



# Finance4U™ Property and Lease Accounting

*Solve the biggest challenges in Utility Finance and Regulatory Accounting with the advanced capabilities of SAP S/4HANA®.*

**The Finance4U™ Property and Lease Accounting Solution** directly leverages the Universal Journal and enhances SAP's Fixed Asset Accounting and Asset Reirement Obligation Module to simplify and streamline utility property accounting processes.



## ⚠ Industry Challenges

**As an asset-intensive industry, utilities are required to comply with property and lease accounting rules for capitalization. Many utilities today maintain two separate systems, which is inefficient and costly.**

In the past, many utilities turned to non-SAP systems to enable asset capitalization and depreciation processes. These non-SAP systems attempt to provide functionality tailored to the utilities industry. However, they also bring a series of challenges: huge amounts of data are exchanged and must be reconciled between two separate systems, causing data to be out of sync. This additional maintenance dramatically decreases the efficiency of accounting departments and introduces additional costs to the utilities.

## 📈 Value Drivers



### Native to SAP S/4HANA

Enables the complete capitalization process to happen directly in SAP S/4HANA

The Universal Journal provides reliable and efficient bookkeeping, real-time and insightful details on costs, vendors, materials, projects, and assets across the organization

Natively reconciled with the general ledger

Integrated into the SAP EAM and Project System

Lease accounting integrated to SAP S/4HANA payment and cash management



### Tailored for Utilities

Provides CWIP, RWIP, CCNC, and PIS asset types. Allows depreciation starting from CCNC in the most efficient way

Supports reserve assets, and the removal and retirement processes

Utility-specific depreciation method

Reports that support the depreciation study

Supports both regulated and non-regulated assets. Supports both location assets and group assets



### Compliance

Capitalization of costs according to regulation and rate jurisdiction requirements.

Asset reporting compliant to FERC standards.

Lease contract management, usage, payment, and remeasurement compliant with new accounting standard ASC 842.



### Low Total Cost of Ownership

No separate system, database, or other third-party license is required

No data replication, thus no reconciliation needed

Less maintenance and operational effort for both Accounting and IT departments

Easy to implement

Less custom development

Fully leverage investment in SAP S/4HANA Finance

# Our Solution

## Process Innovation

### Asset Unitization Process

- Automatically generate accounting postings for field complete, unitization, trailing charges, and removal of assets
- Calculate and generate AFUDC and CAIC postings

### Retirement Units Driving Cost Settlement

- Retirement Units automatically drive as-planned costs to be distributed to assets according to regulation
- Enable manual adjustment of cost distribution in utilization process

### Depreciation and Depreciation Study

- Supports utility-specific reserve asset
- Reports to support the depreciation study

### Lease Contract Management

- Lease contract management with usage term and support for comprehensive - payment schedules
- ROU asset and liability recognition
- Adjustment and remeasurement

## Technology Innovation

- Installable add-on package supporting all releases of SAP S/4HANA On-Premises edition
- Natively leverage the Universal Journal with no separate storage of data. Tight integration with SAP S/4HANA General Ledger (FI), Controlling (CO), Fixed Asset Accounting (AA), Asset Retirement Obligation (ARO) and Account Payable (AP)
- Fiori-based User Experience (UX)
- Reporting and analytics through SAP S/4HANA embedded analytics framework (CDS View) and Analysis for Office

## Fiori-based User Experience

Fiori-based UX for Property Accounting Managers with a thorough and holistic view of fixed assets balances, lifecycle, cost components and all the details.

The screenshot displays the SAP Fiori Property Accounting - KPI dashboard. At the top, it shows key metrics for Construction WIP Asset Balance (2.56 M USD), Construction Not Classified Asset Balance (3.97 M USD), Plant in Service Asset Balance (1.02 M USD), Removal WIP Asset Balance (49.01 K USD), Salvage Balance (1.27 M USD), and Cost of Removal Balance (379.4 K USD). Below this, there are sections for Asset Balance Trend, Revenue Dynamics (Americas, EMEA, APAC), and Asset Order 341 details. The Asset Order Items table shows two items with their respective units, types, and costs. At the bottom, there is a Cost Breakdown table.

IS No.	Rate	Units	Type	UM	AUC	AUC Sub No.	CCNC	CCNC Sub No.	PPS	PPS Sub No.	Reserve	Reserve Sub No.	Equivalence No.	Adjustment %
1	RE360001	Install	EA		50000040	9999	700000228	9999	900000212	9999	800000267	9999	23.00	28.56
2	RE360001	Install	EA		50000041	9999	700000229	9999	900000213	9999	800000268	9999	67.00	74.44