Accurately manage cash flow, track budgets, and compare actual and planned figures
- **Banking and reconciliation** – Quickly process all payments, including checks, cash, credit cards, and bank reconciliations
- **Financial reporting** – Easily access a wide range of standard or customized financial reports

Business Benefits

- **Streamlined financial operations** – Automate, integrate, and manage all the financial processes in your company with a single solution, eliminating duplicate entries and errors
- **Unified financial view** – Get a comprehensive picture of your business's financials by integrating accounting data with sales, customer, and operational information
- **Improved decision making** – Access the accurate and timely financial information you need quickly and easily

For More Information

Call your SAP representative or visit us at www.sap.com/smallbusiness.