SAP FI
Asset Configuration

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INTRODUCTION

Let's get started. Asset accounting module in SAP is a very important module. It manages fixed assets data of an organization by way of asset master records. Asset accounting module thus acts as a sub ledger to the FI module for managing asset records.

SAP gives us the functionality in Asset module of managing depreciation and assets parallely according to various reporting requirements i.e. Local Reporting, Parent company reporting, Tax reporting, US GAAP reporting and so on.
You must assign a chart of depreciation to each company code that is defined in Asset Accounting. SAP provides country-specific charts of depreciation with predefined depreciation areas. These charts of depreciation serve only as a reference for creating your own charts of depreciation, and are therefore not directly accessible in the SAP system. When creating a chart of depreciation, you have to copy the reference chart of depreciation.

We configured in the SAP TRAINING FI – GL configuration book a company A Ltd with the company code 9100. The currency of the company code is INR. The reporting period is considered as Jan to December. The parent company of A Ltd is located in Saudi Arabia. Therefore A Ltd is required to report figures in Saudi Riyals. 3 currencies are configured for the company code INR (Local reporting), 2 currencies in SAR.
A Ltd is required to report depreciation for local reporting as per the statutory reporting requirement of India. Further it is also required to report depreciation as per the parent company located in Saudi Arabia. Since 3 currencies are configured we need to configure 3 depreciation areas as per the 3 currencies.

A) Organizational Structures

For doing the configuration we use the following path on the SAP application screen:-

SAP Menu → Tools → AcceleratedSAP → Customizing → SPRO - Edit Project → 

Configuration for all the modules will be done here. The above path will not refer henceforth; we will directly refer to the IMG node.

1. Copy Reference Chart of Depreciation/Depreciation areas

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas

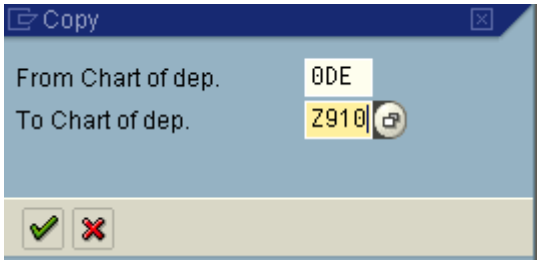
The chart of depreciation is a list of depreciation areas arranged according to business and legal requirements. The chart of depreciation enables you to manage all rules for the valuation of assets in a particular country.
You must assign a chart of depreciation to each company code that is defined in Asset Accounting. SAP provides country-specific charts of depreciation with predefined depreciation areas. These charts of depreciation serve only as a reference for creating your own charts of depreciation, and are therefore not directly accessible in the SAP system. When creating a chart of depreciation, you have to copy the reference chart of depreciation.
When you create a chart of depreciation, the system copies **all** of the depreciation areas in the reference chart of depreciation. You have to delete any depreciation areas that you do not need in your chart of depreciation.
Depreciation areas that are not used can still be activated at a later point in time (after the production startup). A newly activated depreciation area can take over values from another depreciation area.
SAP has provided chart of depreciation for various countries. Unfortunately for India it has not provided any chart of depreciation. Therefore we use German chart of depreciation.

Let us copy the chart of depreciation from German chart of depreciation to create new chart of depreciation.

Double Click **on** 

Click on  and update the following: -

0DE – Sample chart of depreciation for Germany.



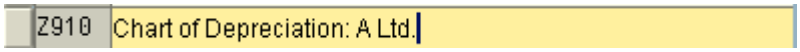
2. Specify Description of chart of accounts/Delete depreciation areas

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas

Change the Description of chart of depreciation so copied.

Change the following: -

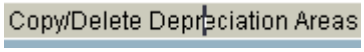
and update the following: -



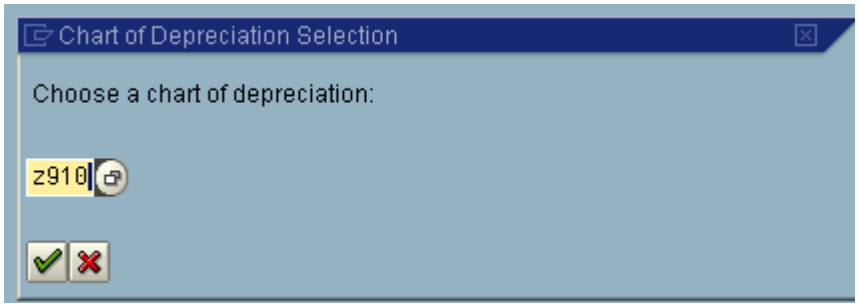
Click on Save 

3. Copy/Delete Depreciation Areas

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas

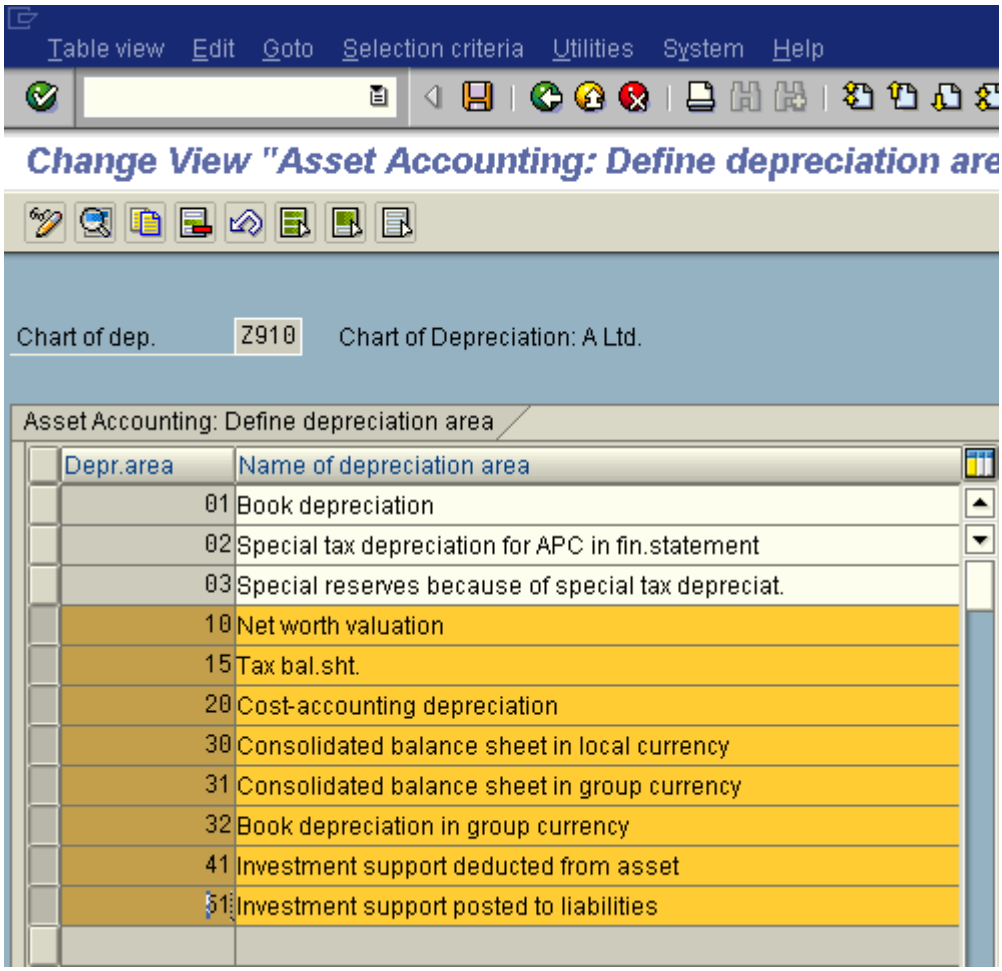
Double Click on 

And update the depreciation area



We will delete the unwanted depreciation areas which were copied from the reference chart of depreciation.

We select the areas for deletion like this



Then **Click on** 

We will delete deprec, area 10, 15, 20, 41,51

We require depreciation area 30 (Consolidated balance sheet in local currency) and depreciation area 32 since 2 additional currencies in SAR are configured in the FI-GL module.

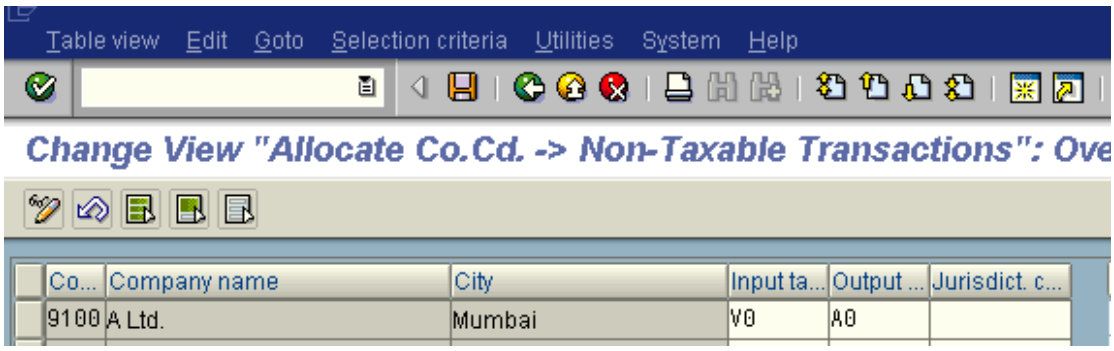
Click on Save

4. Assign Input Tax Indicator for Non-Taxable Acquisitions

IMG → Financial Accounting → Asset Accounting → Integration with the General Ledger→ Assign Input Tax Indicator for Non-Taxable Acquisitions

In this step, you specify an input tax indicator per company code. The system then uses this indicator when you post acquisitions that are not subject to tax, but which are posted to accounts that are tax-relevant.

Assign input tax indicator V0 (Input tax 0%)
Assign output tax indicator A0 (output tax 0%) to company code 9100 A Ltd.

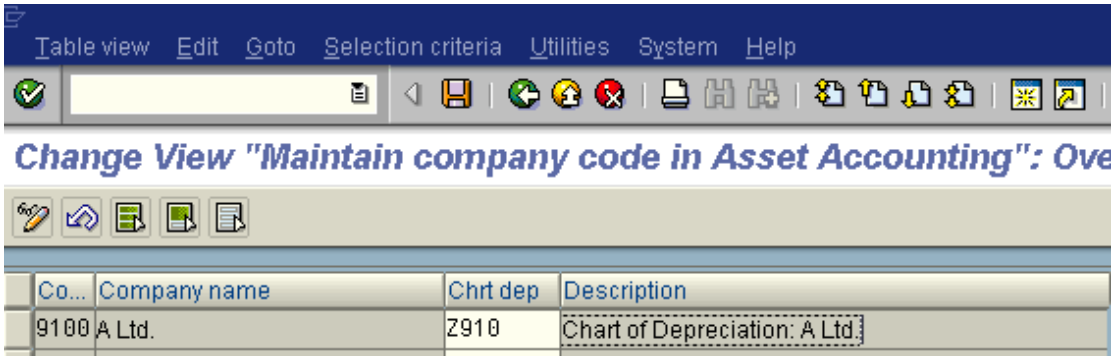


Click on Save

5. Assign Chart of Depreciation to company code

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas

One of the important steps is the assignment of chart of depreciation to the company code. Here by this step, we link the asset accounting module to the FI company code.
Assign Chart of depreciation Z910 to company code 9100.



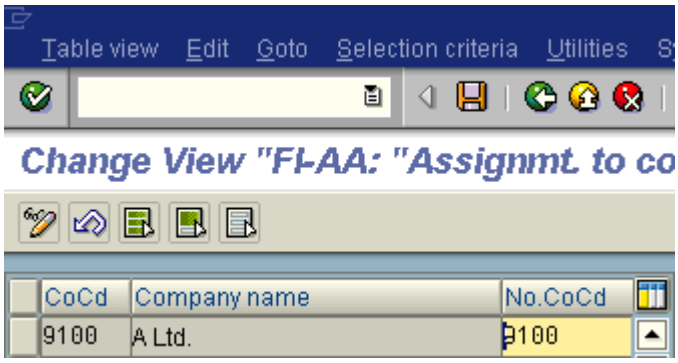
Click on Save 

6. Specify Number Assignment across Company codes (Optional)

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Specify Number Assignment Across Company Codes

You can assign the main asset account number across company codes. Therefore, for every company code, you can determine from which (other) company code number assignment is to be carried out. In this step, you define a cross-company code assignment of the main asset number. If you do not want a cross-company code number assignment, you do not need to define any system settings here.

We do not want across company codes number range. So we do not anything here.



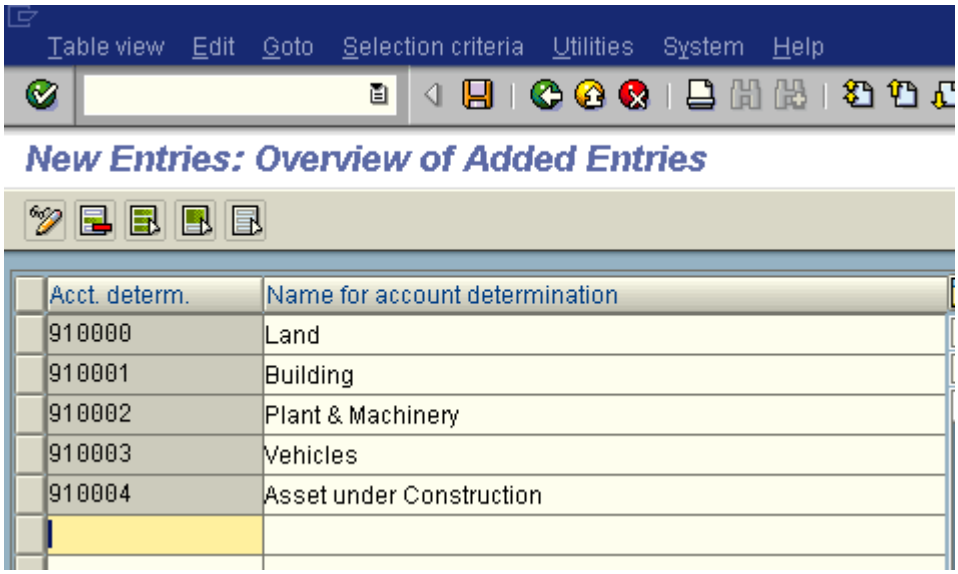
7. Specify Account Determination

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Asset Classes → Specify Account Determination

The key of an account determination must be stored in the asset class. The account determination links an asset master record to the general ledger accounts to be posted for an accounting transaction using the asset class.

Usually, you need at least the same number of account determinations as you have asset balance sheet accounts in the general ledger

Click on New entries and update the following: -



Click on Save

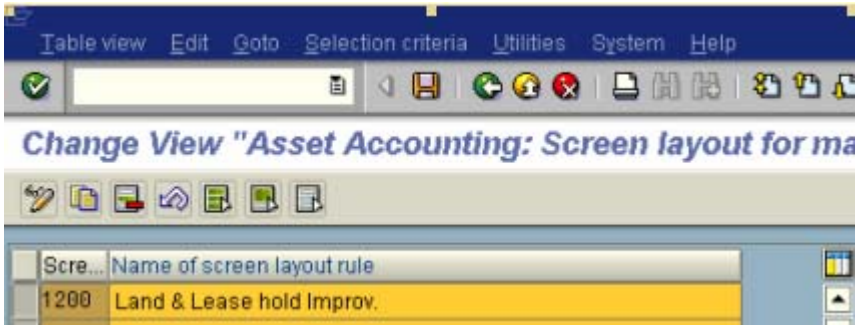
8. Create Screen Layout Rules

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Asset Classes → Create Screen Layout Rules

The screen layout specifies the status of the fields in the asset master record. You use the screen layout to determine if fields are required entry or optional entry fields, or if they are suppressed completely, for example.
In this step, you create only the keys and descriptions of the screen layout controls. You define the field group rules for the screen layouts themselves in the step Master data.
You can enter a screen layout rule in one of two places: either in the part of the asset class valid in the entire client, or in the part of the asset class valid for the chart of depreciation. The screen layout rule is then valid either for all assets in the asset class, or for all assets in the asset class/chart of depreciation.

You can use the standard screen layout or you can copy the standard screen layout to create new one.

We will copy the screen layout.



Click on  **and update the following: -**

Click on Save 

Similarly we will copy the screen layout for Buildings, Plant and Machinery, Vehicles and Asset under construction.

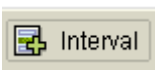
9. Define Number Range Interval

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Asset Classes → Define Number Range Interval

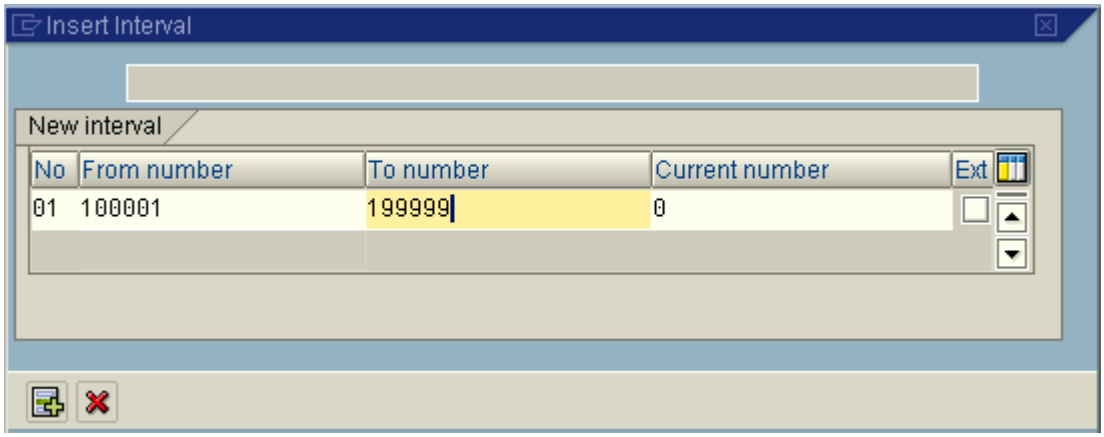
Number range interval is required for the main asset number for the company code. Normally we should specify internal number ranges for assets. The number range key is then assigned to each of the asset class.

Update Company code 9100

And click on 

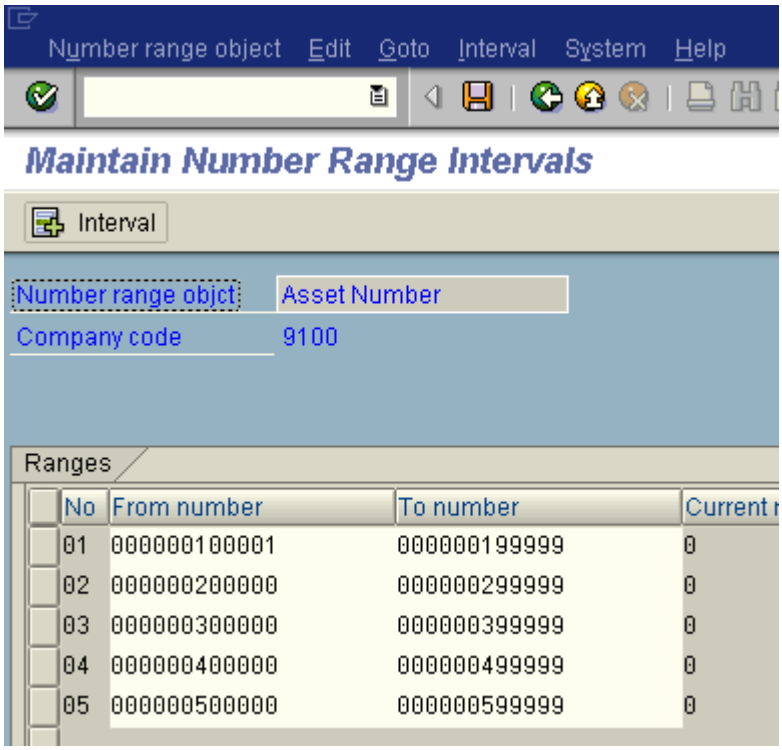
Click on 

and update the following: -



Click on Interval to add further intervals

Likewise we will creates keys 02, 03, 04 and 05



Click on Save

10. Define Asset Classes

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Asset Classes → Define Asset Classes

The asset class is the most important criteria for structuring fixed assets from an accounting point of view. Every asset has to be assigned to exactly one asset class. The asset class is used to assign the assets (and their business transactions) to the correct general ledger accounts. Several asset classes can use the same account assignment. You can see that it is possible to make finer distinctions at the level of the asset class than at the level of the general ledger accounts. The most important tasks of the asset classes are:

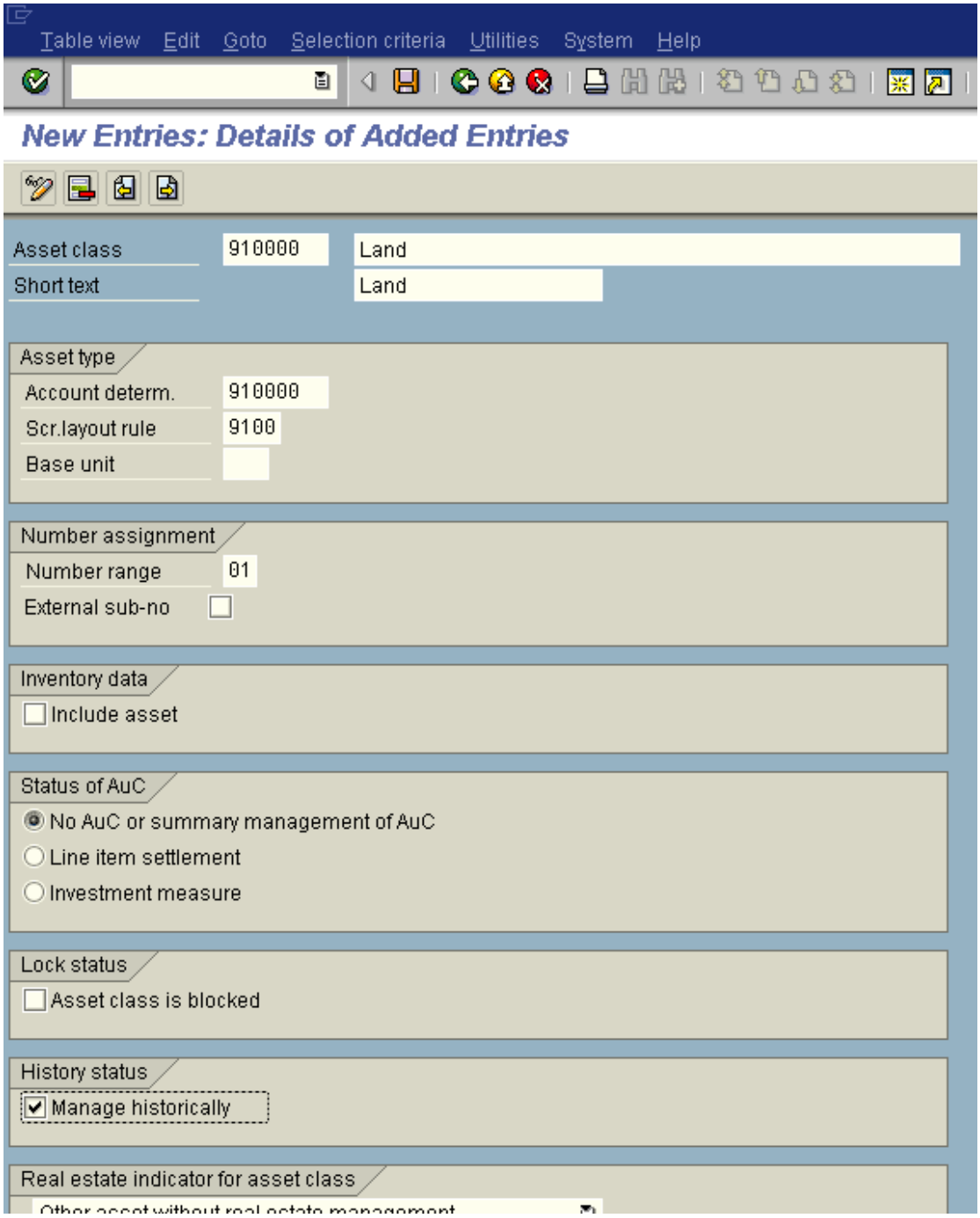
Assignment of default values when creating assets.

Grouping of assets for reporting purpose

You should group together assets with the same depreciation terms into an asset class.

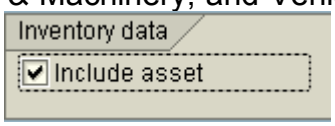
Click on 

and update the following: -

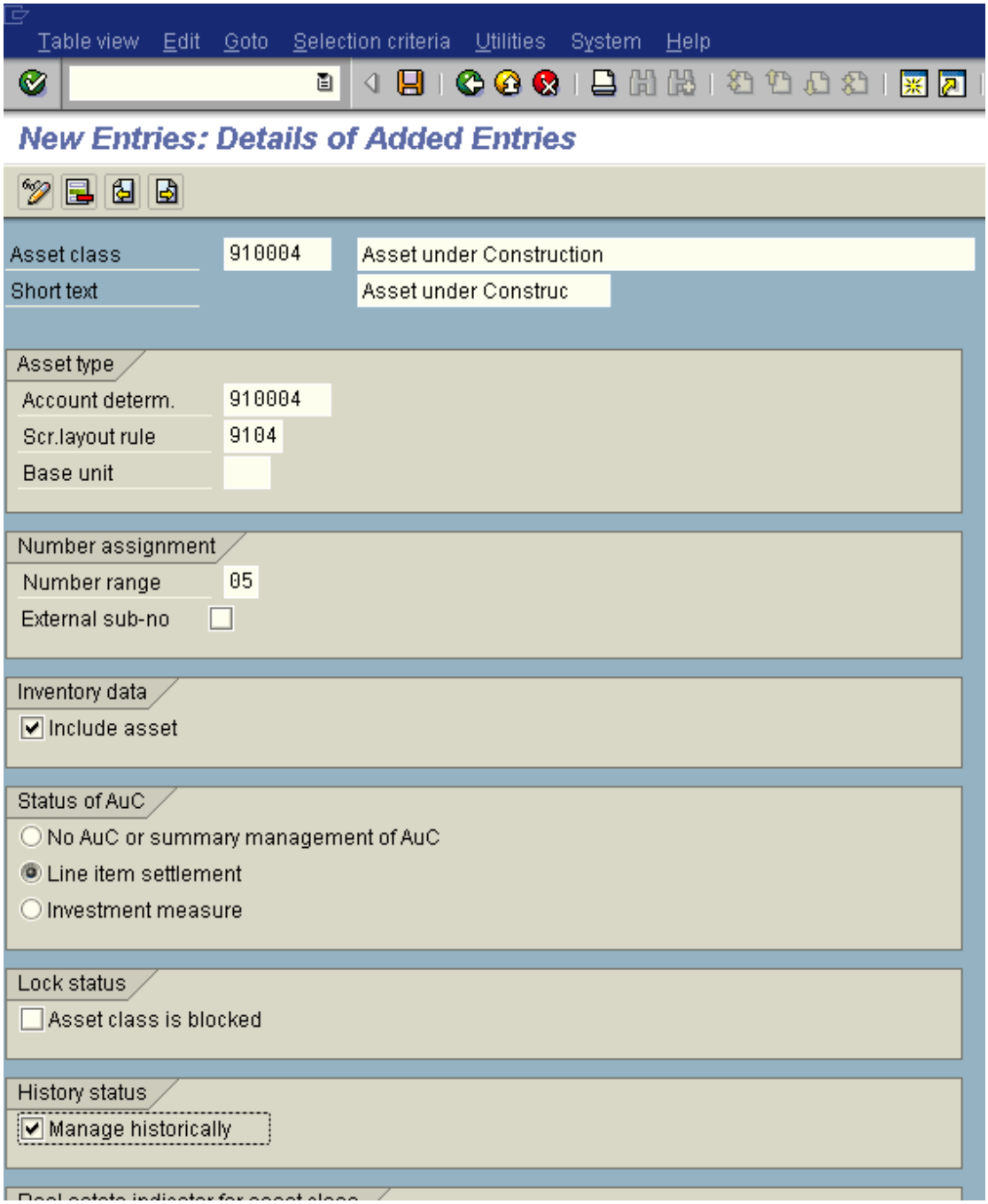


Click on **Save**

Likewise create Building, Plant & Machinery, and Vehicles. In these you need to select the following indicator



In case of **Asset under construction** update the following: -



11. *Specify Chart-of-Dep.-Dependent Screen Layout/Acct Assignment (Optional)*

IMG → Financial Accounting → Asset Accounting → Organizational Structures → Asset Classes → Specify Chart-of-Dep.-Dependent Screen Layout/Acct Assignment

Generally, the control specifications (the screen layout and the account determination) for the asset class apply throughout the client, that is, for all charts of depreciation. It is therefore sufficient to make control specifications once per asset class.
You only need to carry out this step, if, contrary to the usual case, you want these control specifications to be country-specific (that is, different depending on the chart of depreciation). The system then uses the entries you make here depending on the chart of depreciation in the given company code. The system then ignores the control specifications in the asset class that are independent of the chart of depreciation.

Normally this is not required.

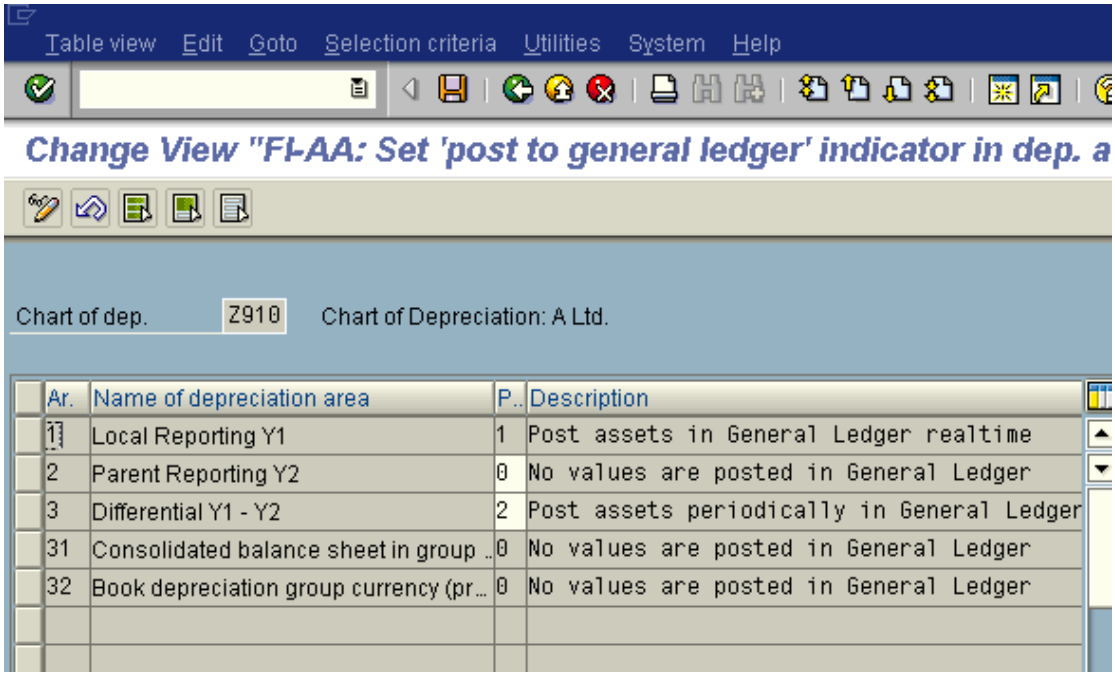
We do not any configuration here.

B) Integration with the General Ledger

12. Define How Depreciation Areas Post to General Ledgers

IMG → Financial Accounting → Asset Accounting → Integration with the General Ledger→ Define How Depreciation Areas Post to General Ledger

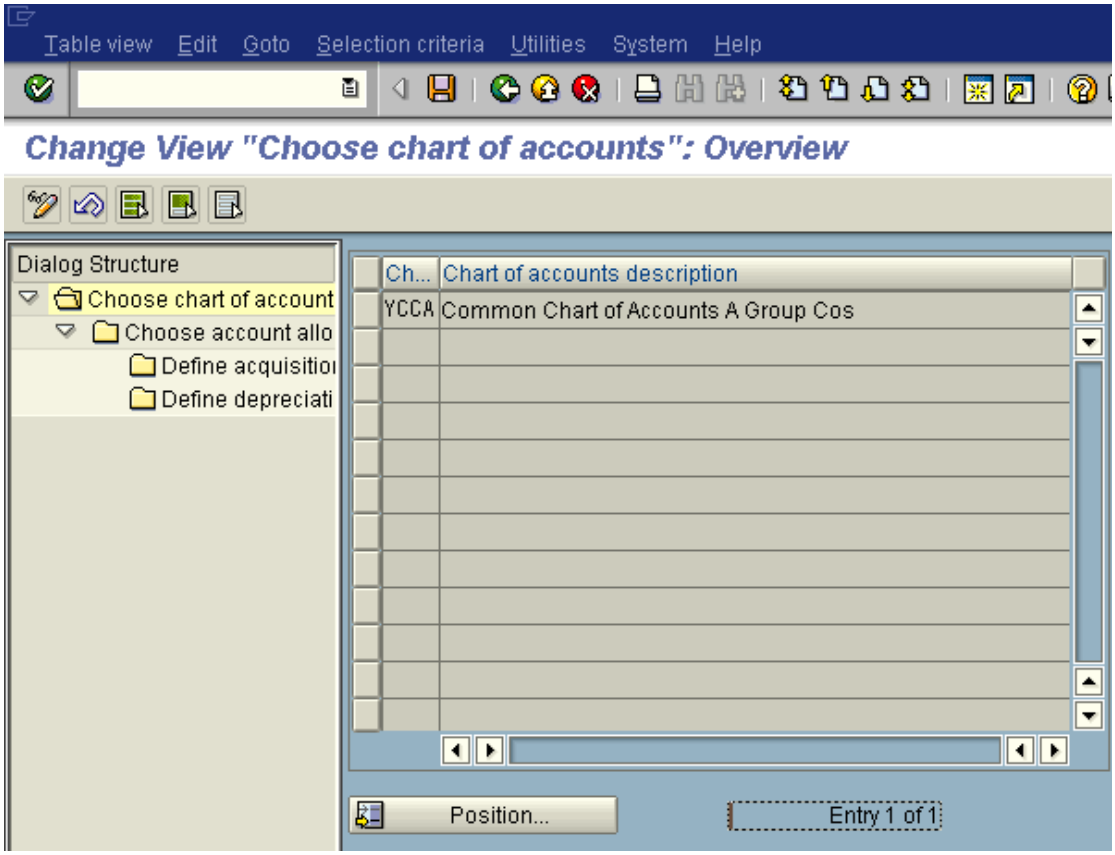
The system can post the APC transactions of one depreciation area to the general ledger online automatically. Usually this is the book depreciation area 01. You can post transactions from other depreciation areas to the general ledger automatically using periodic processing. (The exception to this rule are the depreciation areas for investment support shown on the liabilities side, which can also post online.) You always have to use periodic processing to post depreciation to the general ledger.

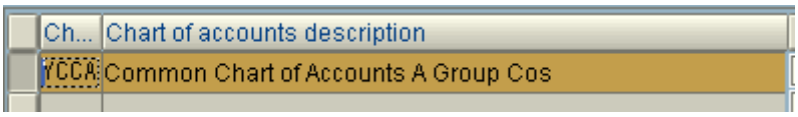


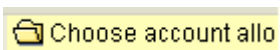
13. Assign G/L Accounts

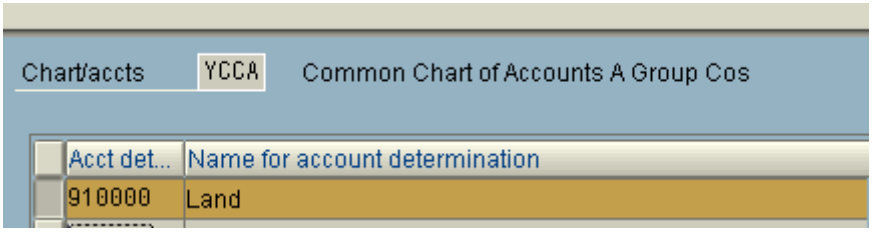
IMG → Financial Accounting → Asset Accounting → Integration with the General Ledger→ Assign G/L Accounts

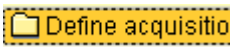
In this step you assign the balance sheet accounts and the depreciation accounts for Asset accounting.



Select 

And click on 

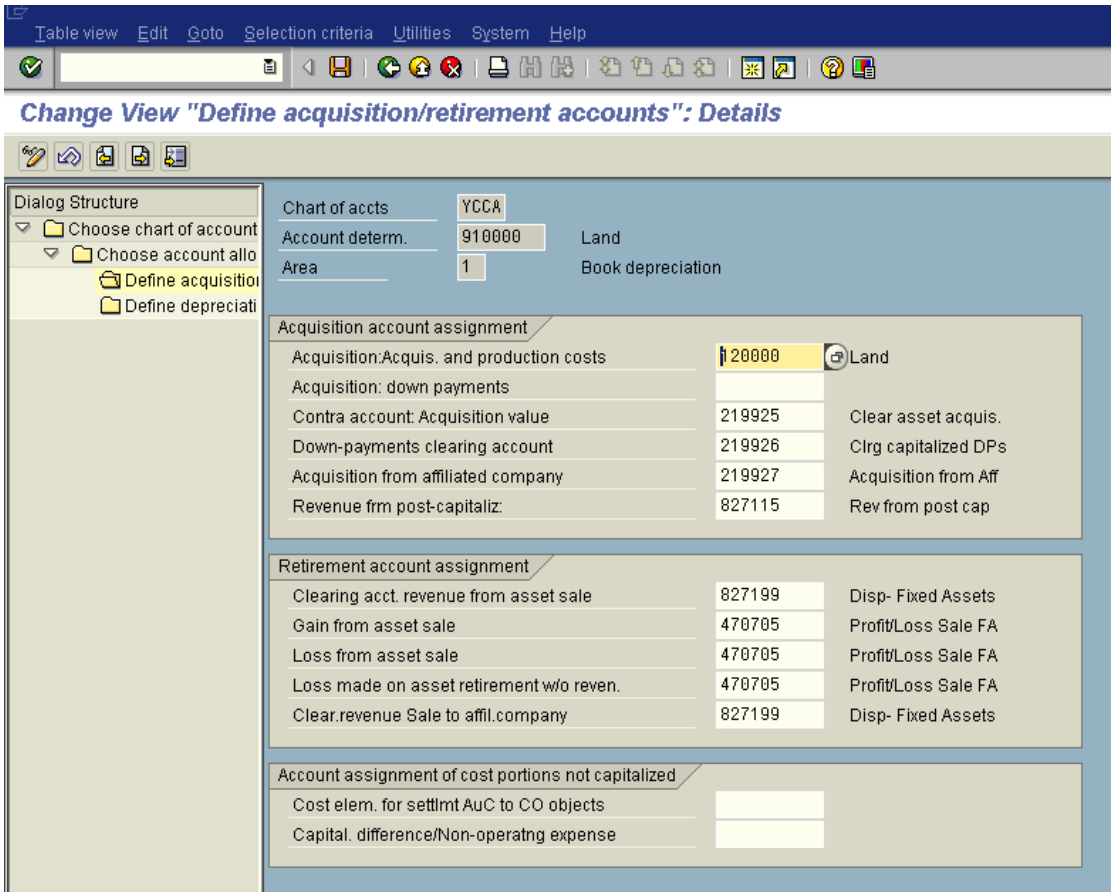
Select 

And double click on 

and

Double Click on

Update the following: -

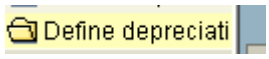


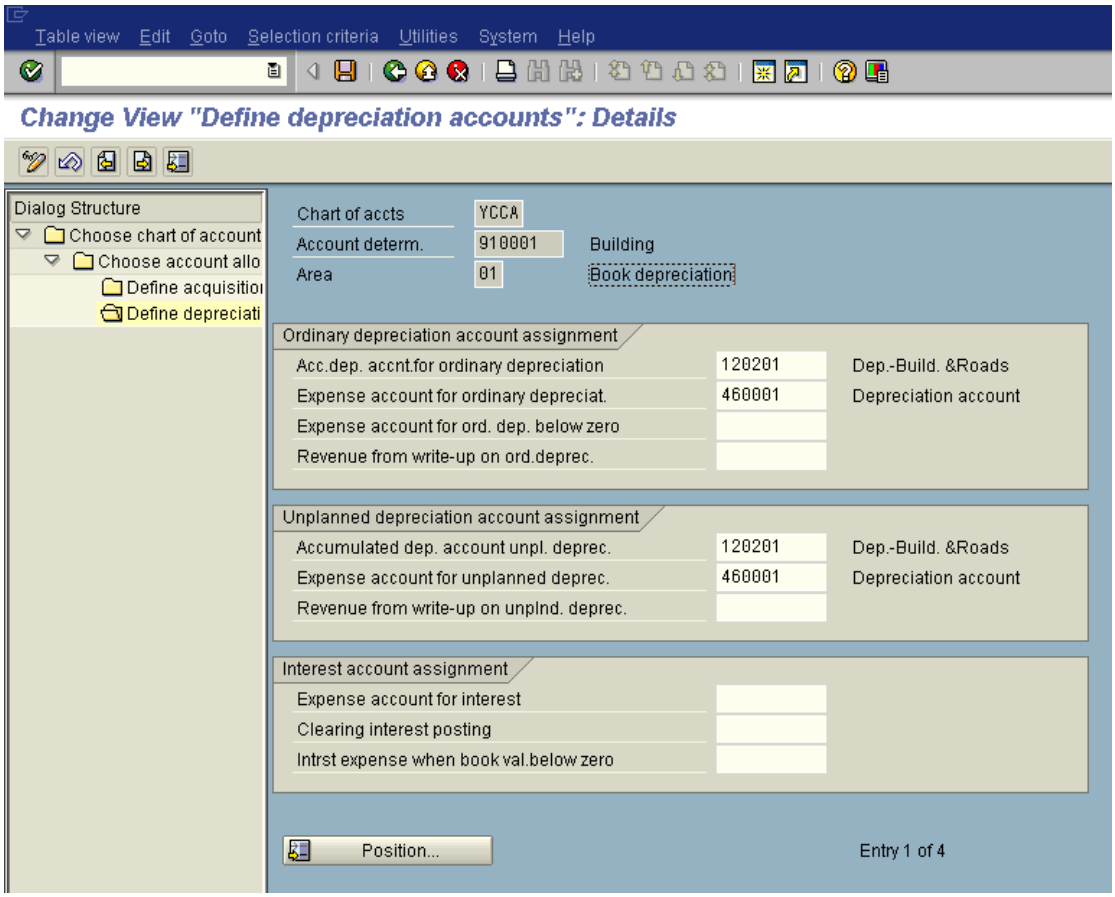
For land there is no Depreciation so we do not allocate any GL code.

Click on Save 

Similarly allocate GL codes to other account determination.

We will see the GL account assignment of Asset class Building for accumulated depreciation.

After selecting the account determination 910000 Click 



Click on Save 

14. Specify Financial Statement Version for Asset Reports

IMG → Financial Accounting → Asset Accounting → Integration with the General Ledger→ Specify Financial Statement Version for Asset Reports

You specify which financial statement version the system is to use as a default per depreciation area. This default applies when the financial statement version is contained in the **sort version** used for a given report.

Select company code 9100

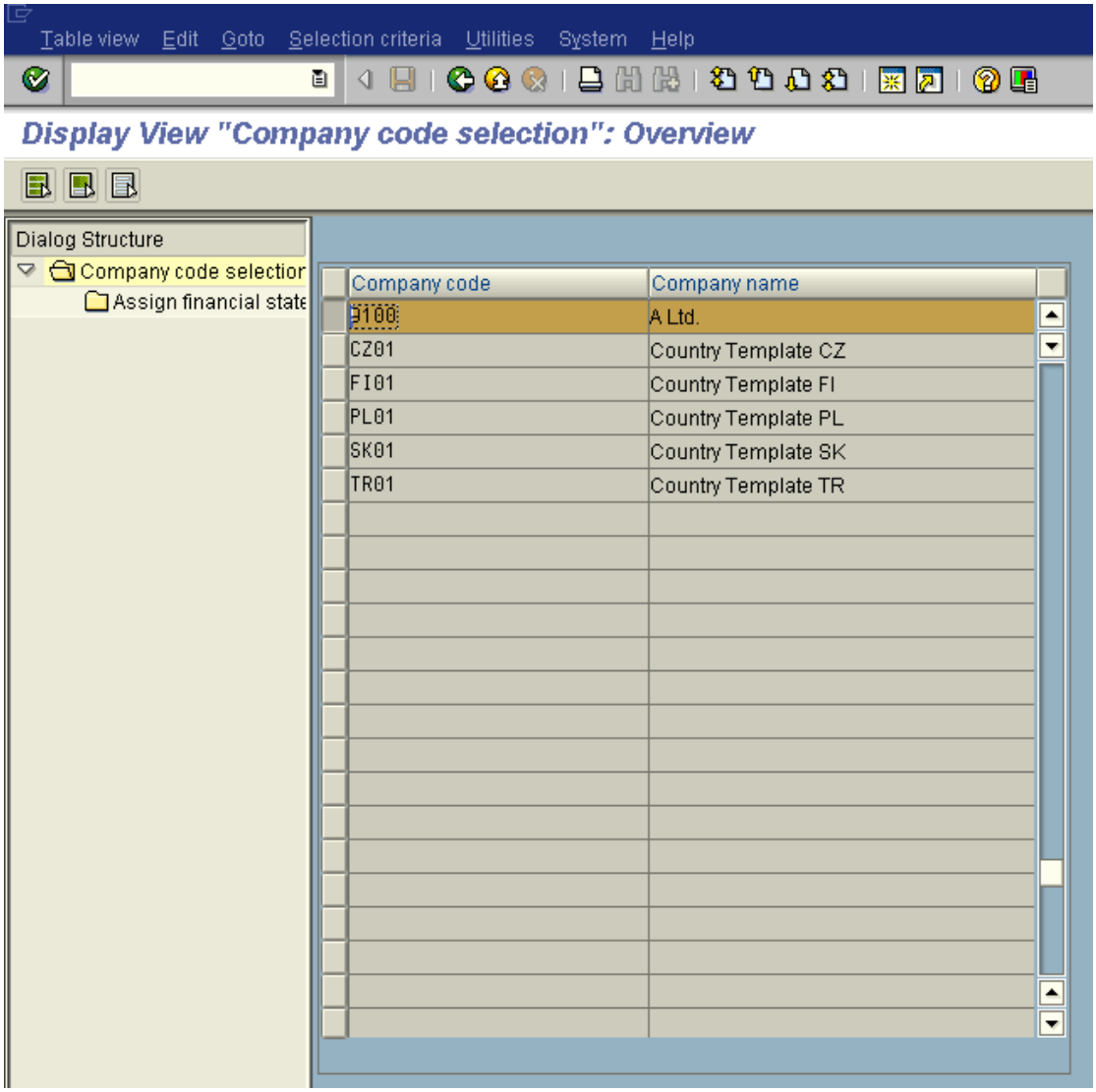
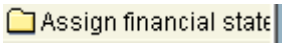
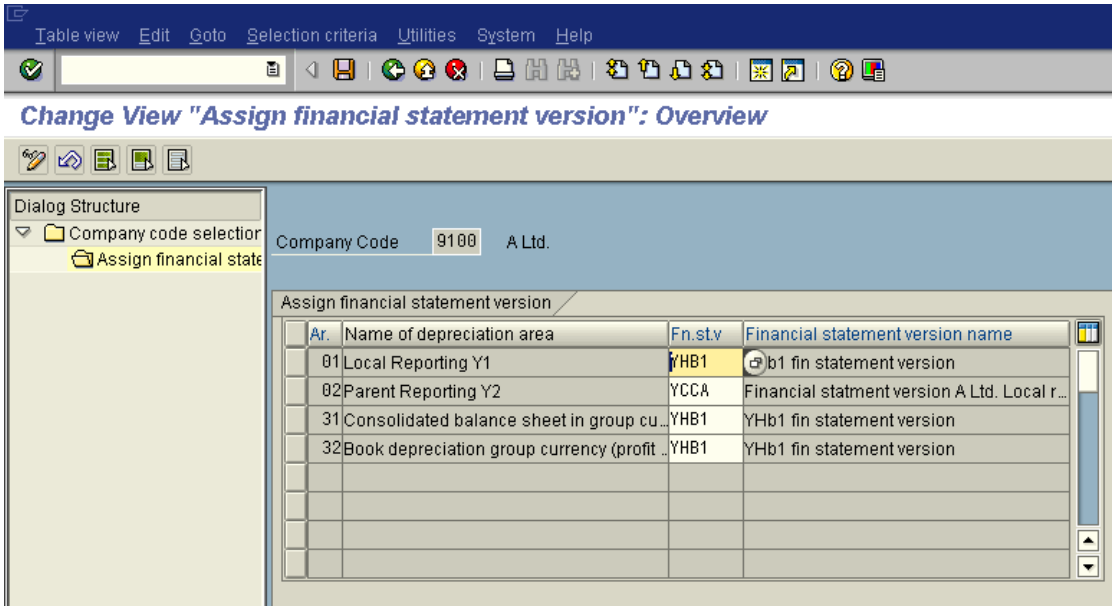


Table view
Edit
Goto
Selection criteria
Utilities
System
Help
Display View "Company code selection": Overview
Dialog Structure
Company code selectior
Assign financial state
Company code
Company name
A100
A Ltd.
CZ01
Country Template CZ
FI01
Country Template FI
PL01
Country Template PL
SK01
Country Template SK
TR01
Country Template TR

And click on 
Assign financial state



You can assign different Financial statement version for different depreciation area. For depreciation area 02 you can assign another Fin. Statement version YCCA and so on.

Click on Save 

15. Specify Document Type for Posting of Depreciation

IMG → Financial Accounting → Asset Accounting → Integration with the General Ledger→ Post Depreciation to the General Ledger → Specify Document Type for Posting of Depreciation

The standard document type **AF** (Dep. Postings get attached to the co. code), since we have copied the chart of depreciation form 0DE.

16. Specify Intervals and Posting Rules

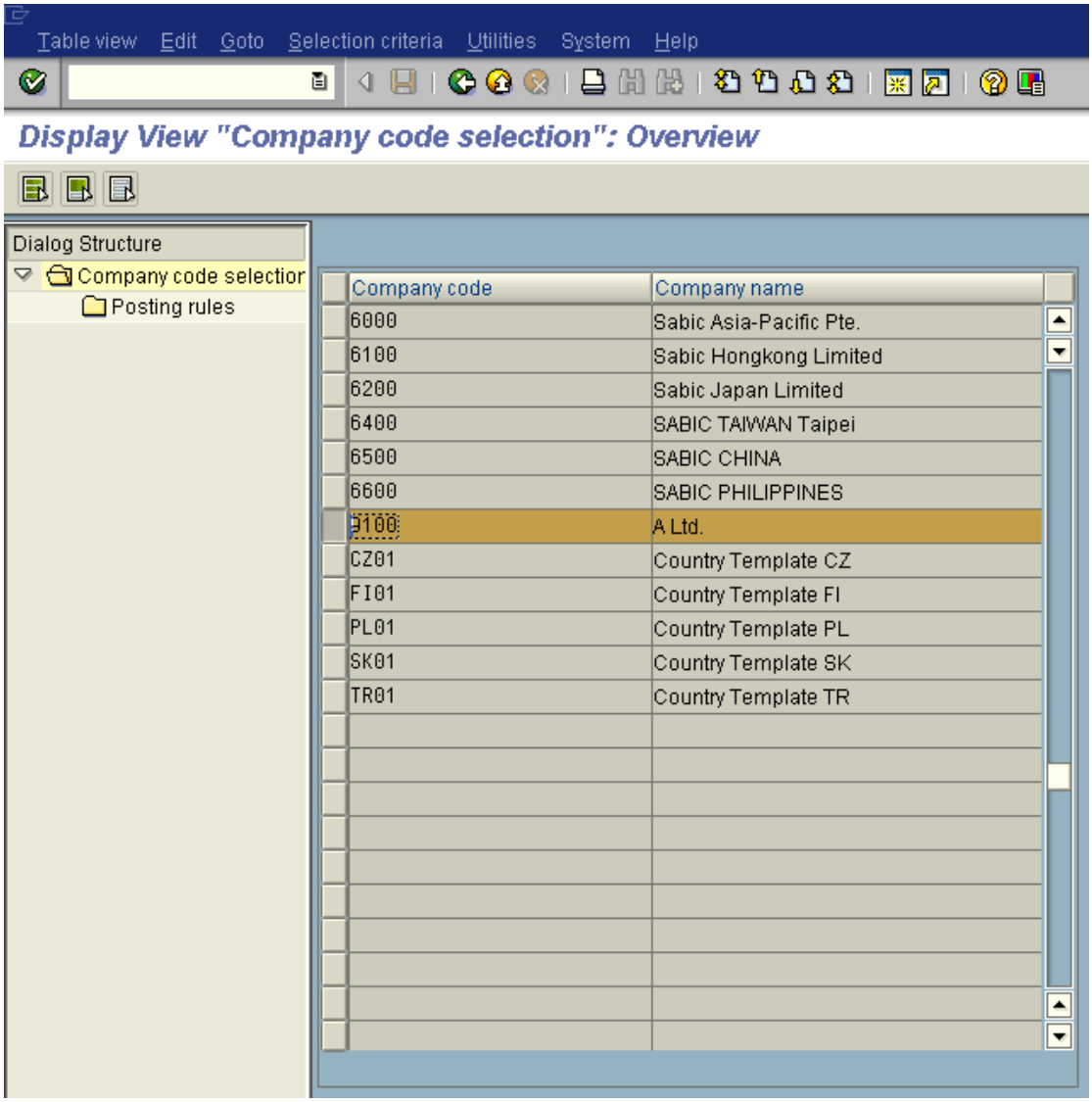
IMG → Financial Accounting → Asset Accounting → Integration with the General Ledger→ Post Depreciation to the General Ledger → Specify Intervals and Posting Rules

You define the posting cycle (how often depreciation is posted) whether monthly, quarterly, semi annual or annual and the account assignment rules for the depreciation-posting run.

The values for posting cycle are as follows:-

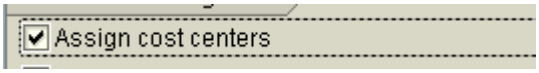
1 - monthly posting
3 - quarterly posting
6 - semi-annual posting
12 - annual posting

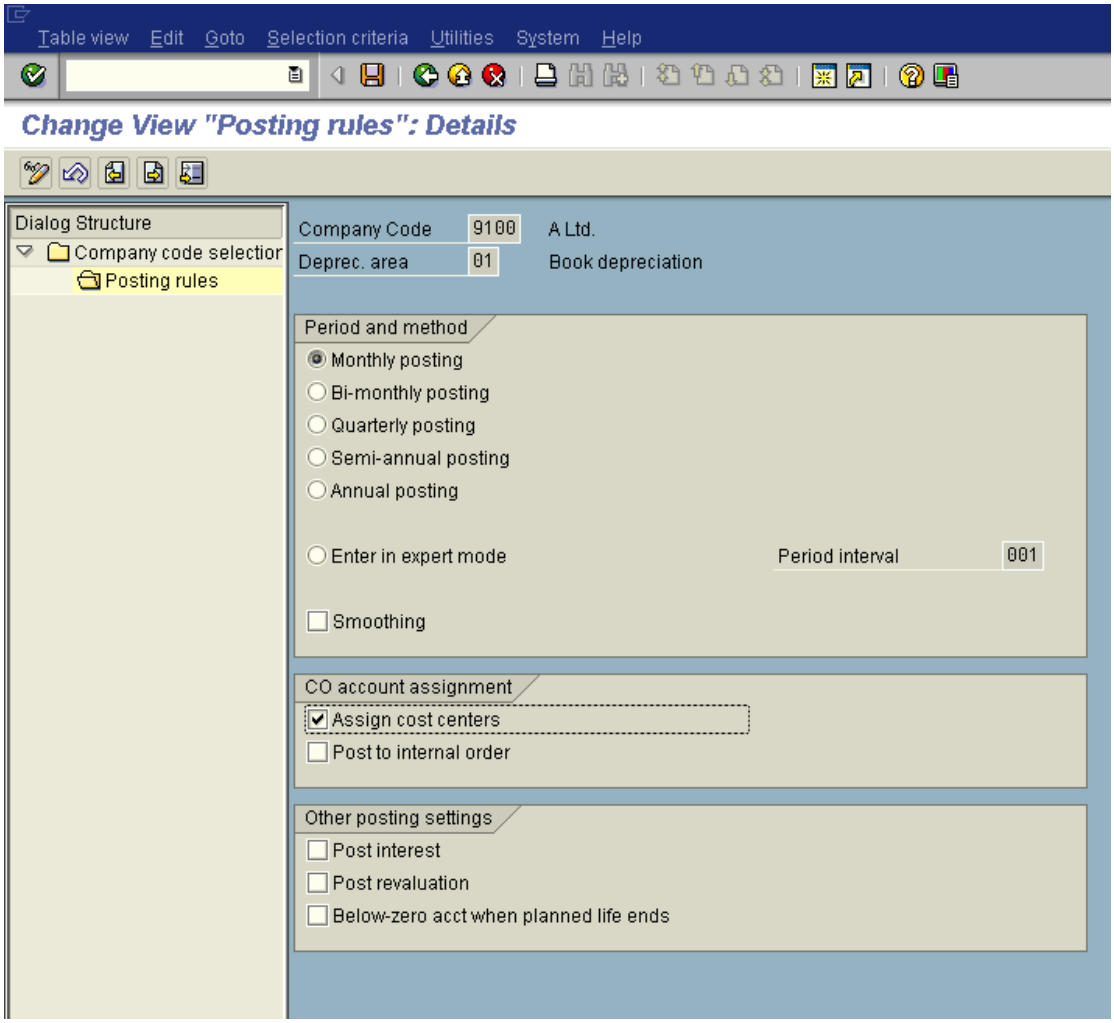
Select company code 9100



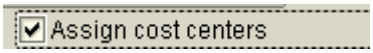
Click on 

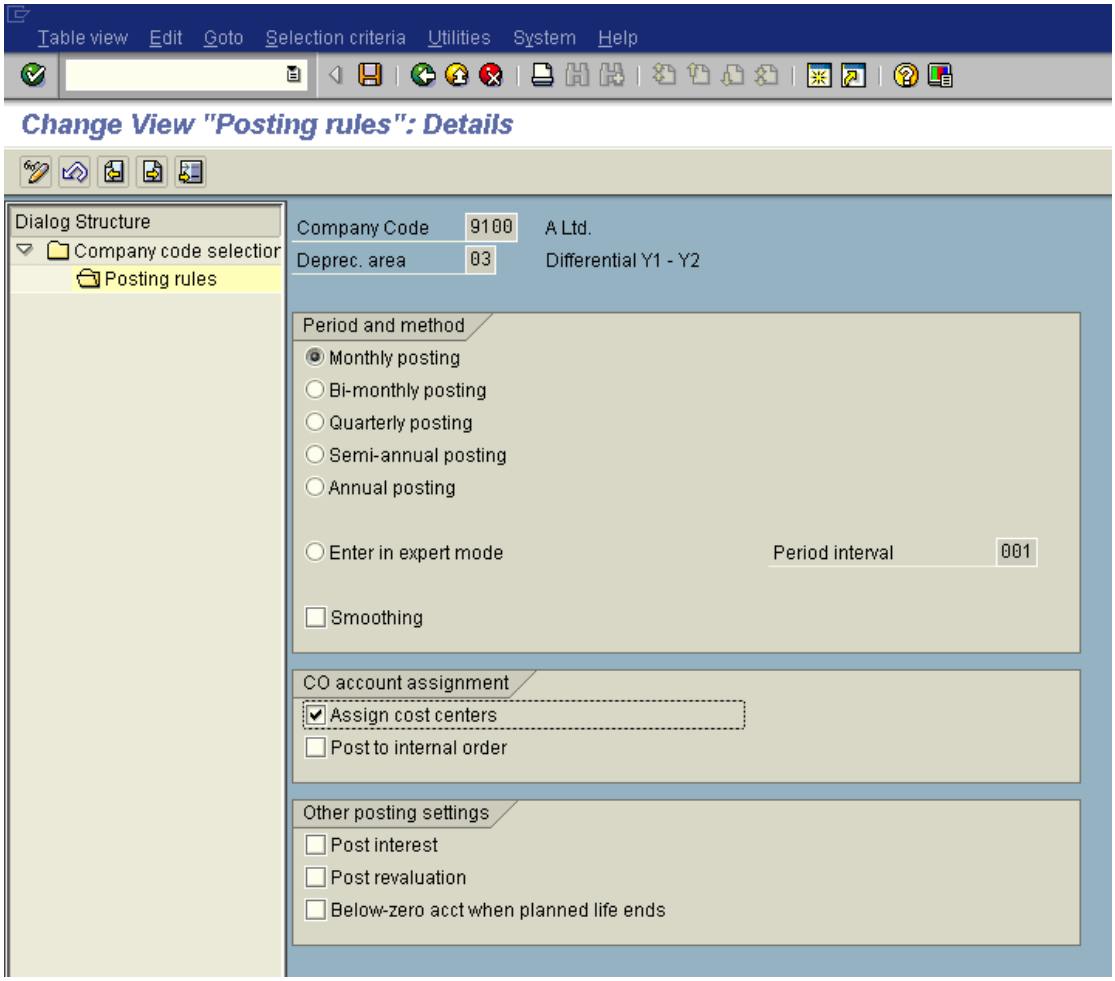
Double Click on

Select 



Thereafter select deprec. Area 03 and click on 

Select 



Click on Save 

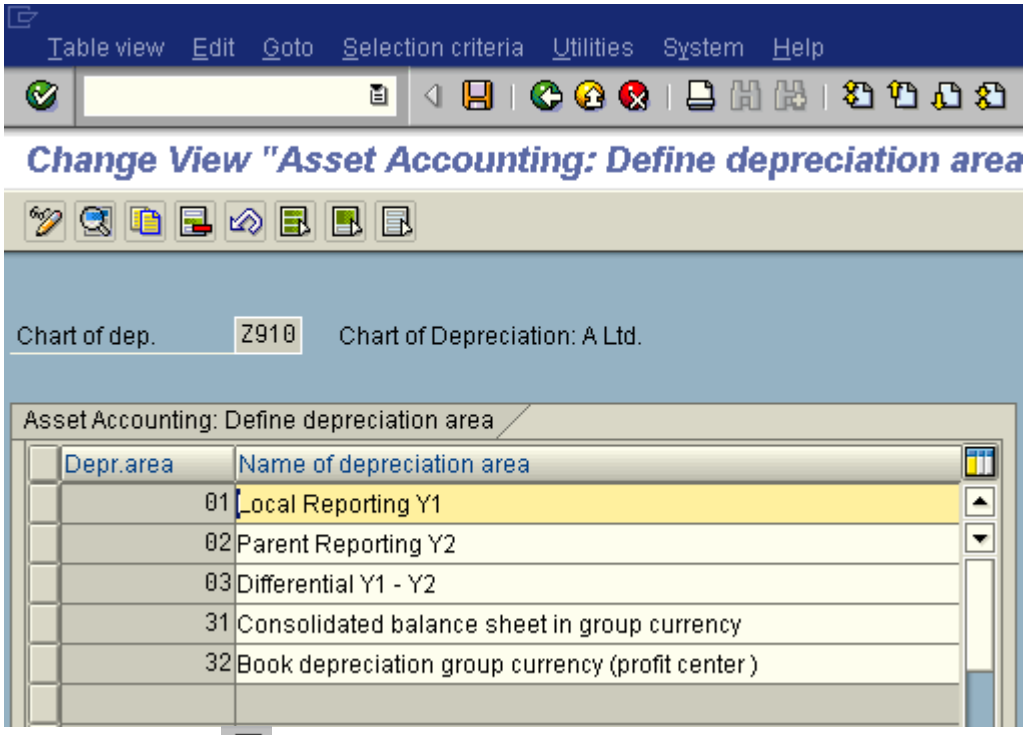
C) Valuation

17. Define Depreciation Areas

IMG → Financial Accounting → Asset Accounting → Valuation → Depreciation Areas → Define Depreciation Areas

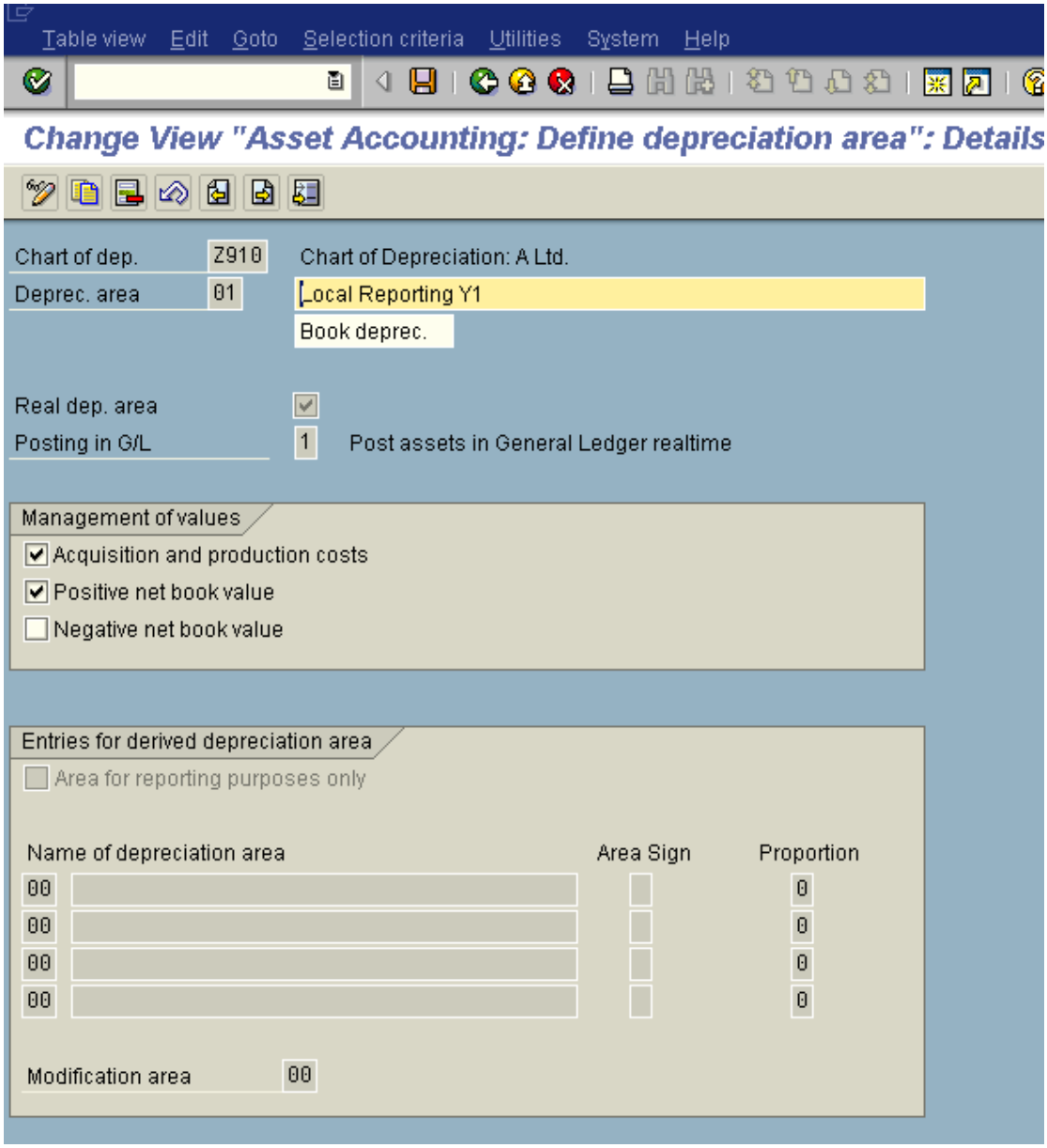
Double Click on 

Change the name of Depreciation area 1, 2 and Depreciation area 3 as follows:-

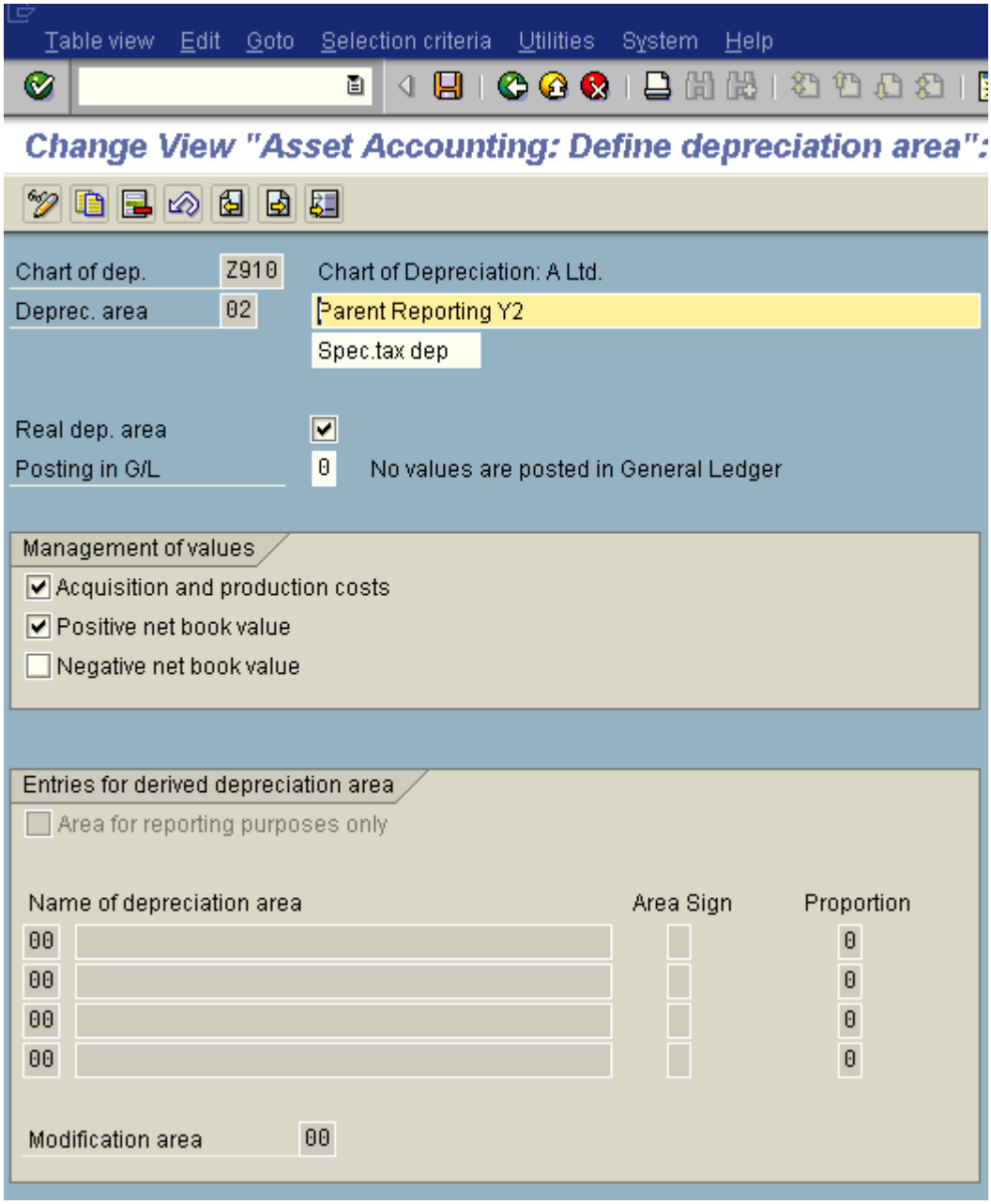


Click on Save

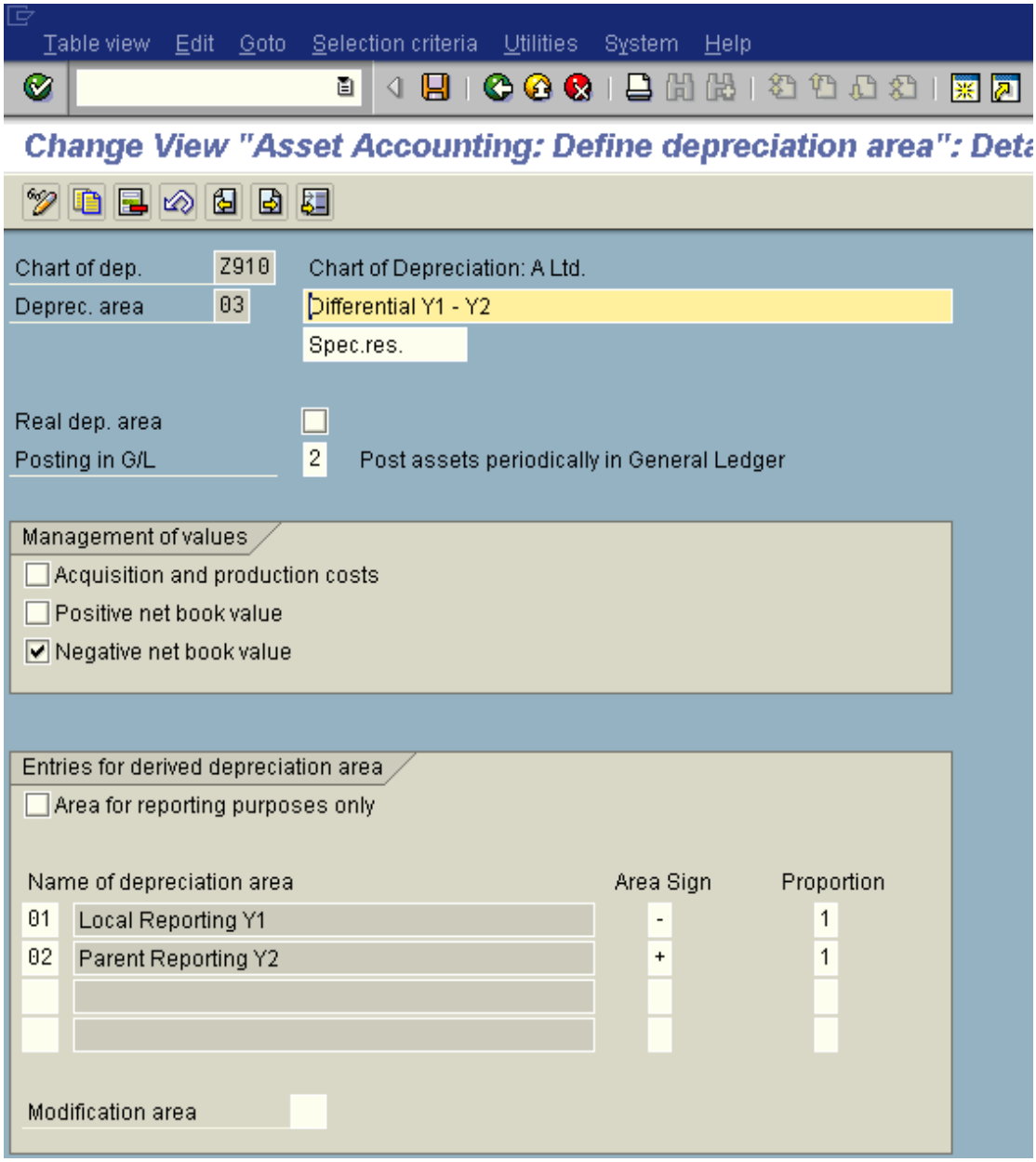
Double click Dep area 1 to see the configuration values.

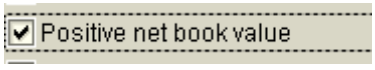


Click on  to see Deprec. Area 02

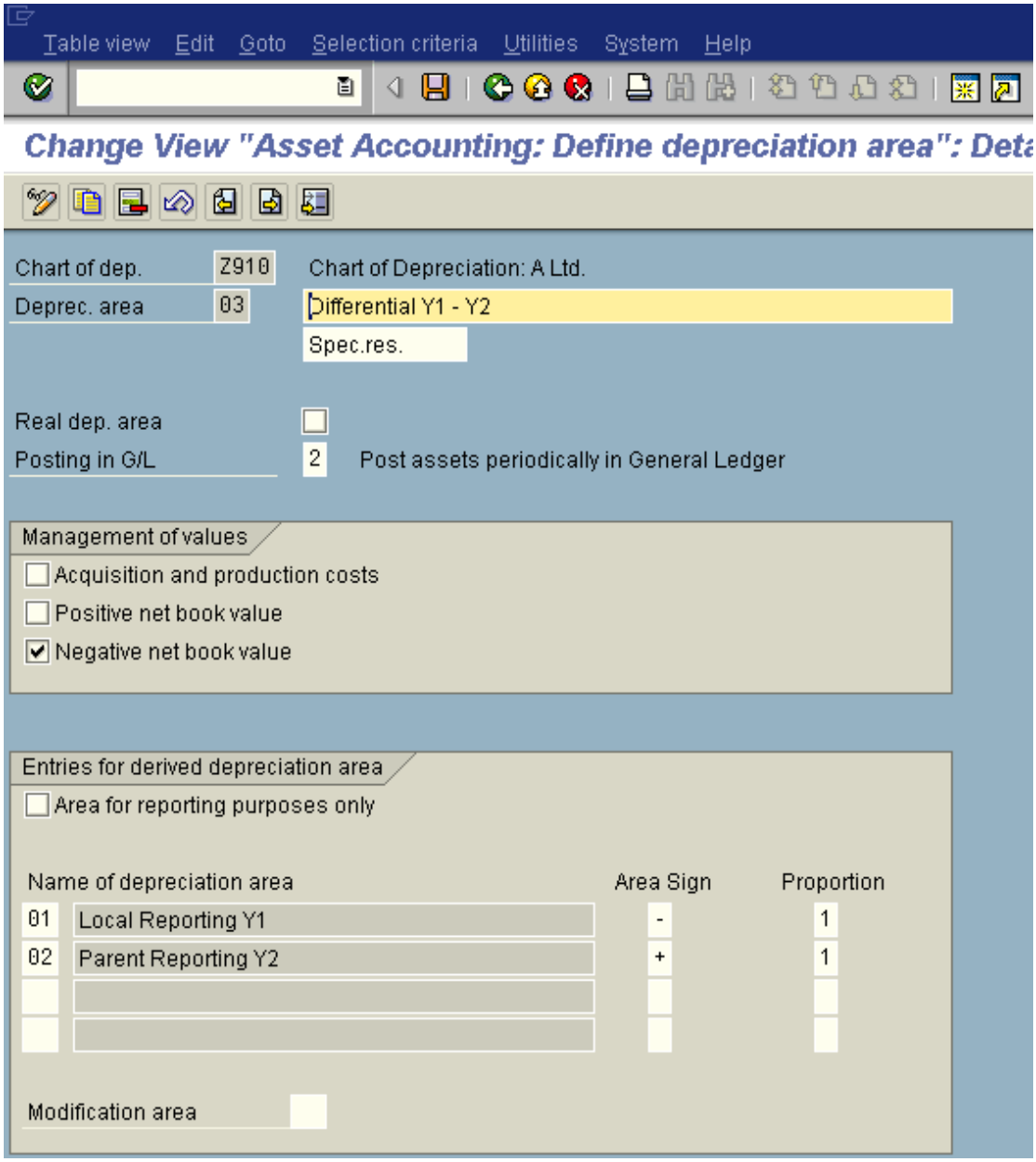


Click on  to see Deprec. Area 03

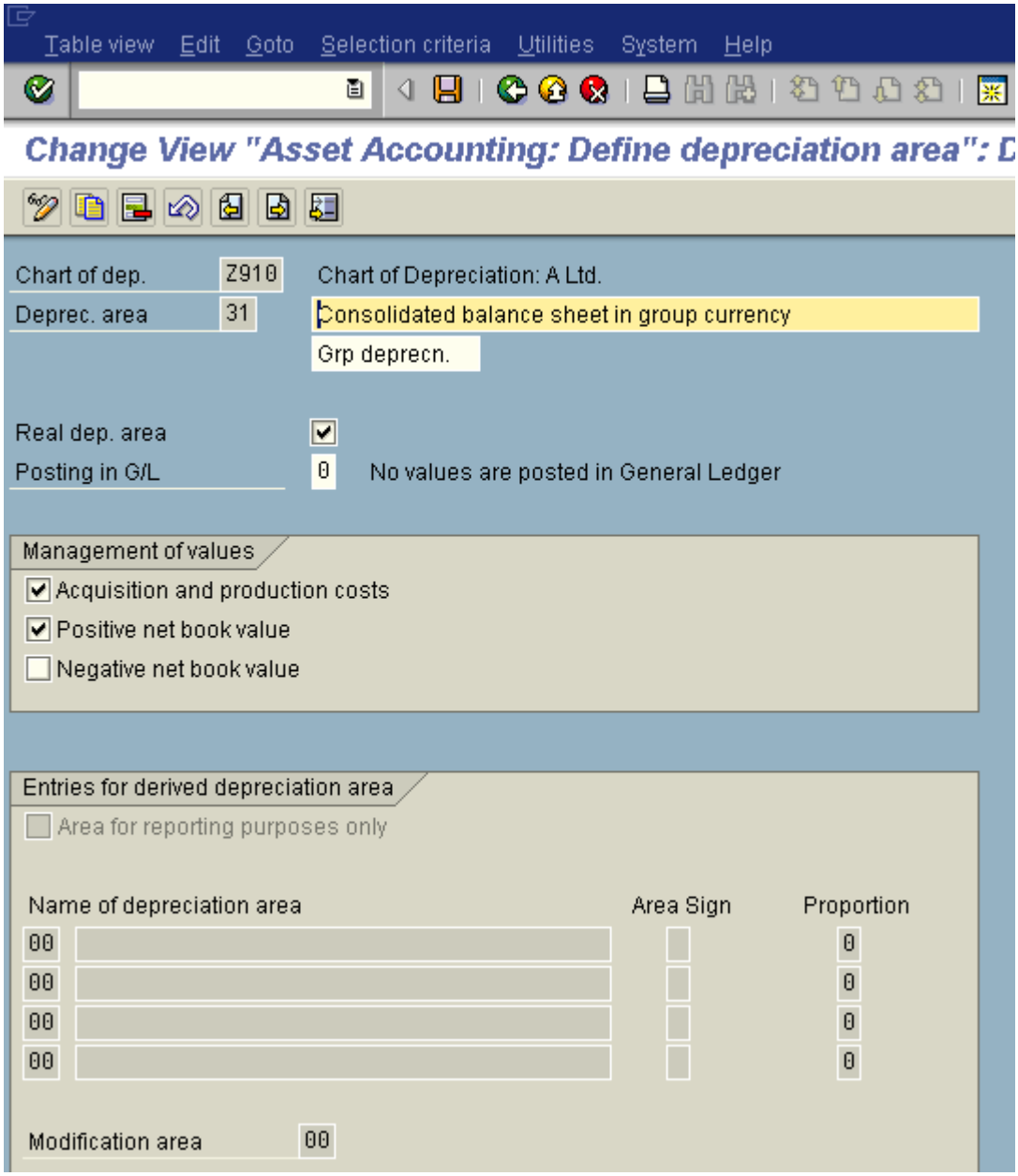


In the area 03 also set 

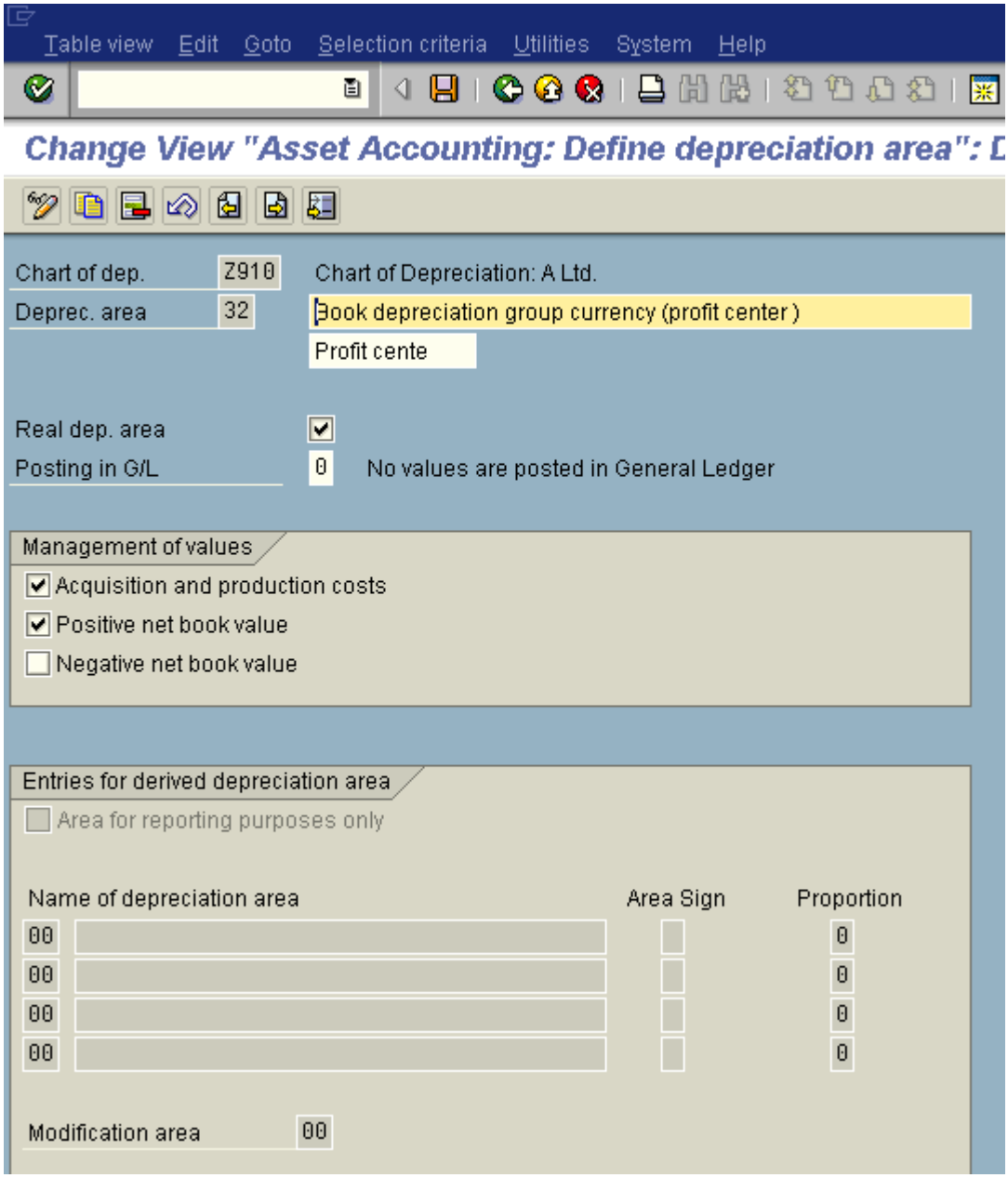
Click on  **to see Deprec. Area 03**



Click on  to see Deprec. Area 31



Click on  to see Deprec. Area 32

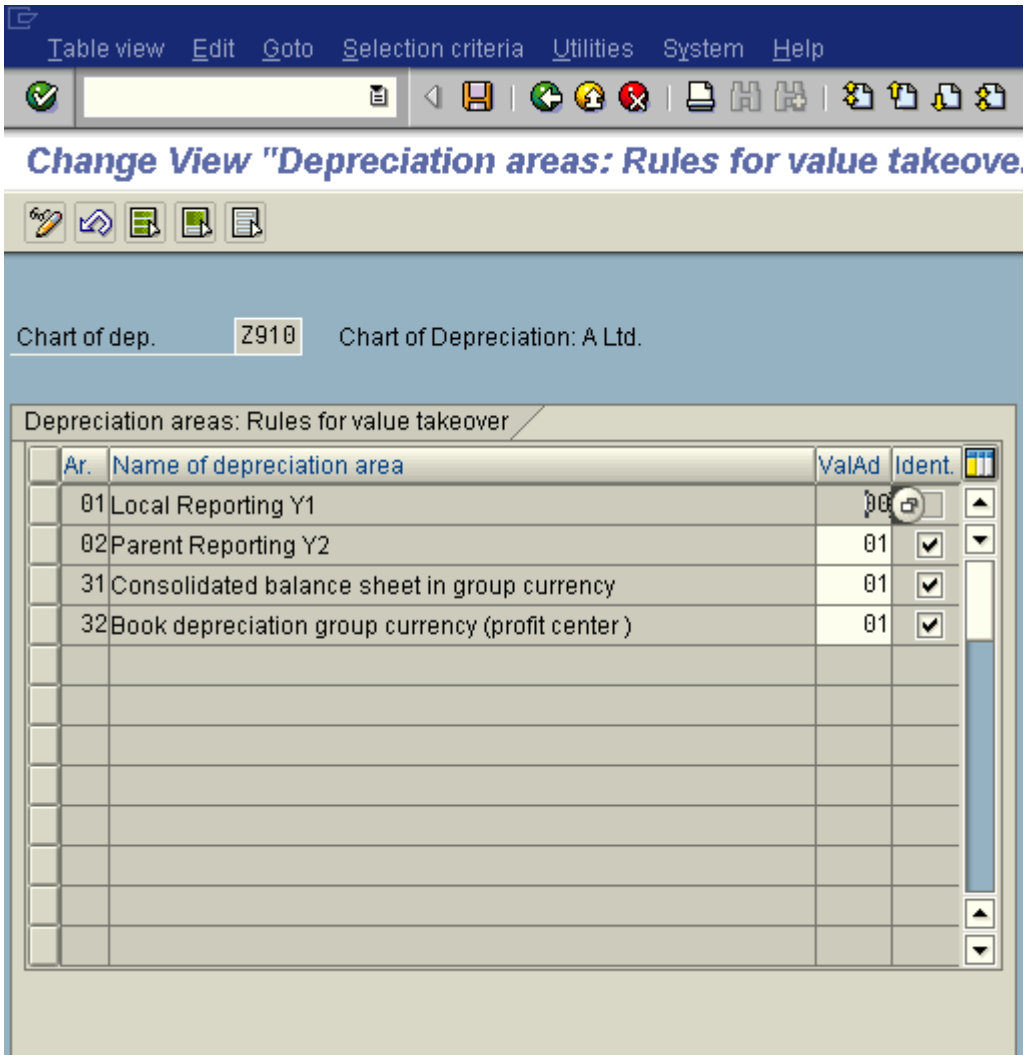


Click on Save

18. Specify Transfer of APC Values

IMG → Financial Accounting → Asset Accounting → Valuation → Depreciation Areas → Specify Transfer of APC Values

The standard system copies the asset balance sheet values from depreciation area 01 to all other depreciation areas during posting. (The only exceptions to this rule are areas for revaluation and for investment support, as well as derived depreciation areas.) Therefore, you only need to carry out this step if you want to copy posting values from a different depreciation area, **not** depreciation area 01.
In this step, you define transfer rules for the posting values of depreciation areas. These transfer rules let you ensure that certain depreciation areas have identical asset values.

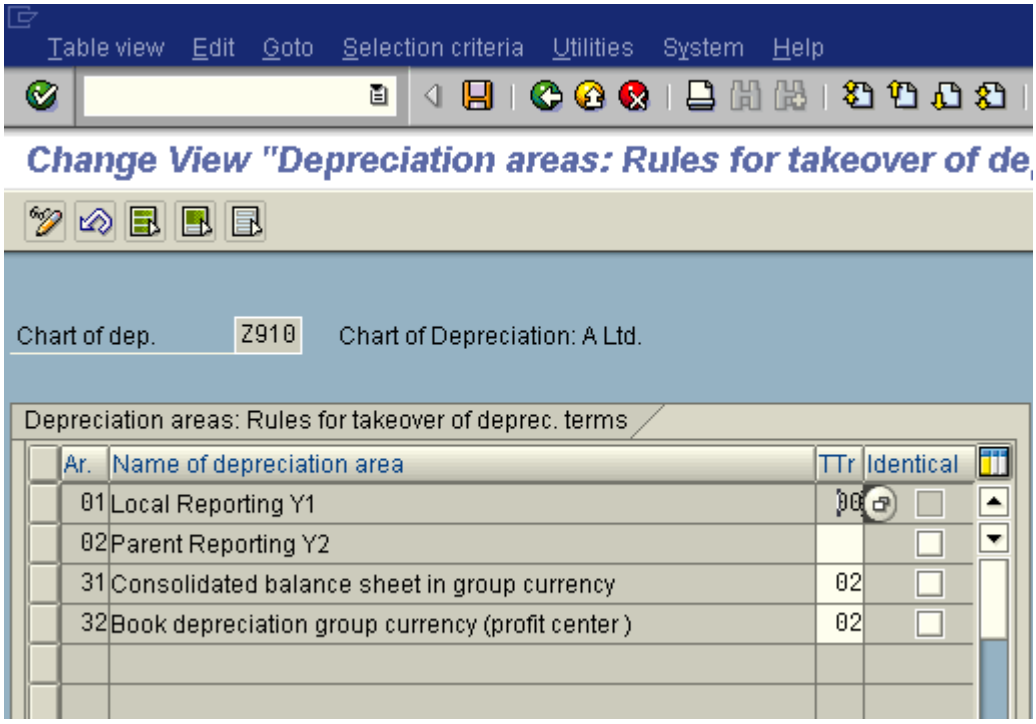


19. Specify Transfer of Depreciation Terms

IMG → Financial Accounting → Asset Accounting → Valuation → Depreciation Areas → Specify Transfer of APC Values

No configuration required here if you are managing depreciation areas with different depreciation rate.

In our scenario we want the depreciation terms for area 02, 31 and 32 to be identical. Therefore we enter 02 in against depreciation area 31 and 32.

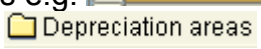


20. Determine Depreciation Areas in the Asset Class

IMG → Financial Accounting → Asset Accounting → Valuation → Determine Depreciation Areas in the Asset Class

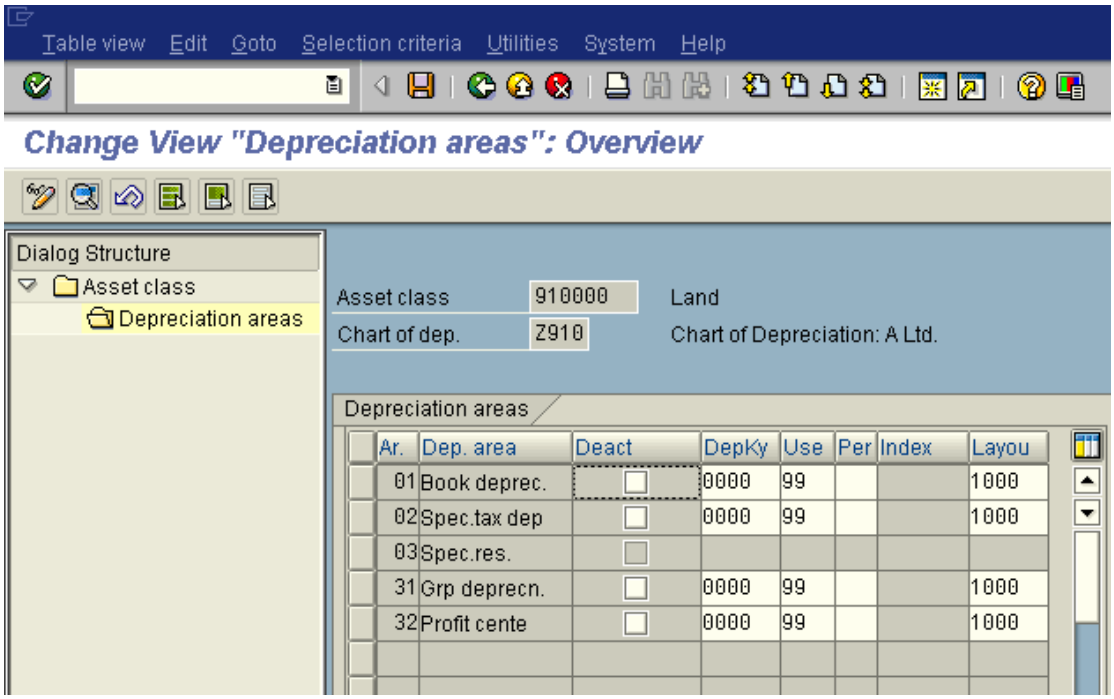
Generally, the assets in an asset class use the same depreciation terms (depreciation key, useful life). Therefore, you do not have to maintain the depreciation terms in the asset master record. Instead, they can be default values from the asset class.
In this step, you specify the depreciation terms that are to be used in your asset classes. Depending on the definition in the screen layout control used, these depreciation terms are offered either as optional or mandatory defaults when you create an asset.
For each asset class, you can maintain as many charts of depreciation with their depreciation areas as you need. This allows you to use the asset class in all countries belonging to the client.

Select the asset class e.g. 

And Double Click on 

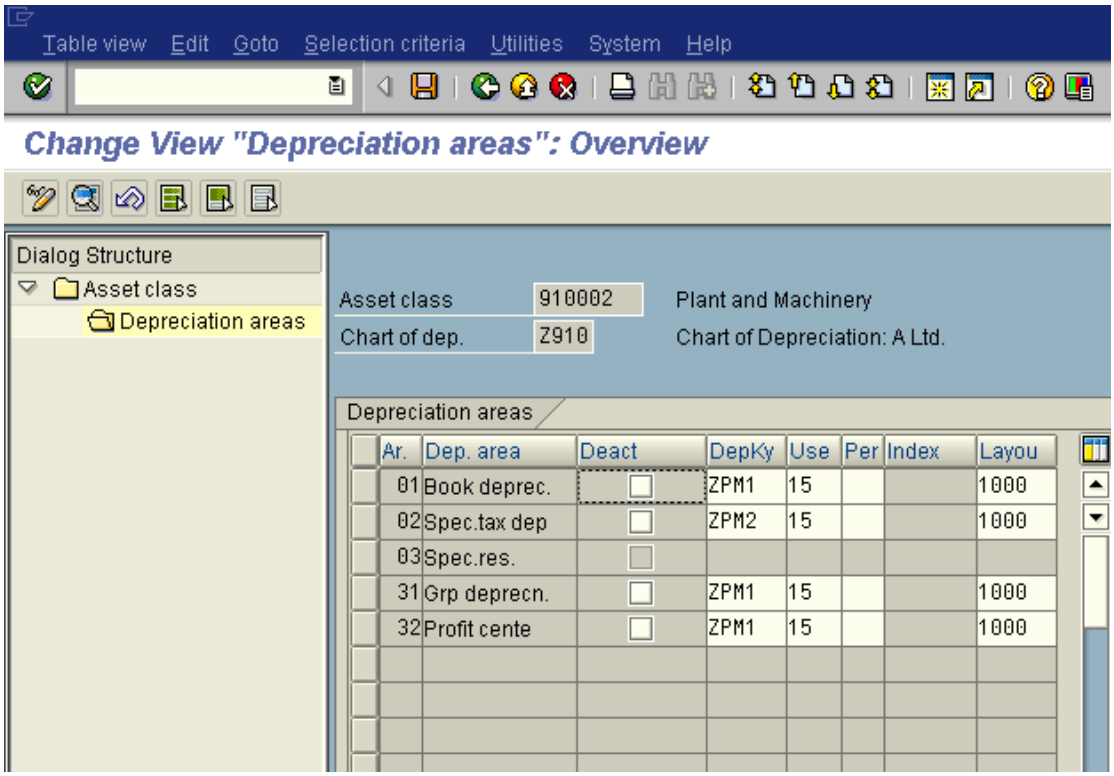
Remove the deactivation tick and specify the default depreciation key and the screen layout.
It may so happen that you will not be able to maintain the default depreciation key as the field may appear grayed out. In this case go to step 44 and activate

the maintenance level of depreciation key at asset level for screen layout 1000.



Click on Save 

Similarly do for Building, Plant & Machinery, Vehicles and AUC asset classes.



21. Specify Max. Amount for Low-Value Assets + Asset Classes (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Amount Specifications (Company Code/Depreciation Area) → Specify Max. Amount for Low-Value Assets + Asset Classes

Here you specify the maximum amount for low value assets (LVAs). You enter a maximum amount per company code or per depreciation area. The system checks this maximum amount during every acquisition posting, providing the corresponding LVA indicator is set in the asset class.

Specify how you want the system to carry out the LVA maximum amount check for the asset class. Should the check be a quantity check(value of the collective low-value asset divided by the quantity entered in the asset exceeds the LVA maximum amount for the company code or depreciation area) or individual check .

The following options are available in the system:-

0 No maximum amount check
1 Value based maximum amount check
2 Check maximum amount with quantity

Amounts for LVA can be set as Plain LVA amount check or Max LVA on purchase orders.

For this setting, you need to create an LVA class for such assets. The low values assets are managed in this asset class. The check prevents any postings to the asset class, which exceeds the maximum value specified.

We will not create any LVA check since we have not created any LVA class.

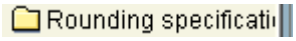
22. Specify Rounding of Net Book Value and/or Depreciation (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Amount Specifications (Company Code/Depreciation Area) → Specify Rounding of Net Book Value and/or Depreciation

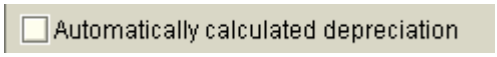
You have the option of rounding depreciation calculated or the net book value or the replacement value.
You can round up, or round down or round to the nearest whole.

This step is optional if your company code requires rounding off.

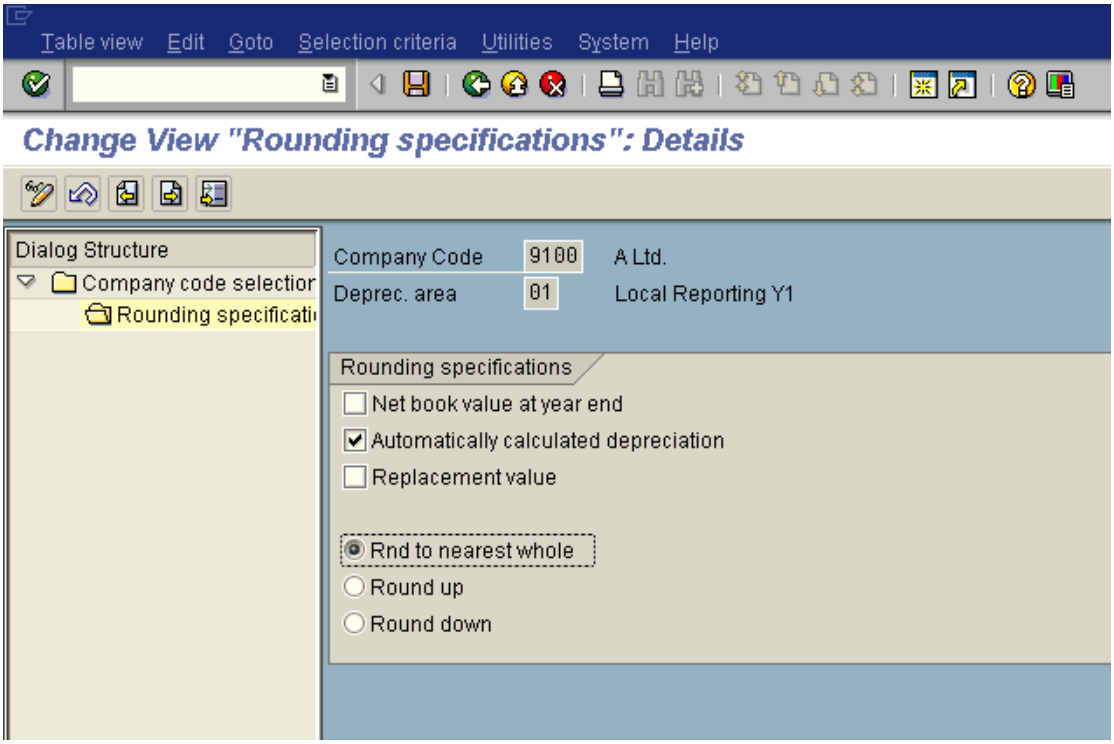
Select company code 9100

Double Click on 

Double Click 

And select 

and we are rounding to nearest whole e.g. 3.49 is rounded to 3 and 3.5 is rounded to 4



Click on Save 

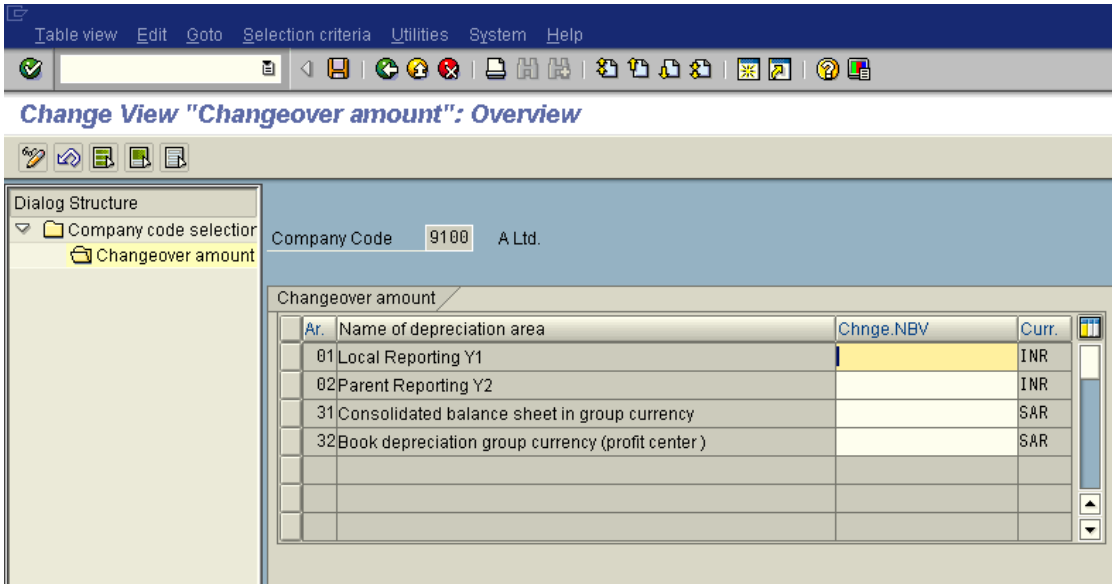
Similarly do for deprec. Area 02, 31 and 32

23. Specify Changeover Amount (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Amount Specifications (Company Code/Depreciation Area) → Specify Changeover Amount

You enter the amount at which the the system should change the calculation of depreciation to the changeover key specified in the depreciation key. You enter the amount per depreciation area. The changeover takes place as soon as the net book value of the asset goes below the changeover amount.
This changeover only takes place if you are using a depreciation key defined with changeover method 3 (changeover as soon as the remaining value is less than the changeover amount). This changeover amount is ignored by other changeover methods.

We will not specify any changeover amounts.



24. Specify Memo Value (Optional)

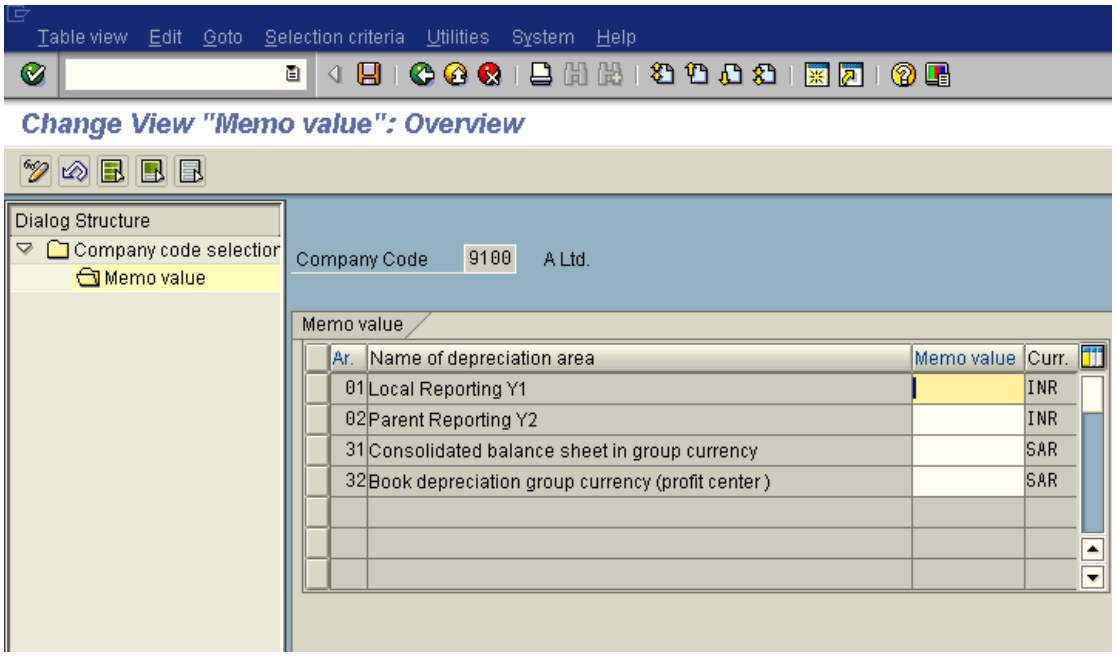
IMG → Financial Accounting → Asset Accounting → Valuation → Amount Specifications (Company Code/Depreciation Area) → Specify Memo Value

In this step, you define a memo value for each depreciation area/ company code. This memo value is the amount that is not depreciated, in order to have a memo posting for an asset, which has already exceeded its useful life. The system reduces the planned annual depreciation in the acquisition year for the asset by the amount of the memo value.

You can activate or deactivate the memo value by means of an indicator in the asset class, although it has been defined on depreciation area/company code level (this is applies especially to asset classes for low value assets).

Here we need to do the following config:-

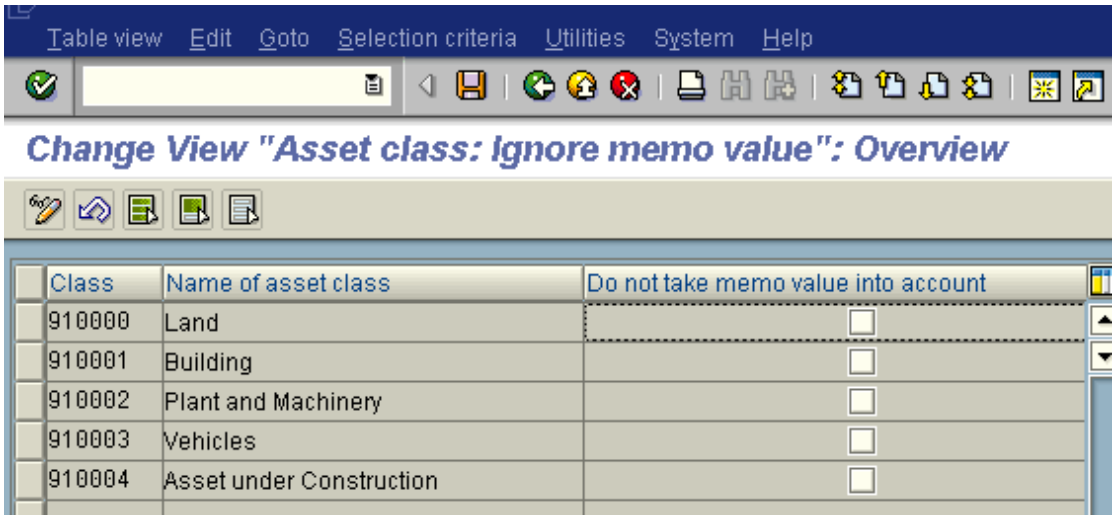
Double Click on Specify Memo Value for Depreciation Areas and select your company code and click on Memo value and specify the memo value.



Click on Save

Thereafter Double Click on Specify asset classes without memo value

Specify asset classes which should not take memo value into account.



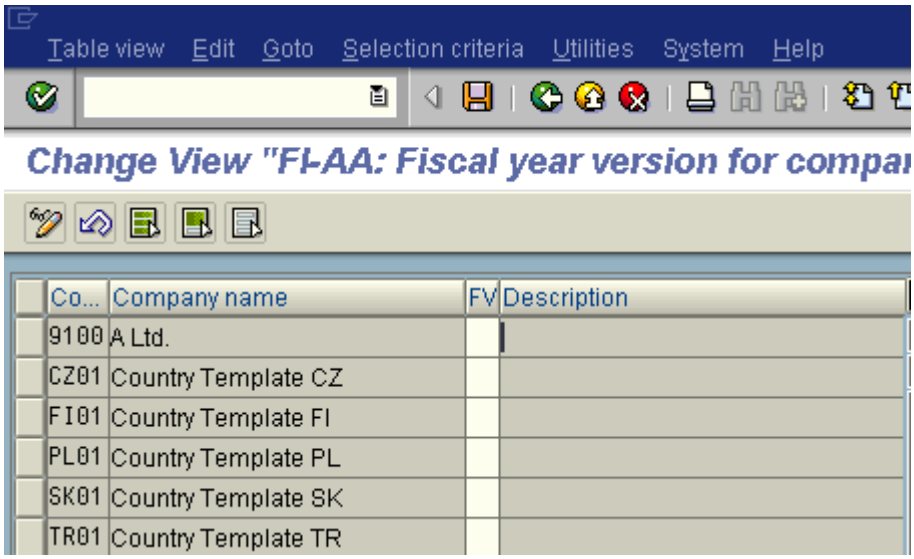
We will not do any configuration here since we do not want any value to remain in books after the useful life.

25. Specify Other Versions on Company Code Level (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Amount Specifications (Company Code/Depreciation Area) → Specify Other Versions on Company Code Level

You specify a fiscal year variant for Asset Accounting on company code level that is different from the one in FI General Ledger.

Normally no configuration is required here, unless you have a different fiscal year for asset accounting.

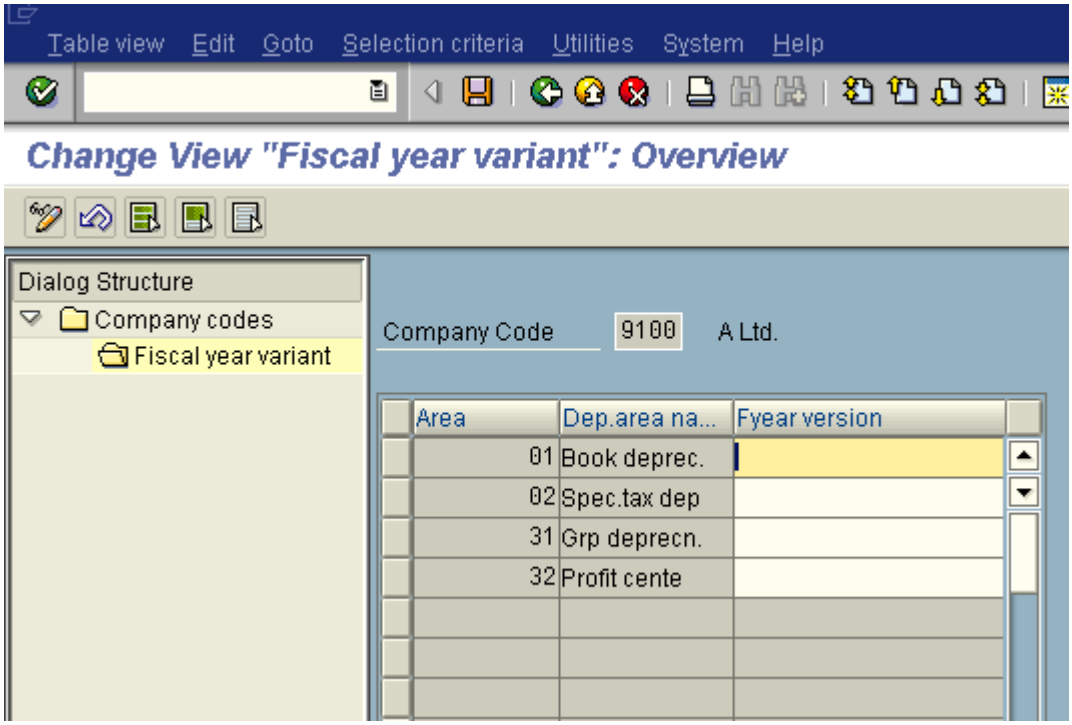


We will not do any configuration here since we do not require fiscal year variant, which is different from the GL fiscal year variant.

26. Specify Other Versions on Depreciation Area Level (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Amount Specifications (Company Code/Depreciation Area) → Specify Other Versions on Depreciation Area Level

You specify a fiscal year variant for Asset Accounting on depreciation area level that is different to the one for the FI General Ledger.



We will not do any configuration here.

27. Define Depreciation Areas for Foreign Currencies (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Currencies → Define Depreciation Areas for Foreign Currencies

This step is a must if parallel currencies have been configured in FI-GL.

Depreciation areas can be managed in any currency in the FI-AA module. The values from these areas can then be used for group consolidation, or for other analyses.

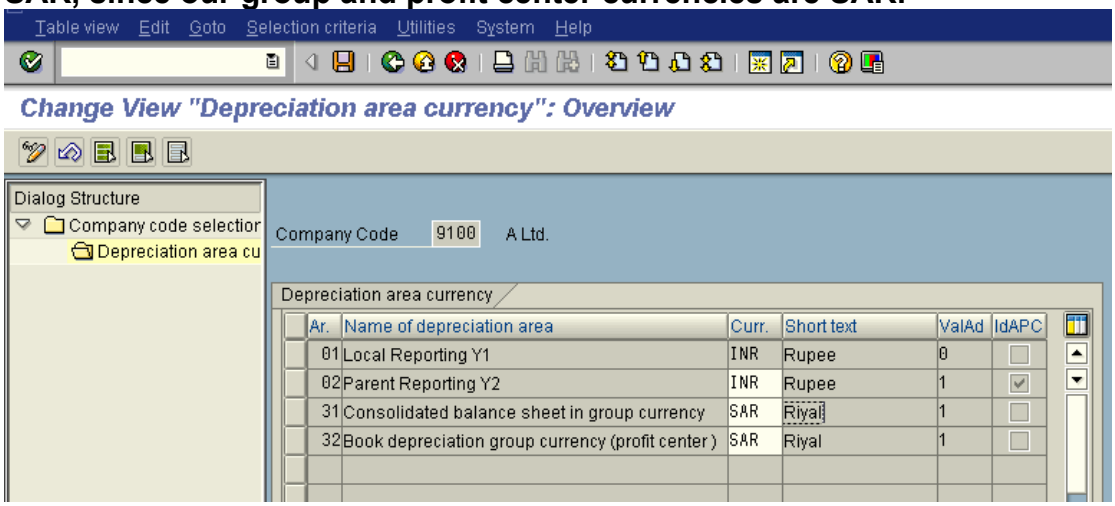
In our scenario we require to report to parent company in SAR. We have already configured parallel currencies for company code 9100 in FI GL. Therefore it is a must that we set up those currencies in asset accounting. We have set up depreciation area 01, 02 in currencies INR. We cannot change the currency in the master area (01). It always has to be the same as the local currency of the respective company code. We will manage the depreciation areas 31 and 32 in SAR.

Select

Company code	Company name
9100	A Ltd.

Double Click Depreciation area cu

Change the depreciation area 31 and depreciation area 32 from INR to SAR, since our group and profit center currencies are SAR.



Click on Save

28. Specify the Use of Parallel Currencies (Optional)

Financial Accounting→ Asset Accounting→ Valuation→Currencies→ Specify the Use of Parallel Currencies

The R/3 FI module (Financial Accounting) provides you with the option to manage all the values of a company code in up to three currencies on the same accounts in parallel. You can define three local currencies for every company code for this in FI Customizing. A local currency is defined by the following specifications:

- Currency type in accordance with the function of the currency (for example group currency)
- Type of exchange rate for the conversion
- Base currency for the conversion and
- Date (for example document date) for the conversion

Even the values that are posted within Asset Accounting can be updated in several currencies and in the same FI document in parallel with the posted amount in local currency in financial accounting. For this, you need to manage a depreciation area with the following features for each currency:

- Currency type and currency of the depreciation area are identical to the corresponding parallel currency in the company code in question.

- The depreciation area must manage depreciation terms and acquisition values identical to the book depreciation area.

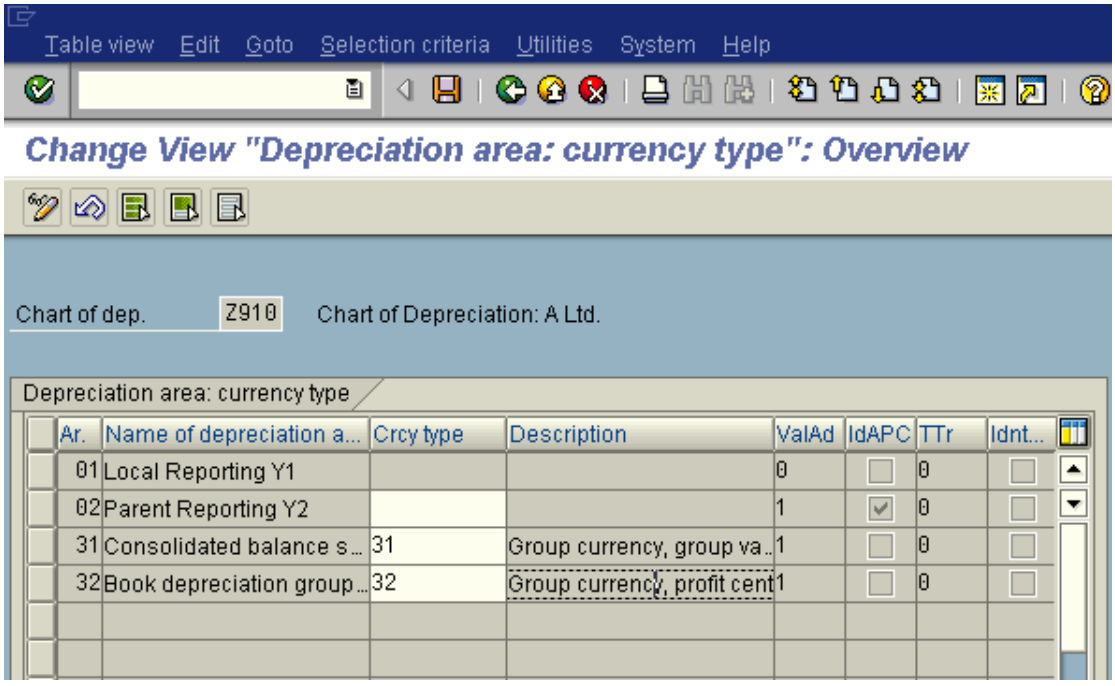
The system then automatically supplies the corresponding posting documents with the additional values from these depreciation areas. The areas in the foreign currency do **not** need to be explicitly posted to the general ledger (according to the posting settings in the definition of the depreciation area).

The system also supports parallel currencies in depreciation areas that do not post online, but which are posted during periodic posting to the general ledger.
When you use parallel currencies to show group valuation and profit center valuation, you should consider the following:
The key that is used in Asset Accounting for the parallel currencies is made up of the combination of the keys for currency type and valuation view that are entered in FI under "Define Additional Local Currencies."
Example:
You defined the following additional local currency in FI:
Currency type 30 (group valuation), valuation type 2 (profit center valuation). If you want to enter this currency in Asset Accounting as a parallel currency for a depreciation area, do not enter 30 as the key. Instead choose key 32 (sum of keys for currency type and valuation type).

Update the following: -

31 currency type (group currency , group valuation) to deprn area 31

32 Currency type (group currency, profit center valuation) to dep area 32

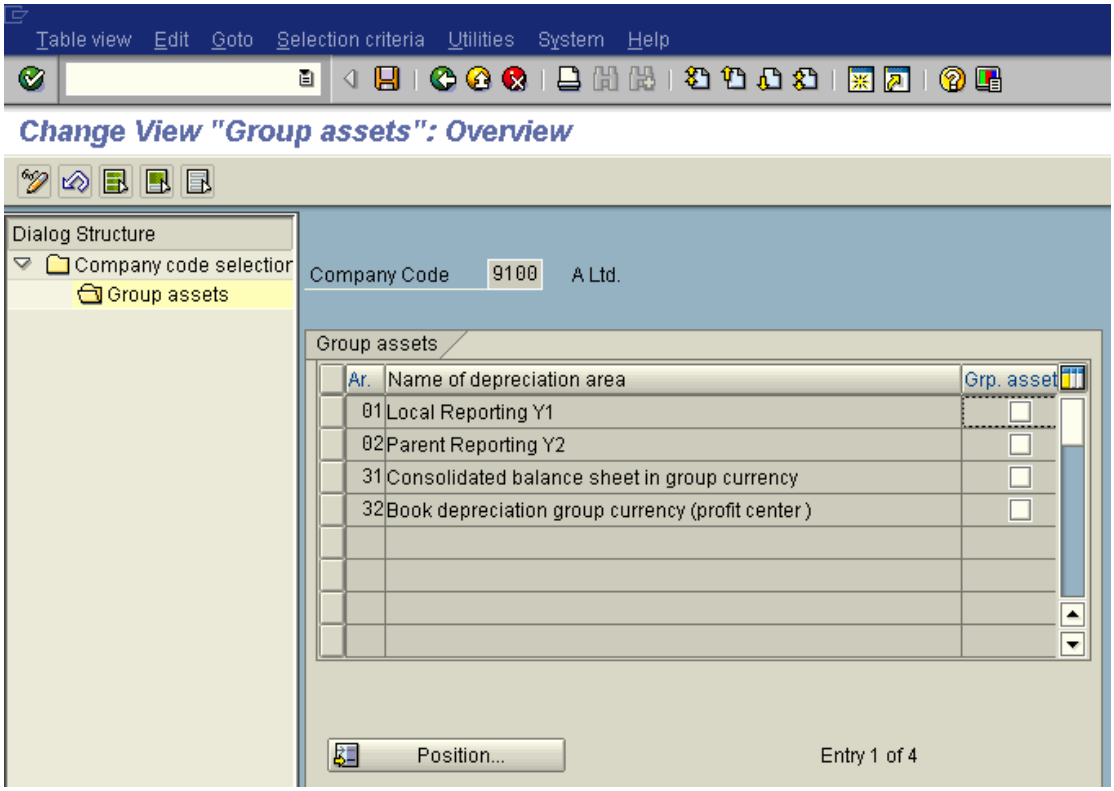


Click on Save 

29. Specify Depreciation Areas for Group Assets (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Group Assets → Specify Depreciation Areas for Group Assets

Here you specify the depreciation areas that you **also** want to manage on group asset level. In these depreciation areas, it is then possible to make an assignment to a group asset. You make this assignment in the specifications for the depreciation area in the asset master record. When you post an acquisition to this kind of asset, the system duplicates the line items from this depreciation area on the given group asset.
We will not configure any depreciation area for group asset.

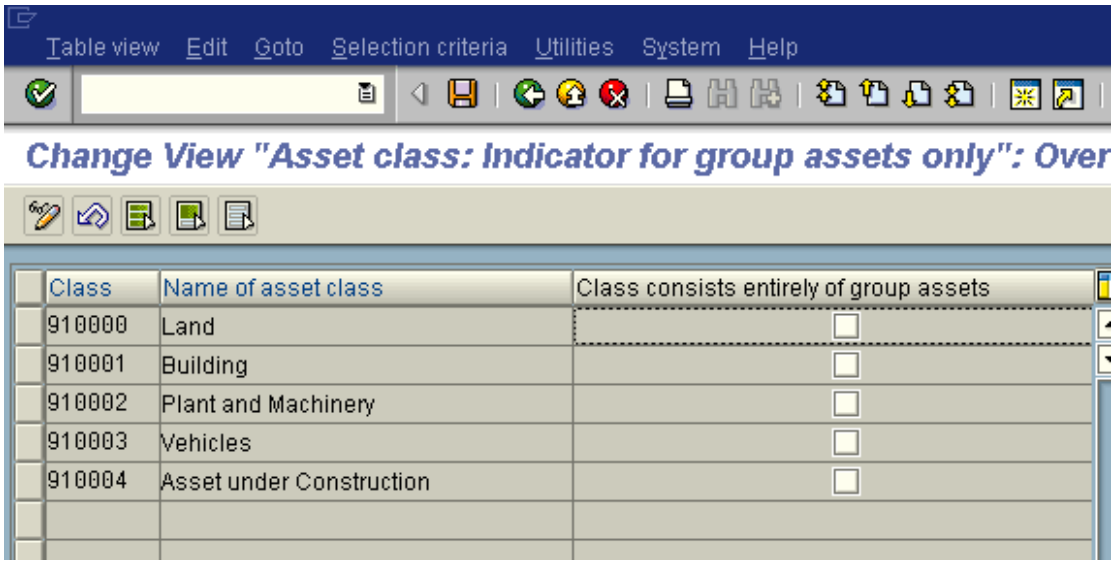


30. Specify Asset Classes for Group Assets (Optional)

IMG → Financial Accounting → Asset Accounting → Valuation → Group Assets → Specify Asset Classes for Group Assets

It is basically possible to use all asset classes for creating group assets. However, under certain circumstances, you need to set aside particular asset classes for use in conjunction with group assets. These asset classes are then reserved solely for group assets, and are not allowed to be used for normal assets.

We will not configure this step.



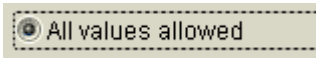
D) Depreciation

31. Determine Depreciation Areas for Special depreciation

IMG → Financial Accounting → Asset Accounting → Depreciation→ Special Depreciation → Determine Depreciation Areas

Here you define settings for special depreciation area, how values are managed.

Double Click 

And select 

Click on Save 

32. Calculate Ordinary Depreciation before Special Depreciation

IMG → Financial Accounting → Asset Accounting → Depreciation → Special Depreciation → Calculate Ordinary Depreciation before Special Depreciation

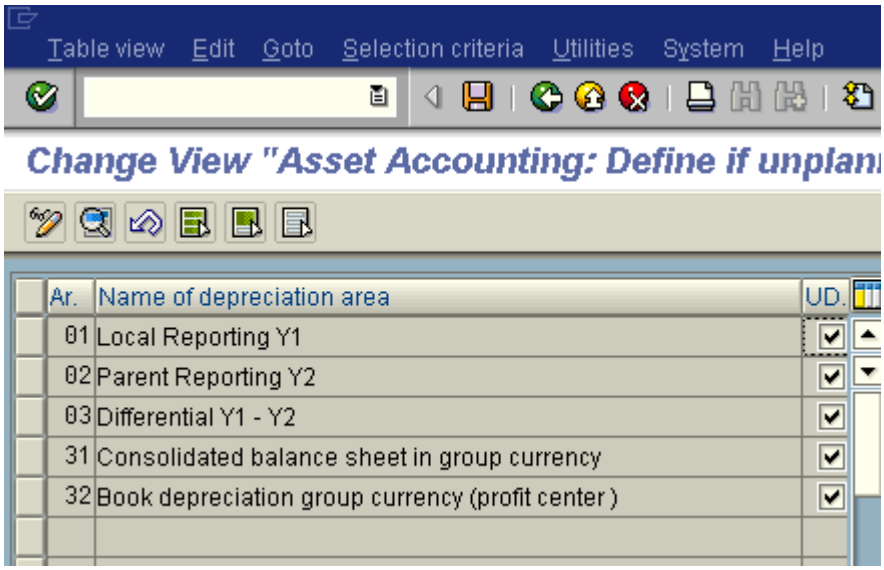
The order of depreciation calculation can be changed. In the standard system, ordinary depreciation is calculated before special depreciation.

We will not make any changes here.

33. Determine Depreciation Areas for Unplanned Depreciation

IMG → Financial Accounting → Asset Accounting → Depreciation → Unplanned Depreciation → Determine Depreciation Areas

In this step, you define the depreciation areas in which you want to manage unplanned depreciation. This specification means that this value type is allowed in these depreciation areas (that is, the system does not issue an error message when you enter the corresponding depreciation terms in the asset master record).



The unplanned depreciation indicator is already set for all the depreciation areas.

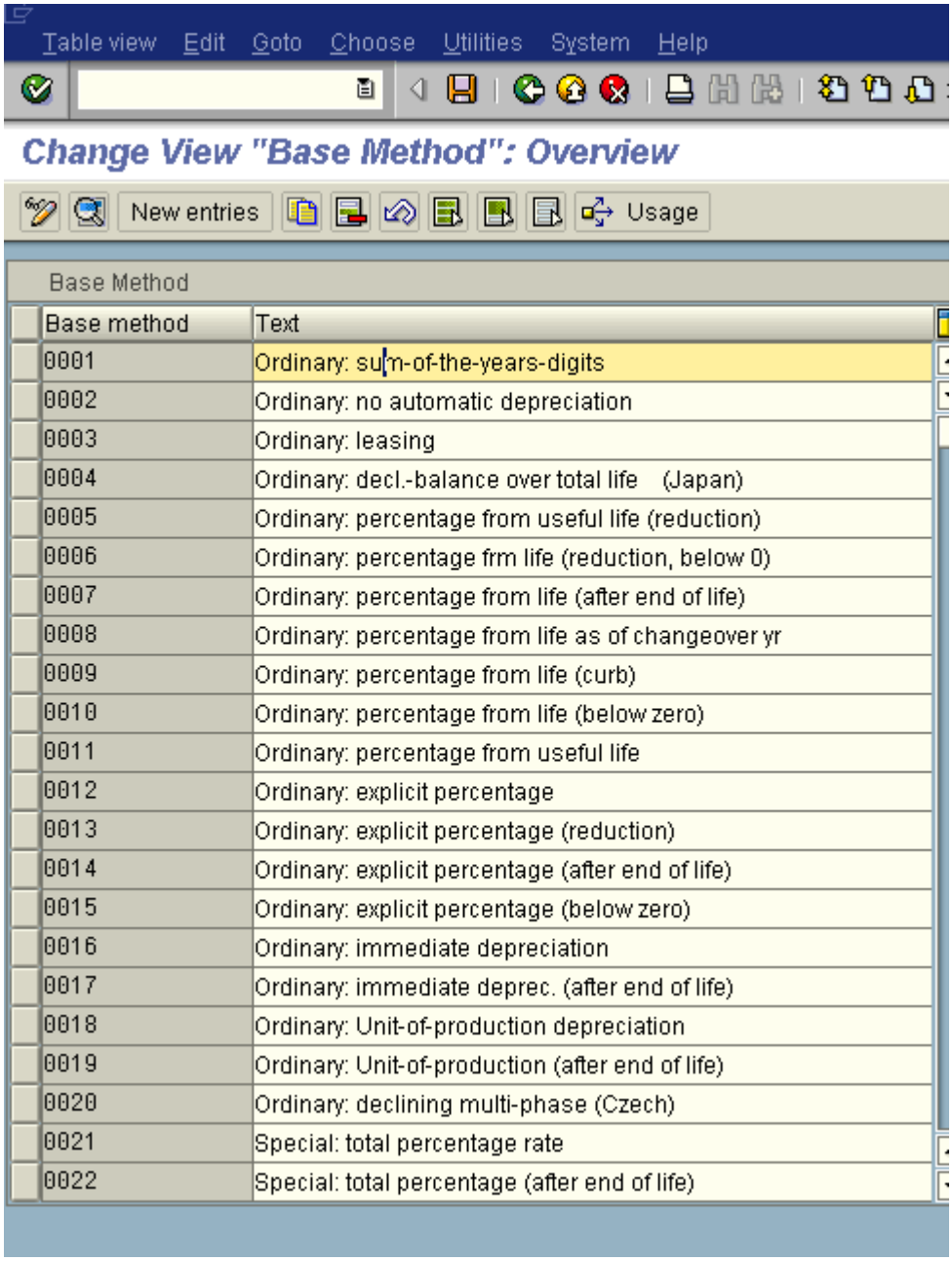
E) Configuring the depreciation key

34. Define Base Methods

IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Depreciation Key → Calculation Methods → Define Base Methods

You assign base methods to depreciation keys. Normally the base methods supplied by SAP are sufficient.

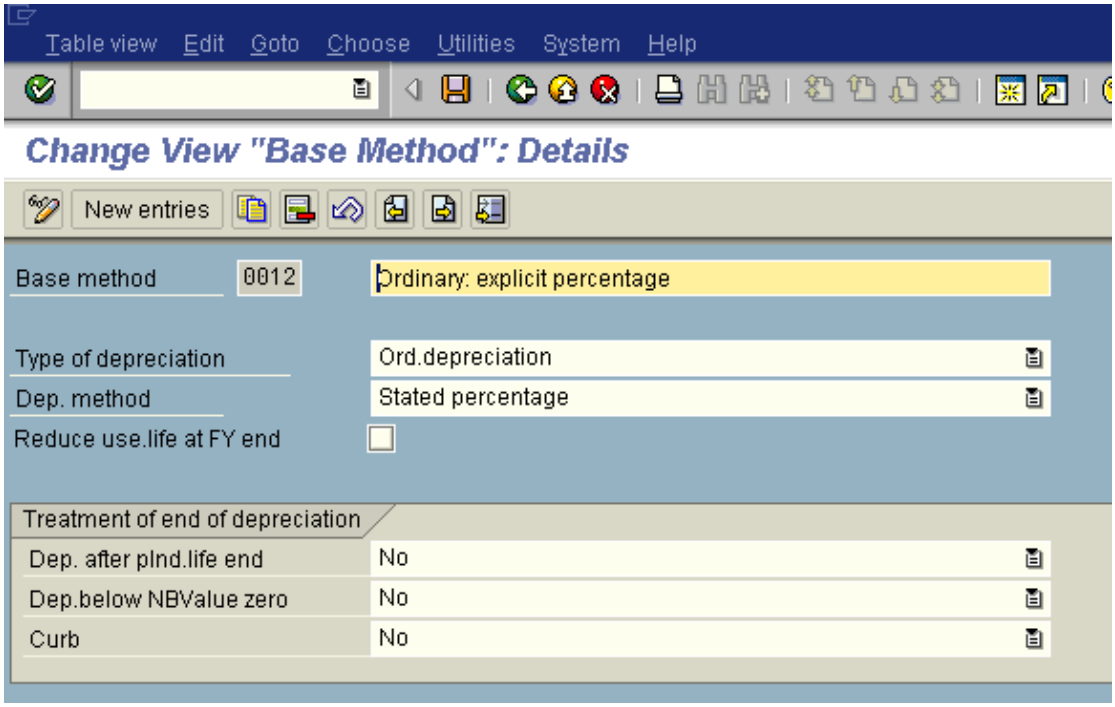
Let us check one of the base methods



Base method	Text
0001	Ordinary: sum-of-the-years-digits
0002	Ordinary: no automatic depreciation
0003	Ordinary: leasing
0004	Ordinary: decl.-balance over total life (Japan)
0005	Ordinary: percentage from useful life (reduction)
0006	Ordinary: percentage frm life (reduction, below 0)
0007	Ordinary: percentage from life (after end of life)
0008	Ordinary: percentage from life as of changeover yr
0009	Ordinary: percentage from life (curb)
0010	Ordinary: percentage from life (below zero)
0011	Ordinary: percentage from useful life
0012	Ordinary: explicit percentage
0013	Ordinary: explicit percentage (reduction)
0014	Ordinary: explicit percentage (after end of life)
0015	Ordinary: explicit percentage (below zero)
0016	Ordinary: immediate depreciation
0017	Ordinary: immediate deprec. (after end of life)
0018	Ordinary: Unit-of-production depreciation
0019	Ordinary: Unit-of-production (after end of life)
0020	Ordinary: declining multi-phase (Czech)
0021	Special: total percentage rate
0022	Special: total percentage (after end of life)

Double click

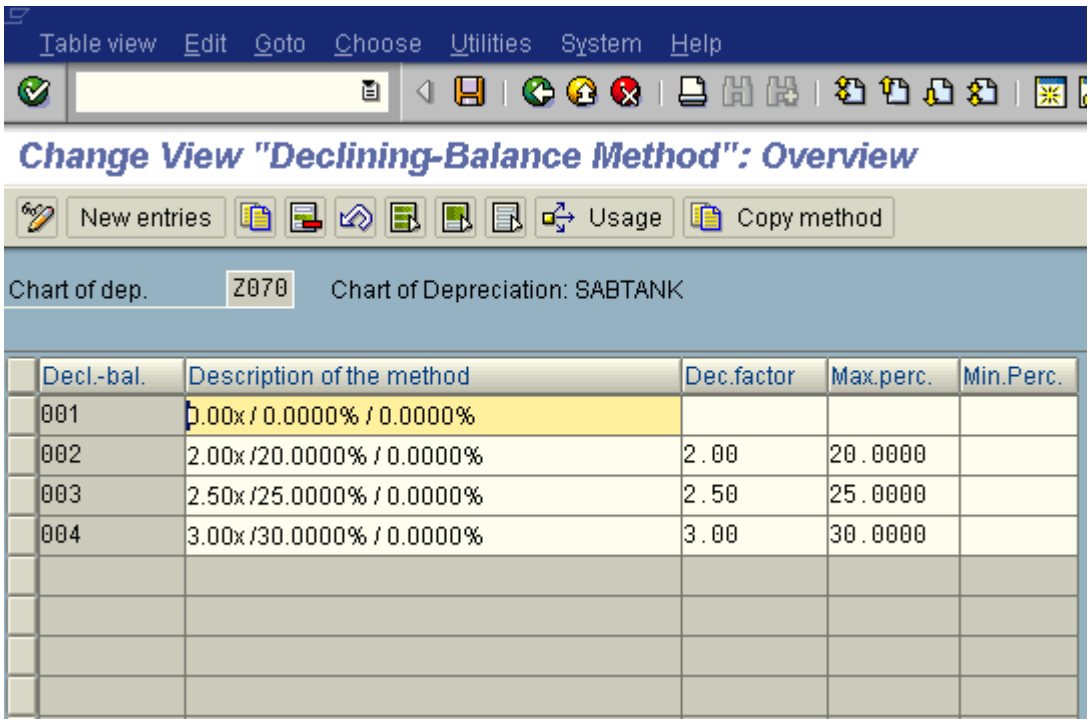
0012	Ordinary: explicit percentage



35. *Define Declining-Balance Methods (Optional)*

IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Depreciation Key → Calculation Methods → Define Declining-Balance Methods

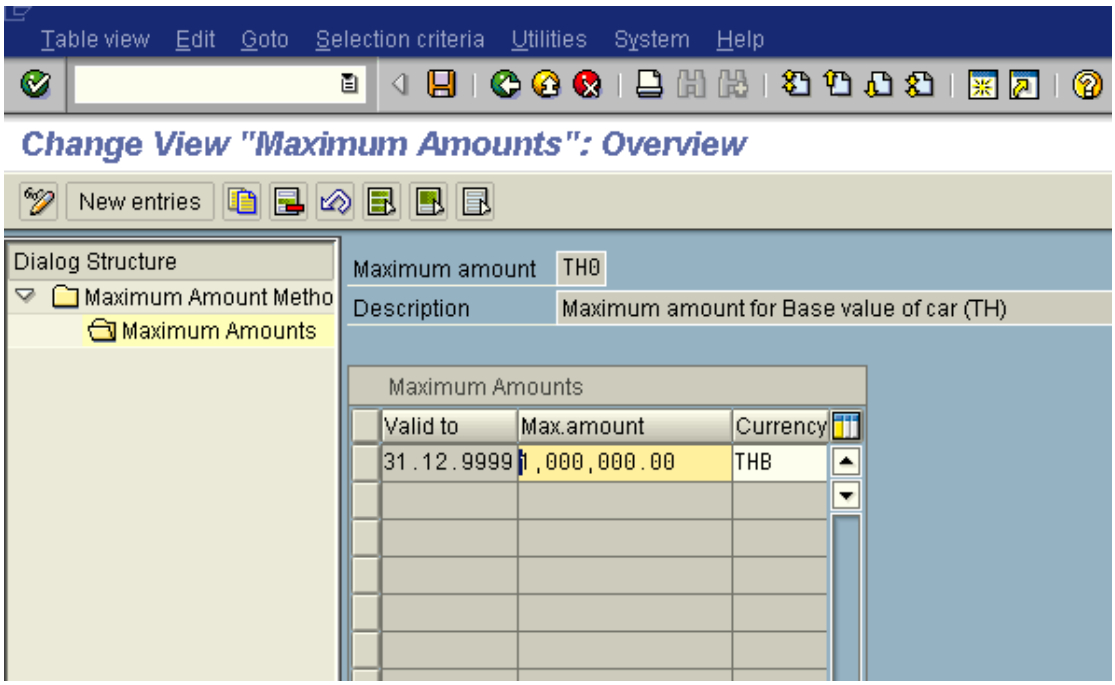
Let us check the declining balance methods SAP has provided.



36. Define Maximum Amount Methods (Optional)

IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Depreciation Key → Calculation Methods → Define Maximum Amount Methods

In this step, you define maximum amount methods. You then assign them to depreciation keys.
The calculation method contains a maximum depreciation amount that is not allowed to be exceeded before a certain calendar date. If the depreciation calculated by the system exceeds this maximum amount, then the system reduces depreciation to this maximum amount.
You can specify how the maximum amount applies within the time period specified for it. It can either apply to to each individual year in the specified time period, or to accumulated depreciation.



37. Define Multi-Level Methods (Important)

IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Depreciation Key → Calculation Methods → Define Multi-Level Methods
You define multi-level methods. You then assign them to depreciation keys. Each level represents a validity period for a given percentage rate.

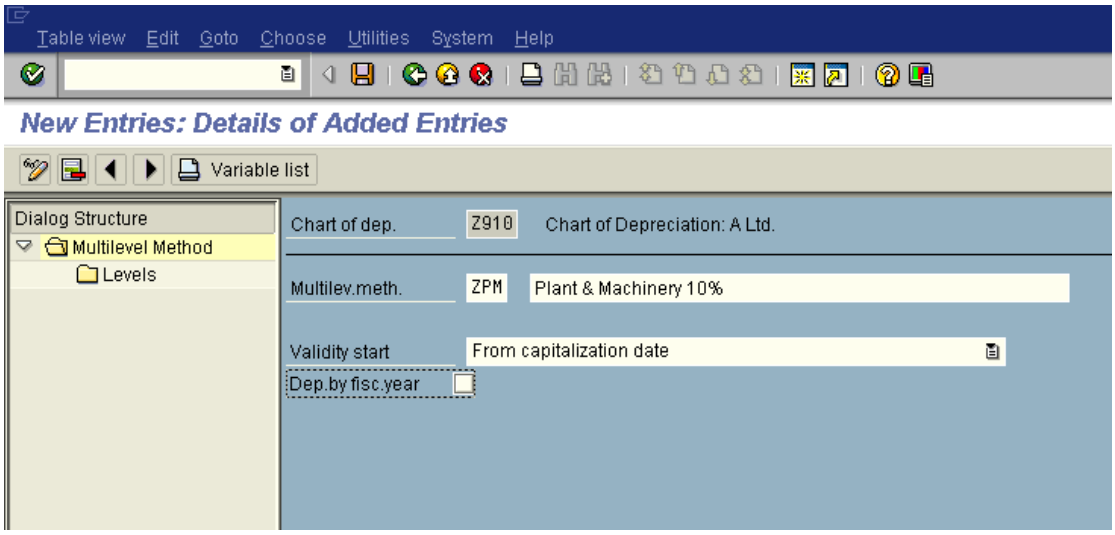
Here you define whether the depreciation key is straight-line method or declining balance method. You select the relevant base value.

Here you also specify the percentage rate of depreciation.

We will configure 2-multi level methods one for **Straight-line method** and another for **Declining balance method** or **Reducing balance method**.

Click on New entries

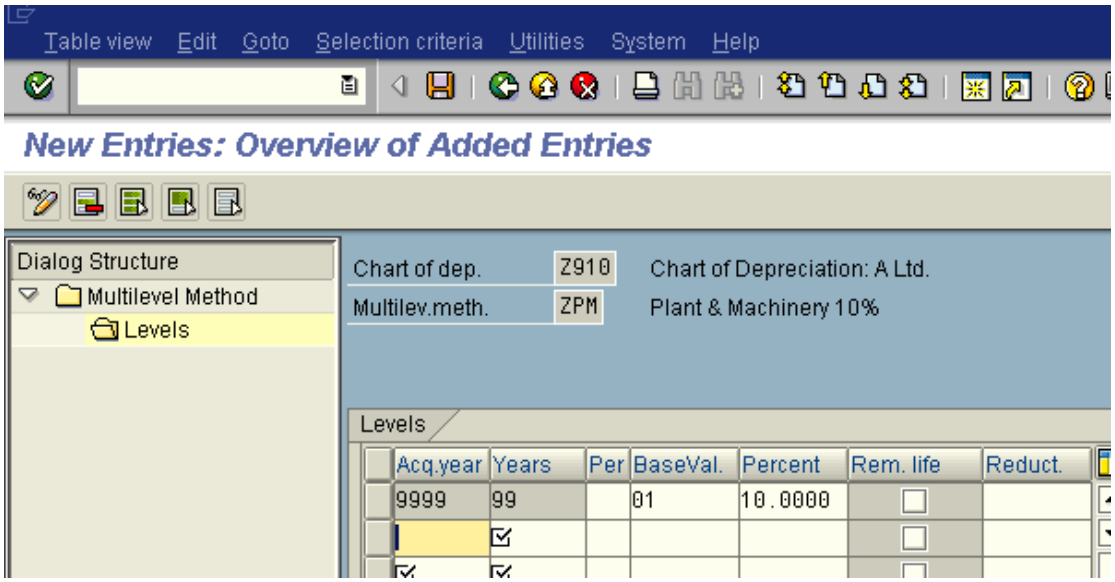
And update the following: -



Click on Save

Double Click on Levels

Click on New entries **and update the following: -**



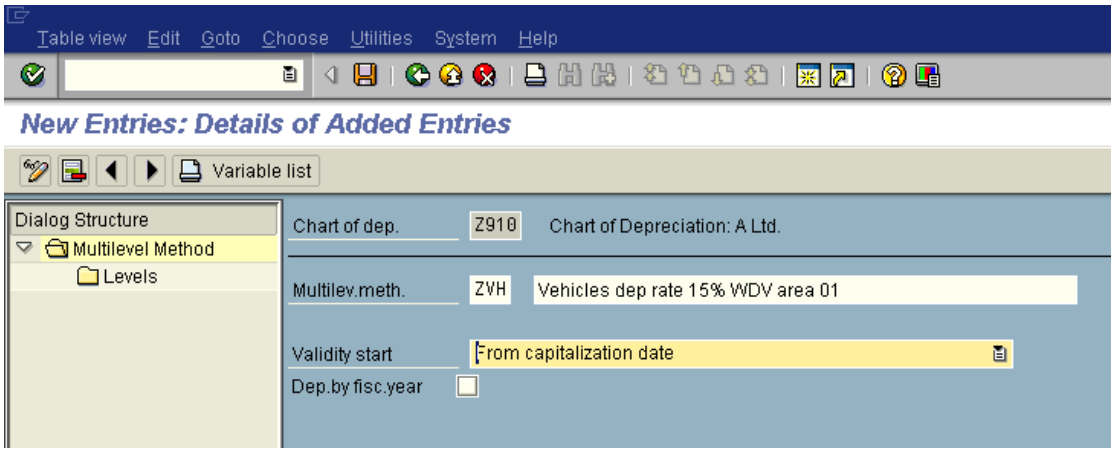
Acq. Year - Value we have entered is 9999 (valid for years)
Years - 99 (the number of years valid for)
Per - 0 (Validity period in months)
Base Value - 01 means Acquisition value
Percentage - 10 % (10% calculated on Base value i.e. Acquisition value)

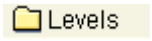
Click on Save 

Let us configure another Multi-level method for Declining balance method

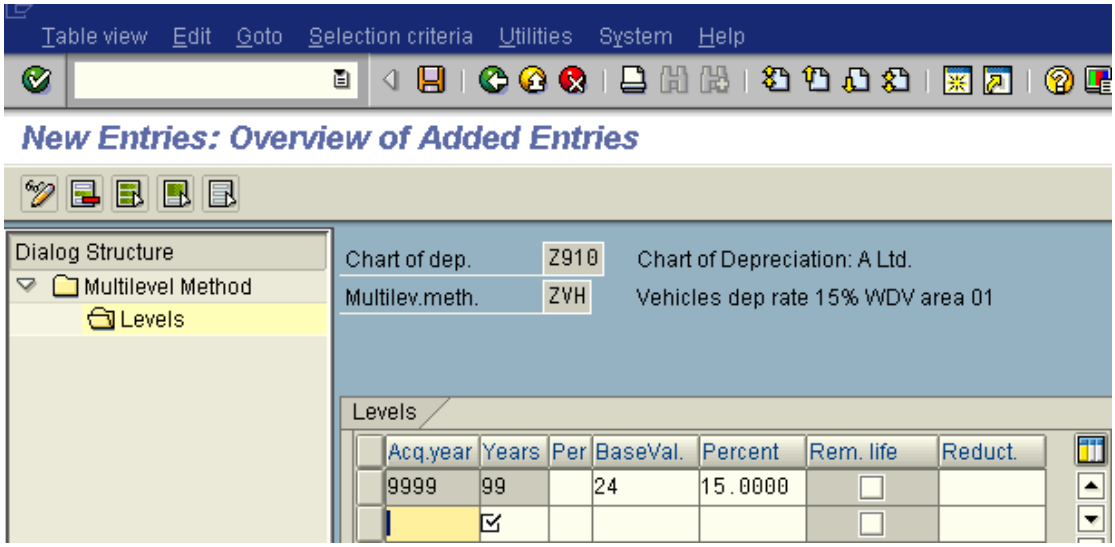
Click on 

And update the following: -



Double Click on 

Click on 



Base value: 24 (Net Book value)

Click on Save 

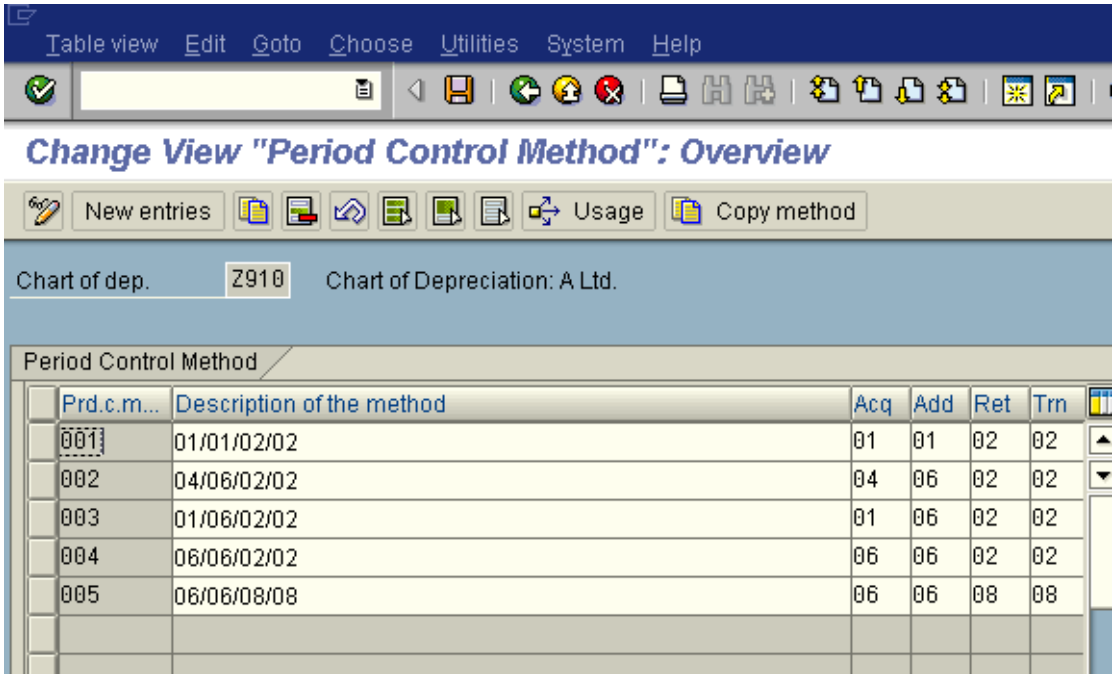
38. Maintain Period Control Methods

IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Depreciation Key → Calculation Methods → Maintain Period Control Methods

In this step, you maintain period control methods. You then assign them to depreciation keys.

You can specify the depreciation start date for acquisition, acquisition in the following years, retirements, transfer.

Let us check the standard period control methods



Prd.c.m...	Description of the method	Acq	Add	Ret	Trn
001	01/01/02/02	01	01	02	02
002	04/06/02/02	04	06	02	02
003	01/06/02/02	01	06	02	02
004	06/06/02/02	06	06	02	02
005	06/06/08/08	06	06	08	08

01 - Prorata at period start date
02 - Pro rata upto mid-period at period start date

39. Maintain Depreciation Key

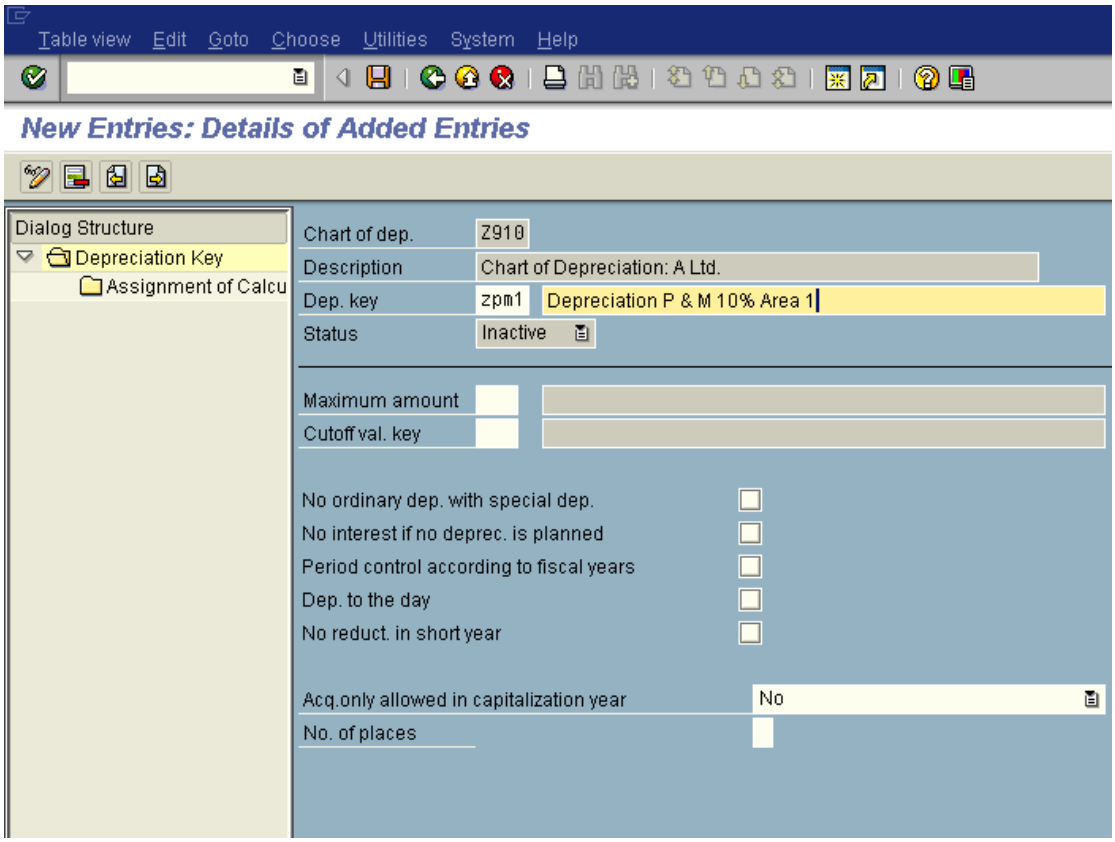
IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Depreciation Key → Maintain Depreciation Key

In this step, you maintain depreciation keys by assigning calculation methods to them. You can divide the duration of depreciation into several phases. When you enter a changeover method for one of these phases, the system changes over to the next phase as soon as the event specified in the

changeover method has occurred. The system then uses the depreciation calculation that is specified in the calculation method for this phase.

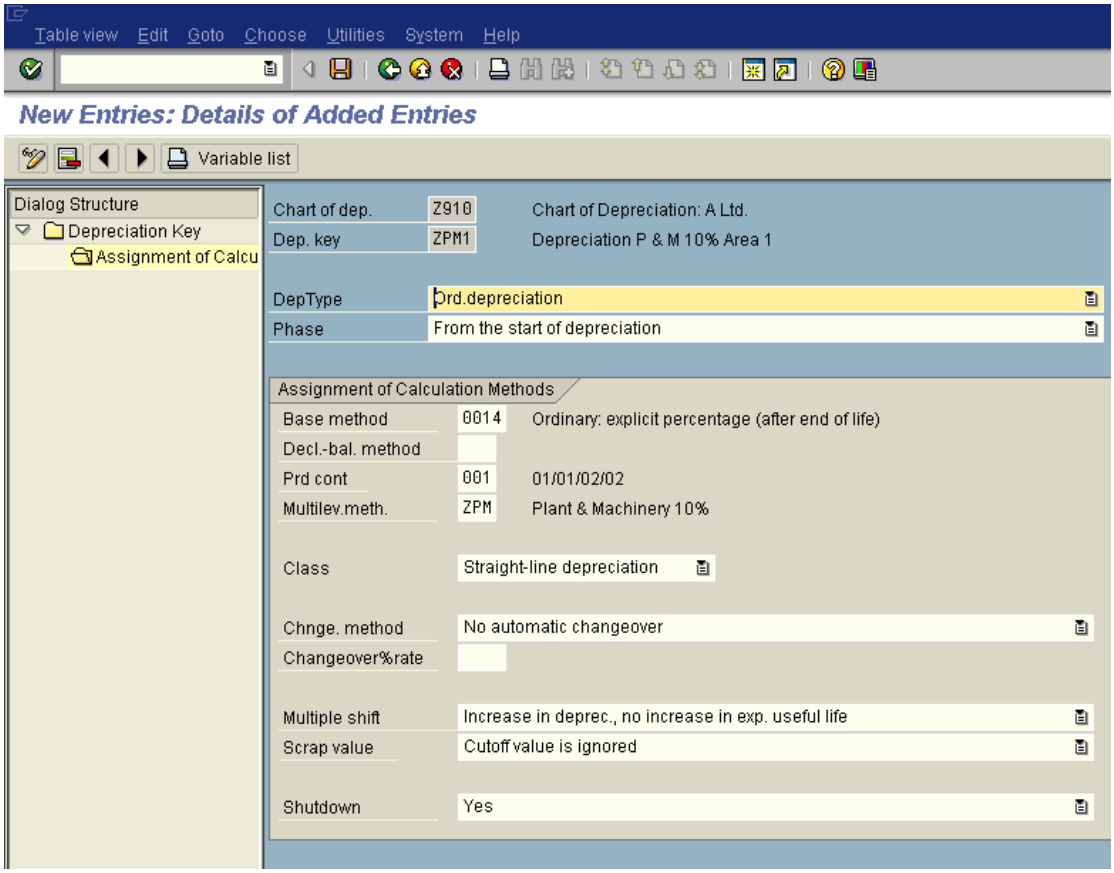
1. Maintain additional depreciation keys and their descriptions in accordance with your requirements.
2. Assign calculation methods to the depreciation keys. Maintain any other necessary parameters.

Click on New entries **and update the following: -**



Double Click on Assignment of Calculati

Click on New entries **and update the following: -**



Base Method: 0014 (Ordinary explicit percentage after end of life)
Prd. Control: 001 (01/01/02/02) depreciation on capitalization from the start of the month and when retired no depreciation in the month retired.
Multilevel method: ZPM (already configured with 10%)

Click on Save 

Click on 

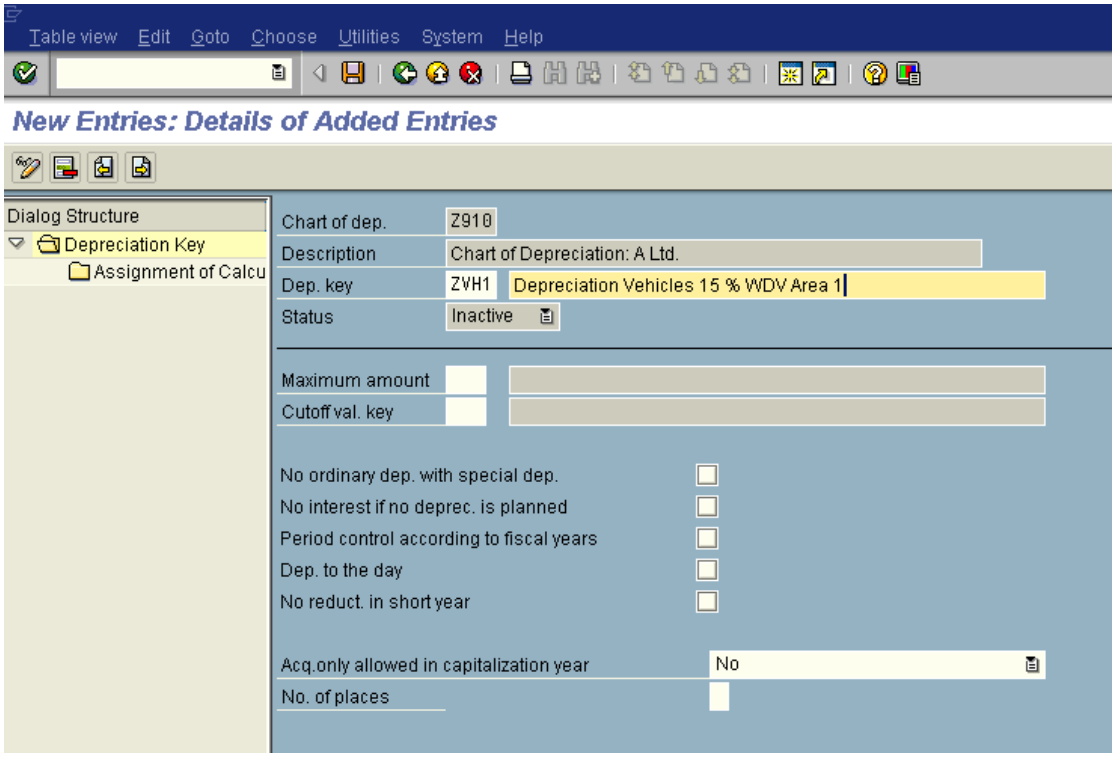
to activate the depreciation key.

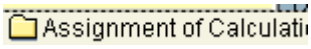
Click on Save  again

Let us configure another depreciation key with Reducing balance method

Click on 

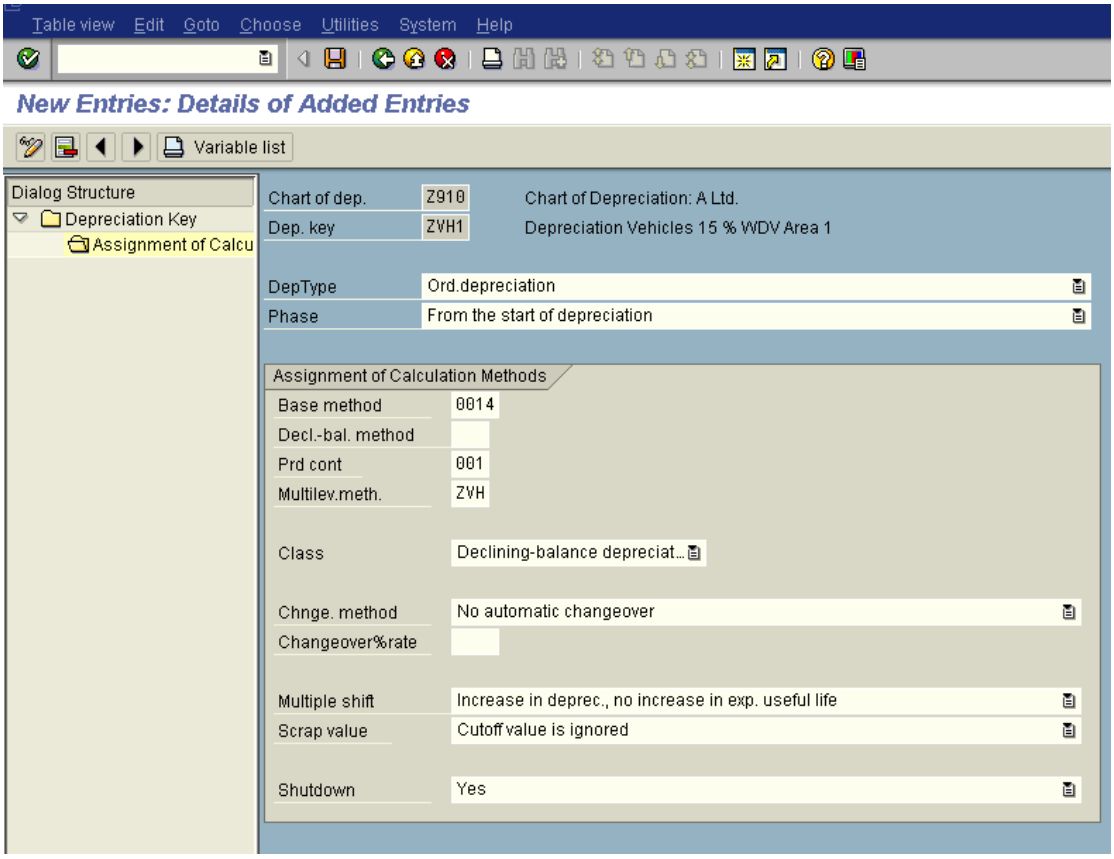
and update the following: -



Double Click on 

Click on 

and update the following: -



Click on Save

Click on Activate to activate the depreciation key.

Click on Save again

40. Define the Cutoff Value Key (Optional)

IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Further Settings → Define the Cutoff Value Key

For certain countries it is a legal requirement, that you end depreciation when a certain value is reached. You can enter an absolute scrap value in the asset master record. Or you can enter a percentage scrap value (cut-off value) in the calculation key.

In this step, you define the calculation key for automatically determining scrap values. For each calculation key, you can specify

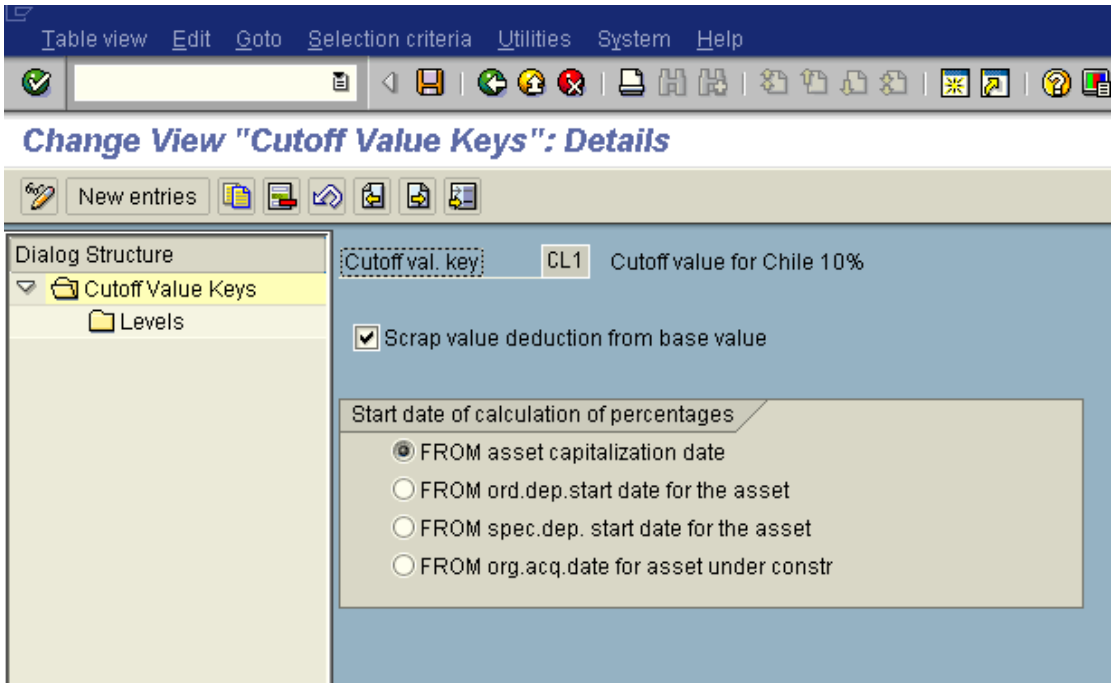
- The percentage of the depreciation base that should be used as the cut-off value percentage

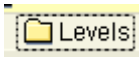
- Whether the cut-off value percentage should be deducted at the start or the end of the calculation of depreciation

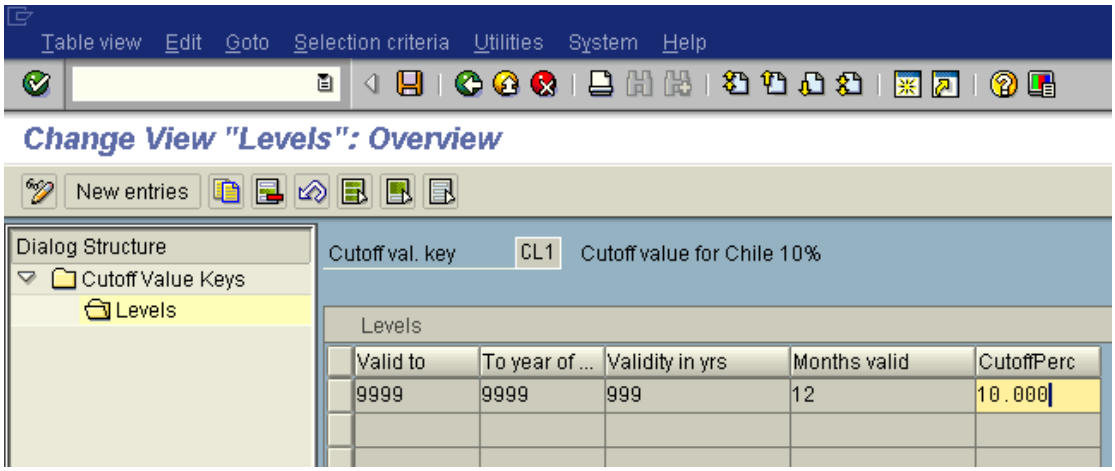
- At what point in time the system should start calculating the validity period

You can enter several cut-off percentages for each scrap value key. You can define the cut-off percentages/levels per acquisition year, and the validity period can be of any length.

Let us check one of the Cutoff val. keys



Double Click on 



We will not configure this.

41. Define Maximum Base Value (Optional)

IMG → Financial Accounting → Asset Accounting → Depreciation → Valuation Methods → Further Settings → Define Maximum Base Value

In this step, you define limited acquisition values as base values for the calculation of depreciation. This limited acquisition value can be stored as a key (05) in the multi-level method of the depreciation key, in the same way as all the other base values.
"Limited acquisition value" means that the system uses a specified maximum amount as the base value for depreciation. If the acquisition value of the asset is under this maximum amount, the system uses the actual acquisition value as the basis for depreciation. However, if the acquisition value of the asset exceeds this maximum amount, depreciation is based on this maximum amount. You can specify the maximum base amount for each depreciation area and asset class in each company code.

We will not configure this.

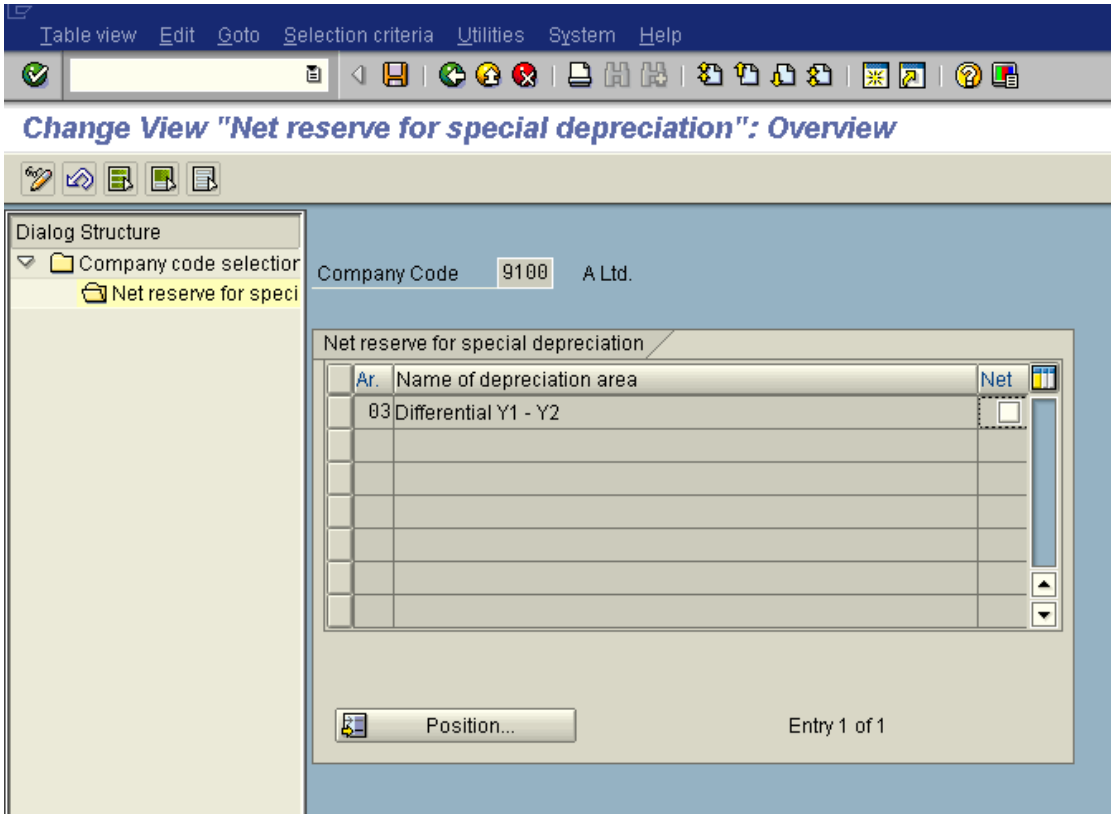
F) Special Valuation

42. Specify Gross or Net Procedure

IMG → Financial Accounting → Asset Accounting → Special Valuation → Reserves for Special Depreciation → Specify Gross or Net Procedure

In this step, you determine whether the system should balance the amounts from the allocation and writing off of special reserves on the same asset in the same posting run against each other.

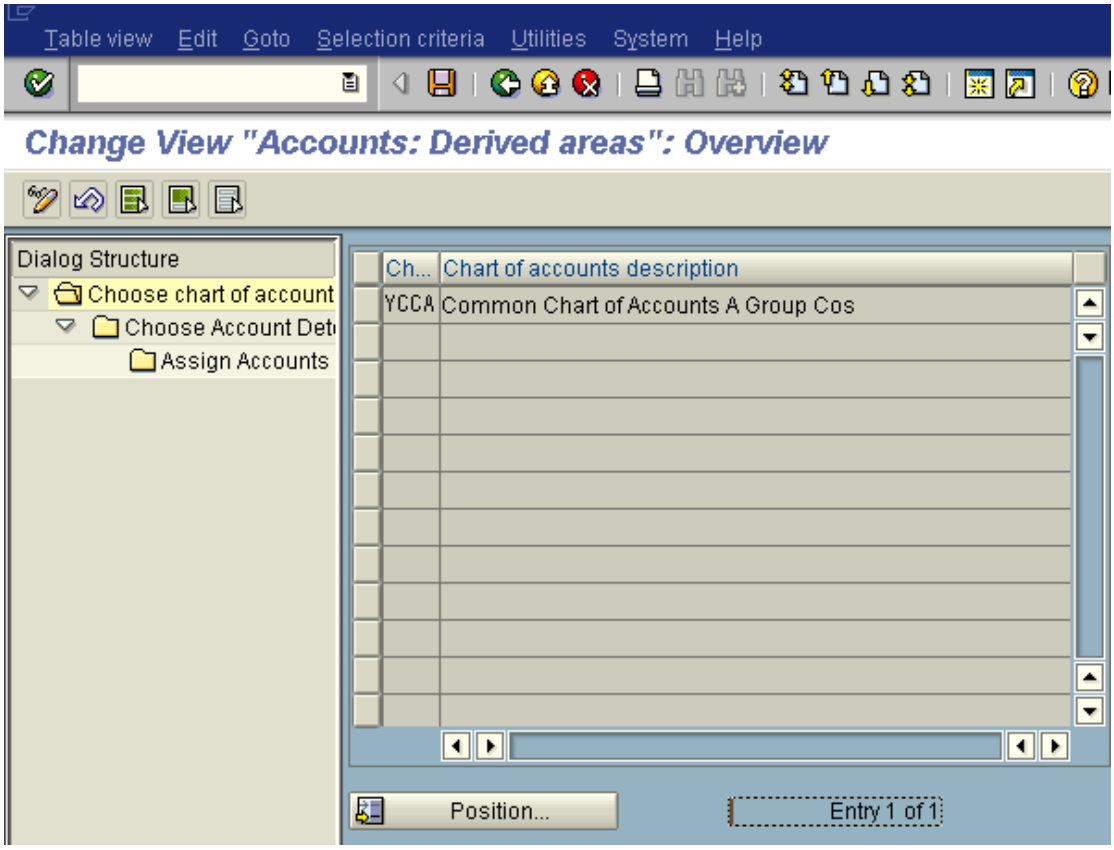
Keep the area 03 as Gross do not change It to net.

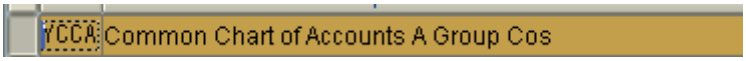


43. Assign Accounts

IMG → Financial Accounting → Asset Accounting → Special Valuation → Reserves for Special Depreciation → Assign Accounts

Here you assign GL codes for the derived depreciation area 03 (Y1-Y2)

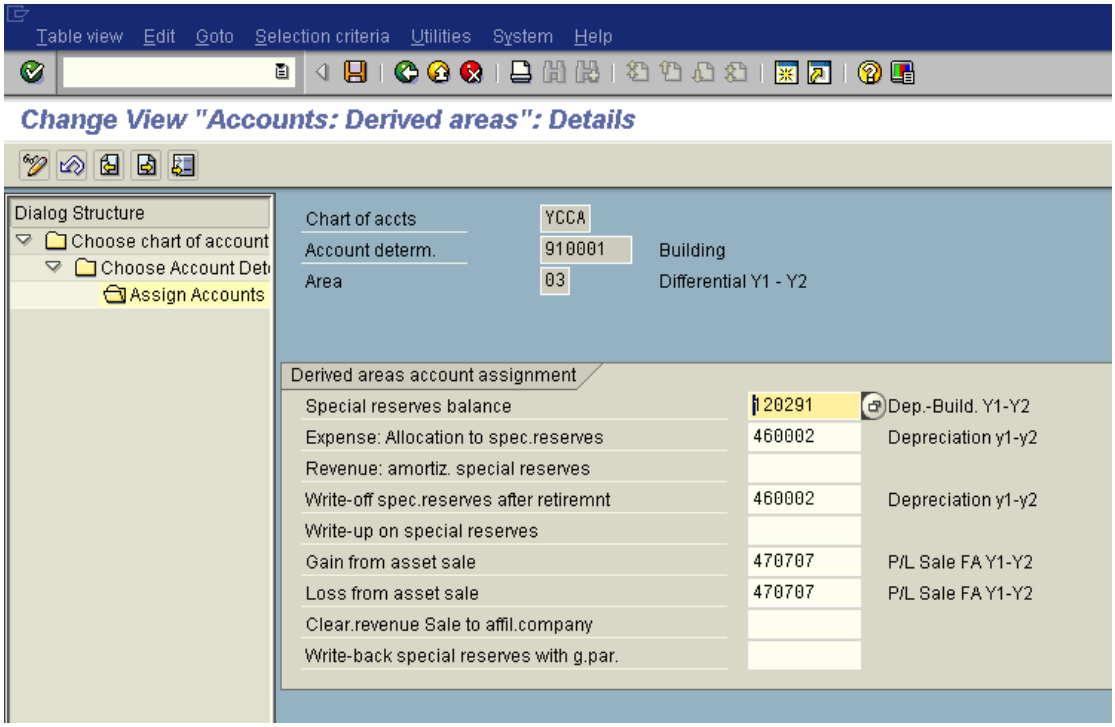


Select 

Double Click 

Select 

Double Click 



Click on Save 

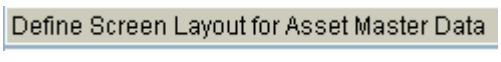
Likewise assign accounts to other asset classes.

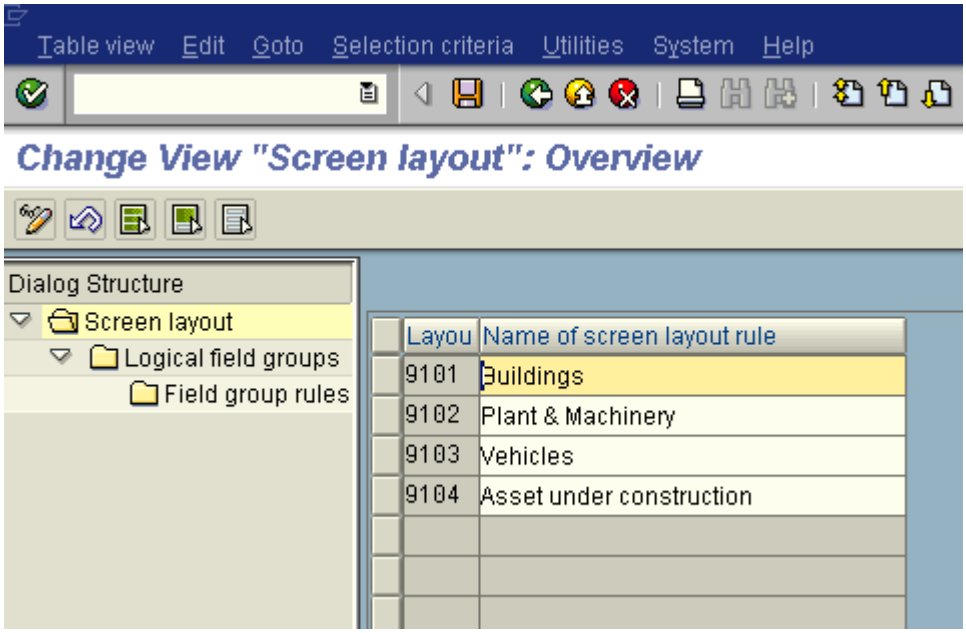
G) Master data

44. Define Screen Layout for Asset Master Data

IMG → Financial Accounting → Asset Accounting → Master Data → Screen Layout → Define Screen Layout for Asset Master Data

You define the screen layout control for asset master data. The screen layout control contains the specifications for the field groups in the asset master record. You enter the screen layout control in the asset class. This method allows you to structure the master record individually for each asset class.

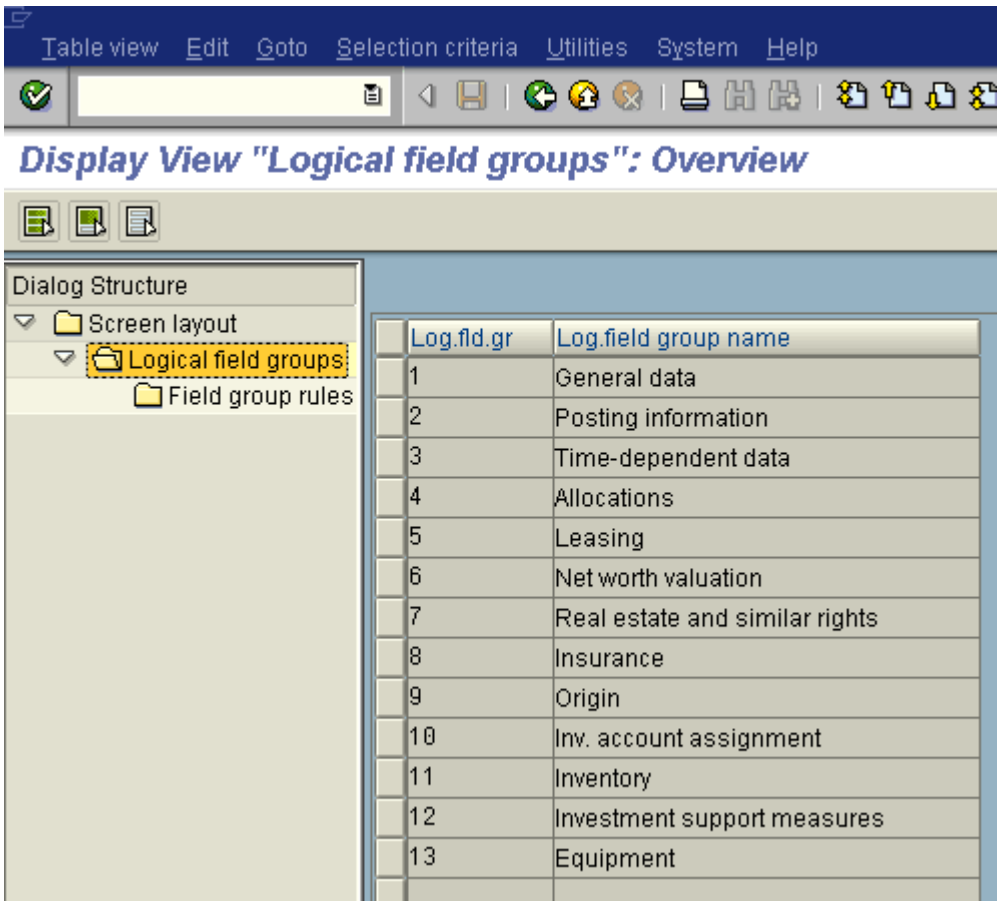
Double Click on 



Select 

Double Click 

the following screen will appear



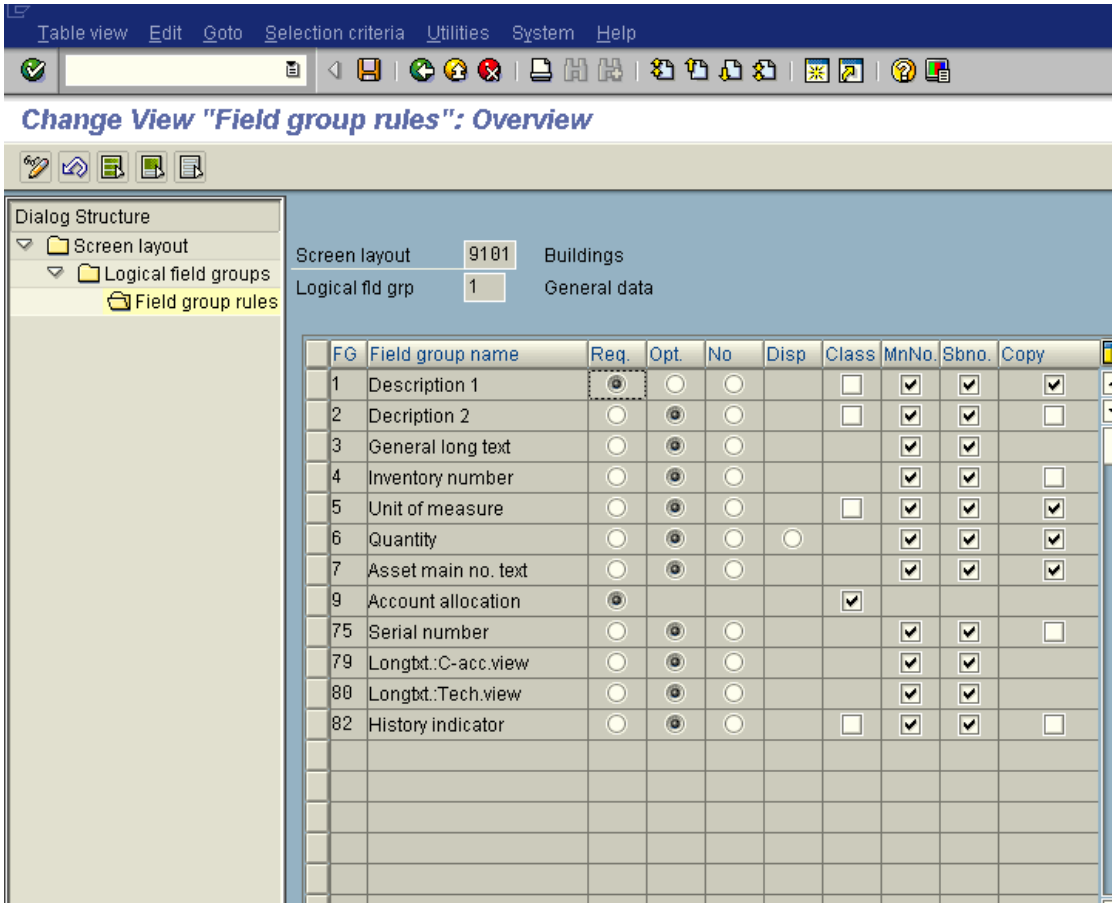
Select  and Double Click 

Here you can maintain which is required, optional or No (Suppressed entry) or any display.

Class – If this indicator is set, it means maintenance allowable only at asset class level
MnNo – Transfer entry from Main asset number to Sub number

Sbno – entry allowed in sub asset number

Copy – Copy field group from reference asset

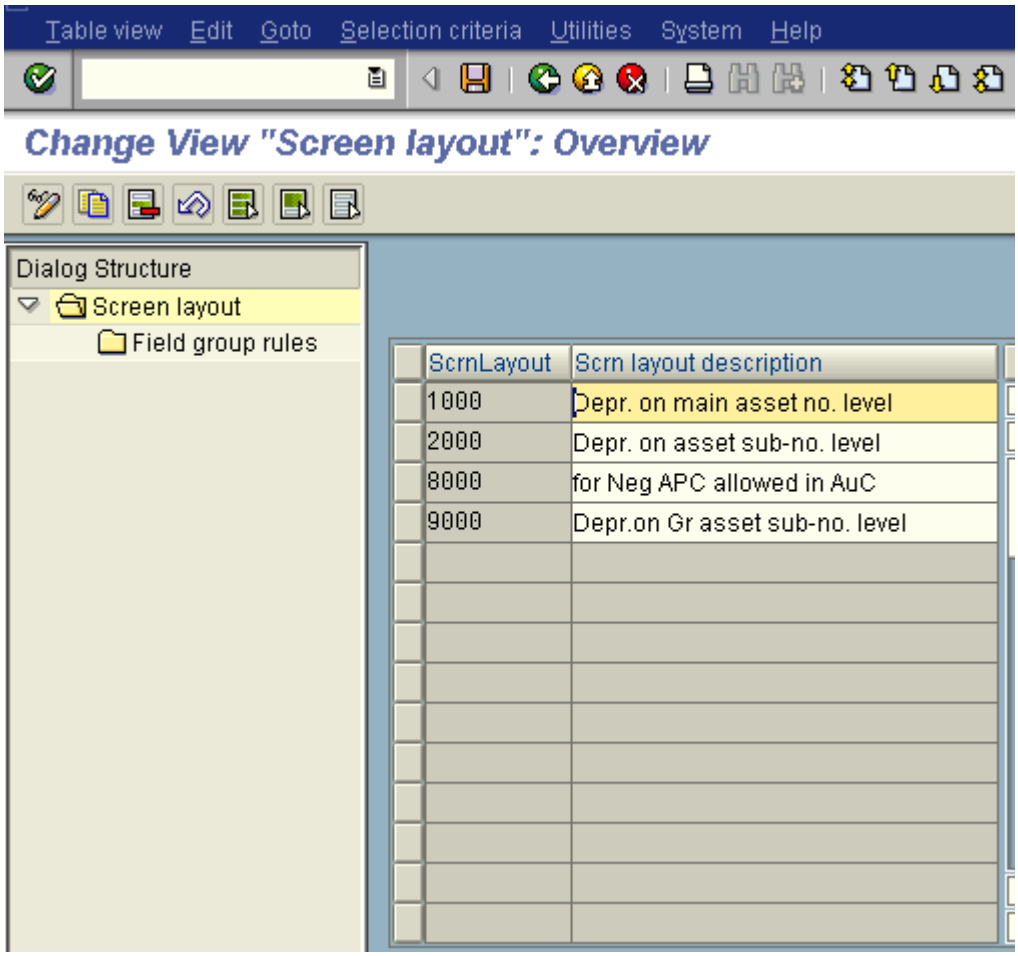


45. Define Screen Layout for Asset Depreciation Areas

IMG → Financial Accounting → Asset Accounting → Master Data → Screen Layout → Define Screen Layout for Asset Depreciation Areas

You can use it in a similar way to control the features of the depreciation areas in the asset master record. It is possible to make different specifications in each depreciation area.

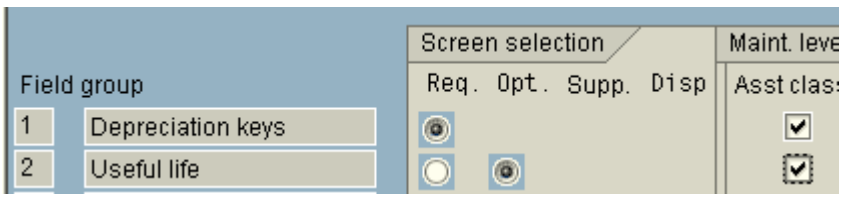
SAP delivers two standard versions:
Depreciation on main asset number
Depreciation on sub number



Select 

Double Click on 

Update the following Maint. level: -

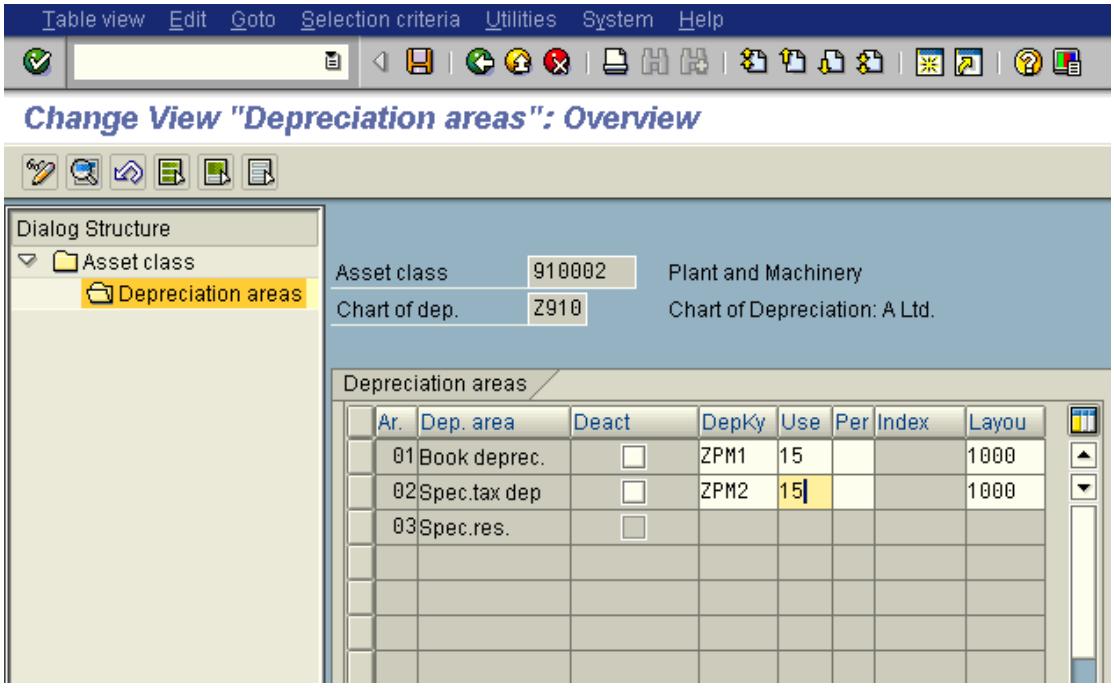


Click on Save 

Thereafter update the following using the path:-

IMG → Financial Accounting → Asset Accounting → Valuation → Determine Depreciation Areas in the Asset Class

Update the asset classes with the default values such as depreciation keys, useful life



Click on Save  . Assign depreciation key ZPM2 to area 31 and area 32 also.

H) Information system

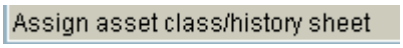
46. Define or Assign Forms

IMG → Asset Accounting → Information System → Define or Assign Forms

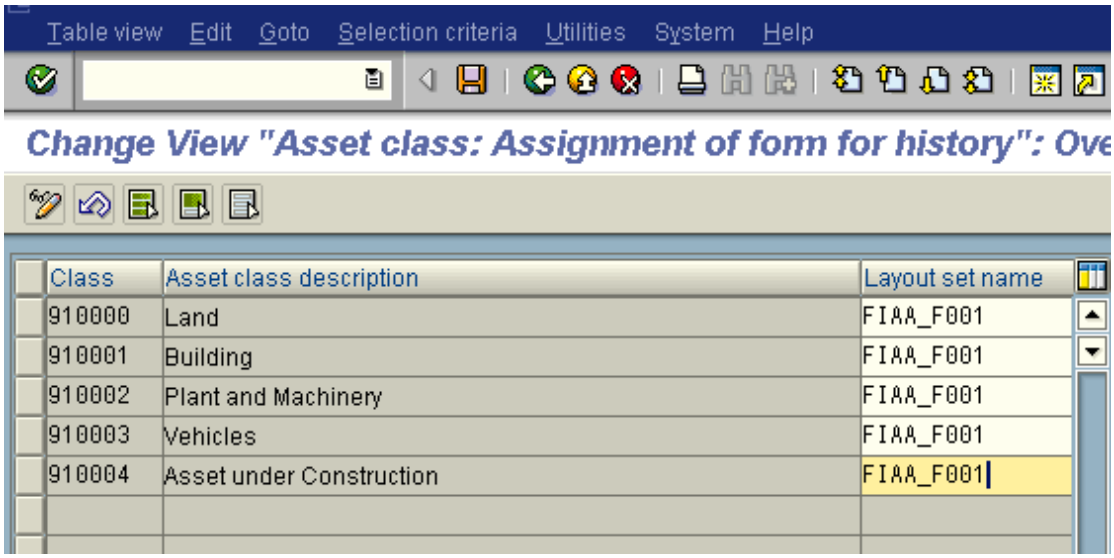
In this step, you define layout sets (forms) for the evaluation "Asset history" (asset chart) in the Asset Accounting Info system and for printing labels with asset information (barcodes) using the inventory list.
Layout sets determine the layout of the list printout of this report.
You can store a separate layout set in every asset class for the asset chart.
The report then uses this layout set for the fixed assets of this class and creates a corresponding asset chart. Note that the report evaluates only fixed

assets with an active history management (indicator in the asset master record).
You can enter the layout set for the inventory list when you start the report.

SAP supplies the layout set FIAA_F001 as a default for the asset chart and the layout set FIAA_0003 for the inventory labels.

Double Click 

Assign Form FIAA_F001 to all the new asset classes created.



Class	Asset class description	Layout set name
910000	Land	FIAA_F001
910001	Building	FIAA_F001
910002	Plant and Machinery	FIAA_F001
910003	Vehicles	FIAA_F001
910004	Asset under Construction	FIAA_F001

Click on Save 

I) Asset data transfer

47. Specify Transfer Date/Last Closed Fiscal Year

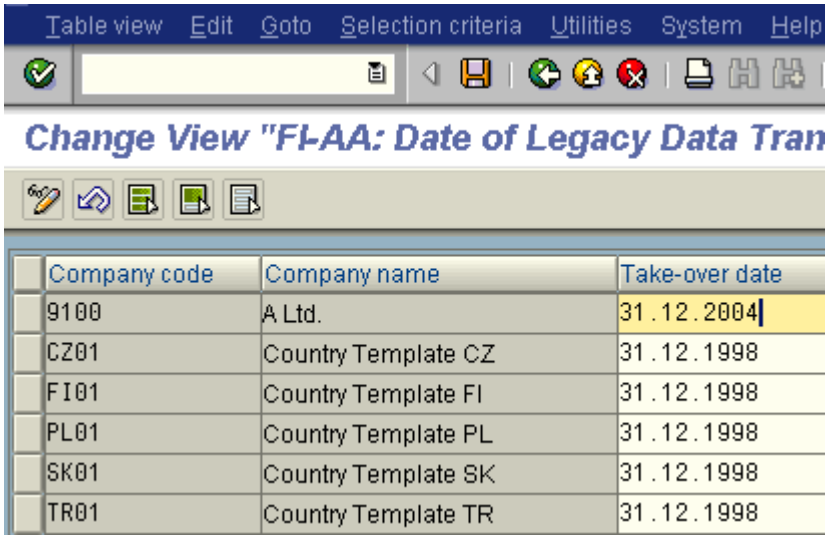
IMG → Financial Accounting → Asset Accounting → Asset Data Transfer → Parameters for Data Transfer → Date Specifications → Specify Transfer Date/Last Closed Fiscal Year

Here you specify the transfer date for the asset data transfer. This date determines the **status of posting** to be used for the transfer. Posting up to this date will be included in the transfer. This specification also determines whether you want to perform the transfer during the fiscal year (with transfer of posted transactions/depreciation in the current fiscal year) or at the end of the fiscal year (without transactions).
If the transfer date is not the last day of the fiscal year (according to the fiscal year variant in FI), the system interprets this as transfer during the fiscal year. The system cannot transfer any historical transactions. It can only transfer cumulative values from the end of the last fiscal year, and the transactions in the current fiscal year (the second is only possible for transfer during the fiscal year).

Example:

Transfer date – December 31, 2004
Last closed fiscal year 2004

Specify the take over date as 31.12. 2004. The company 9100 is going live with SAP on 01.01.2005.



Click on Save 

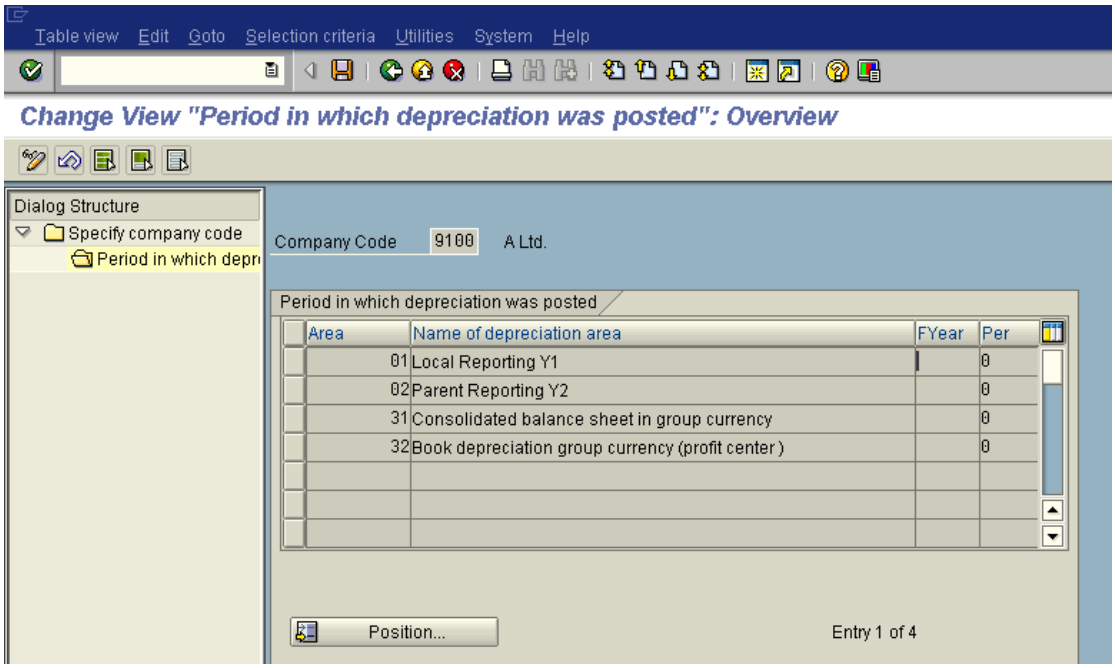
48. Specify Last Period Posted in Prv.System (Transf.During FY)

IMG → Financial Accounting → Asset Accounting → Asset Data Transfer → Parameters for Data Transfer → Date Specifications → Specify Transfer Date/Last Closed Fiscal Year

This step is only necessary if you want to perform an old assets data takeover during the fiscal year. In this case, you must specify the period up to which depreciation was posted in the previous system. This period refers to the posted depreciation that is to be transferred during old assets data takeover.

E.g.

Company is going live on June 2005, 1 which is in the mid fiscal year. In this case we specify that depreciation was posted upto May 31, 2005 in the previous (legacy) system.



49. Create/Change/Display Legacy Asset

IMG → Financial Accounting → Asset Accounting → Asset Data Transfer → Manual Online Transfer → Create/Change/Display Legacy Asset

Transaction code : AS91/AS92/AS93

Here you enter assets from the legacy system with the balances. The entry of these asset masters will not update the reconciliation accounts in the General ledger

You need to update the Master data, depreciation areas and the take over values.

Journal entry for updating the General ledger code will be through a different transaction code

J) Preparing for Production Startup

50. Transfer Balances

IMG → Financial Accounting → Asset Accounting → Preparing for Production Startup → Production Startup → Transfer Balances

Transaction code : OASV

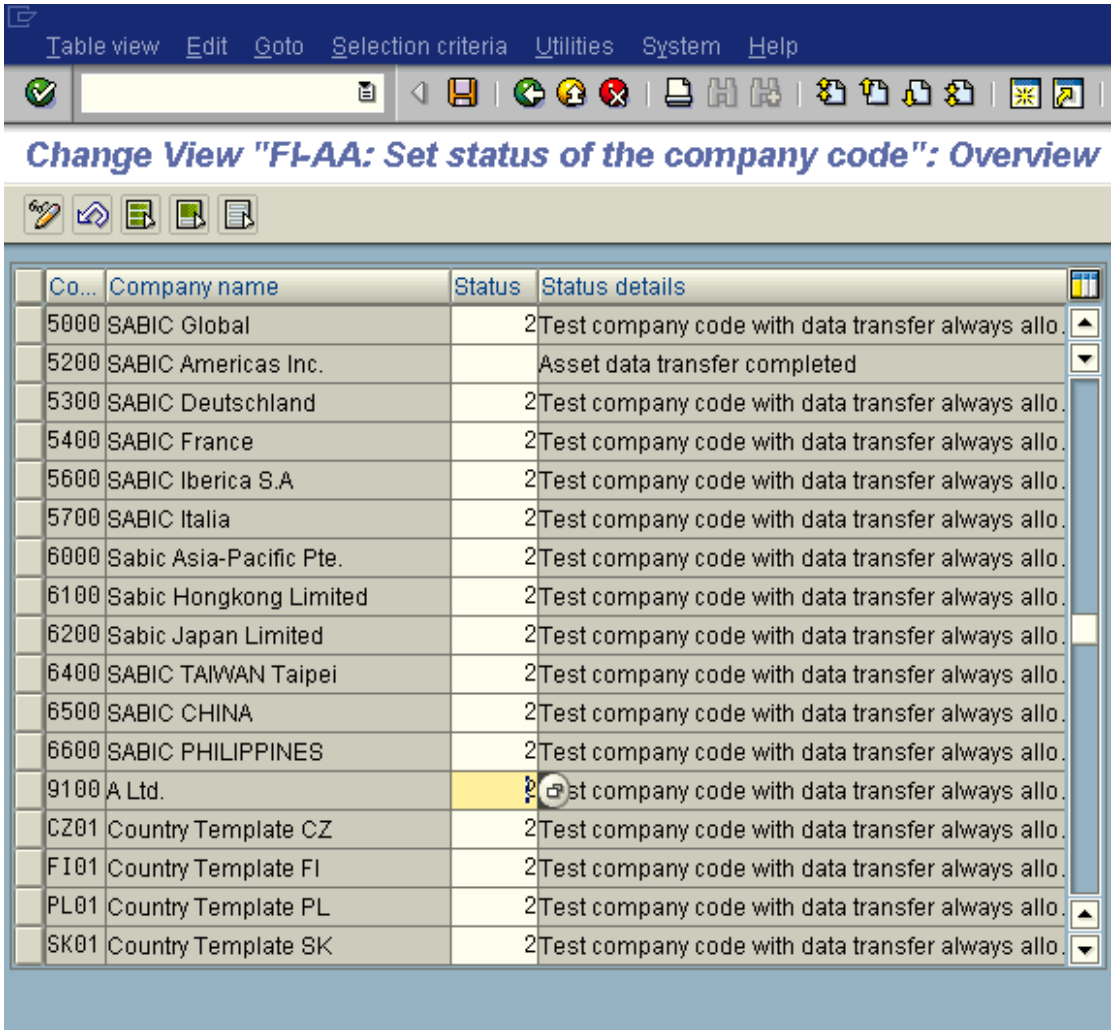
Here in this step you post balances to G/L accounts, which have already been defined as Asset reconciliation accounts. You can only post entries in company codes, which have implementation status.
The transfer of legacy asset data using the legacy asset transaction (AS91) does not affect the balances of the corresponding reconciliation accounts in Financial Accounting. Therefore no automatic balance formation or reconciliation takes place and you will need to manually reconcile the balances. You can ascertain the Asset Accounting values using one of the reports of asset list. When you start this report, specify January 1st of the current fiscal year as the report date. The system will then provide data as of December 31st of the previous fiscal year (in other words, no depreciation from the current fiscal year is included).

51. Activate Company Code

IMG → Financial Accounting → Asset Accounting → Preparing for Production Startup → Production Startup → Activate Company Code

In the "Activate Company Code" step, you set the live indicator (0) for the company codes in which the test phase and legacy data transfer have ended. The live indicator ensures that data is not deleted from live company codes by programs for deleting test data.

After legacy data transfer and **before** setting a company code to live (production status) it is **mandatory** to reconcile account balances, since the transfer of legacy data does not affect the reconciliation accounts for Financial Accounting. There is no automatic creation and reconciliation of balances during legacy data transfer.



Co...	Company name	Status	Status details
5000	SABIC Global	2	Test company code with data transfer always allo.
5200	SABIC Americas Inc.		Asset data transfer completed
5300	SABIC Deutschland	2	Test company code with data transfer always allo.
5400	SABIC France	2	Test company code with data transfer always allo.
5600	SABIC Iberica S.A	2	Test company code with data transfer always allo.
5700	SABIC Italia	2	Test company code with data transfer always allo.
6000	Sabic Asia-Pacific Pte.	2	Test company code with data transfer always allo.
6100	Sabic Hongkong Limited	2	Test company code with data transfer always allo.
6200	Sabic Japan Limited	2	Test company code with data transfer always allo.
6400	SABIC TAIWAN Taipei	2	Test company code with data transfer always allo.
6500	SABIC CHINA	2	Test company code with data transfer always allo.
6600	SABIC PHILIPPINES	2	Test company code with data transfer always allo.
9100	A Ltd.		st company code with data transfer always allo.
CZ01	Country Template CZ	2	Test company code with data transfer always allo.
FI01	Country Template FI	2	Test company code with data transfer always allo.
PL01	Country Template PL	2	Test company code with data transfer always allo.
SK01	Country Template SK	2	Test company code with data transfer always allo.

This marks the end of the SAP Asset Configuration.