

# What is Fiscal Year in SAP | What is Financial Accounting Year

## What is Fiscal year in SAP

According to SAP, [financial accounting year](#) is referred as “Fiscal Year”. In SAP fiscal year contains total 16 posting periods, out of these 12 are normal posting periods and 4 are special posting periods.

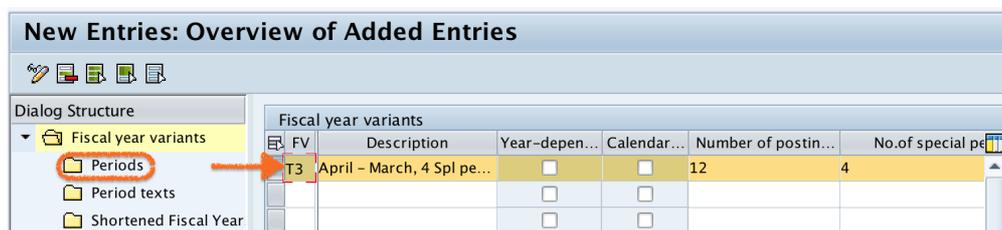
Every organization records business transaction in set of books and they have to close the books in certain period. It may depends on the company and the country’s policy. For e.g. all companies in US have to close their books on 31st December every year and all companies in India have to close their books on 31st March every year.

- Indian companies follow fiscal year from April to March with 12 normal posting periods and 4 special periods.
- US companies January to December with 12 normal posting periods and 4 special periods.
- Normal posting periods are used to post day to day company transactions and special periods are used for the purpose of adjustments and auditors rectification entries.

Fiscal year in SAP can be classified as

1. **Year Dependent** : – Year dependent fiscal year refer as the fiscal year is only applicable to particular year such as 2015 or 2016. If you select year dependent check box in fiscal year variant, than you need to create conversion for every year.
2. **Year Independent** : – Year Independent fiscal year refer as the fiscal year is applicable to all the financial account year.
3. **Calendar Year** : – In calendar fiscal year, posting period start from 1st January and ends on last day of the year 31st December.
4. **Shortened fiscal year**: – Shortened fiscal year contains fewer normal posting periods. Startup companies and new SAF implemented companies may follow the shortened fiscal year.

### How to define fiscal year variant in SAP



You can define fiscal year in SAP by using transaction code “[OB29](#)”. You can check here [how to define fiscal year variant in SAP FICO](#).

#### 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 create segments in SAP

- ‡ 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