



Finance
Knowledge Transfer Session 1
Financial Overview (FI100)

Agenda



- 🌀 Overview
- 🌀 Module 1: SAP System Landscape
- 🌀 Module 2: Financial Accounting (FI)
- 🌀 Module 3: Controlling (CO)
- 🌀 Module 4: Funds Management (FM)
- 🌀 Module 5: Grants Management (GM)
- 🌀 Module 6: Reconciliation
- 🌀 Module 7: Learning Activities
- 🌀 Review and Summary

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Course Learning Objectives



☉ Upon completion of this course, you should be able to:

- List benefits of the SCEIS SAP Financial Overview
- List the key changes
- Describe the high level process flow
- Identify all financial modules
- Explain how account postings are transferred among financial modules.
- Describe how each Finance (FI) module interacts with the others to perform business functions

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Notes:

Benefits of the SCEIS SAP Financial System



- ④ Integrated system
- ④ Real-time queries and reports
- ④ Documents can be parked
- ④ Drill down capabilities
- ④ Direct postings
- ④ Real time reporting
- ④ Postings to one ledger

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Parked: Document may be “held” prior to posting. This can be to wait for approvals, reviews, additional information, etc. The document does not have to be cancelled or completely redone.

Drill down: Allows you to click on summary data and access the detailed data on which the summary is based.

Key Changes



- ① One system (no longer an agency system and STARS)
- ① Results are posted immediately to balances
- ① Consistent financial system among agencies

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Notes:

Master Data Overview

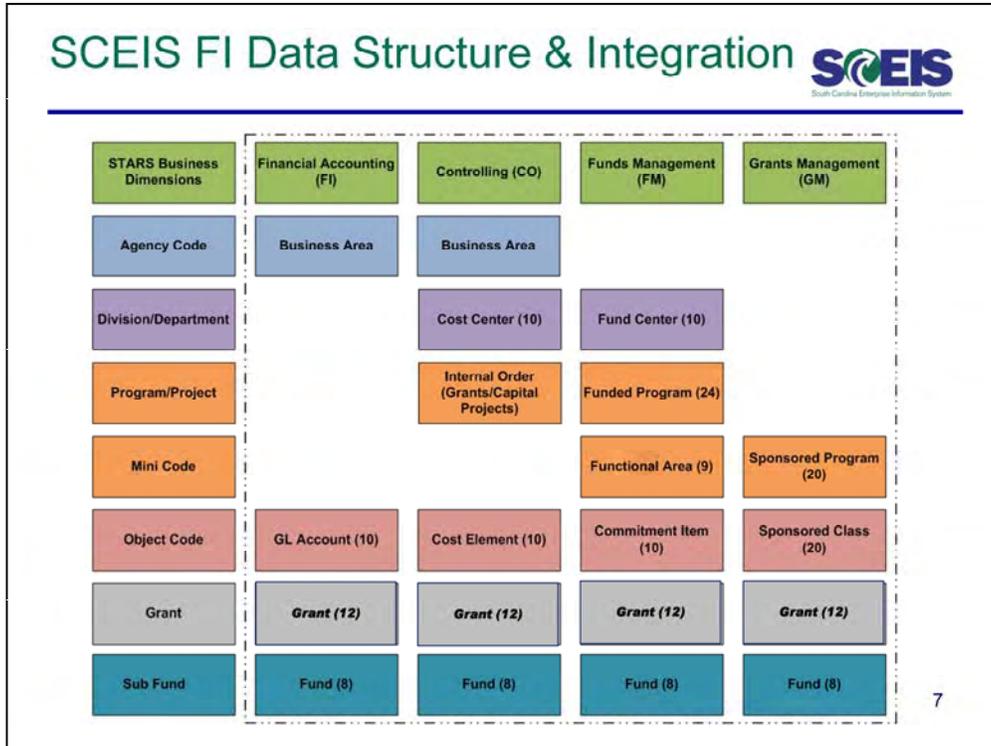


- Most FI transactions will require the following SAP Master Data Items to be entered:

SAP	STARS
Cost Center (CO)	Department
Functional Area	Agency / Mini code
Fund (FM)	Sub-fund
G/L Account (GL)	Object Code
Grant (GM)	Project/Phase
Business Area (FI)	Agency

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Notes:





Module 1: SAP System Landscape

Notes:

Module 1 Learning Objectives



- ① Upon completion of this module, you should be able to:
 - Define key terms and concepts.
 - Describe the SAP modules and how they interact with the finance modules.
 - Explain what each Finance (FI) module does.

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Notes:

Key Terms and Concepts



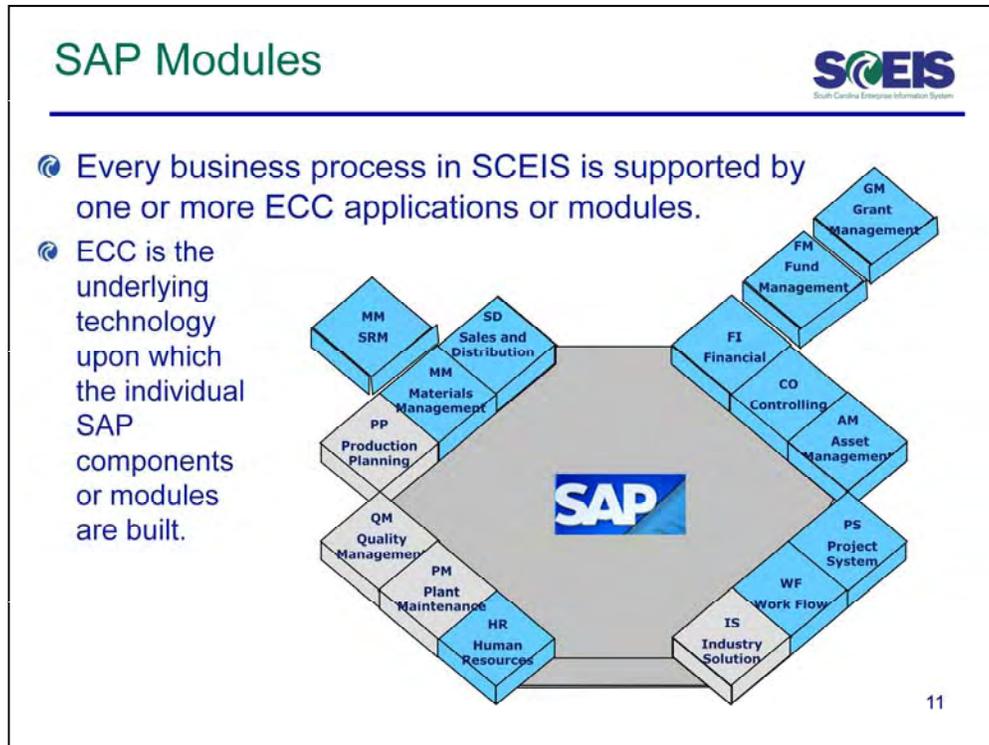
- Master Data
- Transactional Data



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Master Data: Information which is stored centrally and which is re-used again and again whenever you process transactions.

Transactional Data: All debit and credit postings, which can be archived after a certain period of time.



Integration Between SAP Modules: The State of South Carolina will be using the following modules to conduct business:

- Financial Accounting (FI) including:
 - General Ledger
 - Accounts Receivable
 - Accounts Payable
- Funds Management
- Grants Management
- Controlling (CO)
- Asset Management
- Materials Management (MM) including:
 - SRM
- Work Flow
- Human Resources (HR) - only supporting functions through integration of SAP ECC modules (Payroll and Time will be implemented in a later phase.)

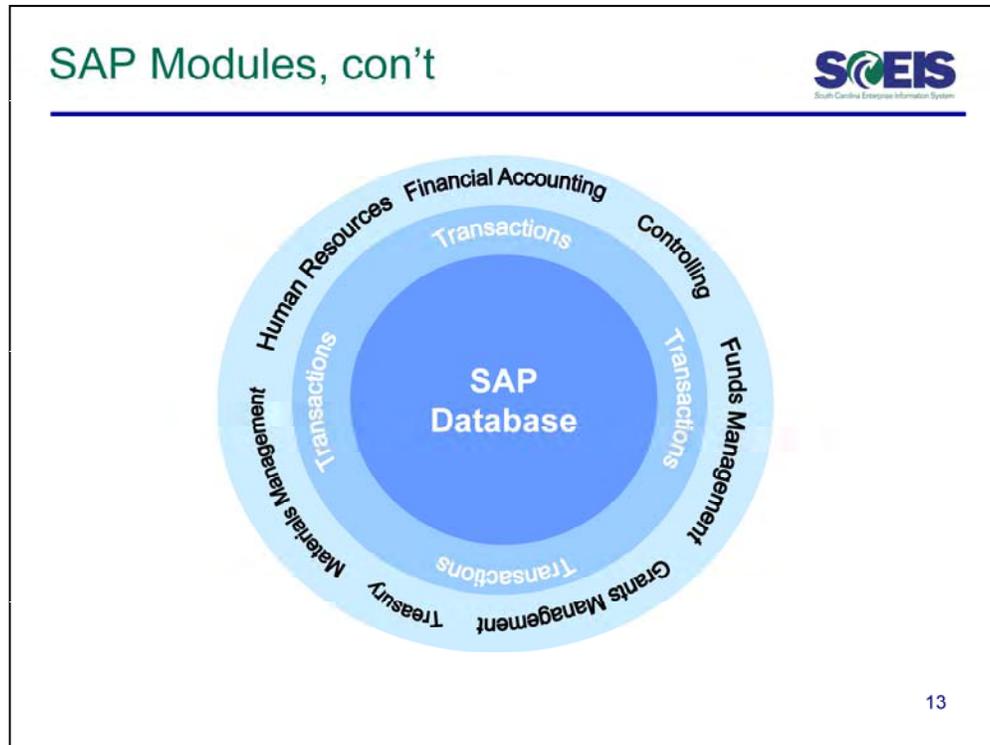
SAP Modules, con't



- ④ All the SAP modules are tightly interlinked and feed data to one another.
 - Data entered in one module are available to all modules.
 - Data are available for display or print immediately after entered.

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Notes:



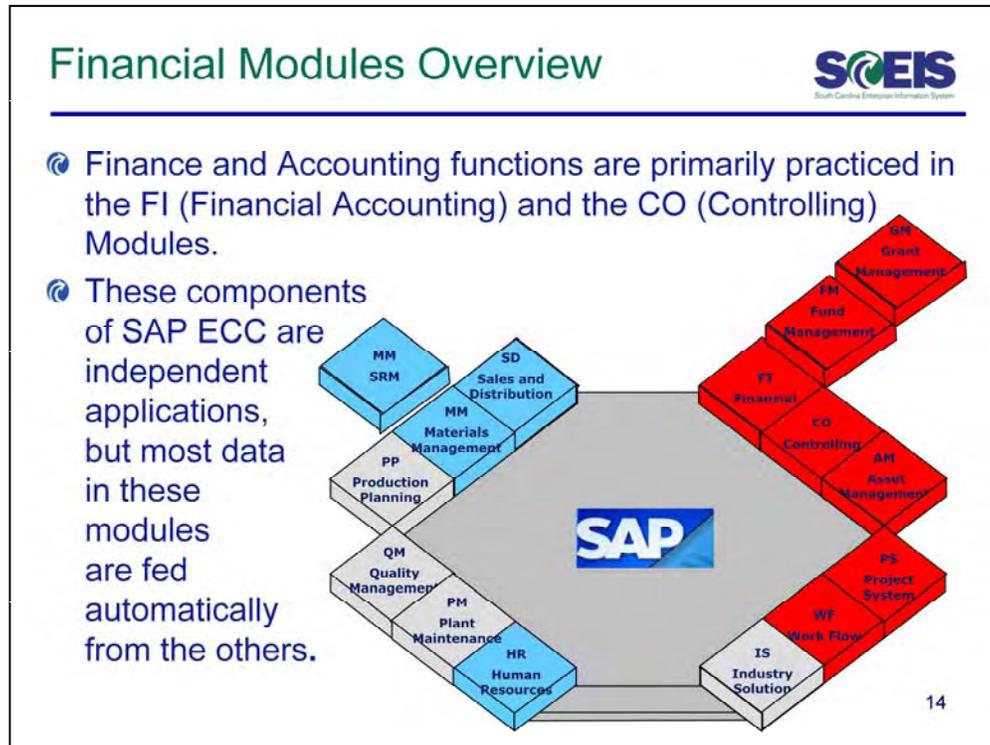
At the core of the SAP system is an enormous database that contains all of the master data and stores the transactional data.

A typical business process involves a number of SAP transactions, such as creating a requisition, turning a requisition into a purchase order, receiving the goods, entering the invoice and processing a payment. To process these transactions, master data from the SAP database, such as material master records and general ledger account codes, are used to ensure consistency, eliminate redundancy and speed entry. The transactional data is stored in the database in the form of documents such as purchase requisitions and invoices.

SAP transactions are organized into a number of different modules, such as Financial Accounting and Materials Management. The SAP system is fully integrated and most business processes involve transactions in more than one module, just as they involve activities in more than one department. Even so, the module is a useful way to categorize transactions and to organize transactional data. Each module contains a set of transactions and generates a specific collection of transactional documents. Each module provides a different perspective on the SAP database.

Typically, an end user is provided with the security for a set of transactions within a single module. The transactions that are performed within that module often trigger additional transactions to be performed in other modules.

For example, a storekeeper receives security for a number of transactions in the Materials Management module. When goods are received, the storekeeper enters a goods receipt into the system. The entry of the goods receipt generates an invoice in the Financial Accounting module that will eventually lead to a payment. Other modules are involved as well: Costs are recorded in the Controlling module, budget is consumed in the Funds Management module, and possibly grant expenditures are recorded in the Grants Management module. Thus, transactions can be organized by module, but even simple transactions often trigger a chain reaction of events that spans multiple modules.



Integration Between SAP Modules: The State of South Carolina will use the following modules to conduct business:

- Financial Accounting (FI) including:
 - General Ledger
 - Accounts Receivable
 - Accounts Payable
- Funds Management
- Grants Management
- Controlling (CO)
- Asset Management
- Materials Management (MM) including:
 - SRM
- Work Flow
- Human Resources (HR) - only supporting functions through integration of SAP ECC modules (Payroll and Time will be implemented in a later phase.)

Financial Modules Overview *(continued)*



- ④ The Financial Accounting (FI) Module represents the Financial General Ledger, Accounts Payable, Accounts Receivable and Assets sub-modules.
- ④ It is primarily used for external financial statement reporting, vendor payments and credit / collection and receivables management activities.
- ④ FI is made up of several sub-modules that will be used by the State:
 - The **General Ledger (G/L)** is the Financial Book of Record.
 - **Asset Management (AM)** manages assets and their depreciation.
 - **Treasury (TR)** accounts for payments and receipts of cash.
 - **Accounts Payable (AP)** manages vendor invoices.
 - **Accounts Receivable (AR)** manages customer billing.

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Notes:

Financial Modules Overview *(continued)*



Controlling (CO) is used:

- For internal reporting and planning.
- Internal orders, cost centers and cost elements collect and categorize costs.
- Costs can be allocated within CO without affecting other modules.
- Information flows from FI to CO through cost elements.

CO may be used for cost reporting and managerial decision making analysis. This is the module to use in determining the cost of a program or project (direct and indirect). CO includes Project Systems.

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Notes:

Module 1 Summary



☉ You should now be able to:

- Define key terms and concepts.
- Describe the SAP modules and how they interact with the finance modules.
- Explain what each finance module does.

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Notes:



Module 2: Financial Accounting

Notes:

Module 2 Learning Objectives



☉ Upon completion of this module, you should be able to:

- Define key terms and concepts.
- Identify each sub-module within FI.
- Describe the account code structure terminology
- Identify FI master data.
- Explain how AR, AP and AM elements affect each module.

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Notes:

Key Terms and Concepts



- **Chart of Accounts**
- **Business Area**
- **General Ledger Account**



Notes:

Chart of Accounts: A classification scheme consisting of a group of general ledger (G/L) accounts. A chart of accounts provides a framework for the recording of values to ensure an orderly rendering of accounting data. For each G/L account, the chart of accounts contains the account number, the account name, and technical information.

Business Area: A four-digit code that corresponds to the State's agencies. A business area is assigned to each cost center and internal order. The use of business areas enables the State to prepare operating statements on a full accrual basis (assets, liabilities, depreciation, and so on) while still maintaining budgetary statements (budget versus actual expenditures). Full accrual accounting provides the true cost to operate, versus budgetary accounting, which provides the amount of the budget that has been spent.

General Ledger Account: The ten-digit general ledger account code replaces the balance sheet, revenue source and expenditure object codes. General ledger accounts have been established to track assets, liabilities, fund balances, revenues, expenditures and other items appearing on the general ledger.

Key Terms and Concepts



- **Asset Class**
- **Cost Element**
- **Cost Center**



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Notes:

Asset Class: The main criteria for classifying fixed assets according to legal and management requirements. Each asset master record must be assigned to one asset class.

Cost Element: Cost elements in the Controlling module are the equivalent of expenditure and revenue accounts in the general ledger of the Financial Accounting module. For every expenditure account, there is a corresponding ten-digit primary cost element code. Likewise, for every revenue account, there is a corresponding revenue element. In addition, for each primary and revenue cost element, there is a corresponding commitment item in the Funds Management module. Secondary cost elements are used to settle and allocate costs within the CO module and, therefore, do not have a corresponding account in the general ledger. Costs are not posted directly to secondary cost elements, but are transferred through them during settlements and allocations. Secondary cost elements enable you to track the internal flow of costs, independent of the FI and FM modules.

Key Terms and Concepts (*continued*)



- ④ **Cost Center**
- ④ **Internal Order**
- ④ **Posting Key**
- ④ **Document Type**



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Notes:

Cost Center: Cost centers collect costs within particular locations in the organization. Cost centers represent resources at the managerial level and are assigned to the responsible managers so that they can track costs for their areas. Cost centers are comprised of 10 alphanumeric characters. Costs can be posted to a cost center; however, the budget may be maintained at a higher level in the structure. Cost centers are representative of the agency organizational structure.

Internal Order: Internal orders are used to track expenditures of a single event.

Posting Key: Two-digit numeric key that determines the way line items are posted. This key determines several factors including the account type, type of posting (debit or credit), and layout of entry screens.

Document Type: Key that distinguishes the business transactions to be posted. The document type determines where the document is stored as well as the account types to be posted.

Financial Accounting Overview (FI)

Financial Accounting

General Ledger

Accounts Payable	Accounts Receivable	Asset Management
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- 🕒 Financial Accounting is composed of the general ledger and the AP, AR and AM sub-modules:
 - AP is used to pay vendors.
 - AR is used to bill customers.
 - AM is used to track and depreciate assets.
- 🕒 Financial Accounting is focused on the accounting required for external reporting requirements.

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The Financial Accounting module in SAP is used to account for all transactions involving the General Ledger and the Accounts Payable, Accounts Receivable, and Asset Management sub-modules.

- Accounts Payable (AP): This sub-module records all accounting transactions involving vendors, such as payments for services or goods. Much of this data originates in the Materials Management (MM) module through POs, contracts, bids, etc.
- Accounts Receivable (AR): This sub-module records all accounting transactions involving customers, such as billing transactions.
- Asset Management (AM): This sub-module records all accounting transactions involving the acquisition and depreciation of fixed assets.

The Financial Accounting module provides the accounting necessary for external reporting requirements, as opposed to the Controlling module which is focused on internal (or managerial accounting) reporting needs, or the Funds Management module which is focused on the budget. Financial Accounting provides the information that you need for the balance sheet, income statement, and other key financial reports.

The Financial Accounting module is represented by the abbreviation FI.

FI – General Ledger



- ④ The base application in Financial Accounting (FI) is the general ledger.
- ④ All business transactions with financial implications are collected in FI-GL.
- ④ The general ledger serves as a complete record of all business transactions. It is the centralized, up-to-date reference for the rendering of accounts.
- ④ It can be updated:
 - automatically from other SAP modules;
 - using manual GL posting documents; or,
 - through rollups from subsidiary ledgers.

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Notes:

FI – General Ledger Master Data



- 🕒 The general ledger is set up according to the chart of accounts.
- 🕒 SCEIS GL account ranges are as follows:

General Ledger Accounts	Number Range
Cash and Cash equivalents	1000000000 – 1299999999
Assets	1300000000 – 1799999999
Fixed Assets	1800000000 – 1999999999
Liabilities	2000000000 – 2999999999
Fund Balance	3000000000 – 3999999999
Revenue	4000000000 – 4999999999
Expenditures	5000000000 – 5999999999
Transfers	6000000000 – 7999999999
Conversions	9000000000 – 9999999999

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The chart of accounts organizes all of the general ledger accounts into account groups.

Each account group is assigned a range of ten-digit account numbers.

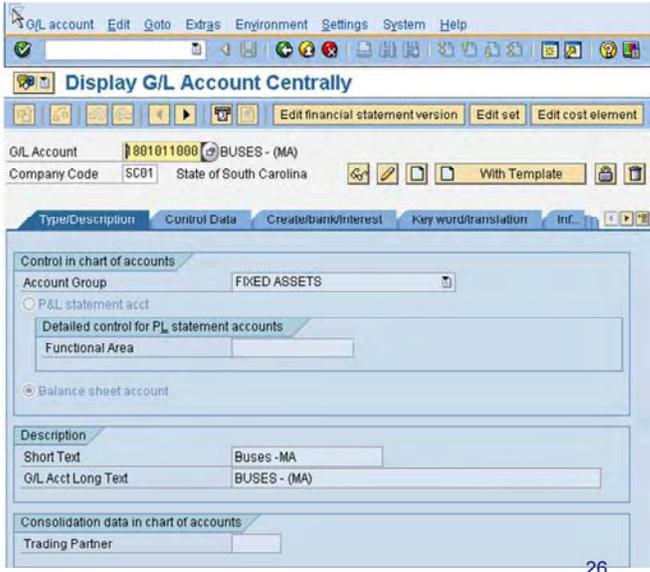
The general ledger accounts replace the balance sheet, revenue source, and expenditure object codes.

The chart of accounts contains all of the accounts necessary to prepare the Comprehensive Annual Financial Report (CAFR).

FI – General Ledger Master Record



- ④ Detailed information about a G/L account is listed in the master record.
- ④ G/L account master records are created and maintained centrally.
- ④ Authorization to create and change master records is limited.

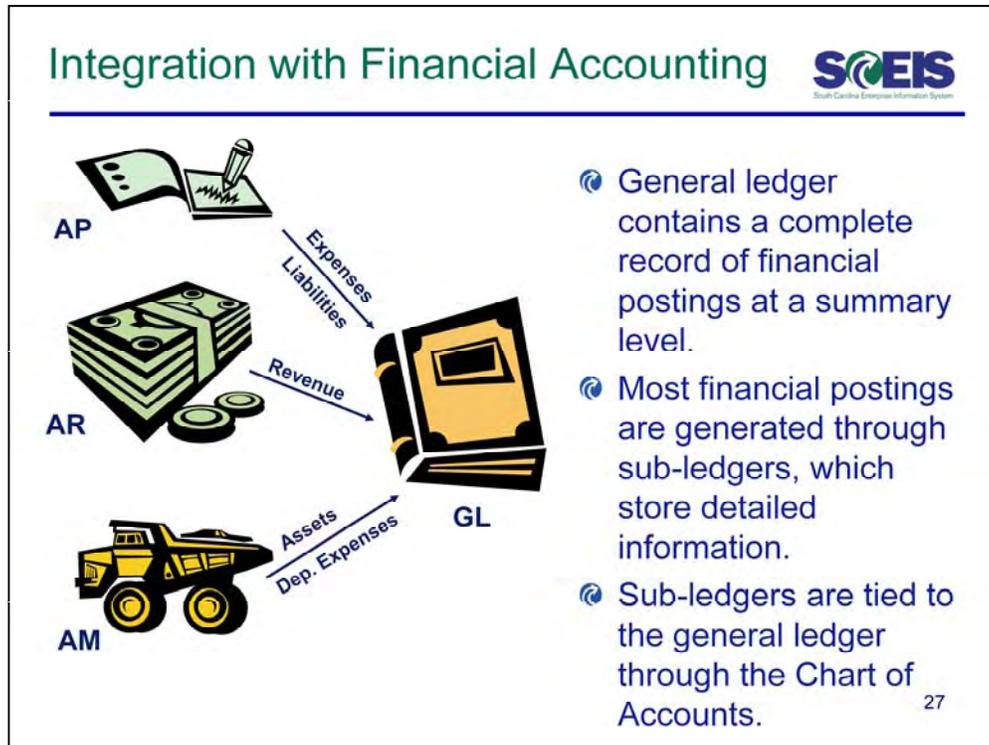


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General ledger account master records contain detailed information about the accounts, such as the name of the account and the group to which the account belongs.

Because the master data in the system is tightly integrated, general ledger account master records are created and maintained centrally. When general ledger accounts are created, corresponding cost elements and commitment items need to be set up as well. The new G/L account may also need to be associated with a sponsored class in the Grants Management module.

Few people have the authorization to change master records, fewer still can create them.



The general ledger contains a complete record of the State of South Carolina's financial postings at a summary level. The vast majority of financial postings are generated through or pass through one of the sub-ledgers -- Accounts Payable (AP), Accounts Receivable (AR), or Asset Management (AM) -- before they hit the general ledger. Detailed information about the financial postings resides in the sub-ledgers.

The sub-ledgers are tied to the general ledger through the chart of accounts.

- Accounts payable postings typically involve the expenditure and liability accounts.
- Accounts receivable transactions post to revenue accounts.
- Asset management transactions are recorded to the asset and depreciation expense accounts.

Journal entries can be posted directly to the general ledger without going through a sub-ledger.

The balance sheet and the income statement are generated from the general ledger. The general ledger provides the basis for the Comprehensive Annual Financial Report (CAFR).

FI – Accounts Receivable



- ④ Accounts Receivable (AR) sub-module records and manages the accounting data with regards to customers of the State of South Carolina.
- ④ Purpose of the Accounts Receivable process:
 - Maintains and manages accounting data for all customers.
 - Stores data according to the customer.
- ④ The AR module is used to:
 - Process customer invoices and credit memos (including IDTs).
 - Maintain customer payments and payment history.
 - Manage deposits received from customers.
 - Administer financial records and account balances related to customers.

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Notes:

FI – Accounts Receivable *(continued)*



- ④ The FI-GL (General Ledger) module supports the AR module.
- ④ There are separate sub-ledgers maintained for the AR and GL modules.
 - Postings made in the AR sub-ledger are linked to the GL reconciliation ledger.
 - All AR customer transactional details are kept in the AR sub-ledger.
- ④ Two separate reconciliation accounts are currently defined for the SCEIS solution:
 - 1300010000 – *Accounts Receivable - current*
 - 1300020000 – *Accounts Receivable – IDT*

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Notes:

FI – Accounts Receivable Master Data



- The customer master record controls data for the processing of the customer transaction (invoice, credit memo, Account Statements, etc.).

A/R Account Groups	Number Range
ZIDT	A000000 – Z999999
ZCCD	1000000 – 3599999
ZONE	0000001 – 0999999
ZGNR	4000000 - 7999999

- The seven-digit customer accounts can be combined into various account groups.

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A/R Account groups have number ranges assigned to them. Number ranges are of two types:

Internal: You do not fill in the customer code when creating the customer. Instead, the system generates a customer code from the number range assigned to the account group when the new customer master record is created.

External: You fill in the customer code when creating the customer. The code may be alphanumeric, if the number range allows for that.

There are 4 customer account groups. ZIDT and ZCCD customer number groups are externally generated. The first three characters of customer account group (ZIDT) relate to the first three characters of the business area. For example, E12 is the Comptroller General's Office, the SAP customer number is E120000. ZONE and ZGNR are internally generated.

ZIDT – Inter-Departmental Transfers customers (External)

ZCCD – City, County or District customers (External)

ZONE – One-time customers (Internal)

ZGNR – General customers (Internal)

FI – Accounts Receivable Transactional Data 

☉ Standard Document Type

- DA Customer Document
- DR Customer Invoice
- DG Customer Credit Memo
- DZ Customer Payment
- ZW ACH/Wire Deposits
- ZD General Deposits (cash & checks)
- ZJ IDT Invoice Billing
- ZK IDT Credit Memo
- ZF IDT Receipts
- AB Clearing Document

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Document Type: Key that distinguishes the business transactions to be posted. The document type determines where the document is stored as well as the account types to be posted. Document types are helpful in generating reports as well.

FI – Accounts Receivable Process



④ The 4 main traditional process steps in AR area:

- Invoicing (billing) and credit memos (including IDTs)
- Receipting of customer payments
- Clearing A/R accounts
- Other steps
 - Examples of these activities within Accounts Receivable are write offs, year-end closure, etc.

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Notes:

FI – Accounts Payable



- ④ Purpose of the Accounts Payable process:
 - Maintains and manages accounting data for all vendors of goods, materials, and services.
 - Stores data according to the vendor.

- ④ AP is a sub-ledger of the General Ledger integrated by:
 - Master data.
 - Transactional data.
 - Reporting system.

- ④ Business function of AP:
 - Records invoices and payments for each vendor.
 - Manages invoice exceptions.

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Notes:

FI – Accounts Payable *(continued)*



☉ Modules that support the AP process:

- Finance (FI)
 - A/P sub-ledgers, vendor account balances, posting, invoices, vendor master record, asset accounting, G/L reporting
- Controlling (CO)
 - Cost Center Accounting, Reports
- Purchasing (MM)
 - Purchase Orders, Goods Receipt

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Notes:

FI – Accounts Payable (continued)



- ☉ Important organizational elements of AP consist of vendor master record and account groups.
- ☉ Vendor accounts may be combined in various account groups, so that they can be organized and managed more easily.
- ☉ Number ranges are assigned to these account groups for reporting and management purposes.

Vendor Type	Description
ZVEN	Vendor
ZCCD	City, county, district
ZIDT	State Agencies
ZINT	International
ZOTV	One-time Vendor

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Vendor master records and account groups are maintained centrally. Purchasing-related data is posted in purchasing organization data settings.

FI – Accounts Payable *(continued)*



Output from the Accounts Payable process:

- Accounts Payable Master Data
- Vendor Invoice
- Vendor Credit Memo
- Payments
- Accounts Payable Reports

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Notes:

FI – Accounts Payable Transactional Data



☉ Payment Document Type:

- KZ Vendor Payment
- ZC Check Payment Posting
- ZM Manual Payment Posting
- ZV Payment Clearing
- ZA Vendor 1099 Transfer
- ZI IDT INV Paying Party
- ZP Payment Posting
- ZT Travel
- ZV Payment Clearing
- ZW Wire Transfer Live Agency

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Notes:

FI – Asset Management



- ④ Asset Management is used for managing and supervising assets (capital and low-value) within the system.
- ④ It is a module of the FI area providing detail information on transactions involving fixed assets.
- ④ Traditional asset accounting manages the entire life of the asset.

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Notes:

FI – Asset Management (*continued*)



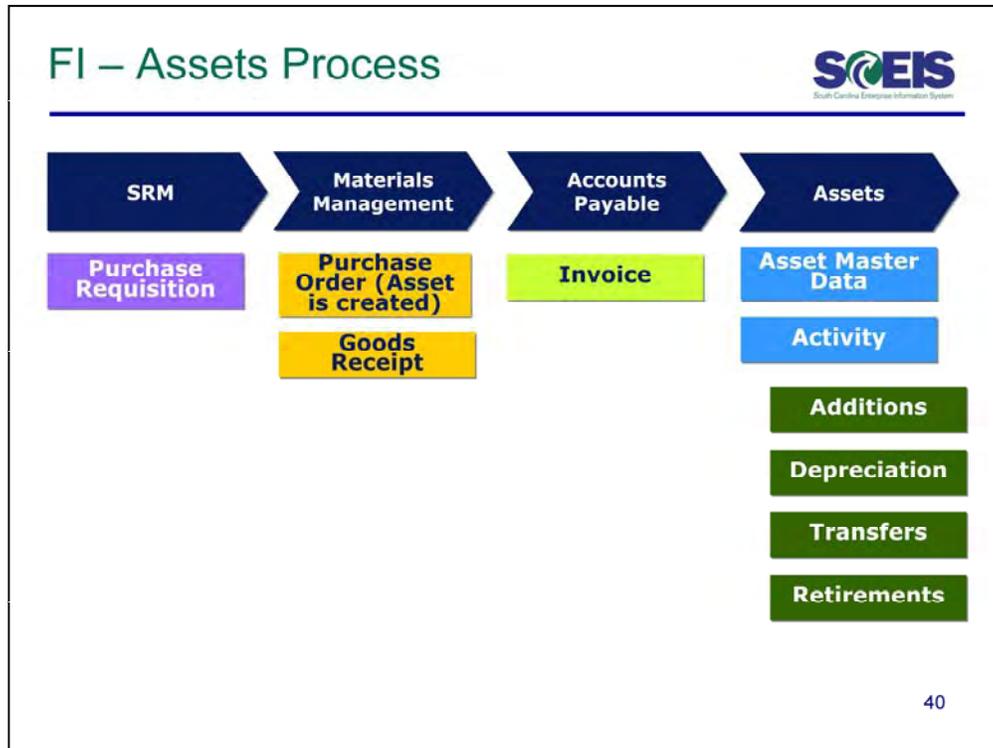
- ④ All postings made for assets (acquisitions, retirements, depreciation, etc.) are posted in the company code and business area.
- ④ You may also assign an asset to various CO objects (cost center, internal order, etc.).
- ④ Each asset must be assigned to an asset class.
- ④ Fixed assets and accumulated depreciation accounts automatically reconcile to the GL.

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Each asset belongs to the state's company code and business area. All postings made for the asset (acquisitions, retirements, depreciation, etc.) are posted in the company code and business area.

Asset Accounting uses the same company code as the General Ledger. However, you must further define these company codes with the specifications needed for Asset Accounting.

The asset class is the main criterion for defining the asset; each asset must be assigned to an asset class. In the asset class, you define certain control parameters and default values for depreciation and other master data.



A request for a purchase is initiated within the SRM system.

Once the requisition moves through Materials Management in the ECC system, an asset is created. This creation of an asset holds no value as of yet.

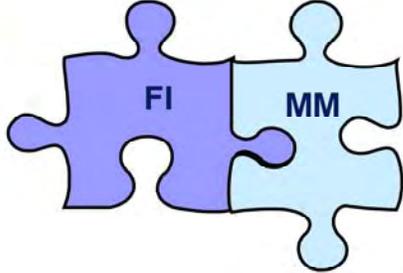
The PO is then processed as a goods receipt (a non-financial document) and is established as an invoice. When this PO is processed and becomes an invoice, the asset has a monetary value (Credit: asset. Debit: vendor payable).

After the asset has an established value, activities within the Asset Management module take place.

FI/MM Integration



- Financial account assignments are listed on requisitions and purchase orders.
- When a goods receipt is created, there is no financial document generated. The GR is non-valuated and will create only a material document.



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Financial account assignments, such as the general ledger accounts, are listed on the requisitions and purchase orders that are created in the Materials Management module.

When a goods receipt is posted, there is no financial document generated in the Financial Accounting module. The Goods Receipt is non-valuated and will create only a material document.

You can access the original purchasing documents from within the Finance module by following the menu path:

Environment >> Document Environment >> Original Document.

Module 2 Summary



🕒 You should now be able to:

- Define key terms and concepts.
- Identify each sub-module within FI.
- Describe the account code structure terminology.
- Identify FI Master data.
- Explain how AR, AP and AM elements affect each module.

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Notes:



Module 3: Controlling

Notes:

Module 3 Learning Objectives



🌀 Upon completion of this module, you should be able to:

- Define key terms and concepts.
- Explain the purpose of the CO module and its relationship with the other modules.
- Describe the account code structure terminology.
- State the master data elements within the CO module.
- Explain the purpose of Project Systems and Work Breakdown Structure (WBS)
- Explain how this module interfaces with the other Finance (FI) modules.

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Notes:

Key Terms and Concepts



- Controlling Area
- Company Code



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Notes:

Controlling Area: An organizational unit within an organization, used to represent a closed system for cost accounting purposes.

Company Code: An organizational unit used to structure the business organization from a financial accounting perspective. All State agencies are within the SC01 company code.

Key Terms and Concepts


South Carolina Enterprise Information System

Cost Element

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Notes:

Cost Element: Cost elements in the Controlling module are the equivalent of expenditure and revenue accounts in the general ledger of the Financial Accounting module.

For every expenditure account, there is a corresponding 10-digit primary cost element code. Likewise, for every revenue account, there is a corresponding revenue element. This ensures that you can reconcile expenditures and revenue in FI with expenditures and revenue in CO. In addition, for each primary and revenue cost element, there is a corresponding commitment item in the Funds Management module. Secondary cost elements are used to settle and allocate costs within the CO module and, therefore, do not have a corresponding account in the general ledger. Costs are not posted directly to secondary cost elements, but are transferred through them during settlements and allocations. Secondary cost elements enable you to track the internal flow of costs independent of the FI and FM modules. Secondary cost elements are used as statistical or cost allocation data. Allocations used for statistical analysis are accounted for with secondary cost elements. These do not have an FI or FM impact.

Key Terms and Concepts



- **Cost Center**
- **Internal Order**
- **Work Breakdown Structure**



Notes:

Cost Center: Cost centers collect costs within particular locations in the organization. Cost centers represent resources at the managerial level and are assigned to the responsible managers for tracking of costs for their areas. Cost centers are comprised of 10 alphanumeric characters. The first four characters represent the business area (agency). Characters five through eight represent agency hierarchy (and are dependent upon the agency to determine which character or characters are grouped to the specific agency level). The remaining two characters are numeric and represent the detail cost center.

Costs must be posted to a cost center; however, the budget may be maintained at a higher level in the structure. Cost centers are representative of the agency organizational structure.

Internal Order: Internal orders are used to collect expenditures of a single event.

Work Breakdown Structure: Data element used for planning and capturing costs of a complex long-term project.

Controlling Module (CO)



- Controlling is :
 - Focused on internal monitoring and control.
 - Internal orders, cost centers and cost elements collect and categorize costs.
 - Managerial (cost) accounting.
- Includes cost allocation functionality.

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The purpose of the Controlling module in SAP is to account for the operational management of resources.

Controlling provides the information that is necessary for the internal monitoring and control of all operational activities.

Internal orders, cost centers and cost elements are accounting objects used to collect and categorize costs.

Costs can be allocated within the CO module, primarily through assessments and activity allocations, without affecting the data in Financial Accounting, Funds Management or any other module.

The Controlling module provides the accounting necessary for managerial (cost) accounting and internal reporting requirements, as opposed to the financial accounting module which is focused on external reporting needs, or the funds management module which is focused on the budget.

A separate set of books will be maintained for cost accounting in the controlling area.

The Controlling module is represented by the abbreviation CO.

CO Master Data



- ④ SAP organizational units for financial records are company codes and controlling areas:
 - FI uses company code
 - CO uses controlling area
- ④ A company code defines an independent accounting entity for which P&L, balance sheet, and trial balance can be generated.
- ④ Every financial-based transaction entered in SAP ECC needs a company code designation.
- ④ The State of South Carolina is using only one controlling area and one company code: **SC01**.

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Notes:

Agencies are listed as business areas.

CO Master Data (continued)

SCEIS
South Carolina Enterprise Information System

SCEIS has created the correct organizational structures in place to support your management accounting processes.

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graph TD; CLIENT[CLIENT] --- CHART[CHART OF ACCOUNTS]; CHART --- CONTROLLING[CONTROLLING AREA (SC01)]; CONTROLLING --- COMPANY[COMPANY CODE (SC01)];
```

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Organizational structures represent the State's legal and organizational views.

The highest level of an organizational structure is the Client. It contains a chart of accounts, which is assigned a Company Code.

A chart of accounts is an organizational structure used to classify values and value flows in order to guarantee an orderly rendering of financial statements (e.g., the chart of accounts specifies whether a GL account is a balance sheet or a profit-and-loss account).

A Company Code is the smallest organizational unit for which a complete, self-contained set of accounts can be drawn up. Business transactions are processed, and accounts are managed, at the Company Code level.

Financial reporting at the Company Code level is a legal requirement. Each Company Code has only one operating chart of accounts assigned to it.

Each Company Code is assigned to a controlling area in the CO module. A controlling area identifies a self-contained organizational element for which the management of costs and profits can be performed. When a document is posted to FI, some of the data it contains is transferred to the appropriate controlling area in the CO module.

CO Master Data *(continued)*



- ④ Master data is entered into the system once and shared across modules.
- ④ Master data remains unchanged over an extended period of time and contains information that is used in the same manner over and over again.
- ④ The CO modules use the following types of master data to perform management accounting:
 - Cost Centers
 - Internal orders
 - Work Breakdown Structures
 - Primary cost elements
 - Secondary cost elements

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Notes:

CO Master Data-Cost Center



- ④ Cost centers are master data objects that represent a business area's organizational structure. They can be posted to directly, cleared to/from orders and assessed or allocated to/from other cost centers.
- ④ You will need a cost center if:
 - There is an individual who is responsible for the cost and plan.
 - You want to assign an employee to this level.
 - You want to allocate cost out to other cost centers.
 - You have to receive cost from other cost centers.
 - The cost center represents a long-term, stable component of your reporting structure.

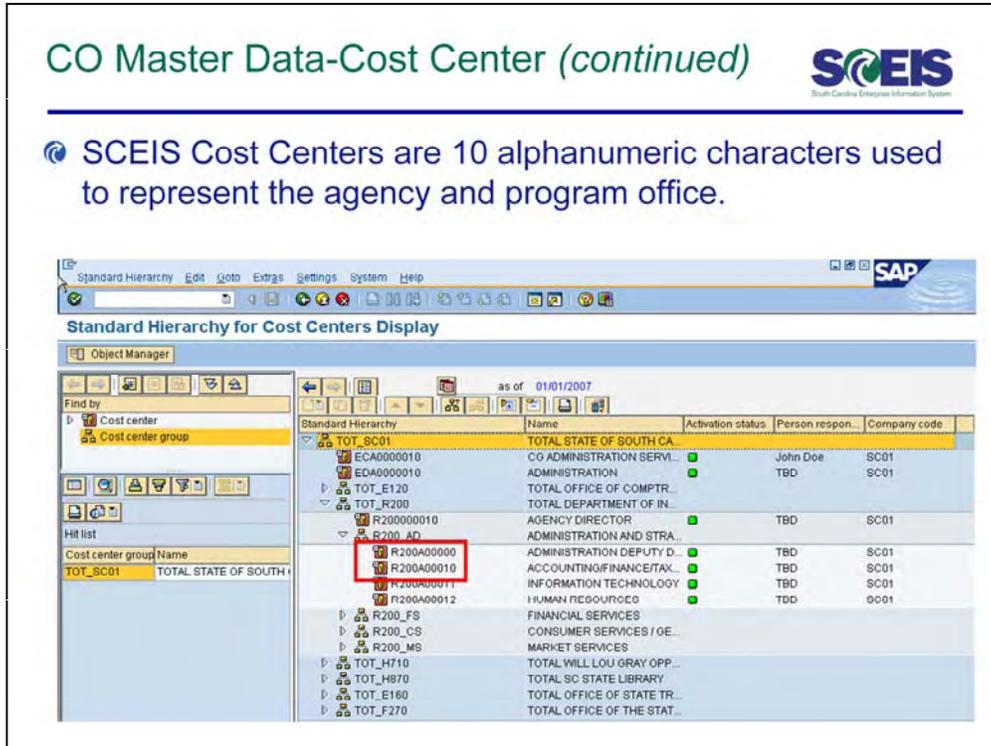
52

Notes:

CO Master Data-Cost Center (continued)



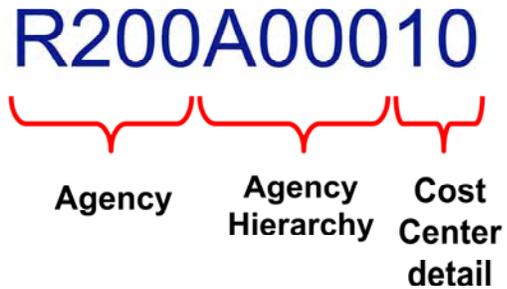
- SCEIS Cost Centers are 10 alphanumeric characters used to represent the agency and program office.



The cost center numbering is derived from the original State of South Carolina agency code. Each progressive lower level is a variation of the base numbering (Cost Center Group).

CO Master Data-Cost Center *(continued)*

How are cost centers determined?



54

The first four characters represent the Business Area (Agency). Characters five through eight represent agency hierarchy (and are dependent upon the agency to determine which character or characters are grouped to the specific agency level.) The remaining two characters are numeric and represent the detail cost center.

CO – Internal Order



- ⦿ Internal orders track the costs for:
 - SPIRS Projects
 - Non-SPIRS Projects
 - Approved Disasters
 - Budgetary Programs
- ⦿ Internal orders are cost objects that collect costs of a single event

Internal Order Types	Number Range
Non-SPIRS	10000000 – 29999999
Grants	Agency Determined
Approved Disasters	98000000 - 98999999
SPIRS	99000000 - 99999999

55

Notes:

CO/PS Why Project Systems ?



- ④ Project System is a complex module designed to manage large, multi-year projects, especially capital-type projects that require settlements to assets under construction.
- ④ Internal orders are designed for simpler, shorter-term operational jobs. Plant maintenance orders should be used if related to maintenance of existing infrastructure and production orders should be used if creating product to be inventoried and/or sold.

56

CO/PS Why Project Systems ?



© **Examples:** The following are examples of the different types of jobs and projects, and the applicable functionality that should be used.

Type of Job / Project SAP Functionality to be Used

- | | |
|---|--------------------------------|
| - Move Users to a New Floor | - CO Internal Order |
| - Research project | - CO Internal Order |
| - Create Inventory Forms for Subsequent Consumption | - CO Production Order |
| - Repair Building Cabling | - CO Internal Order (PM Order) |
| - Warranty Work on New Facility | -CO Internal Order (PM Order) |
| - Repair Cracks in Street | - CO Internal Order (PM Order) |
| - Improve a Building Roof | - PS Project |
| - Build a New Facility | - PS Project |
| - Build a New Street | - PS Project |

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CO/PS – Work Breakdown Structure

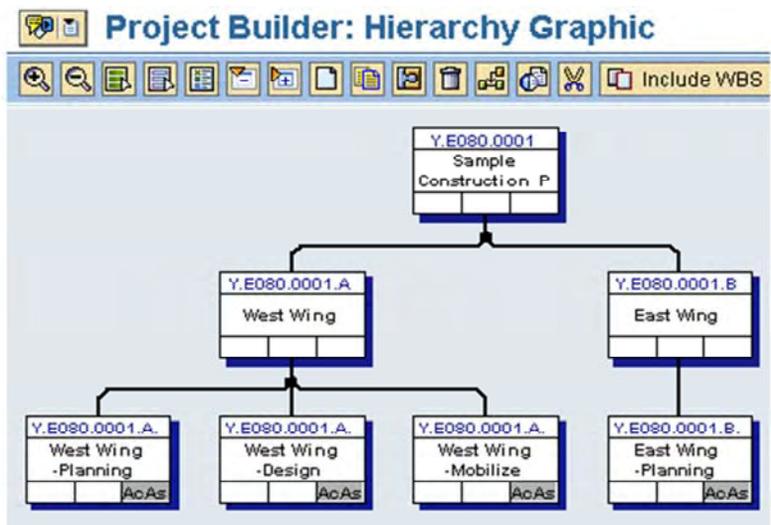


- WBS elements tracks the costs for complex long-term projects.
- WBS elements are arranged in a hierarchies to reflect the work activities of the project
- Expenditures are captured at the lowest WBS level.

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Notes:

CO/PS – Work Breakdown Structure

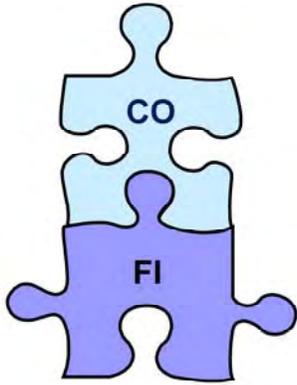


59

FI/CO Integration



- ④ Equivalent cost element for each general ledger expenditure and revenue account.
- ④ Controlling documents are generated automatically from revenue & expenditure financial postings.
- ④ Internal orders are entered on financial postings to collect costs.
- ④ Internal orders and cost centers are tied to business areas in FI.



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Cost elements in the Controlling module are the equivalent of expenditure and revenue accounts in the general ledger of the Finance module. For every expenditure and revenue account, there is a corresponding primary cost element. This ensures that you can reconcile expenditures and revenue in FI with cost elements in CO.

Any financial postings that are relevant to cost accounting generate cost documents within the Controlling module automatically.

When a financial posting is made, the appropriate internal order is listed so that costs are collected.

Each internal order and cost center in the Controlling module is tied to a business area in the Finance module.

The controlling documents remain linked to the relevant financial documents. You can access the controlling documents from within the Finance module by following the menu path:

Environment >> Document Environment >> Accounting Documents.

Module 3 Summary



- You should now be able to:
 - Define key terms and concepts.
 - Explain the purpose of the CO module and its relationship with the other modules.
 - Describe the account code structure terminology.
 - State the master data elements within the CO module.
 - Explain the purpose of Project Systems and Work Breakdown Structure (WBS)
 - Explain how this module interfaces with the other finance modules.

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Notes:



Module 4: Funds Management (FM)

Notes: The Funds Management module is represented by the abbreviation FM.

Module 4 Learning Objectives



④ Upon completion of this module, you should be able to:

- Define key terms and concepts.
- Identify the basic structure and function of the Funds Management module.
- Describe the account code structure terminology.
- Explain how this module interacts with the other modules.

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Notes:

Key Terms and Concepts


South Carolina Enterprise Information System

- **Business Area**
- **Fund**



Notes:

Business Area: A four-digit code that corresponds to the State's agencies. A business area is assigned to each cost center and internal order. The use of business areas enables the State to prepare operating statements on a full accrual basis (assets, liabilities, depreciation, and so on) while still maintaining budgetary statements (budget versus actual expenditures). Full accrual accounting provides the true cost to operate, versus budgetary accounting, which provides the amount of the budget that has been spent.

Fund: A fund represents a self-balancing set of accounts for the purpose of carrying on specific activities. This enables you to create a complete set of books for each fund. It represents the lowest level source of funding used for tracking, controlling and reporting on available financial resources. A full set of financial statements is possible for each fund.

Key Terms and Concepts



- 🕒 Functional Area
- 🕒 Funded Program

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Notes:

Functional Area: Functional areas are used to group accounting and budgeting activities by their functions. They represent the State Level Appropriation within an Agency. There can be 1 to 1 or many to 1 relationship to the current mini-code structure.

Funded Program: Funded programs represent the activities and projects of the State for budgeting purposes. Funded programs are equivalent to the Budget Program Code. Fifteen characters make up the funded program code.

01	00	.	00	00	00	.	000
Prog			Sub	Element	Sub	Spec	Detail
			Prog		Element	Item	

Any costs collected by the internal orders are posted immediately against the agency budget for the related funded program.

Key Terms and Concepts *(continued)*



- **Fund Center**
- **Commitment Items**
- **Grants**



Notes:

Fund Center: A funds center is the Funds Management equivalent of a cost center in the Controlling module. Funds centers represent particular organizational units for which budgets are created. Funds centers are assigned to the responsible managers so that they can track the budget activity for their area. Budgets are loaded at an 8-digit Funds Center, while transactions are posted to the detail 10-digit funds center. There is an equivalent funds center code for each cost center.

Commitment Items: Ten-digit commitment item codes are the Funds Management equivalents of expenditure and revenue general ledger accounts in the Financial Accounting module and cost elements in the Controlling module. Commitment items are the budget line items of expenditures and revenues.

Grants: A legal instrument used to establish a funding relationship between a Sponsor (grantor) and grantee, in order to carry out a public purpose of support or stimulation in which the Sponsor does not expect to be substantially involved. A grant may be for any purpose and cover all or only part of the costs of the project in question. (Discussed more in the following unit.)

Funds Management (FM)



• The function of Funds Management is to:

- Maintain the State of South Carolina budget.
- Budget all revenue and expenditures for individual Business Areas and programs.
- Monitor budget-relevant transactions.
- Monitor budget consumption, warn when funds run low and prevent the budget from being exceeded.
- Track pre-encumbrance and encumbrance transactions.

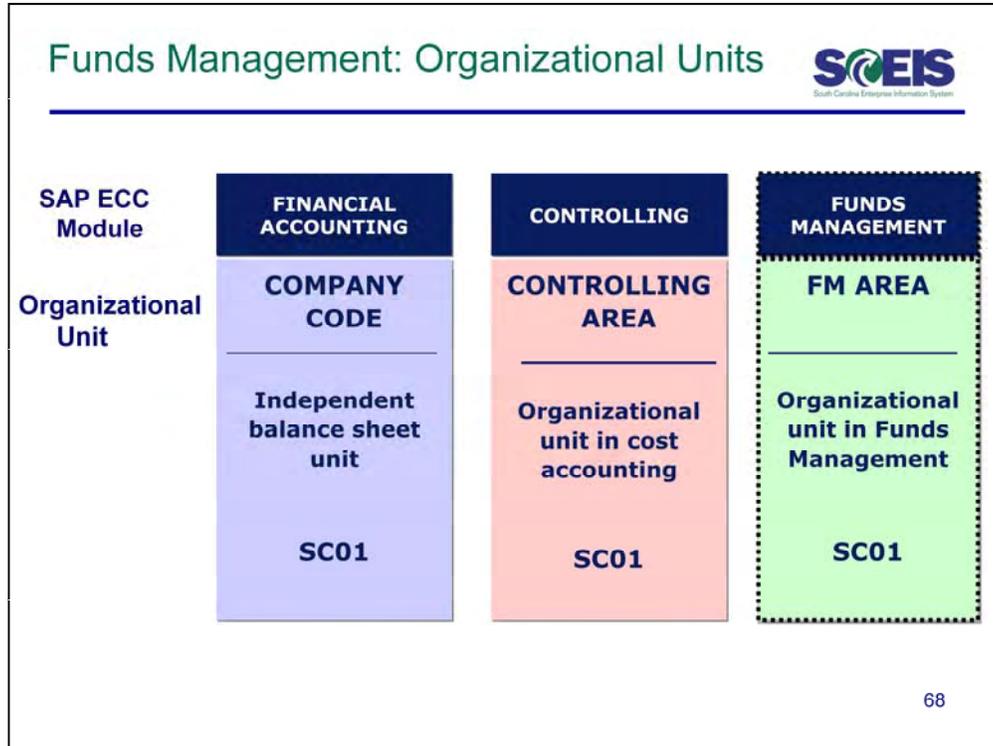
67

The Funds Management module in SAP is used to load and maintain the budget of relevant revenues and expenditures for individual Business Areas and programs.

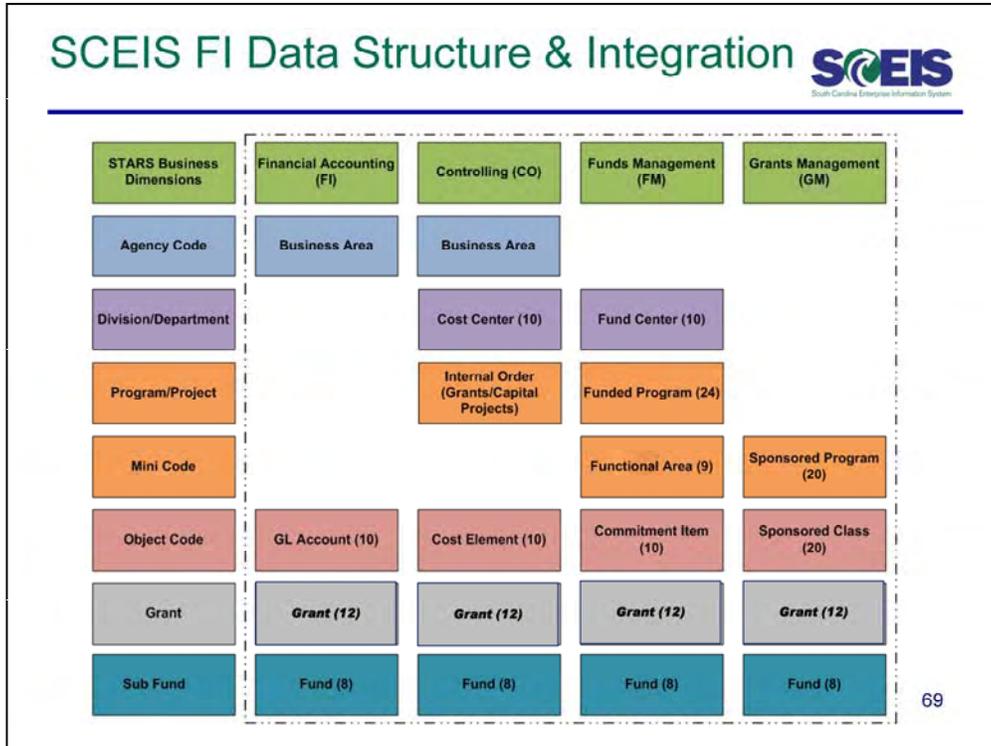
Budget consumption is monitored by the Funds Management module, which warns when funds run low, and prevents the budget from being exceeded.

Funds may be earmarked through funds blocks and funds reservations.

The Funds Management module is used to track pre-encumbrance and encumbrance transactions and documents.



Notes:



Funds Management Master Data



🌀 Funds

- Monies provided by a financial source, such as a public organization, which is managed separately for a specific purpose.
- Fund number is eight digits consisting of the legacy system sub-fund number, “Z” indicator and fund detail.
- Internal funds derive revenue internally; external funds derive funds from sources outside the State.
- A complete set of self-balancing accounts may be generated for each fund.

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A fund represents a source of moneys for which a budget of relevant revenues and expenditures is created.

The fund number is eight digits. The first number indicates type of fund (1 - general fund expenditure; 2 - general fund revenue; 3 - earmarked; 4 - restricted; and 5 - federal). The first four digits are identical to the legacy system sub-fund number. The fifth digit is a “z indicator” (0 - governmental funds; 7 - fiduciary fund; 8 - capital projects; and 9 - audited financial statement agency). The final three digits are for detail based on additional need.

There are two types of funds:

- **Internal funds** – The State generates revenue internally through general appropriations and fees and services.
- **External funds** – The State derives revenue from federal grants, private grants and contracts and other sources outside of the State.

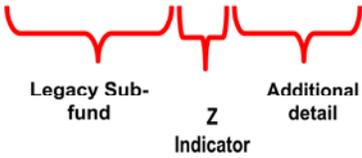
For each eight-digit fund, a complete self-balancing set of accounts is established so that a complete set books may be maintained for each fund.

Funds Management Master Data *(continued)*



Fund Category	Number Range
General fund	10000000 – 29999999
Earmarked Fund	30000000 – 39999999
Restricted Fund	40000000 – 49999999
Federal Fund	50000000 – 59999999

1234Z000

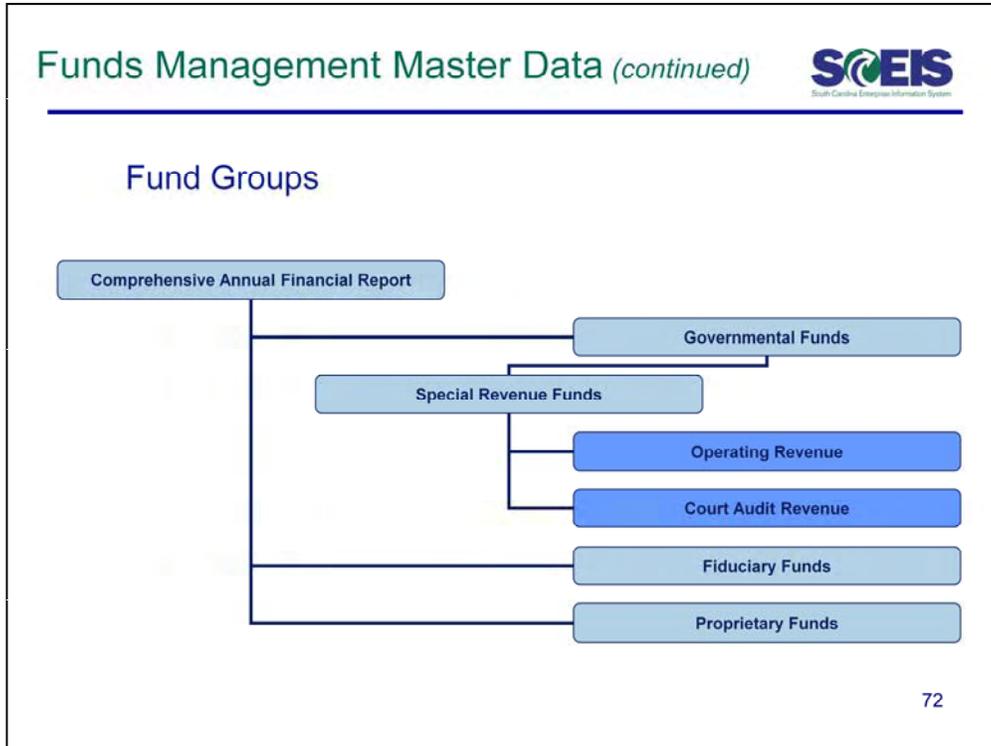


Legacy Sub-fund
Z Indicator
Additional detail

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Z Indicator:

- 0 - governmental funds
- 7 - fiduciary fund
- 8 - capital projects
- 9 - from an audited financial statement agency



Fund groups are used to segregate funds into GAAP categories. They will also be used for reporting purposes.

The fund groups are arranged hierarchically, as in the example above.

Funds Management Master Data *(continued)*



☉ Funds Centers:

- Represent particular organizational units for which budget is created and controlled.
- Are assigned to managers.
- 8-digit SAP funds centers are for budget purposes.
 - First 4-digits are equivalent to the business area
 - Characters five through eight represent agency hierarchy
- 10-digit SAP funds centers are for posting actual transactions.
 - The additional 2 digits represent the detail cost center
- Each 10-digit funds center has an equivalent cost center.

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Funds centers represent specific areas in the organization for which budgets are created and controlled.

Each funds center is assigned to a manager who is responsible for tracking the budget for that area.

Funds Management Master Data *(continued)* 

Commitment Items

- Expenditure and Revenue accounts in FM
- Equivalent to G/L accounts in FI and cost elements in CO
- Correspond to balance sheet, revenue source and expenditure object codes

Commitment Items	Number Range
Assets	1000000000 – 1999999999
Liabilities	2000000000 – 2999999999
Fund Balance	3000000000 – 3999999999
Revenue	4000000000 – 4999999999
Expenditures	5000000000 – 5999999999
Transfers	6000000000 – 7999999999
Conversions	9000000000 – 9999999999

74

Commitment items are the expenditure and revenue accounts in the Funds Management module that are necessary to prepare the Comprehensive Annual Financial Report (CAFR).

Each ten-digit commitment item corresponds to a ten-digit general ledger account in the Financial Accounting module. They are also the equivalent of primary cost elements in the Controlling module.

Commitment items correspond to the balance sheet, revenue source and expenditure object codes.

Commitment items are categorized by type of account and assigned a specific number range.

Funds Management Master Data *(continued)* 

State Funded Programs
– Represent the State of South Carolina programs.

1200.abcdef.789

Program Sub-Program Element Sub-Element Additional Budget Detail

75

Funded programs enable you to control the budget at the program level.

Funded programs are the SAP equivalent of Budget Program Codes.

Funded programs are comprised of 15 characters:

- The first two characters are the program code.
- The next two characters represent the subsequent use of the program code (but with a different title) in the appropriations act. These will be zero until the code is actually used with a different title or purpose. From that point, 00 will be numbered sequentially starting with 01.
- “a” and “b” represent the sub-program.
- “c” and “d” represent the element.
- “e” and “f” represent the sub-element.
- The last 3 digits represent additional detail as needed.

**Funds Management Master Data:
Agency Funded Programs**



Funded programs are the SAP equivalent of budget program codes. State Funded Programs can be further broken down into Agency Funded Programs

H870 A00010_0000



Business Area

Cost Center

Functional Area

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Funded Programs:

Funded programs enable you to record budget, control postings, and monitor the performance of internal projects and programs.

The Agency Funded Program is automatically recorded when posting an FI Transaction. During Data Entry, the combination of the Cost Center and Functional Area will derive the Agency Level Funded Program. As a default, the AVC Check for the Agency Level Funded Program will be checked at the State Level Funded Program.

Funds Management Master Data <i>(continued)</i>		
Capital Projects		
Number range:	9900.000000.000	to 9999.999999.999
Disaster Fund		
Number range:	9899.000000.000	to 9899.999999.999
77		

Capital projects numbering scheme:

The first two characters represent the current program budget code.

The middle six characters will be assigned to represent the specific SPIRS Project and Phase number. The final three characters are for additional detail if needed by the project owner.

Disaster Fund numbering scheme:

The first four characters represent the disaster funded program.

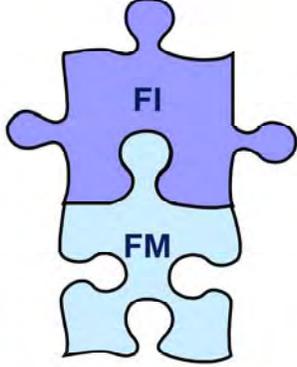
The middle six characters represent the designated disaster number (sequentially numbered).

The last three characters represent additional details as required by the disaster reporting requirements.

FI/FM Integration



- Equivalent commitment item for each general ledger account
- FM documents are generated automatically from financial postings
- FM Master Data items on financial documents



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Commitment items in the Funds Management module are the equivalent of general ledger accounts of the Finance module. For every general ledger account, there is a corresponding commitment item. This enables reconciliation between FI and FM where appropriate.

Any financial postings that are relevant to the budget generate documents within the Funds Management module automatically. The FM master data items are listed on the financial documents and facilitate proper account assignment.

The Funds Management documents that are generated remain linked to the relevant financial documents. You can access the documents from within the Finance module by following the menu path:

Environment >> Document Environment >> Accounting Documents.

Module 4 Summary



☉ You should now be able to:

- Define key terms and concepts.
- Identify the basic structure and function of the Funds Management module.
- Describe the account code structure terminology.
- Explain how this module interacts with the other modules.

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Notes:



Module 5: Grants Management (GM)

Notes:

Module 5 Learning Objectives



- ④ Upon completion of this module, you should be able to:
 - Define key terms and concepts.
 - Identify the basic structure and function of the Grants Management (GM) module.
 - Identify GM master data.
 - Explain how the GM module interacts with the other modules.

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Notes:

Key Terms and Concepts


South Carolina Enterprise Information System

- ④ Fund
- ④ Grant
- ④ Sponsor
- ④ Sponsored Class
- ④ Sponsored Program


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Definition of Key Terms and Concepts:

Fund: A source of moneys for which a budget of relevant revenues and expenditures is created.

Grant: A legal instrument used to establish a funding relationship between a Sponsor (grantor) and grantee, in order to carry out a public purpose of support or stimulation in which the Sponsor does not expect to be substantially involved. A grant may be for any purpose and cover all or only part of the costs of the project in question.

Sponsor: Sponsors are outside parties that provide funding to a business area for a specific purpose.

Sponsored Class: Sponsored classes are set up to represent the expenditure and revenue categories as outlined by the grant's Sponsor.

Sponsored Program: Sponsored programs identify the purpose or project that the Sponsor is funding, using their own terms.

Grants Management



Fund

- ④ External / Internal
- ④ Only one external fund per grant
- ④ An internal fund or funds can be used if the grant requires cost sharing or matching

Grant

- ④ Establishes a funding relationship between the grantor and grantee.
- ④ Has a twelve digit naming structure.
 - Example: H71010000109 (Federal grant)
- ④ Grant names will be assigned by user..

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Notes:

Fund: A grant has only one external fund but can have many internal funds. Internal funds are used to satisfy the sponsor's requirements if cost sharing (matching) is involved with the grant. A budget is created with the approved set of expenditures and revenues.

Grant: A legal instrument used to establish a funding relationship between a sponsor (grantor) and grantee. It is used to carry out a public purpose of support or stimulation in which the sponsor does not expect to be substantially involved. The grant has a ten digit, agency specific smart name that will be entered by the user.

Grants Management (GM)



Grant (continued)

- Has four lifecycle statuses
 - Award
 - Closing
 - Closed
 - Cancelled

Sponsor

- Also known as the "Grantor"
- Provides the funding source for a project or projects.
- Will determine the grant requirements and objectives.

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Notes:

Grant: The grant, as an object, has a finite lifecycle. It is divided into the following six stages:

- Proposal
- Application
- Award
- Closing
- Closed
- Cancelled

Sponsor: Also known as the Grantor, this entity provides the funding source for a project or projects. The sponsor will determine the grant requirements and objectives.

Grants Management (GM) *(continued)*



Sponsored Class

- ☉ Represents the expenditure and revenue categories
- ☉ Linked to other objects within the FI modules:
 - FI: G/L accounts
 - CO: cost elements
 - FM: commitment items
- ☉ ex.: supplies & materials, salaries, other operating

Sponsored Program

- ☉ Identify the project for which the Sponsor provides funding.
- ☉ Delineates Sponsor required activities.
- ☉ ex.: administration, teen pregnancy prevention, etc.

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Sponsored Class: Sponsored classes are set up to represent the expenditure and revenue categories of the grant's Sponsor. The expenditure and revenue G/L accounts in the FI module, the cost elements in the CO module, and the commitment items in the FM module are grouped and categorized into Sponsored classes according to the Sponsor's requirements.

Sponsored Program: Sponsored programs identify the state projects that the Sponsors are funding, in their own terms. They are used to group costs in order to satisfy the reporting requirements of a Sponsor. They are formatted alphanumerically and may or may not be unique to a specific grant.

Grants Management (GM) *(continued)*



GM Function

- ④ Grants Management is used to create, monitor and control budgets for grants.
- ④ Tracks available funds, expenditures and encumbrances charged to grants.
- ④ Bills sponsors in coordination with Accounts Receivable.
- ④ Provides information and reports in accordance with the Sponsor's requirements.

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The Grants Management (GM) module in SAP is used to create, monitor and control budgets for grants received.

Grants Management provides instant access to detailed grant information, including the amount of the available grant funds, the expenditures that have posted to grants, and the encumbrances that have been charged.

Sponsors are billed through the Accounts Receivable module.

Grant information can be presented from the perspective of the State as well as the Sponsor.

As a grant moves through the grant lifecycle, such as going from application status to award status, workflow notifications (when implemented) keep the relevant parties informed.

Grants Management (GM) *(continued)*



GM Function *(continued)*:

- ④ Grants are funds given by a Sponsor to the State for a specific purpose.
- ④ Outlines financial conditions and legal rules to be followed in exchange for the funds.
- ④ A budget is maintained for each grant.

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Grants are funds given to the State by Sponsors for specific purposes.

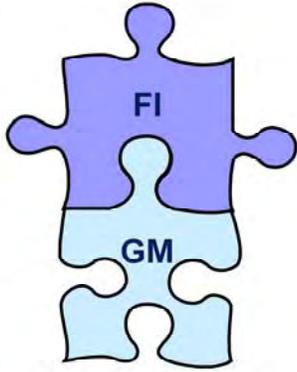
Each grant outlines the financial conditions and legal rules that the State must agree to follow in exchange for the money.

A budget is created and maintained for each grant.

FI/GM Integration



- General ledger expenditure and revenue accounts are grouped and mapped to Sponsored classes.
- Grant is entered on the purchasing documents and listed on the financial documents.
- Grants management documents are generated automatically from financial documents.



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General ledger expenditure and revenue accounts are grouped and mapped to Sponsored classes within the Grants Management module according to the needs of the grant Sponsor. This ensures that you can reconcile expenditures and revenue in FI with sponsored classes in GM.

Grants Management documents are generated automatically from financial postings, even when the grant is “NOT RELEVANT” to a particular transaction.

The Grants Management documents remain linked to the relevant financial documents. You can access the documents within a particular transaction (such as invoice) by following the menu path:

Environment >> Document Environment >> Accounting Documents.

Module 5 Summary



☉ You should now be able to:

- Define key terms and concepts.
- Understand the purpose and function of the Grants Management module.
- Identify GM master data.
- Explain how the GM module affects other FI modules.

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Notes:



Module 6: Reconciliation

Notes:

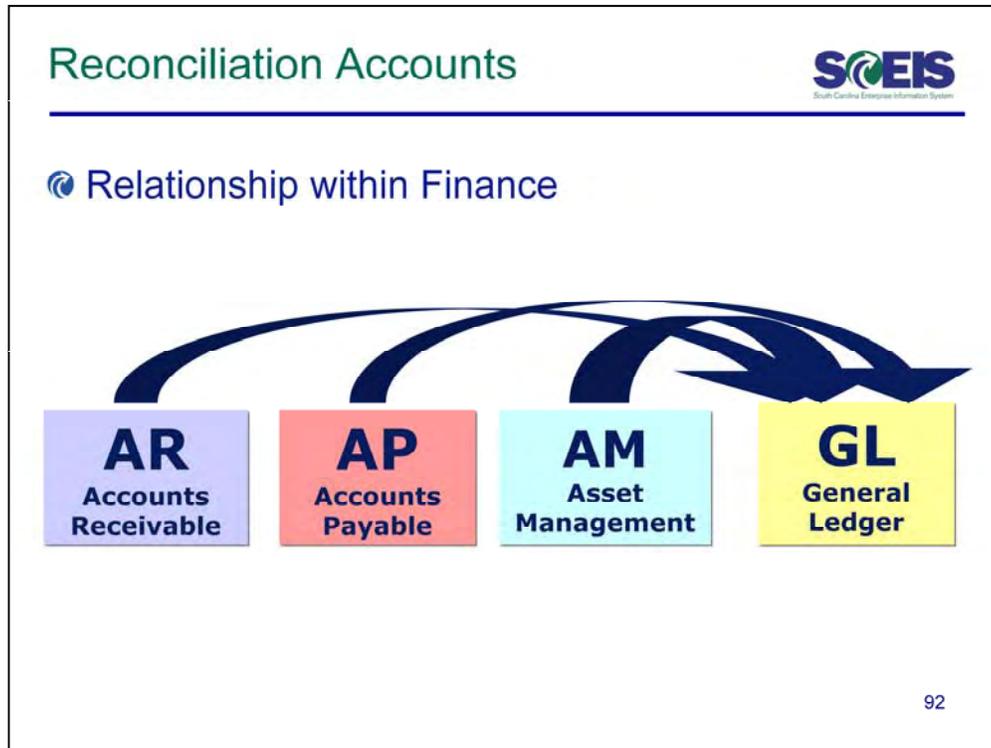
Module 6 Learning Objectives



- ④ Upon completion of this module, you should be able to:
 - Describe where the reconciliation activities reside and how to access them.

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Notes:



Reconciliation accounts connect subsidiary ledgers with the general ledger in real time. This means that a posting to a subsidiary ledger posts to the corresponding reconciliation account in the general ledger at the same time.

The subsidiary ledgers, which are connected to the general ledger account via reconciliation accounts, are the accounts payable (AP), accounts receivable (AR) and asset ledgers (AM).

Reconciliation Accounts - FM & GM



- ④ Users should reconcile budgetary fund balances to fund balances calculated on a modified accrual basis.
- ④ Transactions may be posted in FI and Controlling (CO) that should not be reflected against budgeted amounts in FM such as depreciation (statistical).
- ④ Statistical posting of these transactions can be done in FM to facilitate reconciliation with FI and CO.



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GM is considered a sub-form of funds management as far as reconciliation is concerned. GM (with FM) updates the budgetary ledger which is then reconciled with GL.

The modified accrual basis of accounting requires that only financial transactions that are short-term in nature be reported. Examples of modified accrual transactions that are different from full accrual transactions include the following:

- Long-term assets are shown as capital expenditures when incurred.
- Long-term assets are reported in a different account group, with no depreciation reported.
- Long-term debt issued is shown as another financial resource, with premium or discount reported as current financial resources.
- Long-term liabilities are reported in a separate account group, with no premium or discount reported.

Certain types of postings may need to be made in Financial Accounting (FI) for modified accrual accounting purposes that would not update Funds Management (FM) on an actual basis.

- These postings can be recorded against statistical commitment items and carried forward to future fiscal years in FM for reconciliation and reporting purposes.

Module 6 Summary



- You should now be able to:
 - Describe where the reconciliation activities reside and how to access them.

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Notes:



Module 7: Learning Activities

Notes:

Learning Activity # 1



Which SAP FI modules will be used to conduct business in the State of South Carolina?

Learning Activity #1 - Answer



The State of South Carolina will use the following modules to conduct business:

- Financial Accounting (FI) including:
 - General Ledger
 - Accounts Receivable
 - Accounts Payable
- Funds Management
- Grants Management
- Controlling (CO)
- Asset Management
- Materials Management (MM) including:
 - SRM
- Work Flow
- Human Resources (HR) - only supports functions through integration of SAP ECC modules (Payroll and Time will be implemented in a later phase.)

The State of South Carolina will use the following modules to conduct business:

- Financial Accounting (FI) including:
 - General Ledger
 - Accounts Receivable
 - Accounts Payable
- Funds Management
- Grants Management
- Controlling (CO)
- Asset Management
- Materials Management (MM) including:
 - SRM
- Work Flow
- Human Resources (HR) - only supports functions through integration of SAP ECC modules (Payroll and Time will be implemented in a later phase.)

Learning Activity #2



1. Name the modules that support the Accounts Receivable module.
2. SAP Assets Management module supports assets over the course of their life cycle. (True or False)

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Learning Activity #2 - Answers



1. General Ledger and Cash Management
2. True. But Assets under Construction are handled by internal orders.

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The State of South Carolina will use the following modules to conduct business:

- Financial Accounting (FI) including:
 - General Ledger
 - Accounts Receivable
 - Accounts Payable
- Funds Management
- Grants Management
- Controlling (CO)
- Asset Management
- Materials Management (MM) including:
 - SRM
- Work Flow
- Human Resources (HR) - only supports functions through integration of SAP ECC modules (Payroll and Time will be implemented in a later phase.)

Learning Activity #3



1. Describe three reasons you would need a cost center.
2. Describe the number scheme for cost centers.
3. When would you use an Internal Order?

100

Learning Activity #3 - Answers



1. You will need a cost center if:
 - There is an individual who is responsible for the cost and plan.
 - You want to assign an employee to this level.
 - You want to allocate cost out to other cost centers.
 - You have to receive cost from other cost centers.
 - The cost center represents a long-term, stable component of your reporting structure.

2. The first four characters represent the Business Area (Agency). Characters five through eight represent agency hierarchy (and are dependent upon the agency to determine which character or characters are grouped to the specific agency level). The remaining two characters are numeric and represent the detail cost center.

3. To collect costs for a single event, approved disaster, capital project, or grant.

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The State of South Carolina will use the following modules to conduct business:

- Financial Accounting (FI) including:
 - General Ledger
 - Accounts Receivable
 - Accounts Payable
- Funds Management
- Grants Management
- Controlling (CO)
- Asset Management
- Materials Management (MM) including:
 - SRM
- Work Flow
- Human Resources (HR) - only supports functions through integration of SAP ECC modules (Payroll and Time will be implemented in a later phase.)

Learning Activity #4



1. Name at least two functions of the Funds Management module.
2. The FM area in the funds management module is equivalent to the _____ area in the CO module.
3. What are the four categories of funds used in SCEIS?
4. Each funds center has an equivalent _____ center.

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Answers:

Learning Activity #4 - Answers



1. Four functions of FM module:
 - Maintain the State of South Carolina's budget.
 - Budget all revenue and expenditures for individual business areas and programs.
 - Monitor budget-relevant transactions.
 - Monitor budget consumption, warn when funds run low and to prevent the budget from being exceeded.
 - Track pre-encumbrance and encumbrance transactions.
2. Controlling
3. General, Earmarked, Restricted and Federal funds
4. Cost

103

The State of South Carolina will use the following modules to conduct business:

- Financial Accounting (FI) including:
 - General Ledger
 - Accounts Receivable
 - Accounts Payable
- Funds Management
- Grants Management
- Controlling (CO)
- Asset Management
- Materials Management (MM) including:
 - SRM
- Work Flow
- Human Resources (HR) - only supports functions through integration of SAP ECC modules (Payroll and Time will be implemented in a later phase.)

Learning Activity #5



1. Describe at least two functions of the GM module.
2. The GM master data element, sponsored class, is linked to what FI data element and FM data element?
3. True/False - A grants management document is generated automatically when a financial posting occurs.

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Learning Activity #5 - Answers



1. Grants management:
 - Is used to create, monitor and control budgets for grants.
 - Tracks available funds, expenditures and encumbrances charged to grants.
 - Bills sponsors.
 - Provides information and reports from the sponsor's perspective.
2. FI = G/L account; FM = commitment item.
3. True. Regardless of whether the grant is relevant or not relevant to a particular transaction, a GM.

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Notes:

Course Summary



- You should now be able to:
 - List benefits of the SCEIS SAP Financial Overview.
 - List the key changes.
 - Describe the high level process flow.
 - Identify all financial modules.
 - Explain how account postings are transferred among financial modules.
 - Describe how each finance module interacts with the others to perform functions.

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Notes:

Any Questions?





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Notes:

Next Steps



Additional Support and Reference Materials

- You can access additional support and print step-by-step procedures on the SCEIS uPerform website.

Go to the SCEIS website at <http://www.sceis.sc.gov> and click “SCEIS uPerform.”

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Notes: