Foreign Currency

Revaluation SAP FICO

Foreign Currency Revaluation for GL Accounts

Step 1: Create three GL Masters (FS00)
- SBI FC Term Loan (100502)   -   Liabilities
- Exchange Gain (300100)   -   Revenues
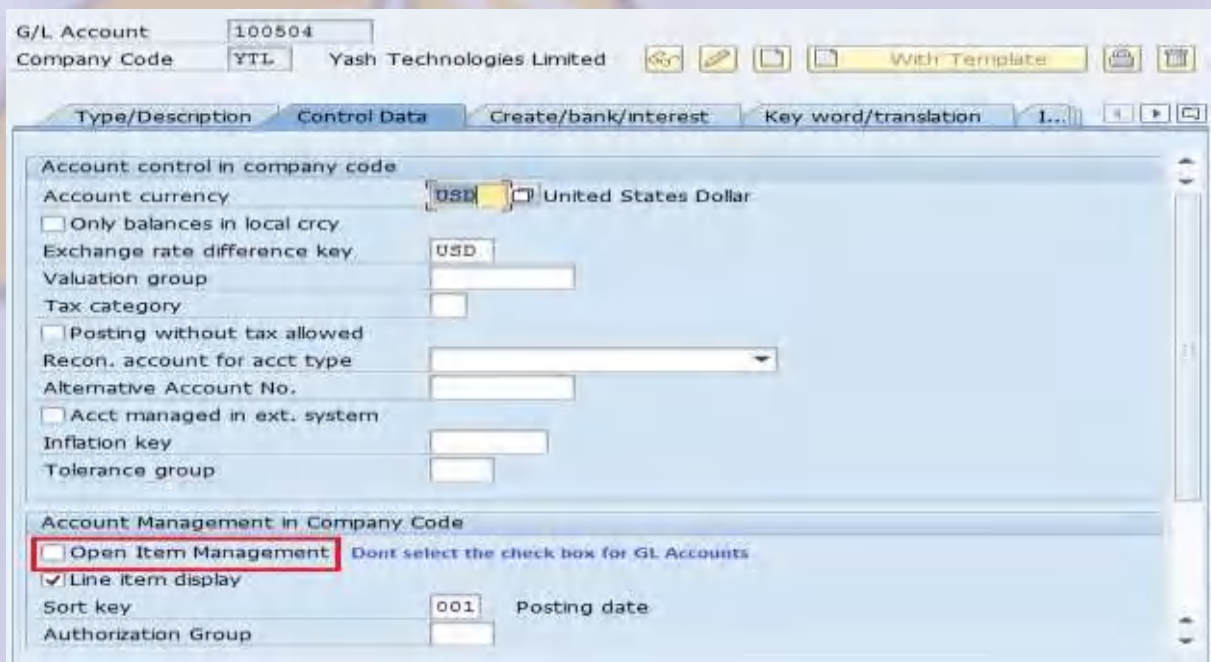- Exchange Loss (400301)   -   Expenses

SBI FC Term Loan Account:

And save
Exchange Gain Account:

G/L Account 300100 Exchange Gain
Company Code YTL Yash Technologies Limited With Template

| Type/Description | Control Data | Create/bank/interest | Key word/translation | I... |

Account control in company code

Account currency	INR Indian Rupee
Only balances in local crcy	
Exchange rate difference key	
Valuation group	
Tax category	
Posting without tax allowed	
Recon. account for acct type	
Alternative Account No.	
Acct managed in ext. system	
Inflation key	
Tolerance group	

Account Management in Company Code

Open Item Management	
☑ Line item display	
Sort key	001 Posting date
Authorization Group	

G/L Account 300100 Exchange Gain
Company Code YTL Yash Technologies Limited With Template

| Type/Description | Control Data | Create/bank/interest | Key word/translation | I... |

Control of document creation in company code

Field status group	G001 General (with text, assignment)
Post automatically only	
Supplement auto. postings	
Recon. acct ready for input	

And save

Exchange Loss Account:

And save

Step 2: Define Accounting Principles

Path: SPRO → Financial Accounting (New) → Financial Accounting Global Settings (New) →

Ledgers → Parallel Accounting → Define Accounting Principles
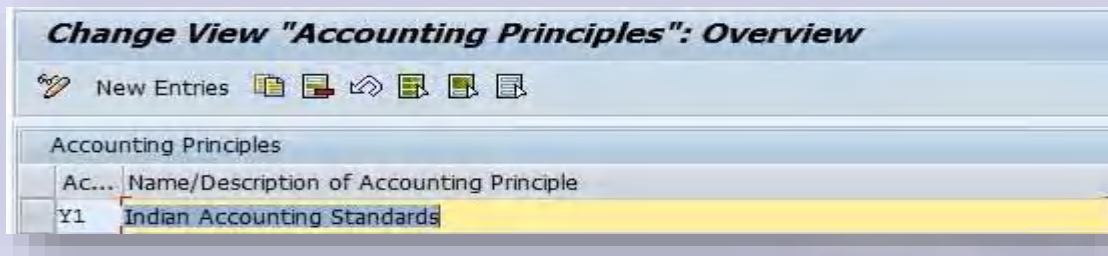
And save

Step 3: Assign Accounting Principle to Ledger Group

Path: SPRO → Financial Accounting (New) → Financial Accounting Global Settings (New) →

Ledgers → Parallel Accounting → Assign Accounting Principle to Ledger Group

And save

Step 4: Define Valuation Methods

Path: SPRO → Financial Accounting (New) → General Ledger Accounting (New) → Periodic

Processing → Valuate → Define Valuation Methods

Whatever the exchange rate type we selected (G, B, M) under exchange rate determination tab, the same exchange rate will applicable at the time of revaluation

For instance, we entered exchange rates for the July month ended as below in OB08.

	ExRt	ValidFrom	Indir.quot	Ratio(from)	From		Dir.quot.	Ratio (to)	T
	g	31.06.2013		X	usd	=	48.00	X	...
	b	31.06.2013		X	usd	=	49.00	X	...
	m	31.06.2013		X	usd	=	50.00	X	...

If we selected G under exchange rate determination tab it picks 48.00 for revaluation

If we selected B under exchange rate determination tab it picks 49.00 for revaluation

Select new entries

And save

Step 5: Define Valuation Areas

Path: Path: SPRO → Financial Accounting (New) → General Ledger Accounting (New) →

Periodic Processing → Valuate → Define Valuation Areas
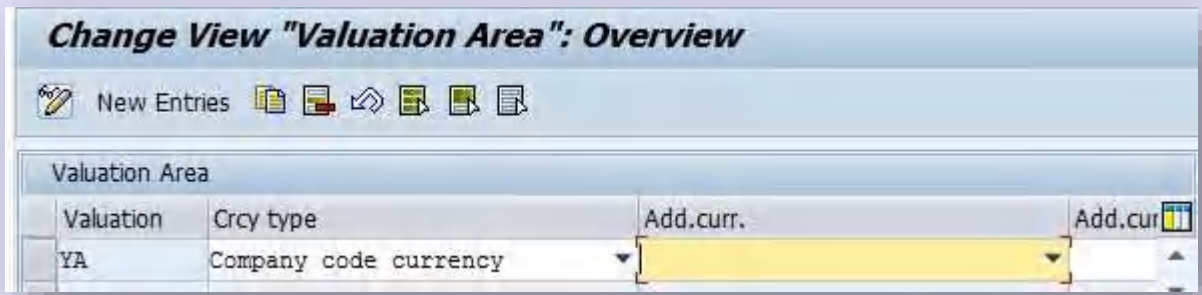
And save

Step 6: Assign Valuation Area and Accounting Principle

Path: SPRO → Financial Accounting (New) → General Ledger Accounting (New) → Periodic

Processing → Valuate → Assign Valuation Area and Accounting Principle
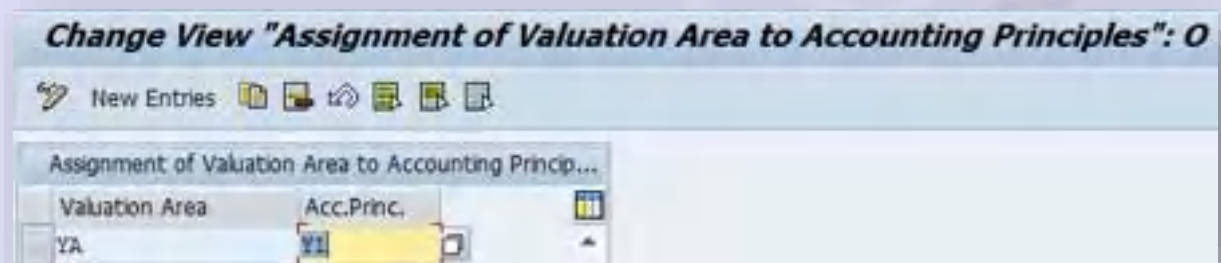
And save

Step 7: Prepare Automatic Postings for Foreign Currency Valuation (OBA1)

Double click on Exchange Rate Difference (KDB)

Enter the chart of Accounts and click on

Enter the valuation Area as "YA" and continue

Specify the Exchange Gain and Exchange Loss account
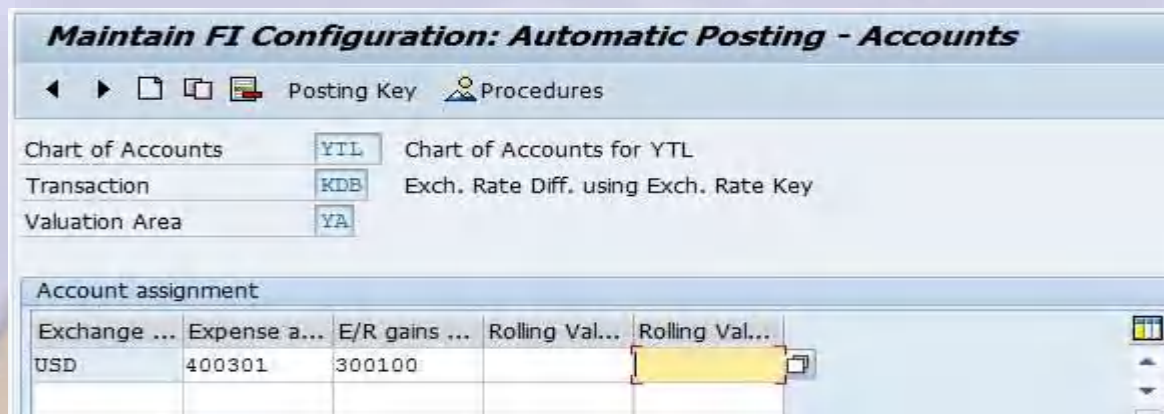
And save

Step 8: Assign Exchange Rate Difference in SBI FC Term Loan Account (100503) (FS00)

And save

End User Area for FC Revaluation:
Step 9: FC Term Loan Receipt (F-02)
Assume company took term loan of 100,000 USD.

Document Date	01.04.2013	Type	SA	Company Code	YTL	
Posting Date	01.04.2013	Period	6	Currency/Rate	USD	46.00
Document Number				Translatn Date		
Reference				Cross-CC no.		
Doc.Header Text						
Trading Part.BA						

First line item

PstKy 40 Account 200001 L Ind TType

| G/L Account | 200001 | Bank Account |
| Company Code | YTL | Yash Technologies Limited |

Item 1 / Debit entry / 40

| Amount | 100000 | USD | Amount in LC | | INR |
| | | | ☐ Calculate tax | | |

Business Place [   ]

Cost Center [   ]

Real Estate Obj ⇨

⇨ More

Purchasing Doc. [   ] [   ]

Assignment [   ]

Text sbi fc term loan 4   ✎ Long Texts

Next Line Item

PstKy [50] Account [100504] 🗗 L Ind ☐ TType [   ] New co.code [   ]

| G/L Account | 100504 | SBI FC Term Loan 4 |
| Company Code | YTL | Yash Technologies Limited |

Item 2 / Credit entry / 50

| Amount | * | USD | Amount in LC | | INR |

Business Place [   ]

Cost Center [   ]

Real Estate Obj ⇨

⇨ More

Purchasing Doc. [   ] [   ]

Assignment [   ]

Text |+   🗗 Long Texts

Next Line Item

PstKy [ ] Account [   ] SGL Ind ☐ TType [   ] New co.code [   ]

Menu → Simulate →Save

✅ Document 52 was posted in company code YTL

Step 10: Enter Exchange Rates in Forex Table (OB08)

Change View "Currency Exchange Rates": Overview

New Entries

	ExRt	ValidFrom	Indir.quot		Ratio(from)	From		Dir.quot.		Ratio (to)	T
	B	30.04.2013		X	1	USD	=	45.00000	X	1	...

And save

Step 11: FC Valuation (FAGL_FC_VAL)

Foreign Currency Valuation

General Data Selection

Company Code	YTL		to		⇨
Valuation Key Date	30.04.2013				
Valuation Area	YA				

Postings | Open Items | G/L Balances | Miscellaneous

☐ Create Postings
Batch input session name
☐ Only Create Batch Input Session Due to Errors
Document date
Posting date
Posting period
Reversal posting date
Reverse post. period
☐ Reset Valuation
 Reason for Reset (Balances)
 For G/L Account Balance Valuation
  ☐ Reverse postings

Execute (F8).

Click on Postings button

We took loan of 100,000 USD @ 46.00 (100,000*46.00 = 4,600,000).
And the exchange rate as on 30.04.2013 is 45.00 (100,000*45.00 = 4,500,000).
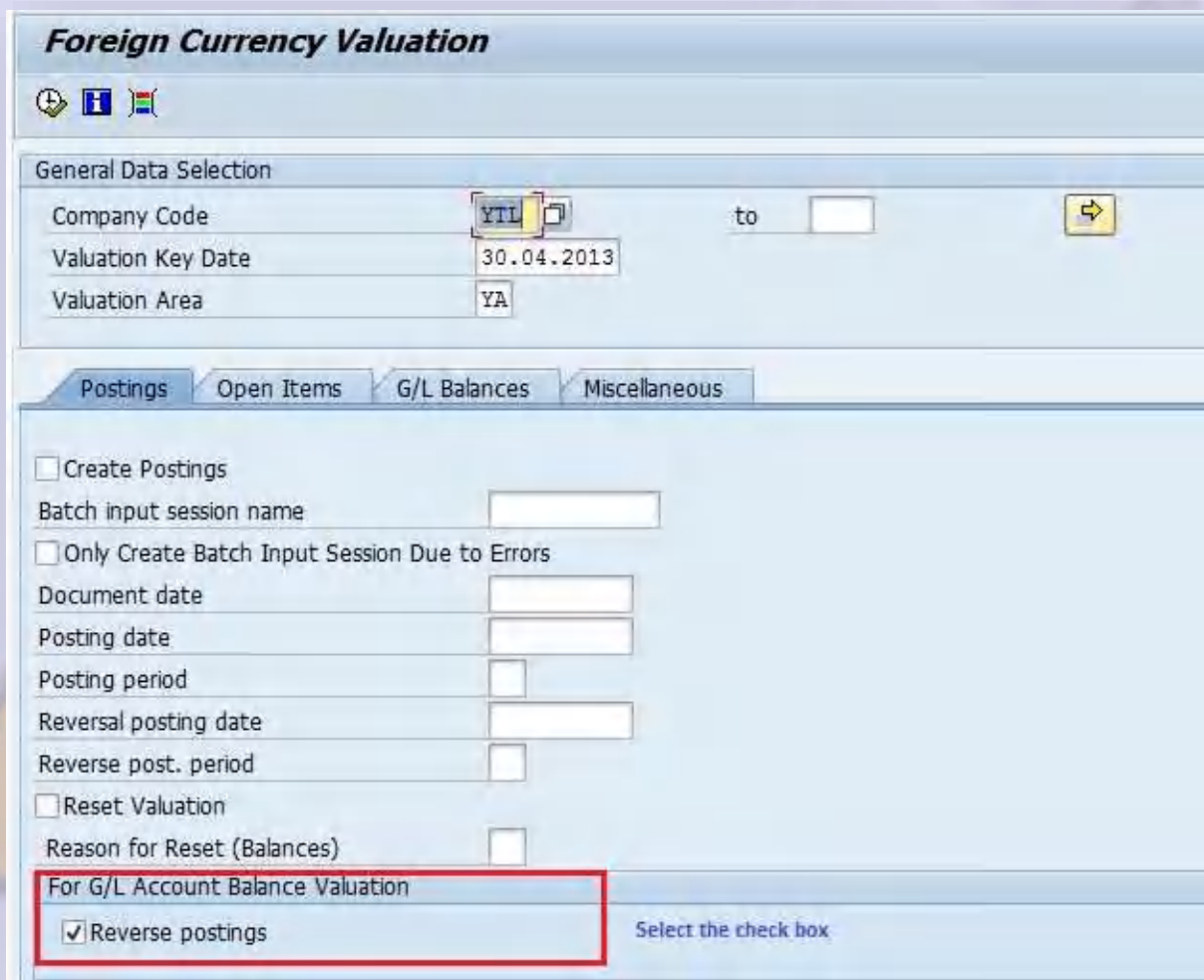
Hence we got exchange gain of 100,000 (4,600,000 –

4,500,000) Journal Entry:

               SBI FC Term Loan A/C   100,000
                    To Exchange Gain   100,000

Reversal Posting of Exchange Gain on 1st day of next month:
Purpose: We reverse the document only for month-end but not for year-end.
To know the foreign currency fluctuations (Gain/Loss) for every month. It will not effect in GL balances

Execute
Click on postings button

Here, we can view clearly on 1st May 2013 the entry was reversed automatically. Once we selected the reversal postings check box

Journal entry for Reversed Document:

Exchange Gain A/C Dr   100,000

      To SBI FC Term Loan A/C   100,000

Posting of Documents:

Execute

Click on Postings button

Menu → System → Services → Batch Input → Sessions

Select session "Kamal1" and select process button

Select process/foreground radio button and select process button
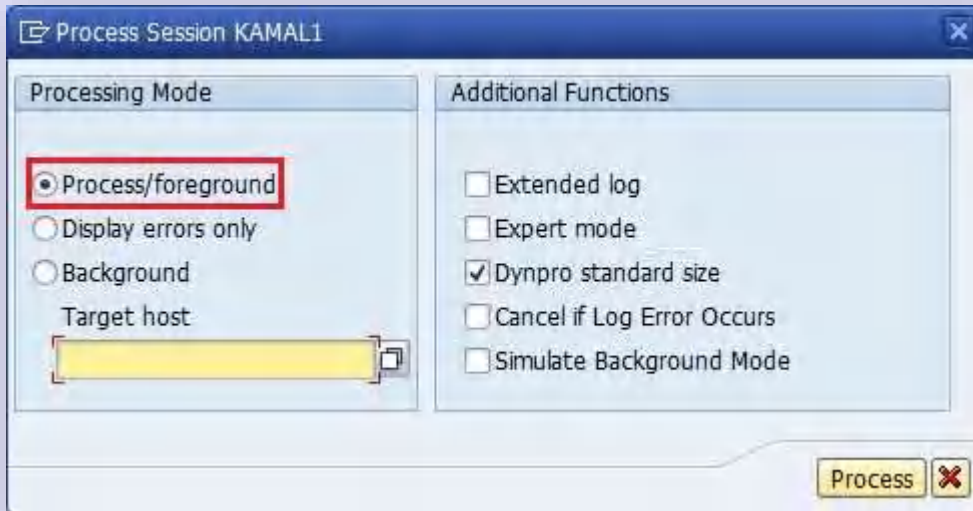
Click on enter like on – Still we get message as "session completed"

Select the session "Kamal1" and click on Log

Double click on session "Kamal1"

To view the posted documents (FB03):
Original Document

Reversed Document

To view the Balances (FBL3N)
Note: GL Account – 100504 and select all items radio button and execute

Step 12: Partial Payment of Term Loan (F-02)
First, pay the amount of 50,000 USD on 15th May 2013 @ 46.00
Later, pay the amount of 10,000 USD on 16th May 2013 @ 45.00
Note: We have two options to enter exchanger rates: Either in Forex table or in document
it self
If we enter exchange rate both in forex table and document. Exchange rate in document
has high priority
Partial payment of 50,000 USD:

Enter Exchange rate in Forex Table (OB08)

New Entries: Overview of Added Entries

	ExRt	ValidFrom	Indir.quot	Ratio(from)	From		Dir.quot.	Ratio (to)	T
	b	15.05.2013		X	usd	=	46.00	X	r

And save

Enter G/L Account Posting: Header Data

Held document   Acct model   Fast Data Entry   Post with reference   Editing Options

Document Date	15.05.2013	Type	SA	Company Code	YTL
Posting Date	15.05.2013	Period	6	Currency/Rate	usd
Document Number				Translatn Date	
Reference				Cross-CC no.	
Doc.Header Text					
Trading Part.BA					

First line item

PstKy 40 Account 100504   L Ind   TType

Enter G/L Account Document: Add G/L account item

More data   Acct model   Fast Data Entry   Taxes

| G/L Account | 100504 | SBI FC Term Loan 4 |
| Company Code | YTL | Yash Technologies Limited |

Item 1 / Debit entry / 40

| Amount | 50000 | USD | Amount in LC | | INR |

☐ Calculate tax

Business Place

Cost Center

Real Estate Obj   →

→ More

Purchasing Doc.

Assignment

Text   sbi fc term loan 4 - Payment   📝 Long Texts

Next Line Item

PstKy 50 Account 200001 ☐ L Ind ☐ TType ☐ New co.code

And click on enter and enter * in amount field and + in text

field And save

✅ Document 55 was posted in company code YTL

Journal entry for Payment:

                SBI FC Term Loan A/C Dr
                        To Cash A/C

Partial Payment of 10,000 USD:
Here, we enter exchange rate directly in document itself.

Enter G/L Account Posting: Header Data

Held document   Acct model   📝 Fast Data Entry   🗇 Post with reference   ✏ Editing Options

Document Date	16.05.2013	Type	SA	Company Code	YTL	
Posting Date	16.05.2013	Period	6	Currency/Rate	usd	45.00
Document Number				Translatn Date		
Reference				Cross-CC no.		
Doc.Header Text						
Trading Part.BA						

First line item

PstKy 40 Account 100504   🗇 L Ind   TType

Enter G/L Account Document: Add G/L account item

And click on enter and enter * in amount field and + in text field
And save
GL Balances:

Step 13: Run FC Valuation for the month of May 2013

Enter Exchange rate for the month ended May 2013 (OB08)

Change View "Currency Exchange Rates": Overview

New Entries

ExRt	ValidFrom	Indir.quot		Ratio(from)	From	Dir.quot.		Ratio (to)	
B	31.05.2013		X	1	USD =	44.00000	X	1	

And save
FC Valuation (FAGL_FC_VAL)

Foreign Currency Valuation

General Data Selection

Company Code	YTL	to
Valuation Key Date	31.05.2013	
Valuation Area	YA	

Postings | Open Items | G/L Balances | Miscellaneous

☐ Create Postings
Batch input session name
☐ Only Create Batch Input Session Due to Errors
Document date
Posting date
Posting period
Reversal posting date
Reverse post. period
☐ Reset Valuation
Reason for Reset (Balances)
For G/L Account Balance Valuation
    ☐ Reverse postings

And execute

Term Loan   100,000 USD
Partial payment on 15.05.2013   50,000 USD
Partial payment on 16.05.2013   10,000 USD
Remaining Balance in USD   40,000 USD

Click on postings button

Exchange Gain is 90,000. Calculation is given below:

01.04.2013	100,000 USD @ 46.00	46, 00,000
15.05.2013	50,000 USD @ 46.00	23, 00,000
		23, 00,000
16.05.2013	10,000 USD @ 45.00	
4, 50,000		(40,000 @ 46.00) =
		18, 50,000
31.05.2013	40,000 USD @ 44.00	17, 60,000
	EXCHANGE GAIN	90,000

Now, post the documents through transaction code – FAGL_FC_VAL by following the procedure which was given in above step (Step 11)

Year End Valuation:
Enter Exchange rate for yearend (31.03.2014)

And save
FC Valuation (FAGL_FC_VAL):

Note: Don't select reverse postings check box and don't give reversal posting date

Execute

Foreign Currency Valuation

Ld	AccTy	G/L	Account Nu	DocumentNo	Itm	Amount in FC	Crcy	Amount CC.Curr	CC.Curr	Exch. Rat	S	Exc
0L	S	100504	100504			40,000.00-	USD	1,850,000.00-	INR	50.00000		
*		100504				40,000.00-	USD	1,850,000.00-	INR			
**						40,000.00-	USD	1,850,000.00-	INR			

Click on Postings button

Foreign Currency Valuation

For Client Demo   Foreign Currency Valuation   Time 18:35:07   Date 02.09.2013
Hyderabad   FAGL_FC_VALUATION/VKURMADASU Page
Postings in Batch Input Session

Ledger CoCd DocumentNo Document Header Text	Typ	Patng Date	Crcy	LCur1 LCur2 LCur3	Text
Itm PK G/L	Amount in LC	LC2 amount	LC3 amount	Text	

```
OL     YTL        FC valuation              31.03.2014 USD   INR
  1 40 400301     150,000.00                              100504 - Valuation on 20140331
  2 50 100504     150,000.00                              100504 - Valuation on 20140331
```

Exchange Gain is 150,000. Calculation is given below:

01.04.2013	100,000 USD @ 46.00	46, 00,000
15.05.2013	50,000 USD @ 46.00	23, 00,000
		23, 00,000
16.05.2013	10,000 USD @ 45.00	4, 50,000
		18, 50,000
31.03.2014	40,000 USD @ 50.00	20, 00,000
	EXCHANGE GAIN	150,000

Execute the batch input session
Menu → Services → Batch input → Sessions
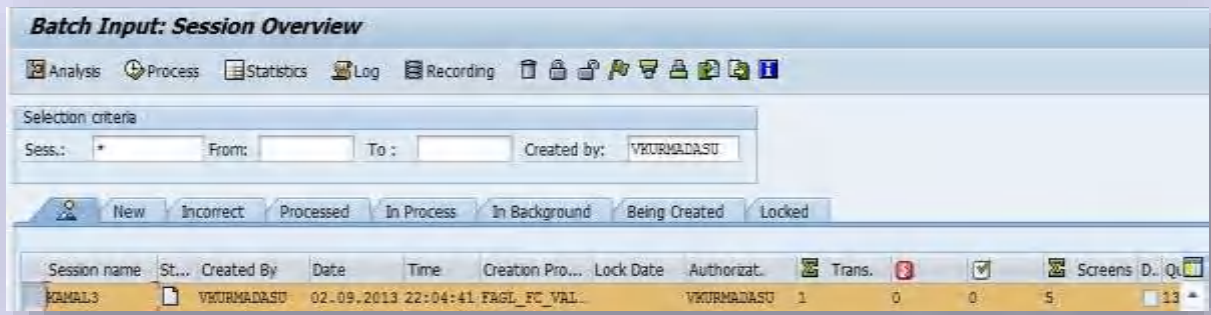
Select "KAMAL3" session and click on process button
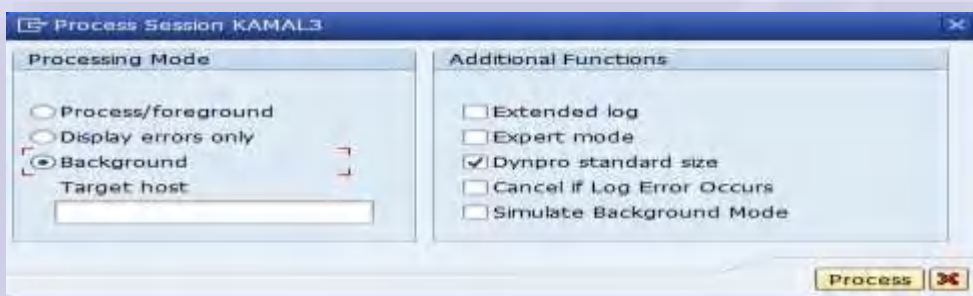
Select background radio button and select process button
Once session is completed status is shown as

Click on Log button

Double click on "KAMAL3" Session

To view the document (FB03)

To view the balances (FBL3N)
Give the GL account as 100504 and select all items radio button and date as 31.04.2014 and execute

G/L Account Line Item Display

G/L Account 100504 SBI FC Term Loan 4 Here, we can see FC is reversed on the same day because we
Company Code YTL didnt select reversal postings for year end

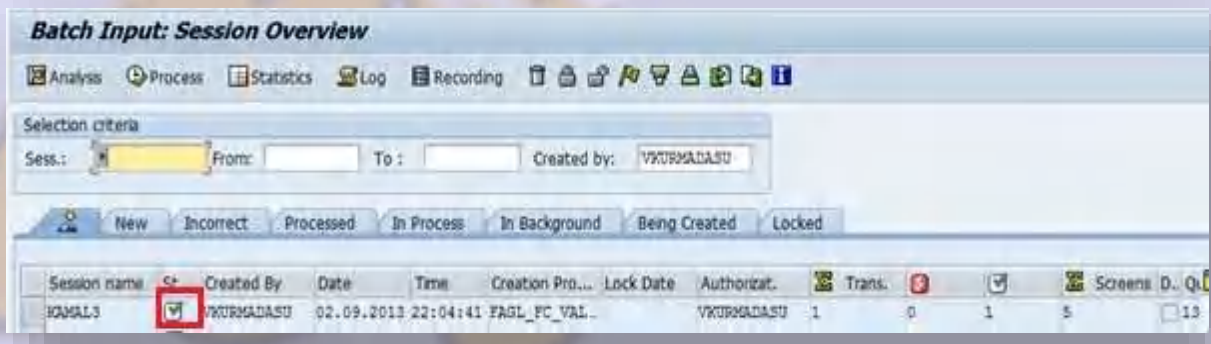| St	Assignment	DocumentNo	BusA	Type	Doc. Date	Postng Date	PK	Amount in local cur.	LCurr	Text
✔	20130401	52		SA	01.04.2013	01.04.2013	50	4,600,000.00-	INR	sbi fc term loan 4
✔	20130430	53		SA	30.04.2013	30.04.2013	40	100,000.00	INR	100504 - Valuation on 20130430
✔	20130501	54		SA	30.04.2013	01.05.2013	50	100,000.00-	INR	100504 - Valuation on 20130430
✔	20130515	55		SA	15.05.2013	15.05.2013	50	2,300,000.00	INR	sbi fc term loan 4 - Payment
✔	20130516	56		SA	16.05.2013	16.05.2013	40	450,000.00	INR	sbi fc term loan 4 - Payment
✔	20130531	57		SA	31.05.2013	31.05.2013	40	90,000.00	INR	100504 - Valuation on 20130531
✔	20130601	58		SA	31.05.2013	01.06.2013	50	90,000.00-	INR	100504 - Valuation on 20130531
✔	20140331	59		SA	31.03.2014	31.03.2014	50	150,000.00-	INR	100504 - Valuation on 20140331
* ✔								2,000,000.00-	INR	
** Account 100504								2,000,000.00-	INR	

FC Valuation for Vendors

Step 1: Create two GL masters (FS00)
Sundry Crs - FC

G/L Account 100004 sundry crs - FC
Company Code YTL Yash Technologies Limited With Template

Type/Description | Control Data | Create/bank/interest | Key word/translation | I..

Control in chart of accounts

Account Group Liabilities

○ P&L statement acct
◉ Balance Sheet Account

Description

Short Text sundry crs - FC
G/L Acct Long Text sundry crs - FC

Consolidation data in chart of accounts

Trading Partner
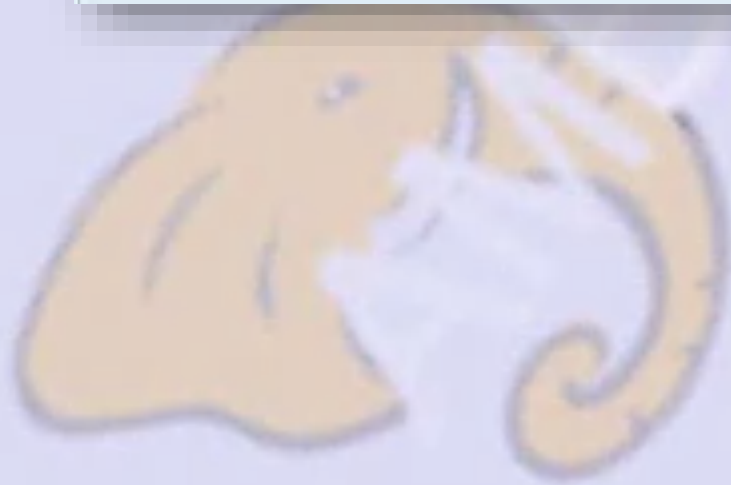
And save
Balance Adjustment Account:

G/L Account   100005   Balance Adjustment
Company Code   YTL   Yash Technologies Limited   With Template

| Type/Description | Control Data | Create/bank/interest | Key word/translation | I... |

Account control in company code

Account currency   USD   United States Dollar
☐ Only balances in local crcy
Exchange rate difference key
Valuation group
Tax category
☐ Posting without tax allowed
Recon. account for acct type
Alternative Account No.
☐ Acct managed in ext. system
Inflation key
Tolerance group

Account Management in Company Code

☐ Open Item Management   **It should not be selected**
☑ Line item display
Sort key   001   Posting date
Authorization Group

G/L Account   100005   Balance Adjustment
Company Code   YTL   Yash Technologies Limited   With Template

| Type/Description | Control Data | Create/bank/interest | Key word/translation | I... |

Control of document creation in company code

Field status group   G001   General (with text, assignment)
☐ Post automatically only
☐ Supplement auto. postings
☐ Recon. acct ready for input

And save

Step 2: Assign sundry crs –FC account in vendor master (XK01)

And save

Note: We already created exchange gain and exchange loss accounts and also done with remaining configurations in the above steps. (Refer, Steps 2, 3, 5, 6)

But in Step 4 and Step 7 we have to do few amendments for Vendors/customers. See below screenshot for further reference

Step 3: Define Valuation Methods

       Path: SPRO → Financial Accounting (New) → General Ledger Accounting (New) → Periodic Processing → Valuate → Define Valuation Methods

Step 4: Prepare Automatic Postings for Foreign Currency Valuation (OBA1)
   Double click on Exchange Rate Difference (KDF) for open items

Enter the chart of Accounts and click on

Enter the valuation Area as "YA" and continue

And save

Step 5: Enter Exchange rates (OB08)

Save

Step 6: Post a vendor invoice (F-43)

Enter Vendor Invoice: Header Data

Held document | Acct model | Fast Data Entry | Post with reference | Editing Options

Document Date	01.07.2013	Type	KR
Posting Date	01.07.2013	Period	6
Document Number			
Reference			
Doc.Header Text			
Trading Part.BA			

Company Code	YTL
Currency/Rate	uad
Translatn Date	
Cross-CC no.	

Dont mention the rate,
it picks from forex table

First line item
PstKy 31 Account 11 L Ind TType

Enter Vendor Invoice: Add Vendor item

More data | Acct model | Fast Data Entry | Taxes

Vendor	11	Nokia industries	G/L Acc 100004
Company Code	YTL		

Yash Technologies Limited

Item 1 / Invoice / 31

Amount	100000	USD	Amount in LC
	Calculate tax		
Bus. Area			
Payt Terms			Days/percent
Bline Date	01.07.2013		Fixed
Disc. base		USD	Disc. Amount
			Invoice ref.
Pmnt Block			Pmt Method
Assignment			
Text	FC Term Loan for vendor		

INR

Bus.place/sectn

Long Texts

Next line item
PstKy 40 Account 200002 L Ind TType New co.code

And press enter and specify * in amount field and + in text field and simulate

Step 7: Enter Exchange Rate (OB08)

Step 8: FC Valuation (FAGL_FC_VAL)

Execute

Select on postings button

Foreign Currency Valuation

Ledger CoCd DocumentNo Document Header Text		Typ Pstng Date Crcy LCurr LCur2 LCur3 Text		
Itm PK G/L	Amount in LC	LC2 amount	LC3 amount Text	

For Client Demo   Foreign Currency Valuation   Time 15:37:00   Date 03.09.2013
Hyderabad   FAGL_FC_VALUATION/VKURMADASU Page   1
Ledger Group 0L Posting Proposal

Ledger				
0L YTL	FC valuation		31.10.2013 USD INR	
1 50 300100	100,000.00		100004 - Valuation on 20131031	
2 40 100005	100,000.00		100004 - Valuation on 20131031	
0L YTL	Reverse posting		01.11.2013 USD INR	
1 40 300100	100,000.00		100004 - Valuation on 20131031	
2 50 100005	100,000.00		100004 - Valuation on 20131031	

Hence, we got exchange loss of 100,000

On 01.07.2013 posted vendor invoice with 4,700,000 (100,000*47.00)

On 31.07.2013 revaluation done on the basis of exchange rate available in forex table i.e. 46.00

4,600,000 (100,000*46.00)

Exchange Gain = 4,700,000 – 4,600,000 =

100,000 Create Postings:

Foreign Currency Valuation

General Data Selection

Company Code	YTL	to		⇨
Valuation Key Date	31.10.2013			
Valuation Area	YA			

Postings | Open Items | G/L Balances | Miscellaneous

☑ Create Postings

Batch input session name	Kamal8
☐ Only Create Batch Input Session Due to Errors	
Document date	31.10.2013
Posting date	31.10.2013
Posting period	
Reversal posting date	01.11.2013
Reverse post. period	
☐ Reset Valuation	
Reason for Reset (Balances)	

For G/L Account Balance Valuation

☑ Reverse postings

Execute and run the batch input sessions

To view the documents (FB03):
31.10.2013 (Normal posting)

01.11.2013 (Reversal posting)

Here, we can observe clearly that balances were posted to balance adjustment account (100005) but not to sundry crs (100004) because we cannot directly post to reconciliation accounts.
Hence we created balance adjustment account (100005) and given in

OBA1 – KDF To view the GL Balances (FBL3N):

G/L Account Line Item Display

G/L Account   100005   Balance Adjustment
Company Code   YTL

St	Assignment	DocumentNo	BusA	Type	Doc. Date	Pstng Date	PK	Amount in local cur.	LCurr	Text
✔	20131031	48		SA	31.10.2013	31.10.2013	40	100,000.00	INR	100004 - Valuation on 20131031
✔	20131101	49		SA	31.10.2013	01.11.2013	50	100,000.00-	INR	100004 - Valuation on 20131031
* ✔								0.00	INR	
** Account 100005								0.00	INR	

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- Seminars & Workshop Internship
- Mock Interview
- Customised Courses
- Project Support For Implementation
- Staff Augmentation And Talent

SAP Knowledge Hub

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