Functional Specification Document

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# 1. Document Information

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| --- | --- | --- | --- | --- |
| 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

The purpose of this document is to provide the technical specification for the SAP Making Tax Digital (MTD) report. The scope of the document covers the design and implementation of a new SAP output to support the Making Tax Digital initiative, specifically focusing on generating downloadable CSV reports for monthly stock and VAT details across various plants and storage locations. The intended audience includes SAP technical consultants, developers, functional consultants, and business stakeholders involved in tax, finance, and inventory management processes.

# 3. Business Requirement Overview

The business requires a new SAP report to support the Making Tax Digital (MTD) project. The main objective is to enable users to download VAT and stock-related data directly from SAP in a CSV format, improving upon the existing Adhoc VAT report by adding additional fields, supporting time-dependent VAT recovery rates, and providing discrete and summary outputs by various dimensions such as GL, VAT code, and profit centre. The solution aims to address pain points related to manual data extraction, incorrect application of VAT rates due to lack of time dependency, and cumbersome report formatting, thereby streamlining inventory monitoring, reconciliation, and monthly closing activities.

# 4. Business Process Flow

Start

-> User initiates SAP MTD report program

-> Selection screen is presented with parameters (Company Code, Tax Code, Posting Periods, Report Options, Document Type, Profit Centre, Special VAT Codes, File Selection options)

-> User selects required parameters and report type (e.g., Summary, Details, Calendarised, 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

-> Program runs in background

-> Data is extracted from SAP tables (BKPF, BSEG, T001, T007A, LFA1, etc.) based on selection criteria

-> Data is processed and mapped to required output fields, applying time-dependent VAT recovery logic

-> Output is generated as a CSV file with appropriate headers and formatting

-> Completion report is generated and available as spool

-> End

# 5. Functional Scope

1. In-Scope items

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

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

1.3. The report will create a downloadable CSV file from SAP for the Making Tax Digital (MTD) project, based on the existing SAP Adhoc VAT report, with enhancements.

1.4. Enhancements include:

- Addition of extra fields to the output.

- Output as 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.

- Use of time-dependent VAT recovery rates, ensuring that the correct VAT rate at the time of posting is applied, rather than the current rate.

1.5. The report will provide multiple output formats, including:

- Calendarised Report

- Summary Report

- Details Report

- Summary by VAT Code

- Summary by GL Account Code

- Summary by Profit Centre

- Royal Mail – Input Tax Accruals Download

1.6. The selection screen will include parameters for Company Code, Tax Code, Posting Periods, Report Options, Document Type, Profit Centre, Partially Recoverable Car Hire, Wholly Recoverable Car Hire, and options for previously generated files.

1.7. The program will only be run in background to generate a new file.

1.8. Users can select previously generated files for download, with the ability to choose the download location.

1.9. The report will validate all input parameters, including mandatory checks and logical validations (e.g., date ranges, required fields based on report selection).

1.10. The output file will always be in CSV format, with a single header row and no totaling or sub-totaling, and will follow specific formatting rules for currency and date fields.

1.11. The report will include derived columns such as Basic Income, Basic Expenditure, Output VAT, Partially Recoverable VAT, Wholly Recoverable VAT, VAT on Acquisitions, and VAT Control a/cs Balance, with logic for population as per the design.

1.12. The report will source data from SAP tables such as BKPF, BSEG, T001, T007A, LFA1, and others as specified.

1.13. The report will provide sorting and grouping as per the requirements for each output type.

1.14. A completion report will be generated as a spool output, listing user, start/end time, and filenames produced.

1.15. Authorization checks will ensure only users with appropriate roles (Tax User, Finance Controller) can access the report.

2. Out-of-Scope items

2.1. Any additional MTD report mooted in version 2.0 is not required and will not be developed.

2.2. The report will not provide a totals report for all company codes in the CSV output; this can be achieved by users in Excel.

2.3. The report will not include any post-processing or formatting of the CSV output beyond the specified requirements (e.g., no totaling, sub-totaling, or formatting for presentation).

2.4. The report will not provide real-time or online execution; it is strictly background execution for file generation.

2.5. The report will not handle any business process exceptions or corrections outside the scope of the data extraction and formatting as specified.

2.6. The report will not provide any integration with external systems or non-SAP platforms beyond the CSV file output.

2.7. The report will not include any enhancements or changes to the underlying SAP MM or FI data structures, only extraction and reporting.

2.8. The report will not provide any user interface enhancements beyond the specified selection screen and download options.

2.9. The report will not address performance optimizations beyond those specified, even though some lookups (e.g., Vendor VAT Registration) may impact performance.

2.10. The report will not provide any additional security or audit features beyond standard SAP authorization checks.

# 6. Functional Solution Approach

The solution will provide a new SAP report to support the Making Tax Digital (MTD) initiative, enabling users to download VAT-related data in CSV format for inventory monitoring, reconciliation, and monthly closing activities. The report will be based on the existing SAP Adhoc VAT report, with enhancements to address the specific requirements of the MTD project.

The report will feature a redesigned selection screen, replacing checkboxes with radio buttons to allow individual or grouped execution of summary reports. Input parameters such as Company Code, Tax Code, Posting Periods, Document Type, and Profit Centre will be validated against their respective SAP tables, with options for single, multiple, or range entries as appropriate. The selection screen will also provide functionality to select previously generated files for download, bypassing other mandatory fields when this option is chosen.

The output will be generated exclusively in the background, producing CSV files with a single header row and no subtotals or totals. The files will be formatted to exclude commas from currency values and use the date format dd.mm.yyyy. 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 specific layout and sorting logic, as detailed in the requirements. All reports will include key columns such as Basic Income, Basic Expenditure, Output VAT, Partially Recoverable VAT, Wholly Recoverable VAT, VAT on Acquisitions, and VAT Control a/cs Balance, with values derived according to the specified logic.

The new report will address the limitation of the existing Adhoc VAT report by implementing time-dependent VAT recovery rates, ensuring that historical data reflects the correct rates at the time of posting. Additional fields, such as Vendor VAT Registration, Document Type, and Tax Flag, will be included as required. The report will also provide a completion report as a spool output, listing the generated filenames and execution details.

Authorization checks will ensure that only users with appropriate roles, such as Tax User and Finance Controller, can access the report. The solution will be developed in ABAP and deployed in SAP GUI or Fiori, with the assumption that monthly closing activities are completed prior to execution to ensure data accuracy.

# 7. Functional Requirements & Business Rules

[Error: Section Functional Requirements & Business Rules not found in LLM output.]

# 8. Interfaces & Integration

No interface details are specified in the provided payload.

# 9. Reports & Outputs

[Error: Section Reports & Outputs not found in LLM output.]

# 10. User Interface Requirements

[Error: Section User Interface Requirements 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 have an input; these fields become mandatory. 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. If not, an error message should be displayed.

3. If the "Enable File to be Chosen" button (P\_VIEW) is selected, all other mandatory fields should be ignored. The user should not be required to enter any information in the Sections: Company, Posting Periods, Report Options, Special VAT Codes.

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

5. All other mandatory fields should be ignored if the "Download File to be Chosen" button is selected; the user should not be required to enter any information in the Sections: Company, Posting Periods, Report Options, Special VAT Codes.

6. 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).

7. A message should be shown when the program is executed in background to confirm that the job is being executed in background.

8. When a file is downloaded, a message should be shown to indicate successful download.

# 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, even if the additional line items may have a VAT code that was not in the parameters (S\_MWSKZ).

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

8. The completion report will be produced and available as the spool to the program.

9. There will be up to 7 filenames produced by the program, differentiated by the filename.

10. The user can create additional sorts by manipulating the csv file within Excel.

# 14. Test Scenarios

[Error: Section Test Scenarios not found in LLM output.]

# 15. Sign-Off

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

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