

Interest Calculation for Customer - Arrears Interest



Applies to:

Below configuration is based on SAP ECC 6.0. For more information, visit the [Enterprise Resource Planning homepage](#)

Summary

This article drives you with the process of Interest Calculation for Customer-Arrears Interest in SAP ECC 6.0 version for SAP FI/CO (Finance & Controlling) Module. Here we are going through the Interest Calculation for Customer Procedures & its process for interest calculation on arrears.

Author: Pramitha.A.R.

Company: Appexus Technologies (P) Ltd

Created on: 6 April 2011

Author Bio

Pramitha.A.R is working as SAP Techno-functional Consultant with Appexus Technologies (P) Ltd. She has experience in SAP ABAP and SAP FI/CO.

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Interest Calculation for Customer

Interest calculation is controlled by settings made in the interest indicator. Interest can be calculated on customer and vendor accounts in two ways:

- Account balance interest calculation
- Calculation of interest on arrears

The following topics describe the calculation of interest on arrears for Customer. First, the introduced to the process of interest calculation and the settings you can make for the interest calculation indicator and method. This is followed by an explanation of the relevant fields in the master record and the line items. Finally, you will learn how to carry out interest calculation itself.

Define terms of payments

Transaction code: OBB8

SPRO->Financial Accounting->Accounts Receivable and Accounts Payable -> Business transactions ->Outgoing Invoices/Credit Memos-> Maintain Terms of Payment

In this step, you can define rules with which the system can determine the required terms of payment automatically. The rules are stored under a four-character key. You assign the terms of payment specified to the customers in the master record via the key. The key and the terms determined with it are proposed when entering a document to the customer account. The most usual terms of payment have already been set in the standard system. These include specifications on the payment conditions, the day limit or the payment period baseline date.

Change View "Terms of Payment": Overview

PayT	Sales text
Day limit	Explanations
<input type="checkbox"/> 0001	Special Payment Terms 0001
0	Payable immediately Due net
<input type="checkbox"/> 0002	30 days 2 %, 14/3%, 45 w/o
0	Within 30 days 2 % cash discount
	Within 45 days Due net
	Within 14 days 3 % cash discount
<input type="checkbox"/> 0003	14 days 2 %, 30/1,5%, 45 w/o
15	Within 14 days 2 % cash discount
	Within 30 days 1,5 % cash discount
	Within 45 days Due net
	Baseline date on 30 of the month

Position... Entry 1 of 56

Define Interest Cal indicators / type

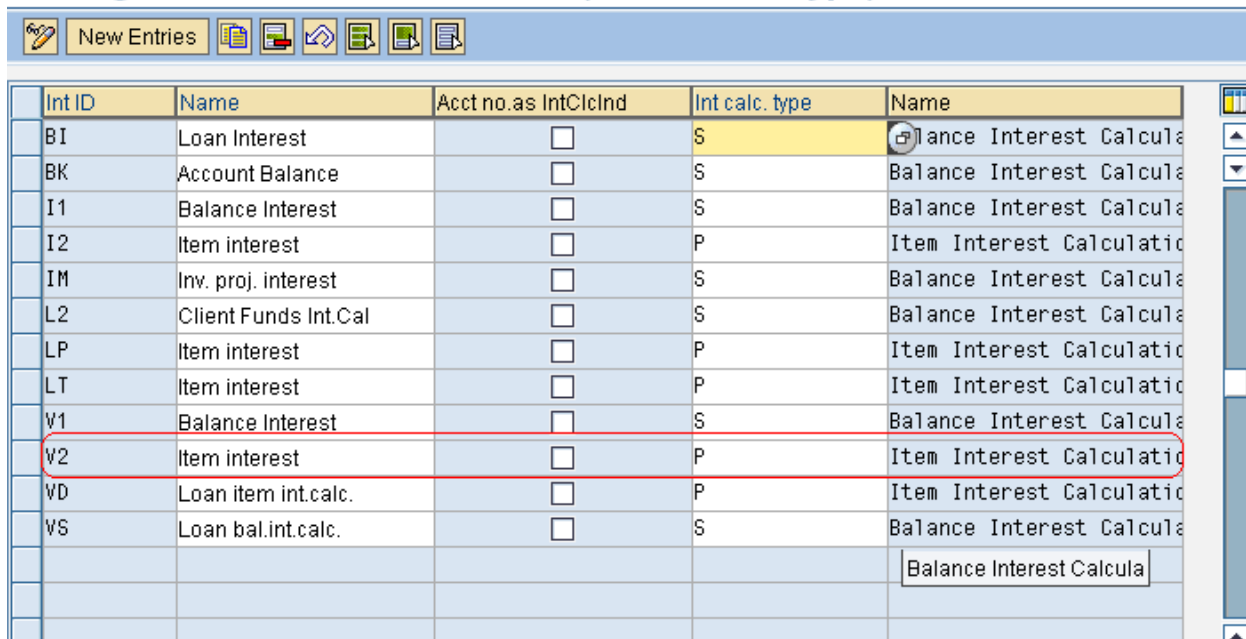
Transaction code: OB46

SPRO-> Financial Accounting -> Accounts Receivable and Accounts Payable -> Business transactions -> Interest Calculation-> Interest Calculation Global Settings -> Define Interest Calculation Types.

You can create your interest indicators and determine whether they are to be used for the item interest calculation or account balance interest calculation. The master record of an account must contain an interest indicator so that it is taken into consideration during interest calculation.

Here in interest cal type selects 'P' for interest cal on line items

Change View "Interest Settlement (Calculation Type)": Overview



Int ID	Name	Acct no.as IntClcInd	Int calc. type	Name
BI	Loan Interest	<input type="checkbox"/>	S	Balance Interest Calcula
BK	Account Balance	<input type="checkbox"/>	S	Balance Interest Calcula
I1	Balance Interest	<input type="checkbox"/>	S	Balance Interest Calcula
I2	Item interest	<input type="checkbox"/>	P	Item Interest Calculatio
IM	Inv. proj. interest	<input type="checkbox"/>	S	Balance Interest Calcula
L2	Client Funds Int.Cal	<input type="checkbox"/>	S	Balance Interest Calcula
LP	Item interest	<input type="checkbox"/>	P	Item Interest Calculatio
LT	Item interest	<input type="checkbox"/>	P	Item Interest Calculatio
V1	Balance Interest	<input type="checkbox"/>	S	Balance Interest Calcula
V2	Item interest	<input type="checkbox"/>	P	Item Interest Calculatio
VD	Loan item int.calc.	<input type="checkbox"/>	P	Item Interest Calculatio
VS	Loan bal.int.calc.	<input type="checkbox"/>	S	Balance Interest Calcula
				Balance Interest Calcula

Save.

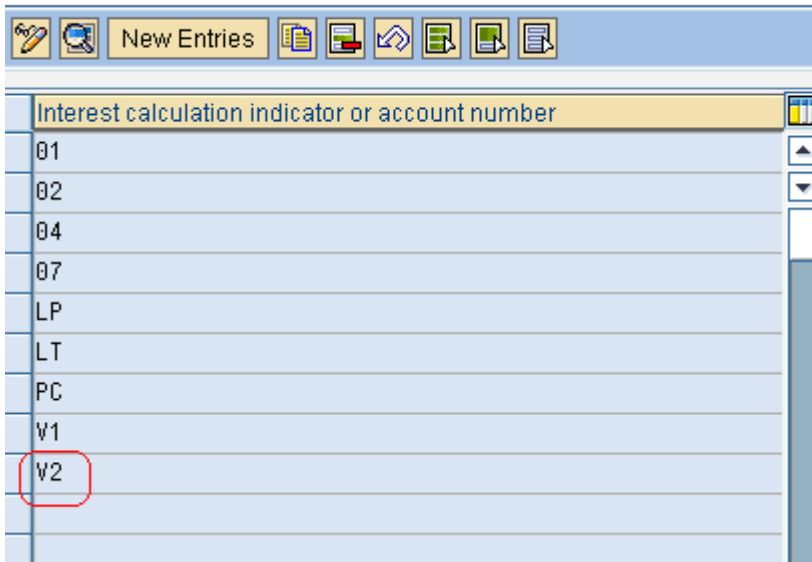
Make Interest Indicator Available to Interest Run Program

Transaction code: OB82

SPRO-> Financial Accounting -> Accounts Receivable and Accounts Payable-> Business transactions -> Interest Calculation-> Interest Calculation Global Settings -> Prepare Interest on Arrears Calculation

You can make general specifications for each interest indicator for the calculation of interest on arrears. To do this, you make specifications for the selection of items as well as for calculating interest. You can make further specifications as to the subsequent processing of interest, output control and for posting.

Change View "Interest Terms": Overview



Interest calculation indicator or account number

01	
02	
04	
07	
LP	
LT	
PC	
V1	
V2	

Save

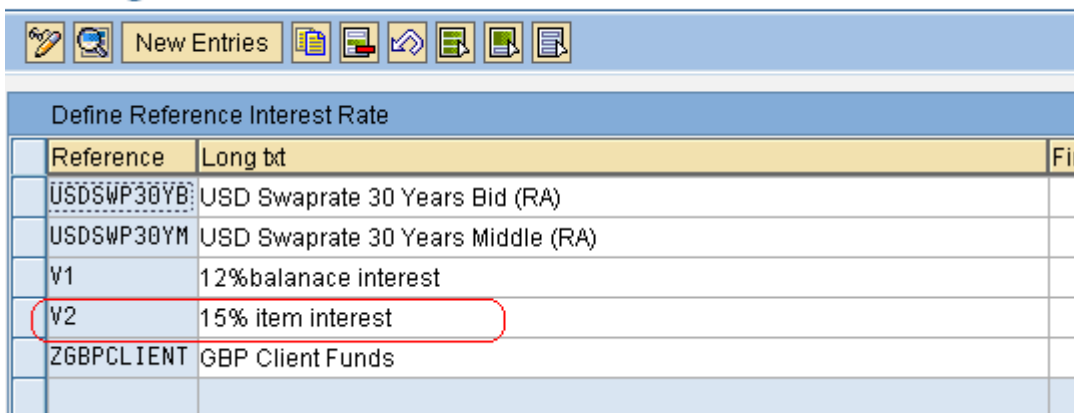
Create Reference Interest Rate

Transaction Code: OBAC

SPRO-> Financial Accounting -> Accounts Receivable and Accounts Payable-> Business transactions -> Interest Calculation -> Interest Calculation-> Define Reference Interest Rates

Define your reference interest rates by entering a key and a mnemonic name. All other fields are purely informative.

Change View "Define Reference Interest Rate": Overview



Define Reference Interest Rate

Reference	Long txt	Fit
USD5WP30YB	USD Swaprate 30 Years Bid (RA)	
USD5WP30YM	USD Swaprate 30 Years Middle (RA)	
V1	12% balancce interest	
V2	15% item interest	
Z6BPCLIENT	GBP Client Funds	

Save.

Assign interest indicators to ref. interest rate or define time dependant terms

Transaction code: OB81

SPRO-> Financial Accounting -> Accounts Receivable and Accounts Payable-> Business transactions -> Interest Calculation ->Interest Calculation-> Define Time-Based Terms

Here in sequence # always use 1 for line item interest.

Specify how the system determines an interest rate for each interest indicator. You can make these settings based on the currency and a validity date. Each entry is assigned a term that determines the type of interest that is calculated (debit or credit interest).

Change View "Time-Dependent Interest Terms": Overview

Int.ind.	Currency	Eff. from	Seq.no.	Trans. Type	Amount from
PC	INR	01.01.2010	01	Debit interest: arrears interest calc.	0,00
V1	INR	01.04.2010	01	Debit interest: balance interest calc.	0,00
V1	INR	01.04.2010	02	Credit interest: balance interest calc.	0,00
V2	INR	01.04.2010	01	Debit interest: arrears interest calc.	0,00
V2	INR	01.04.2010	02	Credit interest: arrears interest calc.	0,00

Save.

Interest calculation account assignment

Transaction code: OBV1

Here we will mention how and which accounts the interest program should post.

SPRO-> Financial Accounting -> Accounts Receivable and Accounts Payable-> Business transactions -> Interest Calculation ->Interest posting -> A/R: Calculation of Interest on Arrears

Maintain Account Determination: Posting Specifications

Accounts	Symbols		
Application	0002	Interest on A/R arrears	
Posting specifications			
Business transaction	1000	Interest indicator	LT
Company code	PC01	Business area	PC01
Debit	01	1000	Customer posting <input type="checkbox"/> Comp
Credit	50	0001	Interest received <input type="checkbox"/> Comp
<hr/>			
Business transaction	1000	Interest indicator	V2
Company code	PC01	Business area	PC01
Debit	01	1000	Customer posting <input type="checkbox"/> Comp
Credit	50	0001	Interest received <input type="checkbox"/> Comp
<hr/>			
Business transaction	1000	Interest indicator	V2
Company code	SAP	Business area	SAP
Debit	01	1000	Customer posting <input type="checkbox"/> Comp
Credit	50	0001	Interest received <input type="checkbox"/> Comp

Predefined value of an account determination key. For applications which use account determination for predefined business transactions, these business transactions are represented by predefined keys. Via these keys, these programs then determine posting keys and accounts.

Maintain Account Determination: Posting Specification Details

[Accounts](#) [Posting specs](#) [Symbols](#)

Application Interest on A/R arrears

Account determination keys

Business transaction	<input type="text" value="1000"/>	
Company code	<input type="text" value="SAP"/>	Applexus Software
Interest indicator	<input type="text" value="V2"/>	Item interest
Business area	<input type="text" value="SAP"/>	Business Area for SAP

Debit

Posting Key	<input type="text" value="01"/>	Invoice
Special G/L ind.	<input type="checkbox"/>	
Account symbol	<input type="text" value="1000"/>	Customer posting <input type="checkbox"/> Comp.ind.

Credit

Posting Key	<input type="text" value="50"/>	Credit entry
Special G/L ind.	<input type="checkbox"/>	
Account symbol	<input type="text" value="0001"/>	Interest received <input type="checkbox"/> Comp.ind.

Click

[Accounts](#)

Maintain Account Determination: Account Symbols



[Accounts](#) [Posting specs](#)

Application Interest on A/R arrears

Account symbols

Acct symbol	Description
<input type="text" value="0001"/>	<input type="text" value="Interest received"/>
<input type="text" value="0002"/>	<input type="text" value="Interest paid"/>
<input type="text" value="0003"/>	<input type="text" value="Int.earned CC 0001"/>
<input type="text" value="0004"/>	<input type="text" value="Int.paid CC 0001"/>
<input type="text" value="1000"/>	<input type="text" value="Customer posting"/>

Maintain Account Determination: Posting Specifications

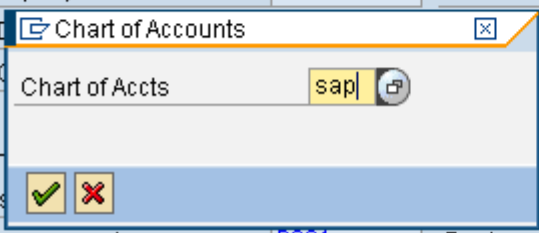
Accounts Symbols  

Application 0002 Interest on A/R arrears

Posting specifications

Business transaction 1000 Interest indicator LT

Company code PC01 Business area PC01

Chart of Accounts 

Customer posting Comp

Interest received Comp

Business indicator V2

Company code PC01 Business area PC01

Debit 01 1000 Customer posting Comp

Credit 50 0001 Interest received Comp

Business transaction 1000 Interest indicator V2


Company code SAP Business area SAP

Debit 01 1000 Customer posting Comp

Credit 50 0001 Interest received Comp

Enter Company Code's Chart of Accounts.

Maintain Account Determination: Accounts

Posting specs Symbols 

Application 0002 Interest on A/R arrears

Chart of Accts SAP Chart of accounts for Appexus

Account assignment

Acct symbol	Currency	G/L acct
0001	R	400105
0002	INR	400105
1000	INR	308

Maintain Account Symbols 0001 & 1000, Currency, G/L Acct of Business Transaction of 1000

Acct Symbols:



0001 Interest received – 400105 G/L Accounts (Interest on O D Account)

0002 Interest paid

1000 Customer posting – 308 G/L Account (Reconciliation Account for Customer)

Click create button for Business Transaction 2000

Maintain Account Determination: Posting Specifications

Accounts Symbols  


Application Interest on A/R arrears


Posting specifications



Business transaction	<input type="text" value="2000"/>	Interest indicator	<input type="text" value="LT"/>
Company code	<input type="text" value="PC01"/>	Business area	<input type="text" value="PC01"/>
Debit	<input type="text" value="40"/>	<input type="text" value="0002"/>	Interest paid <input type="checkbox"/> Comp
Credit	<input type="text" value="16"/>	<input type="text" value="1000"/>	Customer posting <input type="checkbox"/> Comp

Business transaction	<input type="text" value="2000"/>	Interest indicator	<input type="text" value="v2"/>
Company code	<input type="text" value="PC01"/>		
Debit	<input type="text" value="40"/>		
Credit	<input type="text" value="16"/>		



Business transaction	<input type="text" value="2000"/>		
Company code	<input type="text" value="SAP"/>		
Debit	<input type="text" value="40"/>		
Credit	<input type="text" value="16"/>		

Create 

Business transaction	<input type="text" value="2000"/>
Company code	<input type="text" value="sap"/>
Interest indicator	<input type="text" value="v2"/>
Business area	<input type="text" value="sap"/> 


 

Maintain Account Determination: Posting Specifications

Accounts Symbols  

Application Interest on AVR arrears

Posting specifications

Business transaction	<input type="text" value="2000"/>	Interest indicator	<input type="text" value="LT"/>
Company code	<input type="text" value="PC01"/>	Business area	<input type="text" value="PC01"/>
Debit	<input type="text" value="40"/> 	<input type="text" value="0002"/>	Interest paid <input type="checkbox"/> Comp
Credit	<input type="text" value="16"/>	<input type="text" value="1000"/>	Customer posting <input type="checkbox"/> Comp

Business transaction	<input type="text" value="2000"/>	Interest indicator	<input type="text" value="V2"/>
Company code	<input type="text" value="PC01"/>	Business area	<input type="text" value="PC01"/>
Debit	<input type="text" value="40"/>	<input type="text" value="0002"/>	Interest paid <input type="checkbox"/> Comp
Credit	<input type="text" value="16"/>	<input type="text" value="1000"/>	Customer posting <input type="checkbox"/> Comp

Business transaction	<input type="text" value="2000"/>	Interest indicator	<input type="text" value="V2"/>
Company code	<input type="text" value="SAP"/>	Business area	<input type="text" value="SAP"/>
Debit	<input type="text" value="40"/>	<input type="text" value="0002"/>	Interest paid <input type="checkbox"/> Comp
Credit	<input type="text" value="16"/>	<input type="text" value="1000"/>	Customer posting <input type="checkbox"/> Comp

Maintain Account Determination: Posting Specification Details


Accounts Posting specs Symbols

Application Interest on AVR arrears

Account determination keys

Business transaction	<input type="text" value="2000"/>	Applexus Software Item interest Business Area for SAP
Company code	<input type="text" value="SAP"/>	
Interest indicator	<input type="text" value="V2"/>	
Business area	<input type="text" value="SAP"/>	

Debit

Posting Key	<input type="text" value="40"/> 	Debit entry
Special G/L ind.	<input type="text" value=""/>	
Account symbol	<input type="text" value="0002"/>	Interest paid <input type="checkbox"/> Comp.ind.

Credit

Posting Key	<input type="text" value="16"/>	Payment difference
Special G/L ind.	<input type="text" value=""/>	
Account symbol	<input type="text" value="1000"/>	Customer posting <input type="checkbox"/> Comp.ind.

Click

Maintain Account Determination: Posting Specificati

Accounts Posting specs Symbols

Application Interest on A/R arrears

Account determination keys

Business transaction

Chart of Accounts

Posting Key Debit entry

Special G/L ind.

Account symbol Interest paid Comp

Credit

Posting Key Payment difference

Special G/L ind.

Account symbol Customer posting Comp

Entre Chart of Accounts

Maintain Account Determination: Accounts

Posting specs Symbols

Application Interest on A/R arrears

Chart of Accts Chart of accounts for Appexus

Account assignment

Acct symbol	Currency	G/L acct
<input type="text" value="0001"/>	<input type="text" value="INR"/>	<input type="text" value="400105"/>
<input type="text" value="0002"/>	<input type="text" value="INR"/>	<input type="text" value="400105"/>
<input type="text" value="1000"/>	<input type="text" value="R"/>	<input type="text" value="308"/>

Maintain Account Symbol 0002, Currency and G/L Account for Business Transaction 2000

Save.

Assign Interest Indicator in Customer Account

Transaction code: FD02

Click Company code data button.

Change Customer: Company Code Data

Other Customer | General Data | Additional Data, Empties | Additional Data, DSD | Data for Invoi

Customer: 800004 | Customer: Kerala
Company Code: SAP | Applexus Software

Account Management | Payment Transactions | Correspondence | Insurance | Withholding Tax

Accounting information

Recon. account	308	Sort key	
Head office		Preference ind.	
Authorization		Cash mgmt group	
Release group		Value adjustment	

Interest calculation

Interest indic.	V2	Last key date	
Interest cycle		Last interest run	

Reference data

acct no.		Personnel number	
g Group			

Default data for tax reports

Activity Code		Distr. Type	
---------------	--	-------------	--

Fill Interest indicator for Customer

Save.

Post Invoice for Customer

Transaction code: FB70 or F-22.

Enter Customer Invoice: Company Code SAP

Tree on Company Code Hold Simulate Park Editing options

Transactn Invoice

Bal. 0,00

Customer

Address

Company

Customer

Customer Details

Kerala

Ois

Not available

Basic data Payment Details Tax Withholding tax Notes

Customer 800004 SGL Ind

Invoice date 18.11.2010 Reference

Posting Date 18.11.2010

Cross-CC no.

Amount 150.000,00 INR Calculate tax

Tax amount

Bus.place/sectn SAP /

Text Invoice

Paymt terms 14 Days 3 %, 30 Days 2 %, 45 Days net

Baseline Date 18.11.2010

Company Code SAP Applexus Software TVC

1 Items (No entry variant selected)

St	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	T	Tax jurisdictn code	W	Assignment n
✓	101	Sales	Credit	150.000,00	150.000,00				
			Credit		0,00				
			Credit		0,00				
			Credit		0,00				
			Credit		0,00				
			Credit		0,00				
			Credit		0,00				

Document Overview

Reset Taxes Park Complete Choose Save

Doc.Type : DR (Customer invoice) Normal document

Doc. Number Company code SAP Fiscal year 2010

Doc. date 18.11.2010 Posting date 18.11.2010 Period 08

Calculate Tax


Doc.currency INR

Itm	PK	Account	Account short text	Assignment	Tx	Amount
1	01	800004	Customer			150.000,00
2	50	101	Sales			150.000,00-



✔ Document 40008 was posted in company code SAP

Easy Access->Accounting->Financial Accounting->Accounts Receivable->Periodic Processing ->Interest Calculation->Arrears Interest->F.2C - Without Postings






Calculate Interest on Arrears

 Data Sources


Customer selection

Customer account	800004	to		
Company code	sap	to		

Further selections

Calculation period	01.12.2010	to	31.12.2010	
<input type="checkbox"/> Bill of exchange pmnt possible				
Bill/exch. pmnt document typ		to		
Interest indicator	V2	to		
Reconciliation account	308	to		
Sp. G/L ind. to be selected		to		

Output control

<input checked="" type="checkbox"/> Create form	
Form name	
<input checked="" type="checkbox"/> Print form	
Form printer (batch)	LP01 
Date of Issue	18.11.2010
Number of test printouts (0-9)	
<input type="checkbox"/> Additional line for line items	
<input type="checkbox"/> Display interest rate changes	
<input type="checkbox"/> Print interest rate table	
<input type="checkbox"/> Leap year	
<input type="checkbox"/> Business area allocation	
<input type="checkbox"/> Print account overview	
Acct overview printer (batch)	

Print

Output Device: lp01

Number of copies: 1

Page selection:

Spool Request

Name: SCRIPT PASOKAN

Title:

Authorization:

Spool Control

Print immediately

Delete After Output

New Spool Request

Close Spool Request

Spool retention pd: 8 Day(s)

Storage Mode: Print only

Cover Page Settings

SAP cover page: Do Not Print

Recipient:

Department:

Print Preview Print

Print Preview (F8)

Company
 Customer
 Customer Details
 Kerala

Interest on arrears	
Date	18.11.2010
Our accounting clerk	
Telephone	
Fax	
Your account with us	800004
Our account with you	
Invoice number	0000080003

Dear Sir/Madam,

We confirm receipt of your payments from 01.12.2010 to 31.12.2010 and write to inform you that we have charged your account with interest on arrears in the sum of

INR 34.033,96-





due to late settlement of the invoices listed below.
 This amount includes statutory taxes on sales/purchases and we thank you in advance for your payment.

Doc.no.	Doc.date	Amount	due on	Paymnt date.	Days
0000005002	081110	2.500.000,00-	081110	311210	53
0000005003	081110	4.000,00-	081110	311210	53
0000040003	281010	5.000,00	281010	311210	64
0000030004	281010	4.000,00-	281010	311210	64
0000040004	081110	2.500.000,00	231210	311210	8
0000040005	081110	4.000,00	231210	311210	8
0000040006	081110	3.500.000,00	231210	311210	8
0000040007	111010	50.000,00	251110	311210	36



	Interest rate	Interest amount
	15,0000000	34.033,96-
Interest to be paid	INR	34.033,96-


Easy Access->Accounting->Financial Accounting->Accounts Receivable->Periodic Processing ->Interest Calculation->Arrears Interest-> F.24 - Free Selections

Calculate Interest on Arrears

    Data Sources

Customer selection


Customer account  to 

Company code to 

Selection using search help

Search help ID

Search string

 Search help


Interest calculation control


Interest calculation type


Further selections


Calculation period to

Bill of exchange pmnt possible

Bill/exch. pmnt document typ to 

Interest indicator to 

Reconciliation account to 

Sp. G/L ind. to be selected 

Output control

Create form

Form name

Print form

Form printer (batch)

Date of Issue

Number of test printouts (0-9)

Print: [Close]

Output Device	lp01 [Lock]
Number of copies	1
Page selection	

Spool Request

Name	SCRIPT	PASOKAN
Title		
Authorization		

Spool Control

<input type="checkbox"/> Print immediately	
<input type="checkbox"/> Delete After Output	
<input type="checkbox"/> New Spool Request	
<input type="checkbox"/> Close Spool Request	
Spool retention pd	8 Day(s)
Storage Mode	Print only [Lock]

Cover Page Settings

SAP cover page	Do Not Print [Lock]
Recipient	
Department	

[Print Preview] [Print] [Close]

Print Preview (F8)

Company
 Customer
 Customer Details
 Kerala

Interest on arrears	
Date	18.11.2010
Our accounting clerk	
Telephone	
Fax	
Your account with us	800004
Our account with you	
Invoice number	0000080005

Dear Sir/Madam,

We confirm receipt of your payments from 01.12.2010 to 31.12.2010 and write to inform you that we have charged your account with interest on arrears in the sum of

INR 11.511,37-

due to late settlement of the invoices listed below.
 This amount includes statutory taxes on sales/purchases and we thank you in advance for your payment.

Doc.no.	Doc.date	Amount	due on	Paymnt date	Days
0000005002	081110	2.500.000,00-	301110	311210	31
0000005003	081110	4.000,00-	301110	311210	31
0000040003	281010	5.000,00	301110	311210	31
0000030004	281010	4.000,00-	301110	311210	31
0000040004	081110	2.500.000,00	231210	311210	8
0000040005	081110	4.000,00	231210	311210	8
0000040006	081110	3.500.000,00	231210	311210	8
0000040007	111010	50.000,00	301110	311210	31

Customer	Date	Page
Customer Details	18.11.2010	2
Kerala		

Interest rate	Interest amount
15,0000000	11.511,37-

Interest to be paid INR 11.511,37-

Related Content

<http://help.sap.com/>

[Thread: Customer Interest Calculation](#)

For more information, visit the [Enterprise Resource Planning homepage](#)

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