GLOSSARY OF SAP S/4HANA FINANCE 1909

A Quick Reference Guide to SAP Terminologies

Concept/Term	Definition
SAP S/4HANA Finance	SAP's next-gen financial suite running on HANA. Combines controlling, accounting, and reporting in real-time.
Universal Journal	Centralized table (ACDOCA) combining FI, CO, AA, ML data. Eliminates data redundancy across modules.
ACDOCA	The Universal Journal table introduced in S/4HANA. Stores line items for all financial components.
Ledger	Structure to store accounting data (e.g., leading or parallel). Enables IFRS and local GAAP reporting.
Leading Ledger	Main ledger used for legal reporting. Mandatory in S/4HANA Finance.

Concept/Term	Definition
Non-Leading Ledger	Used for parallel accounting like IFRS or tax reporting. Optional but useful in multinational setups.
Company Code	Smallest organizational unit for legal reporting. Represents an independent accounting entity.
Chart of Accounts	List of G/L accounts used by one or more company codes. Defines account structure and reporting format.
G/L Account	Master record used to record financial transactions. Divided into balance sheet or P&L accounts.
Cost Center	Organizational unit used to track costs. Linked to departments or functional areas.

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Concept/Term	Definition
Profit Center	Unit used to analyze internal profitability. Helps in segment-wise reporting.
Segment	Represents parts of an organization for financial reporting. Used in parallel to profit centers.
Controlling Area	Organizational unit for managing cost accounting. Can link multiple company codes if currency is same.
Primary Cost	Cost directly originating from outside, like salaries or rent. Tracked through FI to CO integration.
Secondary Cost	Internal cost elements used only in CO. Not posted in FI but used for allocations and settlements.

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Concept/Term	Definition
Cost Element	Master data combining G/L and cost tracking. Helps in CO reporting and analysis.
Internal Order	Temporary cost collector for specific tasks or projects. Used for budgeting and cost tracking.
Statistical Key Figure	Quantitative value used to allocate costs (e.g., headcount, area). Non-monetary and reusable.
Allocation Cycle	Transfers costs from sender to receiver in CO. Supports periodic distributions or assessments.
Asset Accounting (FI-AA)	Manages fixed assets like buildings and equipment. Supports acquisition, depreciation, and retirement.

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Concept/Term	Definition
Asset Master	Master record holding asset-specific data. Includes asset class, location, and depreciation info.
Depreciation Area	Defines how an asset is valued for different reporting purposes. Linked to ledgers.
Asset Class	Categorizes assets (e.g., machinery, vehicles). Controls asset number range and depreciation.
Subledger	Tracks detailed transactions for vendors, customers, or assets. Linked to G/L through reconciliation accounts.
Reconciliation Account	G/L account linked to subledgers. Ensures financial statements include subledger balances.

Concept/Term	Definition
Accounts Payable (AP)	Manages supplier/vendor invoices and payments. Linked to procurement cycle.
Accounts Receivable (AR)	Manages customer invoices, payments, and collections. Linked to sales and billing.
Vendor Master	Holds vendor-related financial and purchasing data. Shared across MM and FI modules.
Customer Master	Stores financial and sales-related information for customers. Used in SD and FI-AR.
Dunning	Automated process to remind customers about overdue payments. Generates dunning letters with escalation levels.

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Concept/Term	Definition
Payment Terms	Define due dates and cash discounts for payments. Applied at vendor or customer level.
Automatic Payment Program	Executes mass vendor payments based on due date and method. Configured using F110.
Bank Master	Stores data for house and partner banks. Used in payment processing and reconciliation.
House Bank	Company's internal bank used for payments and cash management. Linked with bank accounts.
Cash Management	Monitors cash positions, forecasts, and liquidity. Includes bank statements and cash flows.

Concept/Term	Definition
Electronic Bank Statement	Imports bank transaction files for automatic reconciliation. Reduces manual effort.
Tax Procedure	Defines how taxes are calculated in transactions. Includes condition types and tax codes.
Withholding Tax	Tax deducted at source from vendor payments. Reported and paid to authorities periodically.
Document Type	Controls number ranges and posting logic for FI entries. Examples: SA, KR, DR.
Posting Key	Two-digit code determining debit/credit and field status. Applied to each line item in documents.

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Concept/Term	Definition
Fiscal Year Variant	Defines periods and special periods in a year. Supports calendar or non-calendar fiscal years.
Special Ledger	Additional ledgers for custom reporting needs. Less common due to flexibility in ACDOCA.
Parallel Accounting	Supports multiple accounting principles like IFRS and local GAAP. Managed using ledgers.
Financial Closing Cockpit	Tool to manage and monitor period-end activities. Automates and tracks closing tasks.
Fast Close	Strategy using automation to speed up period close. Enabled through tools like Fiori and Cockpit.

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Concept/Term	Definition
Fiori App "Manage Journal Entries"	Allows real-time G/L entry creation, edit, and approval. Provides intuitive, role-based access.
Central Finance	Scenario where data from multiple systems is replicated into a central S/4HANA instance. Used in shared service setups.
Intercompany Posting	Records transactions between company codes. Ensures balanced entries and compliance.
Consolidation	Combines financials from multiple entities for group reporting. Supports currency conversion and eliminations.
Group Reporting	Successor to EC-CS for consolidation in S/4HANA. Integrated with Universal Journal and real-time data.

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