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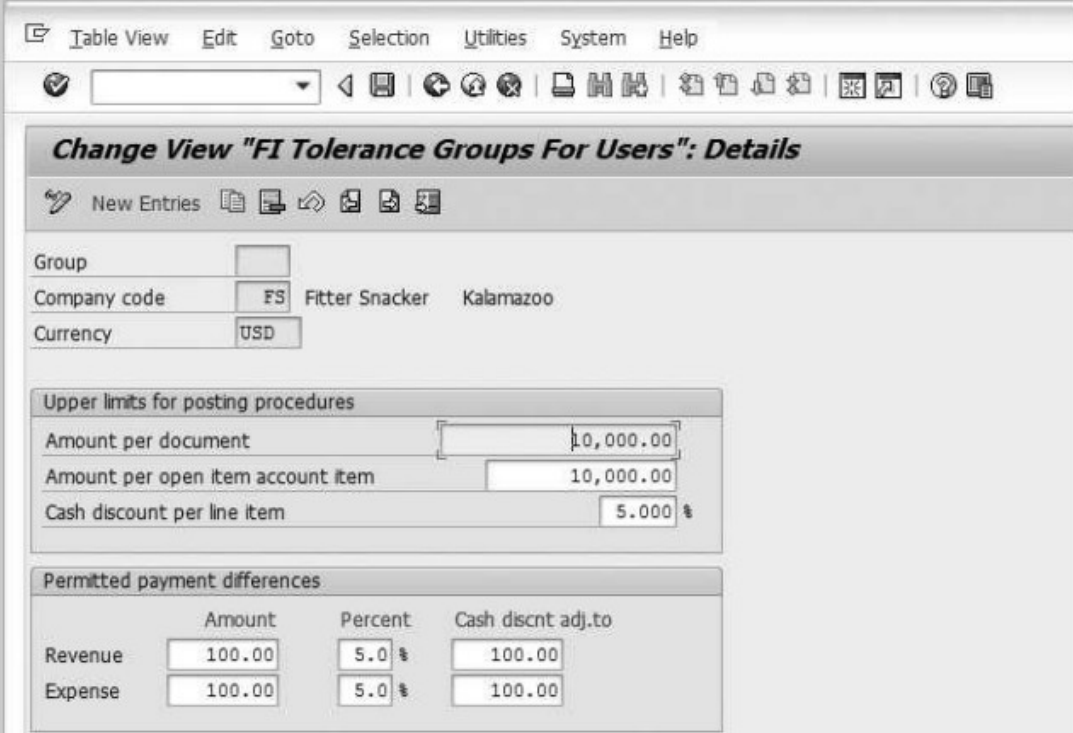
Course Name:	Enterprise Information System	Course Code:	CS 422
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Student : Name:_____ Roll No._____
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Tolerance Groups

In configuring the SAP system, a company can define **tolerance groups**, which are specific ranges that define transaction limits. An example of a tolerance group is shown in Figure 2-6. As part of the configuration process, a company can define any number of tolerance groups with a range of limits, and can then assign employees to these tolerance groups.

Source Line: SAP AG.

While SAP has defined the tolerance group methodology as its method for placing limits on an employee, configuration allows a company the flexibility to further tailor this methodology for other uses. Assume a sporting goods company places an order in January for 1,000 life jackets. The company receives only 995 in the shipment from the manufacturer, which arrives in March. This delivery, although it is short five life jackets, is close enough to the original order that it is accepted as complete. The difference of the five life jackets represents the tolerance. By defining the tolerance group to accept a variance of a small percentage of the shipment, the company has determined that it is not worth pursuing the five extra life jackets. Tolerance could indicate a shortage, as in this example, or an overabundance in an order. Thus, an order of 1,005 life jackets would also be within the tolerance. Tolerance groups should be defined and documented, in part to deal with fraud issues. The sporting goods company should know the reason for a short order: is it because the order is within the tolerance range, or is it because a worker on the loading dock stole five life jackets?

Question:

1. Can you think of other areas within a company that would need to have some limits set on variances or payments? Why would it be beneficial to set those tolerance groups?

In a company engaged in banking, Group Tolerance is also important to use. In each user / employee in a bank do bookkeeping transactions, either in the operational part of the financing or even in the marketing department which is funding.

Bookkeeping transactions include debit and credit processes in an account. In the process each employee is given a limit on the number of nominal transactions that can be processed. For more details, see the following example:

- For the Facilities and Logistics Section, only a maximum transaction of Rp. 50 million per 1x transaction.
- The Teller section can only make transactions of Rp. 300 million / 1x transaction.
- The CS section can only make transactions of Rp. 150 million / 1x transaction.
- The Credit Department can only make transactions of Rp. 300 million / 1x transaction.
- While the marketing department can only see balance information from an account.
- Officer has a limit of Rp. 500 Jt / 1 x transaction.
- Manager has a limit of Rp. 1 M / 1x Transaction.

Each of these sections is given a maximum limit in conducting transactions due to the ease of controlling transactions, operational supervision and security.

The difference is given based on the type of activities and needs of each field, and if there is a transaction that exceeds the maximum limit then the transaction will be pending / not processed and can only be processed by asking permission / open pending application to the manager / supervisor who has a limit above / according to the transaction.