



Payment Terms **in SAP** **S/4HANA**



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Terms of Payment (Basic)

Description

Terms of payment generally determine the due date and discount calculation. Terms of payment is maintained in vendor master and customer master to default at invoice level however this can be changed at invoice level as well.

Invoice level TOP gets priority during payment.

Procedure

Use below Transaction code:

Transaction code	OBB8
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Implementation

Click on [New Entries](#)

New Entries: Details of Added Entries

Payt Terms Sales text
 Day limit Own explanation

Account type <input checked="" type="checkbox"/> Customer <input checked="" type="checkbox"/> Vendor	Baseline date calculation Fixed day <input type="text" value=""/> Additional months <input type="text" value=""/>
Pmnt block/pmnt method default Block key <input type="text" value=""/> <input type="text" value=""/> Payment Method <input type="text" value=""/> <input type="text" value=""/>	Default for baseline date <input type="radio"/> No default <input checked="" type="radio"/> Posting date <input type="radio"/> Document date <input type="radio"/> Entry date

Payment terms
 Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	<input type="text" value=""/> %	<input type="text" value="30"/>		<input type="text" value=""/>	<input type="text" value=""/>
2.	<input type="text" value=""/> %	<input type="text" value=""/>		<input type="text" value=""/>	<input type="text" value=""/>
3.	<input type="text" value=""/> %	<input type="text" value=""/>		<input type="text" value=""/>	<input type="text" value=""/>

Explanations

within 30 days Due net	

Give 4 digit TOP code (e.g. TM30), no. of day (e.g. 30) , select posting date (under base line date) and save it.

Enter Vendor Invoice: Company Code TM01

Tree on Company Code Hold Simulate Park Editing options

Transactn Invoice Bal. 0.000

Basic data Payment Details Tax Withholding tax Notes

Vendor 20000081 SGL Ind

Invoice date 10.08.2017 Reference

Posting Date 13.08.2017

Document Type KR (Vendor invoic..)

Cross-CC no.

Amount 100.000 INR Calculate tax

Tax amount

Bus.place/sectn /

Text

Vendor Address
Zinc Colas Ltd
DELHI
INDIA

Bank data: not available OIs

1 Items (No entry variant selected)

S...	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	T.	Tax jurisdictn code	V	Assignment n
✓	4000	RENT ACT	Debit	100.000	100.000				
			Debit		0.000				

Click on payment tab **Payment** and enter above created terms of payment TM30 and press enter button twice.

Basic data Payment Details Tax Withholding tax Notes

BaselineDt 13.08.2017 Payt Terms TM30 30 Days

Due on 12.09.2017 Days

Discount INR Days net

Disc.base INR To be calculd Fixed

Pmnt Method Prmnt Block Free for payment

Inv.ref.

Note: in above screen system has taken posting date as base line date and due date is derived by adding 30 days in posting date, hence due date is derived correctly as TOP configuration.

Save/post the entry.

Terms of Payment (with discount)

Description

Terms of payment generally determine the due date and discount calculation.

Procedure

Use below Transaction code:

Transaction code	OBB8
------------------	------

Implementation

Click on [New Entries](#)



New Entries: Details of Added Entries

Payt Terms Sales text
 Day limit Own explanation

Account type <input checked="" type="checkbox"/> Customer <input checked="" type="checkbox"/> Vendor	Baseline date calculation Fixed day <input type="checkbox"/> Additional months <input type="checkbox"/>
Pmnt block/pmnt method default Block key <input type="checkbox"/> <input type="checkbox"/> Payment Method <input type="checkbox"/> <input type="checkbox"/>	Default for baseline date <input type="radio"/> No default <input checked="" type="radio"/> Posting date <input type="radio"/> Document date <input type="radio"/> Entry date

Payment terms

Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	5.000 %	10		<input type="checkbox"/>	<input type="checkbox"/>
2.	2.000 %	20		<input type="checkbox"/>	<input type="checkbox"/>
3.		30		<input type="checkbox"/>	<input type="checkbox"/>

Explanations

within 10 days 5 % cash discount	within 20 days 2 % cash discount
within 30 days Due net	

Give 4 digit TOP code (e.g. TM31), no. of day and discount percentage as shown above and select posting date (under base line date) and save it.

Click

Enter Vendor Invoice: Company Code TM01

Tree on Company Code Hold Simulate Park Editing options

Transactn Invoice

Bal. 0.000

Vendor: 20000081 SGL Ind

Invoice date: 10.08.2017 Reference:

Posting Date: 13.08.2017

Document Type: KR (Vendor Invoic..)

Cross-CC no.

Amount: 100.000 INR Calculate tax

Tax amount

Bus.place/sectn /

Text

Vendor Address: Zinc Colas Ltd, DELHI, INDIA

Bank data: not available

1 Items (No entry variant selected)

S...	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	T.	Tax jurisdictn code	V Assignment n
✓	4000	RENT ACT	Debit	100.000	100.000			
			Debit		0.000			

Payment

and enter above created terms of payment TM30 and press

on payment tab enter button twice.

Basic data Payment Details Tax Withholding tax Notes

BaselineDt: 13.08.2017 Payt Terms: TM31 10 Days 5.000

Due on: 12.09.2017 20 Days 2.000

Discount: INR 30 Days net

Disc.base: INR To be calcultd Fixed

Pmt Method: Pmnt Block: Free for payment

Inv.ref.:

Note: in above screen system has taken posting date as base line date and due date is derived by adding 30 days in posting date, discount percentages are also derived in above screen, hence due date and discounts are appearing correctly as per TOP configuration.

Terms of Payment (Fixed date)

Description

Terms of payment generally determine the due date and discount calculation.

Procedure

Use below Transaction code:

Transaction code

Implementation

Requirement: Invoice should be due on every 15th of next month.

Click on

New Entries: Details of Added Entries

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Payt Terms	<input type="text" value="TM32"/>	Sales text	<input type="text" value="Due on 15 of next month"/>
Day limit	<input type="text" value=""/>	Own explanation	<input type="text" value=""/>

Account type <input checked="" type="checkbox"/> Customer <input checked="" type="checkbox"/> Vendor	Baseline date calculation Fixed day <input type="text" value="15"/> Additional months <input type="text" value="1"/>
Pmnt block/pmnt method default Block key <input type="text" value=""/> <input type="checkbox"/> Payment Method <input type="text" value=""/> <input type="checkbox"/>	Default for baseline date <input type="radio"/> No default <input checked="" type="radio"/> Posting date <input type="radio"/> Document date <input type="radio"/> Entry date

Payment terms
 Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	<input type="text" value=""/> %	<input type="text" value=""/>	/	<input type="text" value=""/>	<input type="text" value=""/>
2.	<input type="text" value=""/> %	<input type="text" value=""/>	/	<input type="text" value=""/>	<input type="text" value=""/>
3.	<input type="text" value=""/> %	<input type="text" value=""/>	/	<input type="text" value=""/>	<input type="text" value=""/>

Explanations

<input type="text" value="Payable immediately Due net"/>	<input type="text" value="Baseline date on 15 of next month"/>
<input type="text" value=""/>	<input type="text" value=""/>

Give 4 digit TOP code (e.g. TM32), fixed days and additional month (e.g. 15 and 1) , select posting date (under base line date) and save it.

Enter Vendor Invoice: Company Code TM01

Tree on Company Code Hold Simulate Park Editing options

Transactn Invoice Bal. 0.000

Basic data Payment Details Tax Withholding tax Notes

Vendor 20000081 SGL Ind

Invoice date 10.08.2017 Reference

Posting Date 13.08.2017

Document Type KR (Vendor invoic...)

Cross-CC no.

Amount 100.000 INR Calculate tax

Tax amount

Bus.place/sectn /

Text

Vendor

Address

Zinc Colas Ltd
DELHI
INDIA

Bank data: not available

OIs

1 Items (No entry variant selected)

S...	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	T.	Tax jurisdictn code	V Assignment n
<input checked="" type="checkbox"/>	4000	RENT ACT	Debit	100.000	100.000			
<input type="checkbox"/>			Debit		0.000			

Click on payment tab **Payment** and enter above created terms of payment TM30 and press enter button twice.

Basic data **Payment** Details Tax Withholding tax Notes

BaselineDt 15.09.2017 Payt Terms TM32 Days

Due on 15.09.2017 Days

Discount INR Days net

Disc.base INR To be calcultd Fixed

Pmt Method Pmnt Block Free for payment

Inv.ref.

In above screen the due date 15th of next has been calculated correctly as per configuration .

Save/Post it.

Terms of Payment (Installment Payment)

Description

Terms of payment generally determine the due date and discount calculation.

Procedure

Use below Transaction code:

Transaction code	OBB8
------------------	------

Implementation

Requirement: Payment should be in two installments (60% in 1st and 40% in 2nd)



Click on **New Entries**

Change View "Terms of Payment": Details

New Entries

Payt Terms: Sales text:

Day limit: Own explanation:

Account type	Baseline date calculation
<input checked="" type="checkbox"/> Customer	Fixed day: <input type="checkbox"/>
<input checked="" type="checkbox"/> Vendor	Additional months: <input type="checkbox"/>

Pmnt block/pmnt method default	Default for baseline date
Block key: <input type="checkbox"/> <input type="checkbox"/>	<input type="radio"/> No default <input checked="" type="radio"/> Posting date
Payment Method: <input type="checkbox"/> <input type="checkbox"/>	<input type="radio"/> Document date <input type="radio"/> Entry date

Payment terms

Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	<input type="text"/>	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="text"/>	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>
3.		<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>

Explanations

INSTALLMENT PAYMENT	

Create additional terms of payment as per requirement.

Note: above scenario consist of two installments, hence two additional TOP need to be created.

Create first installment terms of payment as shown below.

Click on **New Entries**

New Entries: Details of Added Entries

Payt Terms Sales text
 Day limit Own explanation

Account type <input checked="" type="checkbox"/> Customer <input checked="" type="checkbox"/> Vendor	Baseline date calculation Fixed day <input type="text" value=""/> Additional months <input type="text" value=""/>
Pmnt block/pmnt method default Block key <input type="text" value=""/> <input type="checkbox"/> Payment Method <input type="text" value=""/> <input type="checkbox"/>	Default for baseline date <input type="radio"/> No default <input checked="" type="radio"/> Posting date <input type="radio"/> Document date <input type="radio"/> Entry date

Payment terms

Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	<input type="text" value=""/>	<input type="text" value="15"/>		<input type="text" value=""/>	<input type="text" value=""/>
2.	<input type="text" value=""/>	<input type="text" value=""/>		<input type="text" value=""/>	<input type="text" value=""/>
3.	<input type="text" value=""/>	<input type="text" value=""/>		<input type="text" value=""/>	<input type="text" value=""/>

Explanations

<input type="text" value="within 15 days Due net"/>	<input type="text" value=""/>
<input type="text" value=""/>	<input type="text" value=""/>

Give 4 digit TOP code (e.g. TM02), no. of day (e.g. 15)
 select posting date (under base line date) and save it.

Create second installment terms of payment as shown below.

Click on [New Entries](#)

New Entries: Details of Added Entries

60

Payt Terms **TM03** Sales text
 Day limit Own explanation

Account type <input checked="" type="checkbox"/> Customer <input checked="" type="checkbox"/> Vendor	Baseline date calculation Fixed day <input type="checkbox"/> Additional months <input type="checkbox"/>
Pmnt block/pmnt method default Block key <input type="checkbox"/> <input type="checkbox"/> Payment Method <input type="checkbox"/> <input type="checkbox"/>	Default for baseline date <input type="radio"/> No default <input checked="" type="radio"/> Posting date <input type="radio"/> Document date <input type="radio"/> Entry date

Payment terms

Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	<input type="text"/> %	<input type="text" value="30"/>		<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="text"/> %	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="text"/> %	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>

Explanations

within 30 days Due net	

Give 4 digit TOP code (e.g. TM03), no. of day (e.g. 30) select posting date (under base line date) and save it.

Link installment terms of payment:

Transaction code - OBB9

Click on **New Entries**

New Entries: Overview of Added Entries

60

Terms of Paymen	Inst	Percent	Pmnt term
TM01	1	60	TM02
TM01	2	40	TM03

Save it.

Post vendor invoice:

Use transaction code FB60

Fill up the details as mentioned below.



Enter Vendor Invoice: Company Code TM01

Tree on Company Code Hold Simulate Park Editing options

Transactn Invoice Bal. 0.000

Vendor: 20000081 SGL Ind

Invoice date: 10.08.2017 Reference:

Posting Date: 16.08.2017

Document Type: KR (Vendor invoic...)

Cross-CC no.:

Amount: 100.000 INR Calculate tax

Tax amount:

Bus.place/sectn: /

Text:

Vendor Address: Zinc Colas Ltd, DELHI, INDIA

Bank data: not available

1 Items (No entry variant selected)

S...	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	T. Tax jurisdictn code	V Assignment n
<input checked="" type="checkbox"/>	4000	RENT ACT	Debit	100.000	100.000		

Payment and enter newly created installment terms of payment TM01

Click on payment tab and press enter button twice.

Enter Vendor Invoice: Company Code TM01

Tree on Company Code Hold Simulate Park Editing

Transactn Invoice

Basic data **Payment** Details Tax Withholding tax Notes

BaselineDt: 16.08.2017 Payt Terms: TM01 Days

Due on: 16.08.2017 In instal. Days

Discount: INR Days net

Disc.base: INR To be calcultd Fixed

Pmt Method: Pmnt Block: Free for payment

Simulate (to view accounting entry) and save it

Document 1077 was posted in company code TM01

View vendor balance – FBL1N

Vendor Line Item Display

Vendor: 20000081
Company Code: TM01
Name: Zinc Colas Ltd
City: Delhi

St	Assignment	DocumentNo	Type	Doc. Date	Posting Date	S	Net due dt	PayT	DD	Amount in local cur.	LCurr	BusA
		1077	KR	10.08.2017	16.08.2017		31.08.2017	TM02		60.000-	INR	
		1077	KR	10.08.2017	16.08.2017		15.09.2017	TM03		40.000-	INR	
										100.000-	INR	
** Account: 20000081										100.000-	INR	

System has splitted the document no. 1077 in to two line item since we have assigned installment terms of payment while invoice posting.

1st line item consist of 60% of invoice amount and will be payable after 15 days

2nd line item consist of 40% of invoice amount and will be payable after 30 days

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