

# What is Chart of Accounts in SAP | How to Create COA in SAP

## What is Chart of Accounts in SAP?

The chart of accounts in SAP (COA) is a group of general ledger (G/L) accounts that records the organizational transactions in a structured way. Each general ledger account consists account number, name and control information.

### Types of Chart of accounts

1. Operative chart of accounts
2. Country specific chart of accounts
3. Group chart of accounts

### Company codes can follow chart of accounts in two methods.

- All the company codes can use same set of accounts, that means account coding is same for all company codes. For e.g. Salary account number. we can easily compare and consolidate.
- If each **company code** following different set of accounts, than we can not directly company and consolidate. By using group chart of accounts, we can compare and consolidate the accounts.

### How to create COA in SAP

In this configuration we define

1. Chart of accounts (COA) code
2. Description of chart of accounts
3. Maintenance Language
4. Length of account number.

You can create chart of accounts in SAP FICO by using one of the following method.

- - Transaction code: – **OB13**
  - Navigation: – **SPRO** → **SAP Implementation Guide** → **Financial Accounting** → **General Ledger Accounting** → **G/L Accounts** → **Master Data** → **Preparations** → **Edit chart of accounts list**

**Step 1)** Enter T Code “OB13” in the SAP command field and enter.



**Step 2)** On change view “List of all chart of accounts”: Overview screen, click on new entries button to create new COA code as per company requirements.



**Step 3)** On new entries COA screen, update the following details.

- **Chart of Accts:** – Enter the 4 digits alphanumeric key that identifies the chart of accounts key in SAP (TKCA)
- **Description:** – Update the descriptive text of chart of accounts (Chart of Accounts for TK Software Group)
- **Maint.Language:** – Choose language key from the list (English).
- **Length of G/L account number:** – The company requirements is to maintain their accounts in 6 digits length. So here we need to update 6.
- **Group chart of accounts:** – If company following different set of accounts, than we need to update the group COA for consolidation.

**Step 4)** Now click on save button and press enter to save in your customizing request number.



Successfully we have created chart of accounts in SAP.

## SAP FICO Training

↳ [SAP FICO Tutorials](#)

## SAP FICO - Introduction

↳ [SAP Financial Accounting](#)

↳ [What is SAP FICO](#)

↳ [What is client in SAP](#)

## SAP FICO - Enterprise Structure

↳ [Define Company in SAP](#)

↳ [Define Company Code in SAP](#)

- ‡ Assign company code to company in SAP
- ‡ Define business area and consolidation business area in SAP
- ‡ Assign business area to consolidated business area in SAP
- ‡ Define credit control area in SAP
- ‡ Assign company code to credit control area in SAP
- ‡ Define functional area in SAP
- ‡ Maintain Financial Management Area in SAP
- ‡ Assign financial management area to company code in SAP
- ‡ How to create segments in SAP

## SAP FICO - Global Parameters

- ‡ What is Chart of accounts and how to create COA in SAP?
- ‡ Assign company code to chart of accounts
- ‡ What is Fiscal year in SAP?
- ‡ How to maintain fiscal year variant
- ‡ Assign company code to fiscal year variant
- ‡ Define account group in SAP
- ‡ Define retained earnings account
- ‡ Define posting period variant (PPV)
- ‡ Assign variants to company code in SAP
- ‡ Open and closing posting period variants
- ‡ Define field status variant and field status groups in FICO
- ‡ Assign company code to field status variant
- ‡ Define Tolerance group for G/L accounts
- ‡ Define Tolerance group for employees
- ‡ Check company code global parameters

## SAP FICO - Foreign Currency Transactions

- ‡ Check exchange rate types
- ‡ Define translation ratios for currency translation
- ‡ How to maintain exchange rates in SAP
- ‡ Define accounts for exchange rate differences
- ‡ Define foreign currency valuation methods
- ‡ Define accounting principles and assign to ledger group
- ‡ Define valuation areas and assign to accounting principles

## SAP FICO - New G/L Accounting

- ‡ How to activate new G/L accounting?
- ‡ Define ledgers for general ledger accounting
- ‡ Define currencies for leading currency
- ‡ Define & Activate Non-Leading Ledgers
- ‡ Define Zero-balance clearing account
- ‡ Define interest calculation types
- ‡ Define interest indicator

## SAP FICO - Accounts Receivable

- ‡ Define account group for customers
- ‡ Maintain number ranges for customer account groups
- ‡ Assign number ranges to customer account groups
- ‡ Define risk categories
- ‡ Define tolerance group for Customers
- ‡ Create sundry debtors accounts
- ‡ Define Customer Master Record

## SAP FICO - Accounts Payable

- ‡ What is Accounts Payable in SAP?
- ‡ Define vendor account groups
- ‡ Maintain number range intervals for vendor accounts
- ‡ Assign number ranges to vendor account groups
- ‡ Create payment terms
- ‡ Define accounts for cash discount taken
- ‡ Define Vendor reconciliation account
- ‡ Create vendor code

## SAP FICO - Tax on Sales and Purchases

- ‡ What is Sales tax and Purchase tax in SAP?
- ‡ Define tax calculation procedures
- ‡ Assign country to calculation procedure
- ‡ Assign tax codes for non taxable transactions
- ‡ Maintain tax codes for sales and purchases
- ‡ Define tax accounts in SAP

## SAP FICO - Bank Accounting

- ‡ What is Bank Accounting in SAP?

‡ Define bank key

‡ Define house bank in SAP

‡ Create check lots

‡ Automatic payment program

## SAP FICO - Asset Accounting

‡ What is Asset Accounting in SAP?

‡ Define Chart of Depreciation

‡ Assign chart of depreciation to company code

‡ Specify Account Determination

‡ Number range intervals for Assets

‡ Maintain Asset Classes

‡ Define tax accounts in SAP

## SAP Controlling Training

‡ SAP CO Tutorials

## SAP TCodes

‡ SAP TCodes

‡ SAP FI TCodes