Functional Specification Document

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# 1. Document Information

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Document Title | Project Name | Client Name | Prepared By (Author, Department) | Document Version & Date |
| SAP Making Tax Digital report | SAP | PWC AI Asset | PWC AI Asset | 1.0, 01.09.2025 |

# 2. Introduction

This document outlines the technical specification for the SAP Making Tax Digital (MTD) report. The purpose of this document is to define the requirements and scope for generating a downloadable report from SAP to support the Making Tax Digital initiative. The scope includes providing monthly stock details for all materials maintained in SAP MM across various plants and storage locations, assisting in inventory monitoring, reconciliation, and monthly closing activities. The intended audience for this document includes SAP technical consultants, developers, functional consultants, and business stakeholders involved in tax reporting and compliance.

# 3. Business Requirement Overview

The business requires a new SAP report to support the Making Tax Digital (MTD) project. The main objective is to create a downloadable CSV file from SAP, enhancing the existing Adhoc VAT report by adding additional fields and improving usability. The new report must allow discrete downloads for each output type (e.g., by GL, summary by VAT code), and address the limitation of non-time-dependent VAT rates by implementing time-dependent recovery logic. This ensures that VAT rates applied to historical data reflect the rates valid at the time of posting. The solution aims to streamline inventory monitoring, reconciliation, and monthly closing activities, while providing accurate, user-friendly, and compliant tax reporting outputs.

# 4. Business Process Flow

Start

→ User initiates SAP MTD report generation

→ Selection screen: User enters parameters (Company Code, Tax Code, Posting Periods, Report Options, Document Type, Profit Centre, Special VAT Codes)

→ User selects report type (Summary, Calendarised, Details, Summary by VAT Code, Summary by GL Account, Summary by Profit Centre, Royal Mail Input Tax Accrual)

→ System validates input parameters (mandatory checks, date ranges, field lookups)

→ [If "Enable File to be Chosen" is selected]

→ User selects previously generated file and download location

→ System checks required fields

→ User downloads file

→ End

→ [Else]

→ System executes report in background

→ Data is extracted and processed per selected report logic (including time-dependent VAT recovery)

→ Output is generated as CSV file with required fields and format

→ Completion report is produced and available as spool

→ End

# 5. Functional Scope

In-Scope items:

1. The report will provide monthly stock details for all materials maintained in SAP MM across various plants and storage locations, including warehouses.

2. The output will assist in inventory monitoring, reconciliation, and monthly closing activities.

3. The requirement is to create a download from SAP for the "Making Tax Digital" (MTD) project, based on the existing SAP Adhoc VAT report, with enhancements.

4. Enhancements include:

- Addition of extra fields to the output.

- Output to be a downloadable CSV file, eliminating the need for post-processing of SAP spooled reports.

- Discrete downloads for each current adhoc output, such as output by GL, summary by VAT code, etc.

- The new MTD report will use time-dependent recovery for VAT rates, ensuring that the correct VAT rate at the time of posting is applied, rather than the current rate.

- Revision to requirements for detailed report output and Input Tax Accrual.

5. The report will have a selection screen with radio buttons and checkboxes to allow individual or grouped execution of reports, including summary, details, profit centre, and input tax accrual reports.

6. The program can only be run in background to generate a new file.

7. Users can select previously generated files for download, with the ability to browse server locations and select download destinations.

8. The report will validate all input parameters, including company code, tax code, posting periods, document type, profit centre, and special VAT codes, as per the specified logic and check tables.

9. The output file will be in CSV format, with a single header row, no totaling or sub-totaling, and specific formatting for currency and dates.

10. Multiple report layouts are supported: Calendarised, Summary, Details, Summary by VAT Code, Summary by GL Account, Summary by Profit Centre, and Royal Mail Input Tax Accruals, each with defined columns and sorting logic.

11. The report will include derived fields such as Basic Income, Basic Expenditure, Output VAT, Partially Recoverable VAT, Wholly Recoverable VAT, VAT on Acquisitions, VAT Control a/cs Balance, and Vendor VAT Registration, with logic for each field specified.

12. A completion report will be generated, listing user, start/end time, and all output filenames.

13. Authorization checks will restrict report access to users with appropriate roles (e.g., Tax User, Finance Controller).

14. The solution will be developed in ABAP and deployed in SAP GUI or Fiori.

Out-of-Scope items:

1. Additional MTD report mentioned in version 2.0 quote is no longer required.

2. The report does not provide a totals report for all company codes in the CSV output; this can be achieved by users through sorting and totaling in Excel.

3. The solution does not include any changes to the underlying SAP MM or FI data structures beyond what is required for reporting.

4. The report does not support execution in foreground; it is strictly background-only for file generation.

5. No changes are made to the existing VAT report ZPFRR029V3 except as referenced for logic or comparison.

6. The report does not provide any graphical or dashboard output; all outputs are in CSV file format.

7. The solution does not automate monthly closing activities; it assumes these are completed prior to report execution.

# 6. Functional Solution Approach

The business requirement to generate a Making Tax Digital (MTD) report from SAP will be addressed by enhancing the existing Adhoc VAT report functionality. The new solution will introduce additional fields to the output and change the output format to a downloadable CSV file, eliminating the need for manual manipulation of SAP spooled reports. The report will provide discrete downloads for each current adhoc output, such as output by GL, summary by VAT code, and others, with the flexibility to run summary reports together or individually.

The solution will ensure that VAT recovery rates are applied based on the time period of the transaction, using time-dependent recovery logic. This addresses the issue in the current report where non-time-dependent VAT rates could result in incorrect calculations for historical data.

The selection screen will be redesigned to use radio buttons for mutually exclusive report options and checkboxes for summary group reports, allowing users to run reports individually or in groups. Input parameters can be saved as variants, and the program will only run in the background to generate new files. Users will have the option to select and download previously generated files from a server location, with appropriate validation and error handling for mandatory fields.

The output files will follow strict formatting rules: CSV format, single header row, no totaling/sub-totaling, currency values without commas, and dates in dd.mm.yyyy format. Each report type (calendarised, summary, details, summary by VAT code, summary by GL account, summary by profit centre, and Royal Mail Input Tax Accruals) will have a defined layout and sorting logic, as detailed in the requirements. The data will be sourced from standard SAP tables (BKPF, BSEG, T001, T007A, LFA1, etc.) with specific mapping and derivation logic for each field.

A completion report will be generated as a spool output, listing the user, execution times, and all generated filenames. Authorization checks will ensure that only users with appropriate roles (e.g., Tax User, Finance Controller) can access the report. The solution assumes that monthly closing activities are completed before execution and that the report will be deployed in SAP GUI or Fiori.

# 7. Functional Requirements

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Requirement ID | Requirement Description | Business Rule | Priority | Comments |
| 1 | Create a download from SAP for the "Making Tax Digital" project, based on the existing Adhoc VAT report with enhancements. | Output must be a downloadable CSV file, not a spooled SAP report; additional fields to be included; discrete downloads for each output type (GL, summary by VAT code, etc.). | [To Be Filled] | Based on existing Adhoc VAT report with enhancements. |
| 2 | Output to be downloadable CSV file. | File must be in .csv format, single header row, no totaling/sub-totaling, currency values without commas, dates in dd.mm.yyyy format. | [To Be Filled] | Eliminates need for manual manipulation of SAP spooled reports. |
| 3 | Add additional fields to the output. | Fields to be added as per detailed mapping in Data Source section; includes new fields such as Tax Flag, Document Type, Document Date, Vendor VAT Registration. | [To Be Filled] | See Data Source and Output Format sections for field details. |
| 4 | Discrete download for each current adhoc output (e.g., output by GL, summary by VAT code, etc.). | Selection screen to allow individual or grouped report execution via radio buttons and checkboxes. | [To Be Filled] | Option to run summary group reports together or individually. |
| 5 | Use time-dependent VAT recovery rates for partial recovery. | VAT rates must be applied based on the transaction period, not current rates; ensures historical accuracy. | [To Be Filled] | Addresses issue with non-time-dependent VAT rates in current report. |
| 6 | Revised requirement: Additional MTD report mooted in ver 2.0 quote is no longer required. | Only the specified reports are to be developed; no additional MTD report. | [To Be Filled] | Requirement revision. |
| 7 | Revised requirement: Detailed report output and Input Tax Accrual requirements updated. | Output layouts and logic for detailed and Input Tax Accrual reports as per updated specifications. | [To Be Filled] | Requirement revision. |
| 8 | Selection screen redesign. | Use radio buttons for mutually exclusive report options; checkboxes for summary group; input parameters can be saved as variants; program runs in background only. | [To Be Filled] | Enhanced usability and flexibility. |
| 9 | Option to select and download previously generated files. | "Enable File to be Chosen" button allows user to select file from server location; mandatory fields ignored when this option is selected; validation for file selection and download location. | [To Be Filled] | Server location controlled in ZBCON; dropdowns for file and location selection. |
| 10 | Output file format and layout requirements for each report type. | Each report type (calendarised, summary, details, summary by VAT code, summary by GL account, summary by profit centre, Royal Mail Input Tax Accruals) has a defined layout and sorting logic. | [To Be Filled] | See Output Format section for details. |
| 11 | Data source and field mapping. | Data sourced from SAP tables (BKPF, BSEG, T001, T007A, LFA1, etc.); specific mapping and derivation logic for each field. | [To Be Filled] | See Data Source section for mapping logic. |
| 12 | Completion report generation. | Completion report to be produced as spool output, listing user, execution times, and generated filenames. | [To Be Filled] | Up to 7 filenames produced; same as in RN08. |
| 13 | Authorization requirements. | Report accessible only to users with appropriate roles (Tax User, Finance Controller). | [To Be Filled] | Security requirement. |
| 14 | Assumptions and constraints. | Report developed in ABAP, deployed in SAP GUI or Fiori; monthly closing activities completed before execution. | [To Be Filled] | See Assumptions and Constraints section. |

# 8. Interfaces & Integration

No functional interfaces are specified in the provided payload.

# 9. Output

[Error: Section Output not found in LLM output.]

# 10. UI Requirement

[Error: Section UI Requirement not found in LLM output.]

# 11. Authorization & Security

|  |  |  |  |
| --- | --- | --- | --- |
| Role/Profile | Authorization Object | Access Level | Description |
| Tax User | [To Be Filled] | [To Be Filled] | Report should only be accessible to users with the appropriate roles, such as Tax User. |
| Finance Controller | [To Be Filled] | [To Be Filled] | Report should only be accessible to users with the appropriate roles, such as Finance Controller. |

# 12. Error Handling & Notifications

1. If the "Royal Mail – Input Tax Accrual" (P\_ITA) checkbox is selected, the Posting Date From (P\_BUDAT\_FROM) and Posting Date To (P\_BUDAT\_TO) fields must be entered. An error message should be shown if the report is executed with P\_ITA selected but no entry in the posting date from and to fields.

2. A check should be made on the values in the Posting Date From and To fields. They must be a date, in the correct format and valid. The From date must be lower than the To date.

3. If the "Enable File to be Chosen" button (P\_VIEW) is selected, then the Choose File (P\_FILE) and Choose Download Location (P\_DESTPATH) fields will be available for input. All other mandatory fields should be ignored if this button is selected; the user should not be required to enter any information in the Company, Posting Periods, Report Options, or Special VAT Codes sections.

4. If the "Download File" button (P\_DOWN) is selected, there should be a check that there are values in both the Choose File and Choose Download Location fields. An error message should be shown if either or both of the fields are not populated. All other mandatory fields should be ignored if this button is selected.

5. Before the program can be executed, the parameters should be checked and an error issued if there is any issue with the contents of the parameter field (as outlined in the technical field requirements).

6. When the program is executed in background, a message should be shown to confirm that the job is being executed in background.

# 13. Assumptions & Dependencies

1. The report will be developed using ABAP and deployed in SAP GUI or Fiori.

2. Monthly closing activities are completed before report execution to ensure data accuracy.

3. For the details report, if a profit centre(s) are added in the parameters on the selection screen, then if a document contains a GL line item with the profit centre, all the GL line items on that document (except customer and vendor line items) will be shown regardless of the other line items' Profit Centre content.

4. A document line item should only appear once in the report.

5. A GL line should only appear once in the report.

6. If there is an entry in the Profit Centre parameters (S\_PRCTR), all GL line items for a document will be included in the report. This may result in additional line items with VAT codes not in the parameters (S\_MWSKZ) being included.

7. The report has the ability, and dependent on parameters, to show both Input and Output Tax, not just Input Tax as the name suggests.

8. The search for the Vendor VAT registration will need to be done for all documents that include a vendor line item. This may be time consuming and impede performance.

9. The tax flag is not directly available in the document and must be determined for each line item, which may impact performance.

10. The table LFA1 is not currently used by the program, so retrieving Vendor VAT registration may impede performance.

# 14. Test Scenarios

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Test Case ID | Objective | Input Data | Expected Output | Actual Result/Status | Sign-off/Comments |
| TC01 | Verify selection screen mandatory and optional fields | Company Code (mandatory), Tax Code (optional), Posting Periods (mandatory), Report Options (radio/check), Document Type (optional), Profit Centre (optional), Partially/Wholly Recoverable Car Hire (mandatory) | Selection screen displays all fields as per specification; mandatory fields enforce input; optional fields can be left blank |  |  |
| TC02 | Validate Company Code input and lookup | Enter valid/invalid Company Code(s) | Valid Company Code(s) accepted; invalid code(s) rejected with error; lookup against T001 |  |  |
| TC03 | Validate Tax Code input and lookup | Enter valid/invalid Tax Code(s) for selected Company Code | Valid Tax Code(s) accepted; invalid code(s) rejected with error; lookup against T007A-MWSKZ |  |  |
| TC04 | Validate Posting Periods input | Enter From/To Period and Year (all combinations) | All four fields are mandatory; validation as per GJHAR and T009; From date not greater than To date |  |  |
| TC05 | Validate Report Options selection logic | Select various combinations of radio buttons and checkboxes for report types | Only one radio button in group can be selected; checkboxes allow multiple selection within summary group; correct fields become mandatory as per selection |  |  |
| TC06 | Validate Input Tax Accrual date logic | Select 'Royal Mail – Input Tax Accrual' and omit Posting Date From/To | Error message displayed; Posting Date From/To become mandatory |  |  |
| TC07 | Validate Document Type and Profit Centre lookup | Enter valid/invalid Document Type and Profit Centre | Valid values accepted; invalid values rejected with error; lookup against T003-BLART and CEPC-PRCTR |  |  |
| TC08 | Validate Partially/Wholly Recoverable Car Hire logic | Enter valid/invalid VAT Codes for S\_PAR and S\_WHO | Only VAT Codes in TAXGB and MWART V accepted; error message for invalid codes |  |  |
| TC09 | Validate 'Enable File to be Chosen' button logic | Select 'Enable File to be Chosen' | Choose File and Download Location fields become available; all other mandatory fields ignored |  |  |
| TC10 | Validate file selection from AL11 server | Use Choose File dropdown | All files in server location (ZBCON) displayed; ability to restrict by 'date of last change' |  |  |
| TC11 | Validate download location selection | Use Choose Download Location dropdown | All available server locations displayed for selection |  |  |
| TC12 | Validate Download File button logic | Select Download File without populating Choose File/Download Location | Error message displayed if either field is empty |  |  |
| TC13 | Validate parameter checks before background execution | Enter invalid/missing parameters and execute | Error message for any invalid/missing mandatory parameter as per technical field checks |  |  |
| TC14 | Validate background execution message | Execute report in background | Confirmation message displayed that job is being executed in background |  |  |
| TC15 | Validate CSV output format (all reports) | Run each report type with valid data | Output is CSV, single header row, no totals/subtotals, currency values without commas, dates in dd.mm.yyyy format |  |  |
| TC16 | Validate Calendarised Report output | Select 'Display Calendarised Report', multiple Company Codes and periods | CSV file with correct columns, sorted by Company Code and Period, one line per Company Code/Period |  |  |
| TC17 | Validate Summary Report output | Select 'Display Summary Report', multiple Company Codes | CSV file with correct columns, sorted by Company Code, one line per Company Code |  |  |
| TC18 | Validate Details Report output | Select 'Display Details Report', multiple Company Codes, periods, GLs, Profit Centres | CSV file with all required columns, sorted as specified, one line per document line item, includes Vendor VAT Registration where applicable |  |  |
| TC19 | Validate Summary by VAT Code output | Select 'Display Summary by VAT code' | CSV file with correct columns, sorted by Company Code and VAT Code, one line per combination |  |  |
| TC20 | Validate Summary by GL Account output | Select 'Display Summary by GL Account code' | CSV file with correct columns, sorted by Company Code, GL Account, VAT Code |  |  |
| TC21 | Validate Summary by Profit Centre output | Select 'Display Summary by Profit Centre' | CSV file with correct columns, sorted by Company Code, GL Account, Profit Centre, VAT Code |  |  |
| TC22 | Validate Royal Mail Input Tax Accruals output | Select 'Royal Mail – Input Tax Accrual', specify Posting Date From/To | CSV file with correct columns, filtered by posting date and document date as specified |  |  |
| TC23 | Validate output file common rules | Run any report | CSV file has single header, correct currency/date formats, no commas in currency, correct field order |  |  |
| TC24 | Validate completion report generation | Execute report | Completion report generated as spool, includes user, start/end date/time, all output filenames |  |  |
| TC25 | Validate authorization requirements | Attempt to run report with/without required roles | Only users with Tax User or Finance Controller roles can access report |  |  |

# 15. Sign-Off

|  |  |  |  |
| --- | --- | --- | --- |
| Role | Name | Signature | Date |
| Prepared By | RTR |  | 01.09.2025 |
| Approved By |  |  |  |
| Client Sign-Off |  |  |  |

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