Treasury (TR)

ADDON.IDESTR

Release 4.6C

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Icons

Icon	Meaning
	Caution
	Example
	Note
	Recommendation
	Syntax

Typographic Conventions

Type Style	Description
Example text	Words or characters that appear on the screen. These include field names, screen titles, pushbuttons as well as menu names, paths and options.
	Cross-references to other documentation
Example text	Emphasized words or phrases in body text, titles of graphics and tables
EXAMPLE TEXT	Names of elements in the system. These include report names, program names, transaction codes, table names, and individual key words of a programming language, when surrounded by body text, for example, SELECT and INCLUDE.
`Example text`	Screen output. This includes file and directory names and their paths, messages, names of variables and parameters, source code as well as names of installation, upgrade and database tools.
Example text	Exact user entry. These are words or characters that you enter in the system exactly as they appear in the documentation.
<Example text>	Variable user entry. Pointed brackets indicate that you replace these words and characters with appropriate entries.
`EXAMPLE TEXT`	Keys on the keyboard, for example, function keys (such as `F2`) or the `ENTER` key

Contents

Treasury (TR)

Cash Management

Purpose

The day-to-day treasury process in a company includes a number of transactions. This includes determining the current liquidity using bank account balances (cash position), determining open receivables and liabilities (liquidity forecast), manually entering planned cash flows (payment advice notes), through to clearing bank accounts, that is, collecting multiple bank account balances on one target account.

The main objective is to ensure liquidity for all due payment obligations. It is also important to control and monitor effectively the incoming and outgoing cash flows.

SAP R/3 Cash Management (CM) therefore creates a decision-making platform for subsequent financial investments or borrowings in Treasury Management (TM).

You can find more information about this process under [Page 8].

Process Flow

You can find the data for this process under [Page 9].

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Additional Process Information

This example shows you some of the tasks and possibilities of Cash Management (CM), such as:

- Analyzing financial transactions within closed accounting periods.
- Identifying and portraying future developments within financial budgeting.

We will show that Cash Management is the main information system for cash management decisions made in Treasury Management (TM).

Data Used During This Process

Field	Data	Description
Company code	1000	IDES AG
Currency	EUR	Euro
Grouping	GESAMT	Grouping for a complete display of liquidities across bank and sub-ledger accounts
Planning type	DI	Planning type for manual payment advice notes (incoming customer payments)
Planning group	E2	Planning group for a customer, for whom a manual payment note is entered (incoming customer payments)
Planning type	AU	Planning type for a manual payment advice note (unconfirmed incoming customer payment on a bank account)
Cash management account name	DBGIRO	Name of the current account in which a payment advice is to be planned (incoming customer payment on a bank account)
Planning type	AB	Planning type for manual payment advice notes (cash receipt confirmed by the bank)
Cash management account name	CBGIRO and DRGIRO	Name of the current accounts for a manual payment advice note (cash receipt confirmed by the bank)
Grouping	CLEARING	Example grouping of the bank current accounts to be used in the concentration proposal
Target account	DBGIRO	Target account for cash concentration
Planning type	CL	Planning type for cash concentration payment advice note
Grouping	BANK-IST-D	Grouping for bank current accounts that can be planned

Data Used During This Process

Liquidity Analysis

Use

This section shows you the overall liquidity status of your company by displaying together the cash position and the liquidity forecast.

The cash position is used in Cash Management to show the value-date-dependent bank accounts and bank clearing accounts, as well as the planned cash flows (payment advice notes). The liquidity forecast comprises the incoming and outgoing cash flows, as well as the planned items on the sub-ledger accounts.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Cash Management* → *Information System* → *Reports for Cash Management* → *Liquidity Analyses* → *Liquidity Forecast*
Transaction Code	FF7B

2. Enter the following data:

Field	Data
Company code	1000
Grouping	Total
Display as of	Today's date
Display in	EUR

3. Choose  .

   The *Cash Management and Forecast: Summarized Display* screen appears. You see an overview of the liquidity trend for a long period. The increments change from daily for the first week, to weekly for the next two months, and then monthly for the next six months. The values are given in thousands of EUR.

   The formatting of the data was defined in the GESAMT variant, and you can modify it if required.

4. To show how you can change the display for the analysis period and the classification (scaling), choose *New display.*

5. In the *New Display* dialog box, change the control parameters as follows:

Field	Data
or week in days	2

6. Choose  *Continue*.

   You now see the planning data for the next two weeks, displayed in daily increments. Only then is the change made to a weekly, and then to a monthly display

The data is displayed in accordance with the chosen control parameter as a delta display with a beginning and an ending balance. You also have the option of displaying the data cumulatively.

The daily ending balance results from the movements in the bank accounts (Banks) and from the expected incoming and outgoing payments according to the receivables and payables in the sub-ledger accounts, payroll accounting and tax calculations (persons).

Now you want to see an up-to-date overview of the bank accounts according to the value date.

7. Select the row *Banks,* then choose *Groups.*

   The *Cash Management and Forecast: Display Groups* screen appears. You see the short-term liquidity trends through the bank accounts.

8. Select the bank account *DBGIRO*, then choose *Levels*

   The *Cash Management and Forecast: Display Levels from Group* screen appears. You see not only the levels that are automatically supplied with data (FI Banks) but also levels that are used for the manual entry of cash management records (Advice, c., Loans) as well as levels from Treasury Management (TM). The number of and names of such manual levels can be defined in Customizing to meet your requirements.

   

   The levels show you the business reasons for account movements, that is,. whether they result from true bank postings or were entered manually as memo records in the R/3 System.

9. To create a new payment advice note, choose *Memo record*.

10. Enter the following data:

Field	Data
Company code	1000
Planning type	AB

11. Choose and enter the following data:

Field	Data
Value date	Current date + 2 workdays
Cash mgmt. account name	DBGIRO
Amount	25000
Business area	0001
Text	Confirmed payment advice from the Deutsche Bank

12. Choose .

    The system displays the message *Record added under number XXX*.

13. Choose until the *Cash Management and Forecast: Display Levels from Group* screen appears.

14. Choose .
15. Select *Banks,* then choose *Groups.*
16. Select *DBGIRO*, then choose *Levels*
17. In the *AB Advice, c*. line, select the amount, then choose *List Display*.

    The *Memo Records: List* screen appears, listing all the memo records that were listed manually under *Confirmed advices*.

18. Select one of the milestones, then choose .

    The *Display Memo Record: Payment Advice Number XXX* screen appears containing a detailed display of the advice notes.

19. To change an advice note choose .
20. Choose until the *Memo Records: List* screen appears.
21. To archive the corresponding advice note, select it and choose *Transfer*. When you confirm the dialog box, the system archives the advice note.
22. Choose until the *Cash Management and Forecast: Summarized Display* screen appears.

    Now you want to get an overview of the projection of the incoming and outgoing cash flows in the sub-ledger accounts over a longer period:

23. Select the row *Subtotal,* then choose *Groups.*

    In the *Cash Management and Forecast: Display Groups* screen you can see the medium-term liquidity trend according to the sub-ledger accounts, drilled down to the individual planning groups (such as domestic creditors, foreign creditors, taxes, customer bank collection, domestic customers, major customers etc.).

24. Select the planning group *A1,* then choose *Levels*

    In the *Cash Management and Forecast: Display Levels from Group* screen, you see the assignment of data to the individual planning levels. You see the origin type (for example, Financial Accounting (FI), manual (FI) invoices, FI invoices blocked for payment, purchase orders, manual memo records (planned items), while the planning group displays the source location.

25. Remain on this screen.

Creating/Editing Single Cash Management Records Manually

Use

This section explains how you can link further planning information into the liquidity analysis, These are “Notified incoming and outgoing cash flows“ that do not reach Cash Management via true postings.

Retrieving data via integration with other applications means that the treasurer spends much less time with manual procurement. The automatically retrieved data can be enhanced with manual payment advices at any time, which is often necessary, as these are data that are not yet recognized in other areas, or have not yet been entered in the R/3 System for accounting purposes.

As manual memo records are usually created during preparation of the liquidity status as a parallel or supplementary activity, this flow uses the liquidity analysis started in the previous section as a starting point for the creation of the memo record. Within the liquidity display you can branch at any time to memo record maintenance, regardless of the summarization level.

In the following example a customer notifies you of an cash receipt expected in about seven days. However, they do not yet know into which account the money is to be transferred. You therefore enter a memo record that refers to the planning group for the area of sub-ledger accounts to which this customer belongs.

The customer later calls with the details of the bank account into which the payment is to be made. You then change the memo record from person-related to bank-related. As well as changing the planning group, you can change the value date of the expected cash receipt.

Procedure

1. Choose *Memo record*.
2. Enter the following data:

Field	Data
Company code	1000
Planning type	DI

3. Choose .
4. Enter the following data:

Field	Data
Planning day	Today’s date + 5 days
Planning group	E2
Amount	745000
Business area	0001
Assignment	Company XY
Text	Of your choice (e.g. notified by XY)

5. Choose .

   The system displays the message *Record added under number XXX*.

6. Choose until the *Display Cash Management and Forecast: Display Levels from Group* screen appears.

7. Choose .

8. Select the row *Subtotal* in the *Cash Management and Forecast: Summarized Display* screen, then choose *Groups.*

9. In the *Cash Management and Forecast: Display Groups* screen, select planning group *E2* and choose *Levels*.

   The planned amount changes by exactly the amount you entered for the memo record.

10. Select an amount in the *Planned* level and choose *List display.*

    If you maintained the fields *Allocation* and *Text* when you entered the memo record, important information can be displayed in the list display (in our example: the name of the customer who notified a larger incoming cash receipt).

11. In the *Memo Records: List* screen, select the amount in the corresponding row and choose .

    At this point, we assume that the customer has just informed you as to which bank will receive the incoming payment, and you would like to change the memo record accordingly.

12. Choose .

    You go from display to change mode and the *Change Memo Record: Planned Item Number XXX* screen appears.

13. Choose *Change planning type*.

14. In the next dialog box, enter the following data:

Field	Data
Planning type	AU

15. Choose .

16. Also enter the following data:

Field	Data
Account name	DBGIRO

17. Choose .

    The system displays the message *Record added under number XXX*.

18. Choose until the *Cash Management and Forecast: Summarized Display* screen appears.

19. Choose .

20. Select the row *Subtotal,* then choose *Groups.*

You see that the planned amount of group E2 has been reduced by the amount entered in the memo record, which is now displayed via the respective bank account in the cash position

21. Choose until the *Cash Management and Forecast: Summarized Display* screen appears.

    Check whether the processed memo record is actually displayed in the cash position.

22. Select the *Banks* row, then choose *Groups.*

23. In the *Cash Management and Forecast: Display Groups* screen, select planning group *DBGIRO* and choose *Levels*.

24. In the *Cash Management and Forecast: Display Levels from Group* screen, mark the amount in the *Advice, uc* level and choose *List display*.

25. Choose until the overview tree appears.

In a second step we assume that you have just been notified of a cash receipt from two banks that is to be credited to your account today with a value date. This activity is made with a manual memo record, using a separate planning type, to ensure that this payment advice note can go into a subsequent clearing proposal.

26. Call up the transaction as follows:

Menu Path	In the *Cash Management* node choose: *Incomings* → *Memo record* → *Create*
Transaction Code	FF63

27. Enter the following data:

Field	**Data**
Company code	1000
Planning type	AB

28. Choose .

29. Enter the following data:

Field	**Data**
Value date	Today's date
Account name	CBGIRO
Amount	1700000
Business area	0001

30. Choose .

    The system displays the message *Record created under number XXX*.

31. To enter a second incoming cash receipt notified by another bank, enter the following:

Field	**Data**

Value date	Today's date
Account name	DRGIRO
Amount	2400000
Business area	0001

32. Choose .

    The system displays the message *Record created under number XXX*.

33. Choose until the overview tree appears.

    

    The payment advice notes to be processed can be modified, archived or reactivated. Archived payment advice notes are then ignored during planning, but can be reactivated from the archive at a later date, if required, and issued with a new value date.

34. Call up the transaction as follows:

Menu Path	In the *Cash Management* node choose: *Incomings* → *Memo record* → *Change Using List*
Transaction Code	FF6A

35. Enter the following data:

Field	**Data**
Company code	1000
Planning type	AB

36. Choose .

    The system displays an overview of your confirmed payment advice notes that are intended for the respective accounts. If the cash receipt notified for today by the CBANK does not arrive today, but at sometime within the next few days, the payment advice note for the amount of 1,700,000 EUR must be removed from the cash position and transferred to the archive so that it can be reactivated at a later date.

37. Select the relevant payment advice, choose *Transfer,* then confirm the message that the R/3 System has archived a memo record.

    The payment advice is archived and is no longer contained in the cash position.

38. Choose until the overview tree appears.

Cash Concentration

Use

Before making a cash management planning decisions, it is often advisable to concentrate all your account balances in **one** target account.

Cash concentration is based on specified current accounts that are summarized under a group definition (for example BANK-IST-E).

Procedure

1. Call up the transaction as follows:

Menu Path	In the *Cash Management* node choose: *Planning* → *Cash concentration* → *Create*
Transaction Code	FF73

2. Enter the following data:

Field	Data
Company code	1000
Planned date	Today's date
Grouping	BANK-IST-D
Currency	EUR
Minimum balance	10000
Target account name	DBGIRO
Target company code	1000
Value date	Today's date
Expiration date	Today's date
Planning type	CL
Minimum amount	5000
Scaling	3.0

3. Choose *Execute*.

   On the *Display Balances from Cash Concentration* screen, you see the clearing proposal offered by the system that you can now edit.

4. Choose *Correction*.

   You can enter values to change the minimum balance of all the accounts (with the exception of target account *DBGIRO*).

5. Select the plan balance of CBGiro (or DRGiro) and change it from *XX* to *10*.

6. Choose .

The system automatically adjusts the cash management final balance for CBGiro (or DRGiro).

7. Choose *Edit payment advices.*

   On the *Edit Payment Advice for Cash Concentration* screen you can change the amounts as required.

   The planned amount proposed for CBGiro (or DRGiro) are then rounded.

8. To do this, position your cursor in front of the digit to which you want to round off in the planned amount for CBGIRO (or DRGIRO), then Choose *Round*.

9. Choose  to generate the payment orders for the banks.

10. In the *Create Payment Advices* dialog box, choose *Yes*.

    The concentration advices were created and can be seen in the cash position.

    By creating a concentration proposal you have cleared your general ledger accounts internally, after which you can inform the issuing banks by telephone of the payment orders. you can then print the payment instructions from the SAP R/3 System, and send them to the banks as paper documents

11. Choose  until the overview tree appears.

Displaying the Clearing Activity in Cash Position

1. Call up the transaction as follows:

Menu Path	In the *Cash Management* node choose: *Information system* → *Reports for Cash Management* → *Liquidity Analyses* → *Cash Position*
Transaction Code	FF7A

2. Enter the following data:

Field	Data
Company code	1000
Grouping	CLEARING
Display as of	Today's date
Display in	EUR

3. Choose  .
4. On the *Cash Management and Forecast: Initial Screen* screen, enter the following data:

Field	Data
Delta display with balances	Select

5. Choose  .

   The overview screen shows you the notified incoming and outgoing cash flows for your current accounts due to cash concentration.

6. To check in more detail whether the notified clearing amounts are displayed correctly in the cash position, mark one of the rows on the *Cash Management and Forecast: Summarized Display* screen (e.g. *DEUBA* or *COMBA*) and choose  *Levels.*

   In the *Cash Management and Forecast: Display Levels* screen you can see that the payment advice has been effected immediately from the concentration proposal into the cash position.

7. Choose  until the overview tree appears.

Creating Payment Orders for the Banks

Use

By creating a concentration proposal you have cleared your general ledger accounts internally, after which you can inform the issuing banks by telephone of the payment orders. Now you can print the payment instructions from the SAP R/3 System, and send them to the banks as paper documents

Procedure

1. Call up the transaction as follows:

Menu Path	In the *Cash Management* node choose: *Planning* → *Cash concentration* → *Post*
Transaction Code	FF.9

2. Enter the following data:

Field	Data
Company code	1000
Value date	Today's date
Planning type	CL

3. Choose  .
4. Choose *List* → *Print*.
5. In the *Print Screen List* screen, enter the printer name (e.g. *LP01*) for the *Output device* and choose *Continue*. If the *Information* dialog box appears, choose  .

   You get a message telling you that the spool request (number XXX) was created without immediate printing.
6. Make a note of this spool number.
7. Choose *System* → *Services* → *Output Controller.*

   The system opens up a new session.
8. On the *Output Controller: Spool Request Selection* screen, enter the spool number you noted down for the *Spool request number* and choose  .
9. On the *Spool requests* tab page, mark your spool request and choose  .
10. On the *Output Controller: List of Spool Requests* screen, select your request and choose  .

    The message *Output requests created* is displayed.

    The payment notifications can now be printed and faxed to the relevant banks.
11. Choose  .

Manual Check Deposits

Purpose

The *Check deposit* function is especially useful when you need to process large volumes of checks in the R/3 System. The manual check deposit transaction is a fast-entry method that greatly reduces the need for manual processing.

In this demo the check information is prepared according to the account-assignment rules valid for your enterprise. The generated FI documents are then stored in batch-input sessions. The FI documents are posted when you run the batch-input sessions. Any incorrect records can be reprocessed online.

You can find more information about this process under [Page 24].

Prerequisites

To find out the preparations for running this process, select Deactivating the User Exit [Page 34].

Process Flow

You can find the data for this process under [Page 25].

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2. Entering Incoming Checks and Printing Check Deposit Lists [Page 29]
3. Posting the Incoming Checks in Financial Accounting [Page 32]
4. Displaying the Customer Accounts [Page 33]

Additional Process Information

This demo shows how you can effectively process incoming checks. You can enter and save all the important information, then print this out as a check deposit list, which you can later sign and give to your bank as an accompanying document.

The standard account assignment is made using the incoming checks and check clearing accounts. This IDES process runs as follows:

1. A customer receives 3 invoices. The open items are entered in the customer‘s account.
2. A few days later, the customer sends two checks. The first check pays two invoices. The second check pays the remaining invoice.
3. The check deposit generates two sessions, one for the general ledger, and one for the subsidiary ledger.

   When you run the subsidiary ledger session, the R/3 System clears the open items for the customer. The general ledger session generates an open item on the incoming check account, which is cleared with the account statement on the following day.

Check deposits are especially suitable for large volumes of checks, in particular when different people are responsible for the open item clearance in the general ledger and subsidiary ledger.

Data Used During This Process

Field	Data	Description
Company code	1000	IDES AG
Document type	DR	Customer invoice
Currency	EUR	Euro
Customer	1351	Customer for check deposit
G/L account	800200	Revenue account
House bank	1000	House bank ID, refers to bank number
Account ID	1000	Account ID, refers to external bank account number
Group	Any, for example, initials + time WA0945)	Unique ID for the check deposit list

Posting the Necessary Outgoing Invoices

Use

In this example, you post three outgoing invoices, which are used when you enter the check deposit.

To save time, you can generate invoices two and three using the reference technique.

Procedure

1. Outgoing Invoice 3

1. Call up the transaction as follows:

Menu Path	*Accounting → Financial accounting → Accounts receivable → Document entry → Invoice*
Transaction Code	FB70

2. Enter the following data (choose in case of a warning message by entering the data):

Field	Data
Customer	1351
Invoice date	Today's date - 11 days
Posting date	Today's date - 10 days
Amount	6000
Currency	EUR
Calculate tax	Select
G/L account	800200
D/C	Credit
Amount	*
Tax code	AN

3. Choose .
4. Choose .
5. Make a note of the document number.
6. Remain on this screen.

2. Outgoing Invoice 3

1. Enter the following data (choose in case of a warning message by entering the data):

Field	Data
Customer	1351

Invoice date	Today's date - 11 days
Posting date	Today's date - 10 days
Amount	9000
Currency	EUR
Calculate tax	Select
G/L account	800200
D/C	Credit
Amount	*
Tax code	AN

2. Choose .
3. Choose .
4. Make a note of the document number.
5. Remain on this screen.

3. Outgoing Invoice 3

1. Enter the following data (choose in case of a warning message by entering the data):

Field	Data
Customer	1351
Invoice date	Today's date - 11 days
Posting date	Today's date - 10 days
Amount	11000
Currency	EUR
Calculate tax	Select
G/L account	800200
D/C	Credit
Amount	*
Tax code	AN

2. Choose .
3. Choose .
4. Make a note of the document number.
5. Choose until the overview tree appears.
6. In the *Exit Editing* dialog box, choose *Yes.*

Posting the Necessary Outgoing Invoices

Entering Incoming Checks and Printing Check Deposit Lists

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Cash management* → *Incomings* → *Manual check deposit* → *Enter*
Transaction Code	FF68

If you are entering manual check deposits for the first time, you will need to enter some specifications. The system displays the *Specifications* dialog box.

2. Enter the following data:

Field	Data
Int. bank determin.	Select
Start variant	SAP01
Cust. matchcode ID	D
Processing type	1
Transfer value date	Select

3. Confirm your dialog box entries and any further dialog boxes with  .

4. Enter the following data:

Field	Data
Company code	1000
House bank	1000
Account ID	1000
Group	Your initials + the time (for example, AA0930)
User name	Your user name
Entry date	Today’s date
Transaction	0001
Posting date	Today’s date
Value date	Today’s date + 3 days
Currency	EUR
Bank posting session	BABU
Subledger session	NEBU

5. Choose  .

You can now enter the incoming checks. The customer clears three invoices with two checks.

6. Enter the following data:

Field	Data
Line 1	
Amount	15000
CNo (check number)	Any, for example, 888
Issuer	1351
Bank key	10050000
Doc. no.	1st and 2nd document numbers as noted earlier (See the note below the table to find out how to enter more than one doc. number)
Line 2	
Amount	11000
CNo (check number)	Any, for example, 999
Issuer	1351
Bank key	10050000
Doc. no.	3rd document number noted

You can enter more than one document number by placing the cursor on field *Document number* and choosing: *Edit* → *Value set* or by double-clicking on the *Doc. no.* field.

Enter your document numbers, then choose *Enter*. You see that the document number field is now highlighted to show that multiple documents exist for this field.

7. Choose  .
8. Choose  .

   The dialog box variant of the entry screen shows other options for entering checks. For everyday work, you can define your *own* personal screen that contains all the check entry data relevant for your company.

9. Choose  .
10. Choose  .
11. Choose *Check deposit trans* → *Post* → *Individual list.*

    You see a statistical display of the posting records created for FI.

12. Choose  .
13. Choose *Check deposit trans* → *Print* → *Individual list.*

14. Enter the name of your printer and choose *Print.*

    You see a check deposit list that is ready for signature. You can print out this page, sign it, and present it to your bank with the relevant check.

    You may want to enter many of these individual lists for a single bank (same date, same bank and bank account number, but multiple groups, for example, because different employees enter the data). If this is the case, you can summarize all these individual lists into one check deposit list by choosing *Totals list*.

15. Choose until the overview tree appears.

Posting the Incoming Checks in Financial Accounting

Prerequisites

Before performing this process step, you should reduce the size of your screen.

Procedure

1. In the menu bar, choose *System* → *Services* → *Batch Input* → *Sessions* (transaction code *SM35*).
2. Select line *BABU* in the session overview.
3. Choose *Process*.
4. In the *Process Session BABU* dialog box, select *Process/foreground*, then choose *Process*.

   You now display and post the prepared posting records for bank accounting.
5. From the keyboard, choose *Enter* until a message appears telling you that processing of the batch input session was ended. While you are doing this, compare the prepared data with the data you entered during *fast entry check deposits*.

   Note, for example, that the text for the check number and the bank number are still the same.
6. Choose *Session overview*.
7. Select line *NEBU* in the session overview.
8. Choose *Process*.
9. In the *Process Session NEBU* dialog box, select *Process foreground*, then choose *Process*.

   You now display and post the prepared posting records for subledger accounting.
10. From the keyboard, choose *Enter* until a message appears telling you that processing of the batch input session was ended. Keep the following in mind:

    Follow the selection steps for finding the open items for the customer.

    The selection is made directly using the entered document numbers, and the open items are cleared automatically by the system.
11. Choose *Exit batch input*.

Displaying the Customer Account

Use

Now check that the deposit transaction is complete and the open receivables are cleared.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Financial Accounting* → *Accounts Receivable* → *Account* → *Display/Change Line Items*
Transaction Code	FBL5N

2. Enter the following data:

Field	Data
Customer account	1351
Company code	1000
Cleared items	Select

3. Choose  .
4. Select one of the items by double-clicking on it.

   The date and document number of the clearing document number is displayed in the *Clearing* field.
5. Choose this document number by double-clicking.
6. In the *Select Year* dialog box, choose  *Choose.*

   You see the document generated by the check deposit to clear the open receivable in the bank accounting.
7. Choose  until the overview tree appears.

Deactivating the User Exit

Use

In this process step, you deactivate a customer project or a user exit that is not required for this demo. You do this in Customizing.

To run this IDES scenario you require the user authorization *IDES_DEVELOP*. If you are not sure whether you already have this authorization, ask your system administrator. If you do not have it, your system administrator will have to create it for you.

Procedure

1. Call up the transaction as follows:

Menu Path	*Tools → AcceleratedSAP → Customizing → Edit Project*
Transaction Code	SPRO

2. Choose *SAP Reference IMG*.
3. You can deactivate the project by choosing: *Financial Accounting → Bank Accounting → Business Transactions → Payment Transactions → Electronic Bank Statement →* *Develop Enhancements for Electronic Bank Statement (General).*
4. Enter the following data:

Field	Data
Project	FEB00001

5. Choose .

In this process you can program a user exit that interprets the usage lines of the electronic bank statement. Therefore, if you implement the electronic bank statement (EBS) in your productive system, you should bear in mind that this user exit contains algorithms that can improve the hit rate of the EBS. This is because the customer may not always enter the appropriate information in the usage field. This user exit assigns the usage line to a specified field in the R/3 System.

The system displays the message *Activation of project FEB00001 has been undone*.

6. Choose until the overview tree appears.

Manual Bank Statements

Purpose

In this demo, we assume that you only process a few bank account statements each day. We show how you enter these bank account statements and integrate them into the R/3 System.

The bank statement information is prepared according to the account-assignment rules. The generated FI documents are then stored in batch-input sessions. This means that the FI documents are posted only when you process the batch-input sessions. You can reprocess any incorrect records online.

You can find more information on this process under [Page 36] [Page 36].

Prerequisites

This process requires *manual check deposits.* The data required for correct batch input session processing is created here.

Process Flow

You can find the data for this process under [Page 37].

1. Posting the Necessary Outgoing Invoice [Page 38]
2. Entering and Posting the Manual Bank Statement [Page 39]

Additional Process Information

The *manual bank statement* process is based on two business transactions:

- On the one hand, *Manual check deposits*. To process the bank statement, we assume that the bank has processed the check. The check deposit account is cleared, and bank account 113100 is credited with 26,000 EUR.
- The customer receives an additional invoice for 10,000 DEM. You can see on the bank statement that the customer paid the invoice by bank transfer, not by check. When you run the general ledger session, the cash receipt is posted on the bank account against the cash receipt account. When you run the subledger session, the R/3 System clears the open item on the customer account. The offsetting posting is made on the cash receipt account. You can execute this clearance using program SAPF123.

For the first business transaction, the bank statement refers only to the general ledger. The second business transaction refers to the general ledger and to the subledger.

Data Used During This Process

Field	Data	Description
Company code	1000	IDES AG
Document type	DR	Customer invoice
Amount	10.000	
Currency	EUR	Local currency Euro
Customer	1351	Customer for check deposit
G/L account	800200	Revenue account
House bank	1000	House bank ID, refers to bank number
Account ID	1000	Account ID, refers to external bank account number
Tax code	AN	Domestic output tax 16%

Posting the Necessary Outgoing Invoice

1. Call up the transaction as follows:

Menu Path	*Accounting → Financial Accounting → Accounts Receivable → Document Entry → Invoice*
Transaction Code	FB70

2. If the *Enter Company Code* dialog box appears, select *1000* and then .
3. Enter the following data:

Field	Data
Customer	1351
Invoice date	Today's date - 11 days
Posting date	Today's date - 10 days
Amount	10.000
Currency	EUR
Calculate tax	Select
G/L account	800200
D/C	Credit
Amount in doc. curr.	*
Tax code	AN

4. Choose .
5. Choose .
6. Make a note of the document number.
7. Choose until the overview tree appears.
8. In the *Exit Editing* dialog box, choose *Yes.*

Entering and Posting the Manual Bank Statement

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Cash management* → *Incomings* → *Manual bank statement* → *Enter*
Transaction Code	FF67

If you are *entering manual bank statements* for the first time, you may need to enter some specifications. The system displays the *Specifications* dialog-box.

2. Enter the following data:

Field	Data
Int. bank determin.	Select
Start variant	1000
Cust. matchcode ID	D
Vendor matchcode ID	K
Processing type	1

3. Choose ✔.
4. To check which statement numbers already exist choose *Overview*.
5. Mark *Deutsche Bank Hamburg* (currency EUR) and select *New statement*.

   The system automatically defaults a new bank statement number and the beginning balance.

   If there are no entries, return to the *Process Manual Bank Statement* screen, and enter a number that does not yet exist.

6. Enter the following data:

Field	Data
Company code	1000
House bank	1000
Account ID	1000
Statement number	Any
Statement date	Today's date
Beginning balance	0 (if no other value exists)
Ending balance	Beginning balance plus the posted amounts of your outgoing invoice
Posting date	Today's date

Bank posting session	BABU
Subledger session	NEBU

7. Choose .
8. If any warning messages appear, choose .
9. Enter the following data:

Field	Data
Tran.	051 (Credit memo)
Value date	Today's date
Amount	10.000
Customer	1351

The system checks the amount you have entered against the amount specified in the bank statement. You can only save the bank statement if parity exists.

10. Choose twice.

Saving twice has the following effects:

1. The system saves the bank statement.
2. The system creates the posting records for Financial Accounting (FI).

If the message *Bank statement is blocked, only display is possible* appears, simply wait a few seconds, then try again.

You see a statistical display of the posting records created for FI. You now transfer these to Financial Accounting (FI).

Before you process the batch input session, you need to reduce the size of your screen.

11. Choose *System* → *Services* → *Batch Input* → *Sessions*.
12. Mark *BABU* and choose *Process*.
13. In the dialog box, select *Process/foreground*, then choose *Process*.

    You now display the prepared posting records for bank accounting and then post them.
14. From the keyboard, choose *Enter* until you are told that processing of the batch input session was ended.
15. Choose *Session overview*.
16. Mark *NEBU* and choose *Process*.

17. In the dialog box, mark *Process/foreground*, then choose *Process*.

    You now display the prepared posting records for sub-ledger accounting and then post them.

18. From the keyboard, choose *Enter* until you are told that processing of the batch input session was ended. Keep the following in mind:

    Follow the selection steps for finding the open items for the customer for the second business transaction.

    The selection is made directly using the entered document numbers, and the open items are cleared automatically by the system.

19. Choose *Exit batch input*.

Electronic Bank Statement

Purpose

In this process, we show how you process the electronic bank statement, for example, importing and posting data.

Also, you will find closer information about the customizing of the electronic bank statement.

You can find more information on this process under [Page 43].

Process Flow

You can find the data for this process under [Page 44].

1. Preparing a Scenario [Page 57]
2. Creating a Customer Invoice [Page 45]
3. Creating a Vendor Invoice [Page 47]
4. Posting the Outgoing Payment [Page 48]
5. Necessary Customizing for the Electronic Bank Statement [Page 50]
6. Exporting Statement Files and Line Item Files [Page 53]
7. Importing the Account Statement [Page 54]
8. Closing Activities [Page 56]

Additional Process Information

Today, one can release bank statement data electronically in many countries. In Germany banks work with the Banking Communication Standard (BCS). To transfer data from the bank to the customer, both would need a transfer program (e. g. Multicash) that “understands” the BCS: Multicash “fetches” the desired data (e. g. bank statements) from the bank and creates two further data files:

- Revenue.TXT
- STATEMENT.TXT

The REVENUE.TXT contains the header data of the bank statement and the STATEMENT.TXT comprises the line items. These files can be imported in the SAP System. The system processes them automatically. You start a report that imports the files created by Multicash in the SAP System or to be more exact imports the data into the so-called bank data storage.

The transformation enriches the data of these files with SAP information for further processing (chart of accounts, company code, etc.) After the import, the system starts the analysis of the data in the bank data storage. The system attempts to identify the individual business transactions and to filter the information relevant for posting out of the *as payment for* fields on the bank statement such as document numbers (“interpretation of the as payment for fields).

If this succeeds, the system automatically triggers the posting (via batch input or Call Transaction). Normally all sales volume is posted automatically.

The statistics show that on average 90% of the customer data can be posted automatically. For the postprocessing of not posted revenues, you will find convenient tools in the System R/3.

Problems can arise, however, when posting incoming payments referring to customers. This can happen due to invoices not having been paid fully or due to processing bank transactions with incorrect references. In this cases, one has to manually postprocess the postings.

In customizing you can create the prerequisites so that all accounting transactions that are transferred from your bank via the electronic bank statement are posted correctly.

The program RFEBKATX supports your import of the electronic bank statement in view of the customizing settings and gives you a small insight in the opportunities of the electronic bank statement.

The electronic bank statement serves a. o. for the automatic assignment of incoming and outgoing payment flows to house bank accounts (credit transfer, checks, etc.) to the appropriate open items in the system.

The program *RFEBKATX* helps creating open items in a company code as well as appropriate (Multicash) bank statement files for a house bank account of the company code. These can be imported directly with the import program *RFEBKA00*, and this way you can test your customizing settings as well as the general functions of the program *RFEBKA00*.

For the import of the files with the bank statement data use the report *RFEBKA00*.

Data Used During This Process

Field	Data
Company code	1000
Customer	1351
Reference	22431
Revenue account	800200
Outgoing control character	AN
Vendor	12500
Reference	00085
Expense account	476000
Input tax indicator	VN
Bank account	113102
Bank key	62030050
Account number	7002335300
House bank	1001
Bank account	113100
Transaction type	MT940
Format	M
Statement file	AUSZUG1.TXT
Line item file	UMSATZ1.TXT
Number area	00000 to 99999

Creating a Customer Invoice

Prerequisites

Before you can read in the electronic bank statement, you have to make certain preparations in your system, i.e. you have to post an outgoing invoice. You can simplify document posting by making certain settings.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Financial Accounting* → *Accounts Receivable* → *Document entry* → *Invoice*
Transaction Code	FB70

2. If the *Set Company Code* dialog box appears, enter *1000* and choose .
3. Enter the following data:

Field	Data
Customer	1351
Invoice date	Today's date
Reference	22431
Amount	3480
Currency	EUR
Tax amount (1st field)	480
Tax amount (2nd field)	AN

4. Choose .
5. Make the following entries in the *Items (no input variant selected)* area:

Field	Data
G/L account	800200
Amount in doc. curr.	3000

6. Choose .
7. Choose *Document* → *Simulate*.

   The system displays an overview of the outgoing invoice.
8. If the *Document Overview* screen does not show a difference, choose and note down the displayed document number.
9. Choose until the overview tree appears.
10. In the *Exit Editing* dialog box, choose *Yes.*

Entering a Vendor Invoice

11. Call up the transaction as follows:

Menu Path	*Accounting → Financial Accounting → Accounts Payable → Document Entry → Invoice*
Transaction Code	FB60

12. If the *Set Company Code* dialog box appears, enter *1000* and choose .
13. Enter the following data:

Field	Data
Vendor	1200
Invoice date	Today's date
Reference	00085
Amount	58
Currency	EUR
Tax amount (1st field)	8
Tax amount (2nd field)	VN (Domestic input tax 16%)

14. Choose .
15. Make the following entries in the *Items (no input variant selected)* area:

Field	Data
G/L account	476000
Amount in doc. curr.	50
Cost center	1000

16. Choose .
17. Choose *Document → Simulate*.

    The system displays an overview of the outgoing invoice.
18. If the *Document Overview* screen does not show a difference, choose and note down the document number.
19. Choose until the overview tree appears.
20. In the *Exit Editing* dialog box, choose *Yes.*

Posting the Outgoing Payment

Use

In this step, you post a manual outgoing payment. This settles the vendor invoice you posted in the previous step. This outgoing payment is posted by you as you generally trigger outgoing payments yourself. You will, however, not post incoming payments yourself, since the customer pays his invoice as he likes. For this reason customer items can also be cleared using the electronic bank statement. In Accounts Payable, however, automatic clearing of open items is advisable only for credit memos.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Accounts Payable* node choose: *Document entry* → *Outgoing payments* → *Post*
Transaction Code	F-53

2. Enter the following data:

Field	**Data**
Document date	Today's date
Company code	1000
Currency	EUR
Reference	00085
Account (Bank data area)	113102
Amount (Bank data area)	58
Account (Select open items)	1200
Amount (Additional selections)	Select

3. Choose  .
4. In the *Amount (EUR)* screen area, enter the following data:

Field	**Data**
From	58

5. Choose  .

   You are informed that the data was stored and that you can enter further values.

6. Choose *Process open items.*
7. If you posted several documents for this creditor about EUR 58, the system displays all of these documents. In this case mark all the items to be activated with  and choose  *Item*.
8. If a difference that is not equal to zero is displayed in the *Not assigned* field, move the cursor to the row of the posted document and choose  . Then activate the document with *Item*.

The *Difference postings* field should not contain an entry.

9. Choose *Document* → *Simulate*.

   The system displays an overview of the outgoing invoice.

10. To post choose .

    The system informs you that *Document* XXX *was posted in company code 1000*.

    You have now completed all the preliminary work, and you can now start with the actual business process.

11. Choose until the overview tree appears.

12. In the *Exit Editing* dialog box, choose *Yes.*

Necessary Customizing for the Electronic Bank Statement

Use

In this step you define a house bank and you open a current account. You will later import and post the bank statement for this account.

Procedure

1. Call up the transaction as follows:

Menu Path	*Tools → AcceleratedSAP → Customizing → Edit Project*
Transaction Code	SPRO

2. If the *First Steps in Customizing* dialog box appears, choose *Continue.*
3. Choose *SAP Reference IMG*.
4. Call up the transaction as follows:

Menu Path	*Financial Accounting → Bank Accounting → Bank Accounts → Define House Banks*
Transaction Code	FI12

5. In the *Determine Work Area: Entry* dialog box, enter company code 1000 and choose .
6. Choose *New Entries*.
7. Enter the following data:

Field	Data
House bank	1001
Bank country	DE
Bank key	62030050

8. Choose *Create*.

   The bank key is defined for Germany as the bank number. This bank number has to have the length 8 digits and be numeric and unbroken. You make these settings Customizing, under *Global Settings → Set Countries → Set Country-Specific Checks*.

9. Enter the following data in the *Bank Data* dialog box:

Field	Data
Bank name	Deutsche Bank

10. Choose .
11. Choose *Bank accounts* by double-clicking.

12. Choose *New Entries*.
13. Enter the following data:

Field	Data
Account ID	GIRO
Description	Current account EUR
Bank account	7002335300
General ledger	113100
Currency	EUR

14. Choose .

    The bank account represents your current account with this bank, and the G/L account is the account of your Accounting that goes with it.

15. Choose .

    If the *Prompt for Customizing Request* dialog box appears choose . This dialog box appears if the transport system is activated in your system. Make any entry for this transport request in field *Short description* of the *Create Request* dialog box and choose . In the following dialog box choose .

    The message *Data saved* is displayed.

    You have now created your new house bank. You now have to assign the house to an activity category.

16. Choose until the *Customizing: Execute Project* screen appears.
17. Call up the transaction as follows:

Menu Path	On the *Bank Accounting* screen choose: *Business Transactions* → *Payment Transactions* → *Electronic Bank Statement* → *Make Global Settings for Electronic Bank Statement*
Transaction Code	SPRO

18. In the *Determine Work Area: Entry* dialog box, enter the following data:

Field	Data
Chart of accounts	INT

19. Choose .
20. In the dialog structure choose *Assign bank accounts to Transaction Types*.
21. Choose *New entries* and enter the following data:

Field	Data
Bank key	62030050
Bank account	7002335300

TransType	MT940

22. Choose  .
23. Choose  .

    The preliminary work necessary for the import of an electronic bank statement has been completed.

24. Choose  until the overview tree appears.
25. If the *Exit Editing* dialog box appears, choose *Yes*.

Exporting Statement Files and Line Item Files

Use

You might have the following scenario for the Electronic Bank Statement: One of your colleagues, normally the cash manager, received respective data from the bank. This data could be transferred in a variety of ways. The data are then saved on your local PC, from where they are uploaded to the R/3 System when you process the electronic bank statement.

Procedure

26. Call up the transaction as follows:

Menu Path	*Office* → *Workplace*
Transaction Code	SBWP

27. In the left area of the structure choose *Shared folders* → *IDES: FI: Electronic Banking*.
28. Double-click in the right area of the screen to choose *Electronic Banking*.

    The *Display Document: Electronic Banking* screen appears.
29. Choose the *Attachments* tab.
30. Mark an asset and choose (*Export attachment*).
31. In the *Save As* dialog box choose *Up One Level* until you reach the (C:) drive.
32. Choose *TEMP* by double-clicking and then *TMP* and save the file.
33. Repeat the steps 4 -6 for the other file. If the files already exist, choose *Overwrite* in the next dialog box.

    You are informed that the export was performed successfully.
34. Choose until the overview tree appears.

Importing the Account Statement

Use

In the next step the files that were just exported with Report *RFEBKA00* are imported back into the SAP System.

Procedure

21. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Cash management* → *Incomings* → *Electr. bank statement.* → *Import*
Transaction Code	FF.5

22. Enter the following data:

Field	Data	Description
Import data	Select	
Electr. bank statement format	M	Format in which the account statements are imported (here multicash)
Statement file	C:\TEMP\TMP\Statement1.txt	Path and file name of the statement data
Line item file	C:\TEMP\TMP\Lineitem1.txt	Path and file name of the line item data
Generate batch input	Select	
Assign value date	Select	
Session name	1	Generation rule for session names
XBLNR number interval	00000 to 99999	Enter the intervals within which the values of your reference document numbers are allowed to be
Execute as background job	Select	
Print Bank Statement	Select	
Print Posting log	Select	
Print statistics	Select	
Separate list	Select	

23. Choose to start importing the account statement.

24. In the *Information* dialog box, choose .

    The system displays the message *Spool File XXX* created.

25. Choose *System* → *Services* → *Batch Input* → *Sessions*.

    The *Batch Input: Session Overview* screen appears.

    During bank statement processing, you can also post the line items to the general ledger and subledger accounts at the same time. Two batch input sessions have been created for this.

    - Bank accounting (*1001 - Current)*
    - Subledger accounting (*/1001 - Current)*

6. Mark session */1001-GIRO* (subledger accounting).
7. Choose *Process*.
8. In the *Process Session XXX* dialog box, select *Process foreground*, then choose *Process*.
9. Choose *Enter* until you see the message *Batch input processing completed*.
10. Choose *Session overview*.
11. Mark session *1001-GIRO* (bank accounting).
12. Choose *Process*.
13. In the *Process Session XXX* dialog box, select *Process foreground*, then choose *Process*.
14. Choose *Enter* until you see the message *Batch input processing completed*.
15. Choose *Exit batch input*.

    The overview tree appears automatically.

Closing Activities

Use

Others can only simulate this process if you delete the account statement again. You should make sure that only the account statement and not the posted documents are deleted.

Procedure

26. Call up the transaction as follows:

Menu Path	*System* → *Services* → *Reporting*
Transaction Code	SA38

27. Enter *RFEBKA96* in field *Program* and choose  .
28. Enter the following data:

Field	Data
Application	0001

29. Choose  .

    You see all bank statements that have already been imported.

30. Select all bank statements.
31. Select  *Delete statements* and confirm the following dialog-box with *Yes*.

    You can see how many records were deleted.

32. Choose  until the overview tree appears.

Preparing a Scenario

Use

In this process step, you deactivate a customer project (or a user exit) that is not required for this demo.

Prerequisites

To run this IDES scenario you require the user authorization *IDES_DEVELOP*. If it does not yet exist, your system administrator must install it.

Procedure

1. Call up the transaction as follows:

Menu Path	*Tools → AcceleratedSAP → Customizing → Edit Project*
Transaction Code	SPRO

2. Choose *SAP Reference IMG*.
3. Call up the transaction as follows:

Menu Path	*Financial Accounting → Bank Accounting → Business Transactions → Payment Transactions → Electronic Bank Statement →* *Develop Enhancements for Electronic Bank Statements (General)*
Transaction Code	CMOD

4. Enter the following data:

Field	Data
Project	FEB00001

5. Choose .

   The system displays the message *Activation of Project FEB00001 has been undone*.

   In this project you can program a user exit that interprets the usage lines of the electronic bank statement. If you are using the electronic bank statement in your production system, you should program certain algorithms in this user exit, since the customer cannot always enter the appropriate values in the usage field and thus increase the hit rate for the electronic bank statement. This user exit assigns the usage line to a specified field in the R/3 System.

6. Choose until the overview tree appears.

Creating a Fixed-Term Deposit

Purpose

Fixed-term deposits are amounts of money invested or borrowed for a fixed term and at a fixed rate of interest. The fixed-term deposits can be rolled over at the due date.

You first need to enter the relevant data (for example, the amount) and the agreed conditions (for example, the due date). You do this when you create the fixed-term deposit. You then carry out the settlement. The transaction is then posted in Financial Accounting.

You can find more information about this process under [Page 59].

Process Flow

You can find the data for this process under [Page 60].

1. Creating a Fixed-Term Deposit [Page 61]
2. Processing the Fixed-Term Deposit [Page 63]
3. Posting the Fixed-Term Deposit [Page 66]

Additional Process Information

An easy-entry method is available to enter the data for the transaction. When you enter the amount, enter “t” instead of thousand and “m” instead of million. In the date fields, enter “+x” to enter x days, “++x” for x months, and +++x for x years.

Alternative settings can be made for each user.

Data Used During This Process

Field	Data	Description
Company code	1000	IDES AG
Product type	51A	External fixed-term deposits
Transaction type	100	Asset
Partner	1000	Deutsche Bank
Amount	500.000	
Interest rate	4	4% p.a.
Currency	EUR	Euro

Creating a Fixed-Term Deposit

Use

The cash manager at IDES AG decides that given the current liquidity situation, the company needs to invest 500,000.00 DEM cash. He decides to invest the amount in the form of a fixed-term deposit. The IDES cash manager calls Deutsche Bank and agrees an interest rate of 4% with a term of six months. This term starts on the next working day following the telephone call.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Treasury Management* → *Money Market* → *Trading* → *Fixed-Term Deposit* → *Create*
Transaction Code	TM01

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Product type	51A	Internal fixed-term deposit
Transaction type	100	Asset
Partner	1000	Deutsche Bank

For the system to accept these entries, business partner Deutsche Bank must be authorized in the standing instructions for fixed-term deposit investments.

3. Choose  .

4. Enter the following data:

Field	Data	Description
Amount	500t	The fixed-deposit amount
Start (term)	+1	(Next working day)
End (term)	++6	Due date (6 months after the start date)
Percentage rate	4	Interest at a rate of 4% per year

5. Choose  , then choose the *Cash flow* tab page.

   The system now executes in chronological order the flows classified when you created the transaction. This consists of a cash outflow, a cash inflow, and the interest payment on the due date. The *Flow type* determines how the transaction is to be interpreted from an accounting perspective.

6. Choose  → *Select Layout*.

7. Choose the row *1SAP06 (Posting view)*.

You see more details about the posting of this transaction. As we have not yet executed a settlement, the system does not allow you to execute a posting at this point.

In the same way, you can call up additional views.

8. Choose the *Payment details* tab page.

   Here you can see the payment conditions with the codes of your house bank and the bank account between which the money transfers have occurred during processing of the fixed-term deposit investment. The direction of the flow (D) shows the payment details to which the amount is debited (-) or credited (+). You can see both of the payment details. This is due to the settings in the Standing Instructions. These settings define that all fixed-term-deposit investments with the Deutsche Bank are to be processed through a specific account. This means that the corresponding payment details are derived automatically.

9. Choose the *Administration* tab page.

   This tab page contains various information that simplifies the administration of the transaction. In the *Position assignment* field, you enter the account assignment reference. This defines the balance sheet account to which the fixed-term deposit is to be posted. This means that you must define this field before the posting takes place. Under *Additional fields* you can enter comments for internal purposes.

10. In the *Acct assign.ref* field, enter *DB000001*.

11. Choose the *Status* tab page.

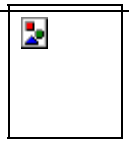
    In the *Correspondence* field, you see that you must create a confirmation for the business partner upon conclusion of the contract, and that a counter-confirmation is then awaited from the business partner. In the *Activity* field, you see the status of the transaction and the status of the relevant activity.

12. Choose  .

    The system displays the message *Fixed-term deposit XXX created in company code 1000*.

13. Note the number of this transaction.

14. Choose  .



Processing the Fixed-Term Deposit

Use

Before you carry out settlement of the fixed-term deposit, you need to enter correspondence in line with the standing instructions. The confirmation is created automatically on the basis of the data stored in the R/3 System for the business partner, company code, and the transaction. However, incoming counter confirmations are recorded when the counter-confirmation data for a transaction is manually entered by the business partner. The system finds the transaction corresponding to this data, and defaults an assignment of the counter confirmation to this transaction. When you confirms this assignment, the system modifies the confirmation status of the transaction. When you have completed the correspondence, the transaction is settled.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Money Market* node, choose *Back Office* → *Correspondence* → *Outgoing Correspondence*
Transaction Code	TBZ1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be confirmed
Correspondence type	001	Key for outgoing confirmations
Printer	Select	
Print preview	Select	

3. Choose  .

   You see the confirmation. The system only registers the confirmation when you have printed it. This means that you can correct any input errors without the system having to create a second, and therefore invalid, confirmation.

4. Choose *Text* → *Print*.

   The system informs you that your spool request has been sent to the printer.

5. Choose  until the overview tree appears.

6. Call up the transaction as follows:

Menu Path	From the *Correspondence* node, choose *Incoming Confirmations*
Transaction Code	TBZ3

7. Enter the following data:

Field	Data	Description

Company code	1000	IDES AG
Partner	1000	Deutsche Bank
Currency	EUR	Euro
Amount	500t	Outgoing amount
Direc.	–	Direction of the payment (+ inflow or - outflow)
Start of term	+1	First day of term
End of term	++6	Final day of the term (due date)
Interest rate	4	4% p.a.
Calc.method	act/360	Method for calculating the number of interest-effective days

8. Choose .

   In the lower part of the screen, you see the allocated transaction.

9. Choose *Edit* → *Choose*.

   On the *Display Fixed-Term Deposit: Structure* screen, you see the basic data of the allocated fixed-term deposit.

10. Choose .

11. Choose .

    The system informs you that transaction *XXX* has been successfully counter-confirmed.

12. Choose .

13. Call up the transaction as follows:

Menu Path	From the *Money Market* node, choose *Trading* → *Fixed-Term Deposit* → *Display*
Transaction Code	TM03

14. Choose .

    You again see the basic data of your transaction for activity category *Contract*.

15. Choose the *Status* tab page.

    In the *Correspondence* field, you can see that the transaction has been confirmed and that a counter-confirmation has been received for the transaction.

16. Choose .

17. Call up the transaction as follows:

Menu Path	From the *Money Market* node, choose *Back Office* → *Fixed-Term Deposit* → *Settle*
Transaction Code	TM06

18. Choose .

You see the basic data for your transaction.

19. To check whether all payment details have been specified for payment inflows and outflows, choose *Payment details* .
20. Choose the *Status* tab page.

    In this case, the correspondence requirements refer to the contract settlement, not to the contract. You can see that the contract settlement does not require a separate confirmation. This is because the confirmation status of the activity category *Contract* has been transferred to the contract settlement status.
21. To check whether the account assignment reference has been entered, choose the *Administration* tab page.
22. Choose  .

    The system displays the message *Fixed-term deposit XXX changed in company code 1000*.
23. Choose  .
24. Call up the transaction as follows:

Menu Path	From the *Back Office* node, choose *Fixed-Term Deposit* → *Display*
Transaction Code	TM03

25. Choose  .

    You see the basic data for your transaction.
26. Choose *Goto* → *Correspondence*.

    The *Correspondence - Overview* screen appears. You see all of the planned and processed correspondence for this transaction. For each correspondence item, you see the activity category, the entry date, the creator, the correspondence type, and the form.
27. Choose  until the overview tree appears.

Posting the Fixed-Term Deposit

1. Call up the transaction as follows:

Menu Path	From the *Money Market* node, choose *Accounting* → *Posting* → *Execute.*
Transaction Code	TBB1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be posted
Upto and incl. due date	Today's date +1	
Test run	Select	Posting is initially to be simulated

3. Choose .

   You see the flows for your transaction; the fixed-term deposit investment, the repayment and payment of the interest, as well as the interest income tax and reunification tax.

4. Choose .
5. Deselect *Test run*.
6. Choose .

   The displayed flow has already been posted. Click to display the document overview.

7. Choose until the overview tree appears.
8. Call up the transaction as follows:

Menu Path	From the *Money Market* node, choose *Back Office* → *Fixed-Term Deposit* → *Display*
Transaction Code	TM03

9. Choose .
10. Choose the *Cash flow* tab page.
11. Choose → *Select Layout*.
12. Choose the row *1SAP06 (Posting view)*.

    The posting status shows you that the creation of your fixed-term deposit has already been posted.

13. Choose *Fixed-term deposit* → *History.*
14. Choose .

    On the *Fixed-Term Deposit History: Activity Sequence* screen, you see all of the activity categories for the given transaction.

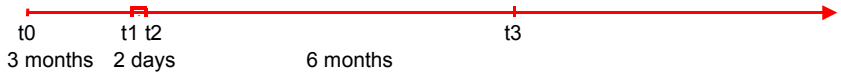
    The activity status informs you which status is currently active. To get more information about a particular activity, simply double-click on it.

15. Choose  .

Forward Rate Agreement (FRA)

Purpose

Forward rate agreements are individual financial instruments in which the vendor and purchaser specify an interest rate that is to apply for a future period. The FRA is based on a fictitious money market transaction. The principal is only a calculation quantity. A “3 to 9” FRA has a contract validity period of 6 months and the start of term is in 3 months. Two days before the start of the term of the FRA, the contract is settled and the difference between the agreed interest rate and the reference interest rate is netted off.



t_0: Date of the conclusion of the business transaction

t_1: Date of the calculation of the interest rate adjustment (2 days before the start of the term of the FRA)

t_2: Start of the term of the FRA and payment of the clearing amount

t_3: End of term of the FRA

You can find more information about this process under [Page 69].

Process Flow

You can find the data for this process under [Page 70].

1. Creating a Contract [Page 71]
2. Processing Transactions [Page 73]
3. Settling Transactions [Page 74]

Additional Process Information

The stated steps can be varied individually according to enterprise specific requirements by changing the respective customizing settings. One can e. g. determine whether the step of settling the transaction is necessary or not.

In this procedure we do without a display of an FRA sales as the relevant steps and input can be processed analogues.

Data Used During This Process

Field	Data	Description
Company code	1000	IDES AG
Product type	63 A	Forward Rate Agreement (FRA)
Transaction type	100	Purchase
Partner	1000	Deutsche Bank
Nominal amount	9m	m: Identification code for million
Currency	EUR	Euro
Interest rate	4.2	4.2%
Ref.int.rate	LIBOREUR06	Describes the interest base for the settlement payment on the fixed date
Settlement	++3	Identification code for the begin of the term in three months
1st due dt	++9	Identification code for the end of the term in nine months
Calendar	GB	Uses the British factory calendar as a base
Int.calc.method	act/360	Underlying interest calculation method (for example, exact days, year with 360 days
Account assignment reference	63 A	Allocates the transaction accounting information for the FRA position
Correspondence type	001	

Creating a Contract

Use

The IDES AG wants to secure 9 million EUR for a term of 6 months in 3 months. The treasurer expects increasing interest rates and thus agrees a FRA contract (Forward Rate Agreement) with the bank for 9 million DEM that begins in three months and has a term of 6 months. The agreed interest rate is 4.2 %.

First you enter the FRA transaction in the IDES System as a contract. The settlement is processed in a second step.

You enter the FRA with the respective data in this step. This is typically done by the trader.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Treasury Management* → *Derivatives* → *Trading* → *OTC Interest Rate Instrument* → *Create*
Transaction Code	TO01

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Product type	63 A	Forward Rate Agreement
Transaction type	100	Purchase
Partner	1000	Deutsche Bank
Contract	Select	

3. Choose  .

4. Enter the following data:

Field	Data	Description
Start of hedge period	++3	Identification code for the begin of the term in three months
End of hedge period	++9	Identification code for the end of the term in nine months
Base amount	9m/EUR	m: Identification code for million
Interest rate	4.2	
Ref.int.rate	LIBOREUR06	
Calendar 1	GB	Uses the British factory calendar for interest calculation as a LIBOR base
Interest calculation method	act/360	Underlying interest calculation method (for example, exact days, year with 360 days

Creating a Contract

5. Choose .

The system automatically entered the default value *2* in the *Fixing* field. This input determines the time of calculation for the interest clearing payment to two days before the start of term.

The system already generated the contract date in the *Contract* section. Besides, you can add data regarding the business partner or display the authorized traders via the possible entries push button.

6. Choose the *Administration* tab page.

If the system displays a dialog box to check the working days, select *Copy*.

7. Check the following entry in the *Create FRA: Administration* screen:

Field	Data	Description
Account assignment reference	DERIVATE	Allocates the transaction accounting information for the FRA position

This section also shows the processing category as it was determined in customizing, or you can enter other flows (incl. payment amounts for charges or commission, payment dates) etc.

Via *Administration* you can maintain information for internal allocation purposes or internal references, recognize reverse entries etc.

Besides, you can display payment details and correspondence entries.

8. Choose the *Cash flow* tab page.

You can see that the payments of the source transaction are fictitious and therefore not relevant for posting. This is documented by the posting status (PS). You can also recognize that the system does not yet display an interest total. This will only be calculated two days before the start of the fixed period.

9. Choose .

The system displays the message *Financial transaction saved under number XXX*.

10. Note the number of the transaction.

11. Choose until the overview tree appears.

Processing Transactions

1. Call up the transaction as follows:

Menu Path	From the *Derivates* node choose: *Back Office* → *Correspondence* → *Outgoing Correspondence*
Transaction Code	TBZ1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be confirmed
Correspondence type	001	Outgoing confirmation
Printer	Select	

3. Choose  .

   You see the confirmation.

4. Choose *Text* → *Print*.

   The system informs you that your spool request has been sent to the printer.

5. Choose  until the overview tree appears.

Settling Transactions

In the next step, you will process a check of the contract in the *back office* (the department that does the processing) and a subsequent settlement.

1. Call up the transaction as follows:

Menu Path	From the *Derivatives* node, choose *Back Office* → *OTC Interest Rate Instrument* → *Settle*
Transaction Code	TO04

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	You need the contract number of the contract created previously to select the relevant data.

3. Choose .

   On the *Settle FRA: Structure* screen, you see the data for the contract you have created. You may enter changes.

4. Select the *Payment details* tab page to display the payment details and check them.

5. Choose until you are back on the *Settle FRA: Structure* screen.

6. Choose .

   The system displays the message *Financial transaction saved under number XXX*.

7. Choose *Transaction* → *History*.

8. Choose .

   On the *Transaction Activities – History* screen, you can trace the single steps of the transaction once again. If you double-click on a field, the system branches to the basic data of the FRA.

9. Select an activity category by double-clicking.

10. Choose the *Cash flow* tab page.

    You see that the settlement triggered no changes.

11. Choose until the overview tree appears.

Trading with Fixed-Interest-Rate Bonds

Purpose

Due to the changing market situation, you want to purchase a bond from the Deutsche Bank at 6% with a ten year term (1996-2006) for an existing securities account.

You can enter the planned acquisition of the bond as an order in the IDES system. You then execute the order. When this has been completed, you settle the order.

As an alternative to the demo described here, you could also run the demo for a USD bond. To do this, simply use the bond with ID number 1005 as the security. This is a 5.5% bond from the Deutsche Bank with a ten year term.

You can find more information about this process under [Page 76].

Process Flow

You can find the data for this process under [Page 77].

1. Displaying the Basic Data [Page 78]
2. Creating an Order [Page 79]
3. Generating Correspondence [Page 86]
4. Executing the Order [Page 81]
5. Processing the Order [Page 83]
6. Settling the Order [Page 87]
7. Posting the Order [Page 84]

Additional Process Information

The process steps described here can be varied using Customizing settings to meet enterprise-specific requirements. This means that you can execute this IDES process directly, without previously creating an order. You can also execute the settlement directly.

In Customizing, you can pre-select the ready-for-input fields and define which entries are to be mandatory.

We do not describe the sales of bonds in this demo, as you can execute the relevant steps and entries using the same procedure. However, when you perform sales, you need to ensure that you have either made the correct Customizing settings to allow short sales, or that positions are available.

Data Used During This Process

Field	Data	Description
Company code	1000	IDES Germany
ID number, for example, a bond in DEM	1000	For listed values, you generally enter a common number
ID number, for example, a bond in USD	1005	For listed values, you generally enter a common number
Securities account	1000	Euro securities account
Rate	100.00	Purchase price of the bond
Eff. Meth.	2	This entry determines the calculation method of the effective interest rate (here: calculation according to AIBD-ISMA)
Calculation date	-1	Input for the day after the order date as a basis for interest calculation (e. g. for accrued interest payments)
Payment date	0	The day, that is taken for the value date for payment transactions on this bank account by the bank (short entry)
Position value date	+2	The day on which the securities positions will be available (short form)

Displaying the Basic Data

Use

To display the structure of a bond issue such as nominal value, issuer, eligibility as collateral, stock exchange quotation, and so on, you can display the class data of the Eurobank bond.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Treasury Management* → *Securities* → *Master Data* → *Class*
Transaction Code	FWZZ

2. Enter the following data:

Field	Data	Description
ID number	1000 or 1005	6% EUR bond 1996/2006 of Euroba 5.5% USD bond 1996/2006 of Euroba

3. Choose  .

   You now see the class data of the Euroba bond.

4. Choose  until the overview tree appears.

Creating an Order

Use

You now enter the planned purchase/sales with the respective data. This is typically done by the trader.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Trading* → *Transaction* → *Create*
Transaction Code	TS01

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
ID number	1000 or 1005	6% DEM bond 96/2006 of Euroba 5.5% USD bond 1997/2007 of Euroba
Transaction type	100	Fixed-interest bonds - Purchase
Partner	1000	Deutsche Bank
Order	Select	Creating an Order

3. Choose  .

4. Enter the following data:

Field	Data	Description
Securities account	1000	Securities account Euroba
Nominal amount	1m (EUR) or 1.5m in USD	m is the fast entry code for million

- In the *Limit* screen area, you can define the limit details.
- In the *Trading* section, you can, for example, change the trading location (stock exchange) or display the authorized traders using the F4 input help.
- On the *Other flows* tab page, you can enter taxes or commissions, or display accrued interest payments.

5. Choose  .

   The system displays the message *Security transaction XXX created in company code 1000*.

Creating an Order

6. Make a note of this order number.
7. Choose  until the overview tree appears.

Executing the Order

Use

The system entry of the executed order can be triggered, for example, by a call from your bank, which confirms the exercise with the respective data. This activity prepares the future payment or posting.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Trading* → *Transaction* → *Execute*
Transaction Code	TS03

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Order number	XXX	You order number

3. Choose .
4. Choose until a dialog box appears.

   On the *Execute Security Order: Structure* screen, you see the data for the order you have created.

5. Enter the following data:

Field	Data	Description
Position value date	+2	The day on which the securities positions will be available
Calculation date	-1	The day after the order date, used as the basis for the interest settlement
Payment date	0	The day specified by the bank as the value date for payment transactions on this bank account
Price	100	Purchase price of the bond

6. Choose *Cash flow*.

   The system displays the cash flows in chronological order.

   Choose *Securities account cash flow* to see all the flows for this ID number in the securities account.

7. Choose .
8. Choose .

   The system displays the message *Securities order XXX executed in company code 1000*.

9. Choose until the overview tree appears.

Processing the Order

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Correspondence* → *Outgoing Correspondence*
Transaction Code	TBZ1

2. Enter the following data:

Field	Date	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be confirmed
Correspondence type	001	Outgoing confirmation
Printer	Select	
Print preview	Select	

3. Choose  .

   You see the confirmation of the print preview.

4. Choose *Text* → *Print*.

   The system informs you that your spool request has been sent to the printer.

5. Choose  until the overview tree appears.

Posting the Order

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Accounting* → *Transaction* → *Post*
Transaction Code	TBB1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be posted
Up to and incl. due date	Today's date +2	Position value date
Test run	Select	Posting is initially to be simulated

3. Choose .

   You now see the flow for your business transaction.

4. Choose .
5. Deselect *Test run*.
6. Choose .

   The displayed flow has already been posted. Simply click on the flow to display the posting document.

7. Choose until the overview tree appears.
8. Call up the transaction as follows:

Menu Path	From the *Back Office* node, choose *Transaction* → *Display*
Transaction Code	TS06

9. Choose .
10. On the *Display Security Transaction: Structure* screen, choose the *Cash Flow* tab page.
11. Choose → *Select Layout*.
12. Choose the row *1SAP06 (Posting view)*.

    The posting status shows you that the creation of your transaction has already been posted.

13. Choose *Security transaction* → *History*.
14. Choose .

    You now see all of the available activity categories for this transaction. The status of the activities informs you which of the statuses is currently active.

    To get more information about a particular activity, simply double-click on it.

15. Choose until the overview tree appears.

Generating Correspondence

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Correspondence* → *Outgoing Correspondence*
Transaction Code	TBZ1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be created
Correspondence type	001	Outgoing confirmation
Printer	Select	
Print preview	Select	

3. Choose  .

   You see the confirmation of the print preview.

4. Choose *Text* → *Print*.

   The system informs you that your spool request has been sent to the printer.

5. Choose  until the overview tree appears.

Settling the Order

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Transaction* → *Settle*
Transaction Code	TS04

2. Enter the following data:

Field	Date	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be confirmed

3. Choose  .
4. Choose  .

   The system displays the message *Securities Transaction XXX settled in company code 1000*.

5. Choose  until the overview tree appears.

Trading in Stocks

Purpose

In this process you will learn how stocks are handled by the system.

Due to the favorable market situation, the IDES AG has decided to buy 2000 Enterprise stocks. The purchase is settled at 900 EUR.

However, before you can process a securities order, you need to create a securities account. Your securities will be administered in this securities account.

You can initially create the planned purchase of the stock as an order in the IDES system. You then execute the order. When this has been completed, you settle the order.

You can find more information about this process under [Page 89].

Process Flow

You can find the data for this process under [Page 90]

1. Creating a Securities Account [Page 91]
2. Displaying the Basic Data [Page 92]
3. Creating an Order [Page 93]
4. Executing the Order [Page 95]
5. Settling the Order [Page 97]
6. Posting the Order [Page 99]

Additional Process Information

You can adjust the given steps to suit your specific company's needs with the appropriate Customizing settings. This means that you can execute this IDES process directly, without previously creating an order. You can also execute the settlement directly.

In Customizing, you can pre-select the ready-for-input fields and define which entries are to be mandatory.

We do not describe the sales of bonds in this demo, as you can execute the relevant steps and entries using the same procedure. However, when you perform sales, you need to ensure that you have either made the correct Customizing settings to allow short sales, or that positions are available.

Data Used During This Process

Field	Data	Description
Company code	1000	IDES Germany
Depository bank	1000	Deutsche Bank
Securities account number	556667777	Defines the security account number with the depository bank
Clearing account	10001000	Assigns a clearing account to a bank
Portfolio	Portfolio 1	Controls the assignment of the security account values to portfolio 1
Securities account ID	Deutsche Bank Securities Acc.2	
ID number	1002	For listed values, in general one uses the common number
Limit price	900/EUR	Purchase price of the stock
Number of stocks	2000	

Creating a Securities Account

Use

A securities account is used to manage and valuate securities. Normally a securities account in the R/3 System is equivalent to a securities account with a bank.

In order to deal with stock, you need a securities account, which you create with your house bank in this step.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Treasury Management* → *Securities* → *Master Data* → *Securities Account* → *Create*
Transaction Code	FW20

2. Enter the following data:

Field	Data
Company code	1000
Securities account ID	4 digit, user-defined number. Please note this number

3. Choose  .

4. On the *Create Securities Account* screen, enter the following data:

Field	Data
Securities account ID	Deutsche Bank Securities Acc.2
Depository bank	1000
Securities account number	556667777
Clearing account	10001000
Portfolio	PORTFOLIO1

In addition, you can also make entries for blocking reasons or an assignment for a business area (for valuation purposes).

Choose *Environment* → *Display depos. bank* to see more information about the depository bank.

5. Choose  .

The message *Data was saved* is displayed.

6. Choose  until the overview tree appears.

Displaying the Basic Data

Use

To display the structure of a bond issue, such as nominal value, issuer, eligibility as collateral, stock exchange quotation etc., you can display the class data of the Eurobank bond.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Master data* → *Class*
Transaction Code	FWZZ

2. Enter the following data:

Field	Data
ID number	1002

3. Choose  .
4. Choose the *Basic data* tab.

   You now see the basic data of the enterprise stock.

5. Choose  until the overview tree appears.

Creating an Order

Use

You now enter the planned purchase/sale with the respective data. This is typically done by the trader.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Trading* → *Transaction* → *Create*
Transaction Code	TS01

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
ID number	1002	Enterprise stock
Transaction type	100	Stock purchase
Partner	1000	Deutsche Bank
Order	Select	Create an order

3. Choose  .
4. On the *Structure* tab page of the *Create Securities Transaction: Order Data* screen, enter the following data:

Field	Data	Description
Securities account	XXX	securities account number you noted down earlier on
No. of units	2000	
Limit price	900	

In the Limit section, you can define the limit details more precisely with the Limit type and Limit date fields.

In the Trading section, you can, for example, change the trading location (stock exchange) or display the authorized traders using the F4 input help.

On the *Other flows* tab page, you can enter taxes or commissions, or display accrued interest payments.

5. Choose  .
6. Choose  to ignore the warning *Securities account position indicator not yet entered*.

Creating an Order

You can automatically create the securities account position when you execute the order. It is relevant for the position management (determination of average acquisition price e. g. on the securities account level) and for the control of the valuation. You can change these position and valuation parameters if you manually create the position indicator.

The system displays the message *Security transaction XXX created in company code 1000*.

7. Make a note of this order number.
8. Choose  until the overview tree appears.

Executing the Order

Use

The system entry of the executed order can be triggered, for example, by a call from your bank, which confirms the exercise with the respective data. This activity prepares the future payment or posting.

Processing occurs in the trading department.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Trading* → *Transaction* → *Execute*
Transaction Code	TS03

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	transaction number you noted down earlier on

3. Choose .
4. Confirm the *Information* dialog box with .

   The *Execute Security Order: Structure* screen shows the data of the order you created.

   You can change this data.

5. Enter the following data:

Field	Data	Description
Position value date	Today's date +2	day on which the securities positions will be available
Calculation date	Today's date -1	day after the order date, used as the basis for the interest settlement
Payment date	Today's date	day taken for the value date for payment transactions on this bank account by the bank
Price	900/EUR	

   In the *Position* section, the *Position excl.* field contains the total stock of the ID number without the current transaction and the *Position incl.* field contains the total stock including the current transaction.

6. Choose the *Cash flow* tab page.

   The system displays the cash flows in chronological order.

7. Choose *Securities account cash flow* to list all the flows for this ID number in the securities account.
8. Choose .

Executing the Order

9. Choose  .

   If the system displays the message *No position indicator exists: Create it automatically?,* choose *Yes*.

   The system displays the message *Security order XXX processed in company code 1000*.

10. Choose  until the overview tree appears.

Settling the Order

Use

You now check the order in the "back office" (the department that does the processing). You also post the transaction.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Correspondence* → *Outgoing Correspondence*
Transaction Code	TBZ1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	number of the transaction to be confirmed
Correspondence type	001	
Printer	Select	

3. Choose .

   You see the confirmation.

4. Choose *Text* → *Print*.

   The correspondence protocol of the transaction is printed.

5. Choose until the overview tree appears.

6. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Transaction* → *Settle*
Transaction Code	TS04

7. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	number of the transaction to be confirmed

8. Choose .

9. Confirm the *Information* dialog box with .

   The screen *Settle Securities Contract: Structure* screen shows the data of the order you created.

   You can change this data.

Settling the Order

10. Choose .

    The system displays the message *Security transaction XXX settled in company code 1000*.

    The Customizing settings define that the order settlement is posted to a bank interim account. The transfer posting to the bank account is processed by the accounting department after receiving the bank statement.

11. Choose until the overview tree appears.

12. To display the cash flow, choose *Transaction* → *Display* from the *Back Office* node.

13. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	###	number of the transaction to be confirmed

14. Choose .

15. Choose the *Cash flow* tab page.

    The *Display Security Transaction: Cash Flow* screen shows the purchase as actual record.

16. Choose until the overview tree appears.

Posting the Order

1. Call up the transaction as follows:

Menu Path	From the *Treasury Management* node, choose: *Derivatives* → *Accounting* → *Posting* → *Execute*
Transaction Code	TBB1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	###	Number of the transaction to be posted
Test run	Select	Posting is initially to be simulated

3. Choose .

   You now see the flow for your business transaction.

4. Choose .

5. Deselect *Test run*.

6. Choose .

   The displayed flow has already been posted. Simply click on the flow to display the posting document.

7. Choose until the overview tree appears.

8. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Transaction* → *Display.*
Transaction Code	TS06

9. Choose .

10. On the *Display Security Transaction: Structure* screen, choose the *Cash Flow* tab page.

11. Choose → *Select layout* → *1SAP06 (Posting view).*

    The posting status that your transaction has already been posted.

12. Choose *Security transaction* → *History*.

13. Choose .

    You now see all of the available activity categories for this transaction. The status of the activities informs you which of the statuses is currently active. You can get more information by double-clicking on the relevant posting record.

14. Choose until the overview tree appears.

Creating and Trading Variable Rate Bonds

Purpose

As the IDES AG expects a change in the market situation, they decide to buy variable rate bonds from the Deutsche Bank. The floating rate note is determined for a period of six months for 5 % interest, afterwards, the interest will be determined renewed every six months via the EURIBOR. Such a paper has not been positioned yet, therefore you will at first enter a new class name and maintain the master data.
Then create an order for this bond and execute it.
Finally, you settle this security transaction and debit the cash flow to your bank account.

You can find more information about this process under [Page 101].

Process Flow

You can find the data for this process under [Page 102].

1. Entering the Class Master Data [Page 103]
2. Displaying the Basic Data [Page 106]
3. Creating an Order [Page 107]
4. Executing the Order [Page 109]
5. Processing the Contract [Page 111]
6. Posting the Contract [Page 113]

Additional Process Information

The stated steps can be varied individually according to enterprise specific requirements by changing the respective customizing settings. This means that you can execute this IDES process directly, without previously creating an order. You can also execute the settlement directly. You can also use Customizing to define which fields are to be filled, and which entries are mandatory.
We do not describe the sales of bonds in this demo, as you can execute the relevant steps and entries using the same procedure. However, when you perform sales, you should use Customizing to avoid short sales and to ensure that stock is available.

Data Used During This Process

Field	Data	Description
Company code	1000	IDES Germany
Securities account	1000	Eurobank securities account
Issuer	1000	Deutsche Bank
Product type	04H	variable rate bonds
Issue currency	EUR	
Issue start	01.08 of the previous year	
End of term	01.08 of the 5th year after issue start	
Issue rate	99.4	
Interest calculation	5%	
Ref.int.	EURIBEUR06	allocates the LIBOR on basis of 6 months a the reference interest rate for the interest calculation
Classification	Bank bond	general security classification
Quotation	Percentage not.	Percentage noted
Securities account	1000	Eurobank securities account
nominal amount of the bond	2,500,000	

Entering the Class Master Data

Use

The class creation facilitates a number of activities (interest payment etc.)

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Treasury Management* → *Securities* → *Master Data* → *Class*
Transaction Code	FWZZ

2. Choose  .
3. In the *Create Class* dialog box, enter the following data:

Field	Data	Description
ID number	XXXX	enter any number
Product type	04H	variable rate bonds
Short name	Deu Ba Vario	
Long name		here you can enter detailed information regarding the securities
Without reference	Select	create new class

4. Choose  .
5. Choose the *Search crit.* tab page and enter the following data under *Classification*:

Field	Data	Description
Sec. class	Bank bond	general security classification

6. Choose the *Basic data* tab.
7. Make the following entries in the *Create Class – Product Type: Floaters.- Security ID Number: XXX* screen:

Field	Data	Description
Issuer	1000	Deutsche Bank
Issue currency	EUR	
Issue start	01.08 of the previous year	
End of term	01.08 of the 5th year after issue start	
Issue rate	99.4	
Quotation	Percentage quoted.	Percentage noted

8. Choose  .

Entering the Class Master Data

9. Choose the *Conditions* tab page.

Information regarding e. g. the interest calculation method or the yield calculation are copied automatically. One can define various possibilities with Customizing.

10. Enter the following data:

Field	Data	Description
Variable int.: Eff. from	01.08 of the previous year	01.08 of the previous year
Percent	5	5
Frq	6	6
Int. Rate adjustment: Eff. from	01.02 of the current year	01.02 of the current year
Frq	6	6
Calc.date	31.07 of the current year	31.07 of the current year

11. Choose  .

The system creates a new column.

12. In the dialog box, select condition 101 (*variable interest*) and choose  .

13. Enter the following data in the new line:

Field	Data	Description
Variable int.: Eff. from	01.02 of the current year	
Ref.int.	EURIBEUR06	allocates the LIBOR on basis of 6 months a the reference interest rate for the interest calculation
Frq	6	

Missing information such as due dates will be entered automatically.

There are varying opportunities to enter conditions (e. g. calculation per ultimo, possibility to shift to a work day as the calculation day).

The reference interest rates possible are set with Customizing.

Specific calculation formula can be entered as follows:

14. Choose the *Exchanges* tab.

15. Choose  .

16. Enter *FFM (Frankfurt)* as the exchange.

17. Choose  .

The message *Class XXXX was saved* is displayed.

18. Choose  until the overview tree appears.

Displaying the Basic Data

Use

To check the structure of a bond issue such as nominal value, issuer, eligibility as collateral, stock exchange quotation etc., you can display the class data of the Deutsche Bank bonds.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting* → *Treasury* → *Treasury Management* → *Securities* → *Master Data* → *Class*
Transaction Code	FWZZ

2. Enter the following data:

Field	Data	Description
ID number	XXXX	previously assigned ID number

3. Choose  .

   Choose the *Basic data* tab.

   You see the class data of the Deutsche Bank bond.

4. Choose  until the overview tree appears.

Create an Order

Use

You now enter the planned purchase/sales with the respective data. This is typically done by the trader.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Trading* → *Transaction* → *Create*
Transaction Code	TS01

2. On the *Create Securities Transaction: Initial Screen*, enter the following data:

Field	Data	Description
Company code	1000	IDES AG
ID number	XXXX	4 digit number issued beforehand
Transaction type	100	Purchase of floaters
Partner	1000	Deutsche Bank
Order	Select	create an order

3. Choose  .
4. Enter the following data:

Field	Data	Description
Securities account	1000	Eurobank securities account
Nominal amount	2.5M	M is the identification code for million

In the *Limit* screen area, you can define the limit details.

In the *Trading* section, you can, for example, change the trading location (stock exchange) or display the authorized traders using the F4 input help.

With the *Other Flows* tab page, you can for example enter taxes or commissions or display accrued interest payments.

5. Choose  .

   If the message *Should new value be adopted?* appears in a dialog box for the effective interest rate, choose *Yes*.

6. Choose  .

You can ignore the message *Sec.acct position indicators have not yet been entered* by choosing  since it is automatically created when the order is executed. The

position indicator is relevant for position management (determining the average acquisition price, for example, on the securities account level) and to control the valuation. You can change these position and valuation parameters if you manually create the position indicator.

The system displays the message *Security transaction XXX created in company code 1000*.

7. Make a note of this order number.
8. Choose  until the overview tree appears.

Executing the Order

Use

The system entry as an executed order can e. g. be triggered by a call from your bank, which confirms the exercise with the respective data. This activity prepares the future payment or posting.

Processing occurs in the trading department.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Trading* → *Transaction* → *Execute*
Transaction Code	TS03

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES Germany
Order number	XXX	Order number of the order created previously

3. Choose  .

   On the *Execute Security Order: Structure* screen, you see the data for the order you have created.

   You can make changes, if required.

4. Enter the following data:

Field	Data	Description
Position value date	+ 2	The day on which the securities positions will be available
Calculation date	- 1	The day after the order date, used as the basis for the interest settlement
Payment date	0	The day specified by the bank as the value date for payment transactions on this bank account
Price	100	

   In the *Position* section, the *Position excl.* field contains the total stock of the ID number without the current transaction and the *Position incl.* field contains the total stock including the current transaction.

5. Choose the *Cash flow* tab page.

   The cash flows are displayed in the order in which they occur. Choose  *Securities account cash flow* to see all the flows for this ID number in the securities account.

6. Choose  and then  .

   If the system displays the message *No position indicator exists: Create it automatically?,* choose *Yes.,*

Executing the Order

The system displays the message *Securities order XXX executed in company code 1000*.

7. Choose  until the overview tree appears.

Processing the Contract

You now check the order in the *back office* (the department that does the processing). You also post the transaction.

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Correspondence* → *Outgoing Correspondence*
Transaction Code	TBZ1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	number of the transaction to be confirmed
Correspondence type	001	Outgoing confirmation
Printer	Select	
Print preview	Select	

3. Choose  .

   You see the confirmation.

4. Choose *Text* → *Print*.

5. Choose  until the overview tree appears.

6. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Transaction* → *Settle*
Transaction Code	TS04

7. Enter the following data:

Field	Data
Company code	1000
Order number	XXX

8. Choose  .

   On the *Settle Securities Contract: Structure* screen, you see the data for the order you have created.

   You can make changes, if required.

9. Choose  .

   The system displays the message *Securities transaction XXX settled in company code 1000*.

Processing the Contract

The Customizing settings define that the order settlement is posted to a bank interim account. The transfer posting to the bank account is processed by the accounting department after receiving the bank statement.

10. Choose  .
11. Choose *Back Office* → *Transaction* → *Display* to display the cash flow.
12. On the *Display Security Transaction: Initial Screen*, enter the following data:

Field	Data
Company code	1000
Order number	XXX

13. Choose  .
14. Choose the *Cash flow* tab page. You see the purchase and the accrued interest as actual record.
15. Choose  until the overview tree appears.

Posting the Contract

1. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Accounting* → *Transaction* → *Post*
Transaction Code	TBB1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Upto and incl. due date	Today's date + 2	Position value date
Test run	Select	Posting is initially to be simulated

3. Choose .

   You now see the flow for your business transaction.

4. Choose and deselect *Test run*.

5. Choose .

   The displayed flow has already been posted. Click on the flow to display the posting document.

6. Choose until the overview tree appears.

7. Call up the transaction as follows:

Menu Path	From the *Securities* node, choose *Back Office* → *Transaction* → *Display.*
Transaction Code	TS06

8. Choose *Security transaction* → *History*.

9. Choose .

   You now see all of the available activity categories for this transaction. The activity status informs you which status is currently active.

   To get more information about a particular activity, simply double-click on it.

10. Choose until the overview tree appears.

Cross Currency Interest Rate Swap

Purpose

The IDES AG agrees on an exchange of 20 million EUR against the respective amount in dollars of 21 million with a business partner (on the basis of a dollar rate of 1.05 DEM) as well as an exchange of the interest payables. As a result the enterprise wants to use financing advantages.

At first, you will enter the swap transaction in the IDES System as a contract. The settlement is processed in a second step.

You can find more information about this process under [Page 117].

Process Flow

You can find the data for this process under [Page 115].

1. Creating Contracts [Page 118]
2. Processing Transactions [Page 121]
3. Interest Rate Adjustment [Page 122]
4. Posting Transactions [Page 125]

Data Used During This Process

Field	Data	Description
Company code	1000	IDES AG
Product type	62 A	Cross Currency Interest Rate Swap
Transaction type	300	Swap
Partner	1000	Deutsche Bank
Movement type	1100	Because the payment amounts will be swapped, this entry marks this flow as relevant for posting
Condition type	1120	Conditions are marked as relevant for posting as the interest amounts will be swapped
Account assignment reference	DERIVATE	Allocates the transaction accounting information for the cross currency interest rate swap stock

Swap Basic Transaction 1

Field	Data	Description
Amount	20,500,000 EUR	
Term	60 months	
Valid from	1st of the following month	
1st due dt	6 months later	
var.int	EURIBEUR06	Displays the EURIBEUR as an interest base for the swap transaction
Int.meth.	act/360	Underlying interest calculation method (for example, exact days, year with 360 days)
Freq.month	6	Six-monthly interest payment

Swap Basic Transaction 2

Field	Data	Description
Amount	15,000,000 USD	
Term	60 months	
Valid from	1st of the following month	
1st due dt	6 months later	
Fix.rate	4.8	
Int.meth.	act/365	Underlying interest calculation method (for example, exact days, year with 365 days)
Freq.month	6	Six-monthly interest payment

Data Used During This Process

Additional Process Information

A swap is signposted by an exchange of payment flows between two parties throughout a determined period.

For a cross currency interest rate swap, two parties exchange interest payments (in general fixed against variable interest) of differing currencies as well as the respective principals of the underlying transaction according to requirements. The idea behind is the usage of expenses advantages by using the credit standing of the respective business partner. As the partner has a better standing at the foreign financial market than the IDES AG, he receives better conditions which are partly passed on to the IDES AG and vice versa.

Creating a Contract

Use

You will enter the exchange with the respective data in this step. This is typically done by the trader.

Procedure

1. Call up the transaction as follows:

Menu Path	*Accounting → Treasury → Treasury Management → Derivatives → Trading → OTC Interest Rate Instrument → Create*
Transaction Code	TO01

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Product type	62A	Interest rate swap (IRS)
Transaction type	300	Swap
Partner	1000	Deutsche Bank
Contract	Select	

3. Choose  .

4. Enter the following data:

Field	Data	Description
Start	Today's date +2 days	Default value
End	++60	Short form for a term of 60 months
Inclusive	Deselect	
Nominal amount (1st field outgoing interest)	21m	m is the identification code for million
Nominal amount (2nd field outgoing interest)	EUR	Currency
Effective from	Today's date +2 days	Date on which the interest agreement becomes valid (default value)
1st due date	++6	1. due date of the interest (6 months later)
Freq. Mon	6	Six-monthly interest payment
Fix.rate	4.8	Interest rate in percentage

Int.calc.method	act/360	Underlying interest calculation method (for example, exact days, year with 360 days
Nominal amount (1st field incoming interest)	21m	m is the identification code for million
Effective from	Today's date +2 days	Date on which the interest agreement becomes valid (default value)
1st due dt	++6	1st due date of the interest (6 months later)
Freq. Mon	6	Six-monthly interest payment
Variable interest	EURIBEUR06	Displays the EURIBEUR as an interest base for the swap transaction
Int.calc.method	act/360	Underlying interest calculation method (for example, exact days, year with 360 days

5. Choose .
6. Choose the *Administration* tab page and check the following entry:

Field	Data	Description
Account assignment reference	DERIVATE	Allocates the transaction in account determination for the cross currency interest rate swap stock

   Using the *Administration* tab page you can maintain information regarding internal allocation purposes or internal references, etc.

7. Choose the *Status* tab page if you want information about the different statuses of your transaction.

   Note that the correspondence status is set to *required*, i.e. requires confirmation.

8. Choose the *Other flows* tab page to enter additional flows, such as payment fees for other fees and commissions.
9. Choose *Goto* to display the correspondence overview and the condition overview for incoming and outgoing payments.
10. Choose the *Outgoing* tab page.

    You see the *Create Swap: Cash Flow, Outgoing Side* screen containing the outgoing payments found based on the fixed interest rate.

11. Choose the *Incoming* tab page.

    The system displays no payment amounts.

    Reason: As the current EURIBEUR has been used as a base, it is only determined at the corresponding time.

Creating a Contract

You use the current EURIBEUR interest rate for the first interest calculation by manually or automatically processing an interest rate adjustment after the first settlement (see there)

You can, however, have the respective net present value calculated. The net present value is the value of your item for the present time which is calculated by discounting future cash flows on the basis of current data.

12. Choose *Extras* → *NPV Calculation*.
13. Enter the following data:

Field	Data	Description
Evaluation type	0001	Allocates the mathematical procedure of the standard valuation as the calculation base

14. Select *Calculate NPV*.

    The system displays the net present value and the price of your item. The *net present value* describes the price that would have to be paid to clear the swap. This *price* would have to be paid when purchasing the instrument. The difference results from the respective money/ask margins.

15. Choose  and then the *Structure* tab page.
16. Choose  *Interest rate adjustment*.

    The entry in the *Interest definition* field shows that the interest rate adjustment date is two business days prior to the *Valid from* date.

17. Choose  .
18. Choose  .

    The system displays the message *Financial transaction saved under number XXX*.

19. Make a note of this number.
20. Choose  until the overview tree appears.

Processing Transactions

6. Call up the transaction as follows:

Menu Path	From the *Derivates* node choose: *Back Office* → *Correspondence* → *Outgoing Correspondence*
Transaction Code	TBZ1

7. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	Number of the transaction to be confirmed
Correspondence type	001	Outgoing confirmation
Printer	Select	

8. Choose  .

   You see the confirmation.

9. Choose *Text* → *Print*.

   The system informs you that your spool request has been sent to the printer.

10. Choose  until the overview tree appears.

Interest Rate Adjustment

Use

As we based the transaction on a variable interest rate, the calculation of the reference interest rate is made two days before the maturity of the interest rate adjustment. You can trigger this interest rate adjustment either manually or automatically.

You can only adjust the interest rate automatically if your computer has a datafeed interface.

Manual Interest Rate Adjustment

1. Call up the transaction as follows:

Menu Path	From the *Derivates* node choose: *Back office* → *Interest Rate Adjustment* → *Create*
Transaction Code	TI10

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	You need the order number to select the relevant data.

3. Choose  .

4. Enter the following data:

Field	Data	Description
Interest rate	Current value	The value entered is the basis for the interest calculation
IFixDat	Copy the planned fixing date	

In reality the current reference interest rate is calculated two days before the start of term of the swap. To demonstrate an interest rate adjustment, select the *Valid from* date as the date of interest rate determination.

5. Choose *Copy*.

If a dialog box is displayed telling you that the fixing date differs from the actual fixing date, choose  .

6. Choose *New flows*.

You see the next interest payment due on the basis of a fixed interest rate maintained by you.

7. Choose and then .

   The system displays the message *The settlement saved under number XXX*.

   This interests payment as well will be displayed in the transaction history.

8. Choose until the overview tree appears.

Automatic Interest Rate Adjustment

Alternatively, you can also process the interest rate adjustment automatically. By using this automatic interest rate adjustment, all relevant transactions in the respective company code are based on the most current reference interest rate.

Automatic interest rate adjustment can only be executed if you did not make any manual interest rate adjustment.

Beforehand, update the data required either via the datafeed interface or manually.

1. Call up the transaction as follows:

Menu Path	From the *Derivates* node choose: *Back office* → *Interest Rate Adjustment* → *Automatic*
Transaction Code	TJ05

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Due date until	1st of the following month	

3. Choose .

   The system displays the message *Interest rate adjustment carried out on... (date)* and data concerning the transaction, the transaction type etc.

   By using this automatic interest rate adjustment, all relevant transactions in the respective company code are based on the reference interest rate currently valid.

4. Choose until the overview tree appears.

5. From the *Derivates* node choose: *Trading* → *OTC Interest Rate Instrument* → *Display.*

6. Choose .

7. Choose the *Cash flow* tab page.

   In the cash flow you can recognize the first payment.

8. Choose  until the overview tree appears.

Posting Transactions

Use

In the back office, the posting of the transaction (the swap of the currency amounts) is done via a clearing account. This clearing account is cleared afterwards via a posting in financial accounting on receipt of the bank statement.

Procedure

1. Call up the transaction as follows:

Menu Path	From the *Derivates* node choose: *Accounting* → *Posting* → *Execute*
Transaction Code	TBB1

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction	XXX	You need the number of the contract created previously to select the relevant data.
Upto and incl. due date	Today's date + 2 days + 6 months	Date up to which the system considers posting relevant transactions (interest)
Test run	Deselect	

In reality, the posting is processed on the first day of the due date of the interest. To be able to demonstrate the posting transaction, this exact date is disregarded.

One can also take into consideration various more selection criteria such as product type, portfolio, currency or applications (e. g. funds transactions) for the posting.

3. Choose  .

   The system displays the posting log with data regarding accounts, product types, the number of the posting document etc. Double-click on an item of the posting and the posting document is being displayed.

4. Choose  until the overview tree appears.