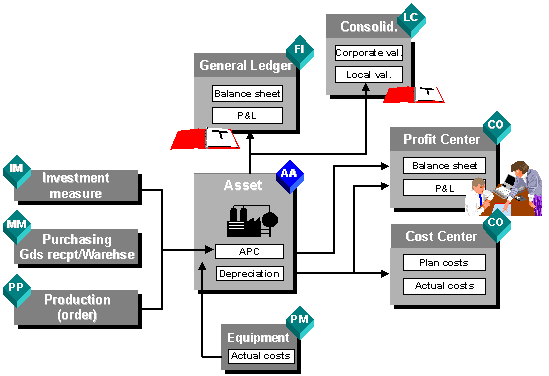
**Asset Accounting.**

**Introduction**

Asset accounting model in SAP is very important module. It manages fix asset data of an organization by way of asset master record. Asset accounting module thus acts as a sub ledger to the FI module for managing asset record.

SAP gives us the functionality in asset module of managing depreciation & asset parallel according to various reporting requirement i.e. Local reporting, parent company reporting, Tax reporting, US GAAP reporting & so on.

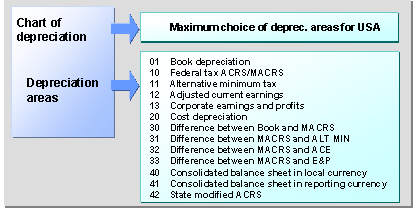
You must assign the chart of depreciation to each company code that is defined in asset accounting; SAP provides country specific chart of depreciation with pre defined depreciation areas. This chart of depreciation serves only as a reference for carrying your own chart of depreciation & therefore nod directly acceptable in SAP system. When creating a chart of depreciation you have to copy the chart of depreciation.



**Chart of depreciation.-**

The chart of depreciation is a list of depreciation areas arranged according to business & ledger requirements. The chart of depreciation enables you to manage all rules of valuation of assets in a particular country.

When you create a chart of depreciation, the system copies all the depreciation areas in the reference chart of depreciation. You have to delete depreciation area that you do not need in your chart of depreciation.



In the company code ST1, We take chart of depreciation as: - ST1

**Depreciation Areas**

The depreciation areas of company code ST1 is as follows:

|  |  |
| --- | --- |
| **Depr.area** | **Name of depreciation area.** |
| 01 | Book depreciation |
| 02 | Special Tax depreciation for APC in fin. Statement. |
| 03 | Special reserves because of special tax depreciation. |
| 30 | Consolidated balance sheet in local currency. |

**Assignment of input tax indicator for non taxable Acquisition.**

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

In this step we assign input tax indicator as V0 & A0.

**Assignment of chart of depreciation area to company code.**

One of the important step 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 **ST1 to company code ST1.**

**Number assignment across company code.(Optional)**

You can assign the main asset account number across company codes. Therefore, for every company code, you can determine from which (other0 company code number assignment is to be carried out. In this step you define a cross company code number assignment you do not need to define any system setting here.

Account determination –

The key of 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.

Here we define account determination as followes:

|  |  |
| --- | --- |
| **Acct. determination** | **Name of account determination.** |
| Fix assets | Plant & machianery. |
|  |  |
|  |  |
|  |  |

**Screen layout rules –**

The screen layout specifies the status of the field in the asset master record. You use the screen layout to define if fields are required entry or optional entry fields, or if they are suppressed completely.

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.2001 & change as-

**Number range interval –**

It 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 assigned to each asset class.

Here we define number range as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **NO.** | **From number** | **To number** | **Current number** | **Ext.** |
| 01 | 1 | 100 | 0 |  |

**Definition of Asset class:**

It Is the most important criteria for structuring fix asset from an accounting point if view. Every asset has to be assigned to exactly one asset class. The asset class is used to assign the assets to the correct general ledger account

The most important task of the asset class is:

Assignment of default values when creating assts.

Groping of asset for reporting purpose.

We define Asset class as; for

* Plant & machinery,
* vehicle,
* Furniture & fixture,
* Loose tools ,
* Office Building.



**Determination of Depreciation area in asset class:**

The system can post the APC transactions of one depreciation area to the general ledger online automatically. Usually this is book depreciation area 01. You can post transaction from other depreciation areas to the general ledger automatically using periodic processing.

In company code ST1 We define as follows;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ar.** | **Depreciation area** |  | **Depreciation key** | **Layout** |
| 01 | Book depreciation |  |  |  |
| 02 | Special Tax depreciation for APC in fin. Statement. |  |  |  |
| 03 | Special reserves because of special tax depreciation. |  |  |  |
| 30 | Consolidated balance sheet in local currency. |  |  |  |

**Creation of General ledger accounts For company code ST1 as :**

**A)In fix assets-**

1. *Plant & machinery*
2. *Vehicle*
3. *Furniture & Fixture*
4. *Loose tools*
5. *Office Building.*

For The above G/L accounts we select the following configuration:

|  |  |
| --- | --- |
| **Field** | **Configuration** |
| Account Group | Fix Assets |
| Recon. account type | Assets |
| Sort Key | 018 |
| Field Status Variant | G067 |

**B) In the account group Current liability:**

*1)* *Accumulated depreciation for Plant & machinery*

*2) Accumulated depreciation for Furniture & fixture*

*3) Accumulated depreciation for Loose tools*

*4) Accumulated depreciation for office building*

*5) Accumulated depreciation for Vehicle.*

For The above G/L accounts we select the following configuration:

|  |  |
| --- | --- |
| **Field** | **Configuration** |
| Account Group | Current liability. |
| Recon. account type | Assets |
| Sort Key | 018 |
| Field Status Variant | G067 |

**C) Under the head of Expenses-**

*1) Ordinary depreciation*

*2) Loss on sales*

*3) Loss Due to scrapping.*

|  |  |
| --- | --- |
| **Field** | **Configuration** |
| Account Group | Expenses |
| Sort Key | 018 |
| Field Status Variant | G004 |

**D) Under the head of Profit. –**

1) Profit on asset sales.

|  |  |
| --- | --- |
| **Field** | **Configuration** |
| Account Group | Income |
| Sort Key | 018 |
| Field Status Variant | G029 |

2) Asset sale account

|  |  |
| --- | --- |
| **Field** | **Configuration** |
| Account Group | Income |
| Sort Key | 018 |
| Field Status Variant | G052 |

After creating the G/L accounts in **FS00** Screen, We Assign the same for asset accounting. Transaction code for assignment of G/L accounts is **AO90.**

**Document type & number range for posting depreciation:**

The standard document type **AF** (Dep. Posting get attached to the company code), since we have copied the chart of depreciation. The number range for Document type AF is always 05

Transaction code: - **OBA7.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NO.** | **Year** | **From number** | **To number** | **Current number** | **Ext.** |
| 05 | 2011 | 1 | 100 | 0 | Y |

**Specifying Intervals & posting rules.**

You define the posting cycle (How often depreciation is posted) whether monthly, quarterly, semi annually or annually & the account assignment rule for the depreciation posting run.

Transaction code: - **OAYR.**

Here we select Book depreciation & monthly posting.

**Rounding off net book value:**

Here we 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 any nearest whole.

Transaction code: - **OAYO.**

Here we select the option of round to the nearest whole.

**Depreciation Key**

1. **Define multi level method**

In this Step we define Multi level method & assign them to depreciation key, each level represent a validity period for a given percentage rate. Here we define whether the depreciation key is straight-line method or declining balance method you select the relevant base value. We also define the percentage rate of depreciation.

Transaction code: **AFAMS**

**Here we define Straight line method.**

Acq. Year – value we have entered is 9999 (valid for years)

Years – 99 (The number of years valid for)

Base value – 01 (means acquisition value)

Percentage – 10% (Calculated on base value)

1. **Maintain period control method**

In this step we define period control method in that we can specify the depreciation start date for acquisition, acquisition in the following years, retirements, transfers.

01 – Pro rata at period start date.

02 - Pro rata up to mid-period at period start date.

06 -

**Maintaining Depreciation key**

In this we define depreciation key by assigning calculation method to them. You can devid the duration of depreciation in to several phases. When you enter a change over method for one of this phases the system changes over to the next phases as soon as the event specified in the changeover method has occur

1. Maintain additional depreciation keys & their description in accordance with your requirement.
2. Assign calculation method to the depreciation key , maintain any other parameters.

Transaction code: **AFAMA**

Here we define depreciation key as

After preparing depreciation key we need to activate the same by clicking the activate tab.

**Defining screen layout for asset master data:**

Here we define screen layout control for asset master data. The screen layout contains the specification for the field group in the asset master record. You enter the screen layout control in the asset class. This method allowed you to structure the master record individually for each asset class.

Transaction code: **OA77**

Here we can maintain which is required, optional, or no (suppressed) or any display.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| FG | Field group name | Req. | M n. no | Sb no. | Copy. |
| 10 | Capitalization date | Y | Y | Y | Y |

**Defining screen layout for asset Depreciation area:**

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

SAP divides two standard versions as follows

* Depreciation on main asset number
* Depreciation on asset sub number.

Transaction code: **OA78**

**Creation of asset master record.**

-

A fixed asset is defined as an individual economic good that it is recognized in the balance sheet at the time of closing, and is in the long-term service of the enterprise.

In order to make it easier for the user to create, maintain and evaluate master data, the varied individual information is structured according to its area of use and the relevant functions in the system. The asset master record consists of two main parts:

1. **General Master Data**: This part of the master record contains concrete information about the fixed asset.
2. **Data for Calculating Asset Values**: You can specify depreciation terms in the asset master record for each depreciation area in the chart of depreciation. In order for you to make these specifications, the master record contains an overview of the depreciation areas. In addition, there is a detailed display available for each depreciation area. If there are depreciation areas that are not needed for a specific asset, it is possible to deactivate these depreciation areas at the asset level.

**Scenario**

This system task is used to create an asset master record.

Here we define the following asset in Company code **ST1** under asset class as:

|  |  |
| --- | --- |
| Asset class | Assets |
| Plant & Machinery |  |
| Vehicle |  |
| Loose tools |  |
| Furniture & Fixture |  |
| Building |  |

**-**

**Functionality**

The term "asset" is used for simple assets, as well as for complex large-scale assets that consist of a number of component assets. The data structure of the system, with a 12 character alpha-numeric main asset number and a 4 character sub-number, allows both. The main asset number represents the asset as a whole. Parts of assets can be represented by different sub-numbers.

**Features**

Every master record is automatically created with at least one sub-number, even if no sub-assets exist. The system marks the first master record as an asset main number master record. When you use internal sub-number assignment, this main number has sub-number "0000". You can create additional sub-numbers for this main number master record. The system manages values for each sub-number for every individual depreciation area in year segments. The individual transactions are posted directly to the sub-numbers as line items.

**Scenario**

This system task is used to create an asset sub-number.

|  |  |  |
| --- | --- | --- |
|  | $$TMP031  St1st1 |  |

**-**

**Functionality**

An external asset acquisition is a business transaction resulting from the acquisition of an asset from a vendor. This means that you can post the asset acquisition and the corresponding vendor payable in one transaction. Using this transaction reduces the time and energy required for data entry and the possibility of discrepancies.

**Scenario**

You can post the acquisition of a purchased asset in several different ways, using different components of the R/3 System:

1. *In Asset Accounting (FI-AA) in integration with Accounts Payable (FI-AP), but without reference to a purchase order. (Illustrated here).*
2. In Asset Accounting, without reference to a purchase order, without integration with Accounts Payable (posting to a clearing account - with or without clearing).
3. In Materials Management (MM) at goods receipt or invoice receipt (refer to Processing Asset Acquisitions in Purchasing (FI-AA/MM) and Goods Receipt and Invoice Receipt with Reference to Asset).

|  |  |
| --- | --- |
| Menu Path | Accounting → Financial Accounting → Fixed Assets → Posting → Acquisition → External Acquisition → F-90 - With Vendor |
| Transaction Code |  |

Following fields in F-90 screen.

Step 1

| Field Name | Field Description | Values |
| --- | --- | --- |
| Document date | Date the transaction occurred | Example: 02.02.2012 |
| Type | The document type classifies accounting documents . | Example: KR |
| Company code | Code identifying a separate legal entity for which a separate set of accounts is maintained for external reporting purposes | Example: ST1 |
| Posting date | Date that the business transaction occurred | Example: 2.2.2012 |
| Currency/rate | Code identifying the currency used in the transaction | Example: INR |
| Reference | The reference document number can contain the invoice number or customer / vendor number. | Example: ref |
| PstKy | Two-digit numeric key that determines the way line items are posted. This key determines several factors including the: Account type and Type of posting (debit or credit). | Example: 31 |
| Account | Code identifying the General Ledger, Vendor, or Customer account | Example: |

Step 2

|  |  |  |
| --- | --- | --- |
| Field Name | Field Description | Values |
| Amount | Amount of the asset. | Example: 25600 |
| PstKy | Two-digit numeric key that determines the way line items are posted.This key determines several factors including the: Account type and Type of posting (debit or credit). In this case 70 will be a debit. | Example: 70 |
| Account | Code identifying the General Ledger, Vendor, or Customer account | Example: |
| Trans.type | The transaction type in Asset Accounting classifies the business transaction. The transaction type controls various system activities when business transactions are posted. | Example: 100 |

Step 3

|  |  |  |
| --- | --- | --- |
| Field Name | Field Description | Values |
| Amount | Amount of the line item. Using a \* will copy the amount from the first screen automatically balancing the transaction. | Example: \* |

Click the **Save ** button.

**The transaction entry will be**

Asset A/c \_\_\_\_Dr

To Vendor A/c \_\_\_\_Cr.

**-**

**Functionality**

The planned depreciation is posted to the relevant general ledger control accounts when you run the periodic depreciation-posting run.

**Scenario**

This posting run uses a background session (NOT a Batch input session since the existence of parallel currencies requires FI Direct posting) to post the planned depreciation for each posting level for each individual asset as a lump sum amount.

When the system posts depreciation, it creates collective documents. It does not create separate documents for each asset.

|  |  |
| --- | --- |
| Menu Path | Accounting → Financial Accounting → Fixed Assets → Periodic Processing → Depreciation Run → AFAB - Execute |
| Transaction Code |  |

Update the following fields:

Step 1

|  |  |  |
| --- | --- | --- |
| Field Name | Field Description | Values |
| Company code | Code identifying the company purchasing the material | Example: ST1 |
| Fiscal year | Period, 12 months as a rule, for which the company is to create its inventory and balance sheet. | Example: 2011 |
| Posting period | Fiscal month when the transaction posts to the General Ledger | Example: 05 |

* Click <checkbox> **List assets** $$TMP015 to provide details of depreciation posted per asset.
* Click <checkbox> **Test run** .
* Click <checkbox> **Keep session** $$TMP017 to retain the session once the batch input job has been posted.
* Click **Execute** $$TMP018.
* **Asset Year-end Closing**
* The year-end closing enable the company to produced the final balance sheet and profit and loss statement for its annual report, which has to be created to meet the particular legal obligations in each country.
* Once the fiscal year is closed, you can no longer post or change values within Asset Accounting (for example, by recalculating depreciation). The fiscal year that is closed is always the year following the last closed fiscal year. You cannot close the current fiscal year.
* **AJAB** - Year-End Closing Asset Accounting
* **Company code** : Your Company code
* **Asset classed asset u. const.**  : Optional
* **For fiscal year** : Last closed fiscal year
* Uncheck '**Test run**' if this is a production run
* At menu bar, click Program -> Execute in background.
* **Perform Fiscal year close for fixed Assets.**
* **While doing a Test run, message is that fiscal year close could not be performed but it does not display any Asset details .It says Other Error.  I am not able to identify what those other Errors could be.**
* **Also, I have checked Incomplete Assets list As well but that list is empty as well. Also while running tcode AUVA there is a tab correct incomplete Assets, can anyone tell what deos that mean and when its to be used.**
* You can check and edit Asset accounting closing status using tcode OAAQ.
* But you seem to be not clear on process.
* AJAB is for closing Asset Accounting books.   
  AJRW is a technical step of changing fiscal year in system.  If not done, it will not allow you to view asset reports in current fiscal.
* Now, your error says incomplete asset.  Please run ajab in test mode, check for details. It will give you asset details and error details as well.  Go to asset explorere and check if the asst in question has been fully depreciated for the year.
* If not run repeat deprecation for the asset in period 12 and then try closing asset books. You can also check asset and GL inconsitency using tcode ABST.