

BIS 658 INDIVIDUAL PROJECT REPORT

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CENTRAL MICHIGAN UNIVERSITY

Contents

Individual Project Functional Design Report	2
Functional Design.....	2
Functional Description	2
Organizational Structure	3
Functional Flow.....	4
Detailed process and design	5
Stage 1 FI & MM	5
Stage 2 SD	27
Stage 3: TRANSACTIONS	40
References.....	49

Individual Project Functional Design Report

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Functional Design

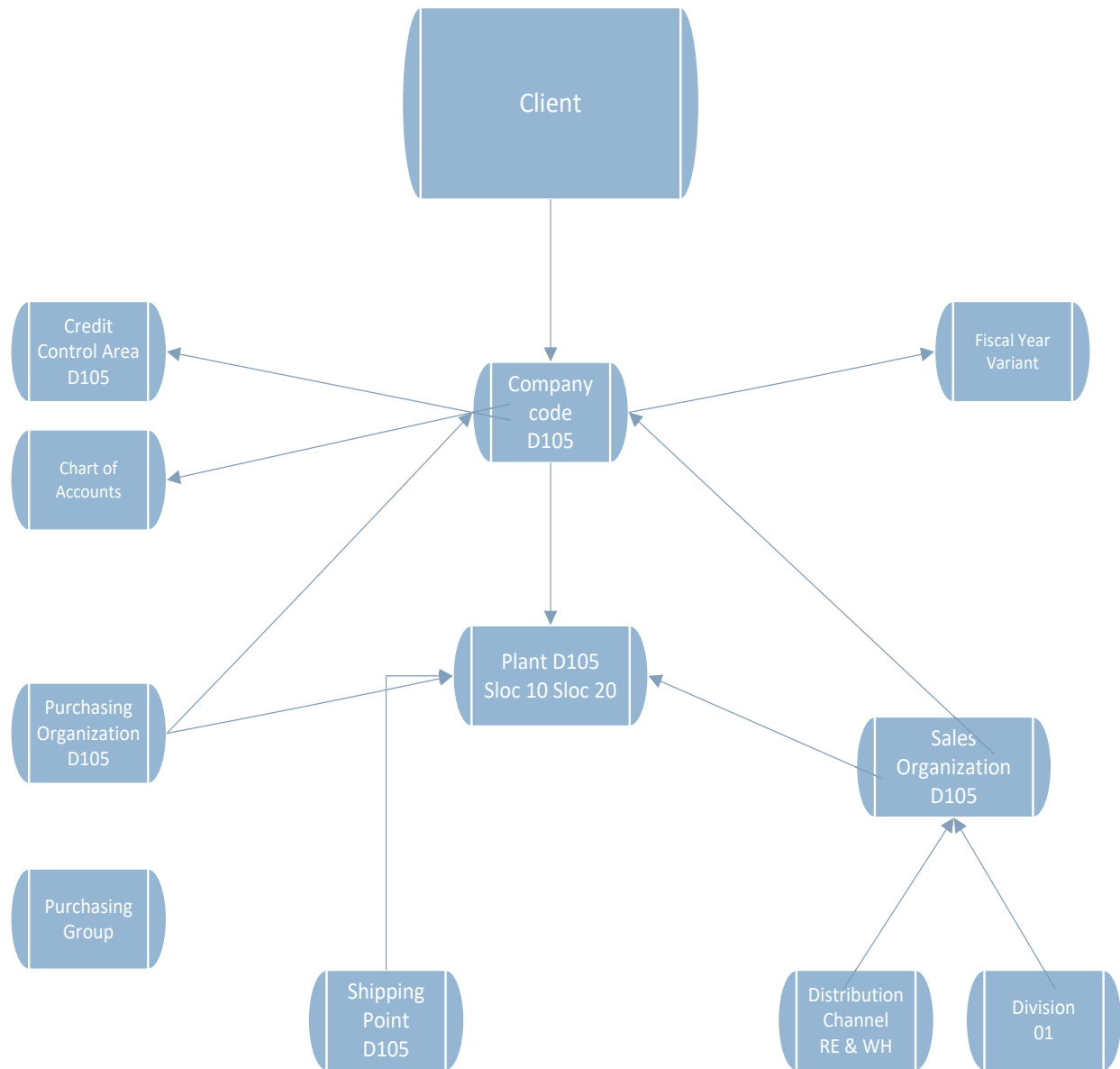
Add a new Company Code (D105) in Windsor Canada to Organization, use existing materials (PPEN105) from existing vendors (Slick Pens) and sell material to new Canadian Customer to be delivered from new plant.

Functional Description

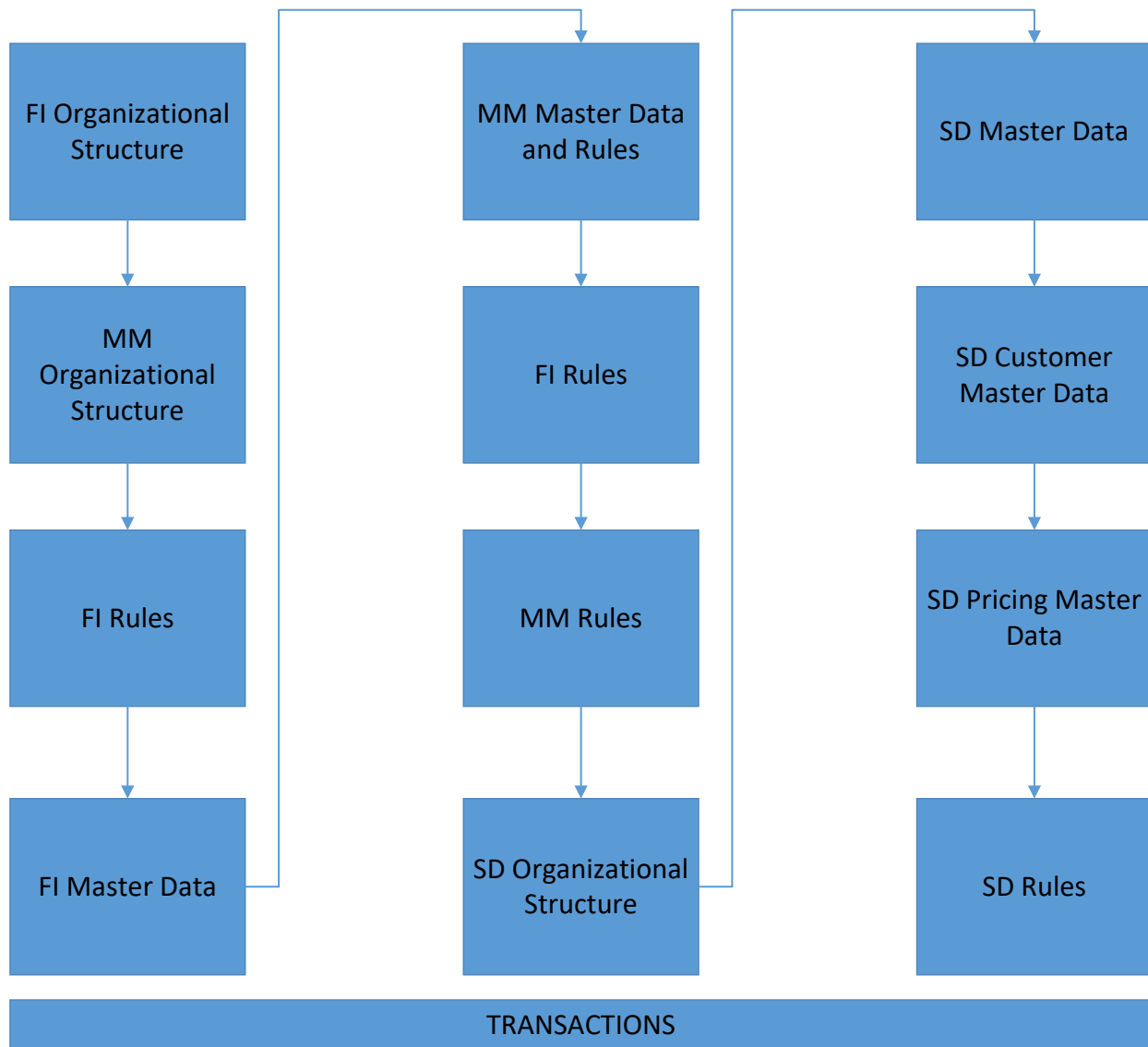
Pen Incorporated is a Start-up company in the promotional pen business. They buy and re-sell different promotional pens. They have planned to expand their business to Canada and hence they have established a plant in Windsor city which is located in Ontario State, Canada. For this new part of company; we need to extend the Organizational Structure previously defined, define business rules and extend the required master data.

This project aims at creating a new company code and plant related to Canada. The previously created chart of accounts are assigned to this new company code as well. Then the material management organizational structure like Purchasing Organization is created and then the Financial Accounting Master Data is created. The material management Master Data like maintaining plant parameters, activating MRP is created. Few Material Management rules are defined in the next stages. These forms the Financial accounting and Material Management structure for Pen Inc. organization. The Sales and Distribution organizational structure like Sales Organization, Shipping Point are created as a part of this project. The Sales Master Data and rules are defined at the later stages.

Organizational Structure



Functional Flow



Detailed process and design

The detailed list of steps performed in this project are explained below. This entire process is divided into three phases. In the first phase, the Organizational Structure, Rules and Master Data related to Financial Accounting (FI) and Materials Management (MM) is created. In the Second phase, Organizational Structure, Rules and Master Data related to Sales and Distribution (SD) is defined. The last phase includes the transactions related to Procurement and Sales.

Stage 1 FI & MM

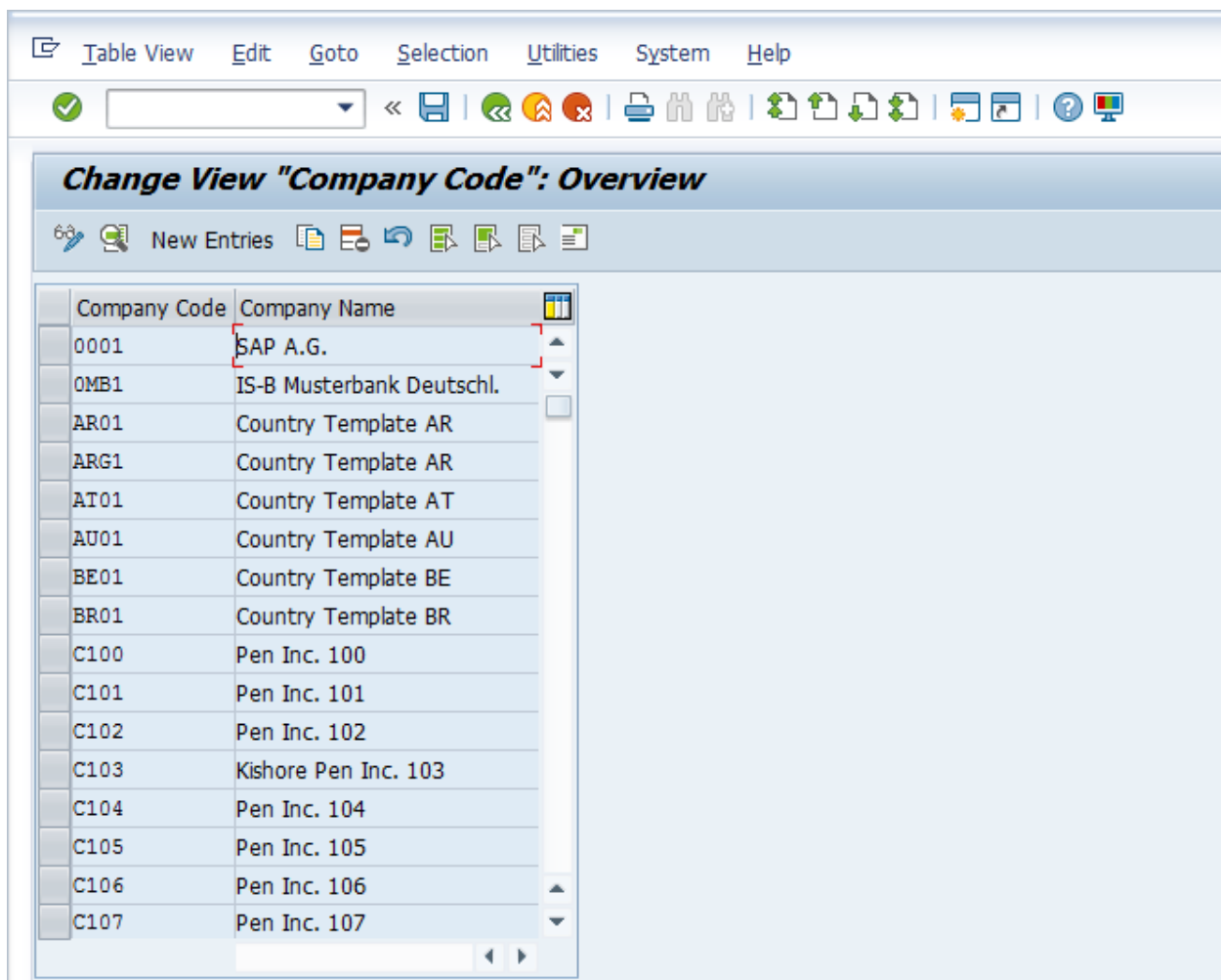
Step 1: Create Company Code

A new company code (D105) is created in the name of “Arun105 Pen Inc. Canada”. A company code is the smallest organizational unit for which accounting can be carried out.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Definition → Financial Accounting → Edit, Copy, Delete, Check Company Code

- Double click on Edit Company Code Data



Enter the following Information:

- Click on “New Entries”
- Enter Company Code: D105
- Enter Company Name: Arun105 Pen Inc. Canada

Enter the following Information in additional data header:

- City = Windsor
- Country = Canada
- Currency = CAD
- Language = EN

Then Select ‘Address’ icon present at the top right

- Enter respective Name, Search term, Street, Postal Code, City, Country key and Region.

Click ‘copy’ ‘save’ and ‘copy’. This saves the details of our new company code.

Step 2: Assign Company Code to Chart of Accounts

Chart of Accounts is a listing of the accounts (assets, liabilities, equity, revenues, and expenses) that are contained in the General Ledger. A chart of Accounts must be assigned to every company code and several company codes can use the same chart of accounts. So we can assign the previously created chart of accounts “C105” to our new company code “D105”.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → General Ledger Accounting (New) → Master Data → G/L Accounts → Preparations → Assign Company Code to Chart of Accounts

Enter the following Information:

- Select your company code: D105
- Chrt/Accts: C105

Hit ‘Save’ so that the previous chart of accounts is assigned to our new company code.

Step 3: Assign Company Code to Fiscal Year Variant

Fiscal Year Variant specifies the accounting fiscal year for reporting purposes. A single fiscal year variant is assigned to each company code. The FYV ‘K1’ is assigned to the company code ‘D105’

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Fiscal Year and Posting Periods → Assign Company Code to a Fiscal Year Variant

Enter the following Information:

- Select your company code: D105

- Fiscal Year Variant: K1 (Cal. Year, 1 Special Period)

Save the information.

Step 4: Create Credit Control Area

The purpose of this step is to create an organizational structure that is used to specify and control the credit limits for customers. A credit control area can include one or more company codes but since the currency has changed for our new company code, we need to create a new credit control area.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Definition → Financial Accounting → Define Credit Control Area

Enter the following information:

- Click on the “New Entries” button
- Cred. contr. Area: D105
- Currency: CAD

Click “Back”

- Description: Pen Inc. Canada Credit Control Dept.105
- Hit ‘save’ to save the data.

Step 5: Assign Company Code to Credit Control Area

Credit Control area is an organizational unit or area of responsibility created to control customer credit limits. Multiple company codes can be assigned to one credit control area. The CCA ‘D105’ is assigned to the company code ‘D105’

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Financial Accounting → Assign company code to credit control area

Enter the following Information:

- Select your company code: D105
- CCAr field: K1 (Cal. Year, 1 Special Period)

Save the information.

Step 6: Assign Permitted Credit Control Areas to Company Code

We can enter additional credit control areas which are allowed for each company code, in addition to this default credit control area.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Account Receivable and Accounts Payable → Credit Management → Credit Control Account → Assign Permitted Credit Control Areas to Company Code

Enter the following Information:

- Click on “New Entries”
- Enter Company Code: D105
- Enter Credit contr. area: Arun105 Pen Inc. Canada

Save the information.

Organizational Structure for Material Management (MM)

Step 7: Define Plant

Since Pen Inc. established a new plant in Canada, we need to define a new plant (D105) in our SAP system.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Definition → Logistics – General → Define, copy, delete, check plant

- Double click on ‘Define Plant’
- Click on “New Entries”

Enter the following Information:

- Plant: D105
- Enter the following data in Detailed Information header:

Set Factory Calendar to ‘Canada’ and then Select ‘Address’ icon present at the top right.

- Enter respective Street, Postal Code, City, Country key and Region.

Click ‘copy’ ‘save’ and ‘copy’. This saves the details of our new company code.

Step 8: Define Storage Locations (Inventory and Quality)

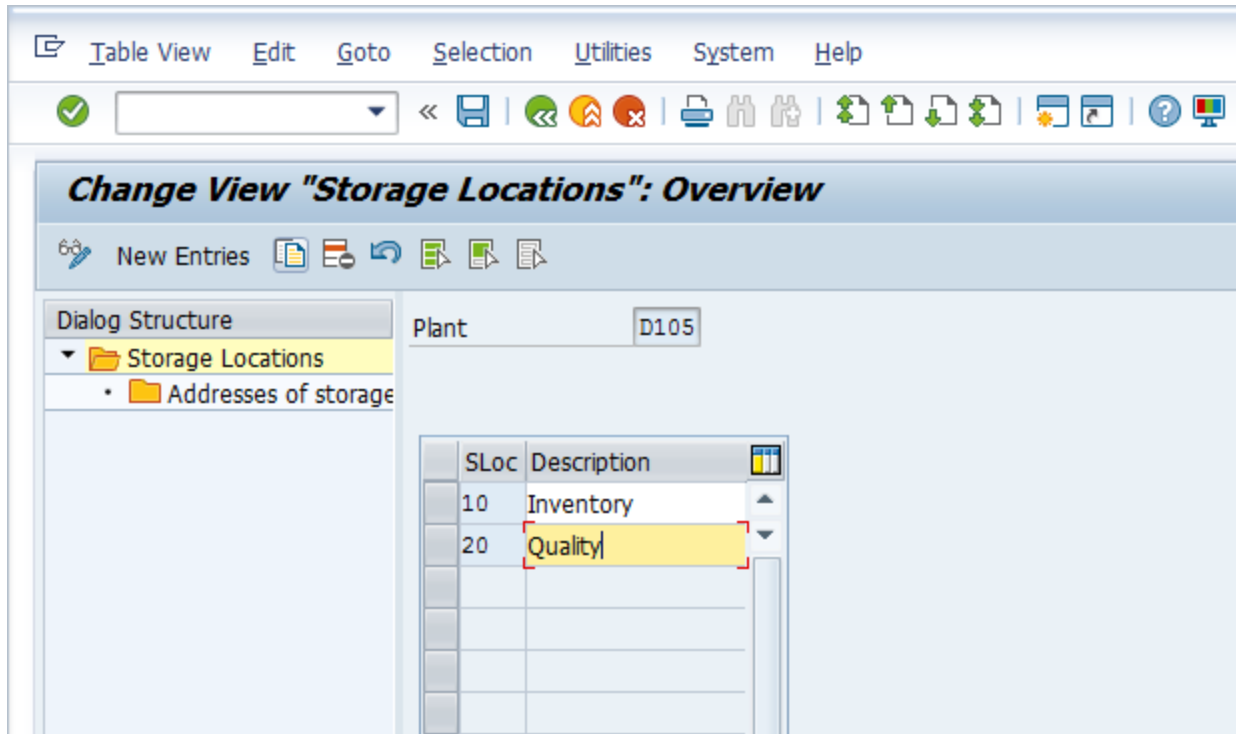
A storage location is a subdivision of a plant where materials are managed. It is a location is where the quantity of inventory is managed not the value. The value is managed at the plant level. A plant can have more than one storage location.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Definition → Materials Management → Maintain storage location

Enter the following Information:

- Plant: D105
- Hit ‘continue’
- Click on “New Entries”



- SLoc: 10
- Description: Inventory
- SLoc: 20
- Description: Quality

Hit 'save' button to Save the entries.

Step 9: Define Purchasing Organization

Purchasing Organization is the Organizational unit responsible for the procurement of materials and services. A purchasing organization can be assigned to more than one plant but we have created a new purchasing organization (D105) as the new plant is located in a different country.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Definition → Materials Management → Maintain purchasing organization

Enter the following Information:

- Click on 'New Entries'
- Purch Organization: D105
- Purch. Org. Descr.: Purchasing Org. Canada105

Hit 'save' button to Save the entries.

Step 10: Assign Plant to Company Code

This is just an assignment activity. This allows the recording or tracking of transactions at the plant level. Each plant must be assigned to a company code and a plant can only belong to one company code.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Logistics – General → Assign plant to company code

Enter the following Information:

- Click on 'New Entries'
- CoCd (Company Code): D105
- Plnt (Plant): D105

Hit Enter and then 'save' button to Save the entries.

Step 11 Assign Purchasing Organization to Company Code

This is just an assignment activity. The assignment can be done differently based on the type of purchasing your organization does.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Materials Management → Assign purchasing organization to company code

Enter the following Information:

- Select your Purchasing Organization D105
- Enter CoCd (Company Code): D105

Hit Enter and then 'save' button to Save the entries.

Step 11 Assign Purchasing Organization to Plant

The need of this exercise is for plant specific purchasing. A purchasing organization can be assigned to one or more plants.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Materials Management → Assign Purchasing Organization to Plant

Enter the following Information:

- Click on 'New Entries'
- POrg (Purchasing Organization): D105
- Plnt (Plant): D105

Hit Enter and then 'save' button to Save the entries.

Financial Accounting (FI) Rules**Step 12 Assign Company Code to Field Status Variant**

A field status variant groups together several field status groups. You assign a field status variant to each company code.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Fields
→ Assign Company Code to Field Status Variants

Enter the following Information:

- Select your Company Code: D105
- Fld stat. var. (Field Status Variant): VPEN

Hit 'save' button to Save the entries.

Financial Accounting (FI) Master Data

Business transactions are posted to the portfolio of General Ledger accounts made available to a company through the assignment of a specific Chart of Accounts. General Ledger accounts are created at the client level. Since we are using a new company code; we need to extend these GL accounts to our new company code. We need to extend few of the following GL accounts to our new company code (not all of these are required),

- Bank Account 100105
- Accounts Receivable Reconciliation Account 110105
- Trading Goods Inventory Account 201105
- Accounts Payable Reconciliation Account 300105
- Goods Receipt / Invoice Receipt Account 310105
- Output Tax Account 320105
- Input Tax Account 321105
- Retained Earnings Account 330105
- Common Stock Account 350105
- Trading Goods Consumption Expense Account 721105
- Utilities Expense Account 750105
- Purchase Price Difference Expense Account 760105
- Information Technology Expense Account 770105
- Miscellaneous Expense Account 781105
- Cost of Goods Sold Expense Account 790105

Step 13: Create General Ledger Account

The same procedure is followed to create or extend the General Ledger Accounts.

Menu Path: Accounting → Financial Accounting → General Ledger → Master Records → G/L Accounts → Individual Processing → Centrally

Enter the following Information:

- G/L Account: _ _ _ 105
- Company Code: D105

Click 'Create' icon

The screenshot shows the 'Change G/L Account Centrally' window in SAP. At the top, there's a menu bar with options like 'G/L account', 'Edit', 'Goto', 'Extras', 'Environment', 'Settings', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area has a header with the title 'Change G/L Account Centrally' and a sub-header with icons and the text 'Edit financial statement version', 'Edit set', and 'Edit cost element'. The 'G/L Account' field is set to '610105' and the 'Company Code' is 'D105'. The 'Account Group' dropdown is set to 'Profit and Loss Accounts'. The 'P&L statement acct' radio button is selected. The 'Short Text' and 'G/L Acct Long Text' fields both contain 'Revenue Deductions'. The 'Trading Partner' field is empty.

Type/Description TAB:

Control in chart of accounts header

- Account Group: Select "Profit & Loss Accounts" or "Balance Sheet accounts" or "Reconciliation Accounts" from dropdown menu
- Select Radio Button: P&L statement acct or Balance Sheet accounts

Description Header:

- Short text: "Enter an Identifiable name in short"
- G/L acct long text: "Enter an Identifiable name"

Control Data TAB

The screenshot shows the 'Change G/L Account Centrally' dialog box in SAP. The 'Control Data' tab is selected. The G/L Account is 610105, Revenue Deductions, and the Company Code is D105 (Arun105 Pen Inc. Canada). The 'Account control in company code' section shows the currency as CAD (Canadian Dollar), with 'Only balances in local crcy' unchecked, 'Tax category' as * (All tax types allowed), and 'Posting without tax allowed' checked. The 'Account Management in Company Code' section shows 'Line item display' checked and 'Sort key' as 001 (Posting date). The 'Joint venture data in company code' section shows the 'Recovery Indicator' as an empty box.

Account control in company code header:

- Currency: CAD
- Tax category: * (all tax types allowed)
- Select: Posting without tax allowed

Account Management in Company Code header:

- Select: Line item display
- Sort Key: 001

Create/bank/interest TAB:

Control of document creation in company code:

- Field status group: ZALL

Hit 'save' button to Save the entries after modifying each GL account.

Step 14: Create Vendor Master Record Centrally

This step extends the three views of the vendor master (general, financial, and purchasing.

Menu path: Logistics → Materials Management → Purchasing → Master Data → Vendor → Central → Create

Enter the following Information:

- Vendor: Vendor Number for Slick Pens
- Company Code: D105
- Purchasing Organization: D105
- Account group: KRED

Hit 'Enter'

Create Vendor: Address

- Name: Already exists
- Search term: Already exists
- Postal code: Already exists
- City: Already exists
- Country: Already exists
- Region: Already exists
- Language: English

Hit 'enter' to forward past views. Only change those are required to be changed

N/A Create Vendor: Accounting Information Accounting

- Recon. Account = 300105

Create Vendor: Payment transactions Accounting

- Payment term = 0001
- Select Check double inv

Create Vendor: Purchasing data

Display Vendor: Purchasing data

Vendor: 100031 Jack Pens 105 Milwaukee

Purchasing Org.: D105 New PurchasingOrg105

Conditions	
Order currency	CAD Canadian Dollar
Terms of payment	0001
Incoterms	
Minimum order value	0.00
Schema Group, Vendor	Standard schema vendor
Pricing Date Control	No Control
Order optim.rest.	

- Order Currency = USD
- Terms of payment = 0001

Hit 'save' which extends the available vendor to the new company code.

Step 15: Initialize the Fiscal Period for Company Code

This allows for the movement of materials and will facilitate your ability to conduct transactions. The current month has to be assigned.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Logistics – General → Material Master → Basic Settings → Maintain Company Codes for Materials Management

Enter the following Information:

- Year: Current Year
- Pe (Period): Enter the current period (1=January; 2=February, etc.)
- Select: ABp (allow posting to previous period)

Hit 'save' button to Save the entries.

Step 16: Maintain Plant Parameters for Materials Management

This step specifies the plant parameters we will need for material requirements planning.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Consumption-Based Planning → Plant Parameters → Carry Out Overall Maintenance of Plant Parameters

- Select: Create
- Enter: Plant: D105
- Select: Create
- Select: Create
- Select: Maintain

It displays the following screen

The screenshot shows the 'Maintain Plant Parameters' screen in SAP. The title bar includes 'Plant Parameters', 'Edit', 'Goto', 'System', and 'Help'. Below the title bar is a toolbar with various icons. The main content area is titled 'Maintain Plant Parameters' and displays the plant 'D105' (highlighted with a red box) and 'In Inc Canada Warehouse105'.

The screen is organized into several sections, each with a set of buttons for different maintenance actions:

- Environment:**
 - Number Ranges: Maintained
- Master Data:**
 - MRP Controllers: Maintained
 - Special Procurement: Initial
 - Floats: Maintained
- Planned Orders:**
 - Conversion POrd->PReq: Maintained
 - Availability Dep Req: Maintained
- Reporting:**
 - Runtime Statistics: Maintained
 - Period Grouping: Initial
- Planning Run:**
 - External Procurement: Maintained
 - Rescheduling: Initial
 - Planning Horizon: Maintained
 - Available Stocks: Initial
 - Error Handling: To maint.
 - Item Numbers: To maint.
 - Start in Past: Initial
- Performance:**
 - Aggregation: MRP List: Initial

Environment

- Select: Number Ranges

Number Ranges

- Select: Planned Orders

Assign no. range 01 to your plant D105 and hit 'Save'

- Select: Reservations/Dependent Requirements, Purchase Requisitions, MRP Lists, Simulative Dep Req.

Assign no. range 01 to your plant D105 and hit 'Save' each time for each entity.

- Select: MRP Controllers
- Select 'New Entries'
- Enter Plant: D105
- MRP Controller: 105
- Description: Arun105

Hit Save and click 'Back' three times.

- Select: Floats
- Select: 'New Entries'
- Enter Plant: D105
- Marg: 105
- Op. Per.: 5
- Fi Bef: 1
- Fi After: 1
- Rel. Per.: 1

Hit Save and click 'Back' two times.

- Select: Planned Orders
- Select: "Availability Dep Req"
- Select Plant: D105
- Avail. Check Rule: PP
- Hit Save and click 'Back'

Reporting:

- Select: Run-time statistics
- Select: Display list
- Frequency: 1
- Hit Save and click 'Back'

Planning Run:

- Select: External Procurement

Plant parameters:

- Select: Scheduling: Info Rec/Agreement
- Schedule lines: 3
- Unknown Acct Assignment: U (Unknown)

Hit Save and click 'Back' two times.

- Select: Planning Horizon
- Planning Horizon: 15

Hit Save and click 'Back' three times.

Step 17: Activate Material Requirements Planning

This step activates MRP

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Consumption-Based Planning → Planning → Activate Material Requirements Planning

Enter the following Information:

- Select: Material Requirements Planning
- Select: Activate requirements planning for your plant

Hit 'Save' to save the information.

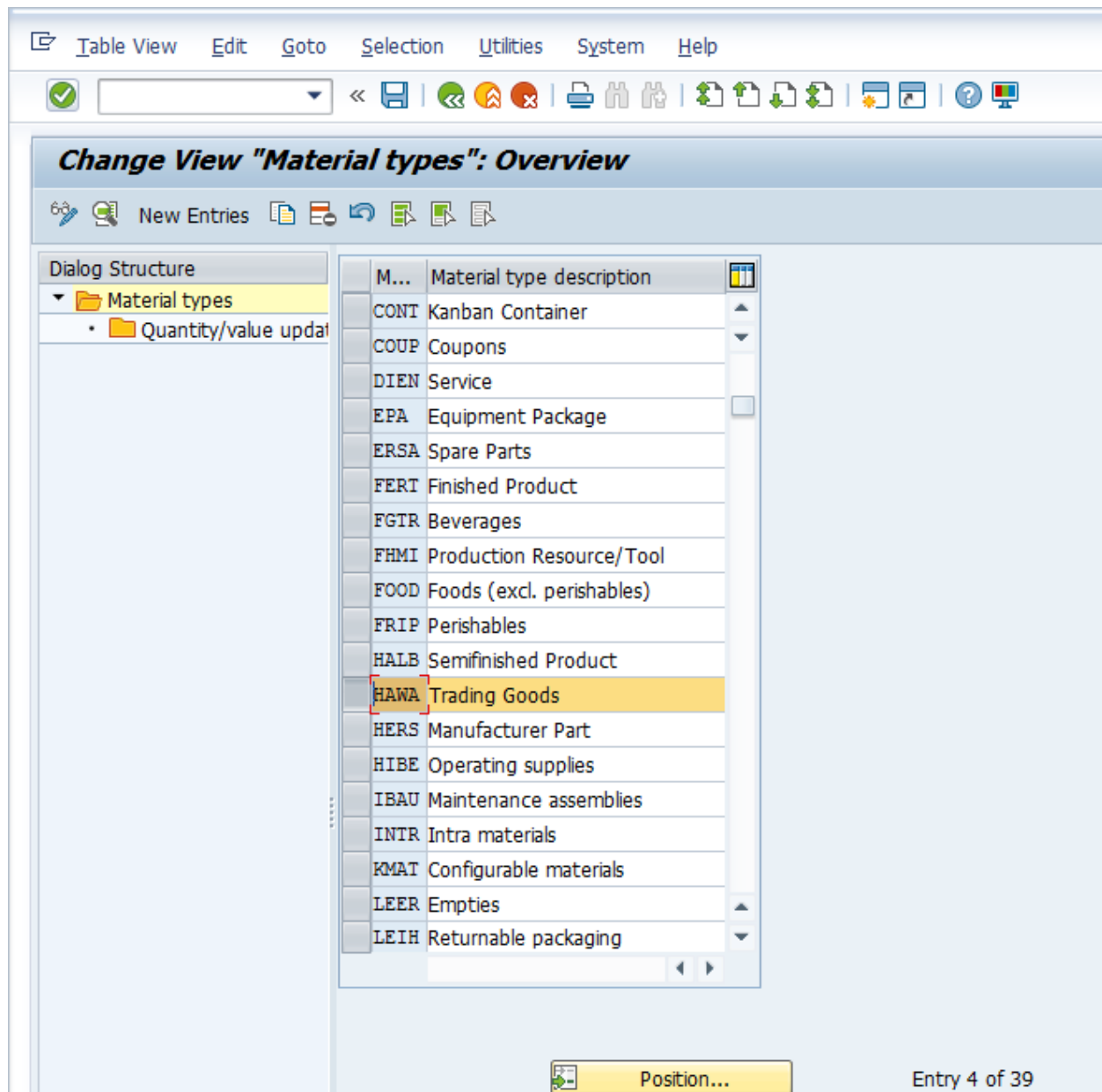
Step 18: Define Attributes for Material Types

The purpose of this exercise is to define the attributes for the material types. The attributes for a material type determine the functions allowed for materials of that category (HAWA, HIBE, etc.). Each material type has specific functions and views required to maintain the data.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Logistics – General → Material Master → Basic Settings → Material Types → Define Attributes of Material Types

- Select: HAWA (Trading Goods)
- Double Click Quantity/value updating



Quantity/value updating					
Val...	Ma...	Qty updati...	Value Upd...	Pipe.mand.	PipeAllowd
D105	HAWA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Qty updating: Select

Value update: Select

Hit 'Save' to save the information.

Step 19: Extend Material Master for Trading Goods

This step will extend the trading good materials that will be necessary for our company. The views required are dependent on the type of material and the functionality required by the company.

Menu Path: Logistics → Materials Management → Material Master → Material → Create (Special) → Trading Goods

First set the defaults:

System Menu: Defaults→ Industry Sector Retail

- Hit 'Enter'

System Menu: Defaults→ Views

Select the following views: Basic data 1, Purchasing, MRP 1, MRP 2, MRP 3, General Plant Data/Storage 1, Accounting 1. (Deselect the Sales Views if selected)

- Select: Create views selected
- Hit 'Enter'

System Menu: Default→ Organization levels

Plant: D105 Copy from plant: P105

- Hit 'Enter'

Enter the following information to create the materials:

Material: PPEN105

- Hit 'Enter'

Note: Most of the details are automatically copied

- **Purchasing View:** Purchasing Group: 105
- **MRP 1 View:** MRP Type: PD
MRP Controller: 105
Lot size: EX
- **MRP 2 View:** Planned Deliv. Time: 6
SchedMargin key: 105
Safety Stock: 10
- **MRP 3 View:** Availability check:02
- **Accounting 1 View:** Value Class: 3100
Moving price: \$3.00
Price Unit: 1

Hit 'Save' to save the information.

Financial Accounting (FI) Rules**Step 20: Assign Posting Period Variant to Company Code**

This is just an assignment step which allows us to assign posting period variant to our newly created company code.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Fiscal Year and Posting Periods → Posting Periods → Assign Variants to Company Code

Enter the following information:

- Find your Company Code: D105
- Variant: V105

Hit 'Save' to save the information.

Step 21: Create Tolerance Groups for Account Postings

This step is to set up the tolerances you will use for the entry of financial accounting (FI) documents.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Financial Accounting Global Settings (New) → Document → Tolerance Groups → Define Tolerance Groups for Employees

Enter the following information:

- Click 'New Entries' button
- Group: Leave blank
- Company Code: D105

Upper limits for posting procedures

- Amount per document: 1,000,000
- Amount per open item account item: 100,000
- Cash discount per line item: 5%

Permitted payment differences

- Revenue: 100 10% 10
- Expense: 100 10% 10

Hit 'Enter' and then 'Save' to save the information.

Step 22: Setup Payment Program

The payment program allows the company to have flexibility in paying bills.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Automatic Outgoing Payments → Payment Method/Bank Selection for Payment Program → Setup All Company Codes for Payment Transactions

Enter the following information:

- Click 'New Entries' button
- Company Code: D105

Hit 'Enter'

- Sending company code D105 (your company code)
- Paying company code D105 (your company code)

Click 'Save' button to save the changes.

Step 23: Create Tolerance Groups for Accounts Receivable and Accounts Payable

This exercise will create tolerance groups that contain rules that affect cash discount and payment difference processing. These rules become effective during payment entry.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Accounts Receivable and Accounts Payable → Business Transactions → Outgoing Payments → Manual Outgoing Payments → Define Tolerances (Vendors)

Enter the following information:

- Click 'New Entries' button
- Company Code D105
- Tolerance group Leave blank
- Tolerance group description NEWDEFAULT105

Permitted Payment Differences

- Gain: Amount 10 & Percent 1
- Loss: Amount 1 & Percent 1

Specifications for Posting Residual Items from Payment Differences

- Select Payment Term from Invoice
- Select Only grant partial cash disc

Hit 'Enter' and then 'Save' to save the information.

Step 24: Create Financial Accounting (FI) Document Numbers

The purpose of this step is to have you establish which number ranges are assigned to the company code. Each document in the system is unique based on Company Code, Fiscal Year, Document Number.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Financial Accounting (New) → Financial Accounting Global Settings (New) → Document → Document Number Ranges → Document in Entry View → Copy to Company Code

Enter the following information:

Source Company Code Details

- Company code US01 (or) C105

Target Company Code Details

- Company code D105

Then click “Execute” and click “Yes” to accept the message.

Material Management Rules

Step 25: Set Default Values for Inventory Management Reservations

This step will enable the system to automatically create a storage location upon goods receipt. The ‘movement allowed’ indicator must be turned on to allow goods movements for reservations. The Days movement allowed limits the goods movements to a specific number of days prior to the reservation date. The Retention period is the number of days after the reservation date the system will hold the reservation before setting the deletion indicator.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Inventory Management and Physical Inventory → Plant Parameters

Enter the following information:

- Click ‘New Entries’ button
- Plant: D105

Goods movements

- Select Create SLoc. automat.
- Select Del. compl. Default

Reservations

- Select Movement Allowed
- Days mvt. allowed 15 days
- Retention period 15 days

Hit 'Save' to save the information.

Step 26: Maintain Purchasing Tolerance Limits

This step is for us to decide how much variation from the data in the purchase order will be allowed.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Purchasing → Purchase Order → Set Tolerance Limits for Price Variance

Enter the following information:

- Click 'New Entries' button
- Tolerance key PE (Price variance: purchasing)
- Company Code D105

Click 'Enter' button

- Select "Do not check" for all limits.

Click 'Next Entry' button to navigate onto the following entries.

- Tolerance key SE (Max. cash disc. deduction purchasing)
- Company Code D105

Click 'Enter' button

- Select "Do not check" for all limits.

Hit 'Save' button to save the changes.

Step 27: Maintain Goods Receipt Tolerance Limits

The purpose of this exercise is for you to decide how much variation from the data in the purchase/production order will be allowed.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Inventory Management and Physical Inventory → Goods Receipt → Set Tolerance Limits

Enter the following information:

- Click 'New Entries' button
- Tolerance key B1 (Order price qty variance (GR)/E-MSG)
- Enter your company code: D105

Click 'Enter'

- Select "Do not check" for all limits.

Click 'Next Entry' button to navigate onto the following entries.

- Tolerance key B2 (Order price qty variance (GR)/W-MSG)
- Company Code D105

Click 'Enter' button

Lower limit Percentage

- Select Check limit
- Tolerance limit 10 %

Upper limit Percentage

- Select Check limit
- Tolerance limit 0 %

Click 'Next Entry' button to navigate onto the following entries.

- Tolerance key VP Moving average price variance
- Company Code D105

Click 'Enter' button

Select "Do not check" for all limits

Hit 'Save' button to save the changes.

Step 28: Maintain Invoice Receipt Tolerance Limits

Similar to above, the purpose of this step is for you to decide how much variation from the data in the purchase order will be allowed.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Logistics Invoice Verification → Invoice Block → Set Tolerance Limits

Enter the following information:

- Click 'New Entries' button
- Tolerance key: Reference table below
- Company Code D105

Click 'Enter' button

- Select "Do not check" for all limits

Hit 'Save' button

Click 'Next Entry' button to navigate onto the following entries.

Description	Tolerance Key
Amount for item without order reference	AN

Amount for item with order reference	AP
Form small differences automatically	BD
Percentage OPUn Variance (IR before GR)	BR
Percentage OPUn Variance (GR before IR)	BW
Exceed amount: quantity variance	DQ
Var. from condition value	KW
Price variance	PP
Price variance: estimated price	PS
Date variance (value x days)	ST

Step 29: Assign Valuation Area Grouping

This exercise has you group together valuation areas and use the same rules for account determination. Within the chart of accounts, you assign the valuation grouping code to the valuation areas you want to assign to the same account.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Valuation and Account Assignment → Account Determination → Account Determination Without Wizard → Group Together Valuation Areas

Enter the following information:

- Assign valuation grouping code to your valuation area
- Val. Grpg Code G105

Hit 'Save' button to save the changes.

Step 30: Set Parameters for Invoice Verification

The objective of this step is to link the company code to the valuation elements within materials management. The Price Carry Over indicates whether price changes in the previous period or previous year are to affect the prices in the current period. If you do not select this field, the price changes in the previous period or previous year have no effect on the prices in the current period.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Valuation and Account Assignment → Configure Price Change in Previous Period

Enter the following information:

- Click 'New Entries' button'
- CoCd (Company Code) D105
- Check: Price carr. Over

Click 'Save' button

Step 31: Create Default Values for Invoice Verification

The purpose of this step is for you to maintain the default values for the tax codes used in invoice verification.

This is a crucial step within this project because Canada doesn't allow XI tax code. So, we need to assign Tax Code **G5 A/P GST 7% PST exempt Ontario**

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Materials Management → Logistics Invoice Verification → Incoming Invoice → Maintain Default Values for Tax Codes

Enter the following information:

- Click 'New Entries' button'
- Company Code: D105

Defaults, domestic:

- Tax Code: G5 A/P GST 7% PST exempt Ontario

Click 'Save' button

This completes the entire setup of Financial Accounting (FI) and Material Management (MM) for our new company code in Windsor, Canada D105. Now we need to implement the Sales and Distribution module in order to perform the Order-to-Cash cycle.

Stage 2 SD**Step 32: Create Sales Organization**

This is the highest level organizational structure in Sales and Distribution. We need a new sales organization (D105) for our new plant in Canada.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Definition → Sales and Distribution → Define, copy, delete, check sales organization

Double click on: Define Sales Organization.

- Select: New Entries
- Sales Organization: D105
- Description: Pen Canada Sales 105

Detailed information

- Address text name ADRS_SENDER
- Letter header text ADRS_HEADER
- Footer lines text ADRS_FOOTER
- Greeting text name ADRS_SIGNATURE

- Sales org.calendar US
- Rebate proc.active Checked

New Entries: Details of Added Entries

68

Sales Organization

Detailed information

Statistics currency

Address text name RefSorg.SalesDocType

Letter header text Cust.inter-co.bill.

Footer lines text Sales org.calendar

Greeting text name

Text SDS sender ☒ Rebate proc.active

ALE : Data for purchase order

Purch. Organization Plant

Purchasing Group Storage Location

Vendor Movement Type

Order Type

Select 'Address' button

- Postal Code 57069
- City Vermillion
- Country US
- Region SD
- Language English

Click 'Copy', 'Save' and then 'Copy' to adopt the changes.

Step 33: Assign Sales Organization to Company Code

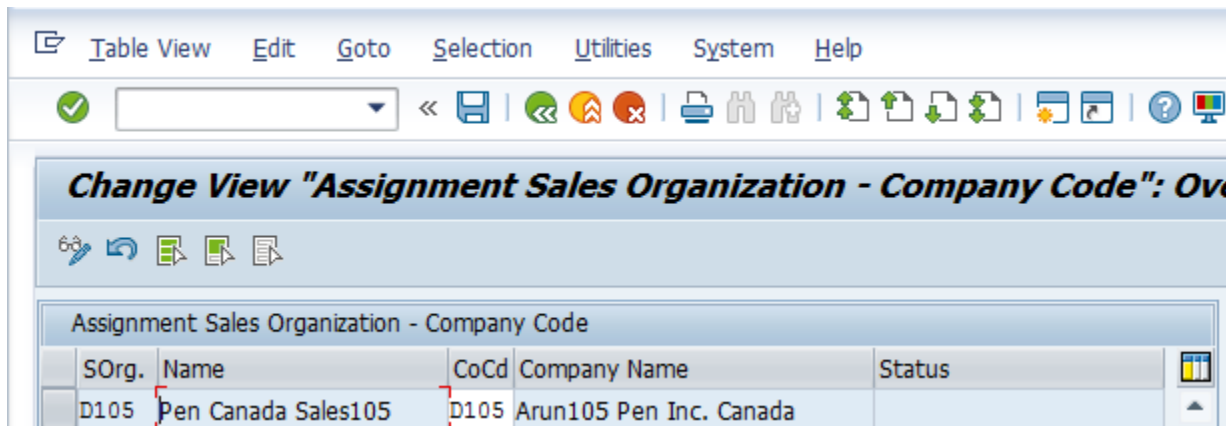
The newly created Sales Org. needs to be assigned to our new company code which integrates our Sales and Distribution with Financial Accounting.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Sales and Distribution → Assign sales organization to company code

Enter the following information:

- Select your sales organization D105
- Assign it to your company code D105



SOrg.	Name	CoCd	Company Name	Status
D105	Pen Canada Sales105	D105	Arun105 Pen Inc. Canada	

Hit 'Enter' and then 'Save'

Step 34: Assign Distribution Channels to Sales Organization

The Distribution Channels were already defined at the Client level. So, we need to assign required distribution channels to our newly defined Sales Organization. Through our Canadian plant, we do Retail and Wholesale business.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Sales and Distribution → Assign distribution channel to sales organization

Enter the following information:

- Click 'New Entries' button.
- SOrg: D105
- DChl: RE

On the next line, enter

- SOrg: D105
- DChl: WH

Click 'Save' button to save the changes.

Step 35: Assign Division to Sales Organization

The division is created at client level so we just need to assign it to our Sales Organization. The division 01 is for the General Products.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Sales and Distribution → Assign division to sales organization

Enter the following information:

- Click 'New Entries'
- SOrg: D105
- Dv: 01

Click 'Save' button to save the changes.

Step 36: Set up Sales Areas

Sales Area is a unique combination of a Sales Organization, a Distribution Channel and a Division. Sales Areas are crucial in pricing.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Sales and Distribution → Set up sales area







Assign all the Distribution channels and Divisions to your Sales Organization as follows:

- Click 'New Entries' button
- SOrg: D105
- DChl: RE
- Dv: 01

On the next line, enter

- SOrg: D105
- DChl: RE
- Dv: 01

Hit 'Enter' and then 'Save' button to save the changes.

Change View "Assignment Sales Org. - Distribution Channel - Division":						
 New Entries     						
Assignment Sales Org. - Distribution Channel - Division						
SOrg.	Name	DChl	Name	Dv	Name	Status
D105	Pen Canada Sales105	RE	Retail	01	Product Division 01	
D105	Pen Canada Sales105	WH	Wholesale	01	Product Division 01	

Step 37: Create Shipping Point

A shipping point is a physical location inside your plant, from which you will ship items. Based on different loading and/or shipping requirements, you can create one or more shipping points to meet your business requirements.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Definition → Logistics Execution → Define, copy, delete, check shipping point

Enter the following information:

Double click on “Define shipping point”

- Select: ‘New Entries’
- Shipping Point D105
- Shipping Point Description: Canada Shipping Point105

Times

- Factory Calendar: Canada

Leave all other fields blank

- Select ‘Address’ icon

Street Address

- Postal Code: N8N 1A1
- City: Windsor
- Country: Canada
- Region: Ontario

Click Copy, Save and then ‘Copy’ to adopt the details.

Step 38: Assign Plant to Sales Organization and Distribution Channel

This step will enable the integration between the Material Management (MM) and the Sales and Distribution (SD) modules. You will need to assign your plant to all combinations of a Sales Organization and a Distribution Channel.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Sales and Distribution → Assign sales organization – distribution channel – plant

Enter the following information:

- Click ‘New Entries’
- SOrg: D105
- DChCust/Mt: RE

- Plnt: D105

On the next line, enter

- SOrg: D105
- DChCust/Mt: WH
- Plnt: D105

Click 'Save' button to save the changes

Step 39: Assign Shipping Point to Plant

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Enterprise Structure → Assignment → Logistics Execution → Assign shipping point to plant

Enter the following information:

- Select your plant by double-clicking D105
- From the pop-up window, select YOUR shipping point to be assigned to your plant



Hit 'Copy' and then 'Save' to adopt the changes.

Sales and Distribution Master Data

Step 40: Create Sales Views for Trading Good PPEN105

This step creates (extends) the trading good materials created in earlier material management steps. These new views for the material masters must now be created (extended) to include the sales views in order to make the materials available for sale. This must be done for both Retail and Wholesale.

Menu path: Logistics → Sales and Distribution → Master Data → Products → Material → Trading Goods → Create

Defaults → Organization levels...

- Company Code D105 Copy from: C105
- Plant D105 Copy from: P105
- Sales Org D105 Copy from: S105

- Distr Channel RE Copy from: RE

Click Continue

System Menu: Defaults → Views...

Select the views: Sales: Sales Org. Data 1
Sales: Sales Org. Data 2
Sales: General/Plant Data

- Click Continue

Material: PPEN105

- Click 'Enter'

Sales: Sales org. 1 Tab:

General data: Division 01 (General Products)

Delivering Plant D105

Tax Data: Tax Jurisdiction Code UTXJ 0 (Exempt)

County Sales Tax UTX2 0 (Exempt)

City Sales Tax UTX3 0 (Exempt)

- Hit 'Enter'

Sales: sales org. 2 Tab

Grouping terms: Mat. Statistics Group 1 ("A" materials)

- Hit 'Enter'

Sales: General/Plant Tab

Shipping data (time in days) Trans. grp.: 0001 Pallets (for route determination)

Loading Grp.: HAND Load by Hand (for shipping point determination)

Click 'Save' button and follow the same procedure for Wholesale views as well.

Step 41: Create Sales Revenue GL Account

This step will have you create the two general ledger accounts you will need to record revenues and discounts from revenues.

Menu Path: Accounting → Financial Accounting → General Ledger → Master Records → G/L Accounts → Individual Processing → Centrally

Enter the following Information:

- G/L Account: 600105
- Company Code: D105

Click 'Create' icon

Type/Description TAB:

Control in chart of accounts header

- Account Group: Select "Profit & Loss Accounts" from dropdown menu
- Select Radio Button: P&L statement acct

Description Header:

- Short text: Sales Revenue
- G/L acct long text: Sales Revenue

Control Data TAB

Account control in company code header:

- Currency: CAD
- Tax category: * (all tax types allowed)
- Select: Posting without tax allowed

Account Management in Company Code header:

- Select: Line item display
- Sort Key: 001

Create/bank/interest TAB:

Control of document creation in company code:

- Field status group: ZALL

Hit 'save' button to Save the entries after modifying each GL account.

Step 42: Create Sales Revenue Deductions Account

To process billing we will need Profit & Loss Statement accounts for Sales Revenue and Sales Discounts

Menu Path: Accounting → Financial Accounting → General Ledger → Master Records → G/L Accounts → Individual Processing → Centrally

Enter the following Information:

- G/L Account: 610105
- Company Code: D105

Click 'Create' icon

Type/Description TAB:

Control in chart of accounts header

- Account Group: Select "Profit & Loss Accounts" from dropdown menu
- Select Radio Button: P&L statement acct

Description Header:

- Short text: Revenue Deductions
- G/L acct long text: Revenue Deductions

Control Data TAB

Account control in company code header:

- Currency: CAD
- Tax category: * (all tax types allowed)
- Select: Posting without tax allowed

Account Management in Company Code header:

- Select: Line item display
- Sort Key: 001

Create/bank/interest TAB:

Control of document creation in company code:

- Field status group: ZALL

Hit 'save' button to Save the entries after modifying each GL account.

Step 43: Create Customer

Pen Inc. has a customer "Chrysler Canada105" who needs to be entered onto our SAP system, which is done in this step. In Sales and Distribution (SD), "Create Complete" indicates that you want to create the General Data, Company Code (FI) and Sales and Distribution views at the same time.

Menu Path: Logistics → Sales and Distribution → Master Data → Business Partner → Customer → Create → Complete

Enter the following information:

- Account group: Sold-to party
- Customer: (Leave blank)
- Company code: D105

Sales Area:

- Sales Organization D105
- Distribution Channel: RE
- Division 01

Click “continue”

Address TAB:

Name

- Name: Chrysler Canada105

Search term

- Search Term: 105

Street Address

- Postal Code: Customer’s zip code
- City: Customer’s city
- Country: US
- Region: Customer's State
- Transportation zone Enter appropriate Transportation zone (used for route determination)

Communication

- Language: English

Control data TAB:

Account control: Select “Company Code Data”

Account Management TAB:

- Recon. account Enter your A/R reconciliation account number (110_ _ _)
- Sort key 001 (posting date)

Payment transactions TAB:

- Terms of payment 0001 (Payable immediately, Due net)

Select ‘Sales Area Data’

Sales TAB:

- Currency: USD
- Cust.pric.proc. 1 (standard)
- Cust. Stats. Grp 1 “A” material. (helps determine which data are updated in the LIS)

Shipping TAB:

- Delivery priority: 02 (normal item)

- Order Combination: Selected (default)
- Shipping Conditions: 01 (standard)
- Delivering Plant: D105
- Max.part.deliveries 3 (9 is the default)

Billing Document TAB:

- Incoterms: FOB, Origin Shipping Dock (note the both are necessary)
- Payment terms: 0001
- Acct assgmt group: 01 (Domestic Revenues)
- Tax Classification: 0 (for all 3 tax categories)

Click Save to save the data. Thus, a new Canadian customer is created in our system

Step 44: Create Customer Specific Material Price

In this exercise, you will create a special price that a specific customer receives for a specified validity period.

Menu Path: Logistics → Sales and Distribution → Master Data → Conditions → Create → Prices → Individual Prices

Enter the following information:

- Select **CnTy SOrg. DChl Customer Material ReSt**
- Sales Organization: D105
- Distribution Channel: RE
- Customer: Chrysler Canada105

Then enter the following information in the table

- (Co) Condition: PR00
- Material: PPEN105
- Amount: \$8
- Valid From: 21st April 2017
- Valid to: 21st June 2017

Hit 'Enter' and then 'Save' to save the information.

Step 45: Establish Credit Limit for Customers

The purpose of this exercise is to establish credit limits for your customers. Each customer has an established credit limit. How the system reacts to a customer that has exceeded the credit limit you established is determined in configuration. The current setting is to provide a warning message, but not stop the processing of an order or delivery.

Menu Path: Logistics → Sales and Distribution → Credit Management → Master Data → Change

Enter the following information:

- Customer Customer # for The Rushmore Group, LLC
- Credit control area D105
- Check the following: Overview
Central Data
Status

Hit 'Enter' and forward the page till the following tab is reached,

Customer Credit Management Change: Central Data

- Total amount 5000
- Individual limit 5000
- Currency CAD

Customer Credit Management Change: Status

- Credit Limit: 5000

Hit 'Save' to save the information.

Step 46: Assign Sales Areas to Pricing Procedure

The purpose of this step is to link your sales area to a pricing procedure. The RVAJUS pricing procedure is the standard USA pricing procedure with jurisdiction code. The pricing procedure which will be discussed in detail in the next Chapter is the manner in which prices are assigned to individual line items in your order as well as discounts, surcharges, etc.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Sales and Distribution → Basic Functions → Pricing → Pricing Control → Define and Assign Pricing Procedures

Double click on Define Pricing Procedure Determination

Enter the following information:

- Select 'New Entries' and enter "RVAAPC" as pricing procedure.

Hit 'Enter' and then 'Save' to save the information.

Step 47: Create Shipping Point Determination

In this exercise you will create the table that will determine the shipping point to be used in your plant. While you have only created one shipping point, you still need to create the determination table.

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Logistics Execution → Shipping → Basic Shipping Functions → Shipping Point and Goods Receiving Point Determination → Assign Shipping Points

Enter the following information:

- Select “New Entries” and enter the following information

SC	LGrp	Plnt	PrShP	MShPt	MShPt	MShPt	MShPt	MShPt	MShPt	MShPt	MShPt	MShPt
01	CART	D105	D105									

Hit ‘Enter’ and then ‘Save’ to save the changes

Step 48: Create Revenue Account Assignment Key

This exercise creates the automatic posting of revenues when the billing document is created. At time of billing revenues are posted to the General Ledger Account. Which account to be posted is determined by a combination of the Sales Organization, The Account assignment key and The Account Assignment Group (Customer Master)

Menu Path: Tools → Customizing → IMG → Execute Project → SAP Reference IMG

Sales and Distribution → Basic Functions → Account Assignment/Costing → Revenue Account Determination → Assign G/L Accounts

- Select Table 2: “Cust. Grp/Account Key”
- Click “Choose” and enter the following information

A...	CndTy.	ChAc	SOrg.	CGr	ActKy	G/L Account	Provision acc.
V	KOFI	C105	D105	01	ERL	600105	
V	KOFI	C105	D105	01	ERS	610105	

Hit ‘Enter’ and then ‘Save’ to save the changes

Stage 3: TRANSACTIONS**Step 1: Create Purchase Order for Slick Pens**

This step creates a Purchase Order from a known supplier (Slick Pens) from our new company code D105

Menu Path: Logistics → Materials Management → Purchasing → Purchase Order → Create → Vendor/Supplying Plant Known

Enter the following information:

- Vendor: Enter Vendor number for Slick Pens105

S.	Itm	A	I	Material	Short Text	PO Quantity	O...	C	Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plnt	Stor. Location
10				PPEN105	Premium Pen	100	EA	D	04/25/2017	3.00	CAD	1	EA	Material gro...	Pen Inc Canada W...	B
											CAD					
											CAD					
											CAD					
											CAD					
											CAD					
											CAD					
											CAD					
											CAD					
											CAD					
											CAD					

- Purchase 100 PPEN105 using the above details and hit 'Save' button.
- Note the Purchase Order Number.

Step 2: Create a Goods Receipts for the Purchase Orders

The purpose of this step is to receive the stock items into inventory that were ordered from Slick Pens.

Menu Path: Logistics → Materials Management → Inventory Management → Goods Movement → Goods Receipt → For Purchase Order → GR for Purchase Order (MIGO)

- Enter the PO number 4500000016 (next to the Purchase order field)
- Click "Execute" button
- Ensure each line item OK is checked
- SLoc (Storage Location): 10 (Inventory)

- Select Post or Save

This confirms that we have received the items into our inventory.

Step 3: Create an Invoice Receipts from Vendor

The purpose of this step is to record the information from the invoice sent to us by the vendor Slick Pens.

Menu Path: Logistics → Materials Management → Logistics Invoice Verification → Document Entry → Enter Invoice

Enter the following information:

Basic data Tab:

- Invoice date: 21st April 2017
- Company Code: D105
- Purchase Order: 4500000016

Hit “Enter”

- Enter Amount: \$300

Enter Incoming Invoice: Company Code D105

Hide PO structure Show worklist Hold Simulate Messages Help

Display - PO structure Qty

- Slick Pens 105
 - 4500000016
 - 10 Premium Pen
 - Goods recpts
 - Invoices

Transaction Invoice

Balance 0.00 CAD

Basic Data Payment Details Tax Contacts Note

Invoice date 04/24/2017 Reference

Posting Date 04/24/2017

Amount 300 CAD Calculate tax

Tax Amount Tax Amount IO (A/P 0%)

Text

Paymt terms Due immediately

Baseline Date 04/24/2017

Company Code D105 Arun105 Pen Inc. Canada Windsor

PO Reference

Purchase Order/Scheduling Agreement 4500000016

Goods/service items

Layout All information

Item	Amount	Quantity	O...	Purchase ...	Item	PO Text	Tax Code
1	300	100	EA	4500000016	10	Premium Pen	IO (A/P

Click “Post” to post the invoice document.

Step 4: Post Payments to Vendors

The purpose of this exercise it to make payment to the vendor Slick Pens105 for the goods received.

Menu Path: Accounting → Financial Accounting → Accounts Payable → Document Entry → Outgoing Payment → Post

Enter the following information:

Document Date: 21st April 2017

Bank data: Account 100105 (Bank – Checking)

Amount: \$300

Open items selection

- Account: (# for Slick Pens105)

Document				Edit		Goto		Settings		System		Help	
<div> <input type="text"/> </div>				<div> </div>		<div> </div>		<div> </div>					
<h3>Post Outgoing Payments: Header Data</h3>													
<div>Process Open Items</div>													
Document Date	<input type="text" value="04/24/2017"/>	Type	<input type="text" value="KZ"/>	Company Code	<input type="text" value="D105"/>								
Posting Date	<input type="text" value="04/24/2017"/>	Period	<input type="text" value="4"/>	Currency/Rate	<input type="text" value="CAD"/>								
Document Number	<input type="text"/>			Translatn Date	<input type="text"/>								
Reference	<input type="text"/>			Cross-CC no.	<input type="text"/>								
Doc.Header Text	<input type="text"/>			Trading Part.BA	<input type="text"/>								
Clearing text	<input type="text"/>												
<div>Bank Data</div>													
Account	<input type="text" value="100105"/>			Business Area	<input type="text"/>								
Amount	<input type="text"/>			Amount in LC	<input type="text"/>								
Bank charges	<input type="text"/>			LC bank charges	<input type="text"/>								
Value Date	<input type="text"/>			Profit Center	<input type="text"/>								
Text	<input type="text"/>			Assignment	<input type="text"/>								
<div>Open Item Selection</div>							<div>Additional Selections</div>						
Account	<input type="text" value="100031"/>			<input checked="" type="radio"/> None									
Account Type	<input type="text" value="K"/>	<input type="checkbox"/> Other accounts		<input type="radio"/> Amount									
Special G/L ind	<input type="text"/>	<input checked="" type="checkbox"/> Standard OIs		<input type="radio"/> Document Number									
Pmnt advice no.	<input type="text"/>			<input type="radio"/> Posting Date									
<input type="checkbox"/> Distribute by age				<input type="radio"/> Dunning Area									
<input type="checkbox"/> Automatic search				<input type="radio"/> Others									

Select “Process Open Items”

Review the balance. Choose the invoice you wish to make payment against by double clicking on the USD Gross amount. Ensure “Not assigned” field equals zero.

Hit ‘Save’ to save the document which completes the Procurement process.

Now We need to sell PPEN105 to our new Canadian customer who placed an order with us.

Step 5: Create Sales Order

This step will have you create a sales order for 10 PPEN105 by “Chrysler Canada105”

Menu Path: Logistics → Sales and Distribution → Sales → Order → Create

Enter the following information:

- Order type: OR

Organizational Data

- Sales Organization: D105
- Distribution channel: RE
- Division: 01

Hit ‘Enter’

- Sold-to party Customer # for Chrysler Canada105
- PO Number: 144-123
- PO date: 24th April 2017

Sales TAB

- Req. deliv. Date: 25th April 2017

Enter the following Information: Material: PPEN105

QTY: 10

Create Standard Order: Overview

Standard Order: Net value: 80.00 CAD

Sold-To Party: 628 Chrysler Canada105 / One Riverside Drive / Windsor ON N9A 5...

Ship-To Party: 628 Chrysler Canada105 / One Riverside Drive / Windsor ON N9A 5...

PO Number: 144-123 PO date: 04/24/2017

Sales | Item overview | Item detail | Ordering party | Procurement | Shipping | Reason for rejection

Req. deliv.date: D 04/24/2017 Deliver.Plant:

☐ Complete div. Total Weight: 20 OZ

Delivery block: Volume: 0.000

Billing block: Pricing date: 04/24/2017

Payment card: Exp.date:

Card Verif.Code:

Payment terms: 0001 Pay immediately w/o deduction

Incoterms: FOB Origin Shipping Dock

Item	Material	Order Quantity	Un	S	Description	Customer Material Numb	ItCa	DGIP	HL	Itm	D	First date	Plnt	Batch
10	PPEN105	10 EA			Premium Pen		TAN				D	04/24/2017	D105	
											D	04/24/2017		
											D	04/24/2017		
											D	04/24/2017		

Hit 'Enter' and then 'Save' to save the information.

Step 6: Create Delivery Note for Sales Order

The purpose of this exercise is to create a delivery based on the customer's order. Creating the delivery brings your order to the point where stock availability is re-determined, and the quantity of ordered items are moved to a scheduled for delivery stock status.

Menu Path: Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Create → Single Document → With Reference to Sales Order

Enter the following information:

- Shipping point: D105

Sales order data

- Selection date: 28th April 2017
- Order: 14

Hit 'Enter' which brings up all the details of the order.

Picking Tab:

- Enter the Storage location for each item
- Sloc: 10 (Inventory)

Hit "Save" button which creates the delivery document number.

Step 7: Picking Materials on Delivery Note

The purpose of this exercise is to pick the materials. The delivery note indicates the quantity of the proposed materials per delivery.

Menu Path: Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Change → Single Document

Enter the following information:

- Outbound Delivery: 80000013

Hit 'Enter'

Picking Tab

- Enter Pick quantity to match the proposed delivery quantity (10)
- Picked Qty = Deliv. Qty (10)

Hit 'Save' which changes the document previously created.

Step 8: Post Goods Issue

This exercise will have you post goods issue. Post goods issue reduces unrestricted stock to reflect the inventory shipped. This is the time at which the ownership of the goods changes from you to the customer. These goods have left your plant and are now owned by your customer. Both inventory and costs of goods sold are impacted by this transaction.

Menu Path: Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Change → Single Document

Enter the following information:

- Outbound Delivery: 14

Select "Post goods issue"

The screenshot shows the SAP 'Change Outbound Delivery' dialog box. The title bar includes 'Outbound Delivery', 'Edit', 'Goto', 'Extras', 'Environment', 'Subsequent Functions', 'System', and 'Help'. Below the title bar is a toolbar with various icons. The main area of the dialog has a header 'Change Outbound Delivery' and a sub-header 'Post Goods Issue'. In the main area, there is a field labeled 'Outbound Delivery' which contains the value '14'. To the right of this field is a magnifying glass icon.

This makes changes to the delivery note.

Step 9: Bill Customer

This exercise will create the billing document for the customer. It is at this time when the revenue is recognized and posted to the general ledger. Once the post goods issue has been completed, you can bill your customer for those goods.

Menu Path: Logistics → Sales and Distribution → Billing → Billing Document → Create

The system will default the last delivery document created.

- Click “Execute” button.

The system displays the customer and the materials on the delivery with total values to be billed

- Record the total amount billed to the customer: \$80

Hit ‘Save’ so that a billing document is created.

Step 10: Post Receipt of Customer Payment

This exercise will see your customer paying the invoice you created in the billing exercise. The payment will be posted to the general ledger accounts. This entry will increase the bank account and reduce the customers account receivable balance as well as the account receivable reconciliation account.

Menu Path: Accounting → Financial Accounting → Accounts Receivable → Document Entry → Incoming Payment

Enter the following information:

- Document Date: 24th April 2017
- Company Code: D105
- Currency/Rate: CAD

Bank data:

- Account: 100105
- Amount: \$80 (from sales order)

Open item selection

- Account: Customer # for “Chrysler Canada105”

Document Edit Goto Settings System Help			
<div> <input type="text"/> </div>			
Post Incoming Payments: Header Data			
Process Open Items			
Document Date	04/24/2017	Type	DZ
Posting Date	04/24/2017	Period	4
Document Number		Company Code	D105
Reference		Currency/Rate	CAD
Doc.Header Text		Translatn Date	
Clearing text		Cross-CC no.	
		Trading Part.BA	
Bank Data			
Account	100105	Business Area	
Amount	80	Amount in LC	
Bank charges		LC bank charges	
Value Date		Profit Center	
Text		Assignment	
Open Item Selection		Additional Selections	
Account	628	<input checked="" type="radio"/> None	
Account Type	D <input type="checkbox"/> Other accounts	<input type="radio"/> Amount	
Special G/L ind	<input checked="" type="checkbox"/> Standard OIs	<input type="radio"/> Document Number	
Pmnt advice no.		<input type="radio"/> Posting Date	
<input type="checkbox"/> Distribute by age		<input type="radio"/> Dunning Area	
<input type="checkbox"/> Automatic search		<input type="radio"/> Others	

Select “Process Open Items”

Double click on “USD gross” amount for the Customer Invoice until “Not assigned” is \$ 0.00

Click “Post” in order to record the incoming payment and conclude the Sales and Distribution cycle.

Document flow for the above Sales Order

Document flow Edit Goto Environment System Help

Document Flow

Status overview Display document Service documents Additional links

Business partner 0000000628 Chrysler Canada105

Document	On	Status
Standard Order 0000000014	04/21/2017	Completed
Outbound Delivery 0080000013	04/21/2017	Completed
• Picking request 20170421	04/21/2017	Completed
• GD goods issue:delvy 4900000232	04/21/2017	complete
• Invoice 0090000013	04/21/2017	Completed
• Accounting document 0090000000	04/21/2017	Cleared

This flow indicates that the Sales Order is fulfilled.

References

- BIS 658 Exercises
- BIS 658 Power Point Handout
- BIS 658 Lecture Videos