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| **Internal and Confidential**  **Specification for Proof-of-Delivery on Revenue Accounting Engine**  **PR 30174**  **Working Version**  **Changed on 01.22.2017** |

| **Users who have change authorization in the Working Version** | |
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| \*A list of all users and their roles can be found in the Appendix | |

**Document Versions**

| **Version** | **Status** | **Created By** | **Created On** | **Remark** |
| --- | --- | --- | --- | --- |
| [Work](https://ifp.wdf.sap.corp/sapspec?prefix=PR&id=00000000000000030174&version=work&sap-language=EN&sap-syscmd=nocookie) | Document Created | I042117 | 01.02.2017 | Print Preview of Working Version |

**Table of Contents**

[1 Software Requirements 4](#_Toc473896163)

[1.1 Functional Requirement to Sender component 4](#_Toc473896164)

[Reference to specification: 4](#_Toc473896165)

[1.2 Functional Requirements to Revenue Accounting Engine 4](#_Toc473896166)

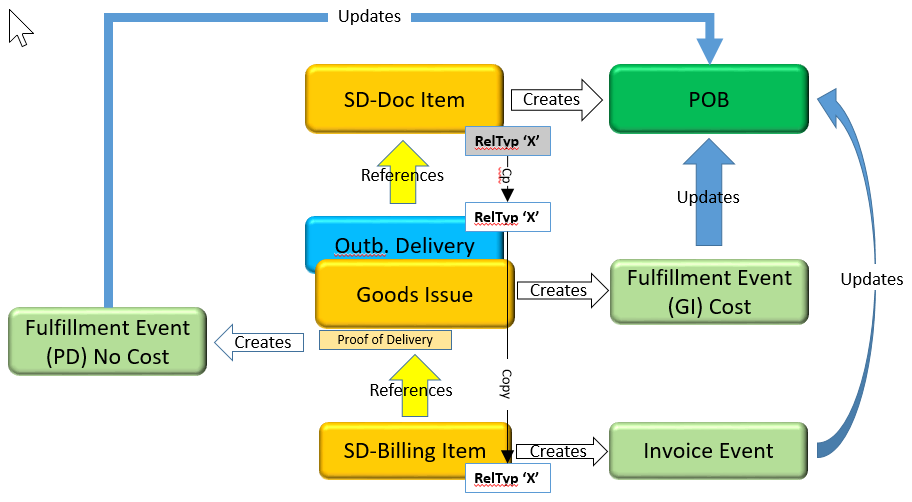
[2 Appendix (generated) 6](#_Toc473896167)

# Software Requirements

## Functional Requirement to Sender component

## Reference to specification:

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Key requirements:

* Sender component will create new fulfillment event type ‘PD’(Proof of Delivery).
* POB with event type ‘PD’ recognize revenue and cost at event PD
* The quantity of confirmed Proof of Delivery can be changed.
* Quantity difference shall adjust the quantity of performance obligation.

## Functional Requirements to Revenue Accounting Engine

**REQ #1: Engine shall have new event type 'PD'(Proof of Delivery).**

Event type ‘PD’ will be a new event type in customizing table FARR\_C\_EVNT\_TY delivered by SAP.

**REQ #2: POB with event type 'PD' shall always be quantity relevant ->**

**nice to have: POB with event type of PD can be value relevant. This means the POB has a billing plan and the quantity difference on the POD does not adjust the quantity and amount of the POB at POD.->effort?**

**REQ #3: POB with event type 'PD' shall post cost correction from Goods Issue which is sent to Engine using the amount carried by Goods Issue.**

**REQ #4: Engine shall recognize revenue at Proof of Delivery using the quantity on Proof of Delivery**

Once sender component sends 'PD' as a fulfillment RAI, Revenue Accounting with event type 'PD' shall recognize revenue using the Quantity on fulfillment entries

**REQ #5: Engine shall be able to adjust the fulfilled quantity and recognized revenue if the quantity of confirmed Proof-of-Delivery is changed.**

If sender component has changed the quantity of a confirmed Proof-of-Delivery, RAR shall adjust the recognized revenue base on the changed quantity.

When the quantity of confirmed Proof of Delivery is changed, sender component (SD) always sends the latest total value instead of with a new fulfillment RAI with delta quantity.

**Boundary condition:**

SD can only update the existing source doc id(POD)

There must be a new fulfillment entry in FARR\_D\_FULFILLMENT as the change may happen at different period.

A new RAI is created with the same source doc id.

This new fulfillment entry in FARR\_D\_FULFILLMENT contains the delta information.

RAIs must be processed in time in the period.

**Options:**

There are 2 options on ARL and Revenue Accounting Engine (RAE).

**Option 1**: ARL create a new fulfillment RAI with delta quantity and Engine will also create a new entry in FARR\_D\_FULFILLMENT.

**Option 2**: ARL create a new fulfillment RAI with total quantity and Engine do the delta handling.

**REQ #6: RAR shall recognize cost at Proof of Delivery based on the cost correction of the Goods Issue related to Proof of Delivery.**

With this requirement, it requires that each Proof of Delivery need a relationship with Goods Issue event.

RAR recognize cost using the delta of total amount of planned cost \*(poc of revenue = fulfilled quantity/total effective POB quantity (adjusted quantity by POD))

Planned cost shall still use the current formula. It is adjusted by the actual cost per quantity from goods issue \* total quantity.

**Examples to be specified:**

1. **No planned cost adjustment**
2. **Planned cost is changed by goods issue**
3. **Over delivery scenario**

RAR shall adjust the planned total cost if cost of each quantity on Goods Issue is different than the planned cost of each quantity

**REQ#7: Timing to adjust quantity difference from PoD and Goods Issue.**

It is possible that the quantity confirmed by Proof of Delivery is different than the quantity of Goods Issue. Ideally the difference shall be adjusted at Proof of Delivery, however, as the confirmation of the Proof of Delivery can be changed, the adjustment on quantity difference can also be adjusted at billing of the Proof of Delivery. Therefore, there are 2 options on the timing to adjust quantity difference.

**Option 1: Adjust quantity difference at each Proof-of-Delivery**

This option requires that each PoD has a relationship to the Goods Issue, or the PoD event shall carry the information of quantity difference/delivered quantity.

The shortage of this option is that a frequent change of Proof-of-Delivery may leads to unnecessary change of estimates on Revenue Account Engine, which leads to price reallocation.

**Option 2: Adjust quantity difference at each billing of the Proof-of-Delivery**

At each billing, the quantity on the billing is used to as a ‘final’ quantity of Proof of Delivery confirmation and quantity difference is adjusted at billing.

Option 2 is preferred.

**Some design Idea**:

* Invoice and fulfillment has a relationship table or at billing delivery quantity is used.
* Add customizing in event type: Allow adjust quantity difference between delivery quantity/fulfilled quantity
* Add new column in invoice table to indicate delivered quantity(or difference)

# Appendix (generated)

| **Assigned Users** | |
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| **Role** | **Name** |
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