

SAP Business One How-To Guide



PUBLIC

How to Configure the Initial Settings in SAP Business One

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SAP Business One 8.8

US Localization

English

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Introduction

This document describes the settings and definitions required to initialize SAP Business One for the United States localization.

For more information about the described procedures, see the online help for SAP Business One.

Licenses

Assigning Licenses

This setting is mandatory. You must assign a license to each user before he or she can work with SAP Business One. For the purpose of initializing SAP Business One, it is sufficient to assign 1 license to 1 user.



Recommendation

For installation and configuration instructions, see the document *License Guide* located in the documentation folder of the product CD and upgrade package and at the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Prerequisites

You have defined users in SAP Business One. The user 'manager' is predefined.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *License* → *License Administration*.
2. If the license key was not imported during installation, import it in this step.
To determine license availability, check the *Components* tab.
3. On the *Allocation* tab, assign the licenses.



Note

Only a superuser or the manager can assign licenses.

Database Creation

Creating a New Company

This setting is mandatory. You must make this setting together with a consultant.

For more information about the *User Site* window and the *Site Password* field, see the document *Administrator's Guide* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Choose Company* → *New*.
The *Site User* window opens.
2. In the *Site Password* field, enter the site password. To continue, choose the *OK* button.
The *Create New Company* window opens.
3. In the *Create New Company* window, specify the following data:

Field	User Action and Values	Comments
<i>Company Name</i>	Enter the name of your company.	This name appears above the main menu.
<i>Database Name</i>	Enter a short name representing the company's name.	Do not use spaces or illegal Windows characters, such as double quotation marks ("), single quotation marks (') or exclamation marks (!)
<i>Copy User-Defined Fields and Tables</i>	Lets you copy user-defined fields and tables from the database you are currently logged into.	Make sure you do not copy user-defined fields and tables from the demo database.
<i>Copy User-Defined Objects</i>	Lets you copy user-defined objects from the database you are currently logged into.	Make sure you do not copy user-defined objects from the demo database.
<i>Local Settings</i>	Select <i>United States Of America</i> for functionality and defaults suitable for the United States regulations and tax rules.	
<i>Chart of Accounts</i>	Select <i>US_CoA</i> for a chart of accounts template suitable for United States regulations and tax rules. You can also select <i>User-Defined</i> if you are importing a chart of accounts from your legacy system, or if you would like to define one manually.	

Field	User Action and Values	Comments
<i>Base Language</i>	<p>Selected automatically according to the local settings, the <i>English (United States)</i> language is displayed.</p> <p>You can change the base language any time on the <i>Display</i> tab of the <i>General Settings</i> window in <i>Administration</i> → <i>System Initialization</i>.</p>	The base language affects only the application's user interface language.
<i>Define Posting Periods</i>	Lets you define posting periods for the company.	

4. To create the new company, choose the *OK* button.

Chart of Accounts

Choosing a Chart of Accounts Template

This setting is mandatory. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. For a chart of accounts template suitable for United States regulations and tax rules, select *US_CoA*.



CAUTION

If you do not have a legacy chart of accounts, you can use the standard template as a basis and then build your own set of charts of accounts by modifying it.

When you create a single journal entry (from any kind of transaction resulting in a journal entry) or an item master record in SAP Business One, you cannot make further changes to the chart of accounts template.

You cannot delete or modify segments if you choose a chart of accounts template.



Note

If the company's bookkeeping is handled by an external accountant, the chart of accounts you set up in the company should match the one the external accountant is using. We recommend that you coordinate the creation of new G/L accounts with your external accountant.

Posting Periods

Creating Posting Periods

This setting is mandatory. You must make this setting together with a consultant.

For more information, see the document *How to Work with Multiple Open Posting Periods*, in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Posting Periods*.
2. Update the generated periods (such as date ranges) and create new ones if necessary. You can also change the start of the fiscal year.



Note

When you create a new database, you are required to define the posting periods for the company.

For due dates, we recommend that you define a range that is broader than the posting date range of the particular period. This lets you accommodate payment terms that calculate a due date beyond the period covering the current system date.

Due dates of posting periods can be changed later. For example, if the due date range does not allow a transaction with a certain payment term, this can be adjusted.

You can create more than 12 periods when using monthly periods or when you use the *Days* option. However, you cannot create overlapping periods. After creating periods, you can adjust the date range and the beginning of the fiscal year according to your needs.

The fiscal year does not have to be the same as the calendar year; however, the beginning of the fiscal year must be the first day of the month. In this case, you need to change the date range of the periods of that fiscal year. Do so by starting from the last period and working backwards, to avoid a situation whereby the periods overlap.



CAUTION

When you create a new posting period, the definitions in the *G/L Account Determination* window for the new posting period are taken automatically from the period covering the current system date. This occurs whether the new posting period dates are before or after the existing periods,

If your period setup is not based on calendar months, for example 4-4-5, use the periodic report option when running financial reports such as Trial Balance, Profit and Loss Statement and Balance Sheet.

Currencies

Setting Local Currency

This setting is mandatory. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. In the *Local Currency* field, select *US Dollar*.



CAUTION

After you create any transactions or any master data record in SAP Business One, you can no longer change the local currency.



Note

The local currency must be the currency in which the company reports to the local tax authorities.

Setting System Currency

This setting is mandatory. You must make this setting together with a consultant.

You can display accounting reports and balances in the system currency you define.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. In the *System Currency* field, select a currency for financial reporting.

Every journal entry is translated automatically into the system currency according to the daily rate.

If you do not have any reporting requirements in another currency, set the system currency to your local currency.



CAUTION

After you create any transaction or any master data record in SAP Business One, you can no longer change the system currency.



Note

In contrast to the local currency, system currency is used as the reporting currency, for example, when the corporate group requires a different reporting currency than the national currency.

If you define a system currency, you must also define a daily exchange rate for this currency in relation to the local currency. All journal entries are posted in both currencies.

Setting Default Account Currency

This setting is mandatory. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. In the *Default Account Currency* field, select the default currency for new G/L accounts.

Setting Currency Codes

This setting is mandatory. You must make this setting together with a consultant.

The definition of currency codes is used during transaction processing. Currency codes are required to process certain transactions. Therefore, before making other initialization settings, set those codes that are used most often.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Financials* → *Currencies*.

The *Currencies - Setup* window opens.

2. Create all currencies used within SAP Business One.



CAUTION

You cannot change a currency code after you create it. You can only delete the code if it is not referenced in any transaction or master data record.

If you need to change the code, create a new currency code with the correct code.

Setting Exchange Rates Based on Document Date or Posting Date

This setting is optional.

If you select this option, SAP Business One uses the daily exchange rate based on the posting date or document date for foreign currency purchasing documents. You can change this option at any time.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Document Settings* → *General* tab.
2. In the *Exchange Rate Base Date (A/P Documents)* field, select *Posting Date* or *Document Date*.

Document Numbering

With the exception of journal entries, document numbering must start with 1 each New Year. Document numbering for all documents must be sequential and chronological, without gaps.

Defining Period Indicators

You can link document series to your posting periods using period indicators. This enables only the document series you specify to be used in a certain period. This setting is required, for example, if you want to restart document numbering with a new fiscal year.



Note

If you assign your document series to period indicators, you can open a document window only if the period indicator for the default posting period is valid.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Financials* → *Period Indicators*.

The *Period Indicators – Setup* window opens.

2. Define the names of the period indicators and choose the *Update* button.



Note

You can define new period indicators directly from the *Series - Setup* window.

Permitting More than One Document Type per Series

You can enable SAP Business One to use the same document numbering series for more than one document type. For example, you can assign the same document series to invoices and credit memos.



CAUTION

Select this option only if your local regulations require different documents within the same document numbering range.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. Select the *Permit More Than One Document per Series* checkbox.
3. Choose the *Update* button.

Result

The window defines the document series changes.



Note

You must define the numbering series first (independent of the documents) and then assign them to the different document types.

Defining Document Series

This setting is mandatory. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Document Numbering*.
The *Document Numbering – Setup* window opens.
2. Select the row of a series by double-clicking the row. The *Series – Setup* window opens.
3. For every document, define one or more number ranges.

The *Name* value of the series is used to identify the series in the document.



Note

After you use a series in a document, you can no longer delete this series.

If you have different branches, you can define separate numbering series per branch and assign them to different users in the authorization setup.

When setting up authorizations, define the series group to which each user is authorized. Make sure it corresponds with the defaults you have defined.

If a user does not have authorization for his or her assigned series, the document window does not open.

If you want to use your legacy document numbers for data migration, make sure that you do not have any overlapping document numbers.

Company Details

Entering Company Address

This setting is mandatory. You must make this setting together with a consultant.

You can enter or modify this information at any time. The company address is used in the header section of printed documents.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *General* tab.
2. Enter the company name, address, and contact information.

Field	User Action and Values
<i>Company Name</i>	Enter the name of your company. This name appears above the main menu.
<i>Printing Header</i>	Enter the official name of the company. This is the name that is printed on documents.
<i>Active Manager</i>	Enter the name of the person who is authorized to sign sales and purchasing documents. This name appears on printed sales and purchasing documents.



Note

The *Telephone 1*, *Telephone 2*, *Fax*, and *E-Mail* fields also appear on printed sales and purchasing documents.

3. Choose the *Update* button.

Defining Holidays

Holidays are used to calculate the resolution time in the service module and to calculate due dates in purchasing documents based on payment terms. Holidays assigned to your company are used to calculate the due date in sales documents.

This setting is optional. You can change holidays or remove holiday assignment at any time. You can also define additional holidays and assign them to business partners.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Accounting Data* tab.
2. In the *Holidays* field, select the appropriate calendar year.
United States holidays are set by default.

Account Segmentation

Account segmentation is set by default for the United States localization. If a chart of accounts template is defined, the segment settings are created by default and cannot be changed.

Defining Account Segment Separators

This setting is mandatory. You must make this setting together with a consultant.

The separator is a character that is used to separate the segments of the account. We recommend using an **en dash** (-).



CAUTION

Do not use characters, numbers, or an asterisk (*) as a separator. The account code must not contain the same character as the separator.

If you load the chart of accounts using Data Transfer Workbench, the account code in the data files must not contain the separator.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Display* tab.
2. In the *Account Segment Separator* field, enter a character to use as a separator.

Defining Segments and Segment Values

This setting is mandatory. You must make this setting together with a consultant.

You must plan the segments carefully and assign time for this task in the project plan. Note that:

- You cannot add additional segments later.
- You cannot delete existing segments once G/L accounts exist.
- You cannot change the length and type of a segment later on.



CAUTION

Once you reference a segment value in an account definition, you cannot delete it. However, you can rename the segment values. When you rename a value, the new name is valid only for subsequently-created accounts. Unless you manually rename them, existing accounts retain their original names.



Note

To allow for the growth and change of the business, we recommend that you define additional segments for future use.

If you are loading the chart of accounts through Data Transfer Workbench, make sure you first define the segments and the segment values, including the short name. The short name is added to the account name.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Financials* → *Account Segmentation*.

By default, there are 4 segments in SAP Business One. You can add up to 10 segments.

The first segment must be the natural account. You cannot change this segment.

You must define the size and type for each segment.

2. To add a segment, do one of the following:
 - From the *Data* menu, choose *Add Row*.
 - Right-click the last segment row and choose *Add Row*.
 - Press `Ctrl+I`.



Note

If you selected *US_CoA* as the chart of accounts for your company, you cannot add any new segments.

3. To open the *Segment Codes* window for that segment, double-click a segment row.

The *Code* value is used for the account code. The *Name* value is used for the account description. The *Short Name* value is used for the segment's identification in the account code sequence.

The *Code* value is limited by the value you specified in the *Size* field for this segment. For example, when you classify the *Department* segment according to the number of departments in your company; each department receives a two-digit code.



Recommendation

You should define a default value such as *Not Applicable* for each segment. You can use this value for accounts that do not require segment values on transactions, for example, balance sheet accounts.

Generating Account Combinations

If you use account segmentation, this setting is mandatory.



CAUTION

After you create a combination, you can use it in any journal entry. Once you use a combination in a journal entry, you can no longer delete it.



Note

To control the posting on different combinations, we recommend that you generate only segment combinations that are allowed and valid. Do not generate all possible combinations by default. For example, do not generate this combination if you use the *Cost Center* and *Product* segments. It is not valid to book on a certain cost center in combination with certain products.

Prerequisites

You have defined the segment values and accounts.

Procedure

1. From the SAP Business One *Main Menu*, choose *Financials* → *Account Code Generator*.
2. You can use the *Account Code Generator* to automatically generate valid combinations of different segment values.

Perpetual Inventory

Setting Perpetual Inventory

This setting is optional. You must make this setting together with a consultant.

When you decide to use the perpetual inventory system, those responsible for logistics and accounting must analyze the accounting transactions carried out in the background for each inventory transaction. Special G/L accounts also have to be determined. This influences the settings for warehouses and item groups.

In addition, you need to be aware of the inventory accounting transactions performed automatically by SAP Business One when you integrate external systems that generate any kind of inventory transactions.

For more information, see the document *How to Set Up and Manage Perpetual Inventory System* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.



CAUTION

Before you post any transactions, determine if you are going to use a perpetual inventory system.

Once you select this option and add a document to SAP Business One that creates an automatic inventory posting, you cannot disable the perpetual inventory system.



Note

You can enter zero amount documents for all documents except invoices and credit memos. However, when you use the perpetual inventory system, if no item price for an item is available, SAP Business One does not create an inventory entry. This can lead to discrepancies between the general ledger and the warehouse reports.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. Select the *Use Perpetual Inventory* checkbox.

Choosing Valuation Methods

This setting is mandatory only if you work with a perpetual inventory system. You must make this setting together with a consultant.

You can maintain different inventory valuation methods in the same database. During system initialization, the valuation method you select here serves as a default value only for item groups.

The valuation method of an item group can also be overwritten at the item level. When you create a new item, if not all items of the same item group have the same inventory valuation method, you must change the valuation method. Therefore, we recommend that you set up the item groups in such a way that all items in one group share the same valuation method.

As long as open transactions or quantity exist for an item, you cannot change the valuation method. However, if no open transactions exist and the inventory quantity is zero, you can change it later.

If you upgrade a database from a previous version, you can change the inventory valuation method of existing items only if they have an inventory quantity of zero and no open transactions.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. In the *Default Valuation Method* field, select one of the following:
 - *Standard*
A standard fixed price is defined for the item and used in inventory release and receipt transactions to reflect the inventory value.
 - *Moving Average*
SAP Business One automatically maintains and updates an average item price that is used for all journal entries reflecting your inventory transactions.
 - *FIFO*
Items are added to and removed from inventory at actual costs. Note that SAP Business One removes the oldest entry first.

Managing Item Costs per Warehouse

If you use perpetual inventory, this setting is mandatory. You must make this setting together with a consultant.

This option lets you maintain different item costs for each item and warehouse.



CAUTION

Once inventory transactions have been posted, you cannot deselect this checkbox.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. Select the *Manage Item Cost per Warehouse* checkbox.

Allowing Stock Release Without Item Cost

This setting is mandatory only if you use the valuation methods Moving Average or FIFO. If you use the Standard valuation method, you do not need to set this option. You must make this setting together with a consultant.

This option lets you include items in documents such as deliveries or A/R invoices, even when item cost has not been determined.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. Select the *Allow Stock Release Without Item Cost* checkbox.

Setting Release Stock below Minimum Level

If you use perpetual inventory, this setting is mandatory. You must make this setting together with a consultant.



Recommendation

To prevent negative inventory, you should set this option.

Accounting rules do not allow negative inventory. Therefore, the company should only enter into a negative inventory position knowingly and intentionally.

Negative inventory can result in incorrect inventory valuation, especially when you use Moving Average or FIFO.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Document Settings* → *General* tab.
2. Under *Response to Release of Inventory below the Minimum Level*, select one of the following:

Option Name	User Action and Values
<i>Without Warning</i>	You do not use perpetual inventory and do not keep track of minimum quantity levels.
<i>Warning Only</i>	Alerts the user when quantity level drops below minimum. To display warnings for the specific warehouse used in the transaction, select the <i>Manage Inventory By Warehouse</i> checkbox.
<i>Block Release</i>	Blocks release below minimum level for all users. Select <i>Manage Inventory by Warehouse</i> to block releases for the specific warehouse used in the transaction.
<i>Block Negative Inventory</i>	Prevents negative inventory.

Setting G/L Accounts By

If you use perpetual inventory, this setting is mandatory. You must make this setting together with a consultant.

This determines whether G/L accounts for inventory transactions are determined by warehouse, item group or item.



Note

This is the default setting for each item and can be overwritten. It should be set depending on the most frequent use. You can change the default setting at any time.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Inventory* → *Items* tab.
2. In *Set G/L Accounts By*, select one of the following:
 - *Warehouse*
 - *Item Group*
 - *Item Level*

Adding All Warehouses to New Items Automatically

If you use perpetual inventory, this setting is mandatory. You must make this setting together with a consultant.

You can change this setting at any time.



CAUTION

If you have many items and several warehouses, this option may generate many records in the OITW table. Choose this option only if you really need to have all items available in all warehouses.

When you import items using Data Transfer Workbench, unless it is absolutely necessary to create all combinations of items and warehouses, deselect this checkbox.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Inventory* → *Items* tab.
2. Select the *Auto. Add All Warehouses to New Items* checkbox.

Result

- When you add a new item, SAP Business One automatically assigns it to all warehouses.
- When you add a new warehouse, SAP Business One automatically assigns it to all items.

Credit Balance

Displaying Credit Balance with Negative Sign

This setting is mandatory. You must make this setting together with a consultant.



CAUTION

You cannot change this setting after a transaction has been posted.

This setting influences the entry of beginning balances for G/L accounts and business partners. Depending upon this setting, you must enter the opening balances as positive or negative numbers.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. Select the *Display Credit Balance with Negative Sign* checkbox.

If this checkbox is deselected, debit balances are displayed with a negative sign.

Reverse Transactions

Using Negative Amount for a Reverse Transaction

This setting is mandatory for certain countries. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Basic Initialization* tab.
2. Select the *Use Negative Amount for Reverse Transaction* checkbox.



Note

You can change this setting at any time.

Result

SAP Business One posts the journal entry of the reversal with negative amounts. This applies to credit memos, payment cancellations, and journal entry cancellations.

If you deselect the *Use Negative Amount for Reverse Transaction* checkbox, the journal entry of the reversal is posted using a debit/credit switch.

Document Settings

Configuring Document Settings

You should discuss with a consultant those default values that depend upon localization.

Changes to these settings influence future documents only and do not change past documents.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Document Settings* → *General* tab.
2. Specify the following data:



Note

For more information, see the online help for SAP Business One. The following information supplements the information contained in the online help.

Field	User Action and Values	Comments
<i>Calculate Gross Profit</i>	<p>Automatically calculates the gross profit per transaction.</p> <p>If you select this checkbox, the gross profit function is activated in both the menu and the toolbar.</p>	<p>See the section <i>Gross Profit Concept in SAP Business One</i> below.</p>

Field	User Action and Values	Comments
<p><i>Base Price Origin</i></p>	<p>You must understand the business processes of your company and consider the timing of each step in the process before selecting a value for this field. For example, if the chosen price is not available at the time of selling, SAP Business One calculates the gross profit incorrectly. Even if this happens only periodically, it influences future reporting on gross profit totals and averages.</p> <p>If the item prices are always available, the most accurate option to use is <i>Last Purchase Price</i>. If not, we recommend that you use a price list instead. You can also use a combination of last purchase price and a price list by creating a price list based on the last purchase price and adding prices for some items manually.</p> <p>Select one of the following:</p> <ul style="list-style-type: none"> • <i>Price List</i> • <i>Last Purchase Price</i> <p>If you use <i>Last Purchase Price</i> as the price origin, you must be careful concerning the timing in the business process since the last purchase price is not updated by every transaction. For example, it is updated only at the time of the A/P invoice, when the goods receipt PO is saved.</p> <ul style="list-style-type: none"> • <i>Last Evaluated Price</i> <p>If you use <i>Last Evaluated Price</i> as the item price for calculating gross profit, SAP Business One takes the value from the last run of the inventory valuation report. This means you must update this information by running the inventory valuation report regularly before the gross profit numbers can be shown correctly.</p> <ul style="list-style-type: none"> • <i>Item Cost</i> <p>Calculates the gross profit based on the item cost in the relevant warehouse.</p>	<p>SAP Business One recalculates the item cost for gross profit calculations only until an inventory transaction for the item has been posted; for example, when the goods are delivered using a delivery document.</p> <p> CAUTION</p> <ul style="list-style-type: none"> • The gross profit calculation is not retroactive. The calculation starts from the time you switch it on. • Since the average gross profit is calculated in some reports for all transactions in SAP Business One, the calculation can only be correct if the settings remain the same. Therefore, once transactions exist, do not change the calculation options. • Once you add an A/R invoice or delivery, you cannot update the gross profit values in this document. In a sales order, you can update gross profit values only as long as the sales order is open.

Field	User Action and Values	Comments
<i>Calculate % Gross Profit as:</i>	Determines how the gross profit is calculated - based on either the sales price or the base price.	 Example Price purchased at \$25 Price sold at \$50 Profit/Sales Price; result = 50% profit Profit/Base Price; result = 100% profit
<i>Document Remarks Include:</i>	Some of the sales and purchasing documents can be based on previous documents (for example, a sales order can be based on a sales quotation, a delivery can be based on a sales order). As a result, you need to specify whether to display the internal document number or the customer/vendor reference number in the <i>Remarks</i> field.	If you choose to display the customer/vendor reference number, but no such number exists in the base document, the <i>Remarks</i> field remains blank in any document that is created with reference to the base document.
<i>For a Sales BOM in Documents, Display:</i>	Determines the display of data in a sales document that refers to a product that constitutes a sales bill of materials. When you sell a sales BOM, the sales bill of materials and its child items are displayed in the sales document. Select whether to display the price and total for the parent only, or for the child items.	
<i>Response to Release of Inventory below the Minimum Level:</i>	Determines whether to allow or block inventory transactions below the minimum level. If they are allowed, you can decide whether SAP Business One displays a warning. You can also decide whether you want SAP Business One to check the minimum stock for each warehouse or for all warehouses.	
<i>Block Negative Inventory</i>	Prevents negative inventory.	 CAUTION Negative inventory subsequently can result in wrong inventory valuation, especially when you use the moving average price or the FIFO valuation methods.

Field	User Action and Values	Comments
<i>Rounding Method</i>	<p><i>By Document</i> - rounds the document total to the absolute value. In this case:</p> <ul style="list-style-type: none"> You need to specify for which documents the document total should be rounded to the absolute value under the settings for each document (<i>Document Settings</i> → <i>Per Document</i> tab). SAP Business One automatically adds a comment in the <i>Remarks</i> field. <p>To avoid this message, deselect the <i>Display Rounding Remark</i> checkbox in the same window.</p> <p><i>By Currency</i> - rounds the document according to currency. You need to specify the rounding method for each currency in the <i>Currencies - Setup</i> window. This applies to all document types created for the currency.</p>	
<i>Exchange Rate Base Date (A/P Documents)</i>	<p>Choose the base date for the calculation of the exchange rate.</p> <p>Possible values are <i>Posting Date</i> or <i>Document Date</i>.</p>	This parameter is applicable only for purchasing documents.
<i>Display Rounding Remark</i>	Displays a remark concerning automatic rounding when generating a document.	This option is valid only when you define the rounding method as <i>by Document</i> .
<i>Use Warehouse Address</i>	Determines the ship-to address in purchasing documents. Select this checkbox to use the default ship-to address from the warehouse address. Otherwise, SAP Business One uses the ship-to address from the company address.	

Field	User Action and Values	Comments
<p><i>Manage Freight in Documents</i></p>	<p>Lets you define freight types that can be used as freight on document header and row level, for example, customs, insurance, shipping, and so on.</p> <p>To define freight types, choose <i>Administration</i> → <i>Setup</i> → <i>General</i> → <i>Freight</i>.</p> <p>To copy freight from base documents to target documents, specify the <i>Base Method</i> value in this window. The base method determines if freight is copied and how row freight is split when you copy only a partial quantity of the row. You can also change the base method in the wizard during copying. After the base document has been copied to the target document, you can still overwrite freight amounts manually, but the base method would no longer have any meaning for this target document.</p> <p><i>Stock</i> checkbox</p> <p>Includes freight amounts in the item price calculation of the item. This includes average price calculation, inventory value postings, price recorded in the OINM table and the inventory valuation report.</p>	<p> Note</p> <ul style="list-style-type: none"> In a document, you can overwrite the distribution method, fixed amounts, the <i>Last Purchase Price</i> checkbox and the <i>Stock</i> checkbox. The journal entry splits freight into separate journal entry rows by expense accounts. If freight is defined as stock-relevant, you have to define an expense and inventory account and an expense clearing account. <p> CAUTION</p> <ul style="list-style-type: none"> You can remove freight definitions only as long as they are not used in any document. The <i>Base Method</i> option of freight defined as stock-relevant should be <i>Quantity</i>.
<p><i>Block documents with earlier Posting Date</i></p>	<p>Prevents the addition of a document with an earlier posting date than an existing document of the same type. This option applies to invoices, credit memos, deposits, and payments.</p>	<p> CAUTION</p> <p>This option may be mandatory in some countries to implement rules for document sequences.</p>
<p><i>Allow Future Posting Date</i></p>	<p>Enables you to create documents with future posting dates. Companies can create documents with future posting dates at the company level and then decide whether to apply this option to all the documents or only to those selected.</p>	

3. In the *Document Settings* window, select the *Per Document* tab and complete the required settings for each document selected in the *Document* field:



Note

For information about the fields on the *Per Document* tab, see the online help for SAP Business One. The following information supplements the information contained in the online help.

Document	Field	User Action and Values
Sales Quotation	<i>Include Tax in Quotation</i>	Displays taxes in sales quotations.
	<i>Allow Copying Closed Quotations to Target Doc.</i>	Allows the use of the same sales quotation repeatedly for many target documents. If you select this option, the quotation can be closed but is available for copying even if it was fully copied to a sales order.
Sales Order	<i>Default Days for Order Cancellation</i>	Specify the number of days you would like to add to the <i>Delivery Date</i> field in the sales order header to determine the default cancellation date for the order. You cannot pick sales orders through the pick and pack manager after the cancellation date has expired. This value can be updated any time.
	<i>Allow Changes to Existing Orders</i>	Enables updates to orders that you have already added. For example, you have created an order with 20 items for a customer. Three days later, the order has not been processed and the customer wants to decrease the number to 10 items. If the checkbox is selected, you can make changes to the sales order. If not, you have to create a new order and cancel the old one. <div style="text-align: center;">  CAUTION It is not possible to change this setting after the creation of sales orders. </div>
	<i>Activate Automatic Availability Check</i>	Automatically checks the available quantities of items included in a sales order before you add it. If the available quantity is less than the quantity in the sales order, a window opens offering alternative solutions.
	<i>Sales Order Approved</i>	All sales orders are automatically created as <i>Approved</i> . Only approved sales orders appear in the <i>Open</i> drawer in the <i>Pick and Pack Manager</i> window and are available for delivery.

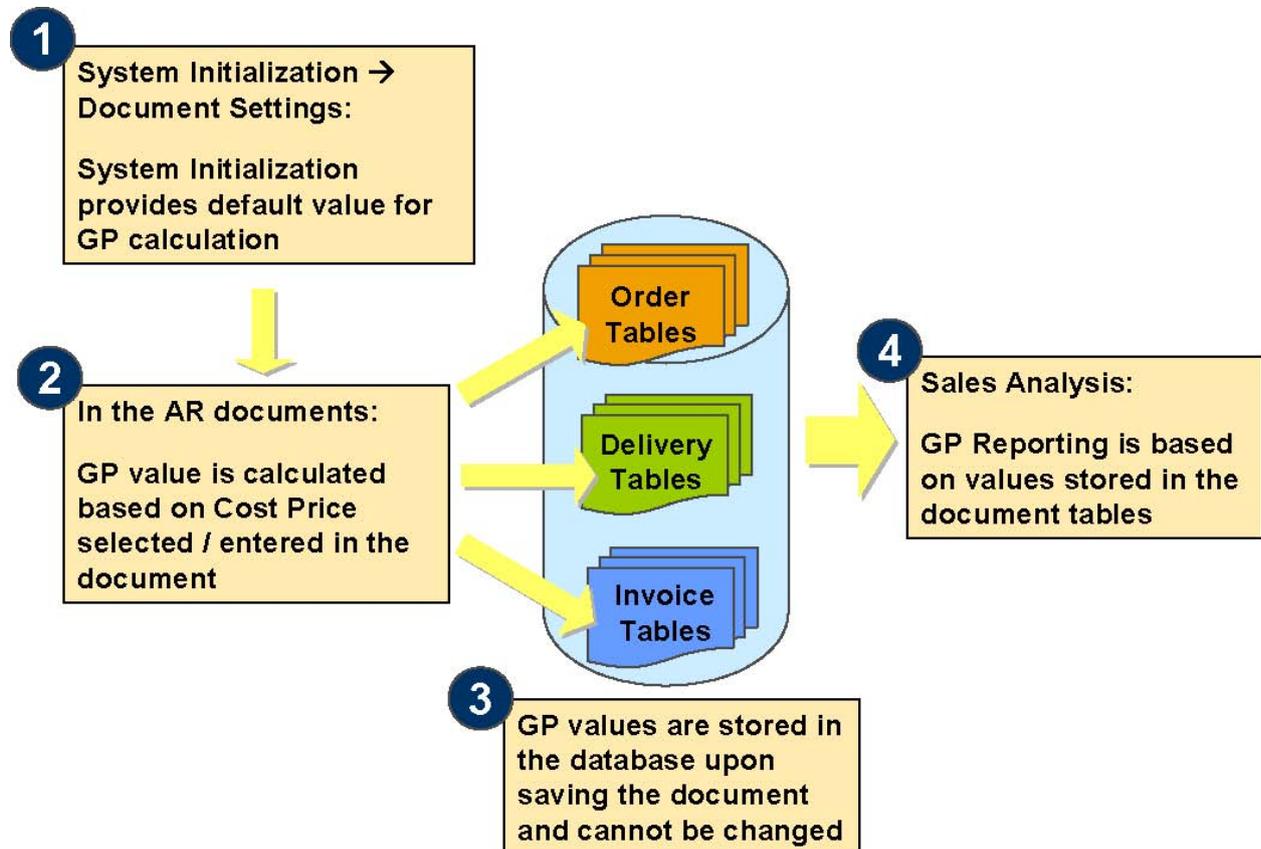
Document	Field	User Action and Values
<i>Purchase Order</i>	<i>Split Purchase Order</i>	<p>Mark all purchase orders to be split as a default. You can change this within each document. In this case, a separate purchase order is created for each warehouse defined in the original purchase order; the original purchase order is closed after you add it to SAP Business One.</p> <p> Note</p> <p>Make sure you deselect this option before importing purchase orders through Data Transfer Workbench.</p>
	<i>Purchase Order Approved</i>	Enables copying of purchase orders to target documents.
<i>Incoming Payment</i>	<i>Split BP/Account in Journal Entry</i>	<p>Selected - posts the total payment amount to the business partner as one sum.</p> <p>Deselected - splits the total payment amount, showing different payments.</p> <p> Example</p> <p>If one payment includes several payment methods, the offsetting entry is split by payment method. You may wish to show a separate row for each payment method in the business partner balance as well.</p>
	<i>Maximum No. of Documents in Payment</i>	Specify the maximum number of documents to allow for inclusion in each incoming payment.
	<i>Split Credit Voucher</i>	Allows multiple credit card payments. In this case, the credit card voucher is split into separate vouchers according to the number of payments. When you deposit the voucher, each payment appears separately.
	<i>Display All Transactions by Default</i>	Displays in the incoming payment window all relevant transactions, including invoices, credit memos, and manual journal entries.
	<i>Under/Overpayment Amt Allowed</i>	Enter the maximum amount for which underpayment or overpayment is allowed.
	<i>Deposit</i>	<i>Split BP/Account in Journal Entry</i>

Document	Field	User Action and Values
<i>Outgoing Payment</i>	<i>Split BP/Account in Journal Entry</i>	<p>Selected - posts the total payment amount to the business partner as one sum.</p> <p>Deselected - splits the total payment amount, showing different payments.</p> <p> Example</p> <p>If one payment includes several payment methods, the offsetting entry is split by payment method. You may wish to show a separate row for each payment method in the business partner balance as well.</p>
	<i>Maximum No. of Documents in Payment</i>	Specify the maximum number of documents to allow for inclusion in each incoming payment.
	<i>Split Credit Voucher</i>	Allows multiple credit card payments. In this case, the credit card voucher is split into separate vouchers according to the number of payments. When you deposit the voucher, each payment appears separately.
	<i>Display All Transactions by Default</i>	Displays in the incoming payment window all relevant transactions, including invoices, credit memos, and manual journal entries.
<i>Postdated Deposit</i>	<i>Split BP/Account in Journal Entry:</i> <i>In Postdated Checks Deposit</i> <i>In Postdated Credit Voucher Deposit</i>	Select the required types of deposit to determine how the bank rows in the journal entry are delivered by the bank. Usually, it is done without a split.
<i>Journal Entry</i>	<i>Block Unbalanced FC Journal Entry</i>	<p>Prevents the creation of an unbalanced transaction in a foreign currency.</p> <p> CAUTION</p> <p>This option and the following journal entry options should be selected. In certain exceptional circumstances the company accountant may deselect one of these checkboxes. Deselecting these checkboxes can lead to an unbalanced balance sheet.</p>
<i>Journal Entry</i>	<i>Block Multi Currency Journal Entry</i>	Blocks any transaction with multiple currencies.
	<i>Block Editing of Totals in System Currency</i>	Blocks a manual entry of debit/credit amounts in the system currency columns.

Document	Field	User Action and Values
	<i>Block Posting Date Editing per Row</i>	Blocks entering different posting dates in individual journal entry rows.
	<i>Block Updating of Doc. Date After Posting per Row</i>	Blocks the update of the document date after you have updated the posting date per row.
	<i>Use Automatic Tax</i>	Performs an automatic tax calculation according to the default tax group defined for each G/L account.
<i>Production Order</i>	<i>Use for Components Transactions</i>	<p>Do one of the following:</p> <ul style="list-style-type: none"> • Select <i>Component WIP Accounts</i> to use the component's WIP accounts, as defined in the item master data, as the WIP accounts for the journal entries of the component's transaction between inventory and production. • Select <i>Parent WIP Accounts</i> to use the parent's WIP accounts, as defined in the item master data, as the WIP accounts for the journal entries of the component's transaction between inventory and production. The parent item is defined in the bill of materials that was selected in the production order. <p> Note WIP accounts include both WIP and WIP variance accounts.</p>

Gross Profit Concept in SAP Business One

SAP Business One supports gross profit calculations for item and service documents.



General Ledger

Determining G/L Accounts

These settings are mandatory, although SAP Business One does provide certain default values, depending upon the localization and the selected chart of accounts. After explaining accounting entries and G/L account determination, your company's accountant should be responsible for these settings.

Account determination must be carefully chosen from the start.



Note

For more information, see the online help for SAP Business One.

Prerequisites

You have defined the chart of accounts.

Procedure

From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Financials* → *G/L Account Determination*. Proceed as follows:

- Define accounts for *Domestic/Foreign Accounts Receivable/Payable* as control accounts; otherwise you cannot assign them here (select the *Control Account* checkbox in the *Chart of Accounts* window).
- Use additional control accounts for doubtful debts and for fixed assets items. These accounts must also be marked as control accounts; otherwise you cannot assign them here.



Note

Do not define items as *Fixed Assets* if you do not want to use the booking of vendor asset invoices on different control accounts.

- If you select the *Permit Changing Control Accounts* checkbox, you can overwrite the *Accounts Receivable/Payable* account in the business partner master data. However, this is only possible if the business partner has a zero balance.
- For your cash-on-hand account, in the *Chart of Accounts* window, select the *Cash Account* checkbox.
- If you have one-time customers and you want to use the invoice + payment functionality, you must select a default customer code for A/R invoice and payment; otherwise, you cannot use the *Invoice + Payment* document. The customer code should be out of the range of regular customer codes.



Note

If you use a query to generate business partner codes, you must exclude this code from the query.

- The accounts on the *Inventory* tab are relevant only if *Default Valuation Method* is selected in the *Company Details* window. These accounts are used as defaults when you define new items, warehouses, and item groups.
- Your company's accountant should perform this task after receiving an explanation of the various settings.

- You can change G/L account assignments later. These assignments influence only future documents and do not change documents created in the past.
- Changing these accounts after transactions have been made can result in differences during reconciliation at month/year-end closing. You can change accounts relevant for perpetual inventory only if there are no open transactions pending for these accounts.
- You must complete the G/L account determination before you start entering or importing master data or transactions.

Print Preferences

Setting Print Preferences

These settings are optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Print Preferences* → *General* tab.
2. Make the required selections.



Note

For more information, see the online help for SAP Business One.

Transaction Codes

Defining Transaction Codes

This setting is optional. Transaction codes help you find and identify specific journal entries, for example, separate codes for adjustments, accruals, and so on.



Note

You can change the description but cannot remove or change the code. Updates to the description appear in future journal entries only.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Financials* → *Transaction Codes*.
2. Enter the codes and their descriptions.

Tax

Defining Company Tax Details

These settings are mandatory. You can change these settings at any time.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Company Details* → *Accounting Data* tab.
2. Enter the company tax details.

Defining Tax Codes

This setting is mandatory.

Tax codes must be defined according to the local requirements for each state.

Prerequisites

You have defined the chart of accounts.

Procedure



Note

For information, see the online help for SAP Business One.

Payments

Defining Payment Terms

This setting is mandatory.

Since you may not have yet defined any items or price lists in SAP Business One, we recommend that you at least define the names of the price lists initially and assign them to the payment terms when you are defining the payment terms,. You can define the prices in the price lists at a later stage.



CAUTION

The definition of the payment terms includes default values for other functionalities such as credit limit and price lists. We recommend creating separate payment terms for sales and purchasing documents. This means that if you need to change the payment terms, only the appropriate business partners are updated.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Payment Terms*.

2. To define the baseline date, select an option for the *Due Date Based on* field.

The baseline date is used as the basis for the calculation of the due date. Options include *Posting Date*, *System Date*, *Document Date* or *Closing Date*.

3. In the *Start From* field, specify whether the due date calculation should always start from the month end, the month start, or the middle of the month.

If you do not select a value, the due date calculation always starts from the baseline date.

For an example, see *Payment Terms Definitions*.

When the customer needs to specify fixed payment dates on the business partner level, use the optional *Tolerance Days* field. In this case, the due date is always calculated to the next fixed payment date based on the payment terms. For tolerance days, you can specify how many days are subtracted when calculating the due dates for those fixed payment dates.

4. To define payment terms for a payment in several installments, from the *No. of Installments* field, open the *Installments* window. Specify the number of payments and the percentage to be paid in each installment.

The definitions in the *Payment Terms - Setup* window serve as defaults for each invoice linked to these payment terms. Alternatively, the terms can be defined individually in the *A/R Invoice* window.

For an example, see *Payment Terms Definitions with Installments*.

5. In the *Open Incoming Payment* field define the payment means to be opened automatically when creating an invoice linked to these payment terms. This forces the user to create a payment with the invoice.
6. To define payment terms with a cash discount, define a new *Cash Discount Name* and assign it to the payment terms. You can define whether or not to include expenses, for example, freight or sales tax in the discount calculation.

7. In the *Price List* field, assign a default price list for customers and vendors.



Note

You can change all data in the payment terms. You can remove it only if it is not assigned to any documents or business partners.

If you update existing payment terms, you are prompted whether to update all linked business partners. If you confirm this, the parameters defined in the payment terms are updated in the *Business Partner Master Data* window.

Examples

Payment Terms Definitions

Term	Invoice Date	Payment Due Date	Start From	+ Months	+ Days
<i>Immediate</i>	April 13	April 13		0	0
<i>30 days net</i>	April 13	May 13			30
<i>At the end of current month</i>	April 13	April 30	Month End	0	0
<i>At the end of next month</i>	April 13	May 30	Month End	1	0
<i>On the 15th of the month after next month</i>	April 13	June 15	Month Start	1	14

Payment Terms Definitions with Installments

	Installment 1	Installment 2	Installment 3
Invoice Date	Due Date (30 days)	Due Date (60 days)	Due Date (90 days)
April 13, 2009	May 13, 2009	June 13, 2009	July 13, 2009
Month end	May 31, 2009	June 30, 2009	July 31, 2009
Half month	May 15, 2009	June 15, 2009	July 15, 2009
Month start	June 1, 2009	July 1, 2009	August 1, 2009

Setting Payment Term Defaults

This setting is mandatory. You must make this setting together with a consultant.

Prerequisites

You have defined payment terms.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *BP* tab.
2. Specify the default customer and vendor payment terms.

Defining Banks and Bank Account Details

This setting is mandatory. House banks must be defined before you can assign the bank branches and accounts.

You define business partner bank accounts directly from the *Business Partner Master Data* window.



CAUTION

A bank name can contain up to 32 characters. You must consider printing requirements when entering the bank names.

Procedure

To define banks:

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Banking* → *Banks*. Define all the banks with which you work.
2. To define house bank accounts, from the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Banking* → *House Bank Accounts*.
3. Assign a G/L account.
The G/L account defined here is used in the journal entry of the payments.
4. Return to the *Banks - Setup* window and assign account numbers to your banks.

Setting-Up Automatic Payment

This setting is mandatory if you are using automatic payments. You must make this setting together with a consultant.

Automatic payment is used for bulk incoming and outgoing check processing and bank transfers.

If you are processing payments through electronic file transfer (single or several payments), the bank file is created through the SAP Payment Engine add-on. You need to install the payment engine before you can setup your payment methods for electronic bank transfer.

You can process manual payments without configuring the payment methods.

Prerequisites

You have defined internal house bank accounts for defining payment methods.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Banking* → *Payment Methods*.
2. Define at least one payment method for each type of payment (incoming/outgoing). For outgoing payments, different payment methods have to be defined for check payment or bank transfer payment. Since the internal bank account is assigned to the payment method, you need to define additional payment methods for each internal bank account to be used in automatic payments.
3. For check payments, specify how to determine the due date of the check. You can choose from among these 3 options: *Date of Payment Run*, *Due Date of Invoice*, and *Payment Terms*.
4. Assign a file format to every bank transfer payment method.
5. Assign the validation checks to the payment method.
6. For check payments, select *Check Address* to validate the address of the business partner.
7. For bank transfer files, select the *Check Bank Details* checkbox to validate the bank information of the business partner.

8. For direct debit, select the *Check Collection Authorization* checkbox.
9. Select one of the following:
 - *Group Invoices by Pay To address* to group payments by pay-to address (for checks only)
 - *Group Invoices by Pay To bank* (for bank transfer files only).

**Note**

It may prove useful for the name of the payment method to indicate the payment type, means, and bank account, especially when you have several payment methods.

You must assign the payment method to one or several business partners, and also to the *Payment Run Defaults*, to be selected in a payment run.

Setting Payment Run Defaults

This setting is mandatory if you are using automatic payments.

Prerequisites

You have defined payment methods.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Banking* → *Payment Run Defaults*.
2. Assign the payment methods to the payment run defaults.

Only payment methods assigned to the payment run defaults can be used in a payment run.

**Note**

It might be useful to set the payment run defaults differently for different users, (depending on their tasks, for example, incoming or outgoing payments). You may also consider restricting authorization on payment run default settings.

Defining Payment Blocks

This setting is optional.

The payment block descriptions appear as options in the *Payment Block* field on the *Business Partner Master Data* window, *Payment System* tab.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Payment Blocks*.
2. Specify the reasons for the payment block.

Defining Credit Cards

This setting is mandatory if you are using credit card payments.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Banking* → *Credit Cards*.
2. Define the required credit cards.

3. Assign a G/L account that serves as a clearing account. This account is debited in the incoming payment posting and credited in the deposit posting.
4. The company ID and telephone number appear in the *Payment Means* window. These details are required when requesting approval from the credit card company.

**Note**

You can change all the credit card data but you cannot remove it.

Defining Credit Card Payment Rules

This setting is mandatory if you are using credit card payments.

You can change all data except the code. However, you cannot remove a rule once it has been used within a payment method.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Banking* → *Credit Card Payment*.
2. The credit card payment determines the due date of the credit card voucher, based on the incoming payment creation date. Select one of the following options:
 - *Payment After*
Define the number of months and days, upon which SAP Business One calculates the credit card due date; in other words, how long it takes for the credit card company to wire the money to your company after the payment is made.
 - *Voucher Date of Receipt*
Define the range of dates of the payments, and for each range, how long until the company receives the money. For example, if a payment is made between the 1st and the 15th of the month, the money is received on the second day of the following month. If the payment is made between the 16th and the 31st of the month, the money is received on the 10th of the following month.

**Note**

Most companies utilize the *Payment After* option, whereby the money is received a few days after the incoming payment is posted.

Defining Credit Card Payment Methods

This setting is mandatory if you are using credit card payments. You must make this setting together with a consultant.

You can change all the data in a payment method but you cannot remove it.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Banking* → *Credit Card Payment Methods*.
The *Credit Card Payment Methods – Setup* window opens.
2. Specify the details for the payment method:

Field	User Action and Values
<i>Name</i>	Enter a name that helps you identify the settings of this payment method, for example, the type of credit cards and date of the money receipt.

Field	User Action and Values
<i>Card</i>	Choose the credit card that is relevant for this payment method.
<i>Payment Code</i>	Choose the payment code defined in the previous setting.
<i>Min. Credit Voucher</i>	Enter the minimum amount for which the company accepts credit cards.
<i>Min. Payment</i>	Enter the minimum amount for which multiple credit card payments are acceptable.
<i>Without Approval</i>	Enter the maximum amount for which no approval is required from the credit card company.
<i>Payments</i>	Indicate whether multiple credit card payments are acceptable using this payment method. SAP Business One alerts you if there is deviation from the minimum amount defined in the linked payment method.

Defining Credit Card Services

The service settings determine actions that occur automatically at the start of a session when you are working with credit cards.

These settings are optional. You must make these settings together with a consultant. You can change them at any time.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Services* tab.
2. If required, select *Open Window for Credit Voucher Ref. Update* and enter the planning interval, in days, for the due date of the voucher.
3. If required, from the *Open Postdated Credit Vouchers Window* dropdown list, choose *Always* or *By Date*.

Defining Doubtful Debts

This setting is optional.

Prerequisites

To be able to post the doubtful debts apart from the *Customer Receivables Aging* report, you need to define a separate control account in G/L account determination for doubtful debts.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Financials* → *Doubtful Debts*.
The *Doubtful Debts – Setup* window opens.
2. Enter the number of days and percentages for the doubtful debts.



Note

You can change or delete this definition at any time.

Inventory and Items

Defining Item Groups

This setting is optional.

Prerequisites

You have defined a chart of accounts.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Item Groups*.
The *Item Groups – Setup* window opens.
2. Define the required item groups.
3. Assign the default inventory valuation method for all items in this item group.



CAUTION

We recommend that you create the item groups so that all items belonging to the same item group share the same inventory valuation method. Otherwise, you may forget to change the valuation method when creating items.

4. Define the G/L accounts for the perpetual inventory journal entries.
When you create a new group, the G/L accounts are populated automatically with default values from the G/L account determination. Every account defined in an item group can be overwritten on the item level if necessary.
5. Define the MRP parameters. These are default values that can be overwritten on the item level.



CAUTION

You can change the group name but you cannot remove it after the item group has been assigned in an item master record.

You can change the G/L account in an item group only if the account has no open transactions pending. Otherwise, there are reconciliation differences on these accounts during period-end closing.

Defining Item Properties

This setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Item Properties*.
The *Item Properties – Setup* window opens.
2. Define any item properties, as needed, by overwriting the predefined default property name.
You can define up to 64 properties.

Defining Warehouses

This setting is mandatory if you are using any of the logistics functionality.

Prerequisites

You have defined a chart of accounts and G/L account determination.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Warehouses*.
The *Warehouses – Setup* window opens.
2. Define all the warehouses you work with.
3. If the customer is using drop shipments, create at least one warehouse as a drop-ship warehouse by selecting the *Drop Ship* checkbox. No inventory transactions or accounting transactions are created for such a warehouse. Drop-ship warehouses are excluded from the MRP run.
4. To include a warehouse in the MRP, mark it as *Nettable*.
5. Assign the warehouse address.

You can define and assign additional warehouse locations used for reporting independently of the warehouse address. These locations can group several warehouses into one location.

6. Define the G/L accounts for perpetual inventory journal entries. Upon creation of a new warehouse, the G/L accounts are populated automatically with default values from the G/L account determination.



Note

Every account defined in a warehouse can be overwritten at the item group and item levels.



CAUTION

You can change all the data except the code. You cannot remove a warehouse.

We recommend that you do not create warehouses in order to represent bin locations since this usually results in too many warehouses.

The G/L accounts should be changed only if they have no open transactions pending. Otherwise, reconciliation differences may occur in these accounts during period-end closing.

Defining Length, Width, and Weight Measures

These settings are optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Length and Width UoM*.
The *Length and Width UoM – Setup* window opens.
2. Define all required measures.
3. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Weight UoM*.
The *Weight UoM – Setup* window opens.

4. Define all required measures.

**CAUTION**

You can change all the data except the code. You cannot remove a length/weight measure code once it is referenced in any master data record.

Defining Length and Weight Display Defaults

This setting is optional. You must make this setting together with a consultant.

This setting can be changed at any time.

Prerequisites

You have defined the length and weight UoMs.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Display* tab.
2. Define the default display for length and weight measures.

Defining Customs Groups

This setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Customs Groups*.

The *Customs Groups – Setup* window opens.

2. Define all required customs groups.

The values entered are percentages. For 10%, enter the number 10. There are three percentages available that are summed up into a total using a predefined formula.

**Note**

As a prerequisite to distributing the customs among the items in the Landed Costs document, link the items to the appropriate groups when defining the items.

You can change but not remove the data.

Defining Manufacturers

This setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Manufacturers*.

The *Manufacturers – Setup* window opens.

2. Define all required manufacturers.



CAUTION

Changing a manufacturer's name has an impact on the history of all items.



Note

You cannot remove a manufacturer.

Defining Shipping Types

This setting is optional.

The shipping type is linked to the item master data and the business partner master data and populates marketing documents by default.

You can change the shipping type name but you cannot remove it.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Shipping Types*.

The *Shipping Types – Setup* window opens.

2. Define the required shipping types.



Example

Shipping types can include entries such as UPS, FedEx, and Sea.



CAUTION

Changing a shipping type name has an impact on the history of all documents.

Defining Landed Costs

This setting is optional. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Purchasing* → *Landed Costs*.
2. Define the specific types of landed costs to be used in the *Landed Costs* document.

Through the *Allocation By* setting, you can determine how these costs are distributed to the different items. For example, insurance costs should be distributed by cash value since insurance tends to raise the cost of an item, while air freight costs should be distributed by weight.



Note

Since the values for weight and volume have to be maintained for each item, there is a trade-off between the accuracy of the cost allocation and the maintenance of the item master data. This should be discussed during implementation.



CAUTION

Changing the name of a cost type has an impact on the history of all documents. Changing the code or removing a definition is not possible.

Changing the allocation default value is valid only for landed costs documents entered after the change was made.

Defining Package Types

This setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Package Types*.

The *Package Types - Setup* window opens.

2. Define different types of packages for shipment. These are assigned in a delivery to document how the goods are distributed to different packages.

Defining Batch and Serial Numbers

These settings are optional and must be made with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Inventory* tab.
2. On the *Items* subtab, specify data as follows:

Field	User Action and Values	Comments
<i>Management Method</i>	<p>Select one of the following:</p> <ul style="list-style-type: none"> • <i>On Every Transaction</i> You are required to assign a serial/batch number on inventory entry and inventory release transactions. • <i>On Release Only</i> You are required to assign a serial/batch number on inventory release transactions only. Other transactions are not mandatory. 	
<i>Automatic Serial Number Creation on Receipt</i>	<p>This is activated if you choose the management method <i>On Release Only</i>. Automatically assigns a system-generated serial number upon inventory receipt. You cannot assign numbers manually upon inventory receipt.</p> <p>If this checkbox is deselected, SAP Business One creates the number automatically, but you can also assign a number manually. This is used when the final serial number is known only at a later stage. You can update the serial number after receipt using the <i>Serial Number Management</i> window.</p>	<p> Note You can change the above settings at the item level.</p> <p> CAUTION If you set the management method to <i>On Release Only</i> but select <i>Automatic Serial Number Creation on Receipt</i>, SAP Business One allows you to release an item without assigning a unique serial number.</p>
<i>Unique Serial Numbers by</i>	<p>Prevents you from entering two identical serial numbers.</p> <p>To determine which type of serial number is unique, select one of the following:</p> <ul style="list-style-type: none"> • <i>None</i> The unique serial numbers function is not activated. • <i>Mfr. Serial No.</i> • <i>Serial Number</i> • <i>Lot Number</i> 	

Field	User Action and Values	Comments
<i>Auto. Create Customer Equipment Card</i>	<p>This checkbox is activated if one of the numbers has been set as unique in the previous field.</p> <p>Creates a customer equipment card automatically when you create a sales document for a specific serial number in the Service module.</p>	
<i>Basic Setting for Batch Status</i>	<p>Select the default status of new batches:</p> <ul style="list-style-type: none"> • <i>Released</i> Enables full work with a batch. • <i>Not Accessible</i> Designed for batches found in the middle of a production process or quality check. Therefore, a batch cannot be released in sales documents or A/P credit memos, but can be released in documents such as inventory transfers. This status is used mainly for generating reports to distinguish between locked and inaccessible batches. • <i>Locked</i> Enables you to work with the batch in inventory documents only (for example, inventory transfers and goods issues). 	



Note

You can change these settings later. You can change the status upon creation of a batch.

Defining Inventory Cycles

This setting is mandatory only if you use cycle counting. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Inventory Cycles*.

The *Inventory Cycles – Setup* window opens.

2. Define inventory cycle counting frequencies.



Note

You can remove existing inventory cycles only if they are not assigned to any item group or item master data.

Assigning Inventory Cycles

This setting is mandatory only if you use cycle counting.

Prerequisites

You have defined inventory cycles.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Item Groups* → *General* tab.
2. Optionally, assign an inventory cycle group to an item group.
This cycle automatically becomes the default for each item of the item group. This setting can be overwritten at the item level.
3. For automatic notification, select the *Alert* checkbox.

Result

This automatically creates an alert once the counting is due. This setting can be overwritten at the item level.

Setting Item Availability Check

The availability check is enabled only in sales orders. If this setting is selected, SAP Business One performs the availability check automatically upon entering a quantity in a sales order. If this setting is deselected, the availability check is still possible, but you must initiate it manually, for example, using the right-click mouse function.

This setting is optional. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Document Settings* → *Per Document* tab → *Sales Order*.
2. Select the *Activate Automatic Availability Check* checkbox.

MRP

To use the Material Requirements Planning (MRP) module, you need to configure the relevant settings, as described below. Those settings are optional.

For more information, see the document *How to Configure and Use MRP* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Setting Consume Forecasts

This setting is optional. You must make this setting together with a consultant.



Note

You can change these settings at any time. Changes are relevant for future MRP runs only.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Inventory* tab.

2. On the *Planning* subtab, select *Consume Forecast*.

The MRP run consumes the forecast together with actual sales orders.

If you do not select *Consume Forecast*, the MRP run adds the sales orders to the sales forecast.

This setting serves as a default for all sales order rows. You can change it at any time.

3. To specify how the forecast should be consumed, in the *Consumption Method* field, select the required method and enter the days forward and backward.

To include a warehouse for consideration in an MRP run, define it as *Nettable*. SAP Business One automatically defines drop-ship warehouses as *Not Nettable*.

This setting is optional.



Note

You can change these settings at any time. Changes are relevant for future MRP runs only.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Warehouses*.

2. Locate the required warehouse.

3. On the *General* tab, select the *Nettable* checkbox.

Defining MRP Defaults for Item Groups

Use this procedure to define the planning method for the item group.

These definitions are the default for new items added to the group, but you can also change them at the item level.

This setting is optional.



Note

You can change these settings at any time. Changes are relevant for future MRP runs only.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Inventory* → *Item Groups* → *General* tab.
2. In the *Planning Method* field, to include the item group in the MRP run, select *MRP*; or to exclude the item group, select *None*.
3. In the *Procurement Method* field select *Make* or *Buy*.
According to this definition, the MRP run recommends purchasing or producing the missing item.
4. Select the *Order Interval* value that represents the time interval between one order and another for the MRP requirements calculations.
5. In the *Order Multiple* field, enter the lot size for production or purchase.
6. Specify the minimum quantity for ordering items by the MRP.
7. In *Lead Time* field, enter number of days to receive/produce the item. If purchasing, enter the time required to receive the item from the vendor; if producing, enter the time required to produce the parent item.

Business Partners

Defining Customer Groups

Use customer groups for selection and evaluation in reports.

This setting is optional.



Note

You can assign each customer to only one customer group. You can change the customer group name, but you cannot remove it.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Customer Groups*.
The *Customer Groups – Setup* window opens.
2. Define the customer groups.

Defining Vendor Groups

You use vendor groups for selection and evaluation in reports.

This setting is optional.



Note

You can assign each vendor to one vendor group only. You can change the vendor group name, but not remove it.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Vendor Groups*.
The *Vendor Groups – Setup* window opens.
2. Define the vendor groups.

Defining Business Partner Properties

This setting is optional.



Note

You can link each business partner to some or all business partner properties.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Business Partner Properties*.
The *Business Partner Properties – Setup* window opens.
2. Overwrite the default string to define property names for business partners.
You can define up to 64 properties.

Defining Business Partner Priorities

This setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Business Partner Priorities*.

The *Business Partner Priorities – Setup* window opens.

2. Define the priorities which you can use as selection criteria in the *Pick and Pack* process.

Setting Credit Limits

If you want to maintain credit and commitment limits, this setting is mandatory. You must make this setting together with a consultant.

Credit limit deviation is calculated as the customer's credit limit minus the customer's existing account balance minus the current document total. If the result is negative, SAP Business One displays an alert about the credit limit deviation.

Commitment limit deviation is calculated as the commitment limit minus the customer's existing account balance minus the current document total minus checks that have not yet been deposited (through the *Deposit* window). If the result is negative, SAP Business One displays an alert about a commitment limit deviation.



Note

- The commitment limit must be equal to or higher than the credit limit. You can change the credit limit at any time.
- If you select credit and/or commitment limits, you must also maintain the maximum permissible credit and/or commitment level for each customer in the business partner master data.

The credit limit default is derived from the definition in the payment terms linked to the business partner.

By applying authorization to users, you can define whether a user is allowed to confirm the deviation. You can also set SAP Business One so that an approval procedure is activated when a deviation occurs.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *BP* tab.
2. Under *Customer Activity Restrictions*, select the *Credit Limit* and/or *Commitment Limit* checkboxes.
3. Select the documents to which to apply the restriction: *A/R Invoice*, *Delivery*, *Sales Order*, and *Pick List*.
4. To include delivery balances in the deviation calculation, select the *Consider Deliveries Balance* checkbox.



Recommendation

Include delivery balances in the deviation calculation.

Defining Dunning Terms

If you want to use the dunning feature, this setting is mandatory.

For more information, see the document *How to Set Up an Automated Dunning Process* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Dunning Terms*.

The *Dunning Terms – Setup* window opens.

2. Define the dunning terms and their different dunning levels.
3. Define the dunning letter method.

The dunning letter method determines how the invoices are accumulated into one or different letters.



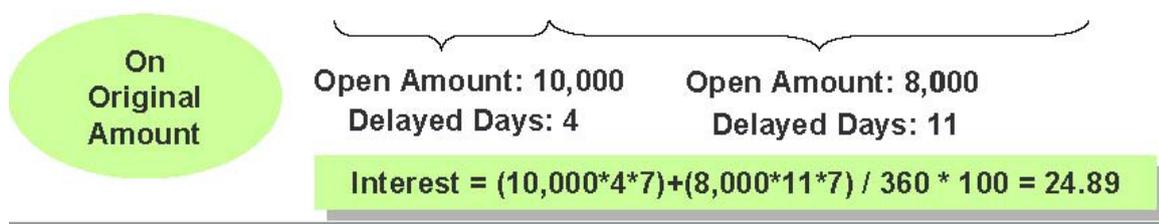
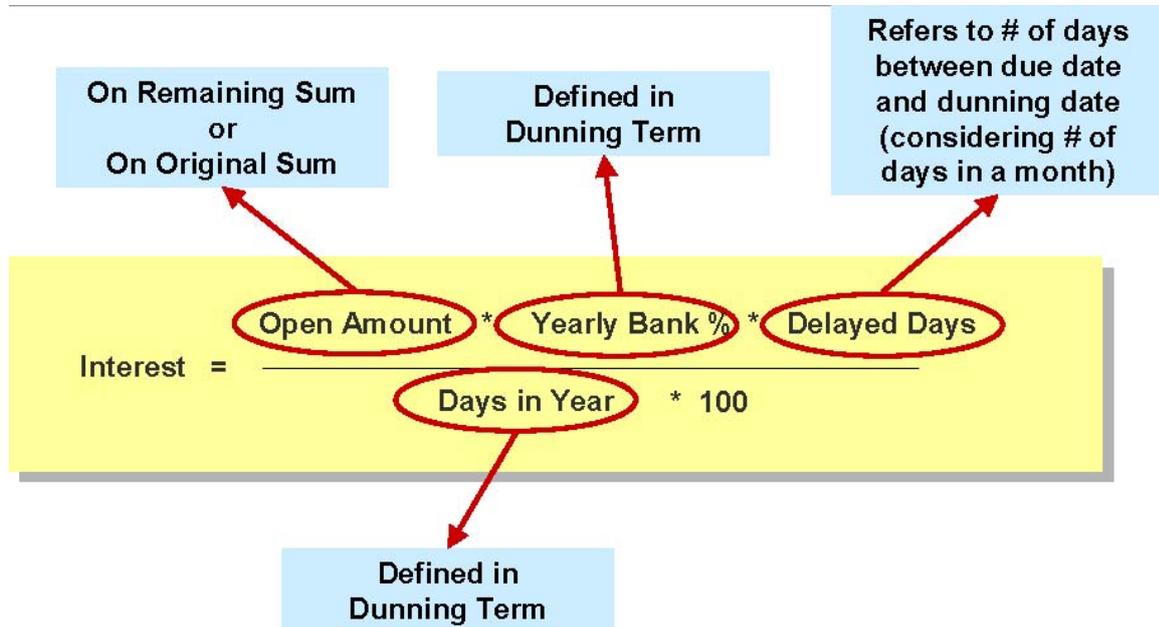
Note

The following transactions and documents reduce the outstanding amount:

- Credit memos and payments not based on invoices
 - Negative manual journal entries with at least one row posted to a customer
4. If required, define the dunning interest calculation.

Example

Dunning Interest Calculation



Setting Up Dunning Letter Layouts

If you want to use the dunning feature, this setting is mandatory.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Dunning Terms*.

The *Dunning Terms – Setup* window opens.

2. To customize the content and layout of each dunning letter, choose  (*Print Layout Designer*).



Note

You can block dunning letters for specific customers and invoices.

To block a customer, go to *Business Partners* → *Business Partner Master Data* → *Accounting* tab, and select the *Block Dunning Letters* checkbox.

To block an invoice, on the *Logistics* tab of the invoice document, select the *Block Dunning Letters* checkbox.

Displaying Bookkeeping Balances Through Control Accounts

This setting is optional. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Business Partners* → *Business Partner Master Data* → *General* tab.
2. Select a business partner and click the  attached to the *Account Balance* field.
3. Choose the *View by Control Account* button.

If you are using different control accounts for doubtful debts and fixed assets items, you can select this option and see the account balance of the business partner for each control account.



Note

You can change this setting at any time.

CRM

Defining Commission Levels

This setting is mandatory only if you work with commissions. You must make this setting together with a consultant.

This setting determines where you can specify the sales commission percentage. It does not perform any commission transactions.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *BP* tab.
2. Under *Set Commission by*, specify at which level commission should be maintained by selecting one or more of the following:
 - *Sales Employees*
 - *Items*
 - *Customers*



Note

You can change this setting at any time.

Defining Commission Groups

If you work with commissions, this setting is mandatory.

The commission groups define the commissions that are given internally to your employees. You can then assign the commission group to the sales employees in the sales employee screen.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *General* → *Commission Groups*.
The *Commission Groups – Setup* window opens.
2. Define commission groups as needed.



Note

SAP Business One calculates the commission through a report (query) and you must post it manually.

You can change data in a commission group and, if necessary, remove a group.

Defining Sales Employees

If you work with commissions, this setting is mandatory.

You can assign a sales employee to a business partner. You can also set a certain sales employee as your default in sales and purchasing documents.

Prerequisites

You have defined commission groups.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *General* → *Sales Employees/Buyers*.

The *Sales Employees/Buyers – Setup* window opens.

2. Specify the details of your sales employees.
3. To set a sales employee as the default for the current user, click the relevant sales employee row and choose *Set as Default*.



Note

You can change all the data for a sales employee and, if necessary, remove one.

Defining Sales Stages

This setting is optional.

Use this procedure to define the stages in the sales process, for example:

- Lead
- 1st Meeting
- 2nd Meeting
- Sales Quotation
- Negotiation

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Sales Opportunities* → *Sales Stages*.

The *Sales Stages – Setup* window opens.

2. Enter the required sales stages.
3. Enter the estimated closing percentage of the deal for each stage. The sales opportunity calculates the weighted amount of the deal according to the current stage.



Note

You can change data in a sales stage and mark it as canceled, but you cannot remove it.

Defining Partner Relationships

This setting is optional.

You can define different types of partner relationships, such as reseller or advisor, to be assigned in sales opportunities.



Note

You can update existing relationships at any time. You can also remove them as long as they have not been referenced in a sales opportunity.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Sales Opportunities* → *Relationships*.
The *Relationships – Setup* window opens.
2. Enter the different types of partner relationships to be assigned in the sales opportunities.

Defining Territories

Territories can be any kind of geographic or non-geographic categorization. You can assign a territory to a customer or lead. From there, it appears by default in a *Sales Opportunity* and in a *Customer Equipment Card*.

This setting is optional.



CAUTION

You cannot delete a territory once it is assigned to a business partner, sales opportunity, or customer equipment card.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *General* → *Territories*.
The *Territories – Setup* window opens.
2. Define the territory hierarchy.



Note

You can update the name and location of a territory at any time

Defining Service Contract Templates

Since the template is assigned in the item master data, if you are using service contracts for warranty items, you must create service contract templates before you enter or load items.

If SAP Business One creates service contracts automatically for warranty items, you must define contract templates for warranty.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Service* → *Contract Templates*.
The *Contract Templates – Setup* window opens.
2. Define templates to create service contracts.



Note

You cannot remove service contract templates once they have been saved. However, you can set invalid contracts as *Expired* to indicate that they are no longer in use.

Creating Customer Equipment Cards Automatically

When you create a delivery or an A/R invoice for a serial number item, you can set SAP Business One to create a customer equipment card automatically.

This setting is optional. You must make this setting together with a consultant.

Prerequisites

You have defined the serial number as unique, either by *Manufacturer Serial Number* or by *Serial Number*.

If you select this option when transactions already exist, you must ensure that all existing serial numbers fulfill the unique serial number prerequisite.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Inventory* → *Items* tab.
2. Select the *Auto. Create Customer Equipment Card* checkbox.



Note

You can update this setting at any time.

Defining Queues

This setting is optional.

You use queues to manage service calls in a service center.

You can assign the same user to more than one queue. Even if certain users are defined in a specific queue, any user can pick up the service call assigned to a queue.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Service* → *Queues*.

The *Queues – Setup* window opens.

2. Specify the *Queue* details.

The queue manager and e-mail address are for information purposes only.



Note

You can update the queue definition at any time.

You can delete a queue only if it is not assigned to a service call.

Cost Accounting

Defining Projects

This setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Financials* → *Projects*.

The *Projects – Setup* window opens.

2. Specify project details.



Note

You can change the project name but you cannot change the code. You can remove a project if it is not linked to any master data, journal entry, or document.

Defining Profit Centers

Except for cost accounting, this setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Financials* → *Cost Accounting* → *Profit Centers*.

The *Profit Centers – Setup* window opens.

2. Enter the *Profit Center* details.



Note

You can change all data except for the code. You can change or remove a code if it is not linked to any G/L account.



CAUTION

When SAP Business One saves a new profit center it automatically adds a distribution rule with a distribution value of 100. Within a G/L account or document, you can assign a distribution rule only, and not a profit center.

If you delete a profit center, SAP Business One automatically deletes its related distribution rule (100%).

Defining Distribution Rules

For cost accounting, this setting is mandatory.

Use this procedure to define distribution rules for distributing amounts among different profit centers.

Prerequisites

You have defined profit centers.

Procedure

1. From the SAP Business One *Main Menu*, choose *Financials* → *Cost Accounting* → *Distribution Rules*.

The *Distribution Rules – Setup* window opens.

2. Define distribution rules as required.



CAUTION

Deleting a distribution rule for a profit center (100%) does not automatically delete the profit center.

Budgets

To manage a budget in SAP Business One, you need to configure the relevant settings, as described below.

For more information, see the document *How to Manage Budgets* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Defining Budget Settings

This setting is only mandatory if you use the budget functionality. You must make this setting together with a consultant.



Note

All budget amounts are in the local currency.

Enter expense budgets on the debit side and revenue budgets on the credit side.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Budget* tab.
2. Select the *Budget Initialization* checkbox.
3. Select the type of budget restriction for documents that deviate from the budget:
 - *Block Deviation from Budget*
 - *Warning*
 - *Without Warning*
4. If you selected the *Block Deviation from Budget* or the *Warning* checkboxes, select the documents that you want to include in the restriction:
 - *Purchase Orders*
 - *Goods Receipt Pos*
 - *Accounting*

The Accounting restriction can include A/P invoices or any other accounting transaction. To apply the budget generally to all transactions, select all 3 options.

5. Choose the *Update* button.

SAP Business One displays a message asking you to confirm that all profit and loss accounts are marked as budget accounts.

6. To confirm, choose the *Yes* button.

Only G/L accounts that are relevant to budget are displayed in the budget definition window.



Note

To mark as *Relevant to Budget* new G/L accounts that are added after the budget was initialized, in the *Chart of Accounts* window, choose *Account Details*

You can change these settings at any time.



CAUTION

If you are using monthly budgets, SAP Business One does not roll over unused budgets from one month to the next.

Defining Budget Scenarios

This setting is optional.

Budget scenarios are used for reporting purposes only. The actual budget limitation is done against the main scenario for each fiscal year.

Procedure

1. From the SAP Business One *Main Menu*, choose *Financials* → *Budget Setup* → *Budget Scenarios*.
The *Budget Scenarios – Setup* window opens.
2. Define scenarios, as required.
3. To copy budget amounts from one scenario to another in the same database, choose the *Copy Scenario* button.
4. To import budget amounts from a different database, choose the *Import Scenario button*
The amounts are copied only for identical G/L accounts in both databases.



Note

When you create a new fiscal year, SAP Business One automatically selects the first budget scenario as the main scenario.

When required, you can base one scenario on another using a factor and update the values manually.

You can change or remove additional budget scenarios later.

Defining Additional Budget Distribution Methods

This setting is optional.

You can specify budget distribution methods in addition to the default distribution methods.

By default, each company in SAP Business One has three available distribution methods:

- Equal
- Ascending Order
- Descending Series

Procedure

1. From the SAP Business One *Main Menu*, choose *Financials* → *Budget* → *Budget Distribution Methods*.
The *Budget Distribution Methods – Setup* window opens.
2. Add additional distribution methods, as required.
3. To set a distribution method as default, choose the *Set as Default* button.
The default distribution method is displayed in the *Budget Scenarios - Setup* window.



Note

You can change or remove additional budget distribution methods later.

Defining Budgets

This setting is optional.

You can define budget amounts for each budget-related G/L account.

Procedure

1. From the SAP Business One *Main Menu*, choose *Financials* → *Budget Setup* → *Budget*.
The *Budget Scenario Definition* window opens,
2. Select the appropriate scenario.
3. To select a range of accounts from the chart of accounts, choose the *Find* button.
4. In the *Budget Scenario Definition* window, choose the *OK* button.
5. To access all G/L accounts that are relevant to the budget, select the *Display Accounts with no Budget* checkbox.
6. Enter budget amounts in the *Debit* or *Credit* fields and update to save the data.
7. If you are working with a monthly budget, once a budget amount is defined, double-click the row number to distribute the total amount among the different months.



Note

- You can update budget amounts at any time.
- You can define a budget for a G/L account with existing activity.
- SAP Business One checks the budget for deviations against the debit side.

Users and Authorizations

Defining Users

This setting is mandatory.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *General* → *Users*.
2. In the *Users – Setup* window enter user details.
3. If required, in the *Defaults* field, select user specific defaults from the *List of User Defaults* window, or choose *New* to define new defaults.



CAUTION

You are required to define user-specific defaults, for example, when you work with different warehouses or different bank accounts in different subsidiaries.



Note

User defaults overwrite other default entries. You can define specific accounts for users in different branches. When a specific account is entered as default, the correct account is automatically entered. This is useful if there are several branches with different warehouses or bank accounts.

You can add permanent remarks to your printed documents within the print default settings for each document. These general remarks are user-specific.

Password Policy

Use the *Password Administration* window to specify the requirements for user passwords.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *General* → *Security* → *Password Administration*.
2. Select one of the predefined security levels for the passwords of SAP Business One users: *Low* (selected by default), *Medium*, or *High*.



Note

The field values in the *Password Administration* window are replaced according to the selected security level, but cannot be changed.

You can also define security levels with parameters that are specific to your company. To do so, from the *Security Level* dropdown list, choose *Custom*. In this case, all the fields in the window are editable.

Setting User Authorizations

This setting is mandatory.

For information about user authorizations, see the online help, as well as the document *How to Define Authorizations* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Prerequisites

You have defined users.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Authorizations* → *General Authorizations*.

The *Authorizations* window opens.

2. Define the authorizations for the users in your company.

You cannot remove authorizations from a user defined as a superuser in the *Users – Setup* window.



Note

If you have more than one user with the same authorization profile, you can drag and drop this profile from one user to another by dragging the mouse while holding down the CTRL key.



CAUTION

Consider dependencies between functionalities when you limit authorizations.

When you limit authorization to a certain document series, you must set the series as default for the user; otherwise the user cannot open the document window.

Displaying and Hiding Main Menu Items

This setting is optional.

You can add or remove items from the *Main Menu*. This is independent of the authorization settings.

Procedure

1. In the SAP Business One toolbar, open the *Main Menu* and choose  (*Form Settings*).

The *Form Settings – Main Menu* window opens.

2. To display a menu item, select the checkbox under the *Visible* column.
3. To hide a menu item, deselect the checkbox.



Note

You can change this user-specific setting at any time.

Activating Data Ownership

This setting is optional.

You can activate or deactivate data ownership authorizations for the entire company. If authorizations are activated, access is granted for all sales or purchasing documents and sales opportunities, but only if the following conditions are met:

- The user has a relationship to the owner
- The relationship is defined as *Full* or *Read-Only*.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Authorizations* → *Data Ownership Exceptions*.

- To activate data ownership, select *Enable Ownership Filtration*.

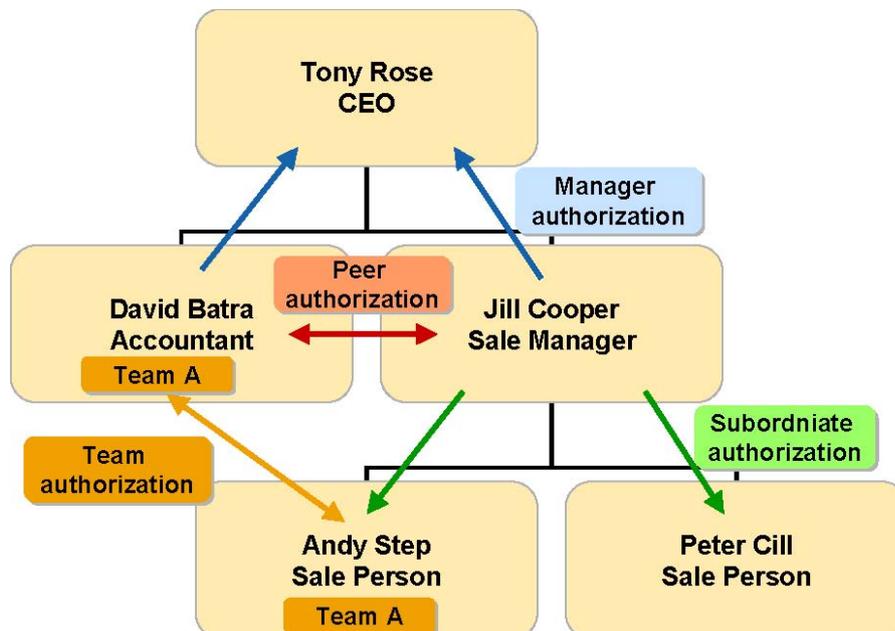


Note

You can activate or deactivate data ownership at any time. If you activate data ownership later, it applies only to those documents that have been entered previously with an owner assigned.

Defining Data Ownership Authorizations

You can define the types of authorizations that apply to employees and to documents. The definition of data ownership authorizations is based on employees and their relationships. For example, managers have access to the documents of their subordinates; employees in the same team have access to the documents of other team members.



By default, a superuser has full data ownership authorizations to all employee documents.



CAUTION

This feature may require high setup and maintenance efforts depending on the number of employees and the complexity of authorization requirements.

This setting is optional.

Prerequisites

You have defined employees in the *Human Resources* module.

Procedure

- From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Authorizations* → *Data Ownership Authorizations*.
- Define the required authorizations in the *Data Ownership Authorizations* window.

Defining Data Ownership Exceptions

You can define how users view documents. You can grant users ownership of the whole document, of the header only, or of the header and rows.

This setting is optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *Authorizations* → *Data Ownership Exceptions*.
2. In the *Data Ownership Exceptions* window, select *By Header Owner Only* or *By Header and Row Owners* and specify any exception forms.



Note

You can update these settings at any time.



CAUTION

For reports that are executed from the *Drag & Relate* function, the data ownership mechanism does not restrict data viewing. Therefore, we recommend denying *Drag & Relate* authorization to regular users.

In the *Data Ownership Exceptions* window, the *Excluded Forms* tab lets you configure the extent of data ownership on a form by form basis. Since some form names appear more than once, the list appears to have duplicate forms.

There are forms in the list that currently do not participate in data ownership. Therefore, if you change data ownership for one such form, SAP Business One does not change its behavior and your action has no effect.

Activating Document Approval Procedure

You can enable the use of document approvals for purchasing and sales documents.

If you want to use the approval procedure function, this setting is mandatory. You must make this setting together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *BP* tab.
2. Select the *Activate Approval Procedure* checkbox.



Note

You can activate or disable this function at any time.

Alerts

Defining Alert Services

These settings are optional. You must make them together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Services* tab.
2. To display the Inbox when a new message arrives, select the checkbox *Display Inbox When New Message Arrives*.
3. To change the refresh time for your Inbox, in the *Update Messages (Min.)* field, enter the time in minutes. The default value is 5 minutes.
4. If required, select the checkbox *Send Alert for Activities Scheduled for Today*.



Note

The settings are at the user level. You can change the settings for alert services at any time.

Defining Alerts

These settings are optional. Initially, you should define these settings together with a consultant.

Prerequisites

You have defined users.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Alerts Management*.
2. Define alerts according to your requirements.



Note

You can change, deactivate, or remove alerts at any time.

We recommend that you do not remove alerts. Instead, deactivate them if you do not need them.

Countries

Defining Address Formats

You can update predefined address formats for different countries, or define completely new address formats.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Address Formats*.

The *Address Formats – Setup* window opens.

2. Define the printout format for addresses.



Note

You can update the definition of address formats at any time.

Newly created address formats are used only if they are assigned to appropriate countries.

Defining Countries

These settings are optional.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *Business Partners* → *Countries*.

The *Countries – Setup* window opens.

2. Assign address formats to predefined countries.

If you have created a new address format, you must assign it to the appropriate countries.



Note

You can update the definition of address formats at any time.

Predefined Text

Defining Predefined Text

This setting is optional.

With this setting, you can define text building blocks to be used for opening and closing remarks of a document.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *General* → *Predefined Text*.

The *Predefined Text – Setup* window opens.

2. Define a code for the predefined text and enter the text.



Note

You can update these text building blocks at any time. You can also define them when you enter documents.

Services

Defining User Specific Services

These settings are optional. When you log on, you can determine which services are activated.



Note

You can change this setting for each user at any time.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Services* tab.
2. Select from the following options to specify user-specific behavior for SAP Business One when you log on.

Field	Description/Activity
<i>Perform Data Check</i>	Activates a system check for corruption of the data files when you log on. Since it can adversely affect system performance, we recommend that you do not select this option.
<i>Open Exchange Rates Table</i>	Opens the <i>Exchange Rates and Indexes</i> window when you log on.
<i>Display Recurring Postings on Execution</i>	Opens the <i>Confirmation of Recurring Postings</i> window when you log on.
<i>Send Alert for Activities Scheduled for Today</i>	Prompts SAP Business One to automatically send a message to your Inbox with all the activities scheduled for today, when you log on.
<i>Display Inbox When New Message Arrives</i>	Opens the <i>Messages/Alert Overview</i> window whenever you receive a new message.
<i>Open Window for Credit Voucher Ref. Update</i>	Opens a window that displays credit vouchers without a reference, when you log on. You can update the reference numbers from this window. You also have to specify, in days, the planning interval for the due date of the vouchers.
<i>Update Messages (Min.)</i>	Enter the time interval in minutes for SAP Business One to update the <i>Messages/Alert Overview</i> window.
<i>Screen Locking Time (Min.)</i>	Enter the time of no activity, in minutes, after which SAP Business One locks the screen and displays the logon window. If Windows screen locking is activated, this is not needed.
<i>Open Postdated Credit Vouchers Window</i>	Select one of the following options: <ul style="list-style-type: none"> • <i>Always</i> – To automatically open the window for postdated credit vouchers at logon. • <i>No</i> – To prevent the window from opening at logon. • <i>By Date</i> – To open the window on certain dates. In the Day 1 and Day 2 fields, enter the days of the month on which you want the window to open.

Defining Internet and Telephone Services

These settings are required for Internet and telephone functionalities.

If a modem is connected to your computer, you can dial directly from SAP Business One by pressing CTRL + double-clicking a phone field.

If the feature is supported, you can connect directly from SAP Business One to the Internet. This is used to import exchange rate information from the Internet.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Services* tab.
2. Specify telephone details according to your system requirements.
3. If required, select the *Use Proxy Server for Web Connection* checkbox and enter connection details.

Display

Setting General Display Options

These settings are optional. The options are applicable to all users.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Display* tab.
2. Set the display options. SAP Business One provides the default values; however, you can adapt them to your company's requirements:

Field	Description/Activity
<i>Language</i>	Select the language in which to display the SAP Business One interface.
<i>Skin Style</i>	Select between two different skin styles for the graphic interface of the system: <i>Classic</i> and <i>SAP Signature Design</i> . The default style is <i>SAP Signature Design</i> .
<i>Color</i>	<p>Select the background color for the active windows.</p> <p>To define a different background color for individual windows, select <i>Combined</i>.</p> <p> Note</p> <p>To select a background color for a window, open the required window, from the menu bar choose <i>Window</i> → <i>Color</i>, and select the required color.</p>
<i>Default Length UoM, Default Weight UoM</i>	Select the standard units for various length and weight units for items. SAP Business One proposes the length and weight units automatically when you define a new item in SAP Business One.
<i>Time Format</i>	<p>Select how SAP Business One displays time – in a 12-hour or a 24-hour format.</p> <p>If you select the 24-hour format, SAP Business One displays 1 p.m. as 13:00. If you select the 12-hour format, 1 p.m. is displayed as 1:00.</p>
<i>Date Format</i>	<p>Select how the date is displayed throughout SAP Business One.</p> <p>The settings in these fields do not affect how you must enter dates in SAP Business One. However, the system can display the date differently depending on how you enter it.</p>
<i>Separator</i>	Define the character displayed between the date fields in the date format, that is, between the day and month, and month and year.
<i>Ext. Image Processing</i>	To print pictures or bar codes from SAP Business One that require a high resolution, set this value to <i>Full</i> .
<i>No. of Rows in 'List of' Windows</i>	Enter the number of rows for display in <i>Choose From List</i> windows.

Field	Description/Activity
<i>Account Segment Separator</i>	<p>Define the character for separating between G/L account segments. This separator is used for display purposes only.</p> <p> Recommendation A dash (-) is recommended.</p> <p> CAUTION Do not use any letters, numbers, or an asterisk as a separator. The G/L account code must not contain the same character as the separator.</p>
<i>Decimal Places</i>	<p>Depending on your requirements, define decimal places for the system units.</p> <p>For example, for calculations using cubic measure, you may need to allow more decimal places than the system default.</p> <p> CAUTION You cannot decrease decimal places once you change the default.</p>
<i>Display Currency on the Right</i>	<p>Displays the currency or currency symbol on the right side in amount fields. By default, the currency symbol appears on the left of the amount.</p>
<i>Exchange Rate Posting</i>	<p>Select the display of exchange rates in SAP Business One:</p> <ul style="list-style-type: none"> • <i>Direct</i> Displays the exchange rate according to the foreign currency, for example, the worth of 1 USD in euros. • <i>Indirect</i> Displays the exchange rate according to the local currency, for example, the worth of a Euro in USDs. <p> Note This setting is updated per company, for all users, after the next logon, but cannot be changed after transactions are recorded in the company.</p>

Setting Background Display

This setting is optional.

You can select a graphic file as a background image.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Font & Bkgd* tab.
2. To select a picture file as the background, choose the *Browse* button.



Note

You can change this setting for each user any time.

Connecting with External Systems

Defining File Paths

These settings are optional. You must make these settings together with a consultant.

Procedure

1. From the SAP Business One *Main Menu*, choose *Administration* → *System Initialization* → *General Settings* → *Path* tab.
2. Define the file paths for the following folders:

Field	Description/Activity
<i>Microsoft Word Templates Folder</i>	This folder contains the Microsoft Word templates that are necessary for document export to Microsoft Word. System templates are located in the <i>WordDocs</i> subfolder in the SAP Business One installation folder.
<i>Microsoft Excel Folder</i>	This folder contains the Excel Macro <i>AutoOpen.xls</i> that is needed for the export to Excel. The macro is located in the <i>ExclDocs</i> subfolder in the SAP Business One installation folder.
<i>Picture Folder</i>	You can select bitmaps from this folder when you assign them, for example, to the business partner master data or item master data.
<i>Attachments Folder</i>	Use this folder to locate attachments to be assigned in SAP Business One, for example, to assign a Website link in a user-defined field.
<i>Extensions Folder</i>	You can store secured images in this folder. Secured images are images such as official stamps, which, due to legal requirements, can be saved on your computer only as *.dll files and not in regular picture formats. In the Print Layout Designer, you can assign the *.dll file to a field through its properties window. If a *.dll file is located in this directory, you can print this secured image on a document. Currently, the StampIT add-on uses this, but it can also be used for printing other secured images stored in *.dll files.
<i>Current Scanner</i>	If you have a local scanner, SAP Business One locates it automatically. You can use the scanner to scan images and link them to an object in SAP Business One.
<i>XML File Folder</i>	SAP Business One uses this folder to save documents and other data you export to XML.



Note

You can change these settings at any time. We recommend using folders on a server that is accessible to all users.

Database Tables Reference

For information about the tables used in SAP Business One, see the *Database Tables Reference* .chm file. You can download it from the SAP Community Network.

To download the *Database Tables Reference* .chm file, proceed as follows:

1. Go to <https://www.sdn.sap.com/irj/sdn/businessone>.
2. Under BUSINESS ONE KNOWLEDGE CENTER, click the link of the SAP Business One release version you want.
3. Click the SDK Help Center link.
4. In the File Download window, do one of the following:
 - To open the .zip file, choose the *Open* button; then extract the REFDB .chm file to your computer.
 - To save the .zip file to your computer, choose the *Save* button. You can open the .zip file and extract the REFDB .chm file later.

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