Expense: Payroll Integration for SAP ECC, SAP S/4HANA, and SAP S/4HANA Cloud
Setup Guide for SAP Concur Professional Edition

Last Revised: August 15, 2020

Applies to these SAP Concur solutions:

- Expense
  - Professional/Premium edition
  - Standard edition

- Travel
  - Professional/Premium edition
  - Standard edition

- Invoice
  - Professional/Premium edition
  - Standard edition

- Request
  - Professional/Premium edition
  - Standard edition
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## Revision History

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<th>Notes/Comments/Changes</th>
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<tr>
<td>August 15, 2020</td>
<td>Updated the <strong>Transfer Failures</strong> page name to <strong>Posting Failures</strong>, and detailed the new search and sort functionality. Updated SAP Concur to Concur Expense where appropriate.</td>
</tr>
<tr>
<td>May 7, 2020</td>
<td>Renamed the Authorization Request check box to Request on the guide’s title page; cover date not updated</td>
</tr>
<tr>
<td>March 6, 2020</td>
<td>New document.</td>
</tr>
</tbody>
</table>
Payroll Integration for SAP ECC, SAP S/4HANA, and SAP S/4HANA Cloud

1 Permissions

A company administrator may or may not have the correct permissions to use this feature. The administrator may have limited permissions, for example, they can affect only certain groups and/or use only certain options (view but not create or edit).

If a company administrator needs to use this feature and does not have the proper permissions, they should contact the company's SAP Concur administrator.

Also, the administrator should be aware that some of the tasks described in this guide can be completed only by SAP Concur internal staff. In this case, the client must initiate a service request with SAP Concur Client Support.

2 Overview

The Payroll Integration for SAP ECC, SAP S/4HANA, and SAP S/4HANA Cloud allows clients to transfer payroll data to their SAP Payroll system as a method for reimbursing their employees for approved business expenses. Clients must use the SAP ICS (Integration with SAP Concur Solutions) to use the Payroll Integration for SAP ECC, SAP S/4HANA, and SAP S/4HANA Cloud. The client's SAP ICS must have Financial Posting configured and enabled prior to enabling the SAP Payroll integration.

For more information, refer to the Shared: SAP ICS for SAP ECC and SAP S/4HANA Setup Guide or the Expense: SAP ICS for SAP S/4HANA Cloud Setup Guide.

The Payroll Integration supports clients who have integrated Concur Expense Professional Edition with one of the following SAP financial systems:

- SAP ECC 6.0 or higher
- SAP S/4HANA (on-premise)
- SAP S/4HANA Cloud

These ERPs are referred to generically as "the SAP ERPs" in this guide.

2.1 Features

The Payroll Integration for SAP ECC, SAP S/4HANA, and SAP S/4HANA Cloud provides payroll information from posted expense reports to SAP Payroll on the Financial Integration (ICS) schedule. SAP Payroll provides posting feedback to Concur Expense. Concur Expense client administrators use the Payroll Integration page to configure and manage the payroll posting.

The Payroll Integration posting is enabled and configured for each Expense group. The administrator can configure the following settings:
Cash Advance Clearing Wage Type

**NOTE:** SAP Payroll does not support distribution of cash advances. Cash advances must be paid out to the employee through other methods. The Cash Advance Clearing Wage Type tracks the amounts that were distributed outside of the SAP Payroll system.

Personal Expense Clearing Wage Type

Payroll Clearing Account Code

Benefit in Kind Wage Type

Default Wage Types for the following situations:

- Payment Relevant Individual Taxable
- Payment Relevant Flat Rate Taxable
- Payment Relevant Non-Taxable

**NOTE:** Default wage types will be used if/when expense type-specific wage types are not entered on the **Wage Types** page. If no default wage types are entered and no expense type-specific wage types are entered, then the payroll transfer will fail. Valid wage types must be entered in at least one of these two configuration pages to ensure successful transfer of data to payroll for reimbursement or tax reporting purposes.

The Payroll integration does not support:

- The Payment Confirmation workflow step in Concur Expense

In a future release, the integration will fully support taxation including Benefit in Kind and 3-way tax split based on customer’s configuration.

Whether or not the customer reimburses through payroll, if there is tax data available for the customer it will be transferred to payroll.

### 2.2 Definitions

**Payroll Documents:** Concur Expense reports that are successfully posted in the SAP ERPs are converted into payroll documents, which are placed in a processing queue. SAP Payroll requests the queued documents from Concur Expense on a client-specified schedule. Each payroll document is assigned a Document Identifier (ID), which is used to identify the document in the SAP Payroll system and returned in the posting feedback to Concur Expense. One expense report is represented by one payroll document.

**Payroll Integration Page:** The administrator tool used by client administrators to configure the payroll settings, wage types, and manage failed payroll transfers. The client administrator must have either the Expense Configuration Admin (restricted) user role or the Payroll Administrator user role to access this page.

**Payroll Settings:** This page is used to identify whether employees will receive their reimbursements for approved business expenses as part of the company’s payroll run.
page is also used to enter special wage types that are required by Payroll but not tied directly to an expense type.

**Wage Types:** Payroll systems require a wage type as part of classifying the amounts for taxable and other payroll purposes. The wage type values are defined in SAP Payroll and entered in the Wage Types page during the initial Concur Expense configuration.

Wage types may vary by expense type and expense group. There are several wage type categories that are relevant for Payroll integration:

- **Payment Relevant Individual Taxable:** These wage types represent amounts that are taxable to the employee at tax rates that may vary by employee based on income and other factors AND the employee receives these reimbursements through the company’s payroll process.

- **Payment Relevant Flat Rate Taxable:** These wage types represent amounts that are taxable to the employee at a regulatory, flat rate tax AND the employee receives these reimbursements through the company’s payroll process.

- **Payment Relevant Non-Taxable:** These wage types represent amounts that are NOT taxable to the employee AND the employee receives these reimbursements through the company’s payroll process.

- **Non-Payment Relevant Individual Taxable:** These wage types represent amounts that are taxable to the employee at tax rates that may vary by employee based on income and other factors, but the employee does NOT receive these reimbursements through the company payroll process. In this case the taxable amounts will be transferred for payroll reporting purposes only and no payroll reimbursement will occur.

- **Non-Payment Relevant Flat Rate Taxable:** These wage types represent amounts that are taxable to the employee at a regulatory, flat rate tax but the employee does NOT receive these reimbursements through the company’s payroll process. In this case the taxable amounts will be transferred for payroll reporting purposes only and no payroll reimbursement will occur.

- **Non-Payment Relevant Non-Taxable:** These wage types represent amounts that are NOT taxable to the employee and the employee receives these reimbursements through some other reimbursement process, most commonly the A/P payment process where an employee is treated as a vendor for reimbursement purposes.

**NOTE:** These categories may or may not be applicable depending on how a company has configured the payroll settings. For example, if the company is not reimbursing their employees through Payroll, then the first 3 categories will not be relevant, because they apply only to amounts that are reimbursed through payroll. As a result, the Wage Types page and related columns will reflect the specific payroll configuration for that Expense group and the available fields may vary by Expense group configuration.

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**Posting Failures:** Sometimes payroll documents are not successfully processed in SAP Payroll and may require the Payroll administrator’s action. This is usually because of an invalid wage type or missing employee information. The Posting Failures page will display any expense reports that have a failed payroll document and display an exception with details about the error. The client administrator can review and correct the posting failures and send the corrected payroll data back to the processing queue.
2.3 Payroll Posting

NOTE: This feature requires the SAP ICS (Integration with SAP Concur Solutions), with Financial Posting configured and utilized.

When Concur Expense receives feedback from the SAP ERP that an expense report was posted successfully (through ICS), Concur Expense updates the report’s workflow status to Paid/Posted (depending on configuration). The SAP Payroll integration generates a payroll document for every Paid/Posted expense report and enters the payroll document(s) in the Financial Integration queue. The SAP ERP requests the available payroll documents on the configured Financial Integration schedule. When Concur Expense receives the request from the SAP ERP, Concur Expense sends all the payroll documents in the processing queue. The SAP ERP returns an acknowledgement if the documents were all received successfully.

After receiving the SAP ERP’s acknowledgement that documents were successfully received, Concur Expense marks the documents as sent and will not send them again. SAP Payroll processes the payroll postings and returns confirmations for each document. The confirmation includes success information, or error codes for any payroll documents that failed.

If the payroll document failed to post, the expense report audit trail is updated with the error message. The client administrator can review the error on the Posting Failures tab of the Payroll Integration page. Once the error is resolved, the payroll documents can be sent back to the processing queue using the Posting Failures page.

📖 For more information, refer to the What the Admin Sees section of this guide.

Concur Expense updates all expense reports that posted successfully with the success message in their audit trail. The report workflow status is not changed—Paid/Posted is the final workflow status for reports using Financial Integration.

3 What the User Sees

In Concur Expense, the payroll integration status will appear to the traveler and processor in multiple places:

- Expense report audit trail
- Process Reports page
3.1.1 Expense Report Audit Trail

The report audit trail includes the posting status once the posting feedback has been returned from SAP Payroll. The user clicks Details > Audit Trail to view the audit trail.

![Audit Trail Image]

3.1.2 Process Reports Page

Once the payroll posting has been attempted for a report, the processor will see the payroll posting feedback on the Process Reports page.

If the payroll posting failed, the report will display an exception for PYRLFAIL and the details of the posting failure will appear in the report audit trail.

<table>
<thead>
<tr>
<th>Exceptions</th>
<th>Expense Type</th>
<th>Date</th>
<th>Amount</th>
<th>Exception</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td>Code: PYRLFAIL, Level: 1; Payroll Posting failed. Check audit trail for detailed error messages.</td>
</tr>
</tbody>
</table>
The processor can view the audit trail for the report to see the details of the payroll posting failure. In this example, the posting failed because of a missing wage type.

The Processor can view the errors in the audit trail, and the Payroll Administrator can see this information on the Payroll Integration > Posting Failures page.

The majority of payroll posting errors are the result of invalid wage types. The Payroll Administrator can correct wage types on the Wage Types page and then send the payroll data for that report back to the processing queue.

**NOTE:** When the payroll transfer is retrigged the most recent wage type values will be used. This is how the Payroll Administrator is able to modify wage types and retry the payroll transfer using the corrected information.
4 What the Admin Sees

4.1.1 Reviewing Posting Failures

The Concur Expense client administrator or Payroll Administrator uses the Posting Failures tab of the Payroll Integration page to correct payroll posting issues. To access the page, the administrator clicks Admin > Company > Tools > Payroll Integration > Posting Failures.
The administrator can use the search and filter fields to narrow down the list of posting failures, and can sort the list using any column.

The administrator clicks the Report ID to view the expense report audit trail, which contains the error information.

The administrator can correct the wage type or payroll setting issues on the Payroll Integration tabs. Once the data is ready to re-send, the administrator selects the check box for the report, and clicks Retry Payroll Transfer. This transfer will include the updated and most recent wage type and payroll settings data.

## 5 Prerequisites

### 5.1 Concur Expense Prerequisites

The client must:

- Be an existing client of SAP Concur solutions, with Concur Expense Professional Edition.
- Be an existing SAP client, with one of the following SAP financial systems:
  - SAP ECC 6.0 or higher
6.1.1 SAP Payroll Integration Add-on Configuration Prerequisites

The SAP financial system prerequisites vary depending on the financial system you use. The SAP add-ons were installed as part of the configuration process for the SAP ICS and need to be upgraded to the latest version to enable SAP Payroll.

For more information, refer to the relevant SAP guide listed in the Available SAP Documentation section of the Shared: SAP ICS for SAP ECC and SAP S/4HANA Setup Guide or the Expense: SAP ICS for SAP S/4HANA Cloud Setup Guide.

5.1.1.1 Prior to SAP Setup

Prior to beginning the SAP add-on installation and configuration, you should complete the following tasks in Concur Expense:

- Enable Payroll Integration in Group Configurations.

6 Configuration

6.1.1 Overview

The SAP Payroll Integration with Concur Expense installation/configuration requires configuration steps in both Concur Expense and SAP Payroll. This guide contains information about the configuration and activation steps for the integration in Concur Expense. Some steps can only be completed by SAP Concur internal staff and require the client to submit a configuration request to SAP Concur support.

For the step by step process to enable Payroll for existing ICS customers, refer to the Payroll Activation for Existing Customers fact sheet.

6.1.2 SAP Concur Setup Guides

Full details about the configuration pages are available in the Concur Expense Setup Guides. The relevant guide is referenced in each configuration step.

Expense Professional Edition Setup Guides:

6.1.3 Enabling the Integration

The SAP Concur Implementation consultant performs many, if not all, of the following steps, depending on the client’s Concur Expense configuration.

6.1.3.1 Update Group Configurations

The Concur Expense administrator enables the payroll integration by Expense group in Administration > Expense > Group Configurations.

**NOTE:** The client must submit a configuration request to SAP Concur support to complete this step, as it can only be completed by SAP Concur Internal users.

![Configuration for Group: Global](image)

**NOTE:** This setting is only visible to SAP Concur Internal users who log in to the company as ConcurAdmin from HMC.

When this setting is selected, the **Payroll Integration** administration page becomes available. The Concur Expense client administrator must enable payroll reimbursement for each group on the **Payroll Integration** page, it is not on by default.
6.1.4 Configuring the Payroll Settings

The Concur Expense client administrator manages the payroll settings on the Payroll Integration page.

6.1.4.1 Accessing the Payroll Integration Page

To access the Payroll Integration page, click Admin > Company > Tools > Payroll Integration.

![Payroll Integration page](image-url)
6.1.4.2 Update General Payroll Settings

The Concur Expense client administrator manages the general payroll settings for each expense group on the Payroll Settings tab of the Payroll Integration page.

To update the payroll settings:

1. On the Payroll Settings tab, select the desired expense group.
2. Modify the fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enable Payroll Reimbursements</td>
<td>Select (enable) this check box to use the SAP Payroll integration to reimburse employees in this group. Leave this cleared (deselected) to have only tax information sent to payroll. When cleared (deselected), the Payment Relevant columns on Wage Types tab become non-editable.</td>
</tr>
<tr>
<td>Cash Advance Clearing Wage Type</td>
<td>Special wage type. May vary by Expense Group. Non-expense type specific. Used to reduce the payroll amount due the employee by the amount of issued cash advances. SAP Payroll does not issue cash advances, but uses this wage type to track the issued and returned amounts outside of SAP Payroll.</td>
</tr>
<tr>
<td>Personal Expense Clearing Wage Type</td>
<td>Special wage type. May vary by Expense Group. Non-expense type specific. Used to reduce the payroll amount due the employee by the amount of personal spend on a company paid card.</td>
</tr>
<tr>
<td>Payroll Clearing Account Code</td>
<td>Special wage type. May vary by Expense Group. Non-expense type specific. Used to clear the payroll liability once it has been paid to the employee.</td>
</tr>
<tr>
<td>Benefits in Kind Wage Type</td>
<td>Special wage type. May vary by Expense Group. Non-expense type specific. Used to account for amounts that represent a taxable benefit in kind.</td>
</tr>
</tbody>
</table>

3. Fill in the Default Wage Types fields. The values entered here will be used if there is no expense type specific value configured on the Wage Types tab.

For definitions of the wage types, refer to the 2.2 Definitions section of this guide.

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4. Click **Save**.

### 6.1.4.3 Update Wage Types for Expense Types

The Concur Expense client administrator manages expense type specific wage types for each expense group on the **Wage Types** tab of the **Payroll Integration** page.

**To update the wage types for expense types:**

1. On the **Wage Types** tab, select the desired expense group. The expense types for the group appear. The **Payment Relevant** columns will show as *Not Applicable* if the **Enable Payroll Reimbursements** check box on the **Payroll Settings** tab is cleared (disabled).

![Wage Types Tab](image)

2. Enter the desired wage types by clicking or tabbing through the columns.

   - For information about the wage types, refer to the 2.2 *Definitions* section of this guide.

3. Select (enable) or clear (disable) the **Transfer Amounts to Payroll?** check box. If this setting is enabled, the integration sends the expense type amounts to the SAP Payroll system, even if the group is not being reimbursed through SAP Payroll and no amounts are taxable to the employee. If this setting is disabled, amounts associated with the expense types which are *not* reimbursed through payroll and are *not* taxable will be excluded from the payroll integration. Amounts that are either reimbursed through payroll or are **taxable** will always transfer to payroll.

4. Click **Save**.

### 7 Creating a Support Case

The Payroll Integration for SAP ECC, SAP S/4HANA, and SAP S/4HANA Cloud connects your Concur Expense and SAP systems and is therefore supported by both SAP Concur support and SAP support.

To avoid unnecessary delays during incident handling, please proceed as follows:
In which system does the problem originate?

- **SAP**: If you suspect the cause is in the SAP system, create a support ticket as described in the respective SAP integration setup guide.

  If the issue relates to Concur Expense after all, the SAP support team opens a case in the SAP Concur support system. The new case is created under the authorized support contact (ASC) for Concur Expense, with the original ticket owner copied. The original SAP ticket is closed with a reference to the SAP Concur system and the email address of the person who initially created the ticket. The email address is needed to keep the ticket creator informed about the status.

- **Concur Expense**: If you suspect the cause is in Concur Expense and you are the Concur Expense client administrator, create a support case by navigating to Help > Contact Support in Concur Expense. If you are not an ASC for Concur Expense, contact your Concur Expense Administrator, who will create the support case for SAP Concur support to manage. The ASC can add you as a cc on the case so you can track the case status.

  If you are not sure what is causing the problem, please create the ticket in the SAP system.

In your support ticket, include the following information:

- Expected behavior of the integration
- Actual behavior of the integration
- Time and date of the issue
- Expense Report ID, Invoice ID, or Employee ID, if applicable