



GLOSSARY OF SAP S/4HANA FINANCE 2021

**A Quick Reference Guide to
SAP Terminologies**

Concept/Term	Definition
SAP S/4HANA Finance	The financial module of SAP S/4HANA that integrates financial management, accounting, and reporting in real-time.
General Ledger (G/L)	A centralized repository for all financial transactions, used in SAP S/4HANA to track and report company financial data.
Accounts Payable (AP)	A submodule in SAP S/4HANA for managing payments to vendors and processing related transactions, such as invoices and credit memos.
Accounts Receivable (AR)	A submodule in SAP S/4HANA for managing incoming payments from customers, tracking open items and processing receipts.
Asset Accounting (AA)	A module in SAP S/4HANA used to manage and track the lifecycle of company assets, including acquisition, depreciation, and disposal.

Concept/Term	Definition
Cost Center Accounting (CCA)	A tool in SAP S/4HANA used to allocate costs within an organization based on cost centers, helping track financial performance.
Profit Center Accounting (PCA)	A module in SAP S/4HANA that tracks and reports profit and loss based on different areas or departments (profit centers) within an organization.
Financial Statements	Reports such as balance sheets and income statements generated in SAP S/4HANA to present the financial health of an organization.
Cost of Goods Sold (COGS)	The direct costs attributable to the production of goods sold by a company, calculated in SAP S/4HANA for accurate profit margins.
Financial Reporting	The process of generating and analyzing financial data, including balance sheets, P&L statements, and cash flow statements in SAP S/4HANA.

Concept/Term	Definition
Cash Management	A tool in SAP S/4HANA that helps organizations manage cash flow, including forecasting and liquidity management, in real-time.
Treasury Management (TRM)	A module within SAP S/4HANA for managing financial risk, investments, and cash positioning across the enterprise.
Bank Accounting	The management of company bank accounts, transactions, and reconciliation processes within SAP S/4HANA.
Tax Management	A module in SAP S/4HANA used to configure and manage the calculation, reporting, and payment of taxes, ensuring compliance.
VAT (Value Added Tax)	A form of indirect tax calculated on the value added at each stage of the production and distribution process, managed in SAP S/4HANA for accurate reporting.

Concept/Term	Definition
Financial Close	The process of finalizing all financial transactions at the end of a period, including reconciliations and adjustments, in SAP S/4HANA.
Budgeting and Planning	The process of creating and managing financial budgets and forecasts, integrated into SAP S/4HANA for real-time monitoring.
Intercompany Transactions	Transactions between subsidiaries or units within a larger corporate group, tracked in SAP S/4HANA for consolidation and reporting.
Consolidation	The process of combining financial data from different subsidiaries into a unified report for the entire organization, managed within SAP S/4HANA.
Financial Consolidation	The practice of consolidating financial data to create a comprehensive view of a company's financial status, done in SAP S/4HANA for accurate reporting.

Concept/Term	Definition
Integrated Business Planning (IBP)	A solution that integrates financial and operational planning, helping businesses align their financial and operational goals in SAP S/4HANA.
Accounts Reconciliation	The process of matching and verifying transactions and account balances within SAP S/4HANA to ensure financial integrity.
Closing Cockpit	A tool in SAP S/4HANA that manages and monitors the closing process, ensuring timely and accurate period-end financial close activities.
Month-End Close	The process of closing the financial books at the end of each month, generating reports, and making necessary adjustments in SAP S/4HANA.
Year-End Close	The finalization of financial records for the year, ensuring that all transactions are accounted for and reports are prepared in SAP S/4HANA.

Concept/Term	Definition
Audit Trail	A detailed log of all financial transactions, changes, and approvals within SAP S/4HANA, used for accountability and compliance purposes.
Multi-GAAP	The ability to generate financial statements in multiple Generally Accepted Accounting Principles (GAAP), supported by SAP S/4HANA for global compliance.
Currency Translation	The process of converting financial data from one currency to another, based on exchange rates, for accurate reporting in SAP S/4HANA.
Foreign Exchange (FX)	The management of currency exchange transactions, risks, and accounting within SAP S/4HANA, ensuring proper handling of international transactions.
Credit Management	A feature in SAP S/4HANA that helps manage and assess the creditworthiness of customers, minimizing the risk of bad debt.

Concept/Term	Definition
Financial Risk Management	The process of identifying, analyzing, and mitigating financial risks, such as market, credit, and liquidity risks, in SAP S/4HANA.
Invoice Management	The process of managing vendor invoices and payments, including validation, approval, and posting, supported by SAP S/4HANA.
Fixed Asset Management	The management of a company's fixed assets, from acquisition to disposal, including depreciation and reporting, in SAP S/4HANA.
Automated Payment Program (APP)	A tool in SAP S/4HANA that automates the generation of payment proposals and payment runs for suppliers and creditors.
Payment Terms	The agreed-upon conditions for payment between buyer and supplier, configured in SAP S/4HANA to ensure proper payment processing.

Concept/Term	Definition
Document Splitting	A feature in SAP S/4HANA that enables the splitting of financial transactions into different segments for more detailed reporting.
Internal Orders	A management tool in SAP S/4HANA used to track and control costs related to specific internal projects, departments, or activities.
Cost Element Accounting	The process of categorizing costs in SAP S/4HANA to analyze and allocate expenses to the correct cost centers and profit centers.
Fund Management	A module in SAP S/4HANA used to manage and track financial resources allocated to specific projects or funds.
Cash Flow Forecasting	The process of estimating future cash inflows and outflows to ensure liquidity, supported by SAP S/4HANA for decision-making.

Concept/Term	Definition
Dispute Management	The process of managing and resolving customer or vendor disputes related to invoices, payments, and charges within SAP S/4HANA.
Tax Reporting	A feature in SAP S/4HANA that enables the generation of tax reports, ensuring compliance with local and international tax regulations.
Financial Planning and Analysis (FP&A)	The process of budgeting, forecasting, and analyzing financial data to support business decisions, integrated in SAP S/4HANA.
Treasury Management	The module in SAP S/4HANA that supports the management of cash, liquidity, financial instruments, and financial risk for organizations.
Cost Object Controlling	A method of controlling costs associated with specific projects or activities, tracked and managed in SAP S/4HANA.

Concept/Term	Definition
SAP Analytics Cloud (SAC)	A cloud-based analytics platform integrated with SAP S/4HANA for real-time financial reporting and forecasting.
SAP S/4HANA Cloud	The cloud version of SAP S/4HANA, offering real-time data processing and financial management capabilities across business functions.
Chart of Accounts (COA)	A structured list of all financial accounts used in an organization's accounting system, defining how financial transactions are recorded in SAP S/4HANA.
Expense Management	The process of managing and controlling business expenses, including expense reporting and reimbursement, within SAP S/4HANA.
Integrated Business Processes	The interconnected business processes in SAP S/4HANA that support smooth data flow across functions such as finance, procurement, and sales.