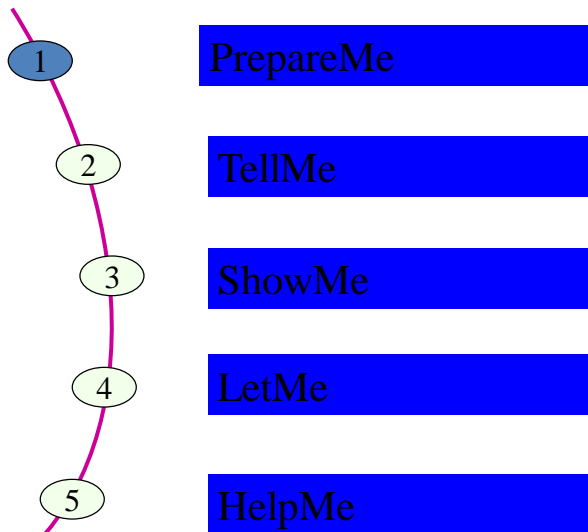


MM0014-Subsequent Settlement in Purchasing

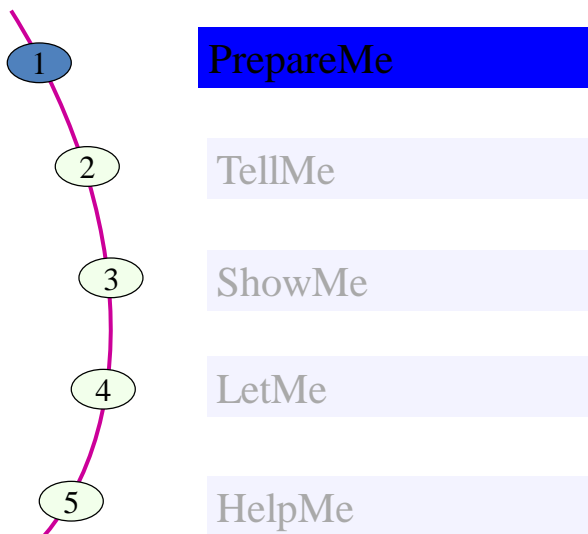
Overview of Settlement Process in SAP MM



Subsequent Settlement in Purchasing



Subsequent Settlement in Purchasing



PrepareMe

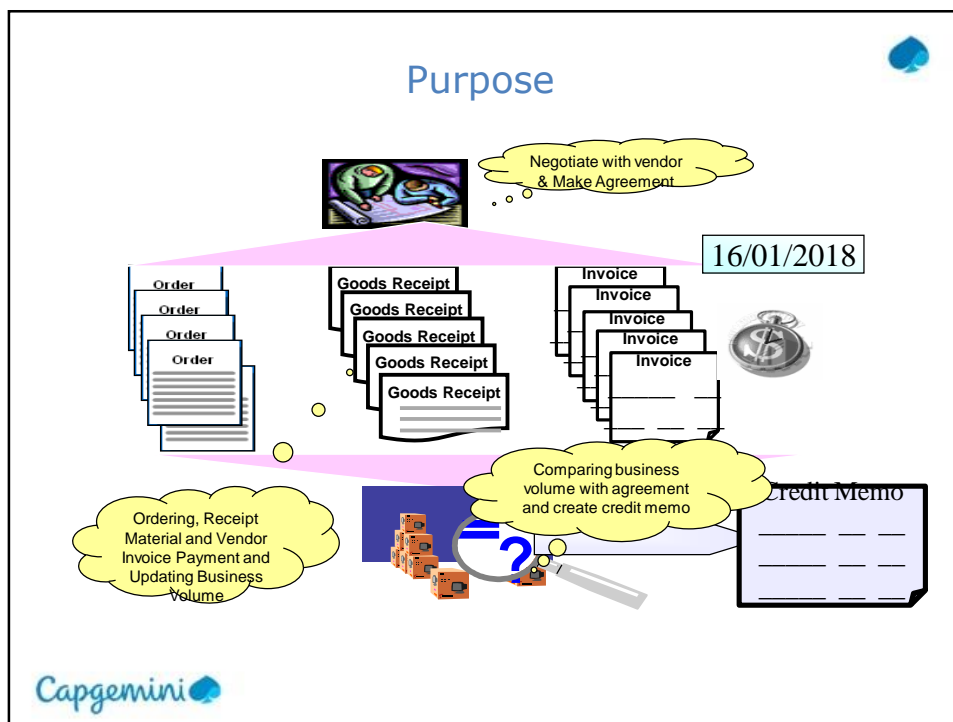


Agenda

Purpose

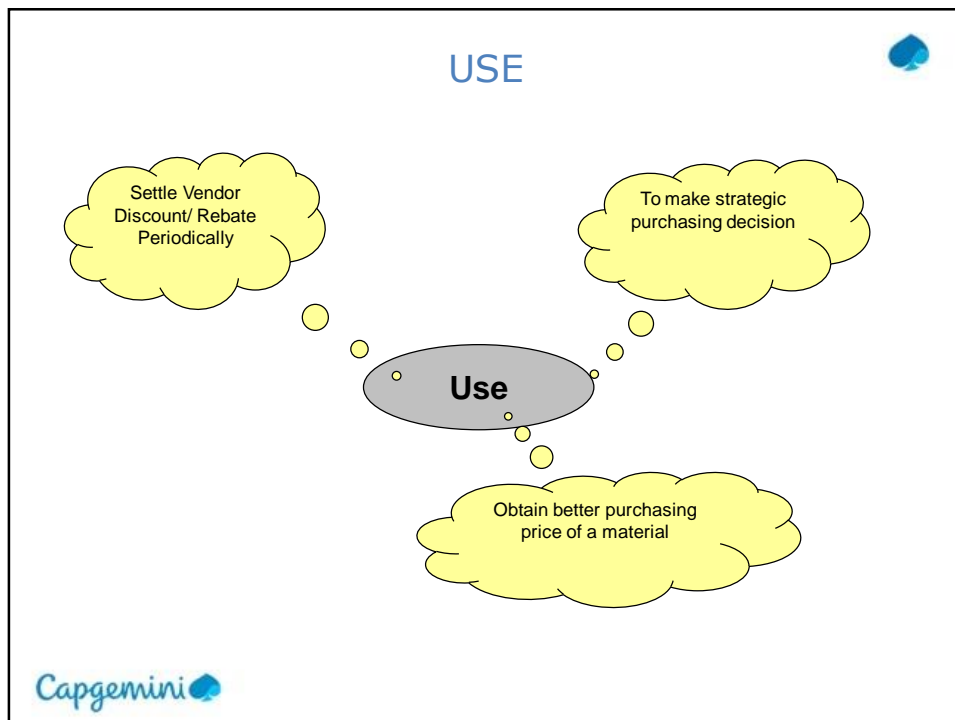
Use

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

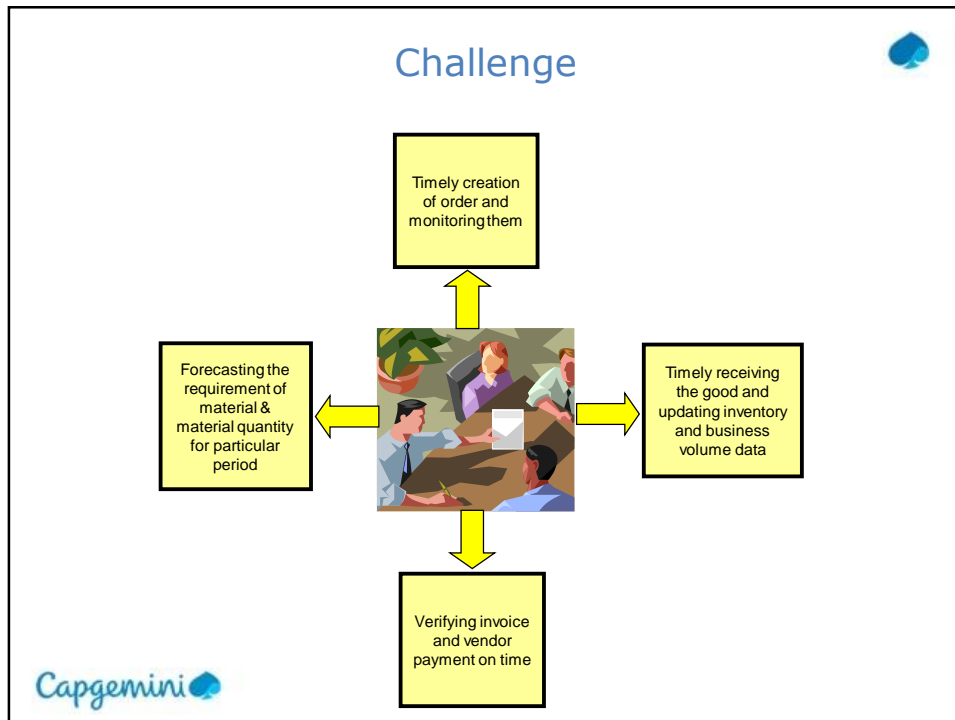
settlement credit memo is created against vendor.



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.

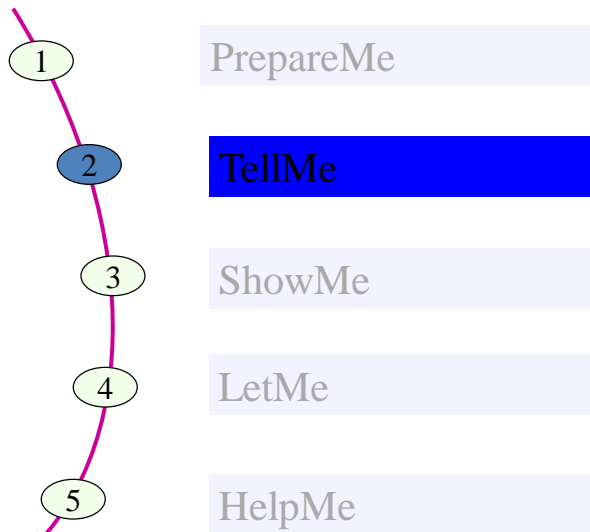


The biggest challenge in subsequent settlement is the forecasting of required quantity of a material for particular time period. Because on the basis of these forecasting result you negotiate with vendor for the discount/rebate.

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

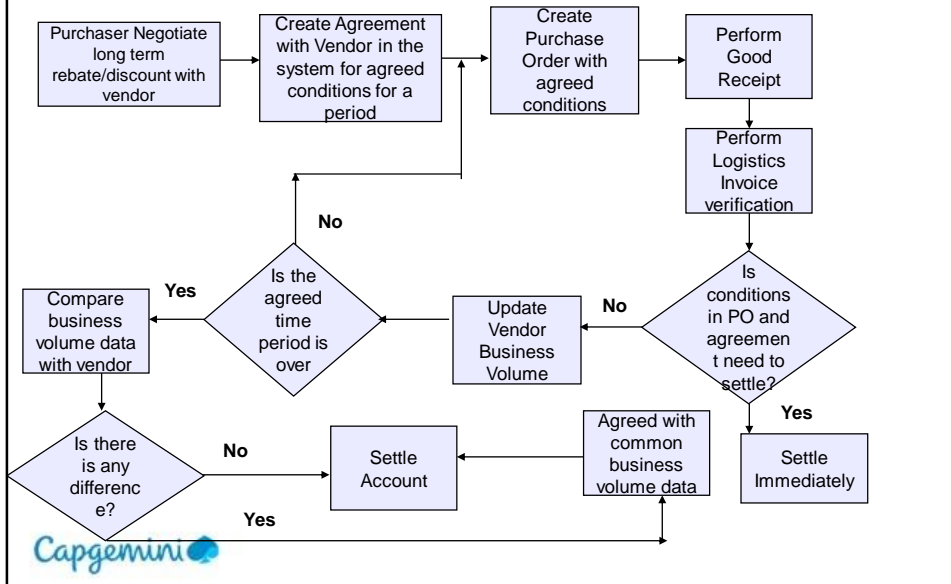
Rebate Arrangement In Subsequent Settlement

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

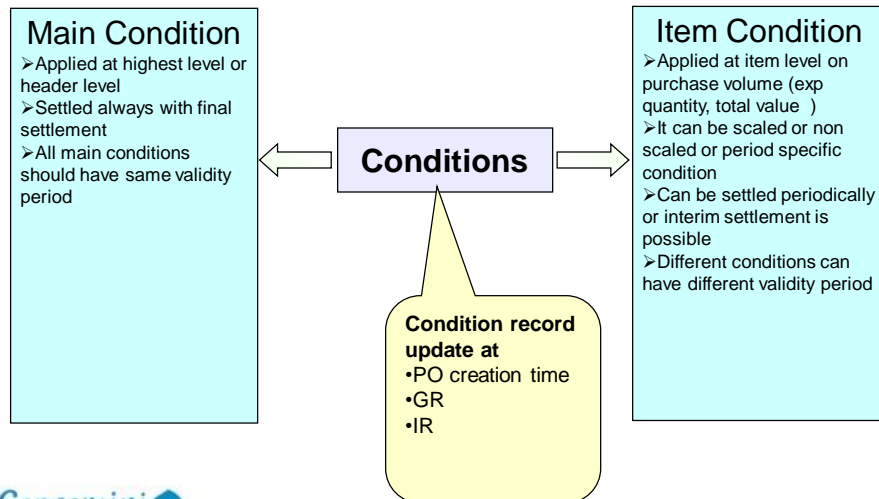
- Business Volume data Updated at the time of creation of purchase order or good receipt or logistics invoice verification
- Agreed rebate/discount condition can be one time or periodic.
- It is possible to enter rebate agreement after recording business volume data in the system. In this case relevant 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

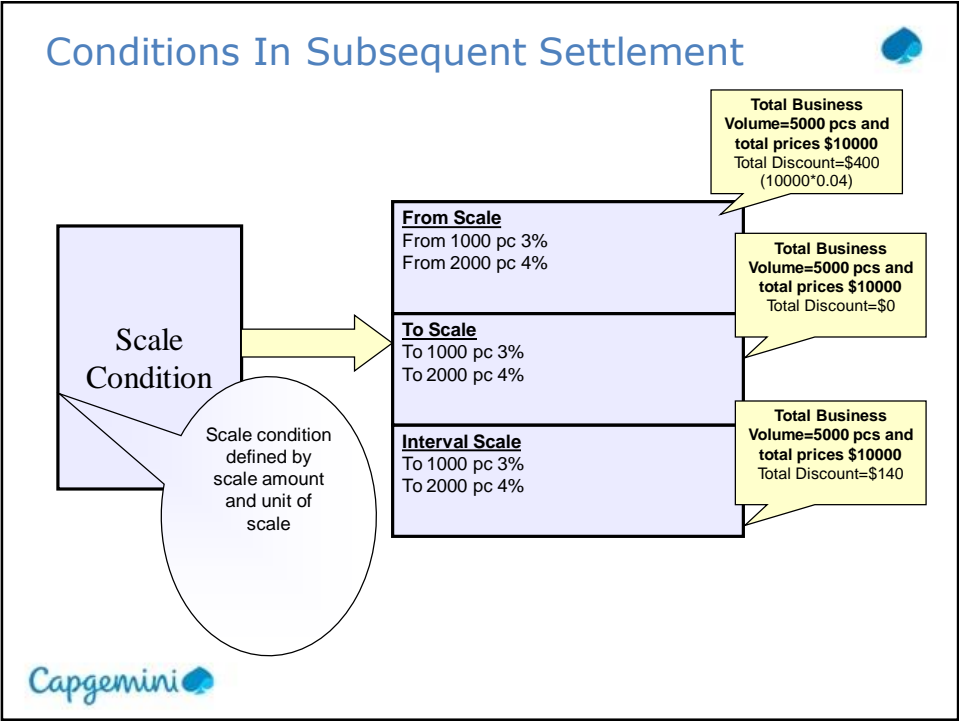
Conditions In Subsequent Settlement



- 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



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



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



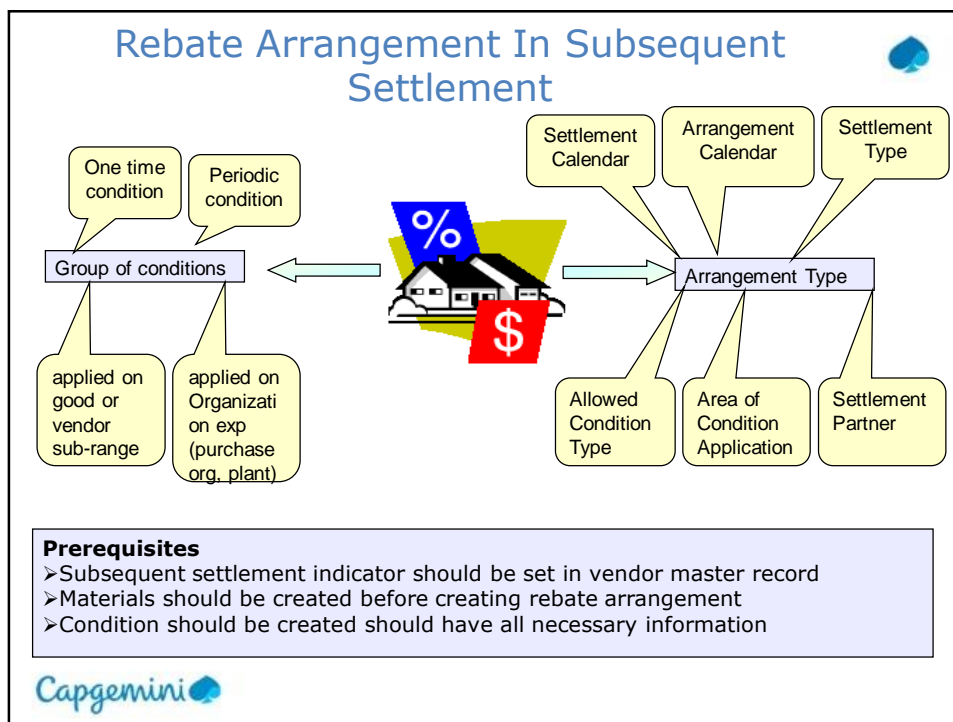
Prerequisites for any type of settlement is that condition should be due for settlement and all business volume data should be updated.

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 (31st Sept 2007) but due to some reason you want to settle on 15th Aug. In this case business volume done up to 15th Aug is consider and putting settlement date 31st 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

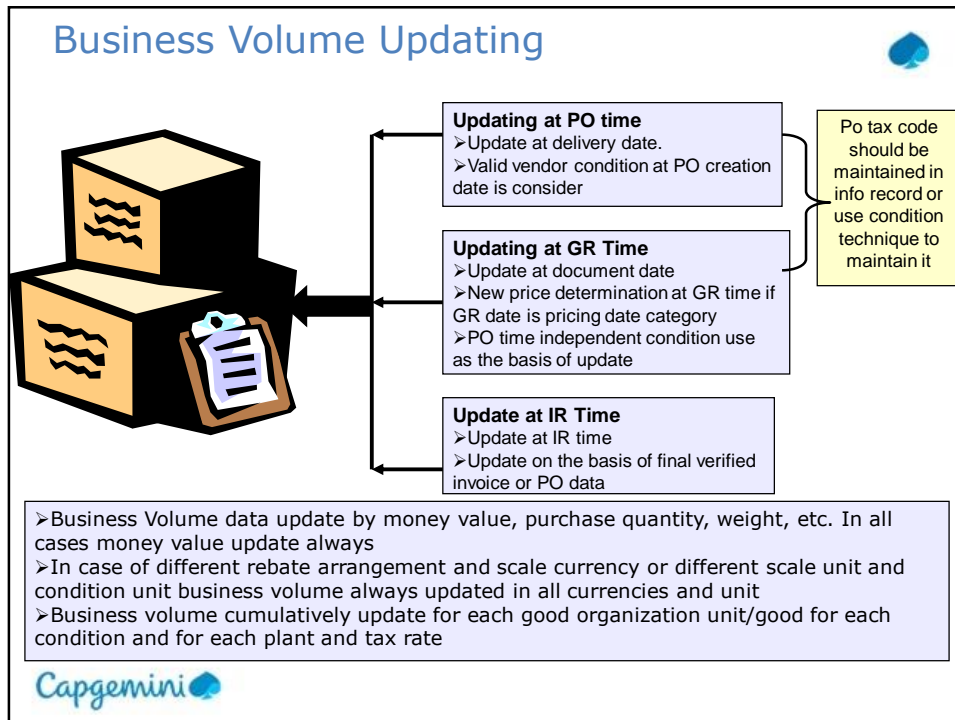
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Po of value \$ 150 is created on 01.04.2007

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.

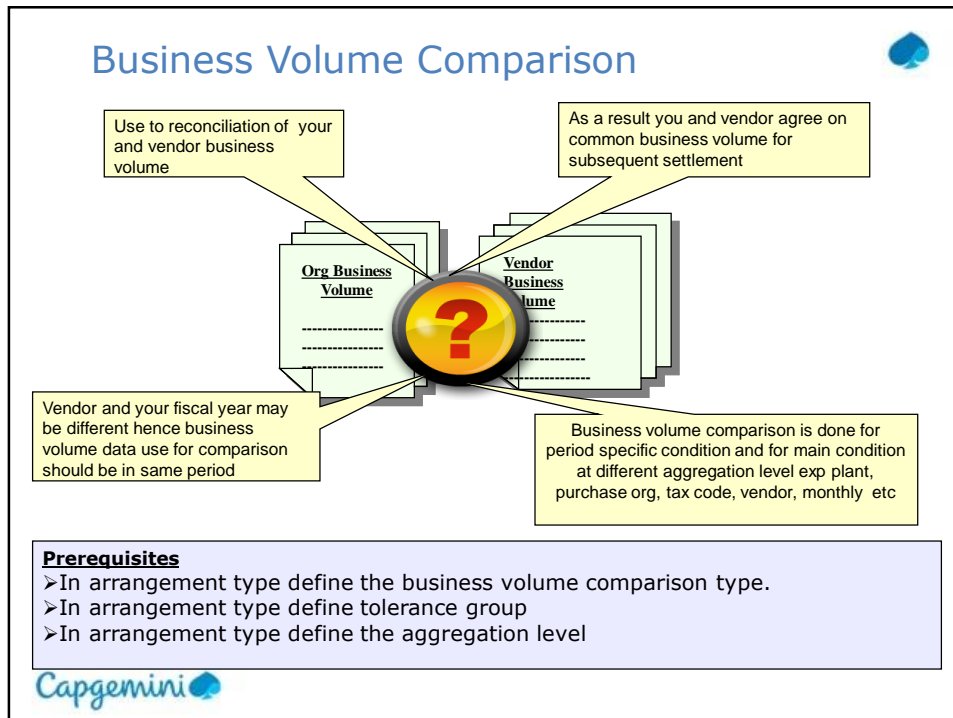
In all the case business volume data updated for good as well as on organization level in all the currency specified in arrangement for main rebate condition, rebate arrangement currency or scale currency and in all units.

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



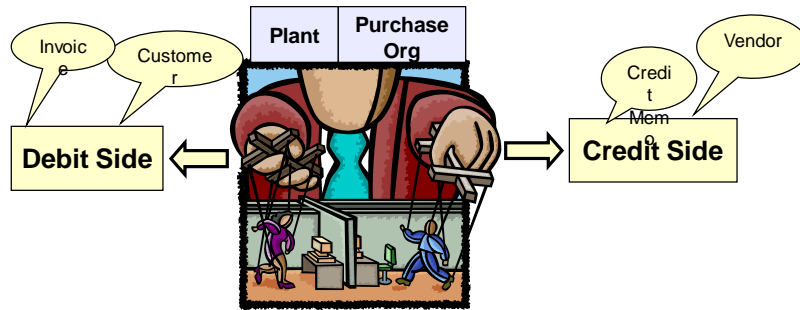
As the business volume data recorded by you and by vendor may be differ because both may have different fiscal year in this situation to avoid conflict and settle vendor account business volume comparison carried out. In business volume comparison business data compare at different aggregation level 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.

Account Settlement Type



- In credit side settlement vendor billing document and in debit side settlement customer billing document generated
- Credit side settlement used for vendor rebate arrangement and customer rebate arrangement settled by debit side settlement
- Account settled at plant level as well as purchase organization level
- If account settled at plant level rebate income distribute to each plants. No of account posting is equal to no of company code.
- If account settled at purchase organization level then account posted to relate company code.
- Account settled by using settlement list

Capgemini

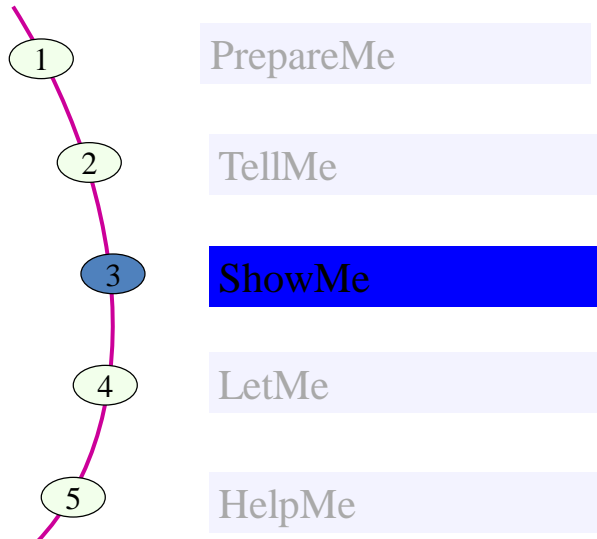
After business volume comparison rebate arrangement is settle by account settlement function. In account settlement rebate income is distributed among different organization level. In this process vendor account is credit and company account is debited and relevant accounting document generated. If rebate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



Show Me

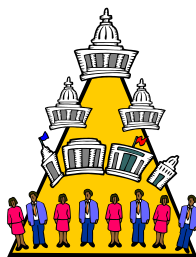


Configuration

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:

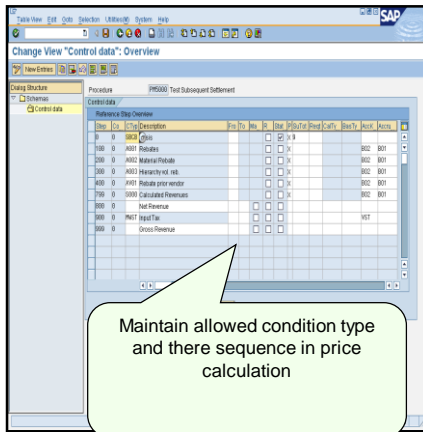
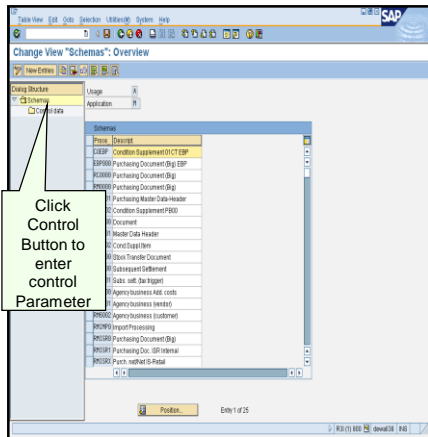
- Condition Type:** Points to the 'Cond. type' field (e.g., 'Test Rebates').
- Access Sequence:** Search Valid condition record in condition table. Points to the 'Access seq.' field (e.g., '0004 Rebate').
- Scale can be quantity or value based:** Points to the 'Scale basis' field (e.g., 'Value scale').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

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.

Condition Technique



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

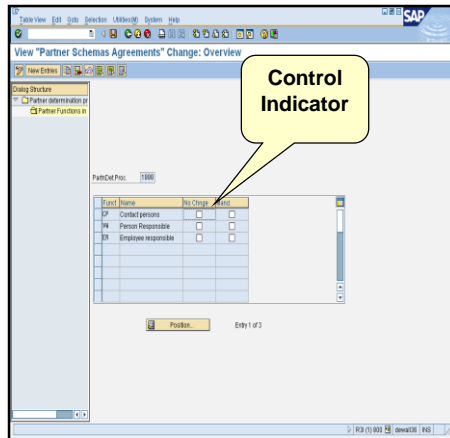
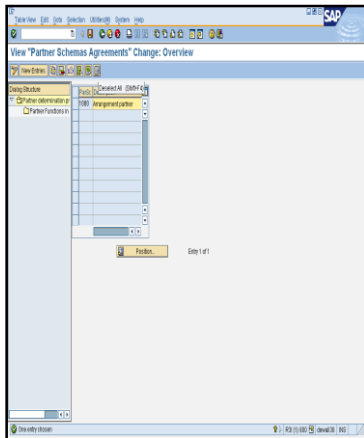
Calc. Schema Grp	Schema Grp Vendor	Description
		Subsequent Settlement
B1		Subsequent Settlement
EB		Subsequent Settlement
Z1		Subsequent Settlement
B001		Subsequent Settlement
B001	B1	Subsequent Settlement
B001		Subsequent Settlement
B001	B1	Subsequent Settlement
B001		Subsequent Settlement
BCTG		Subsequent Settlement
BCTG	NC	Subsequent Settlement

- Calculation schema determination is based on the schema group for purchase organization and vendor schema group
- Schema group for purchase organization is defined in customization of price determination
- Schema group for vendor is assigned to vendor in vendor master record.

Partner Setting



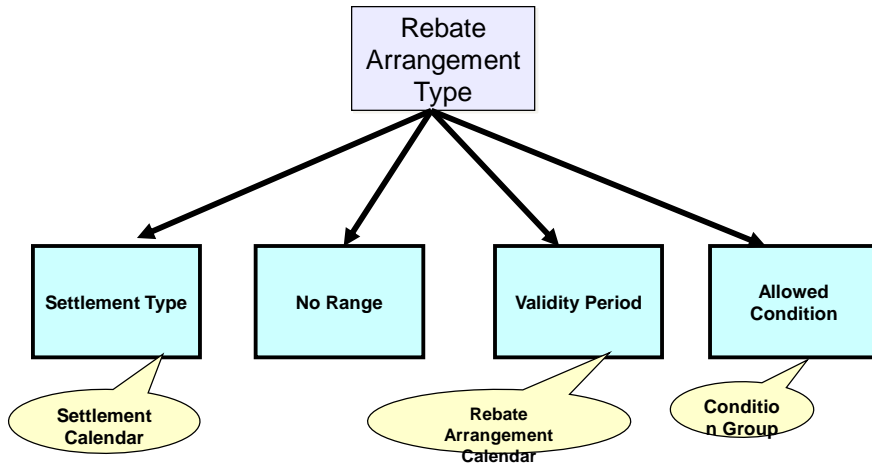
SPRO → Material Management → Purchasing → Partner Determination → Partner Setting in Rebate Arrangement → Define Partner Schema for Rebate arrangement



Capgemini

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.

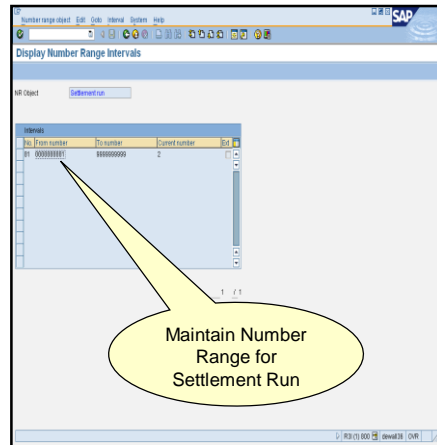
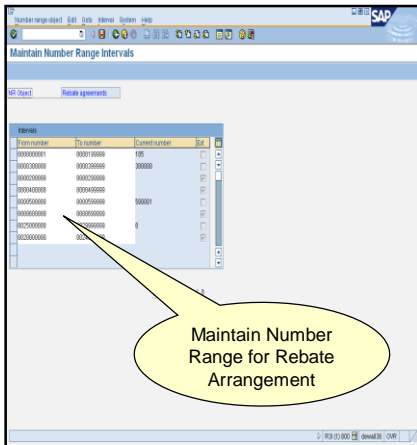
Rebate Arrangement Setting



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

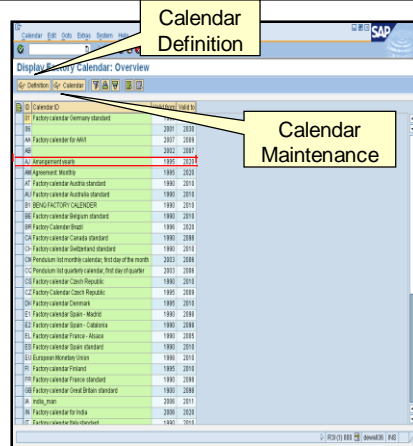
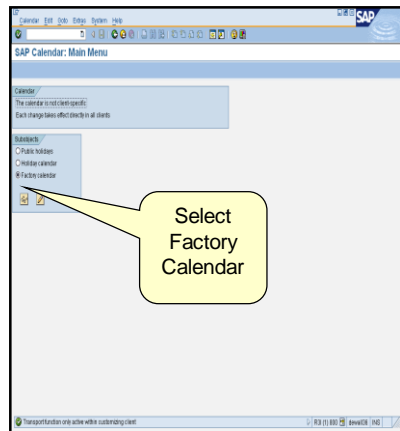
Rebate Arrangement Setting- Number Range

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)



Rebate Arrangement Setting- Arrangement Calendar

SPRO → Material Management → Purchasing → Subsequent Settlement (End of period rebate) → Arrangement → Maintained Calendar For Rebate Arrangement



- Rebate Arrangement Calendar is Client independent
- AJ (Agreement Year) and AM (Agreement Monthly) are standard calendar
- Report RWMBON05 is used to extend validity of existing rebate arrangement in next period

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

Condition Group Type

Settlement Time Indicator

Default validity start and end date

Business Volume Data aggregation level

Arrangement Calendar (monthly, yearly etc)

Business Volume Data Update Time (exp PO,GR, Invoice)

Settlement Type

Settlement Calendar

Partial Settlement Indicator

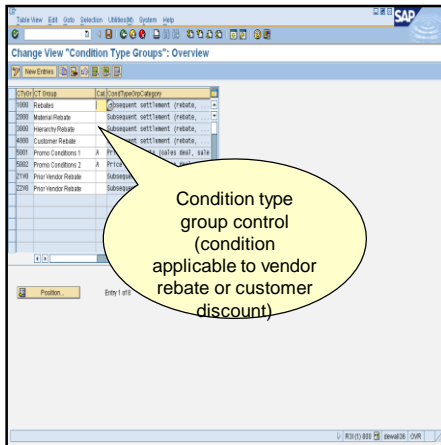
Rebate Arrangement Type control following parameters:

- (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.

[illegible]

Rebate Arrangement Type

Condition Type Group

Account Type	Condition Type	Group
Rebate	1000	1000
Material Rebate	1000	Material Rebate
Quantity Rebate	2000	Quantity Rebate
Customer Rebate	4000	Customer Rebate
Credit side, yearly	1000	Debitals
Credit side, plant	1000	Debitals
Credit side, purchasing	1000	Debitals
Credit side, monthly	1000	Debitals
Bill, pos, monthly	1000	Debitals
Prior Vendor Rebate	2100	Prior Vendor Rebate
Prior Vendor Rebate	2200	Prior Vendor Rebate

Position: Entry 1 of 11

Rebate Arrangement Setting- Condition Type Group



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

The screenshot shows the SAP transaction 'Change View - Assignment of Partner Schemas to Rebate Arrangement Types'. The table lists various rebate arrangement types and their assigned partner schemas. Two callouts highlight specific columns: 'Partner Schema' and 'Rebate Arrangement Type'.

Rebate Arrangement Type	Partner Schema
1000 Rebates	
2000 Material Rebate	
3000 Hierarchy Rebate	1000 Arrangement partner
4000 Credit-side, yearly	
2100 Credit-side, Plant	
2101 Credit-side, Plant	
2102 Credit-side, Plant Org	
2103 Credit-side, Plant Org	
2104 Credit-side, Plant Org	
2105 Credit-side, Plant Org	
2106 Credit-side, Plant Org	
2107 Credit-side, Plant Org	
2108 Credit-side, Plant Org	
2109 Credit-side, Plant Org	
2110 Credit-side, Plant Org	

- 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

Show Me

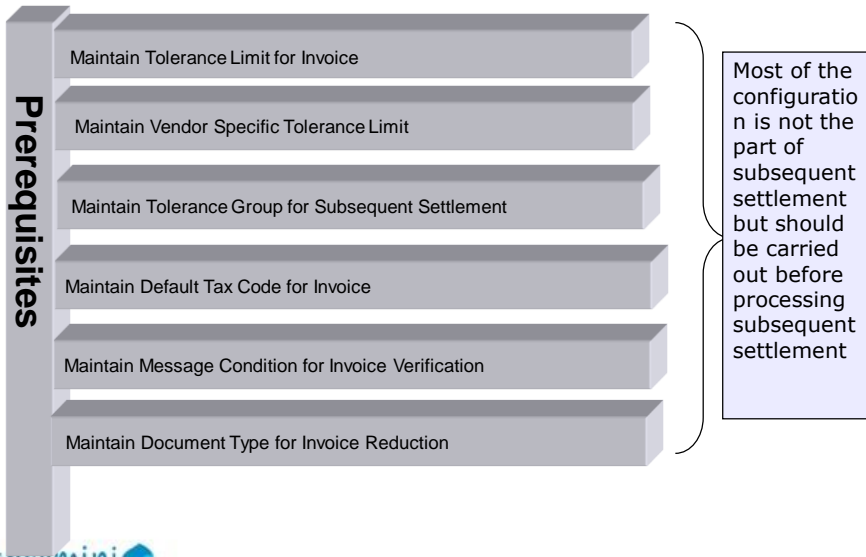


Configuration

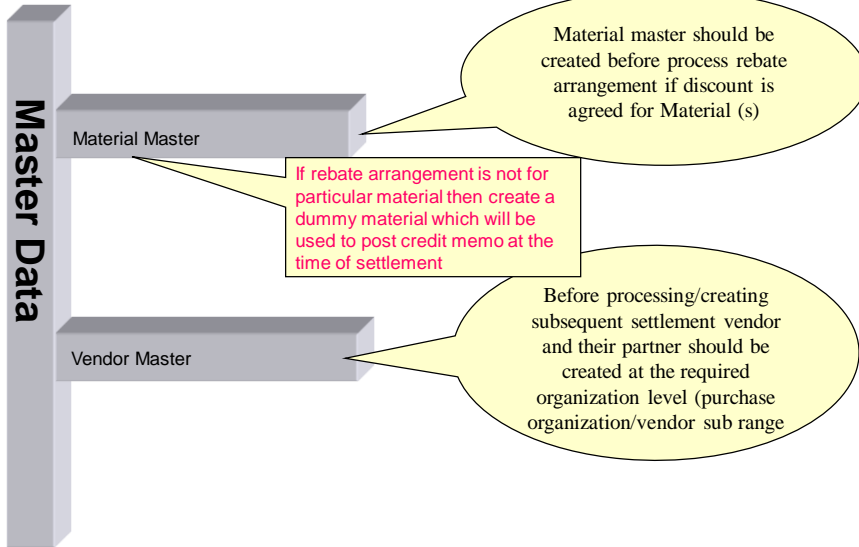
Prerequisites & Master Data

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: 2/10

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

☐ Auto Eval OR Based Del. Mode Off/Intrp. Bu.

☐ Acknowledgment Req'd. Office of

☐ Automatic purchase order. By VSR sequence number

☒ Subsequent settlement

☒ Subseq. sett. index

☒ B vol comp. (ag. nec.)

☐ Grant discount in kind

☐ Relevant for price determ. (del. hierarchy)

☐ VSR index active

☐ Return vendor

☐ Two-Record Inv. Ver.

**T-Code: MK02
or XK02**

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

The left screenshot shows the 'Create Agreement' dialog box. A callout points to the 'Purchase organization and purchase group' field.

The right screenshot shows the 'Create Rebates : Overview Agreement' screen. Callouts point to the 'Vendor' field, the 'Default Validity date' field, and the 'Final Settlement Must' checkbox.

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.

Subsequent Settlement Example– Create Rebate Arrangement



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

Enter material number for which rebate arrangement made or dummy rebate material

Scale Type	Scale value	Start Date	End Date	Rebate
From	15,000		12,000-N	
To	30,000		14,000	

Click On



Enter material number for which rebate arrangement is created or enter dummy material number.

Maintain scale condition

Subsequent Settlement Example– Create Purchase Order



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

Material No

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

TCode: MIGO

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	Ok
1	10.00	1,000 PC		4500018502 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 Kugelmeyer 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 Tax 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	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/Asst/Vndr	Smart Number	Amount	Cu... Purchasing... It...
1 K 160000		SKF Kugelmeier 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 Lib. 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 M16 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.:

Currency: EUR Texts exist: ☐ Ledger Group:

CoCode: 1000

CoCode	Item	P	Chg 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 worklist 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 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	O...
	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 Kugelmeyer 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, which also shows the keyboard shortcut 'Shift+F5'.

- 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

Show income from a condition in selected 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">➤ Purchase order➤ Good Receipt➤ Invoice Verification	15000	Interim Settlement
2	<ul style="list-style-type: none">➤ Purchase order➤ Good Receipt➤ Invoice Verification	2500	Partial Settlement
3	<ul style="list-style-type: none">➤ Purchase order➤ Good Receipt➤ Invoice Verification➤ Business Volume Comparison	5000	Final Settlement

Subsequent Settlement Example– Interim Settlement

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

Settlement: Vendor Rebate Arrangements, Purchasing

Rebate arrangement: 143
 Arrangement type: to
 Settlement calendar: to
 Arrangement calendar: to
 Condition granter: 7-9
 Settlement Date: 17.08.2015

Organizational data
 Purchasing organization: 1000
 Purchasing group: 001

Control data for settlement document
 Billing date (posting date): 17.08.2015
 Document date: 17.08.2015

Control data: settlement run
 Settlement: ☐ Simulate ☒ Execute

Condition records
☒ Perform interim sett. ac
☐ Type of income apportionment: ☐ By share of business volume ☐ Evenly

Callouts:

- Settlement Date= End Date of the first month of arrangement
- Execute
- Perform Interim Settlement
- Display Accounting document generated as a result of settlement
- Display Business Volume Comparison
- Display Income from Settlement

TCode: MEB4

➤ Accounting document generated updated in PO history

Item	Valid from	Valid to	Purch. Org.	Vendor	Settlement Group	Scale basis	Condition basis
000010	14.07.2015	31.07.2015	1000	100325	1		
AV01	Rebates					10.000 %	0.00 EUR
Interim settlement						Percentage	0.00 EUR
Settlement documents							0.00 EUR
Total Income from Rebate Arrangement (Net)							0.00 EUR

As the result of interim settlement accounting document generated:

At the time of interim settlement business volume=EUR 15000

Periodic Condition=10% rebate

Total rebate as the result of interim settlement= 1500

Following Account Updated:

Vendor A/C = Order value multiplied by Period-specific condition of the current period (debit)=1500

Bonus Provision MM = Rebate Accruals (Credit)=1500

Gain bonus-differences = Accruals so far (Debit)=1500

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

Subsequent Settlement Example– Partial Settlement

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

Settlement: Vendor Rebate Arrangements, Purchasing

Rebate arrangement: 143 to

Arrangement type: to

Settlement calendar: to

Arrangement calendar: to

Condition granter: T-KS00C00 to

Settlement date: 1

Organizational data

Purchasing organization: 1

Purchasing group: 001 to

Control data for settlement document

Billing date (posting date): 17.08.2015

Document date: 17.08.2015

Control data: settlement run

Settlement: ☐ Simulate ☒ Execute

Perform settlement accounting

☒ By share of business volume ☐ Evenly

Settlement Data= Period End Date

Execute

Perform Partial Settlement

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 Fischer Electronic, Tel. 043 252

Purch. Organisation: 1000 Purching DMEA

Rebate Arrangement: 139

Validity: 16.01.2015 to 31.12.2015

Arrangement Type: 1000 Rebates

Settlement Type: Credit-side settlement accounting at pur

Status: Open

Rebater: Arrangement Calendar B1, Settlement Calendar M8

Ch.No. Message Error Text

M8 E 351 Not possible to determine a settlement schema (See long text)

000010 M8 I 116 No vendor business volume data available for period 16.07.2015 to 31.07.2015

000010 M8 I 106 No vendor business volume statistics records exist for condition record

Item	Valid from	Valid to	Purch.Org.	Vendor	Settlement Group	Amount	Scale basis	Condition basis
000010	16.07.2015	31.07.2015	1000	1000	1000	0.000	Income	Income, cond. record
000010	16.07.2015	31.07.2015	1000	1000	1000	0.000	Settled income	Income (net)
000010	16.07.2015	31.07.2015	1000	1000	1000	0.000	Tax amount	Income (gross)
000010	16.07.2015	31.07.2015	1000	1000	1000	0.000	Can. prov. for sale	Can. prov. for income
Total Income from Rebate Arrangement M						0.000		

Volume Settled in interim settlement also displayed here and total rebate calculated in that period

Partial Settlement Rebate= Total Rebate-Rebate Settled as interim rebate

TCode: MEB4

➤Accounting document generated updated in PO history

In Partial Settlement rebate already settled as interim rebate in that period is deducted from total rebate

At the time of partial settlement:

Total Business Volume= 15000+2500=17500 EUR

Period Specific Condition= 10% Rebate

Total Rebate in period= 1750 EUR

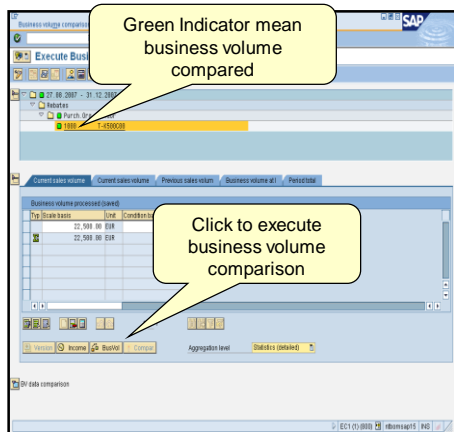
Rebate Settled as partial Settlement=1750-1500=250 EUR

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

Original date
 P 10
 P 00

Current
 Billing date (posting date) 17.08.2015
 Document date 17.08.2015

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

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

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 Dieters, B.
 Purch. Organisation 1000 Purching DEFA Arrangement Type 1000 Rebates
 Settlement Type Credit-side settlement accounting at pur
 pen BV Comp./Agree. Type 0001 Standard
 arrangement Calendar 31, Settlement Calendar 38

o 31.12.2015
 o 31.12.2015
 o 31.12.2015

o determine a settlement schema (See Long text)
 o determine volume data available for period 16.07.2015 to 31.07.2015
 o determine volume statistics records exist for condition record

Scale basis Condition basis
 Income, cond. record
 Settled income Income (net)
 Tax amount Income (gross)
 Tax rate Tax prov. for 100% Tax prov. for 100%

1
 0.00 EUR
 0.00 EUR
 0.00 EUR
 0.00 EUR
 0.00 EUR

Total Income from Rebate 0.00 EUR

TCode: MEB4

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' screen. The left-hand menu has 'Display Rebate' highlighted with a red box and a callout bubble that says 'Select Display Settlement'. Below it, 'Detailed Statements' is also highlighted with a red box and a callout bubble that says 'Select Settlement Period'. The main area shows 'Condition records' for 'Rebate Arrangement 96' with a validity period from '01.10.2014' to '31.10.2014'. A callout bubble points to the 'Parameters' section, stating 'Amount settled as partial/interim settlement and final settlement'. Another callout bubble points to the 'Settlement documents' table, stating 'Display pricing of PO'. A third callout bubble points to the 'PO History' section, stating 'PO History'. At the bottom left, a red box contains the text 'TCode: MEB3'.

Select Display Settlement

Select Settlement Period

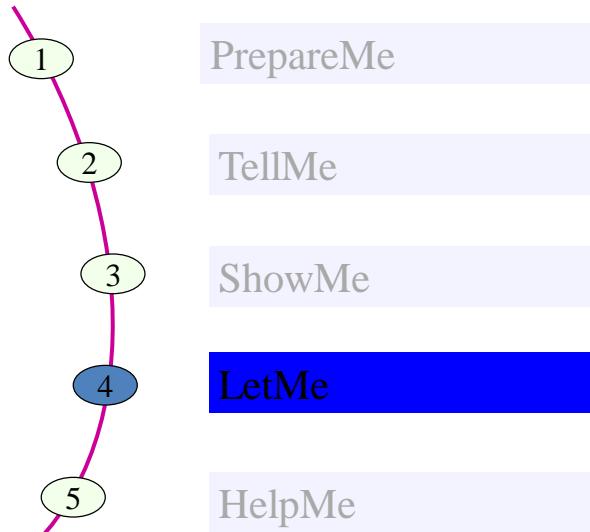
Amount settled as partial/interim settlement and final settlement

Display pricing of PO

PO History

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

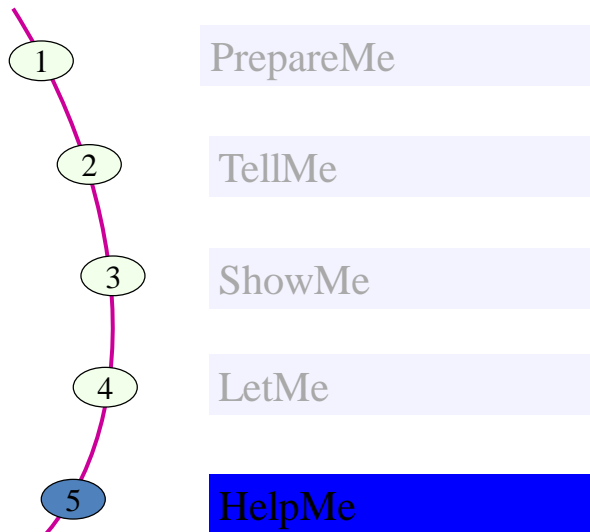
Total Business Volume (EUR)	Rebate %
>20000	10
>25000	12
>30000	15

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

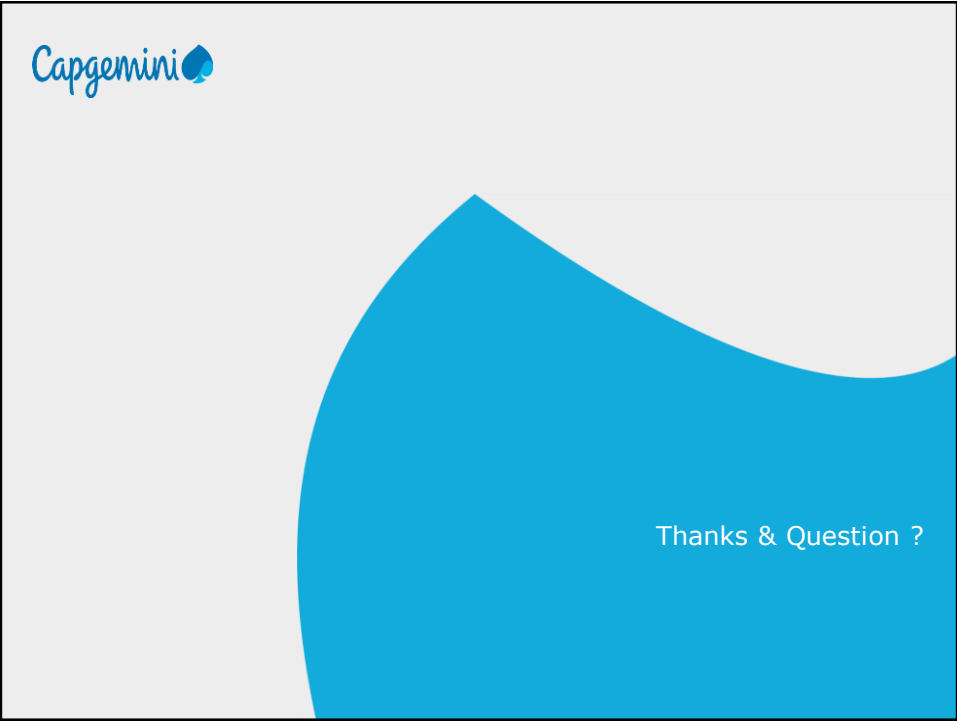


Microsoft Excel
Worksheet

➤List of table updated in subsequent settlement



Microsoft Excel
Worksheet



Thanks & Question ?