11. Release Procedure

Release Procedure

- This is an Electronic way of Document Approval i.e. 'on-line approval rather than manual signature.
- It is an approval process for Purchasing requisition and external Purchasing documents
- It Involves
  - Checking the correctness of the data
  - Giving authorization to purchase
- The approval may be based on doc. type, doc value, plant etc.
- There are two types of Release Procedures:
  - With Classification (Item level release and only for PR)
  - With Out Classification (Header/document level release for RFQ, PO, contract and Scheduling. Agreement)

Note:

  - Item level Approval is possible only in PR
  - For other Purchase Documents only header level is possible

1. Release Strategy:

- It defines the sequence in which the purchase document is to be released
- It contains the release conditions, release codes, release pre requisites
- It defines the entire approval or release process

2. Release Condition:

- It determines/identifies which release strategy applies.

3. Release Group:

- Group of persons responsible for releasing the Purchasing documents with assigned strategy.

4. Release Code/Point:

- It is a two character alphanumeric id defined for each individual group (department) in the release group.

5. Release Pre-requisite:

- It defines, who has to be release the document first.

6. Release Indicator:

- It is a one-character id, represents a release status.
- It is assigned to a document.
- When individual person of a group affects release with his release code, a release indicator is assigned to a document]
  E.g.: Blocked - ‗B', Released - 'R"

- If a document is not released
  - It cannot print a document
  - You cannot send this to the concerned vendor
  - You cannot do the goods receipt

Frequently used tables in Release procedure

Document	Table Name	Fields
PR	CEBAN	MATKL - Material Group. BSART - Doc. Type.
RFQ,PO Contract Scheduling Agreement	CEKKO	BSART - Doc. Type GNETW - Net Order Value
Service Entry Sheet	SESSR	LWERT - Total Value Release UWERT - Partial Value Release

Note: The effected Release can also be cancelled, but it is possible only before the higher person in hierarchy has not approved

IMG settings: Release Procedure

1. Edit Characteristic (CT04)

Path: SPRO→IMG→Materials Management →Purchasing →Purchase Order →Release Procedure for Purchase Orders →Edit Characteristic

[In this step we will frame a rule for releasing the PO document]

Steps:

- Enter Characteristic = Volvo_CHR1
- Click 'Create' button
- click 'Additional data' - Tab, enter
  Table Name CEKKO
  Field Name GNETW
- Press enter Button
- System will take you to Basic data tab
- In Basic data - Tab , enter
  Currency = INR
  Check ☑ 'Multiple values'
  Check ☑ interval values allowed
- Click Values - tab, enter
  Char value >= 10000
  Check the ☑ 'additional values'
  Check ☑ 'Default values'
- Click Restriction tab
  Class type = 032 - Release strategy
- Click save

2. Edit Class (CL02)

Path: SPRO→IMG→Materials Management →Purchasing →Purchase Order→Release Procedure for Purchase Orders →Edit Class [Class: Class is a Group of Characteristics]

Steps: Enter Class Volvo_CLS
- Class type 032
- Click Create button
- In Basic data - Tab

Description = Volvo Class
- Click Char. Tab and enter

Your characteristics defined in step 1
- click save

3. Define Release Procedure for Purchase Orders

Path: SPRO→IMG→Materials Management →Purchasing →Purchase Order →Release Procedure for Purchase Orders →Define Release Procedure for Purchase Orders

Steps:

- 3.1 Click **'Release Groups'**
  - [**Release group**: A group which is authorized to release the PO]
    - Make the screen empty before defining your rel group and click save
    - Click New Entries

Rel. group	Rel. obj.	Class	Description
AS	2	VOLVO_CLS	Volvo Rel. Grp.

  - Click save
- 3.2 Click **'Release Codes'**
  - [Release code: Authorized Designators in Release group to release the PO]
    - Click New entries

Rel. Grp..	Rel. Code	Description
AS	01	Purchase Assistant
AS	02	Manager Purchase
AS	03	DGM Purchase

  - Click save
- 3.3 Click **'Release indicator'**
  - [Release indicator: It is an indicator which shows the status of the Release of PO]

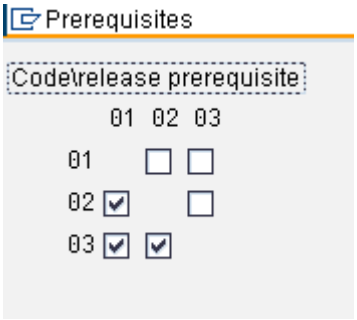
Rel.ID	Changeable	% Value change	Description
B	4	10,0	Blocked, change with value
R	1		Released, no changes

  - Click save
- 3.4 Click **'Release Strategies'**
  - [Release Strategies : The procedure adopted to release the PO]
  - Click New entries
  - In the first screen

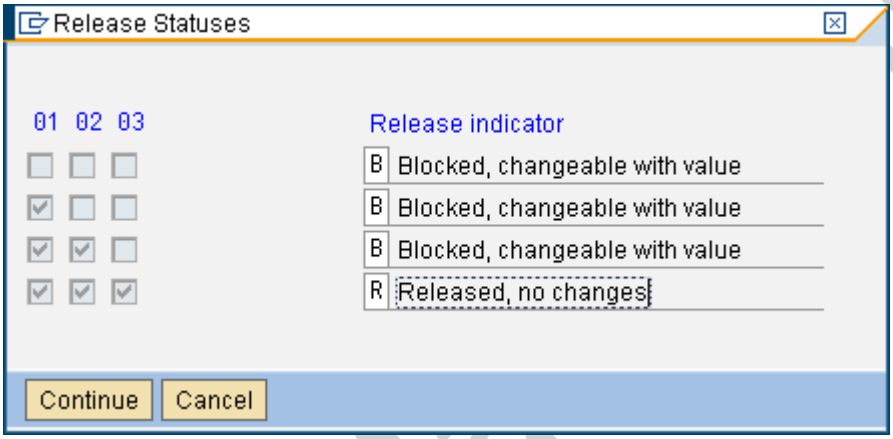
Release Group AS Volvo Rel. Grp.
Release Strategy AS Volvo Strategy
Rel. Codes:
01 Purchase Assistant
02 Manager Purchases
03 DGM Purchase

  - 3.4.1 ' Click Release Pre-requisites' button

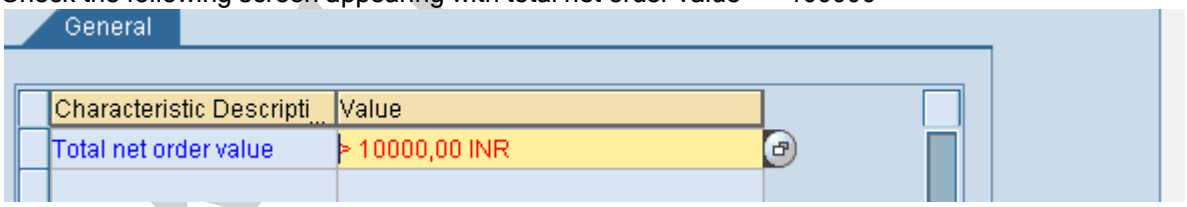
- Enter/check the following Pattern



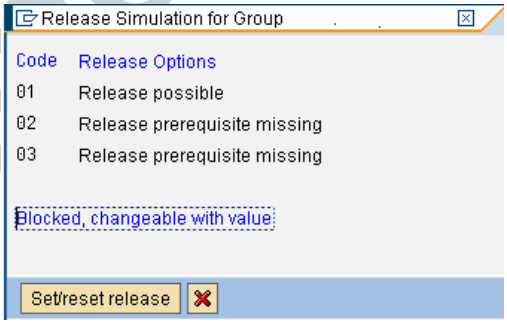
- Click continue
- 3.4.2 ' Click Release Statuses' button



- Click continue
- Click Save
- Click ¸Classification Button
- Check the following screen appearing with total net order value >= 100000



- Click ¸Release simulate‘ button
- Click ¸Simulate release‘ button
- Check the simulation



How to check that our purchase order is adopting the release Procedure and how to release it?

Steps:

- Create a PO (ME21N)
- Enter relevant data and create a PO with value greater than 10,00 worth
- Click Check button on application tool bar
- In Header data in addition to the existing tabs a new tab will be created with a name ‚Release strategy'
- **Note:** However during the creation of PO you cannot release a PO
- By Using a separate Tcode : ME29N you can release the PO
- **Note:** If you create a PO with ME21 (Instead of ME21N) you can release the same by using a Tcode ME28 (but not ME29….surprisingly there is no Tcode called ME29)

12. Pricing

Pricing Procedure

- Pricing
- Condition Technique
- Elements in price determination:
- IMG Settings in Pricing

Pricing

- This component is to store the pricing stipulations agreed with the Vendor (like discounts, surcharges or payment of freight etc) in the system.
- You can enter these conditions in
  - Quotations
  - Outline Agreements (Contracts and Schedule Agreements)
  - Purchase Info Records
- The system applies the conditions in determining the price in Purchase Order

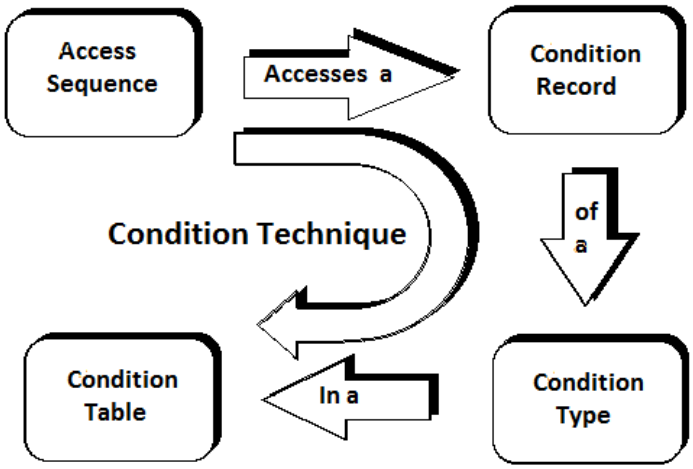
Note: You can enter further conditions in the PO itself.

- There are three kinds of prices in purchasing.
  - Gross price:
    - It is the basic price of the material w/o discounts, surcharges and taxes
      Gross price = Basic Price of the Material
  - Net Price:
    - The Gross price after considering duties & taxes into account.
      Net Price = Gross Price + Duties + Taxes
  - Effective price:
    - The net price after considering surcharge and discount
      Effective price = Net price + surcharges + discounts

Condition Technique:

- The Condition Technique is used to determine the purchase price by systematic consideration of all the relevant pricing elements
- This is the technique for formulation of rules and requirements.
- The system arrives at a suggested price by applying conditions defined by means of Condition technique.
- The Condition Technique is how the price determined?
- The Condition Technique is used for
  - Pricing for price determination
  - Tax Determination
  - For automatic account determination

Access Sequence access a Condition Record of a Condition Type in a Condition Table is a Condition Technique.



This is a simple logic

- Here the Condition Type is very important like PB00, PBXX and RA01 etc. In the background every Condition Type has its own definition means the purpose of the Condition Type like, is it for Pricing or Percentage, Quantity base, Accrual Fields etc is to be defined to work this functions.
- Normally we use the existing ones without any risk.
- But some cases, we have to create a New Condition Types as per the organization requirement.

Elements in price determination:

- Condition Table
- Access Sequence
- Condition Record
- Condition Type
- Calculation Schema

1. Condition Table

- Here you create condition table based on the requirements on which you would like to maintain the conditions for pricing.
- For Example: If you want your pricing to be determined based on the Purchasing Organization, Plant combination then you can select the Purchasing Organization and Plant fields in your condition table.
- For each combination, you need to create one table.
- You can select any number of combinations based on your client's requirements.
- A Condition Table consists of one or more condition keys and data part.
- Data Part contains a number that references a record in another table (which contains the condition records)

Note:

1. each condition type has same control data
2. Control data for condition type:
3. All condition types have the same screens. In that field values may be different.

2. Access Sequence

- An access sequence is a search strategy and it searches for a valid condition record in a sequence
- An access sequence can be assigned to a condition type.
- The access sequence is used to define the sequence in which condition records for a condition type are read.
- It checks where prices are stored and at what condition prices are to be picked up.
- If Contract or Schedule Agreement exists, what price has to be picked-up
- Here you configure access sequences to define the order how system can access the condition tables based on the requirement.
- General rule is to define specific combination of fields first and then on to a more general combination. (For example, if you are trying to set up more than one condition tables, say combination of Purchasing Organization and plant and then purchasing organization alone: Then your criterion here is first to maintain the Purchasing organization and plant combination as your first access and Purchasing organization is your second access. This way system tries to find the condition records that meet the purchasing organization and plant combination first and if it doesn't find, then it goes to the next access of condition records that meet only a purchasing organization requirement).

3. Condition Record

- It represents that actual condition value and is stored in a condition key.
- Condition record contains the record which is maintained against condition table with regards to condition type.
- It can be fetch via access sequence and condition type.
- Suppose we maintain a condition record against condition table (vendor) with regards to condition type. Then whenever the vendor used this condition type, the condition record will fetched.
- Ex. You can maintain the following in condition record.

Field Description	**Field name**
Material No.	MATNR
Vendor	LIFNR
Purchase Org.	EKORG
Plant	WERKS
Purchase Info Record	ESOKZ

4. Condition Types

- Condition types represent price/elements factors in the system
- The different ―price factors‖ such as gross price, discounts, freight costs, customs and taxes are represented with condition types.
- The condition type determines how the price factor is calculated. You can choose between absolute, percentage, or quantity-dependent. The reference magnitude for price scales is also defined by the condition type. The scale can refer to the quantity, the item value, or the weight
- In this step you define conditions that are required in your pricing schema. If you want to use the standard main condition types PB00 and PBXX and other supplemental conditions for Discount, Tax and Freight etc... You can use them and do some modifications based on the requirement. (In our example, we create a new condition type similar to PB00 by copying into a new one ZZB0 and leave all others as it is...)

.

5. Calculation Schema

- The condition types are grouped together in a calculation schema.
- It is also called the calculations procedure of Condition Types.
- The calculation schema provides a framework for price determination.
- It determines the sequence in which the condition types are taken into account.
- You can define different calculation schemes, for example, for the individual purchasing organizations and vendors.
- The standard Calculation schema provided by SAP for Purchasing is RM0000
- In this step you define calculation schema by maintaining all the condition types that are relevant for your pricing procedure.

The calculation schema determines the following –

1. The subtotals (for time-dependent conditions, no subtotals are formed (net price, effective price))
2. The extent to which manual processing of the price determination is possible
3. The basis on which (reference level) the system calculates surcharges and discounts in percentages
4. The prerequisites that have to be filled so that a particular condition type is taken into consideration

In General the Pricing structure or break up provided by vendors is under the following format

	Rs.	Condition Types
Gross Price	100.00	PB00
Discount on Gross Price (@5%):	5.00	RA01
Gross Price after Discount	95.00	
Excise duty @ 10% on GP after Discount	9.50	ED00
Sub Total	104.50	
Sales Tax @ 10% on sub-total	10.45	ST00
Freight 20% on GP	20.00	FRA1
Packing 2% on GP	2.00	PK00
Total Price	136.95	

- A frame work of steps used to calculate or determine costs, prices, period end rebates and taxes.
    - Ex. RA01 - Discount % is calculated on PB00 - Gross Price.
    - It means RA01 is based on PB00 like that we have to define in the Pricing Schema
    - Here PB00 has the Access Sequence - 0002. But RA01 does not have the Access Sequence. Why because it is a dependent on PB00. But both are Condition Types.

IMG settings:

1. Maintain Condition Table
2. Define Access Sequences
    a. Assign field to each access
3. Define Condition Types
4. Define Calculation Schema
5. Assign Calculation Schema to the main Condition Type
6. Define Schema group:
    a. Schema Groups: Vendor
    b. Schema Groups for Purchasing Organizations
    c. Assignment of Schema Group to Purchasing Organization
7. Define Schema Determination
8. Assign Schema group for vendor to the vendor master records
9. Maintain the condition records

The Pricing in MM is vast because each Condition has its own importance and each Access Sequence has its own importance. So you need not bother about this. First you learn how to define the Calculation Schema through the above.

1. Maintain Condition Table

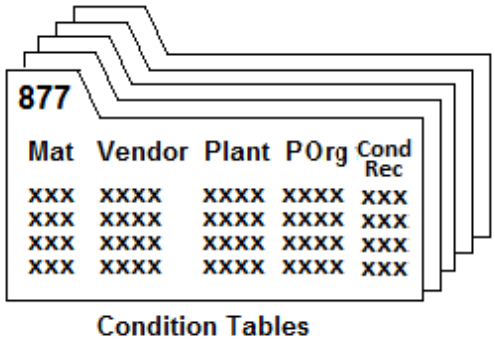
SPRO→ IMG → Materials Management→ Purchasing→ Conditions→ Define Price Determination Process→ Maintain Condition Table

Steps:

- Click ‗Create Condition Table'
- In Initial screen of ‗Table creation'
- Enter

    Table: xxx (a number with which you wish to create a table)

- Standard SAP reserved the numbers from 0 to 500 for its internal use and allowed from 501 to 999 for the customers purpose. Let us select number (555)with in the range 501 to 999
- Example: If you want your pricing to be determined based on the Purchasing Organization, Plant combination then you can select the Purchasing Organization and Plant fields in your condition table.



Condition Tables

2. Define Access Sequences.

SPRO → IMG → Materials Management → Purchasing → Conditions → Define Price determination Process → Define Access Sequences.

Steps:

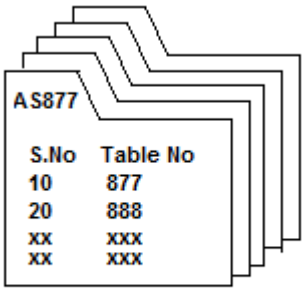
- Sys Displays a list of Access Sequences in a table
- Click New Entries button on application tool bar
- Enter

Access Sequence No	Description
xxxxx	Access Sequence

- Click Save
- Now select your Access Sequence xxxxx
- Click left side sub folder „Accesses‘
- Sys Display overview of „Accesses‘
  - Enter

No	Table
10	xxxx
Xx	xxxy

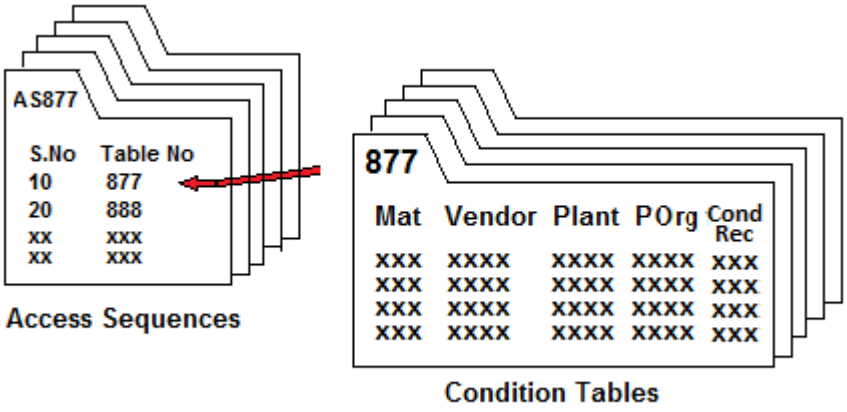
- This step needs to be repeated if you are creating more than one access



Access Sequences

Assign field to each access

- Assign the fields to the access by selecting the ¯Fields‖ folder on left hand side after selecting the access as shown below.



- Field Catalog: Grouping of certain fields for determining prices

Material	MATNR	KOMP
Vendor	LIFNR	KOMK
Purchase Org	EKORG	KOMK
Plant	WERKS	KOMP
Purchase Info Rec	ESOKZ	KOMP

- Note
  - P - item field in KOMP & KOMK
  - K - Header field in KOMP & KOMK

- Click save

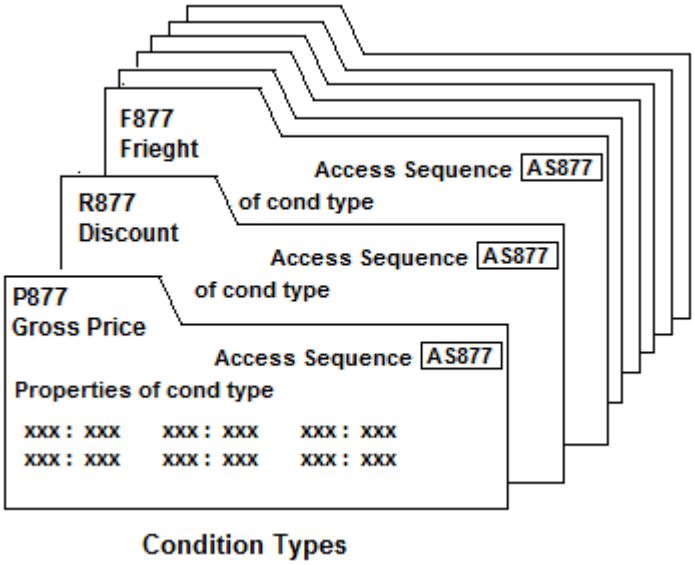
3. Define Condition Types

SPRO→ IMG → Materials Management→ Purchasing→ Conditions→ Define Price Determination Process→ Define Condition Types.

Steps:

- Click Define condition type
- Sys Displays a list of condition types in a table
- Select ‗PB00' i.e. SAP Standard Condition type for Gross price
- Click ‗Copy as' XB00' your own condition type for gross price
- Then assign your access sequence at step 2 in this condition type
- Repeat the same for other condition types which you wish to have in your schema
- [In this step we define standard main condition types PB00 and PBXX and other supplemental conditions for Discount, Tax and Freight etc.]
-

Ex:	PB00	-	Standard Gross (Basic) Price (Automatic)
-	PBXX	-	Standard Gross (Basic) Price (Manual)
-	FRA1	-	Delivery Costs
-	NAVS	-	Non-Deduct able Input Tax
-	SKTO	-	Cash Discount



Condition Types

4. Define Calculation Schema

SPRO → Materials Management → Purchasing→ Conditions→ Define Price Determination Process → Define Calculation Schema.

Steps:

- In this step you define calculation schema by maintaining all the condition types that are relevant for your pricing procedure.
- Select RM0000 (standard SAP's calculation schema) and copy into new schema XMM000
- Select schema XMM000 and hit ¯Control data‖ folder on the left hand side to maintain your conditions in the pricing procedure.
- Click New entries
- Enter the following

Calc. Sch/price Proc XM0000

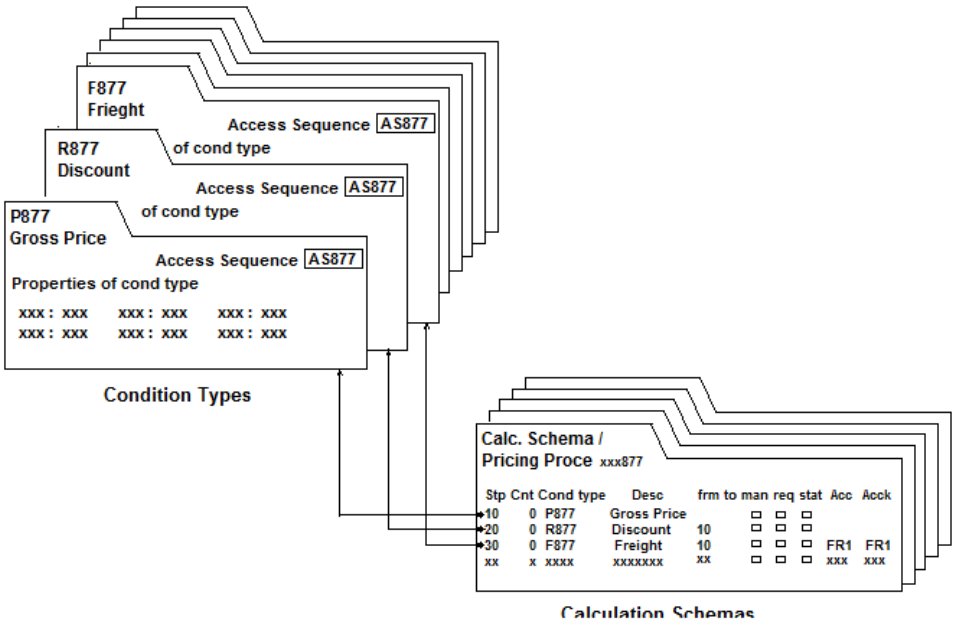
Step	Counter	Cond type	Description	frm	To	Man	Static	Prnt	Stot	Req	A/ckey	ackey
1	1	P 877	Gross Price			☐	☐	X	9			
1	2	PBXX	Gross Price			☐	☐	X	9	6		
2	1	R 877	Discount % on Gross	1		☐	☐					
3	0		GP after discount	1	2	☐	☐					
4	1	D 877	Customs %	3		☑	☑				FRE	FR1
5	1	F 877	Freight %	3		☑	☐				FRE	FR3
6	1	S 877	Surcharge % Gross	1		☑	☑					
7	0		Grand total	3	6							

- Clickk Save

5. Assign Calculation Schema to the main Condition Type:

SPRO → IMG → Materials Management → Purchasing → Conditions → Define Price Determination Process→Define Condition Types.

- Here you maintain the Calculation Schema that you have maintained in the Main condition type (PB00/ZZB0) as shown below.



6. Define Schema group:

SPRO → Materials Management → Purchasing → Conditions → Define Price Determination Process → Define Schema group.

- Here you define schema groups for vendor and purchasing organization and assign them in the vendor master and configuration respectively in order for system to find out the right pricing procedure for the combination.
- This is very important step in order for your system to find the right pricing procedure for the combination of vendor and purchasing organization.
-
- **1. Define Schema group : vendor**
  - Click New entries
  - Enter New schema group for vendor

Sch grp for Vendor

Sch ven	Desc
SV xx	Sch grp for vend xx

  - Click save

- **2. Define Schema group : Purchase organization**
  - Click New Entries
  - Enter New Schema group for Purchasing Organization

Scg grp for Purch Org

Sch Grp 4 Porg	Desc
SGPO xxxx	Scg grp for Purch Org xxxxxxxx

  - Click save
- **3. Assign schema group to purchasing organization**
  - Assign the Schema group for purchasing organization to the to purchasing organization

Assignment

Purch Org	Sch/ grp 4 P Org
PORG xxxx	SGPO xxxx

  - Click save

7. Define Schema Determination:

SPRO → IMG → Materials Management → Purchasing → Conditions → Define Price Determination Process → Define Schema Determination.

- Here you assign the Calculation Schema to the combination of Schema group for purchasing organization and schema group for vendor appropriately.

Steps:

- Click Determine Calculation schema for standard purchase order
- Click New entries
-

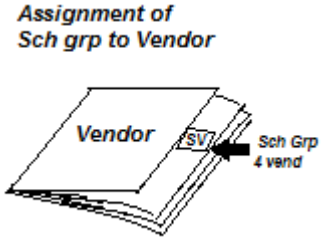
Assignment

Sch grp 4 P Org	Sch grp 4 Ven	Pric Proc
SGPO xxxx	SV xx	xxx877 xxxxxx

- Assign schema group for purchase organization, schema group for Vendor to the calculation schema (pricing procedure)
- Click save

8. Assign Schema group for vendor to the vendor master records

- After assigning the Schema go to the relevant purchasing data of the vendor master record and assign the ¯Schema group for vendor‖ to the appropriate vendors whom you want this pricing procedure to be applied.



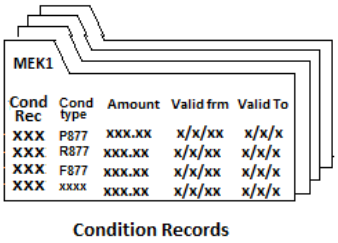
9. Maintain the condition records

- Now, you need to maintain the condition records in the Easy Access menu, in order for this pricing procedure to take an effect.

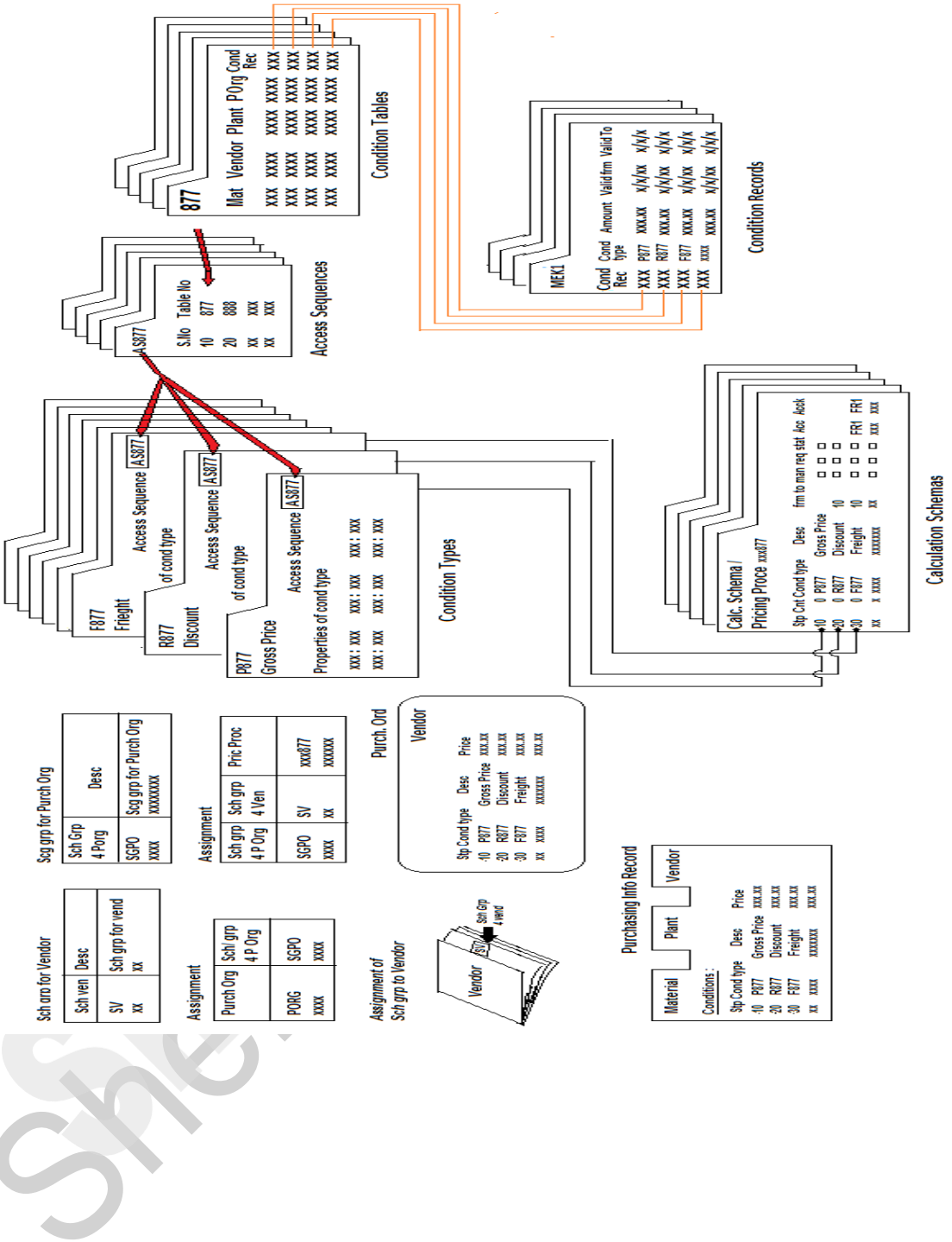
Steps:

- Use T code = MEK1 (To create ¸condition record‘)
- In initial screen
- Enter
  - Condition Type : XB00 (Enter your condition types of your schema)
- Click ¸Key Combination‘ button
- Select ¸Material, vendor, vendor and Purchase Organization‘
- Press enter
  - Material xxxx
  - Vendor xxxx
  - Plant xxxx

- Purch. Org Amount Valid from Valid to
- Xxxxx xxx.xx xx/xx/xx xx/xx/xx
- Click save



Condition Records


Condition Tables
877
Mat Vendor Plant POrg Cond Rec
Condition Records
MEK1
Cond Rec
Cond type
Amount
ValidFrm
ValidTo
Access Sequences
A877
S.No
Table No
10 877
20 888
Condition Types
F877 Frieght
R877 Discount
P877 Gross Price
Access Sequence A877
of cond type
Properties of cond type
Calculation Schemas
Calc. Schema / Pricing Proce xxx877
Stp Cnt Cond type Desc frm to man req stat Acc Alclk
10 0 P877 Gross Price
20 0 R877 Discount 10 FR1 FR1
30 0 F877 Freight 10 FR1 xxx
Scg grp for Purch Org
Sch Grp 4 Porg
Desc
SGPO xxxx
Scg grp for Purch Org xxxxxxxx
Assignment
Sch grp 4 P Org
Pric Proc
SGPO xxxx
SV xx
xxx877 xxxxxx
Purch. Ord
Vendor
Stp Cond type Desc Price
10 P877 Gross Price xxx.xx
20 R877 Discount xxx.xx
30 F877 Freight xxx.xx
xx xxxx xxxxxxx
Sch ord for Vendor
Sch ven Desc
SV Sch grp for vend
xx xx
Assignment
Purch Org Schl grp 4 P Org
PORG SGPO
xxxx xxxx
Assignment of Sch grp to Vendor
Vendor
Sch Grp 4 vend
Purchasing Info Record
Material
Plant
Vendor
Conditions :
Stp Cond type Desc Price
10 P877 Gross Price xxx.xx
20 R877 Discount xxx.xx
30 F877 Freight xxx.xx
xx xxxx xxxxxxx xxx.xx

13. MM & FI Integration

MM & FI Integration

- It can also be called as
  - Automatic Account Assignment (AAA)
  - Valuation and A/c Assignment (VAA)

Valuation and Account Assignment:

This is fully integrated with FI.
Material Valuation: Stock value = Stock Qty. X Price
Material valuation will updates the G/L accounts in Financial Accounting.

Material Valuation features:

1. It allows you to re-evaluate the materials
2. You can evaluate the materials differently based on sub stocks.
3. It allows you to evaluate the balance sheet.

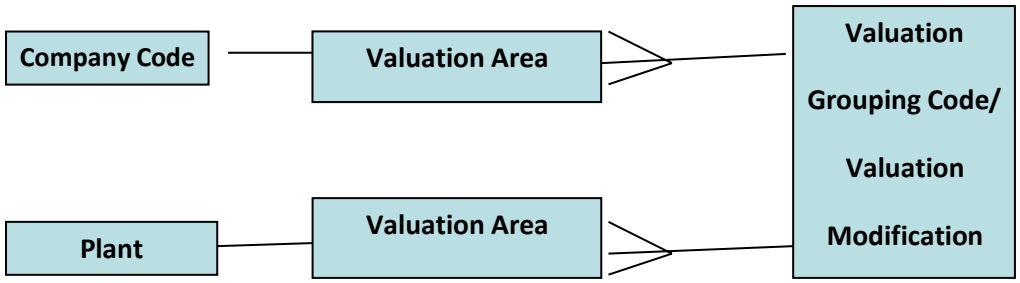
Define Valuation Control (OMWM)

- Choosing the valuation level is one of the first steps we will perform while customizing the system.
- If using the PP Production module, the valuation area must be set at the plant level.
- For account determination, you can group together valuation areas by activating the valuation grouping code. This makes the configuration of automatic postings much easier.

Group Together Valuation Areas

- Valuation areas are grouped together with the objective of simplifying management of the standard accounts table by minimizing the number of entries.
- Along with other factors, the valuation grouping code determines the G/L Accounts, to which a goods movement is posted (Automatic Account Determination).
- The valuation grouping code makes it easier to set the automatic account determination.
- Within the chart of accounts, we assigned the same valuation grouping code to the valuation areas.
- Since we want to assign to the same G/L account, we assigned the same valuation grouping code to the valuation areas.
- Valuation Area Company Code Chart Of Accounts Valuation Group Code
  TPL1 TMOT INT 0001

Grouping of Valuation Areas



Define Valuation Classes

- The Valuation class is a group of material with the same G/L account.
- When you create a material master record, you must assign the material to a valuation class. The valuation class is assigned to a material at plant level. However, if using split valuation, the valuation class will be assigned at the valuation type level.
- The choices for valuation class are dependent on the material type. In general, several valuation classes can be allowed for one material type. Also, the same valuation class could be allowed for different material types.
- The link between the valuation class and the material type is the account category reference. The account category reference is assigned to a material type.
- The G/L account determined for a material is carried out according to the settings for its valuation class.

Step1:

- **Account Category Reference**
  Account Category Reference (4 Char): Group of valuation classes that's the system uses to check whether the valuation class you have entered is allowed when you maintain accounting data in a material master record.

Step2:

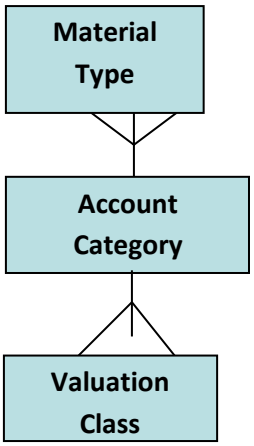
- **Valuation Class**
  Here The Valuation Class is defined and a Account Category Reference is attached to a Valuation Class.

  Example: 3000 (Raw Materials) -> 0001 (Reference for Raw Materials)

Step3:

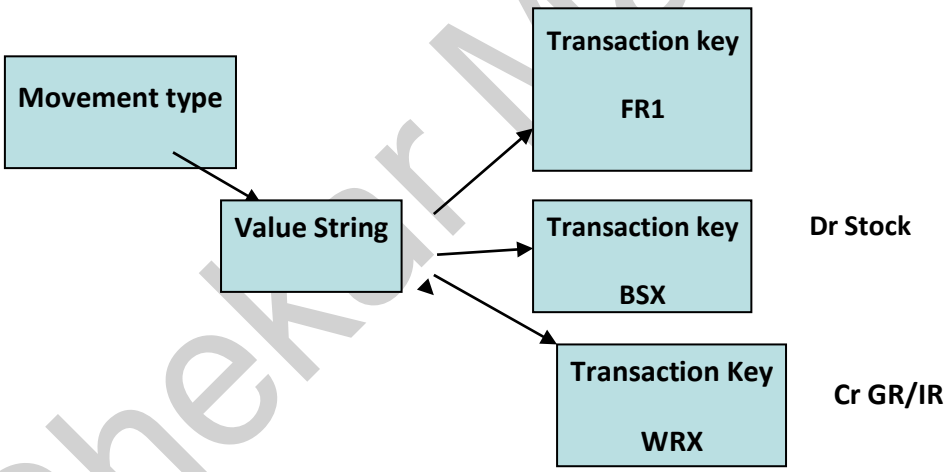
- **Material Type / Account Category Reference**
  Here the Material Type can be assigned to a Account Category Reference.

  Example: ROH (Raw Materials) -> 0001 (Reference For Raw Materials)

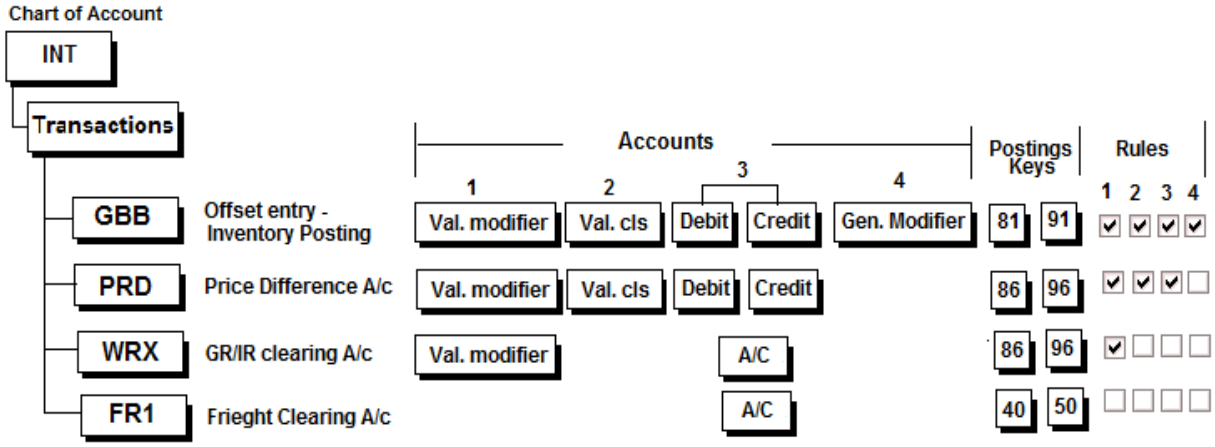


Define Account Grouping for Movement Types

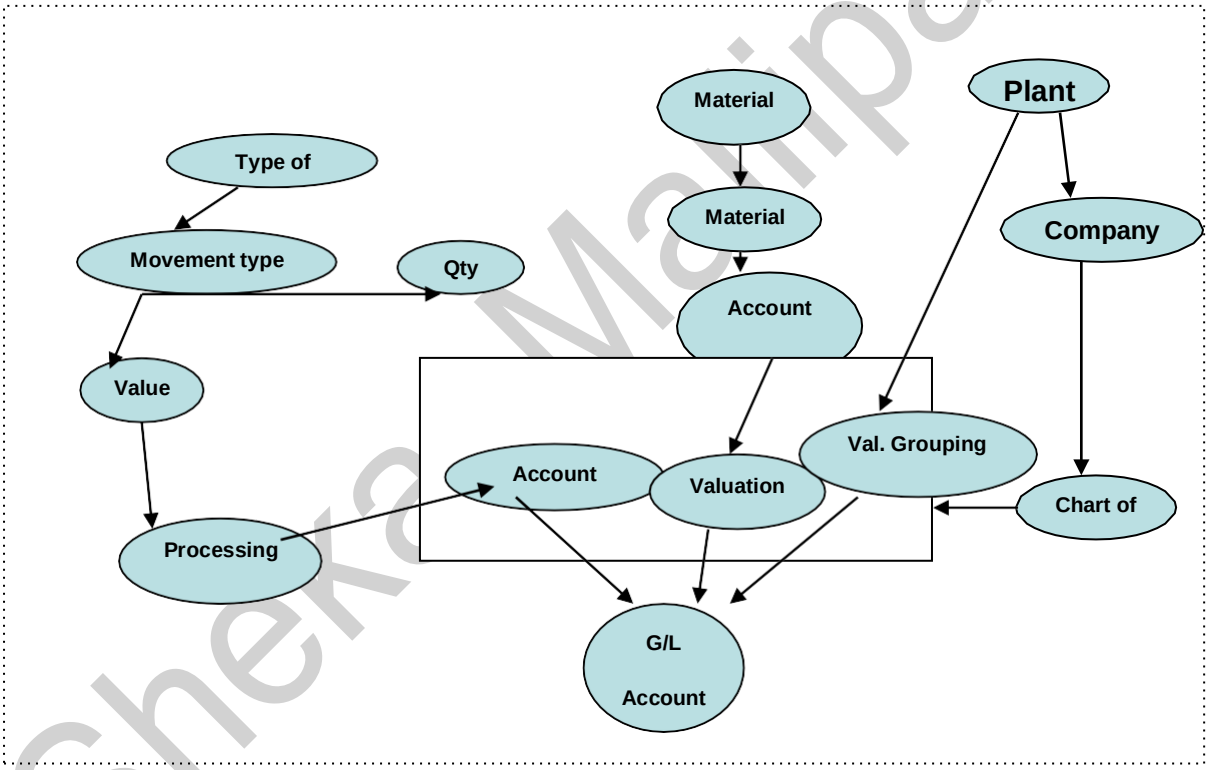
- Movement type
- Special stock indicator
- Value updating
- Quantity updating
- Movement Indicator
- Consumption posting
- Posting string for values
- Counter
- Transaction/event key
- Account modification
- Check



The following diagram shows the relation between Chart of account, Transaction, account modifiers, accounts posting keys.



Account Determination Procedure Overview



TRANSACTION / EVENT KEYS IN SAP (WITH NOTES ON APPLICABILITY)

AUM Stock transfers are there between plants and from one movement type to another with split valuation. The difference between the price at the delivering plant and the receiving point is booked at the later.

Account to be opened:

Loss - Stock Transfer

Gain - Stock Transfer A/c

BO1 Check-up Subsequent settlement of Provisions (e.g.: volume based rebate)

BO2 -- Check-up.

Subsequent settlement of revenues -conditions in inv. Verification

BO3 Check-up Provision Differences

BSV The Company sends materials for subcontract work, this transaction is considered. Accounts to be opened

Materials Consumed/Trading Goods w/o cost element -- for ROH
Inventory Change – Cost of Goods sold w/o Cost element --for FERTs

BSX All stock postings to Stock Accounts due to Goods receipts & goods issues in Inventory Management. B/s Inventory A/c s 11101 to 11111

DIF Small Differences that may arise during invoice verification in the invoice amount not exceeding tolerance.

Accounts to be opened:
Loss–Inventory Differences A/c
Gain---Inventory Differences A/c

FRX These are used for posting delivery costs when goods and invoices are received for purchase orders

FR1	Freight Clearing	69002 Separate A/c s is required
FR2	Provisions for freight Charges	69002
FR3	Customs Clearing	69002
FR4	Provisions for Customs Clearing	

FRL Services are performed for the company externally.

Account to be opened:
Purchased Services A/c

FRN Services are performed for the company externally and hence delivery costs

Account to be opened:
External Procurement Costs A/c

GBB Offsetting Entries for Inventory Postings

AUA For Order settlement

68005 (Factory output for Production)

AUF For GRs for orders (w/o account assignment) 68005

BSA For initial entry of stock balances 11199

INV Expenditure/Income from Inventory differences

68004 - Raw Material Consumption A/c

VAX For goods issues for sales orders with no assignment object

The account will not be cost element
68002 -Raw Material Indigenous
72001 – Stores & Spares

VAY For goods issues for sales orders with assignment object
The account is a cost element

VBO Consumption from stock provided to vendor
68002 -Raw Material Indigenous

VBR For internal goods issues (e.g.: to a cost center)

68005–Factory output for Production
72001 – Stores & Spares

VKA For consumption in Sales Order without SD (Mvt. Type 231)

68005–Factory output for Production

VNG For Scrapping & destruction

68004 - Raw Material Consumption – Others

VQY For sampling with account assignment

ZOB For goods issues with no Purchase order reference (Mvt 501)

ZOF For goods issues with no production order reference (Mvt 521)

KBS Account - assigned Purchase Order i.e. Account assignment taken from PO

Account need not be assigned in OBYC

KDR Exchange rate rounding differences in case of foreign currency invoices

80029 -- Exchange Rate Difference - Valuation 1

KDM Exchange rate rounding differences for open items (invoice posting with a Different exch. rate than the GR/due to Std price difference/insufficient stock coverage)

80028 --Exchange Rate Difference - foreign currency to local

KDV Material ledger from low levels E/R diff.

KON Consignment payables

KTR Offsetting entry for price differences in cost object hierarchies
68005–Factory output for Production
LKW Accruals and deference. Acct. (material ledger)
PRD Price Differences
Loss/Gain Inventory Differences (Two A/cs to be opened & assigned)
68004 – Raw Material Consumption – Others A/c is assigned
PRK Price Differences in cost object hierarchies
Loss/Gain Inventory Differences (Two A/cs to be opened & assigned)
RKA Inv. reductions from logistic invoice verification
UMB Gain/loss from revaluation Check-up- 68004 is found attached (Raw Material Consumption – Others A/c)
UPF Unplanned delivery costs
VST Input Tax
WGI Goods issue inflation revaluation
WGR Goods receipt inflation revaluation
WRX GR/IR clearing account
40051 – GR/IR Clearing A/c
WRY GR/IR clearing acct (mat. ledger) (old)

IMG settings: Valuation and A/c Assignment (VAA)

1. Define Valuation Control (OMWM)

Path: SPRO→IMG→Materials Management →Valuation and Account Assignment →Account Determination →Account Determination without Wizard →Define Valuation Control

[Note: Valuation grouping code is the one parameter which is the link between MM and FI]

Steps:

- Set Valuation grouping to active
- Click save

2. Group Together Valuation Areas (OMWD)

Path: SPRO→IMG→Materials Management →Valuation and Account Assignment →Account Determination →Account Determination without Wizard →Group Together Valuation Areas

Note: Valuation area means: You're Plant. Grouping together valuation areas means: Group all your Plants.

How we will group together our plants? : Through Valuation grouping code.

- Valuation grouping code (for Chart of A/c = INT) = 0001 (INT means: International Chart of A/c)
- Valuation grouping code (for Chart of A/c = CAUS) = US01 (CAUS means: Chart of A/c US)
- Valuation grouping code (for Chart of A/c = CAFR) = FR01 (CAFR means : Chart of A/c France)

Steps:

- System displays Valuation Area and Valuation grouping code entries in a table
- Click Position
- enter Val Area = ASP1

Val area	Co_cd	Chart of A/c	Valuation grp code
VPL1	VMOT	INT	0001
VPL2	VMOT	INT	0001

- Click save

3. Define Valuation Classes (OMSK)

Path: SPRO→IMG→Materials Management →Valuation and Account Assignment →Account Determination →Account Determination without Wizard →Define Valuation Classes

4. Define Account Grouping for Movement Types (OMWN)

Path: SPRO→IMG→Materials Management →Valuation and Account Assignment →Account Determination →Account Determination without Wizard →Define Account Grouping for Movement Types

5. Configure Automatic Postings (OMWB)

Path: SPRO→IMG→Materials Management →Valuation and Account Assignment →Account Determination →Account Determination without Wizard →Configure Automatic Postings