

SAP MM - VALUATION

http://www.tutorialspoint.com/sap_mm/sap_mm_valuation.htm

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Procurement process starts with creating purchase order and ends with invoice verification. In the whole process one of the important parts is material valuation. In procurement process while creating purchase orders material price is a mandatory field and it is automatically determined. This happens because material valuation is maintained in SAP system in material master. Material valuation represents integration between MM & FI *Financial Accounting* modules since it updates the general ledger accounts in financial accounting. The key points about material valuation are as follows.

- Material valuation helps to determine the price of material and for which general ledger account it needs to be posted in financial accounting.
- Material valuation can happen at company code level or plant level.
- Material can be valued based on different types of procurement and this is known as split valuation. Normally split valuation is used to value material in same valuation area *company or plant* differently. Split valuation is described in detail in below context.

Split Valuation

Split valuation enables you to value stocks of a material in the same valuation area *company or plant* differently. Some of the examples where split valuation is required are as follows.

- Stock that is procured externally from vendor has a different valuation price than the stock of in-house production.
- Stock obtained from one vendor is valued at a different price than stock obtained from another vendor.
- Same material having different batch may have different valuation prices.

Split Valuation needs to be activated before setting any other configuration. Split valuation can be activated by following the below steps.

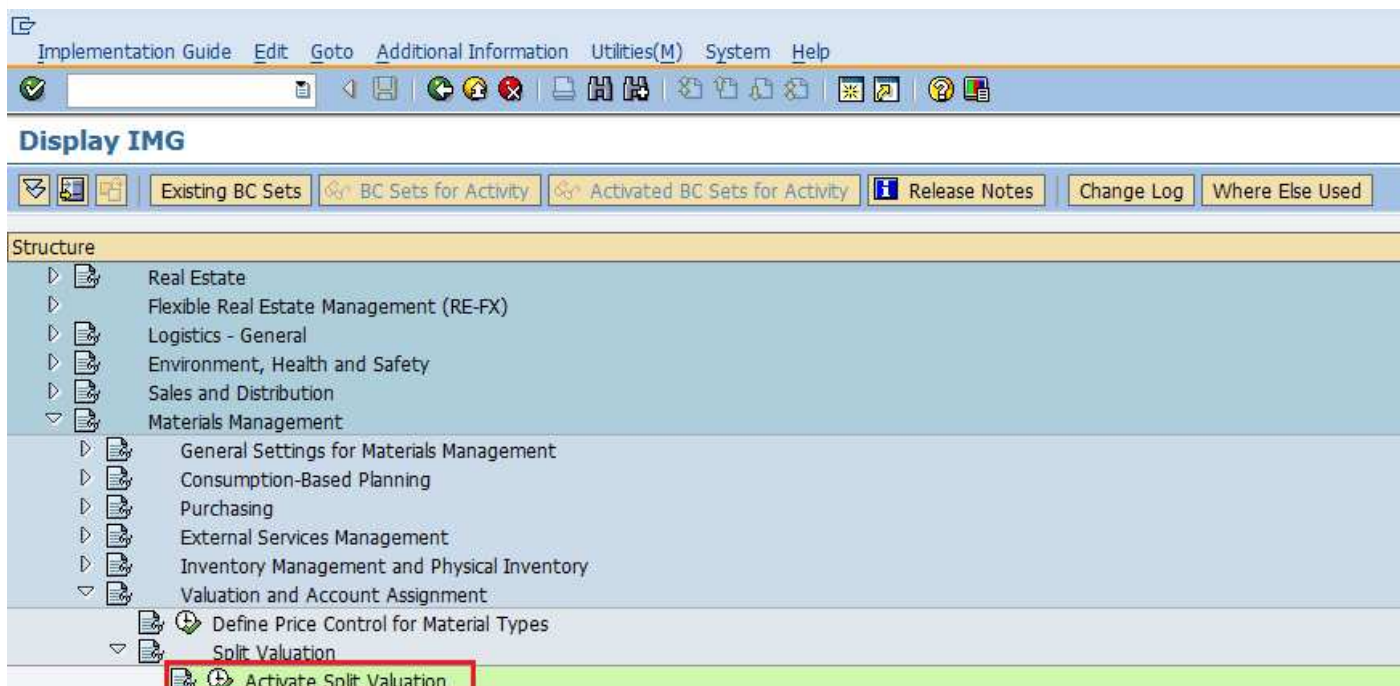
Path to Activate Split Valuation:

IMG => Materials Management => Valuation and Account Assignment => Split Valuation =>

Activate Split Valuation

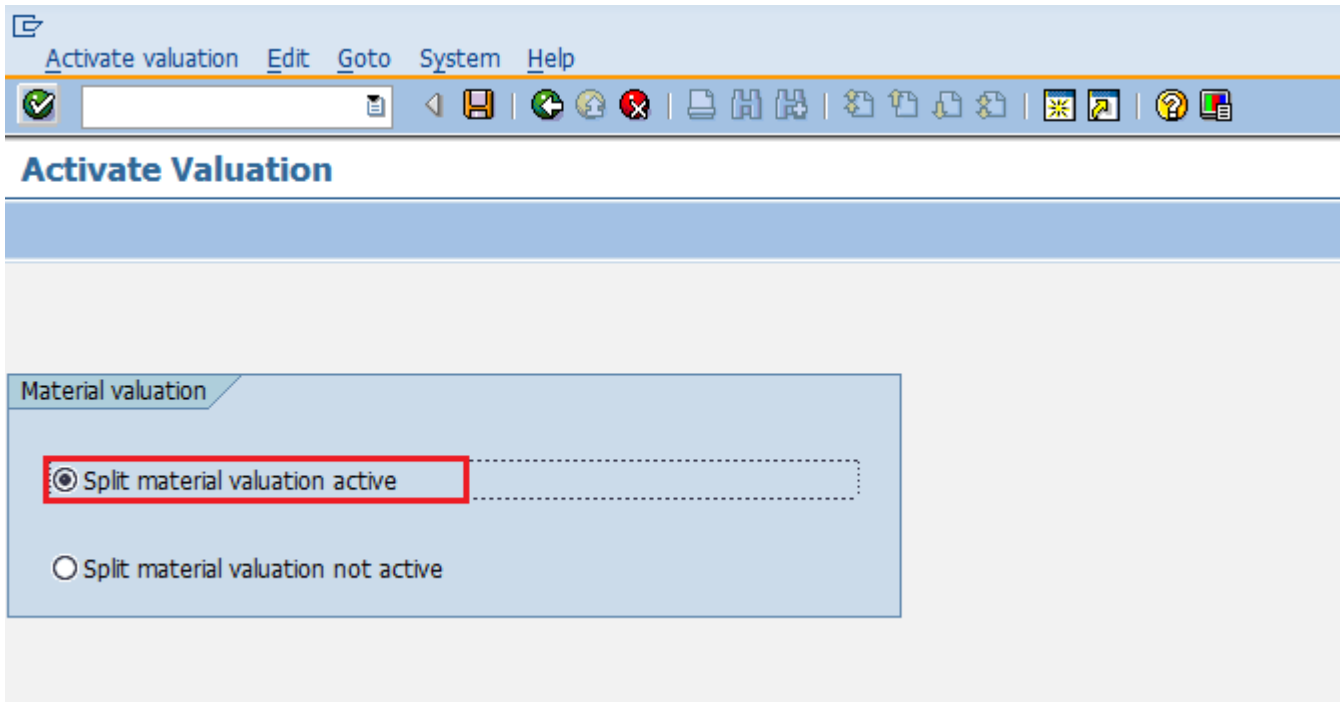
TCode: OMW0

On Display IMG screen select Activate Split Valuation execute icon by following the above path.





Select Split material valuation active tab. Click on save. Split valuation is now activated.



Some important terms under split valuation are as follows.

- **Valuation Area:** Material may be valued at plant level or at company code level. The level at which materials are valued is known as valuation area.
- **Valuation Category:** Valuation category is the criteria on which material is split valued.
- **Valuation Type:** Valuation type specifies the features of a valuation category.

Split valuation configurations like defining valuation category, valuation type are described in below context.

Split Valuation Configuration

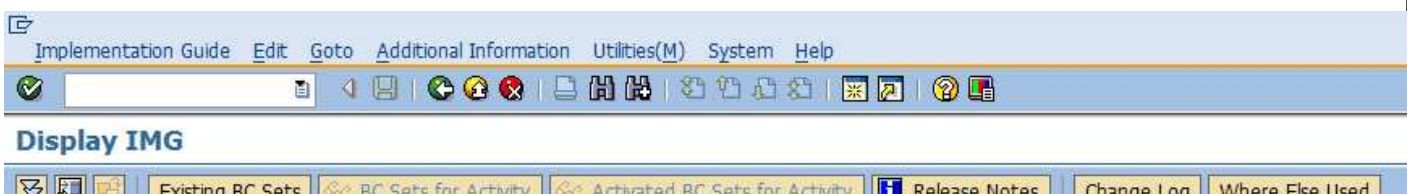
Split valuation configurations like defining valuation category, valuation type can be done by following the below steps.

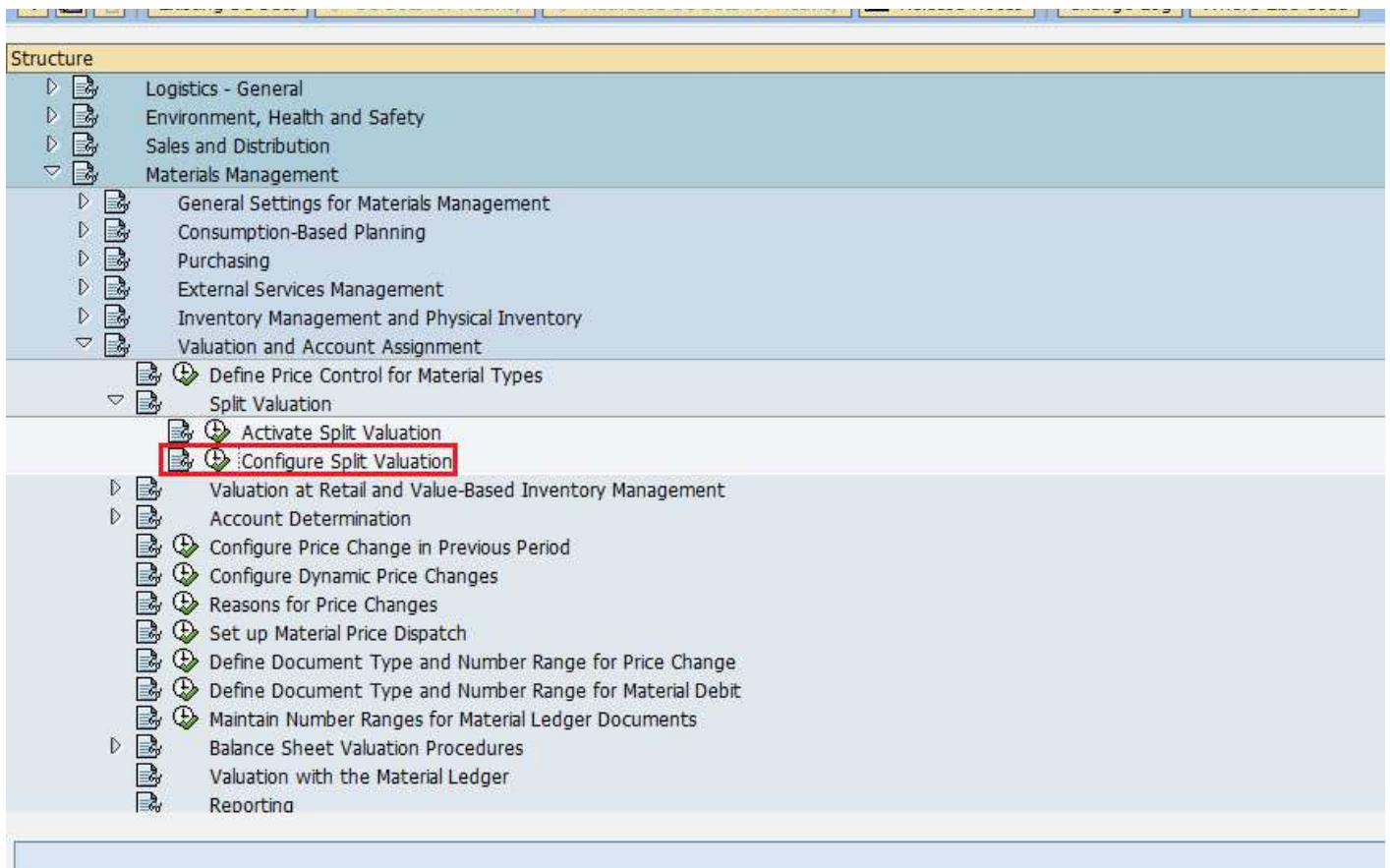
Path to Configure Split Valuation:

IMG => Materials Management => Valuation and Account Assignment => Split Valuation => Configure Split Valuation

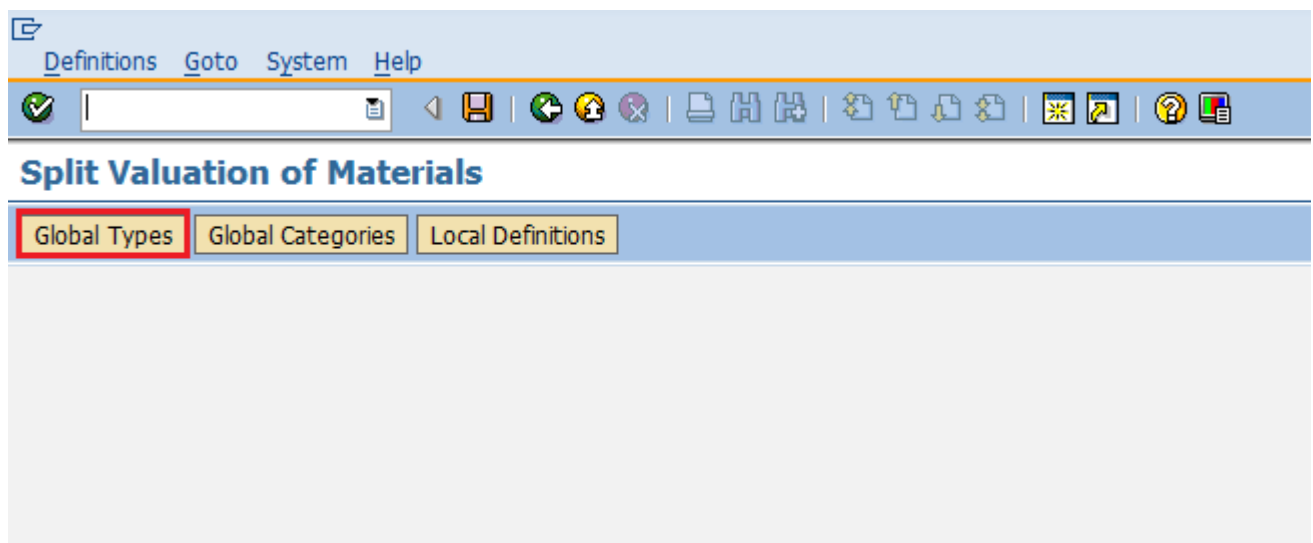
TCode: OMWC

On Display IMG screen select Configure Split Valuation execute icon by following the above path.

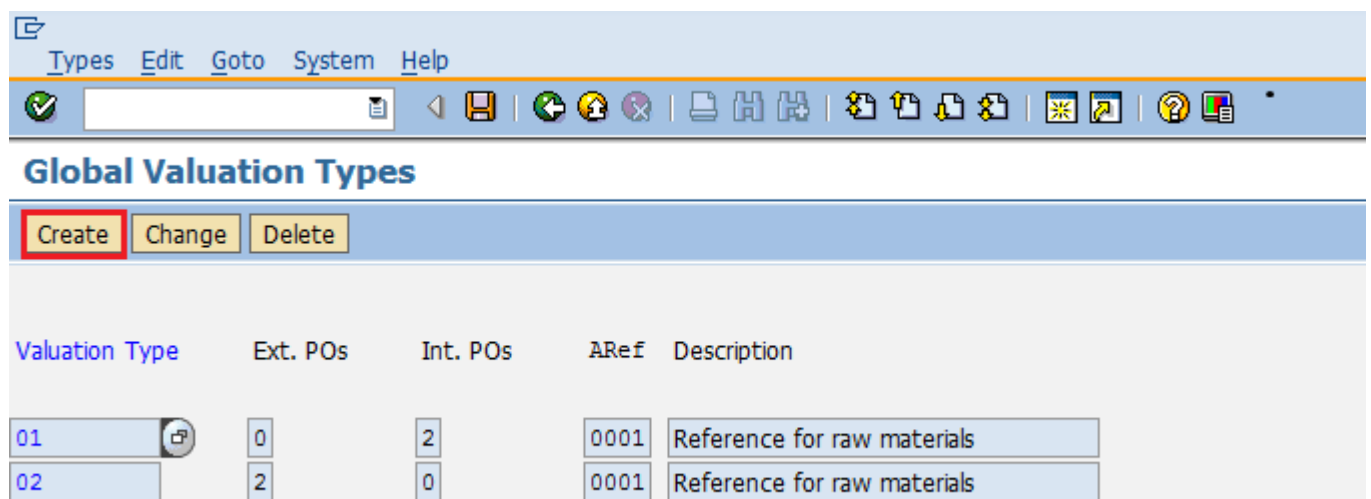




Select Global Types tab to create valuation type.



Select Create icon.



Provide name of valuation type. Click on save. A new Valuation Type will be created.

Now go to same screen and select Global Categories tab to create valuation category.

Select Create icon.

Valuation Cat.	DVT ExtPr	ExP	DVT InhPr	Inh	DVT Promo.	PrM	Autom.VTy
B Inhse/Ext.Proc.	02 <input checked="" type="checkbox"/>		01 <input checked="" type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
C Status	C1 <input type="checkbox"/>		C2 <input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
H Origin	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>

Provide name of valuation category. Click on save. A new Valuation Category will be created.

The screenshot shows the 'Create Valuation Category' screen in SAP. The menu bar includes 'Categories', 'Edit', 'Goto', 'System', and 'Help'. The title bar reads 'Create Valuation Category'. Below the title bar is a 'Create' button. The main area is labeled 'Valuation Category' and contains an 'Attributes' section. This section has several input fields and checkboxes: 'Description' with a text field, 'Default: ext. procure.' with a text field, an unchecked checkbox for 'Ext. procurement mand.', 'Default: in-house' with a text field, an unchecked checkbox for 'In-house prod. mand.', and an unchecked checkbox for 'Val. type automatic'.

Now go to same screen and select Local Definitions tab to map valuation type and valuation category.

The screenshot shows the 'Split Valuation of Materials' screen in SAP. The menu bar includes 'Definitions', 'Goto', 'System', and 'Help'. The title bar reads 'Split Valuation of Materials'. Below the title bar are three tabs: 'Global Types', 'Global Categories', and 'Local Definitions', which is highlighted with a red box. The main area is currently empty.

Select Cats. -> OU tab.

The screenshot shows the 'Local Definitions: Select Plant' screen in SAP. The menu bar includes 'Definitions', 'Goto', 'System', and 'Help'. The title bar reads 'Local Definitions: Select Plant'. Below the title bar are three tabs: 'Cats. -> OU', 'Local Types', and 'Local Categories', with 'Cats. -> OU' highlighted by a red box. The main area contains three input fields labeled 'Plant', 'Organizational unit name', and 'City'.

0001	Werk	Walldorf
1AA	GBR	MONT

Provide valuation type, valuation category and set status as active and then select Activate tab. Valuation category and valuation type are now mapped and both are activated.

Plant 001: Allocate Valuation Categories

Local Types Local Categories

Allocation of Valuation Categories

Status	Valuation Cat.	DVT ExtPr	ExP	DVT InhPr	Inh	DVT Promo.	PrM	VT
Active	Binhse/Ext.Proc.	02	<input checked="" type="checkbox"/>	01	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Active	C Status	C1	<input type="checkbox"/>	C2	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Activate Deactivate Entry 1 of

After maintaining valuation type and valuation category you can mention them in material master as shown below.

Go to `mm02` *Changescreenformaterialmaster*. Here you can maintain the valuation category and valuation class in accounting view. On this basis material will be valued in a purchase order.

Change Material 10000054



Additional Data Org. Levels Check Screen Data

Quality Management Accounting 1 Accounting 2 Cost Estima...

General Valuation Data

Total Stock	0.000	Base Unit	KG kilo gram
Division	01	Valuation Cat.	
Valuation Class	7900	<input type="checkbox"/> Valuated Un	
VC: Sale Ord. Stk		<input checked="" type="checkbox"/> ML act.	Mat. Price Analysis
Project Stock VC		Price Determ.	3 Single-/Multilevel

Prices and values

Currency	USD	USD 	USD 
	Company code currency	Group currency	Group currency, profit ...
Standard Price	3.67	3.67	3.67
Per. unit price	3.87	3.87	3.87
Price Unit	1	1	1
Prc. Ctrl	S	S	S
Inventory Value	0.00	0.00	0.00
Value/per.unit pr	0.00	0.00	0.00
Future price			
Future price from			

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