Funds Management
SAP Implementation at IESCO
Training Document

IESCO_SAP_ERP_TD_FM 14.08.2018

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Funds Management

1 Purpose

The functions in this component support you in creating budgets. The tasks of Funds Management are to budget all revenues and expenditures for individual responsibility areas (Fund Centers) and to book Commitments against the budgeted amount, monitor future funds movements in light of the budget available, and prevent budget overruns. You can adapt the budget to changes in conditions by entering releases, supplements, returns, and transfers.

2 Master Data

Data that is created centrally and it is valid for all applications. It remains constant over the time but we need to update it on regular basis. For Example creating Fund, Fund Center and Commitment item in Funds Management.

3 Process Steps

3.1 Master Data Funds Management

3.1.1 Create Fund

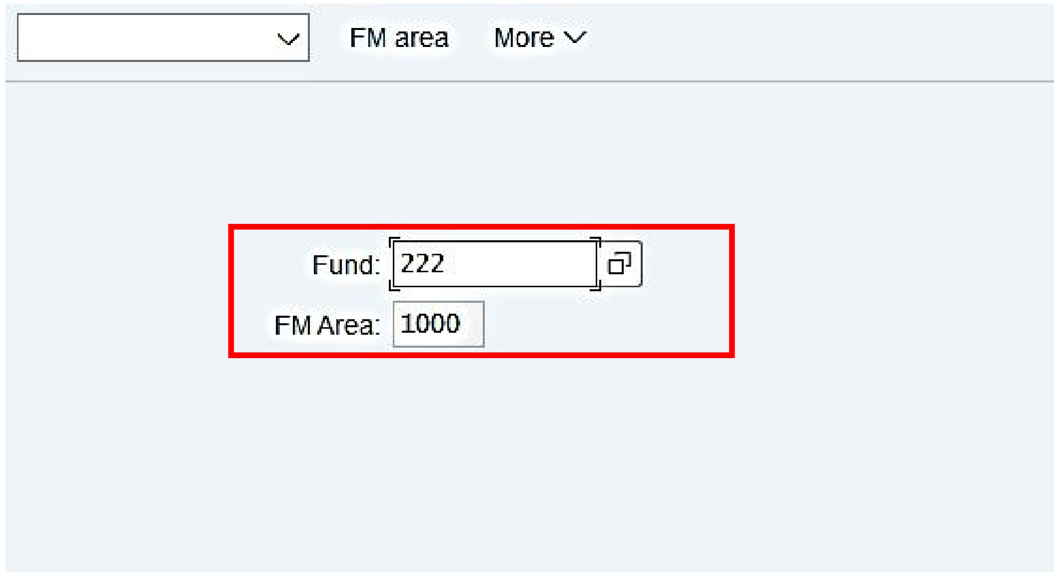
Use

Funds represent separate and distinct funding sources. Funds represent a self-balancing set of accounts with the functionality to maintain a net asset balance and carry forward that balance. Funds represent the lowest level of funding required for budgeting and monitoring. Funds are used for tracking, controlling and reporting on available financial resources. Budget rules can be specified separately for each fund.

Procedure

1. Open `Create Fund Appfrom FioriLaunchpad.

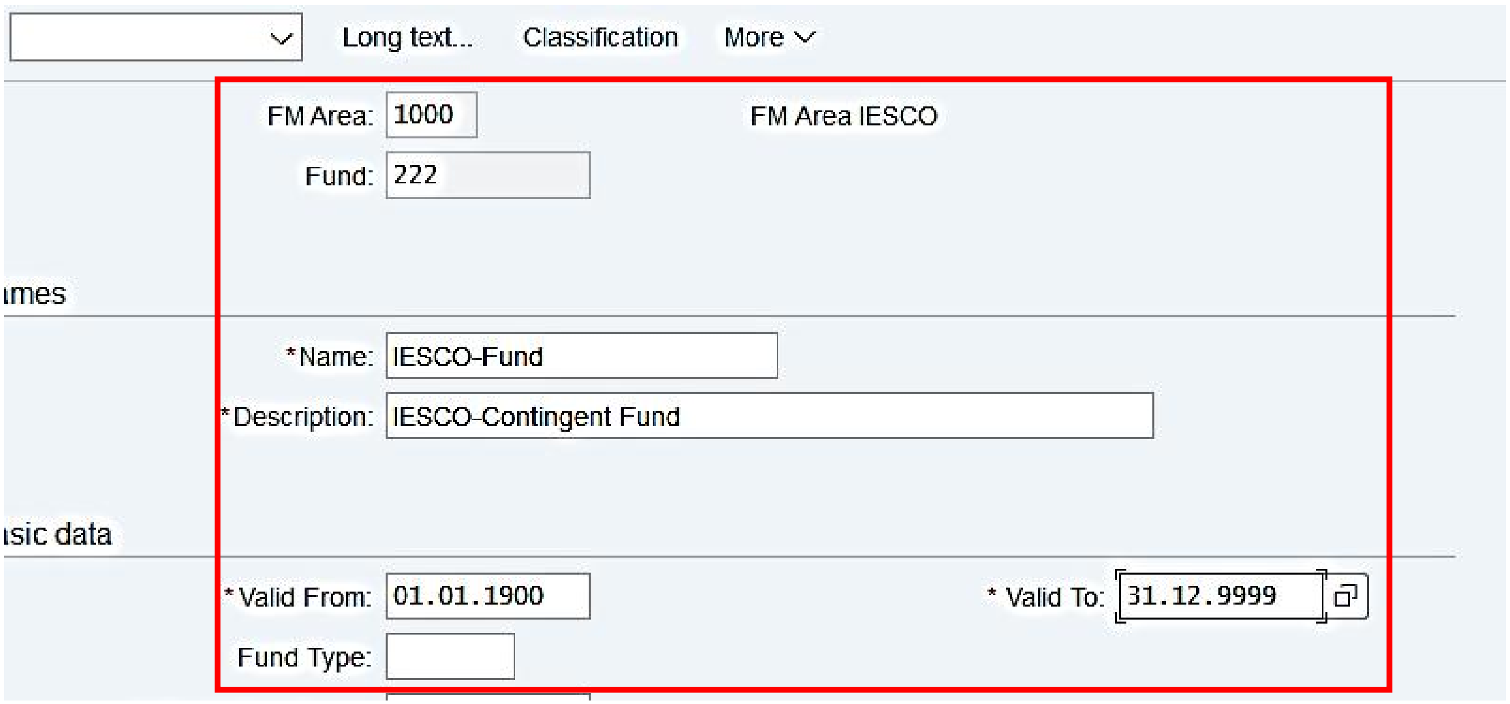
2. Enter ID for Fund and select a Fund management area.



3. Press enter to move to the Create Fund basic screen, enter the necessary data as below.

Field name	Description	User action and values	Comments
Name		As per requirement	For example: IESCO-Fund
Description		As per requirement	For example: IESCO-Contingent Fund
Valid From		As per requirement	01.01.1900

Valid To		As per requirement	31.12.9999
Fund Type		<Optional>	If Defined for company



4. Choose Save.

Result

Fundis created.

3.1.2 Create Fund Center

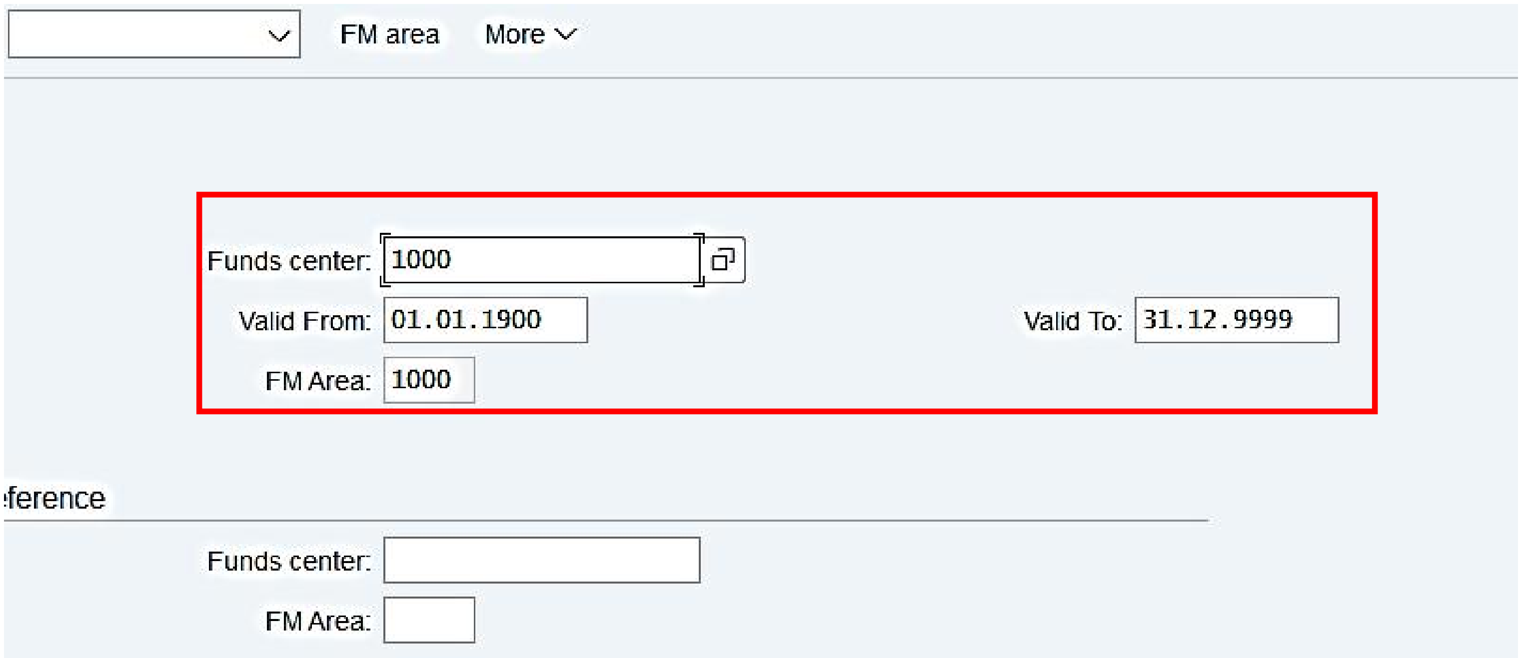
Use

Funds Center represents the organizational areas of responsibility for budgetary monitoring and reporting. Budget is assigned to Funds Centers and postings can be controlled against this budget based on the linking of other organizational objects.

Procedure

1. Open `Create Fund Center in FM Area Appfrom FioriLaunchpad.
2. On the Create Fund Center Basic screen, enter the following data.

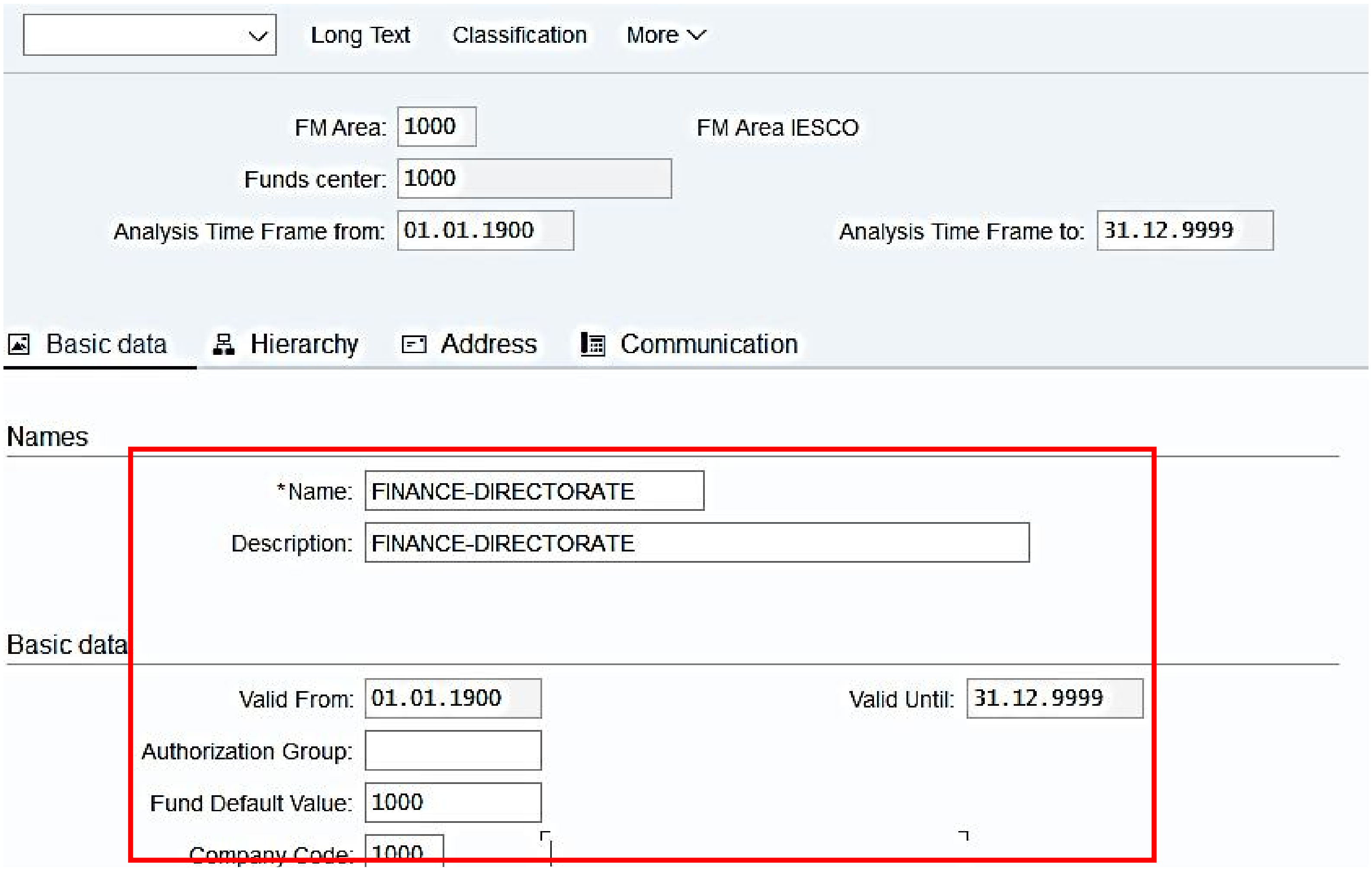
Field name	Description	User action and values	Comment
Funds Center		As per requirement	For example: 1000
Valid From-To		As per requirement	*01.01.1900-31.12.9999*
FM area		As per requirement	1000



3. Press Enter to move to the Main screen

4. Enter the following data in the following screen.

Field name	Description	User action and values	Comments
Name		As per requirement	Finance-Directorate
Description		As per requirement	Finance-Directorate
Valid From		As per requirement	01.01.1900
Valid To		As per requirement	31.12.9999
Fund Default Value		As per requirement	1000


Long Text
Classification
More
FM Area: 1000
FM Area IESCO
Funds center: 1000
Analysis Time Frame from: 01.01.1900
Analysis Time Frame to: 31.12.9999
Basic data
Hierarchy
Address
Communication
Names
*Name: FINANCE-DIRECTORATE
Description: FINANCE-DIRECTORATE
Basic data
Valid From: 01.01.1900
Valid Until: 31.12.9999
Authorization Group:
Fund Default Value: 1000
Company Code: 1000

5. Choose Save.

Result

Fund Center is created.

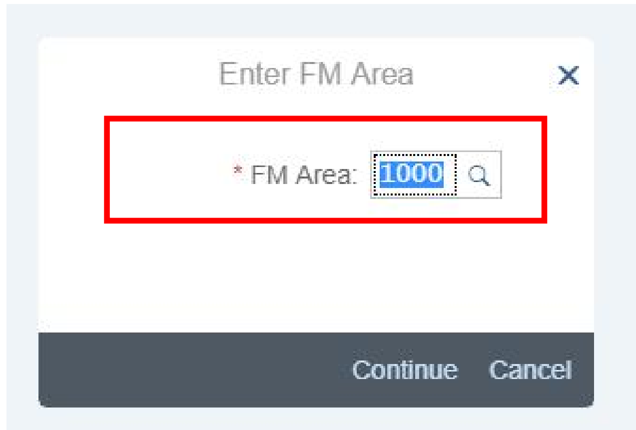
3.1.3 Create Commitment Item

Use

Commitment Item reflects the type of revenue and expenditure being budgeted and details balances for each Fund in FM. Commitment Item represents budget and fund accounting classifications of General Ledger Accounts and Cost Element.

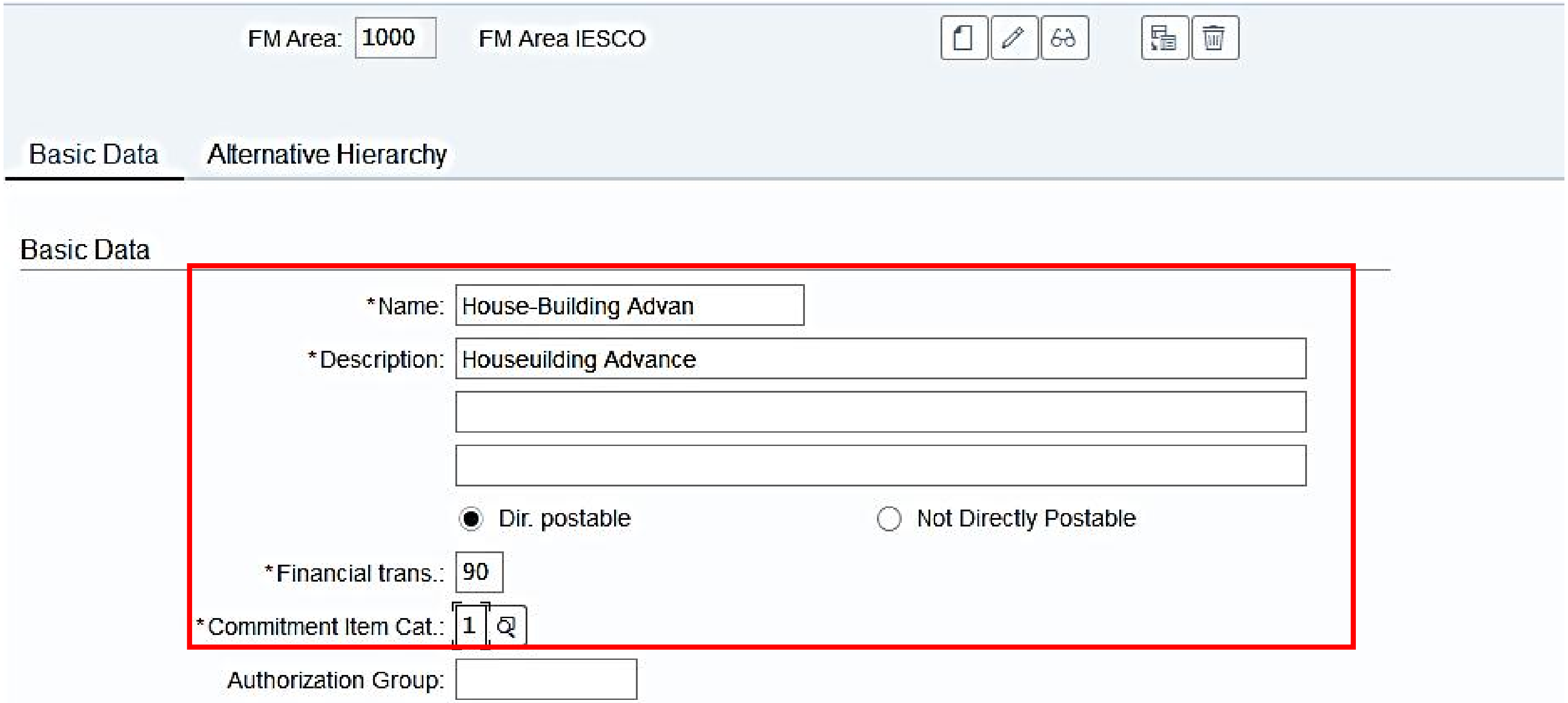
Procedure

1. Open `Edit Commitment itemAppfromFioriLaunchpad.
2. Enter FM Area 1000 and choose continue.



3. On the Edit Commitment item screen, make the following entries

Field name	Description	User action and values	Comments
Comm. Item ID		As per requirement	1:1 relation with GL Accounts
Name		As per requirement	House building advance
Description		As per requirement	House building advance
Fin. Trans		As per requirement	90
Category		As per requirement	1



4. Choose Save.

Result

The Commitment Item is created.

3.2 Year-End Closing

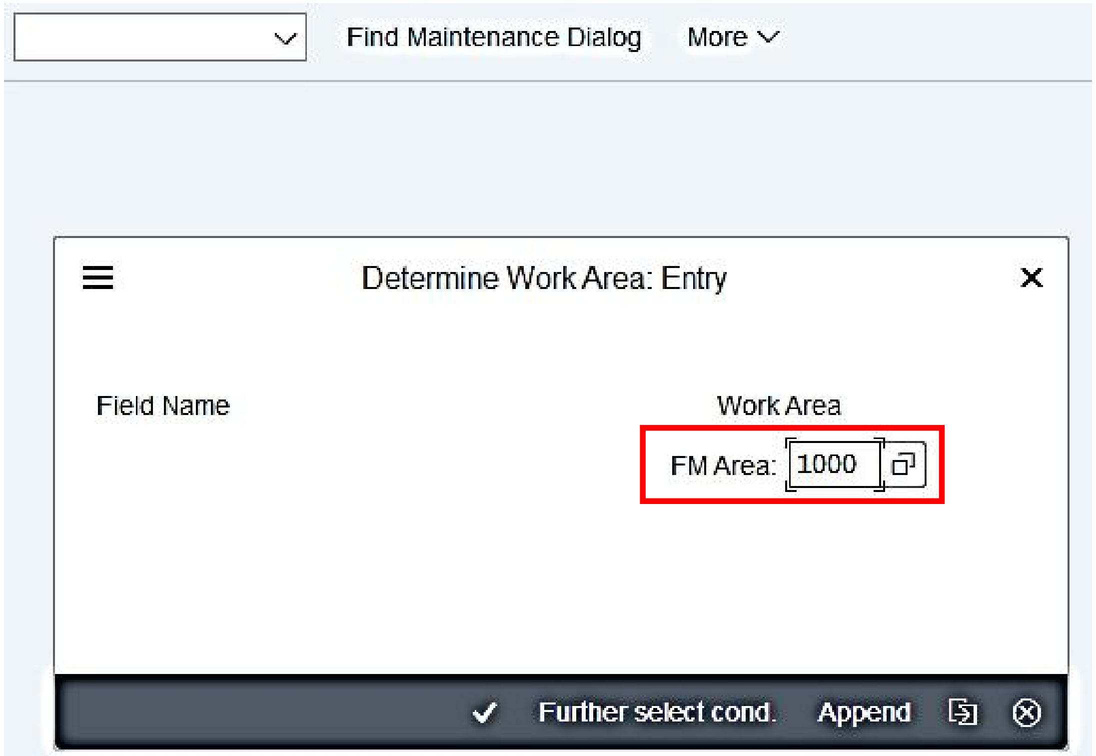
3.2.1 Open and Close Posting Period

Use

Closing of previous year and opening of new fiscal year.

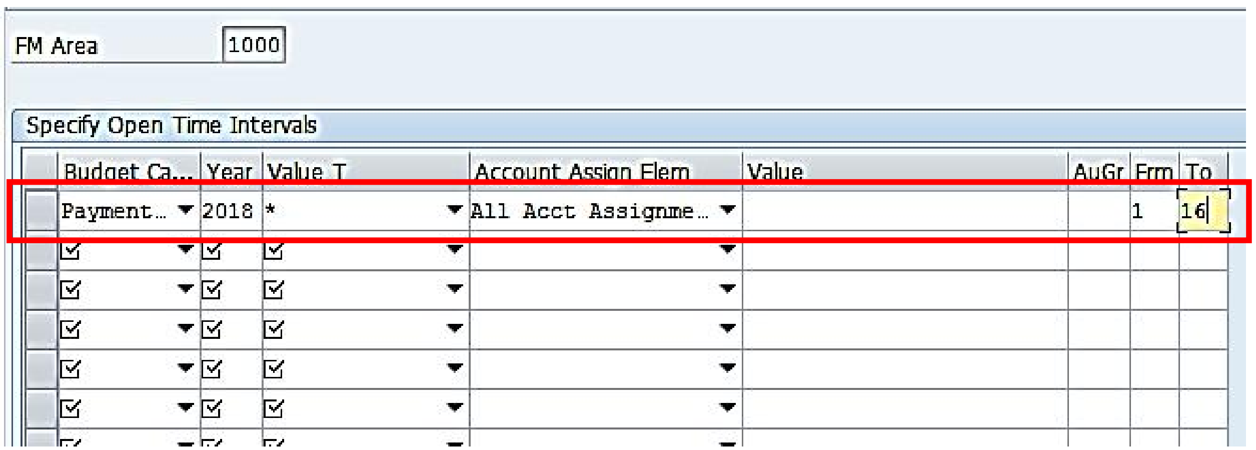
Procedure

1. Open `Detail Maintenance of Open Int RulesFioriLaunchpad.
2. Enter FM area 1000.



3. Enter data accordingly in the following screen.

Field name	Description	User action and values	Comments
Year		As per requirement	2018
Account assign elem		As per requirement	All
From		As per requirement	1
To		As per requirement	16



4. Choose Save.

Result

Posting periods are saved.

3.2.2 Fund Balance Carry forward

Use

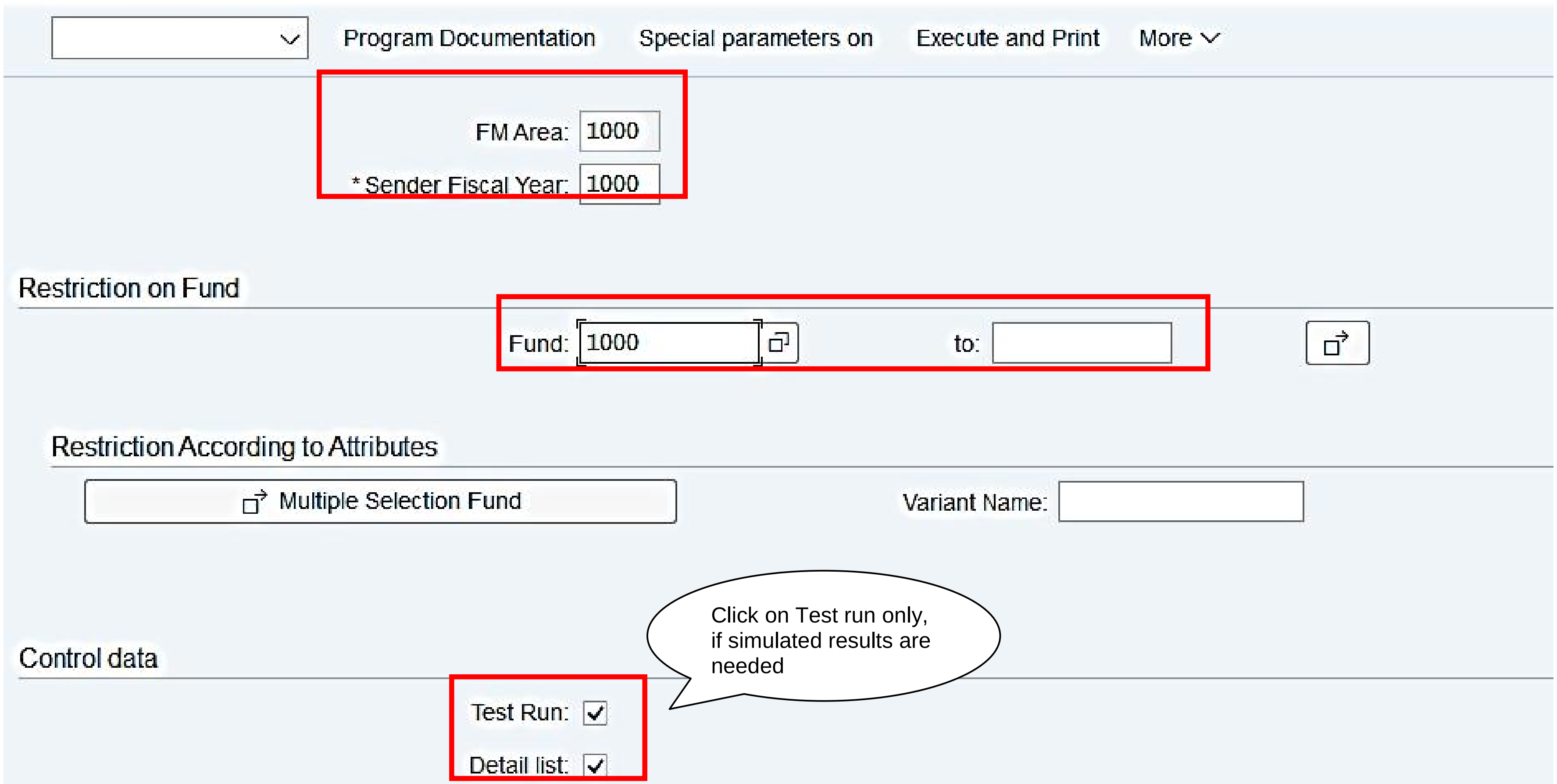
The carry forward processing for Funds Management (FM) includes the fiscal year end treatment of residual budget, open commitments, and fund balance.

Procedure

1. Open `Funds Balance carryforward appfrom FioriLaunchpad.

2. Make the following entries in the screen below.

Field name	Description	User action and values	Comment
FM area		As per requirement	1000
Sender fiscal year		As per requirement	2018
Fund		As per requirement	1000
Test Run		As per requirement	Check
Detail List		**<check>**	Check



3. Choose the Execute Option.

Result

Fund Balance is carry forward to the next period/year.

3.2.3 Residual Budget Carry forward

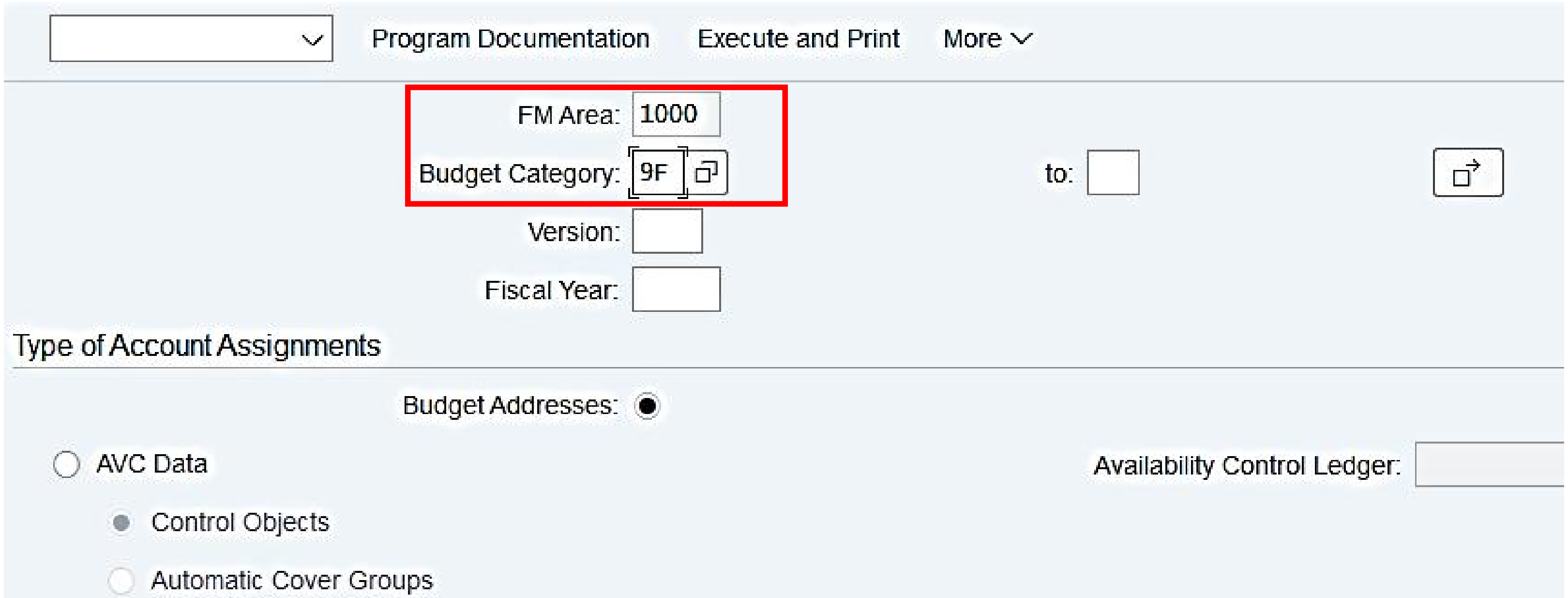
Use

Residual budget is defined as budget not already consumed or assigned as of the end of a fiscal period. For the processing of residual budget, the rules will be created in the system to transfer the residual budget amount to lapse budget type. This transfer ensures that residual budget authority is not available for consumption in the next fiscal year. Additionally, functionality is available to carry forward residual budget to the new fiscal year.

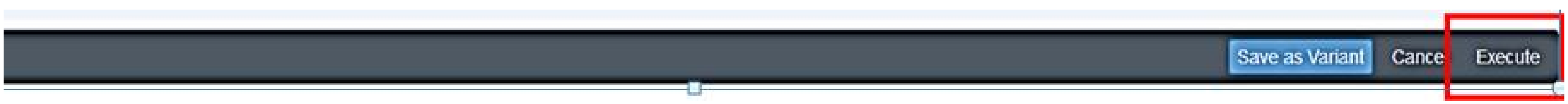
Procedure

1. Open `Carry Over Residual BudgetAppfromFioriLaunchpad.
2. On the carry over residual budget*: Header Data* screen, make the following entries:

Field name	**Description**	**User action and values**	**Comment**
FM area		As per requirement	1000
Budget category		As per requirement	For e.g: 9F
Version		As per requirement	
Fiscal Year		As per requirement	2018



3. Press Execute button to carry over the residual budget to the next fiscal year.



Result

The residual budget is carry forward to the next fiscal year.

3.3 Create Budget

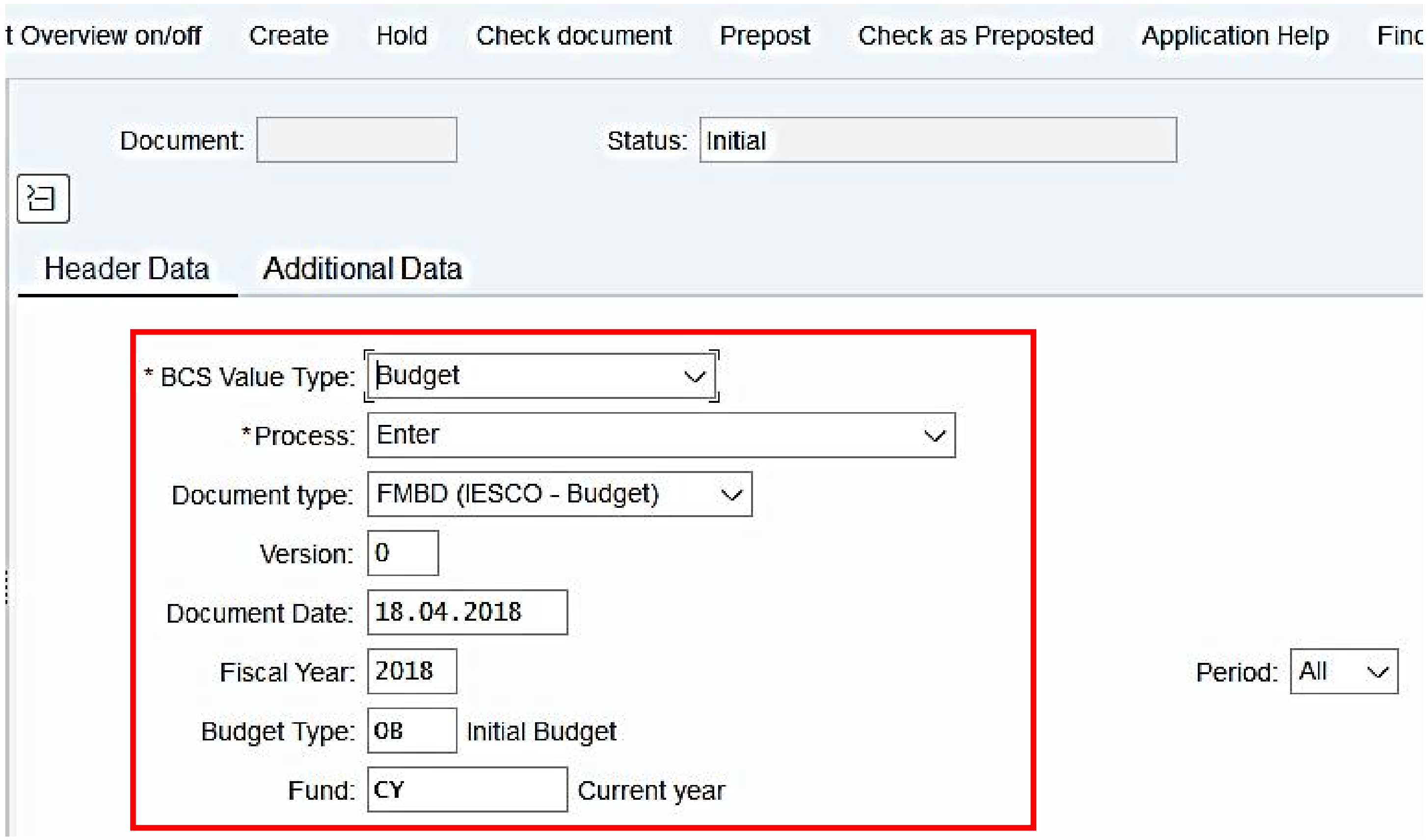
Use

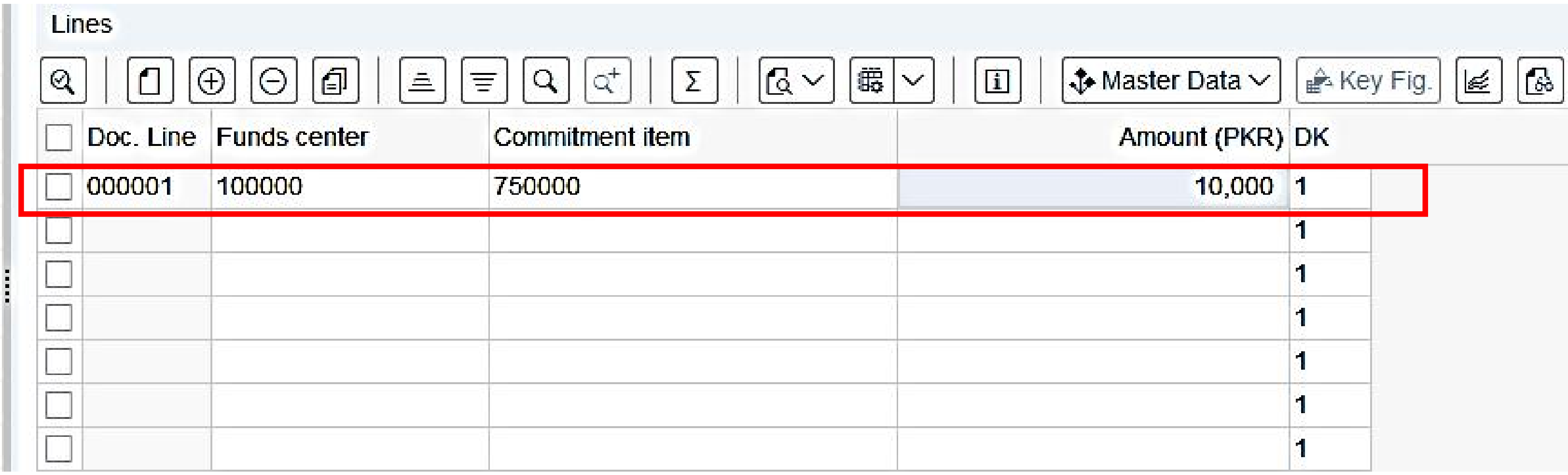
The Budget Workbench is a more robust and flexible budget planning tool. Through the Budget Workbench, you can enter budget data for planning and directly for the operating budget. Care should be taken to ensure that the correct budget types and scenarios are being entered.

Procedure

1. Open Budgeting workbench AppfromFioriLaunchpad.
2. Enter the respective data in the fields as shown below.

Field name	Description	User action and values	Comment
BCS Value		As per requirement	Budget
Process		As per requirement	Enter
Doc. Type		As per requirement	FMBD(iesco budget)
Version		As per requirement	0
Doc date			18.04.2018
Fiscal yr			2018
Budget type			OB
Fund			CY


t Overview on/off
Create
Hold
Check document
Prepost
Check as Preposted
Application Help
Finc
Document:
Status: Initial
Header Data
Additional Data
* BCS Value Type: Budget
*Process: Enter
Document type: FMBD (IESCO - Budget)
Version: 0
Document Date: 18.04.2018
Fiscal Year: 2018
Period: All
Budget Type: OB Initial Budget
Fund: CY Current year



3. Press Post.

Result

Budget is created for Fund center 100000 and commitment item 750000.

3.4 Release Budget

3.4.1 Release Budget within the Budget Workbench

Use

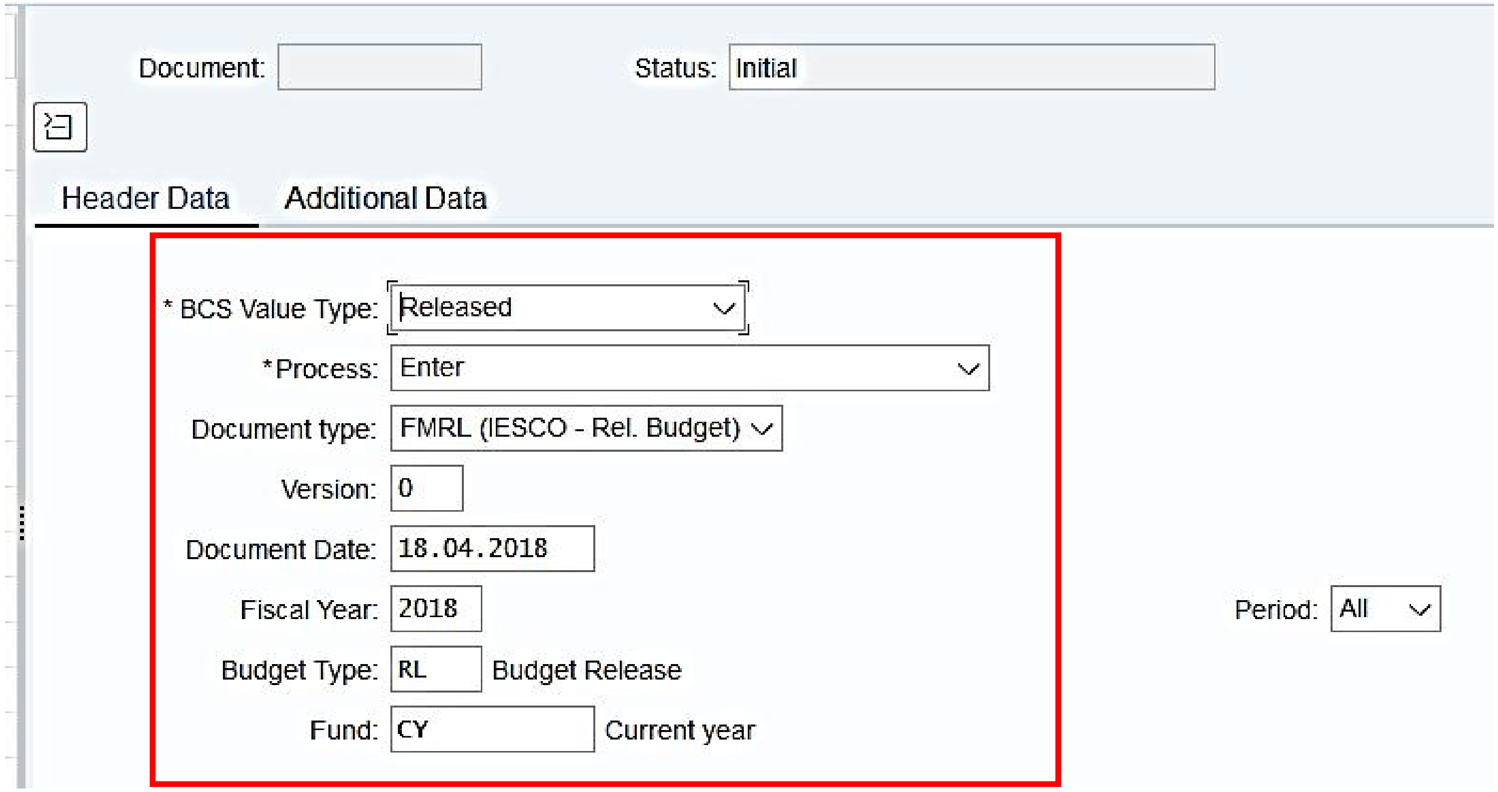
In the course of the fiscal year, there may be many causes that require the release of the current operating budget. Distributing a budget is not the same as releasing the funds allocated to it. What ever the case may be, the budget workbench will be the primary tool in the budgeting process to enable these changes.

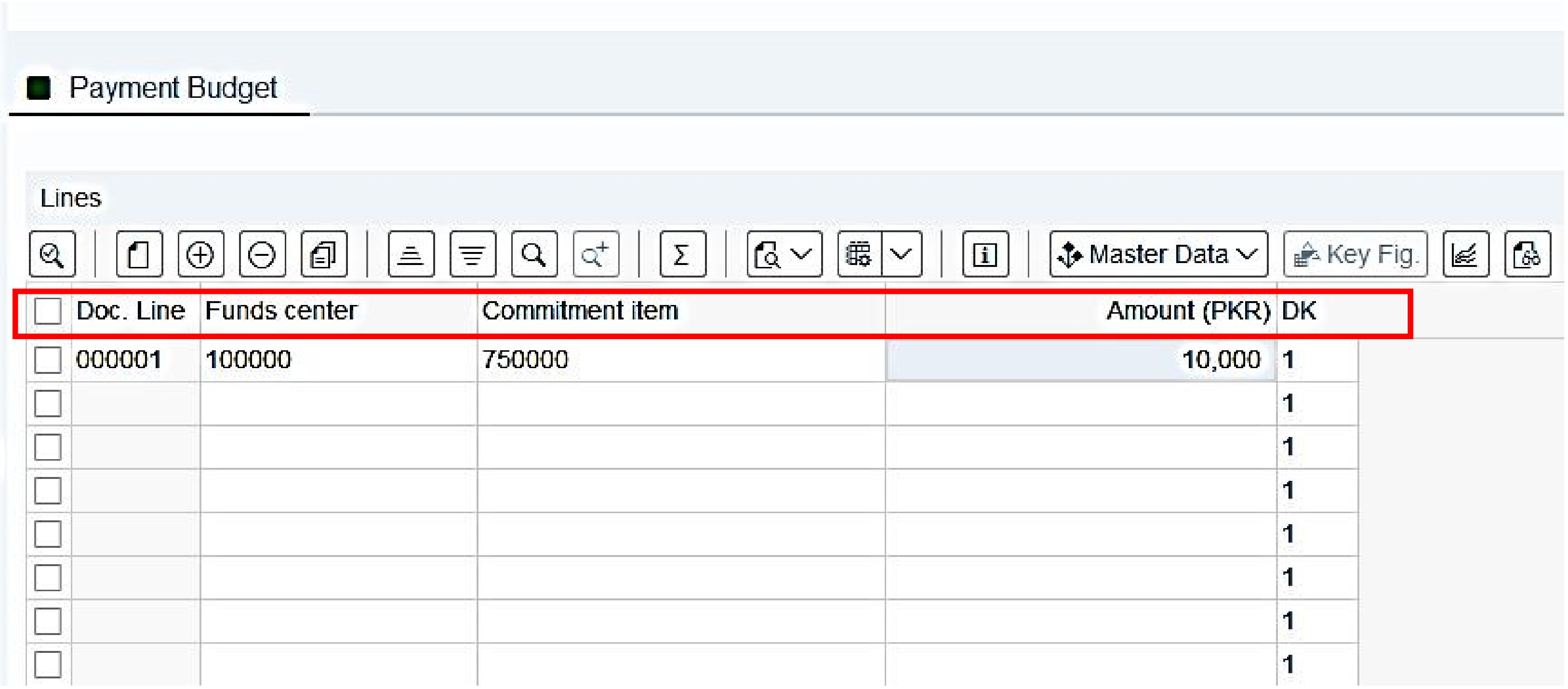
Procedure

1. Open Budgeting workbench AppfromFioriLaunchpad.
2. Enter the respective data in the fields as shown below.

Field name	Description	User action and values	Comment
BCS Value		As per requirement	Budget
Process		As per requirement	Enter
Doc. Type		As per requirement	FMBD(iesco budget)
Version		As per requirement	0
Doc date			18.04.2018
Fiscal yr			2018
Budget type			OB
Fund			CY

3. Enter the respective data in the fields as shown below in the screen shot.


Document:
Status: Initial
Header Data
Additional Data
* BCS Value Type: Released
*Process: Enter
Document type: FMRL (IESCO - Rel. Budget)
Version: 0
Document Date: 18.04.2018
Fiscal Year: 2018
Period: All
Budget Type: RL Budget Release
Fund: CY Current year



4. Press Post.

Result

Budget is released for Fund Center 100000 and commitment item 750000.

3.5 Revise Budget within the Budget Workbench

Use

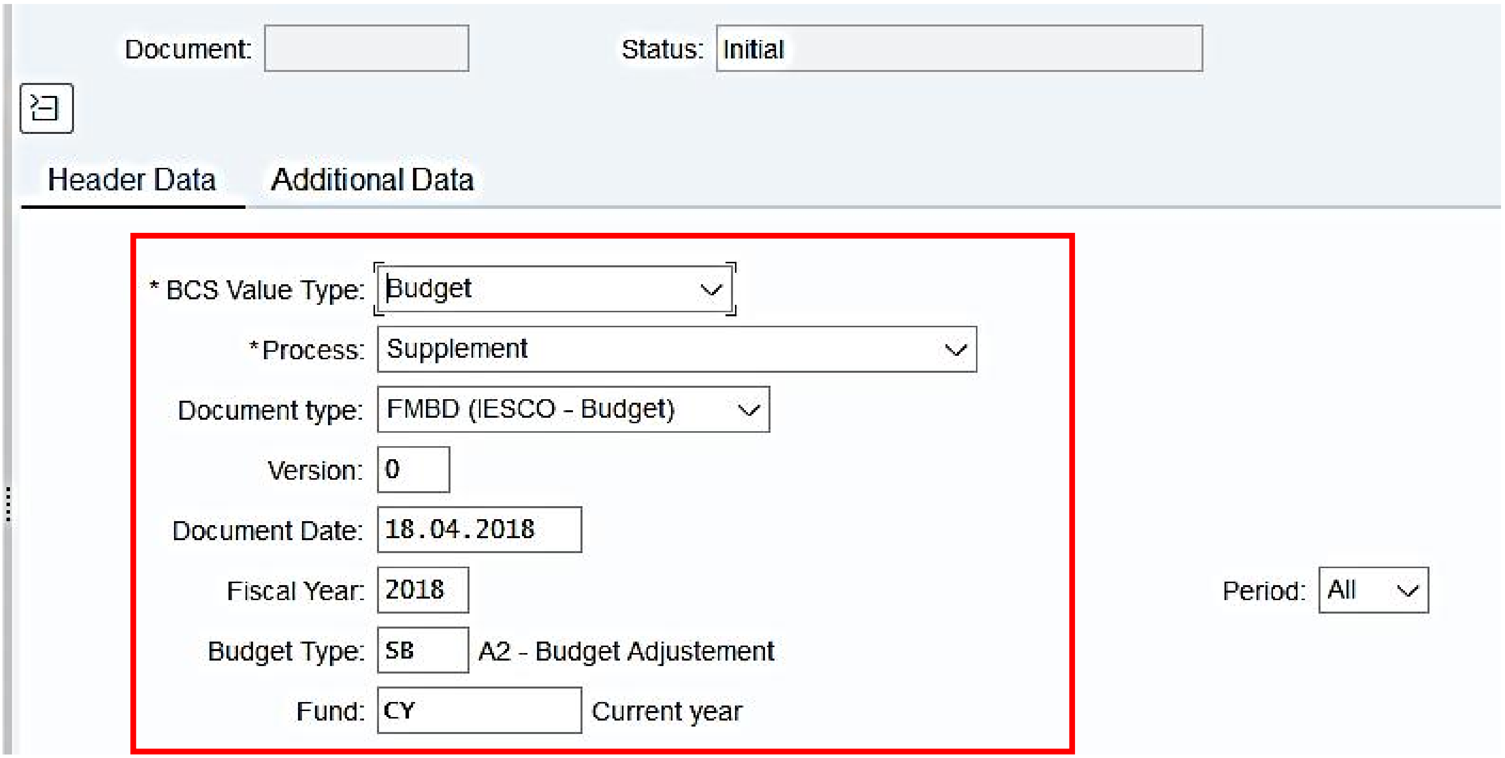
In the course of the fiscal year, there may be many causes that require the revision of the current operating budget. Some likely events are unexpected increases in material or service costs, a cost savings in one area that a departmental manager would then like to increase in another, or even a supplement to the initial budget. What ever the case may be, the budget workbench will be the primary tool in the budgeting process to enable these changes.

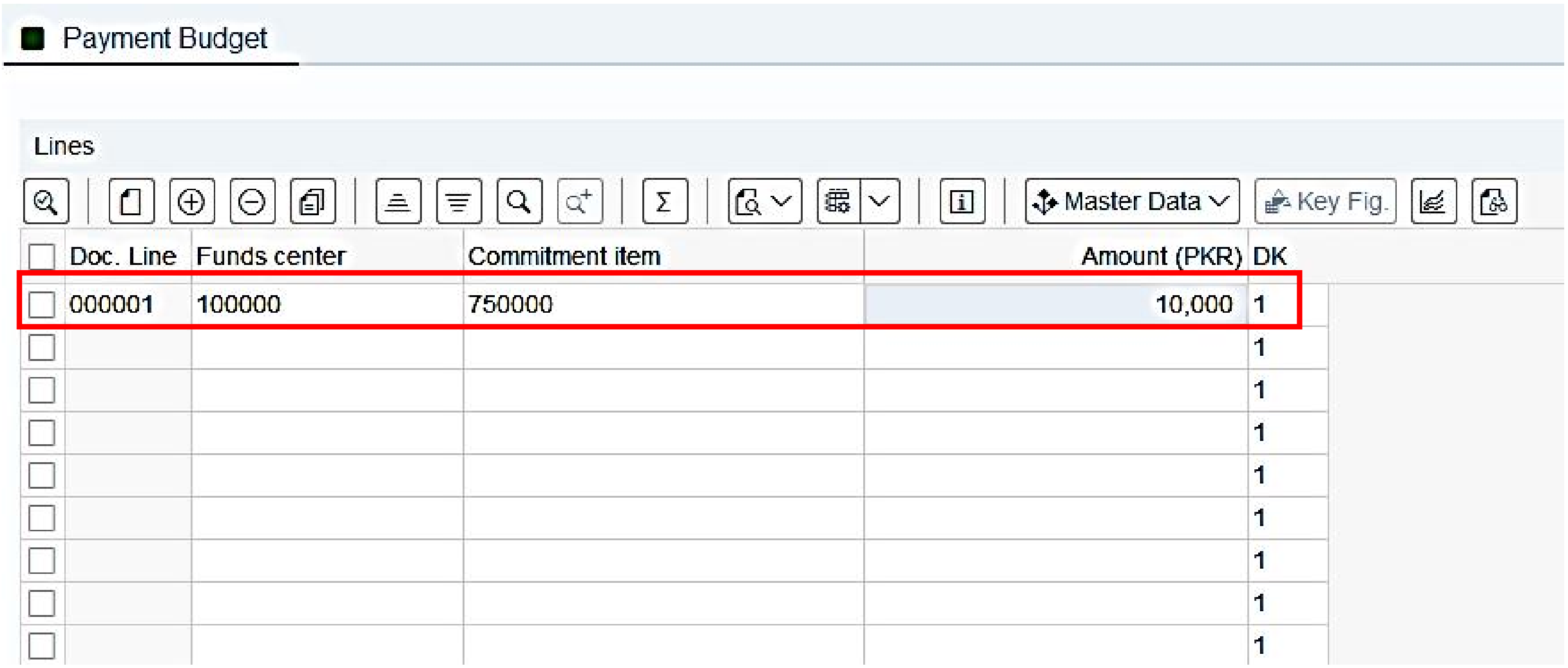
Procedure – Supplement Budget

1. Open Budgeting workbench App from FioriLaunchpad.
2. Enter the respective data in the fields as shown below.

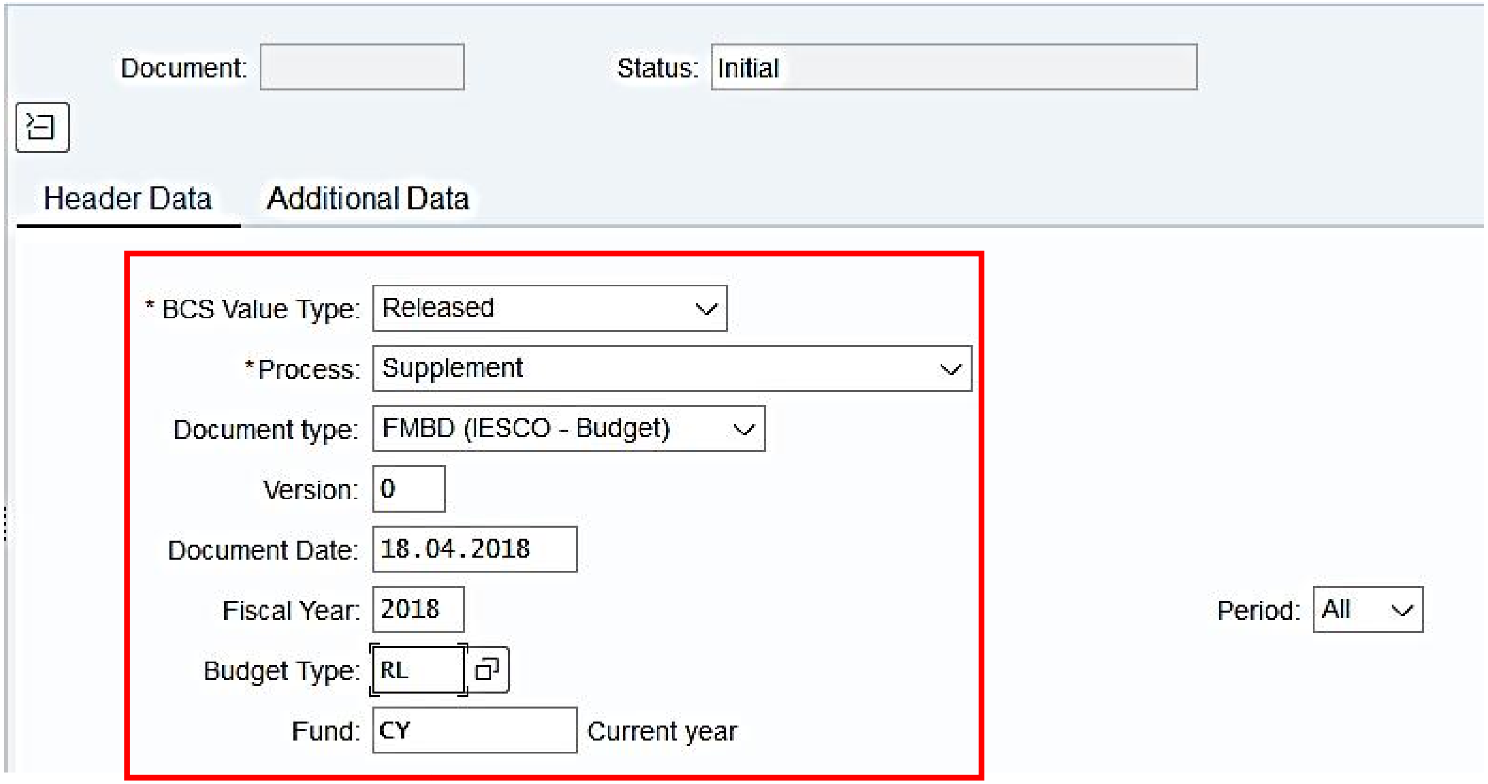
Field name	Description	User action and values	Comment
BCS Value		As per requirement	Budget
Process		As per requirement	Supplement
Doc. Type		As per requirement	FMBD(iesco budget)
Version		As per requirement	0
Doc date			18.04.2018
Fiscal yr			2018
Budget type			SB
Fund			CY

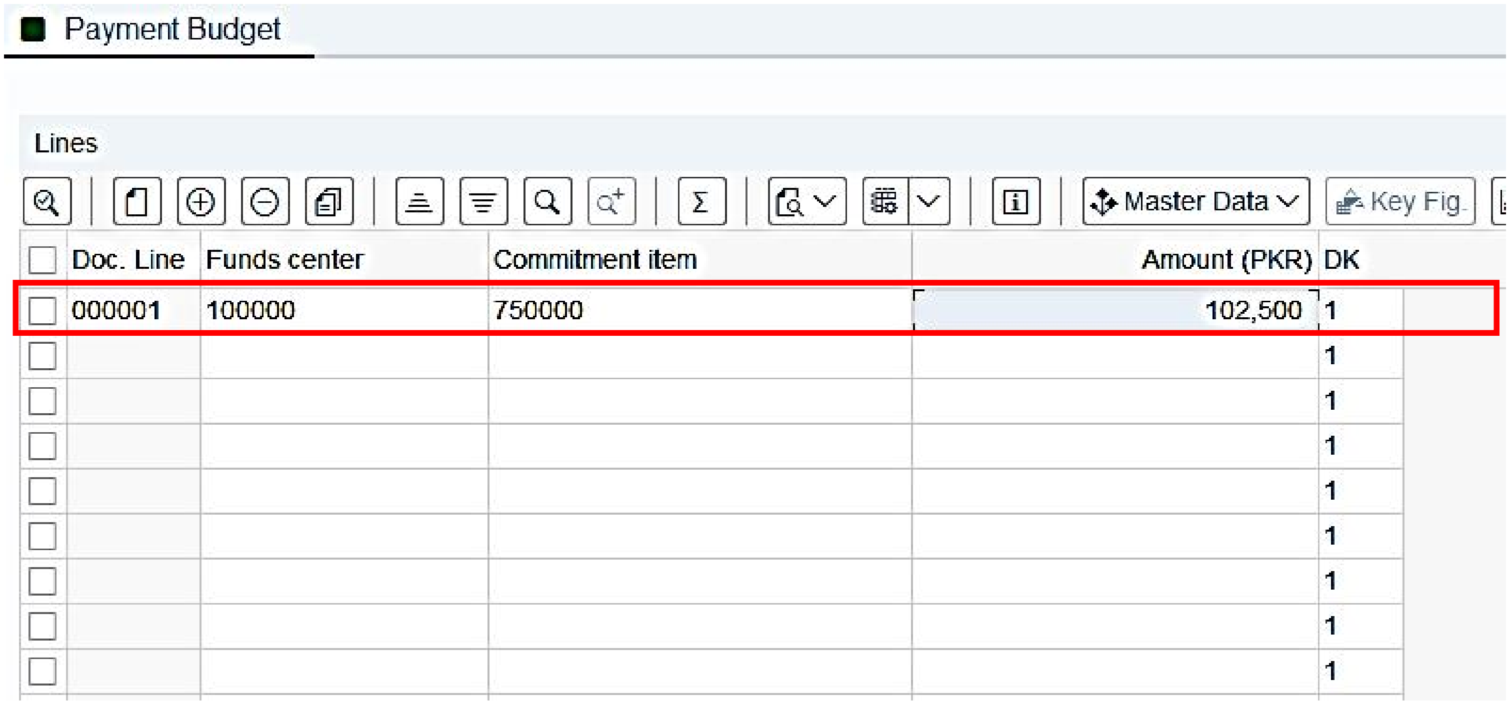
3. Enter and then release budget as in the previous steps.


Document:
Status: Initial
Header Data
Additional Data
* BCS Value Type: Budget
* Process: Supplement
Document type: FMBD (IESCO - Budget)
Version: 0
Document Date: 18.04.2018
Fiscal Year: 2018
Period: All
Budget Type: SB A2 - Budget Adjustement
Fund: CY Current year



4. Release Supplement.


Document:
Status: Initial
Header Data
Additional Data
* BCS Value Type: Released
* Process: Supplement
Document type: FMBD (IESCO - Budget)
Version: 0
Document Date: 18.04.2018
Fiscal Year: 2018
Period: All
Budget Type: RL
Fund: CY Current year



5. Press Post.

6. Amount of 102500 is shown under supplement heading for the Commitment item 750000.

Budget Report Date: 18.04.2018 Page: 1 / 1

Financial Management Area 1000 FM Area IESCO FM Payment Budget

Fiscal Year 2018 Version 0

Fund/Group * Functional Area/Group *

Budget Type/Group * Funded Program/Group *

Year of Cash Effectivity Workflow Status/Group All

Funds Center/Commitment Item	Original Budget	Returns	Supplements	T
Funds Ctr/Commtmt It	115,500	6,000-	102,500	
100000 CHIEF EXECUTIVE OFFICE	115,500	6,000-	102,500	
750000 Rent	115,500	6,000-	102,500	

Result

Supplement Budget is released.

3.6 Return Budget

Use

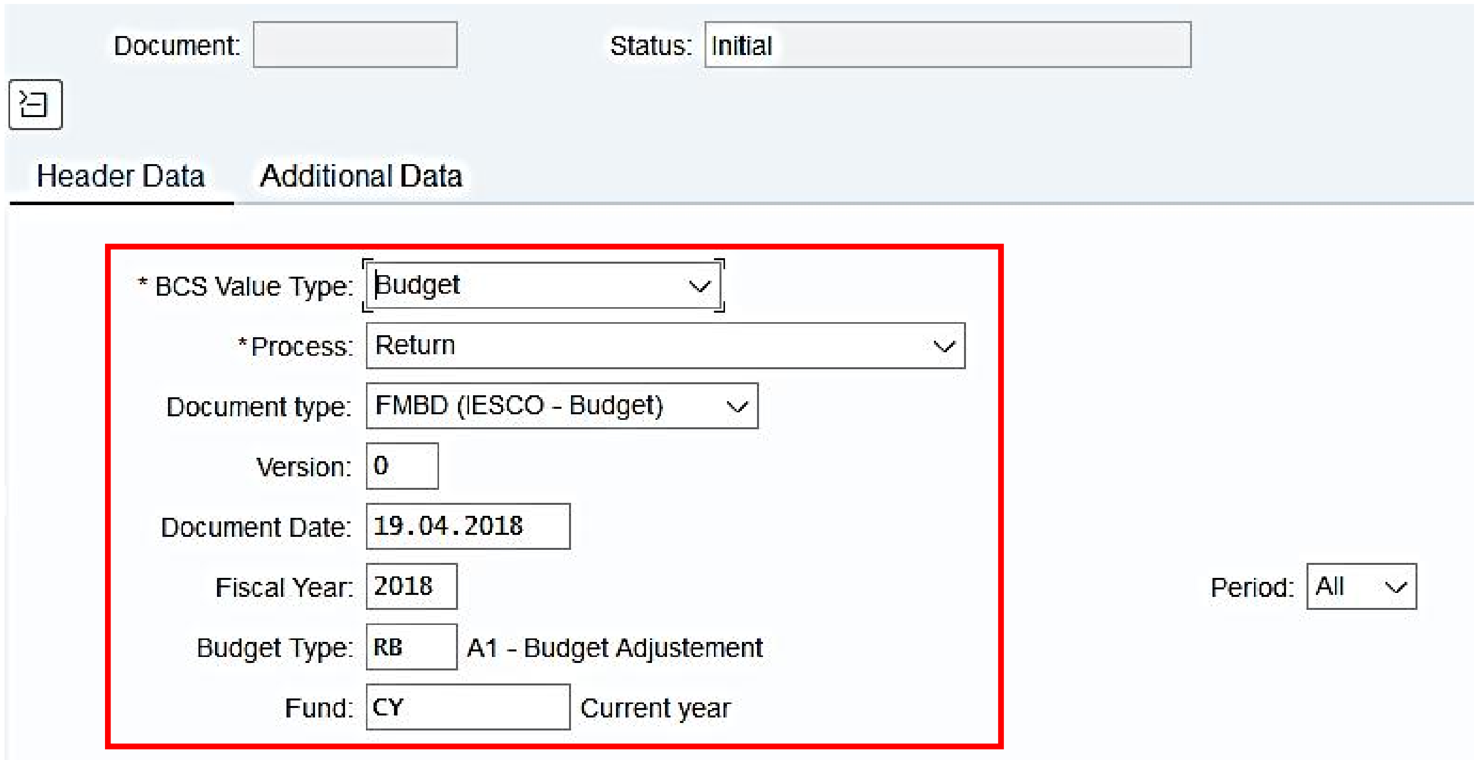
(Return) subtract budget from existing budget

Procedure

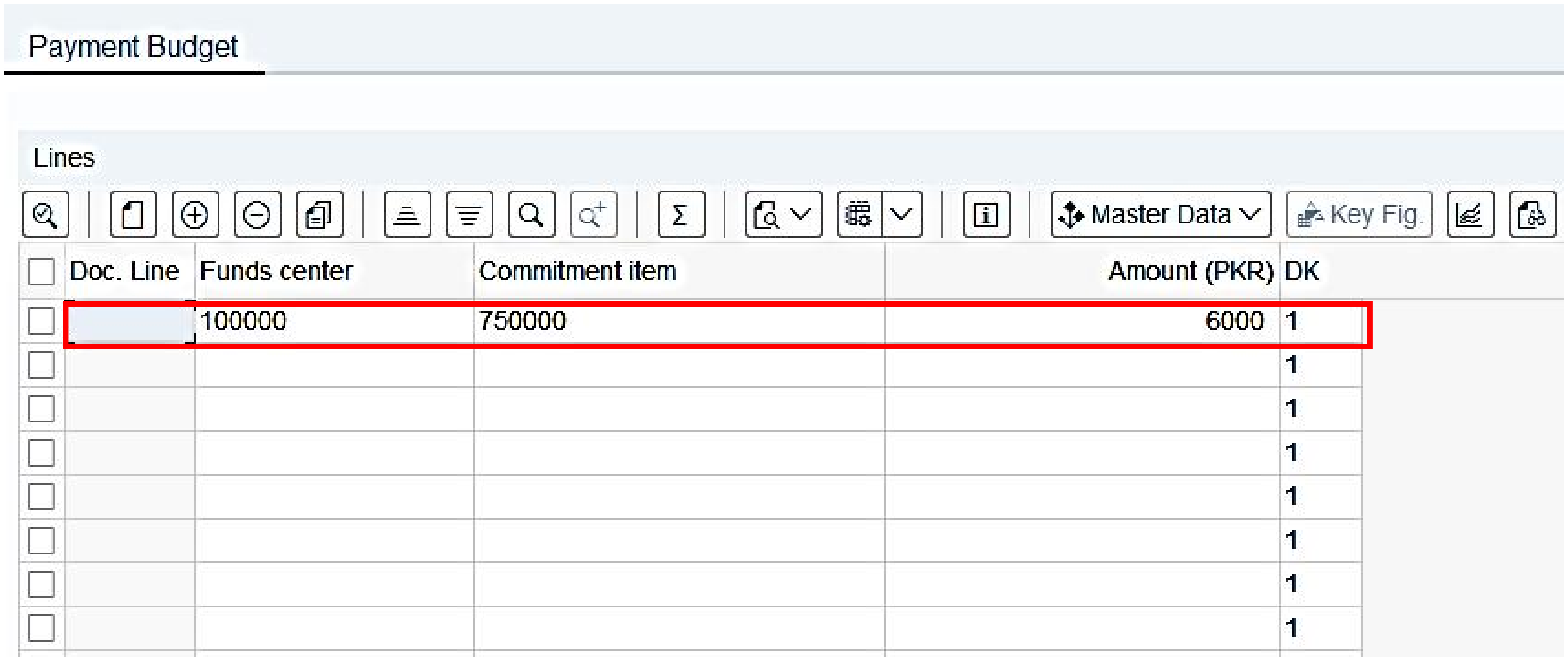
1. Open Budgeting workbench AppfromFioriLaunchpad.
2. Enter the respective data in the fields as shown below.

Field name	Description	User action and values	Comment
BCS Value		As per requirement	Budget
Process		As per requirement	Return
Doc. Type		As per requirement	FMBD(iesco budget)
Version		As per requirement	0
Doc date			18.04.2018
Fiscal yr			2018
Budget type			RB
Fund			CY

3. Enter and then release budget as in the previous steps.



Next Screen shot:



4. Choose Post.

5. Budget is returned with amount 6000 as shown in the report below.

Budget Report	Date: 19.04.2018	Page: 1 / 1

Financial Management Area	1000 FM Area IESCO	FM Payment Budget	
Fiscal Year	2018	Version	0

Fund/Group	*	Functional Area/Group	*
Budget Type/Group	*	Funded Program/Group	*
Year of Cash Effectivity		Workflow Status/Group	All

Funds Center/Commitment Item	Current Budget	Original Budget	Returns
Funds Ctr/Commtmt It	208,500	115,500	6,000-
100000 CHIEF EXECUTIVE OFFICE	208,500	115,500	6,000-
750000 Rent	208,500	115,500	6,000-

6. Budget is returned under the commitment item 750000.

Result

Budget is returned.

3.7 Transfer Budget

Use

Transfer budget between 2 budget addresses, for example from one fund center to another fund center.

Procedure

1. Open Budgeting workbench AppfromFioriLaunchpad.
2. Enter the respective data in the fields as shown below.

Field name	Description	User action and values	Comment
BCS Value		As per requirement	Budget
Process		As per requirement	Transfer
Doc. Type		As per requirement	FMBD(iesco budget)
Version		As per requirement	0
Doc date			18.04.2018
Fiscal yr			2018
Budget type			RB,TB
Fund			CY

3. Enter Transfer budget and then release as in the previous steps.

* BCS Value Type: Budget

*Process: Transfer

Document type: FMBD (IESCO - Budget)

Version: 0

Document Date: 19.04.2018

Sender

Fiscal Year: 2018

Period: All

Budget Type: RB A1 - Budget Adjustement

Fund: CY Current year

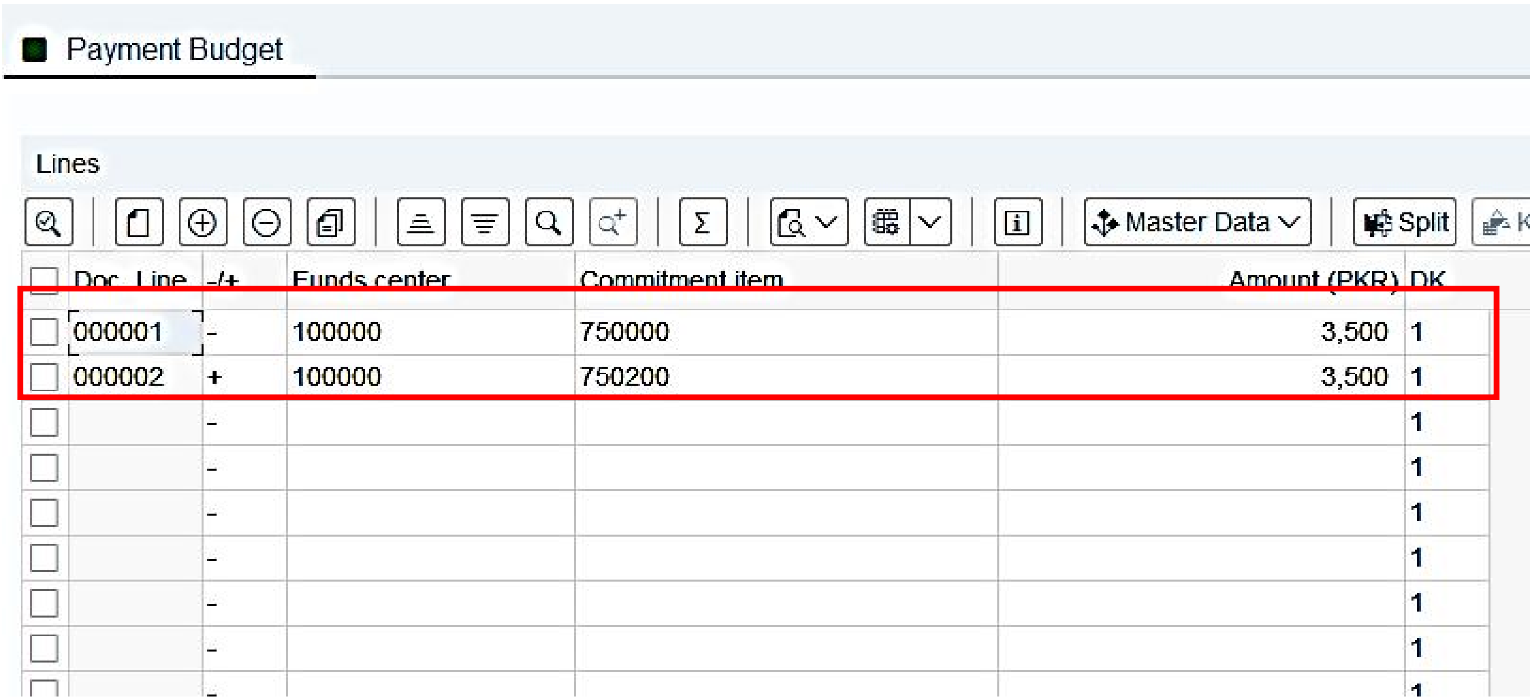
Receiver

Fiscal Year: 2018

Period: All

Budget Type: TB A3 - Budget Adjustement

Fund: CY Current year



4. Choose Post.

5. The effect of the budget transfer can be seen in the below report.

Budget Report Date: 19.04.2018 Page: 1 / 1

Financial Management Area 1000 FM Area IESCO FM Payment Budget
Fiscal Year 2018 Version 0

Fund/Group	*	Functional Area/Group	*
Budget Type/Group	*	Funded Program/Group	*
Year of Cash Effectivity		Workflow Status/Group	All

Funds Center/Commitment Item	Returns	Supplements	Transfers - Sender
Funds Ctr/Commtmt It	6,000-	102,500	3,500-
100000 CHIEF EXECUTIVE OFFICE	6,000-	102,500	3,500-
750000 Rent	6,000-	102,500	3,500-

Result

The Budget is transferred between the respective commitment items.

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