



# Finance4U<sup>®</sup> Extended Asset Accounting

Tailored for asset-intensive industries. Native on SAP S/4HANA.  
Certified by SAP<sup>®</sup>.

Finance4U Extended Asset Accounting solution supports the capitalization, depreciation and retirement processes of asset-intensive industries, like utility, energy, telecommunication and railway, and is compliant with the public utility accounting principle and the new lease accounting standard.

## Industry challenges

Many asset-intensive industries have struggled with process inefficiencies and lack of specific functionality to address their asset and lease accounting requirements in SAP ERP. Many have turned to costly third-party solutions which introduce process and visibility challenges.

The costly third-party solutions sit outside of SAP. They require a separate landscape, a complex integration layer that pushes huge amounts of data back and forth via batch job, and they complicate and extend the accounting close due to excessive reconciliations. Because key accounting functions are performed outside of the ERP, the accounting department lacks full visibility of how results are achieved. Key business processes are redundantly performed in separate systems based upon the type of asset (regulated, deregulated) and the type of money (CapEx, OpEx) resulting in process redundancies and lack of full visibility.

## Value drivers



### Native to SAP S/4HANA

- Certified SAP S/4HANA add-on
- Enables the complete capitalization process directly in SAP S/4HANA
- Real-time visibility to complete cost flow through the universal journal including employees, contractors, materials, orders, projects, and full asset lifecycle
- Lease accounting integrated with SAP S/4HANA® payment and cash management



### Extended capabilities

- Provides CWIP, RWIP, CCNC and PIS asset types. Allows depreciation starting from CCNC
- Supports reserve assets, and the removal and retirement processes
- Enhanced depreciation methods
- Supports both regulated and non-regulated assets
- Supports both location assets and group/mass assets through the retirement ledger and SAP Continuing Property Records



### Compliance

- Retirement posting compliant with the public utility accounting principle, with cost of removal, retirement of both original cost and depreciation, and gross salvage into the reserve
- Lease contract management, usage, payment and remeasurement compliant with new accounting standard ASC 842



### Low total cost of ownership

- No separate system, database or integration required
- No data replication, thus no reconciliation needed
- Less maintenance and operational effort for both accounting and IT departments
- Packaged application, not custom development
- Fully leverages investment in SAP S/4HANA Finance

## Process innovation

### Asset unitization process

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

### 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 unitization process

### Depreciation and depreciation study

- Advanced plant account, or asset group level life analysis and net salvage analysis, to support actuarial depreciation study methods, including original group method and retirement rate method
- Reports to support the depreciation study

### Lease contract management

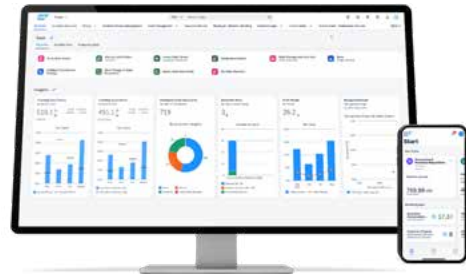
- Lease contract management with usage term and support for comprehensive payment schedules
- ROU asset and liability recognition

## Technology innovation

- Adjustment and remeasurement
- SAP-certified installable add-on package supporting all releases of SAP S/4HANA on-premise edition
- Enhanced universal journal with additional categories including retirement unit, plant account, vintage and asset location
- Native to SAP S/4HANA, therefore fully integrated with the ERP including general ledger (FI), controlling (CO), fixed asset accounting (AA), asset retirement obligation (ARO) and accounts payable (AP)
- Continuing property records provide necessary functions to effectively manage mass asset by retirement unit, plant account, vintage and asset location
- Fiori-based user experience
- Reporting and analytics through SAP S/4HANA embedded analytics framework (CDS Views) and analysis for Office

## Fiori-based user experience

Fiori-based UX for asset accounting managers with a thorough and holistic view of fixed assets balances, lifecycle, cost components and all the details.



Cognizant (Nasdaq-100: CTSI) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S, Cognizant is ranked 185 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us @Cognizant.

### World Headquarters

300 Frank W. Burr Blvd.  
Suite 36, 6th Floor  
Teaneck, NJ 07666 USA  
Phone: +1 201 801 0233  
Fax: +1 201 801 0243  
Toll Free: +1 888 937 3277

### European Headquarters

280 Bishopsgate  
London  
EC2M 4RB  
England  
Tel: +44 (01) 020 7297 7600

### India Operations Headquarters

5/535, Okkiam Thoraipakkam,  
Old Mahabalipuram Road,  
Chennai 600 096 India  
Tel: 1-800-208-6999  
Fax: +91 (01) 44 4209 6060

### APAC Headquarters

1 Fusionopolis Link,  
Level 5 NEXUS@One-North,  
North Tower, Singapore 138542  
Phone: + 65 6812 4000

© 2024, Cognizant. All rights reserved. No part of this document may be reproduced, stored in a retrieval system, transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the express written permission of Cognizant. The information contained herein is subject to change without notice. All other trademarks mentioned here in are the property of their respective owners.