

## MM0014-Subsequent Settlement in Purchasing

Overview of Settlement Process in SAP MM



## Workshop Ground Rules

- Cell phones off
- Full attention throughout
- Scheduled Breaks only



## MM0014-Subsequent Settlement in Purchasing – v1.0



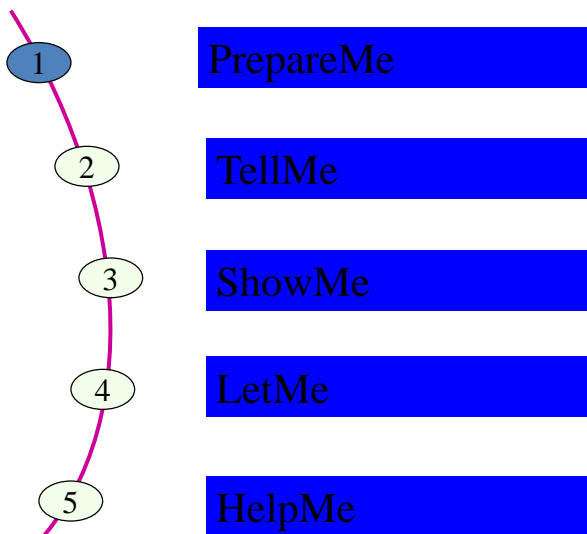
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This In-house course was developed to meet the needs of SAP R/3 Consultants working at Capgemini. This course is designed to present a high level view of Subsequent Settlement in Purchasing and to provide the Consultants with basic information about how to use this Functionality.

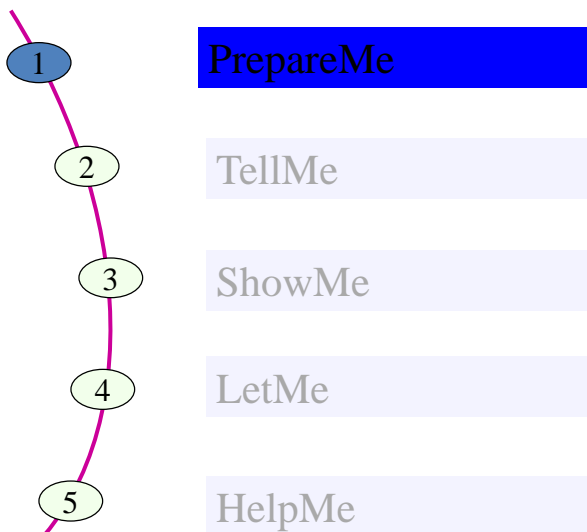
More in-depth courses have been developed to train Consultants in specific areas discussed during this course.

Your comments at the conclusion of this training session are appreciated and will help us better tailor future courses to meet your training needs.

## Subsequent Settlement in Purchasing



## Subsequent Settlement in Purchasing



## PrepareMe

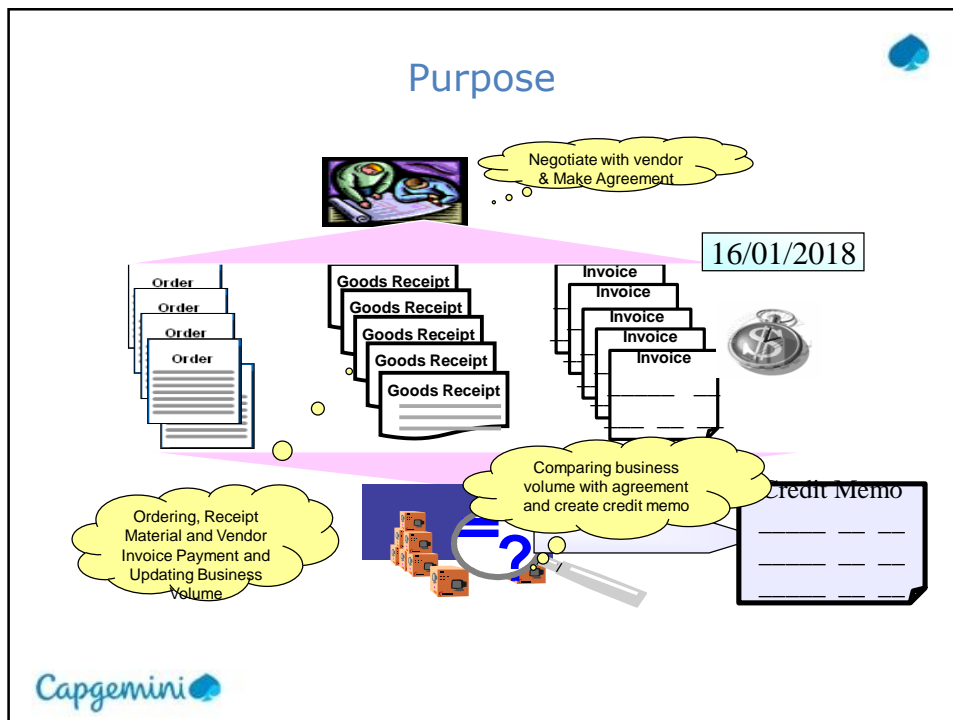


### Agenda

**Purpose**

**Use**

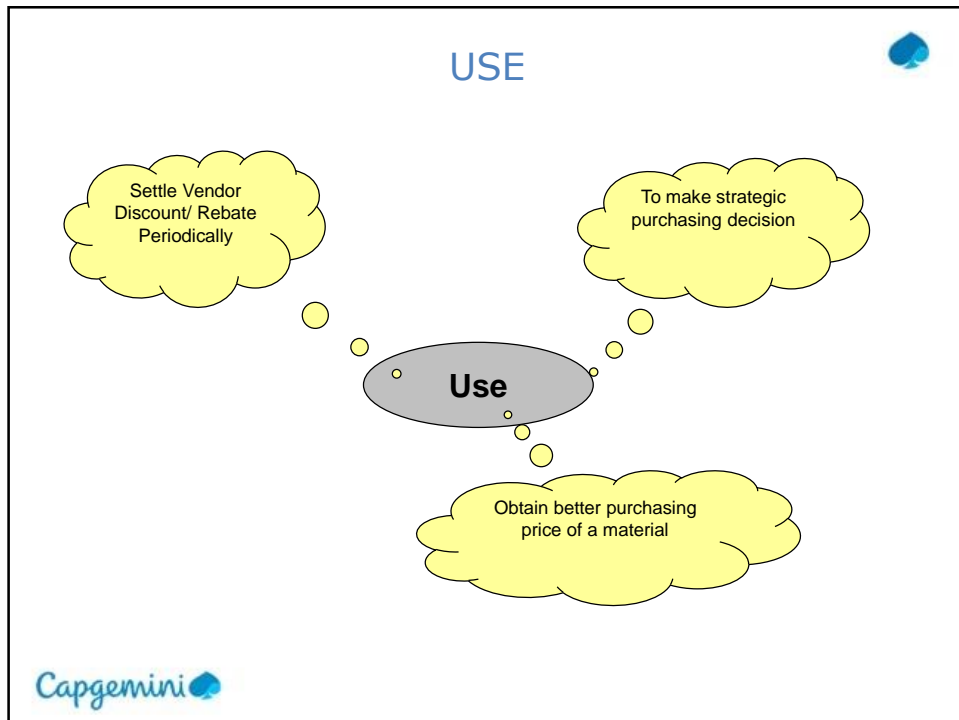
**Challenge**



As a purchaser you negotiate with vendor for discount/rebate on a particular material volume, material range volume, total purchase price from vendor or punctual payment for a particular time period. (exp vendor will give additional rebate of 2% if total procured quantity of material A is more than 2000 PC in a year). You create a agreement with vendor for the agreed condition. You keep on ordering the material/materials from the vendor, performed good receipt and payment of vendor. Once the agreed time period is over business volume done with vendor compared with the agreed business volume. If business volume done with vendor exceed you need to settle agreed discount/rebate that is known as subsequent settlement. As the result of subsequent

settlement credit memo is created against vendor.

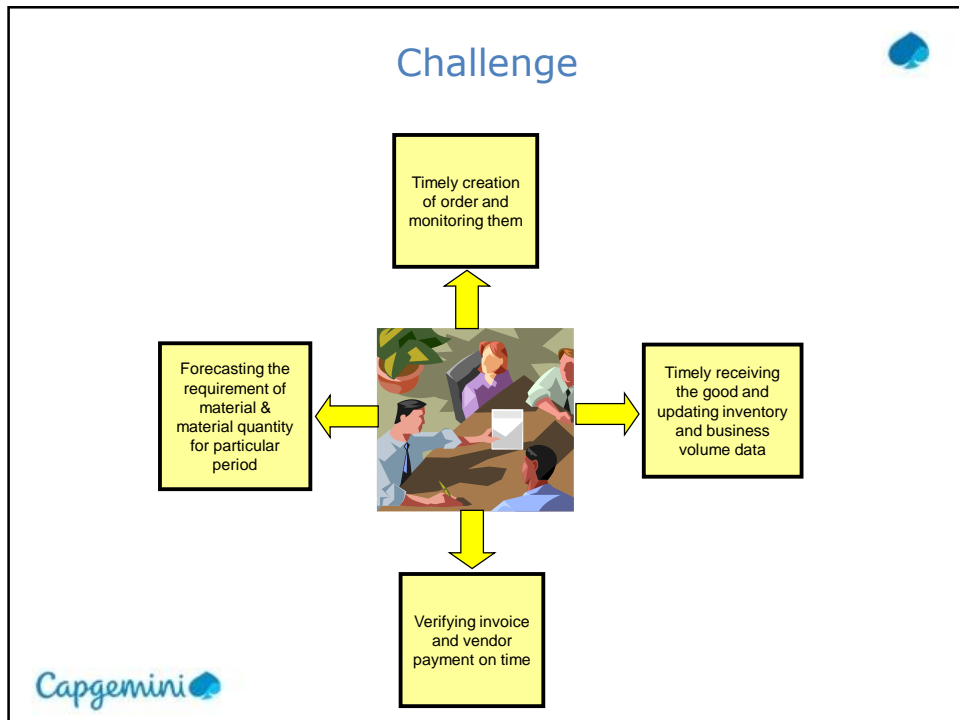




In the subsequent settlement in purchasing agreed discount/rebate is settled with vendor on a material volume or material range volume or total purchase price or timely payment of invoice for a particular time period.

As the result of subsequent settlement the cost of purchased goods reduce because you negotiate better discount/rebate for a period of time.

As the result of subsequent settlement you focus on strategic purchasing decision (right quantity, right price, right quality, right time etc) for a period of time from a vendor. This improve efficiency of supply chain management.

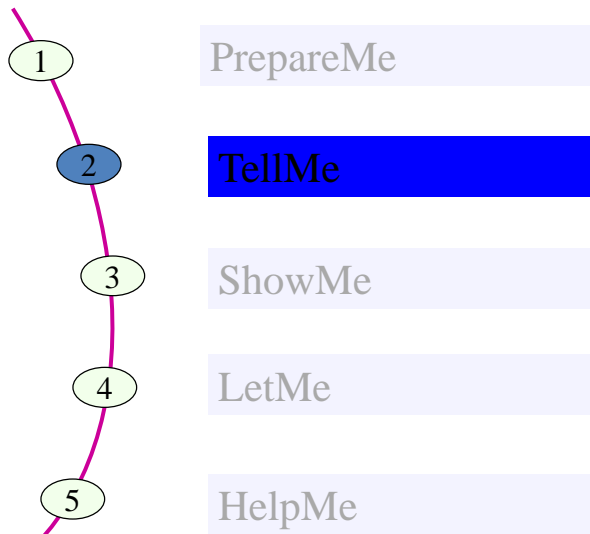


The biggest challenge in subsequent settlement is the forecasting of required quantity of a material for particular time period. Because on the basis of these forecasting result you negotiate with vendor for the discount/rebate.

Another major hurdle is the keep on ordering material from the same vendor (exp. After some time vendor is not supplying material up to quality standard)

Other challenge is the timely entering good receipt and timely paying vendor invoice because on the basis of past business volume data subsequent settlement is done.

## Subsequent Settlement in Purchasing



## TellMe



Subsequent Settlement Process: At a glance

Conditions In Subsequent Settlement

Type of Subsequent Settlement

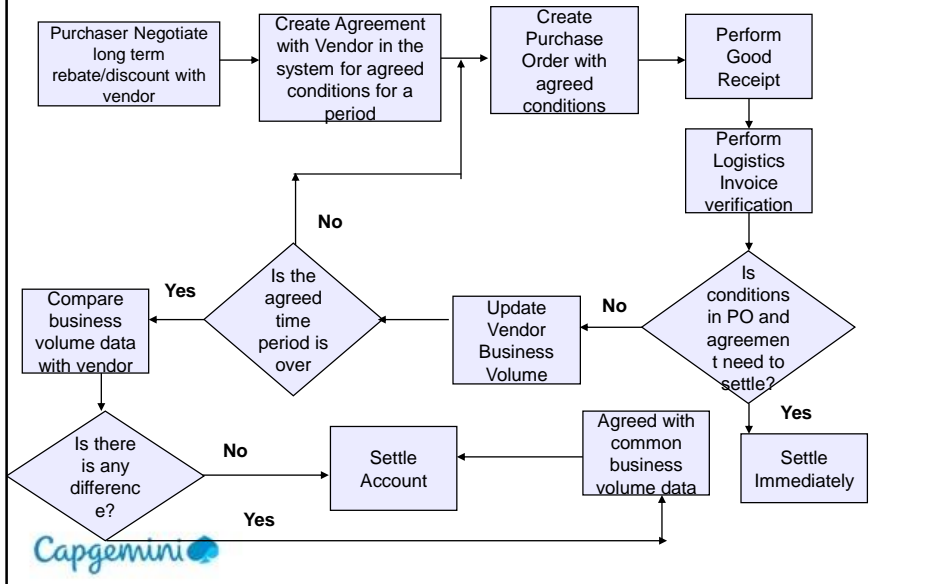
Rebate Arrangement In Subsequent Settlement

Business Volume Updating

Business Volume Comparison

Account Settlement

## Subsequent Settlement: At A Glance



As a purchaser you negotiate long term rebate/discount with vendors for the purchase of particular material or ranges of materials or services or punctual payment of vendor invoices or running promotions or contribution to the costs incurred in retail (for example, disposal costs). You create an agreement with vendor with agreed condition for a particular time period in the system. As the requirement comes purchase orders created with vendor. Good receipts or service entry sheet is entered in the system as soon as the material received or service performed by the vendor. Vendor raises the invoice, purchaser/central clerks verify and enter the invoice by using logistic invoice verification functionality. At the time of invoice verification system checks that the conditions in the purchase order is need to settle immediately. If condition need to settle immediately then system settle at the time of invoice verification otherwise update vendor business volume. At the end of agreement period or partial condition settlement time vendor business volume compared with vendor data. If there is any difference then agree on common business volume data with vendor and settle account.

## Subsequent Settlement: At A Glance



### Some Points To Be Remember

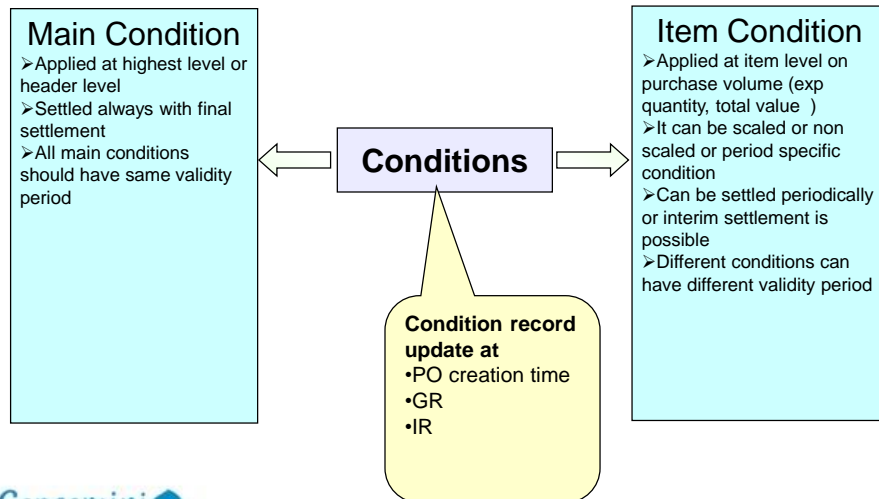
- Business Volume data Updated at the time of creation of purchase order or good receipt or logistics invoice verification
- Agreed rebate/discount condition can be one time or periodic.
- It is possible to enter rebate agreement after recording business volume data in the system. In this case relevant business volume data updated retrospectively.
- It is possible to settle rebate/discount condition periodically, interim or finally.
- It is possible to create rebate agreement with respect to existing rebate agreement.
- Rebate agreement whose validity period is over can be extended for next validity period
- It is possible to archive rebate agreement related documents

## Conditions In Subsequent Settlement



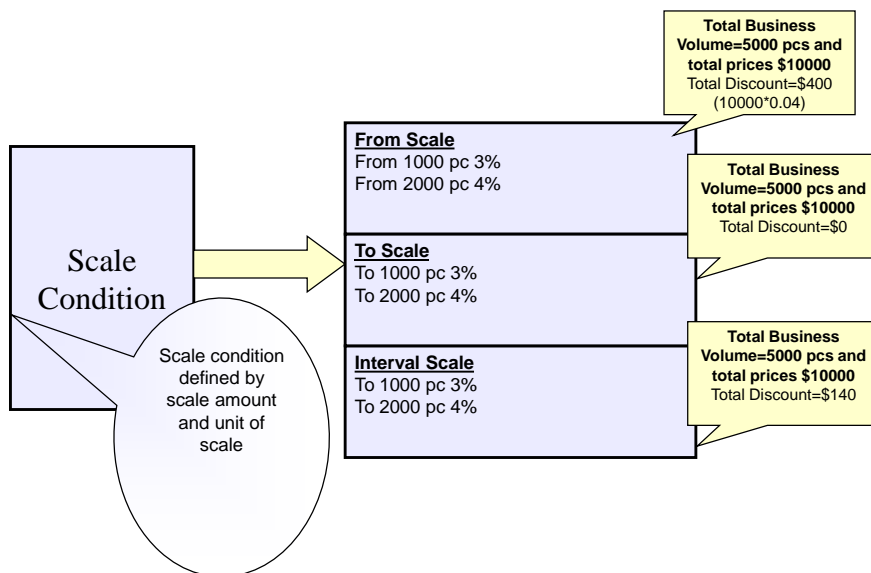
- Condition can be Goods related (material, vendor sub range) or Corporate unit related (purchase organization, plant etc)
- Each condition indicate rebate and consist of amount & unit
- Each condition can be assigned to different currency in same rebate arrangement
- Conditions can be scaled or non scaled
- Settlements can be periodic or one time
- Conditions are assigned to condition type

## Conditions In Subsequent Settlement





## Conditions In Subsequent Settlement



## Conditions In Subsequent Settlement



### Period Specific Condition

- Period specific condition use to specify different rebate/discount for different period
- Periodic condition use for partial settlement
- Validity period of each period specific condition should be within the main condition validity period.
- Periods in the period specific condition should be inline with settlement calendar specified in customizing of arrangement type
- Different unit of measurement of same condition is possible for different period
- At the time of final settlement total business volume done with business during the period is considered although periodic condition already settled

<u>Scale Condition</u> <u>(Validity 01.01.2015</u> <u>to 30.06.2015)</u>	<u>Periodic Condition</u>	<u>Business Volume</u>	<u>Settlement:</u>
From \$10000 1%	01.01.2015 to	<u>Jan 2015 \$ 3500</u>	<u>Periodic Settlement</u>
From \$20000 2%	31.03.2015 2%	<u>Feb 2015 \$3000</u>	Jan to Mar 2015
From \$30000 3%	01.04.2015 to	<u>Mar 2015 \$2900</u>	<b>Discount=\$188</b>
From \$40000 4%	30.06.2015 2%	<u>April 2015 \$3500</u>	April to Jun 2015
		<u>May 2015 \$3800</u>	<b>Discount=\$236</b>
		<u>Jun 2015 \$4500</u>	<b>Final Settlement</b>
			<b>Discount=\$212(636-236-188)</b>



Periodic conditions are settled at the end of period. At the end of specific period rebate/discount is calculated on the total business volume done with vendor in that particular period. In final settlement total business volume done with vendor during the arrangement period is calculated (volume which are already settled periodically also consider) and rebate/discount is calculated as per main condition. The rebate/discount that is achieved in periodic settlement is deducted from total rebate/discount and remaining amount is settle as the final settlement.

In the above example

In Q1(Jan to Mar) total business volume =\$9400 Hence  
rebate/discount=  $9400 \times 0.02 = \$188$

In Q2(April to Jun) total business volume =\$11800 Hence  
rebate/discount=  $11800 \times 0.02 = \$236$

In the total arrangement period (jan to Jun) total business volume= \$21200. As the process of final settlement this volume in the range of discount 3%

Hence total rebate/discount=  $21200 \times 0.03 = \$636$ . As \$235 and \$188 are already settled in periodic settlement

hence final settlement rebate/discount =  $636 - 236 - 188 = \$212$ .

## Type of Subsequent Settlement



### **Partial Settlement**

- Periodic condition settlement
- Settlement date should be before validity end date of arrangement
- Condition record blocked for new price determination
- Condition record for new business volume data updated in next period
- Rebate arrangement status become "Settlement effected for arrangement"



### **Final Settlement**

- Settlement date should be after validity end date or the same as validity end date
- Condition record blocked and any updating of business volume data is not possible
- Rebate arrangement status become "Final settlement effected for arrangement"
- Business volume settled in partial settlement is also consider

### **Interim Settlement**

- Settling rebate arrangement before the due date
- Settle one time condition as well as periodic condition
- All conditions that are due to settle at the end of period are settled
- Rebate arrangement status "Not Set" that means condition remain active and will be settled in next partial or final settlement



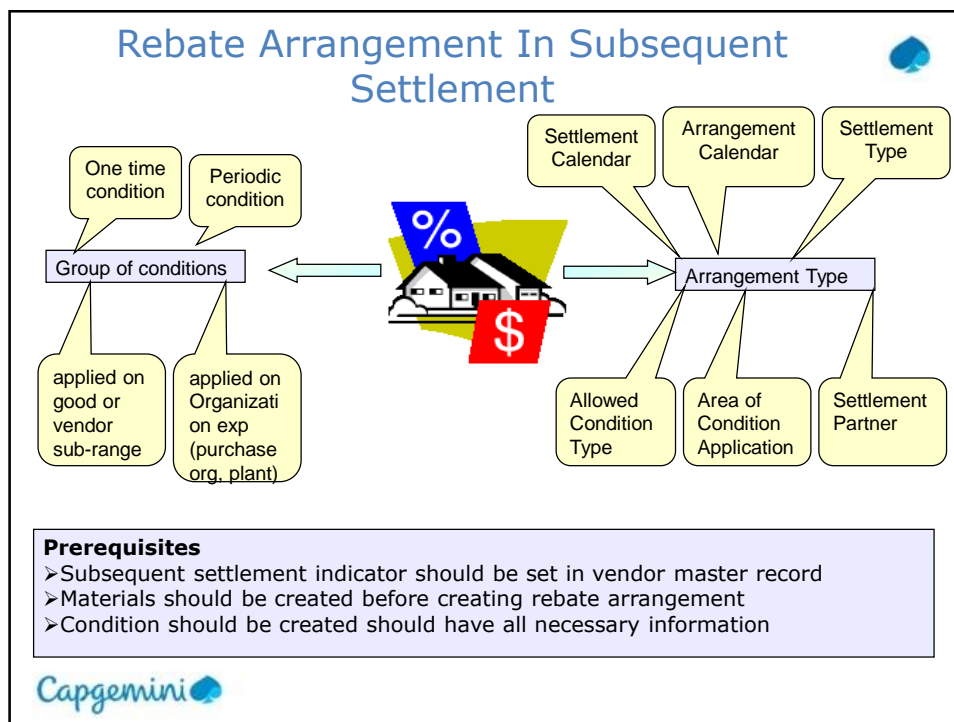
Prerequisites for any type of settlement is that condition should be due for settlement and all business volume data should be updated.

All periodic conditions at the end of period are settle at the end of period by partial settlement. There is no updation of business volume data is possible in condition record once conditions are settled.

At the time of final settlement (at the end of rebate arrangement validity period) all business volume data (which are due for settlement or which already settle in partial settlement or in interim settlement) are consider. Total Rebate/Discount is calculated on total business volume data on the basis of main condition and rebate/discount which is already settle in partial or interim settlement is deducted from total rebate/discount. Remain amount is settle as final settlement. Once final settlement is done it is not possible to update any business volume.

Conditions entered in the rebate arrangement is used in price determination at the time of purchase order creation.

It is possible to settle conditions that are due to settle at the end of certain period , before the end of period. Example certain conditions are due to settle at the end of Q3 (31<sup>st</sup> Sept 2007) but due to some reason you want to settle on 15<sup>th</sup> Aug. In this case business volume done up to 15<sup>th</sup> Aug is consider and putting settlement date 31<sup>st</sup> Sept rebate/discount is settled. It is possible to update business volume after settlement. Remaining business volume consider at the time of partial or final settlement.



Rebate arrangement is the combination of conditions which are applied on good or vendor sub range or organizational unit. These conditions can be one time condition or periodic condition. Each rebate arrangement has arrangement type which controls validity period of arrangement, settlement calendar, payment method, allowed conditions, settlement type (debit side or credit side) and area of application of condition.

Before creating rebate arrangement in system “subsequent settlement” indicator must be set in vendor master record. Material must be present in the system. Condition with all necessary information (exp area of application and settlement frequency) must be created.

It is possible to extend existing rebate arrangement to increase validity period.

## Retrospective Rebate Arrangement In Subsequent Settlement



- Creating rebate arrangement after the start of validity period of rebate
- Some of the business volume already done with vendor before creating rebate arrangement in the system
- Condition record for the business volume done before creating rebate arrangement is not updated.
- These business volume data can be updated subsequently if the "subsequent settlement index" indicator set in the vendor master
- All business volume done after creation of rebate arrangement updated in normal way.
- It is not possible to change the valuation of document that are already posted before creating rebate arrangement. It means there is no provision to post accrued income



Retrospective rebate arrangement is created when discount or rebate negotiated with vendor after doing some business and the previous business volume also considered under these rebate/discount conditions.

Example you agreed with vendor for periodic rebate of 2% every quarter w.e.f 01.01.2007 on 01.04.2007 . You create rebate arrangement in system on 02.04.2007. But before creating rebate arrangement following is the situation of business volume done with vendor

PO of value \$ 100 is created on 20.01.2007

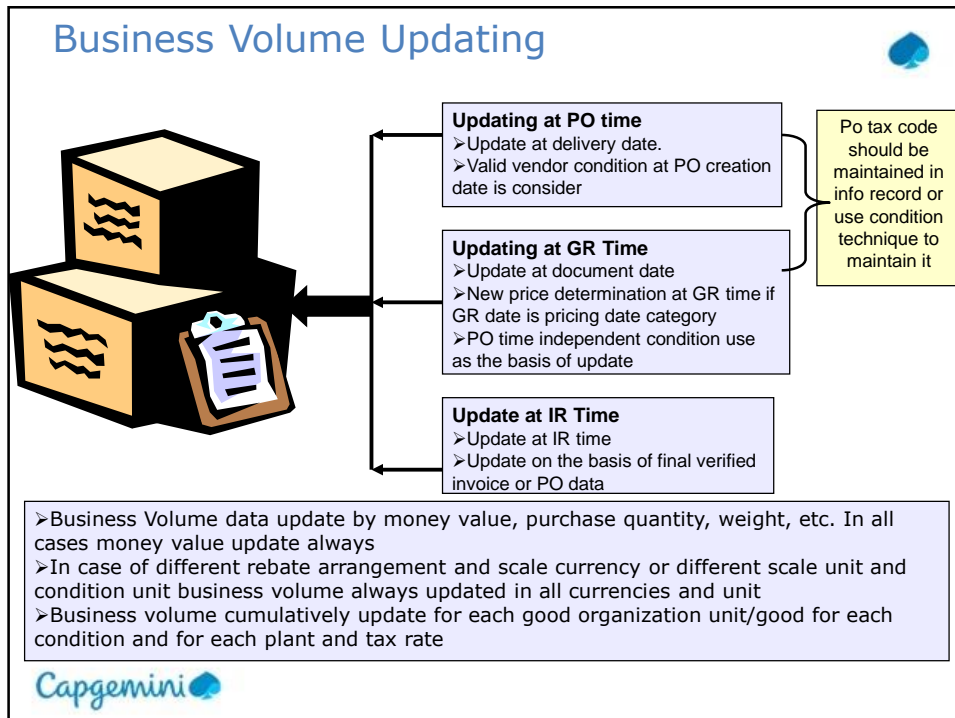
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Po of value \$ 150 is created on 01.04.2007

For all these above PO's rebate conditions are not taken in price determination and condition record is not updated. Hence after creating rebate arrangement need to update condition record subsequently.

PO created after 02.04.2007 will include rebate condition in price determination and update condition record at Po creation time.



Business volume done with vendor is updated by money value or quantity or weight or volume at the time of PO/GR/IR. In all cases business volume updated by money value.

In case of updating at PO time business volume update at delivery date. Condition record updated for valid conditions at the PO creation time.

In case of updating at GR time business volume update on document date. Time independent condition in Po use as the basis of business volume update. If Good receipt date is described as pricing date category then new price determination carried out at GR time and business volume data updated.

In case of invoice receipt time business volume data updated on invoice receipt date either by verified invoice data or by PO data.

In all the case business volume data updated for good as well as on organization level in all the currency specified in arrangement for main rebate condition, rebate arrangement currency or scale currency and in all units.

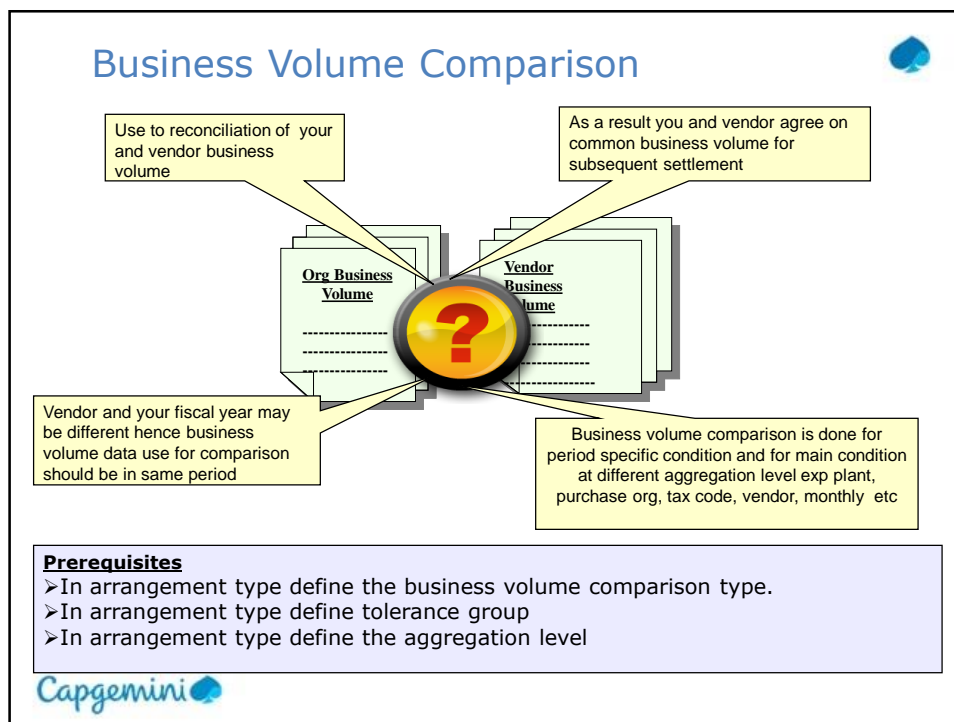
Note Business volume data is not updated for consignment process, pipeline procurement, credit memo or invoice without purchase order.

## Subsequent Business Volume Updating



- If the rebate arrangement is created in the system after doing some business volume with vendor (or validity start is in past) and the condition agreed with vendor also considered then that business volume need to updated subsequently.
- Prerequisites for subsequent updating business volume data is that "subsequent settlement" and "subsequent settlement index" indicator should be set in vendor master record. These indicator determine which vendor document is relevant for subsequent update of business volume data
- Business volume data updated subsequently in two way
  - Compile Business Data: Each vendor data updated separately
  - Process Work list: Several vendors business volume data update possible
- In subsequent business volume update there is no price determination carried out hence condition exclusion is not possible in subsequent business volume update
- In subsequent business volume update valuation of document remain unchanged hence not possible to post accrued income



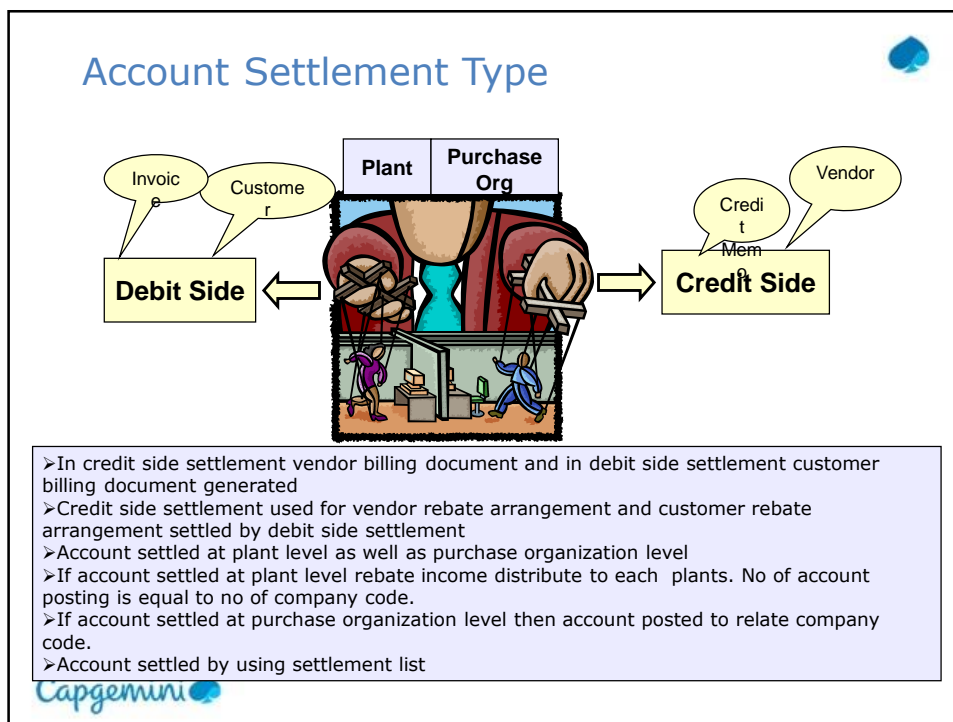


As the business volume data recorded by you and by vendor may be differ because both may have different fiscal year in this situation to avoid conflict and settle vendor account business volume comparison carried out. In business volume comparison business data compare at different aggregation level like on plant level or on vendor level or monthly business volume with vendor etc. After business volume comparison you and vendor agreed on common business volume data and settle vendor and your account in account settlement procedure.

Prerequisites for business volume comparison are:

- (1) Business volume comparison type should be define in arrangement type. It means in arrangement type it should be define whether business volume comparison is allowed or mandatory for settlement of periodic or main condition. It should also defined how to handle business volume done after business volume comparison in settlement accounting
- (2) Business volume tolerance group should be define in arrangement type and should be assign to user group. Business volume tolerance group gives th guideline to compare business volume for periodic or main condition.

- (3) It should be define in arrangement type at which level business volume data should be entered.



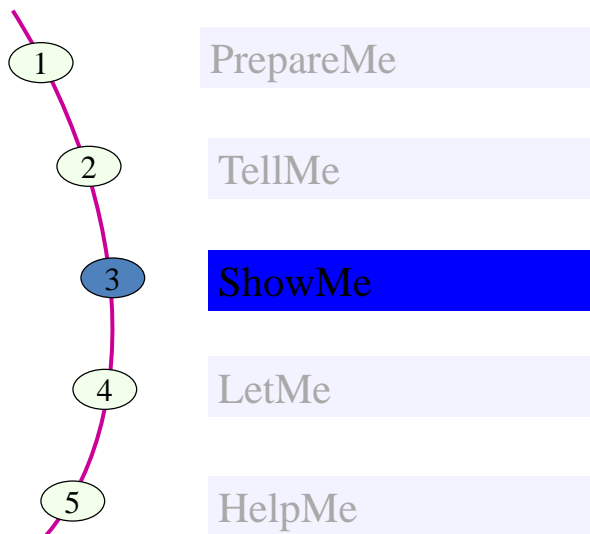
After business volume comparison rebate arrangement is settle by account settlement function. In account settlement rebate income is distributed among different organization level. In this process vendor account is credit and company account is debited and relevant accounting document generated. If rebate arrangement is made for customer then customer account is debited.

Settlement account is carried out at plant level or purchase organization level. In plant level account settlement rebate income distributed among plants by share of business volume or evenly. Separate accounting document generated for each company code. In purchase organization level settlement rebate income always distributed by share business volume. Account settlement document posted in the company code for which purchase organization belongs and separate accounting document created for each company code.

In account settlement rebate income is distributed to each condition required to be settled. A separate billing document created for each tax code. For example invoice posted with 16% input tax then in account settlement this 16% input tax is set off.

If some conditions are already settled during partial or interim settlement then these statistics need to be updated before final account settlement.

## Subsequent Settlement in Purchasing



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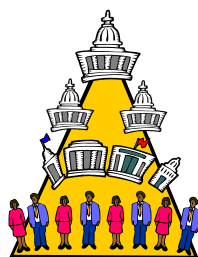


Configuration

Prerequisites & Master Data

Subsequent Settlement Example

## Subsequent Settlement: Customization



### Condition Technique

Condition Type,  
Calculation  
Schema,  
Calculation  
Schema  
Determination

### Partner Setting

Define Partner  
Schema, Assign  
partner schema to  
rebate  
arrangement type

### Rebate Setting

No range,  
Settlement run  
period, Settlement  
calendar,  
Arrangement type,

## Condition Technique

SPRO → Material Management → Purchasing → Subsequent Settlement (End of period rebate) → Set condition technique for Subsequent Settlement → Create Condition Type for Subsequent Settlement

**Condition Type:**

- Contain basis characteristic of condition
- Access Sequence is assign to condition type
- Access sequence search valid condition record in condition table
- Condition type is maintained in pricing calculation

**Callouts from Screenshot:**

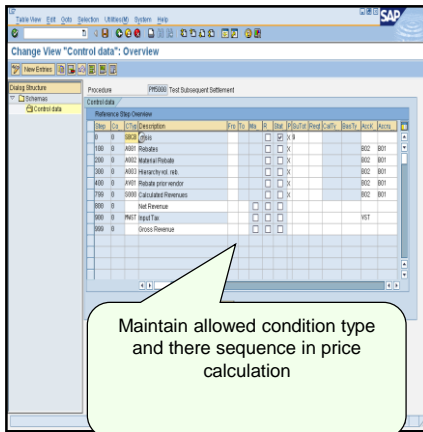
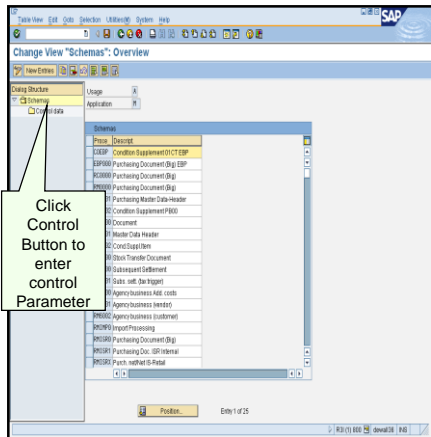
- Condition Type:** Points to the 'Cond. type' field (e.g., 'Test Rebates').
- Access Sequence:** Points to the 'Access seq.' field (e.g., '0004 Rebate').
- Scale can be quantity or value based:** Points to the 'Scale basis' field (e.g., 'Value scale').
- Discount posting (-Ve) or surcharge posting (+Ve):** Points to the 'Scale type' field (e.g., 'can be maintained in con').

In Condition Technique first step is to define condition type (if agreed condition with vendor is not standard exp vendor rebate on quantity basis instead of purchase value). Condition type control the basic characteristics of condition e.g whether condition is value based or quantity based. An access sequence is assigned to each condition type which is used to search valid condition record in condition table.

New condition type defined by copying existing condition type and changing the control parameter.

## Condition Technique

SPRO → Material Management → Purchasing → Subsequent Settlement (End of period rebate) → Set condition technique for Subsequent Settlement → Maintain Calculation Schema for Subsequent Settlement



Standard Calculation Schema is RM5000 for subsequent settlement

Calculation schema is the group of condition type and there sequence used in price determination. Create new calculation schema by copying existing calculation schema if new condition type is created.

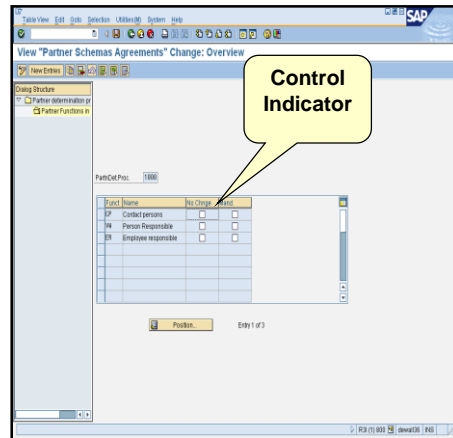
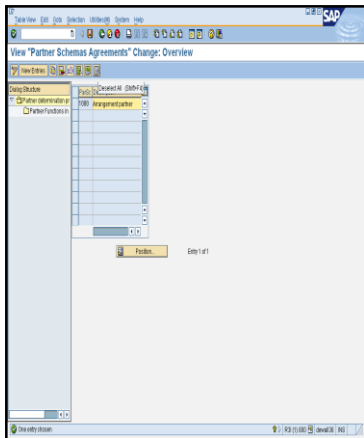


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## Partner Setting



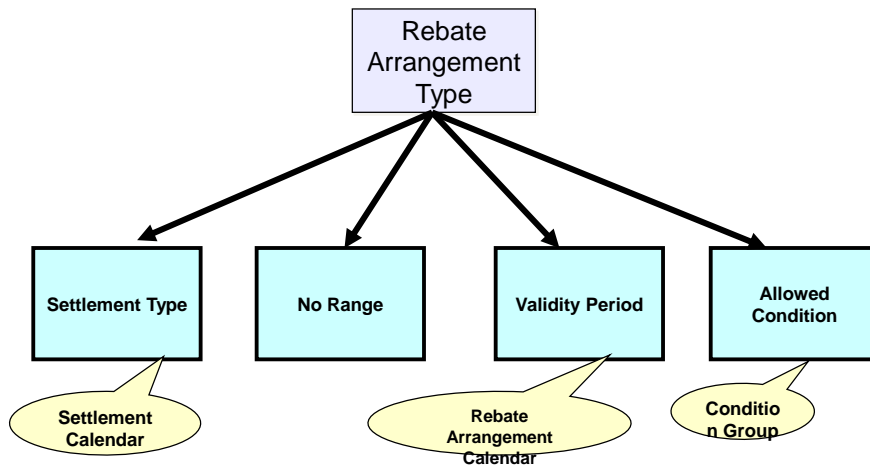
SPRO → Material Management → Purchasing → Partner Determination → Partner Setting in Rebate Arrangement → Define Partner Schema for Rebate arrangement



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In partner determination schema permissible partner role with control indicator (exp mandatory) for rebate arrangement is defined. All partner role used in partner schema should be defined. Partner Schema is assigned to rebate arrangement type.

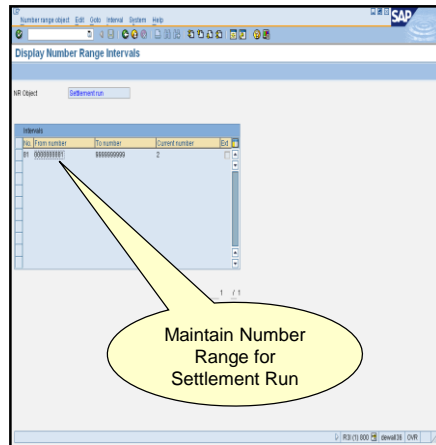
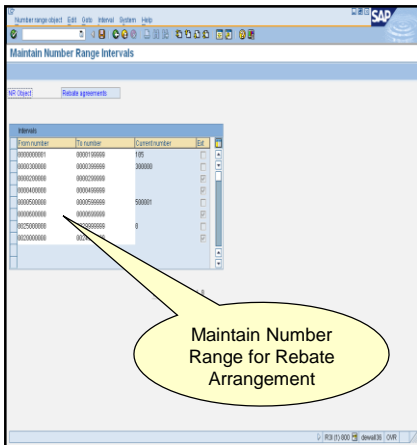
## Rebate Arrangement Setting



Rebate arrangement type determine the number range of arrangement, its possible validity period, Allowed condition type and settlement type

## Rebate Arrangement Setting- Number Range

SPRO → Material Management → Purchasing → Subsequent Settlement (End of period rebate) → Define Number Range → Define Number Range for Rebate Arrangement (or Define Number Range for Settlement Run)



Create new rebate arrangement calendar if you want to settled periodic condition. Suppose you want to settled periodic condition quarterly than you need to define new rebate calendar.

# Rebate Arrangement Setting- Arrangement Type

SPRO → Material Management → Purchasing → Subsequent Settlement (End of period rebate) → Arrangement → Define Rebate Arrangement Type for Subsequent Settlement

The screenshot displays the SAP SPRO transaction 'Define Rebate Arrangement Type for Subsequent Settlement'. The left pane shows the 'Overview' of arrangement types, and the right pane shows the 'Details' for a selected arrangement type (1000 Rebates). Red arrows point from callout boxes to specific fields in the 'Details' pane:

- Default validity start and end date:** Points to the 'Proposed valid from' and 'Proposed valid to' fields.
- Business Volume Data aggregation level:** Points to the 'Aggregation level' field.
- Arrangement Calendar (monthly, yearly etc):** Points to the 'Arrangement calendar' field.
- Business Volume Data Update Time (exp PO,GR, Invoice):** Points to the 'Time of update' field.
- Settlement Type:** Points to the 'Settlement type' field.
- Settlement Calendar:** Points to the 'Settlement calendar' field.
- Partial Settlement Indicator:** Points to the 'Partial settlement' checkbox.
- Condition Group Type:** Points to the 'Condition group' field.
- Settlement Time Indicator:** Points to the 'Final settlement' checkbox.

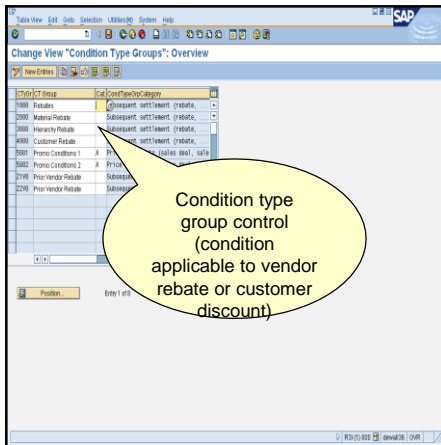
Rebate Arrangement Type control following parameters:

- (1) Validity Start and Validity End Date: Default date when you create rebate arrangement of this type. If you choose different validity start and end date system will give warning message.
- (2) Arrangement Calendar: Control end of validity period of rebate arrangement. Validity end date is the final settlement date of rebate arrangement.
- (3) Time of Update: Whether business volume data will update at PO creation time or GR time or Invoice entry time
- (4) Final Settlement Indicator: If this indicator set final settlement is mandatory at end of rebate arrangement validity period
- (5) Settlement partner: Arrangement is for vendor or customer
- (6) Settlement Type: As the result of settlement accounting whether vendor credit memo or customer invoice generated.
- (7) Settlement Calendar: Settlement time of periodic condition

# Rebate Arrangement Setting- Condition Type Group



SPRO → Material Management → Purchasing → Subsequent Settlement (End of period rebate) → Arrangement → Condition Type Group → Define Condition Type Group for Rebate Arrangement



## Condition Type Group

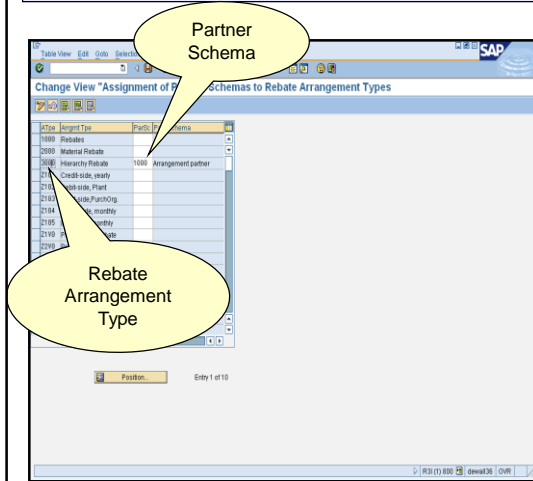
- Group of permissible condition type]
- Based on the aggregation of business volume data condition table is assigned to condition type group
- Condition type group is assigned to arrangement type
- When rebate arrangement of this rebate arrangement type is created and any business volume done associate condition record will updated.

The screenshot shows the SAP Material Master - Basic Data tab. The 'Rebate Arrangement Type' field is set to '1' and the 'Condition Type Group' field is set to '1'. A yellow callout box points to the 'Rebate Arrangement Type' field with the text 'Rebate Arrangement Type'. Another yellow callout box points to the 'Condition Type Group' field with the text 'Condition Type Group'.



## Rebate Arrangement Setting- Condition Type Group

SPRO → Material Management → Purchasing → Partner Determination → Partner Setting in Rebate Arrangement → Assign Partner Schema to Rebate arrangement



- Partner Schema Define in earlier step is assign to rebate arrangement type
- This schema is used to determine vendor partner at the time of creation of rebate arrangement

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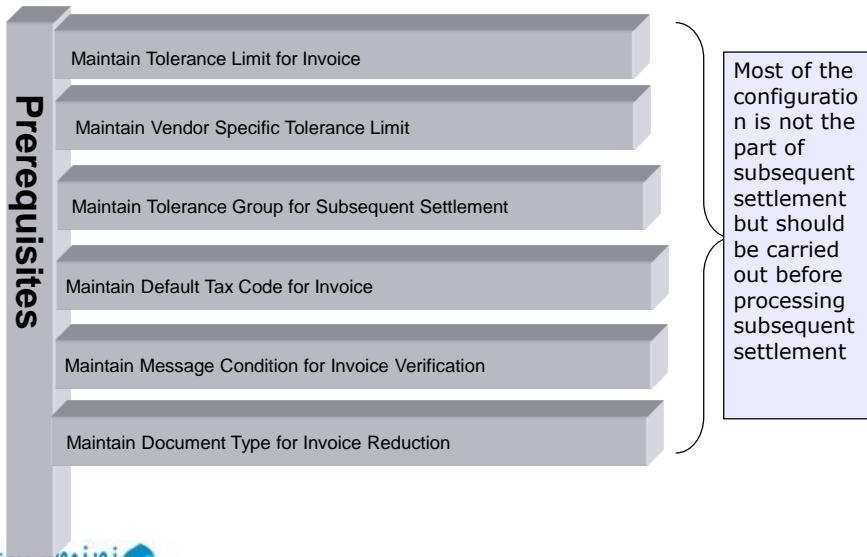


Configuration

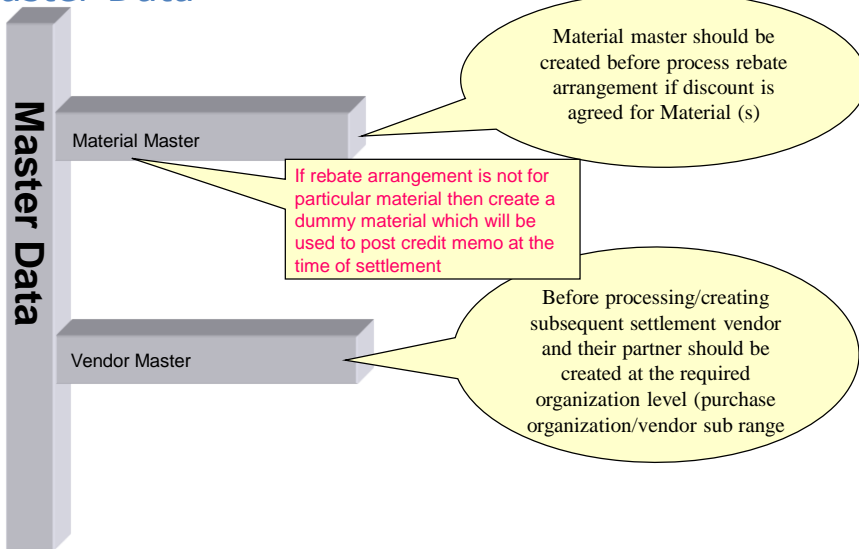
Prerequisites & Master Data

Subsequent Settlement Example

## Subsequent Settlement - Prerequisites & Master Data



## Subsequent Settlement - Prerequisites & Master Data



## Subsequent Settlement – Vendor Master

SAP Menu → Logistics → Material Management → Purchasing → Master Data → Vendor → Purchasing → Change (current)

Change Vendor: Purchasing data

Purchasing Org: 1000 IDES Deutschland

Conditions

Order currency: EUR Euro (EMU currency as of 01/01/1999)

Terms of payment: 2001

Incoterms: EXW

Minimum order value:

Schema Group, Vendor: Standard procedure vendor

Pricing Date Control: No Control

Order optim. rest:

Sales data

Salesperson: Fr. Woods

Telephone: 0331/981-44

Acc. with vendor:

Control data

☐ OR-Based Inv. Verif. ABC indicator

☐ AutoEvalORSubst Det. ModeOffIntrapsu

☐ Acknowledgment Req'd Office of

☐ In transfer purchase order By VSR sequence number

☒ Subsequent settlement

☒ Subseq. sett. index Grant discount in kind

☒ B vol comp. (ag. nec.) Relevant for price determ. (del. hierarchy)

☐ VSR index active

☐ Return vendor

☐ Two-Record Inv. Ver.

Subsequent Settlement Indicator, Subsequent Settlement Index Indicator, Business Volume Comparison Indicator must be set in vendor master at the required organization level (purchase organization/vendor sub range)

T-Code: MK02  
or XK02

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**Subsequent Settlement Indicator:** This indicator means subsequent settlement is allowed for this vendor on that particular organization level

**Subsequent Settlement Index:** In case of retrospective rebate arrangement business volume done with vendor before creating rebate arrangement will be consider for settlement

**Business Volume comparison:** If you put this indicator then before final settlement or partial settlement business volume recorded by you and by vendor must be compared and both should be agreed on common business volume data.

Show Me



Configuration

Prerequisites & Master Data

Subsequent Settlement Example

# Subsequent Settlement Example



In the process of subsequent settlement rebate arrangement is created for the agreed condition with vendor for a particular material or materials or vendor sub range. Then PO, GR, and Invoice verification done. At the end of particular time period agreed condition settled by means of partial or final settlement. In the shown example following data used

Vendor	Purchase Org	Purchase Group
T-K500C00	1000	001
Validity Start Date	Today date	Periodic Settlement time: Monthly Periodic Rebate=10%
Validity End Date	Year Last Day	
<u>Scales Condition</u> <u>From 15000 EUR 12%</u> <u>From 30000 EUR 14%</u>		

## Subsequent Settlement Example– Create Rebate Arrangement

SAP Menu →Logistics →Material Management →Purchasing →Master Data →Subsequent settlement →Vendor Rebate Arrangement →Rebate Arrangement Created

**Purchase organization and purchase group**

**Vendor**

**Default Validity date**

**Final Settlement Must**

**TCode: MEB1** Click On Conditions

Continue...

Enter the vendor with whom agreement made. Validity date (start and end) is default if want to change it and accept warning message.



## Subsequent Settlement Example– Create Rebate Arrangement



SAP Menu → Logistics → Material Management → Purchasing → Master Data → Subsequent settlement → Vendor Rebate Arrangement → Rebate Arrangement Created

Select Vendor As the aggregation of business volume data

Vendor

Rebate %

Click On

Continue...

If you select vendor from the pop up menu then condition record is updated on vendor level.

Maintain period specific rebate % with vendor.

Click On

### Maintain scale condition

## Subsequent Settlement Example– Create Purchase Order



SAP Menu → Logistics → Material Management → Purchasing → Purchase Order → Create → Vendor / Supplying plant known

Material No

Vendor: 100073 Provider 1

Dec. date: 17.08.2015

Item: 1 | 1108, 2222

Material Data

☒ Inv. Receipt

☐ Final Invoice

☒ GR-Bud IV

☒ ERS

Differential Invoicing: 01 Not Relevant

- Purchase order created for vendor with ref or without ref
- If rebate arrangement created for one particular material then create purchase order for that material
- If rebate arrangement created for all materials (on vendor level) then create purchase order for any material
- At the time of creation of purchase order check whether periodic conditions copied in purchase order from rebate arrangement

**TCode: ME21 or ME21N**

## Subsequent Settlement Example- Create Good Receipt and Invoice Verification



**Goods Receipt Purchase Order**

Document Date: 17.08.2015  
Posting Date: 17.08.2015  
Vendor: PA Electronics

Delivery Note:   
Bill of Lading:   
GR/IR Slip No.:

Line 1: 10000, PC, Finish Goods

Material: Quantity: Where: Purchase Order Data: Partner:

Movement Type: 101, GR returns, Stock type: Unrestricted use

Plant: Centro Argentina, 7500  
Storage Location: Finish Goods, 0002  
Goods receipt:  
Unloading Point:  
Reason for Movement:  
Text:

Document is O.K.

Good Receipt  
with ref to  
Purchase order

TCode: MIGO

**Enter Incoming Invoice: Company Code 1000**

Transaction: Invoice

Invoice Date: 27.08.2017  
Posting Date: 27.08.2017  
Amount: 18,500.00  
Tax amount: 2,500.00  
Tax: 14.05% domestic

Plant: 14 Des 1%, 18 Des 2%, 40 Des 3%  
Invoice date: 27.08.2017  
Company Code: 1000 DES 40 Frankfurt

Bank acct: 76740384  
Over-Bank:

Purchase Order/Receiving Agreement: 450007940

Item	Amount	Quantity	By	Purchase	Item	PO Text	Item	PO Text
1	18,500.00	1.00000000	1	1000	1000	1000	1000	1000

Invoice  
Verification With  
Ref to Purchase  
Order

TCode: MIRO





# Invoice document

**Display Invoice Document 5105609464 2015**

Show PO structure    Follow-On Documents ...

Transaction: Invoice    5105609464    2015  
Diff. Posting: Not Applicable

**Basic Data**    Payment    Details    Tax    Contacts    Note

Invoice date: 20.08.2015    Reference:   
Posting Date: 20.08.2015  
Amount: 10.00    EUR    ☐ Calculate tax  
Tax amount: 0.00    VA (19% domestic inpu...  
Text:   
Paymt terms: 14 Days 3 %, 30 Days 2 %, 45 Days net  
Baseline Date: 20.08.2015  
Company Code: 1000 BestRun Germany Frankfurt

Vendor 0000001001  
Firma: SKF Kugelmeyer KGaA  
Georg. Schiffer-str. 21  
D-97341 PQR  
654-555-9876    654-555-9877  
Bank acct: 35471446  
BHF-Bank

**PO Reference**    G/L Account    Material    Chain Lab.    Contract Reference

Layout: All information

Item	Amount	Quantity	O...	Purchase ...	Item	Sma...	PO Text	Di
1	10.00	1,000 PC		\$500018502 10			40 W klar 220-235V e27 MIG Karton	



## Follow on Document

Display Document: Data Entry View

Display Document: Data Entry View

Taxes Display Currency General Ledger View

Data Entry View

Document Number 5100000073 Company Code 1000 Fiscal Year 2015

Document Date 20.08.2015 Posting Date 20.08.2015 Period 8

Reference Cross-Comp.No.

Currency EUR Texts exist Ledger Group

CoCode	Item	P	Cimg doc.	PK	SG	Account	Description	Blne Date	Amount	Curr.	Tx	Cost Center	Order	Profit Center	P
1000	1			31		1001	SKF Kugelmeier KGaA	20.08.2015	10.00-	EUR	V				
	2			86		191100	Goods Rcvd/Invoice R		10.00	EUR	V			1200	

## Subsequent debit

Enter Incoming Invoice: Company Code 1000

Show PO structure Show worklist Hold Simulate Messages Help

Transaction Subsequent Debit Balance 0.00 EUR  
Diff. Posting Not Applicable

Basic Data Payment Details Tax Contacts Note

Invoice date 20.08.2015 Reference  
Posting Date 20.08.2015  
Amount 2.00 EUR Calculate tax  
Tax amount VA (19% domestic input)  
Tax  
Paymt terms 14 Days 3 %, 30 Days 2 %, 45 Days net  
Baseline Date 20.08.2015  
Company Code 1000 BestRun Germany Frankfurt

Vendor 0000001001  
Firma SKF Kugelmeyer KGaA  
Georg. Schiffer-str. 21  
D-97341 PQR  
654-555-9876 654-555-9877  
Bank acct 35471446  
BHF-Bank

PO Reference G/L Account Material Chain Lib. Contract Reference

Purchase Order/Scheduling Agreement 4500018502 Goods/service items + planned del.  
Layout All information

Item	Amount	Quantity	O...	Purchase ...	Item	Sma...	PO Text	Oi
1	2.00	1,000 PC	4500018502	10			40 W klar 220-235V e27 MIG Karton	



## Follow on document Contd.

Posting Date	20.08.2015		Georg. Schiffer-str. 21				
Simulate Document in EUR (Document currency)							
Position	A G/L	Act/Mat/Asz/Vndr	Smart Number	Amount	Cu...	Purchasing...	It...
1 K 160000		SKF Kugelmeyer KGaA ..			2.00	-EUR	
3 S 231000		Loss - price variances			2.00	EUR	4500018502 1





## Follow on document

**Display Invoice Document 5105609465 2015**

Show PO structure Follow-On Documents ...

Transaction Invoice 5105609465 2015  
Diff. Posting Not Applicable

**Basic Data** Payment Details Tax Contacts Note

Invoice date 20.08.2015 Reference  
Posting Date 20.08.2015  
Amount 2.00 EUR ☐ Calculate tax  
Tax amount 0.00 VA (19% domestic input)  
Text  
Paymt terms 14 Days 3 %, 30 Days 2 %, 45 Days net  
Baseline Date 20.08.2015  
Company Code 1000 BestRun Germany Frankfurt

Vendor 0000001001  
Firma SKF Kugelmeier KGaA  
Georg. Schiffer-str. 21  
D-97341 PQR  
654-555-9876 654-555-9877  
Bank acct 35471446  
BHF-Bank

PO Reference G/L Account Material Chain Lab. Contract Reference

Layout All information

Item	Amount	Quantity	O...	Purchase ...	Item	Sma...	PO Text	On
1	2.00	1,000 PC		4500018502 10		40 W klar 220-235V e27 M3G Karton		



## Follow on document (accounting)

**Display Document: Data Entry View**

Taxes Display Currency General Ledger View

Data Entry View

Document Number: 5100000074 Company Code: 1000 Fiscal Year: 2015

Document Date: 20.08.2015 Posting Date: 20.08.2015 Period: 8

Reference: Cross-Comp.No. Texts exist: Ledger Group:

Currency: EUR

CoCode	Item	P	Orig doc.	PK	SG	Account	Description	Blne Date	Amount	Curr.	Tx	Cost Center	Order	Profit Center	P
1000	1			31		1001	SKF Kugelmeier KGaA	20.08.2015	2.00	EUR	V				
	2			83		231000	Loss - price varianc		2.00	EUR	V			1200	

# Credit Memo



**Enter Incoming Invoice: Company Code 1000**

Show PO structure Show worksheet Hold Simulate Messages Help

Transaction Credit Memo Balance 0.00 EUR  
Diff. Posting Not Applicable

**Basic Data** Payment Details Tax Contacts Note

Document date 20.08.2015 Reference  
Posting Date 20.08.2015  
Amount 12.00 EUR Calculate tax  
Tax amount VA (19% domestic input)  
Text  
Paymt terms 14 Days 3 %, 30 Days 2 %, 45 Days net  
Baseline Date 20.08.2015  
Company Code 1000 BestRun Germany Frankfurt

Vendor 0000001001  
Firma SKF Kugelmeier KGaA  
Georg. Schiffer-str. 21  
D-97341 PQR  
654-555-9876 654-555-9877  
Bank acct 35471446  
BHF-Bank

**PO Reference** G/L Account Material Chain Lab. Contract Reference

Purchase Order/Scheduling Agreement 4500018502 Goods/service items + planned del...  
Layout All information

Item	Amount	Quantity	O...	Purchase ...	Item	Sma...	PO Text	Or
	12.00	1,000 PC		4500018502	10		40 W klar 220-235V e27 MIG Karton	

# Simulation



Basic Data   Payment   Details   Tax   Contacts   Note

Document date: 20.08.2015   Reference:

Posting Date: 20.08.2015

Vendor 0000001001

Firma: SKF Kugelmeier KGaA  
Georg. Schiffer-str. 21

Simulate Document in EUR (Document currency)

Position	A G/L	Act/Mat/Ast/Vndr	Smart Number	Amount	Cu...	Purchasing...
1 K	160000	SKF Kugelmeier KGaA ...		12.00	EUR	
2 S	191100	Goods Rcvd/Invoice R...		10.00	-EUR	4500018502 11
3 S	281000	Income - price varianc...		2.00	-EUR	4500018502 11



## Follow on documents

**Display Invoice Document 5105609466 2015**

Show PO structure   Follow-On Documents ...

Transaction: Credit Memo   5105609466   2015  
Diff. Posting: Not Applicable

**Basic Data**   Payment   Details   Tax   Contacts   Note

Document date: 20.08.2015   Reference:   
Posting Date: 20.08.2015  
Amount: 12.00   EUR   ☐ Calculate tax  
Tax amount: 0.00   VA (19% domestic input)     
Text:   
Paymt terms: 14 Days 3 %, 30 Days 2 %, 45 Days net  
Baseline Date: 20.08.2015  
Company Code: 1000 BestRun Germany Frankfurt

Vendor: 0000001001  
Firma: SKF Kugelmeier KGaA  
Georg. Schiffer-str. 21  
D-97341 PQR  
654-555-9876   654-555-9877  
Bank acct: 35471446  
BHF-Bank

**PO Reference**   G/L Account   Material   Chain Lib.   Contract Reference

Layout: All information

Item	Amount	Quantity	O...	Purchase ...	Item	Sma...	PO Text	Ol
1	12.00	1,000 PC		4500018502 10			40 W klar 220-235V e27 MIG Karton	

## Follow on documents (accounting)



**Display Document: Data Entry View**

Taxes   Display Currency   General Ledger View

Data Entry View

Document Number: 1000000075   Company Code: 1000   Fiscal Year: 2015  
Document Date: 20.08.2015   Posting Date: 20.08.2015   Period: 8  
Reference:   Cross-Comp.No.:     
Currency: EUR   Texts exist: ☐   Ledger Group: ☐

CoCode   Item   P   Dmg doc.   PK   SG   Account   Description   Billing Date   Amount   Curr.   Tx   Cost Center   Order   Profit Center   P

1000	1			21		1001	SKF Kugelmehrer KGaA	20.08.2015	12.00	EUR	V			
	2			96		191100	Goods Rcvd/Invoice R		10.00	EUR	V			1200
	3			93		281000	Income - price varia		2.00	EUR	V			1200

## Subsequent Settlement Example– Check Update Business Volume



SAP Menu → Logistics → Material Management → Purchasing → Master Data → Subsequent settlement → Vendor Rebate Arrangement → Rebate Arrangement Display

The screenshot shows the SAP 'Rebate Arrangement Display' screen. A red box highlights the 'Display Business Volume' option in the menu bar. A yellow box with an arrow points to this option, with the text 'Click On Display Business Volume'. Another red box at the bottom left highlights the 'TCode: MEB3'. A third red box at the bottom right highlights the 'Display Business Volume' button, with the text 'Click On' and 'Shift+F5' next to it. The screen displays various fields for the rebate arrangement, including Agreement, Condition, Validity, Control, and Payments.

- Business Volume done with vendor is update either at PO creation or at good receipt or invoice depend on configuration
- Update business volume data can be seen by displaying rebate arrangement data and selecting the period of business volume data from Settlement button of menu bar
- In the list of business volume data system display value of total business done with vendor period wise

# Subsequent Settlement Example– Check Update Business Volume

SAP Menu → Logistics → Material Management → Purchasing → Master Data → Subsequent settlement → Vendor Rebate Arrangement → Rebate Arrangement Display

**Display Rebates 96 : Overview Agreement**

Agreement: 96  
Description: Rebates

Condition granter: 3511  
Currency: ARS  
Payment Method:   
External description:   
Company code: 7500

Validity:  
Arrangement calendar: A7 Arrangement yearly  
Validity period: 31.01.2015  
To: 31.01.2015

Control:  
Agreement Status: ☒ Settlement has been created  
Settlement calendar: AM Agreement: Monthly  
Summarization level drill-down: Non-aggregated (detailed)  
Summarization level verif. stats: Non-aggregated (detailed)  
Comp. BV necessary: ☐ Partial sett. ☒ Final sett.

Payments:  
Terms of Payment:   
Fixed value date:   
Addit.value days: 0

Condition Number	Date	Amount
000037	09.04.2014	15,000
000038	09.04.2014	15,000
000039	09.04.2014	15,000
000040	09.04.2014	15,000
000041	09.04.2014	15,000
000042	09.04.2014	15,000
000043	09.04.2014	15,000
000044	09.04.2014	15,000
000045	09.04.2014	15,000
000046	09.04.2014	15,000
000047	09.04.2014	15,000
000048	09.04.2014	15,000
000049	09.04.2014	15,000
000050	09.04.2014	15,000
000051	09.04.2014	15,000
000052	09.04.2014	15,000
000053	09.04.2014	15,000
000054	09.04.2014	15,000
000055	09.04.2014	15,000
000056	09.04.2014	15,000
000057	09.04.2014	15,000
000058	09.04.2014	15,000
000059	09.04.2014	15,000
000060	09.04.2014	15,000
000061	09.04.2014	15,000
000062	09.04.2014	15,000
000063	09.04.2014	15,000
000064	09.04.2014	15,000
000065	09.04.2014	15,000
000066	09.04.2014	15,000
000067	09.04.2014	15,000
000068	09.04.2014	15,000
000069	09.04.2014	15,000
000070	09.04.2014	15,000
000071	09.04.2014	15,000
000072	09.04.2014	15,000
000073	09.04.2014	15,000
000074	09.04.2014	15,000
000075	09.04.2014	15,000
000076	09.04.2014	15,000
000077	09.04.2014	15,000
000078	09.04.2014	15,000
000079	09.04.2014	15,000
000080	09.04.2014	15,000
000081	09.04.2014	15,000
000082	09.04.2014	15,000
000083	09.04.2014	15,000
000084	09.04.2014	15,000
000085	09.04.2014	15,000
000086	09.04.2014	15,000
000087	09.04.2014	15,000
000088	09.04.2014	15,000
000089	09.04.2014	15,000
000090	09.04.2014	15,000
000091	09.04.2014	15,000
000092	09.04.2014	15,000
000093	09.04.2014	15,000
000094	09.04.2014	15,000
000095	09.04.2014	15,000
000096	09.04.2014	15,000
000097	09.04.2014	15,000
000098	09.04.2014	15,000
000099	09.04.2014	15,000
000100	09.04.2014	15,000

Cancel Settlement Doc Button: Remove particular condition type in selected period from business volume data i.e. does not applying a condition from rebate arrangement in a specified period

Income for Scale: Shows the income from a condition in specified period



# Subsequent Settlement Example– Rebate Settlement



As already discuss there are three different type of settlement in the example all types of settlement will showed one by one. Following table displayed the activity carried out before each settlement

Prerequisites: Rebate Arrangement Created

Step	Prior activity	Total Business Value	Settlement Type
1	<ul style="list-style-type: none"><li>➤Purchase order</li><li>➤Good Receipt</li><li>➤Invoice Verification</li></ul>	15000	Interim Settlement
2	<ul style="list-style-type: none"><li>➤Purchase order</li><li>➤Good Receipt</li><li>➤Invoice Verification</li></ul>	2500	Partial Settlement
3	<ul style="list-style-type: none"><li>➤Purchase order</li><li>➤Good Receipt</li><li>➤Invoice Verification</li><li>➤Business Volume Comparison</li></ul>	5000	Final Settlement

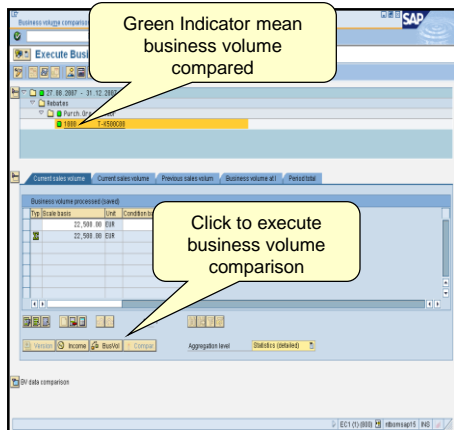
Gain bonus-differences = Order value multiplied by Period-specific condition of the current period (Credit)=1500

Account Posting is the same as in case of interim settlement

## Subsequent Settlement Example– Final Settlement (1)



SAP Menu → Logistics → Material Management → Purchasing → Master Data → Subsequent settlement → Vendor Rebate Arrangement → Business Volume Comparison → Execute



- Before Performing Final Settlement business volume recorded by vendor and by our system is compared
- In case of any discrepancy vendor and organization agreed on common business volume and settled account
- Business Volume compared period by period

**TCode: MEU2**

Total Business Volume Recorded by system  
=15000+2500+7000=22500 EUR

Total Business Volume Recorded by vendor=22500 EUR

## Subsequent Settlement Example– Final Settlement (2)

SAP Menu → Logistics → Material Management → Purchasing → Master Data → Subsequent settlement → Vendor Rebate Arrangement → Create Settlement Document → by Report

**Settlement: Vendor Rebate Arrangements, Purchasing**

Rebate arrangements  
 Rebate arrangement  
 Arrangement type  
 Settlement calendar  
 Arrangement calendar  
 Condition granter  
 Settlement Date

Confirmation prompt  
 Settlement date later than current date  
 Condition records may be settled prematurely!  
 Perform settlement accounting anyway?  
 Yes No Cancel

Control data: settlement run  
 Settlement  
 Simulate  
 Condition records  
 Perform interim sett. accounting Perform settlement accounting  
 Type of income apportionment among plants  
 By share of business volume Evenly

**TCode: MEB4**

**Settlement: Vendor Rebate Arrs, Purch., as at 17.08.2015 (Created 17.08.2015)**

Page 1 of 13 Settlement Accounting: Vendor Rebate Arrangements 17.08.2015 (Created 17.08.2015)

Condition granter: 100328 Fläcker Electronic, Tel. 043 252 Purchasing Group: 001 Dickens, B.  
 Purch. Organisation: 1000 Purching DEEA Arrangement Type: 1000 Rebates  
 Settlement Type: Credit-wide settlement accounting at purchase  
 Settlement Calendar: 0001 Standard  
 Settlement Calendar: 0001 Standard

Rebate as per period condition and main condition

Final Rebate= Total rebate as per main condition- Sum of interim/partial rebate

In Final Rebate Settlement main condition as well as periodic condition settled

At the time of final settlement

Total business volume=15000+2500+5000=22500 EUR

Applicable rebate conditions are (a) Periodic condition=10% rebate (b) Main Condition= 12% rebate (from scale)

Total periodic rebate= 2250 EUR (1500+250+500)

Rebate Due to main condition =2700 EUR

Rebate need to be settled= 2700-(1500+250)=950 EUR (500 EUR partial rebate and 450 is main condition rebate)

Account posting is same as in interim/partial settlement

# Subsequent Settlement Example– Display Settlement

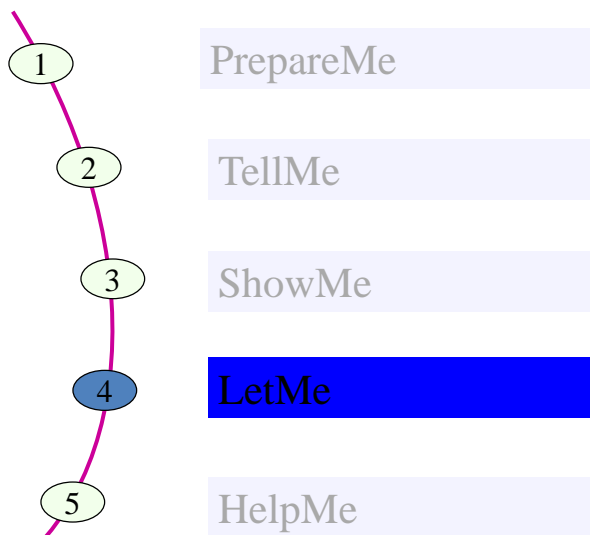


SAP Menu →Logistics →Material Management →Purchasing →Master Data →Subsequent settlement →Vendor Rebate Arrangement →Rebate Arrangement Display

The screenshot shows the SAP 'Rebate Arrangement Display' (MEB3) interface. The left-hand menu has 'Display Rebate' highlighted with a red box, and a callout bubble points to it with the text 'Select Display Settlement'. Below this, 'Detailed Statement' is also highlighted with a red box, and a callout bubble points to it with the text 'Select Settlement Period'. The main window displays 'Detailed Statement: Rebate Arrangement 96'. It includes fields for 'Condition records', 'Validity period' (01.10.2014 to 31.10.2014), 'Parameters', 'Summarization level' (Non-aggregated (detailed)), 'Control', 'Maximum number of messages' (100), and 'List elements without updating'. A table at the bottom shows settlement documents with columns for 'Settlement documents', 'Doc. type', 'Vendor', 'Material group', 'Settlement date', 'Settlement amount', 'Settlement currency', 'Settlement type', 'Settlement status', 'Settlement date', 'Settlement amount', 'Settlement currency', and 'Settlement type'. A callout bubble points to the 'Settlement amount' column with the text 'Amount settled as partial/interim settlement and final settlement'. Another callout bubble points to the 'Settlement type' column with the text 'Display pricing of PO'. A third callout bubble points to the 'Settlement status' column with the text 'PO History'. The bottom status bar shows 'Documentation', 'Go to printing', 'Go to update', 'Go to history', 'Cancel exit', and 'Income for scale'.

**TCode: MEB3**

## Subsequent Settlement in Purchasing



You are working in company ABC Ltd as a purchaser. ABC Ltd procured lot of materials from vendor XYZ every year. ABC Ltd has decided to negotiate with vendor and get the discount. After the negotiation you and vendor XYZ agrees on following conditions.

Vendor XYZ agrees on following yearly rebate

Total Business Volume (EUR)	Rebate %
>20000	10
>25000	12
>30000	15

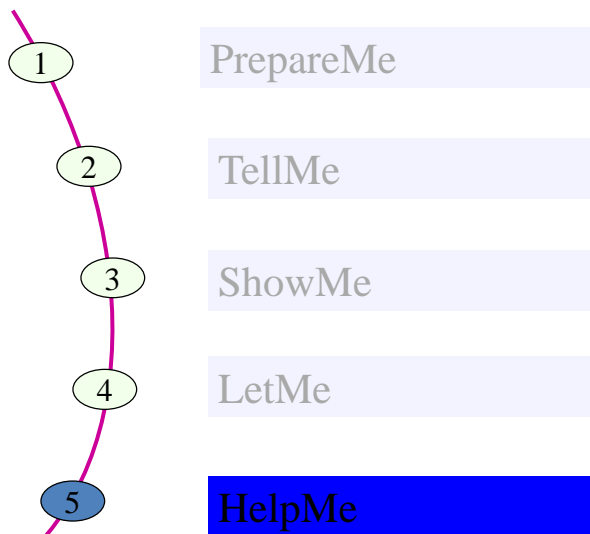
Vendor XYZ also agrees for 12% monthly rebate with the condition of 9% rebate in first month for trial basis.

As a purchaser

- >Make necessary change in vendor master and create special material for subsequent settlement
- >Create appropriate rebate arrangement for vendor
- >Issue purchase order of value EUR 12000 EUR and check rebate condition should be applied in PO
- >Perform goods receipt and invoice verification
- >Perform the interim settlement
- >Issue PO of value 13000 EUR and perform subsequent activity
- >Perform partial settlement
- >Issue PO of value 2500 EUR and perform subsequent activity
- >Do business volume comparison and agree on common business volume of 27400 EUR
- >Perform final settlement



## Subsequent Settlement in Purchasing



➤After completing validity period rebate arrangement can be extend in next validity period manually by using T-Code MEBV or by running a report by using T-Code MEB7

➤If the retrospective rebate arrangement created then business volume done with vendor before creating rebate arrangement is updated by using report RWMBON08 ( This report process interval of rebate arrangement) or report RWMBON12 (Process any number of vendor rebate arrangement simultaneously)

➤In case of retrospective rebate arrangement income from business volume done with vendor before creating rebate arrangement is calculated by using report RWMBON07

➤Already settled rebate arrangement cab be canceled by T-Code MEB0

➤Rebate arrangement can be archived by object SD\_AGREE and associate document like purchase order by MM\_EKKO, Vendor billing document by WLF, settlement request list by WREG.



➤List of T-Code use in subsequent settlement



Microsoft Excel  
Worksheet

➤List of table updated in subsequent settlement



Microsoft Excel  
Worksheet



Thanks & Question ?