

RTR-40066-R-FS-DT Texas COGS Report

Functional Specification - Reports	
Product Team: Finance	
Feature Title: RTR-40066-R-FS-Tax Direct COGS Report	
L1 Value Stream: Record to Report	

Status:	Responsible Person:
FS Approved-Complete	Stark, Kim L (US N-Deloitte)

L3 Process
US State Tax Return Process

Original Author and Approvers		Date	Approved
Author	Stark, Kim L (US N-Deloitte)	Type // to enter date of approval	<input type="checkbox"/>
VS PO / Delegate	Gall, Aaron D (US)	23 Jun 2024	<input checked="" type="checkbox"/>
IT Solution Architect / Delegate	Garon, Tony (US)	12 Jun 2024	<input checked="" type="checkbox"/>
IT Product Owner / Delegate	Mcqueary, Shaun D (US)	18 Jun 2024	<input checked="" type="checkbox"/>
IT Software Architect (ITSA) or Delegate	Pandit, Jay (US)	20 Jun 2024	<input checked="" type="checkbox"/>
	Mohammed, Raphe A (US N-ACCENTURE LLP)		<input type="checkbox"/>
	Patton, Christopher R (US)		<input checked="" type="checkbox"/>
Functional Owner (BSA or ERPBA)	Jagoe, Mike A (US)	Type // to enter date of approval	<input type="checkbox"/>
Business Stakeholders (For business area unique controlled deviations only)	Cochrane, Soonthree (US)	Type // to enter date of approval	<input type="checkbox"/>

Change Log				
Version	Date	Name	Authorization for Create/Change	Alteration Reason
1.0	5/9/2023	Caleb Edwards	Initial Draft	
	4/22/2024	Stark, Kim L (US N-Deloitte) Meinert, Keri G (US N-DELOITTE SERVICES LP)	Create	

Create Technical specification - Reports
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Technical Specifications (will be listed here once first one is created using the button above)

[RTR-40066-R Notes](#)

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1.0 Business Context

1.1 Business Need

The business needs to accurately calculate the Texas Cost of Goods Sold (COGS) for tax purposes in compliance with Texas state regulations. This requires the creation of a custom report that is needed to analyze total cost of all sales, remove those associated with commercial services and general overhead to calculate an updated COGS value.

1.2 Why is standard functionality not appropriate or sufficient?

S/4 standard reporting does not allow for pulling specific data related to Texas COGS and analysis in order to meet the requirement.

1.3 Alternate Approaches Considered

Manual/offline collection and creation of reporting output.

1.4 Out of Scope

LRP Forecasting/Budgeting of similar data TBD - dependent on Oracle EPM design.

1.5 Assumptions

Title	Description	Entered by
A1	This report contains actuals only. Any reference to estimates or forecasting data will be addressed at a later point in time.	RTR Tax
A2	This report will be entirely sourced from S/4.	RTR Tax

1.6 Dependencies

Dependency	Description	Owner	Target
CRW/TCQ	product/service indicator	RTR	R1

1.7 Links

N/A

1.8 Other key requirements

N/A

2.0 Solution Design

This report will need to read contract data to identify qualifying costs and sales for the calculation of Texas gross margin. Contracts will be sorted by customer type into services and products, and then assessed for costs. Costs are generally split into direct and indirect. Two tables will need to be defined for Tax to maintain the list of valid 'direct' and 'indirect' costs by cost element, and exceptions, and any cost elements not found in the table will need to be excluded from the calculation as non-qualifying. In addition, costs will need to be reviewed and reclassified as some costs are deemed as 'overhead' or 'general & administrative' according to the tax guidelines requiring additional processing. Indirect costs which consist of overhead pool allocations will need to be 'unraveled' in order to identify qualifying costs (as per the Tax table) and non-qualifying costs. The output produced from this report will be a detailed list of qualifying Contracts with sales, qualifying direct costs, qualifying indirect costs and qualifying overhead pool calculations, as well as a summarized view of each category.

Process:

- 1. **Identify qualifying contracts**
 - a. Begin with reconciled sales RA (Results Analysis – sales system)
 - b. Refer to chart below and identify contracts coded as services or product
 - c. Identify contracts with over \$10M in contract value. These are the contracts reported and listed individually on Corporate's spreadsheets. All other contracts are summed and reported together.
 - d. Summarize sales for the qualifying contracts
- 2. **Analyze indirect costs**
 - a. **G & A** is reviewed by cost element to determine if
 - i. Non- qualified
 - ii. Direct COGS
 - iii. Remaining amount is G&A but is limited to 4%
 - b. **Other overhead pools** (by cost element categorized as manufacturing, engineering, material management) are reviewed to determine if
 - i. Non-qualified
 - ii. Cost that must be moved to G&A
 - iii. All other cost are qualified and a qualified percentage is calculated
- 3. **Analyze direct costs**
 - a. **Direct qualified by cost element**
 - i. Such as Fringe, Manufacturing, Engineering
 - b. **Direct non-qualified**
 - i. Specifically identified non-qualified WIPs
 - ii. Logistics
 - iii. International costs
 - c. Move to **Indirect G&A** – for example:
 - i. Program office allocations
 - ii. Computing
 - iii. Telecommunications
 - iv. The amounts moved are subject to the 4% G&A limitation
 - v. An example of calculation is as follows:

G&A pool cost qualified/G&A total cost=Qualified rate

Since there is a 4% limitation, the full qualified rate cannot be used. Instead:

G&A direct cost X 4% = Qualified G&A amount moved from direct

- 1. Move to **Indirect Other Overhead Pools** - which are subject to the qualifying percentage of the specific pool.
 - a. For example, if some direct cost is determined to be overhead the calculation would be as follows:

Overhead pool cost qualified /Overhead pool total cost = Overhead qualified rate

Direct costs determined to be overhead X Overhead qualified rate = Qualified amount moved from direct to overhead

*Table Inputs

A new table to be maintained by tax is requested in order to categorize cost elements according to Texas COGS requirements.

Table 1:

Cost Element	Type	Category
96*****	Indirect	G&A
96*****	Indirect	MFG
96*****	Indirect	Non-Qualifying
97*****	Direct	G&A
97*****	Direct	Direct
97*****	Direct	MFG
97*****	Direct	Indirect G&A

Table requirements:
List of valid direct cost elements with assignment to category (see below).
List of valid indirect cost elements (secondary cost elements) with assignment to category (see below).

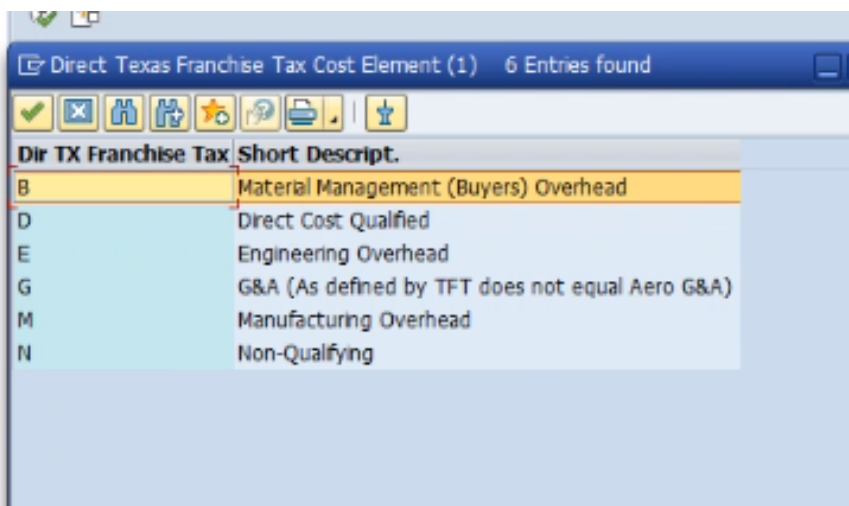


Table 2: Exception Table

Contract	WBS	Profit Center	OH Type	Cost element	Exception Rate
			G&A		4%
		PCxxxxxxx	MFG	97*****	100%
	WBSxxxxx		ENG		65%
C-xxxxxxx			FRN		0%

Table 3: Internal table of Cognitus Data

Schedule A must contain the following fields/costs from other Schedules:

Originating Schedule	Field (Costs)	Notes
Schedule B - G&A Expenses (Final Indirect Cost Pool)	G&A	G&A costs may include: <ul style="list-style-type: none"> Salaries/Wages Holiday Wages Vacation Wages Sick Leave Personal Absence
Schedule C - Final Indirect Cost Pool	Final Overhead (OH) Pools	Overhead Pool costs may include: <ul style="list-style-type: none"> Wages Holiday Wages Vacation Sick Leave Severance Pay (in full) Fringe
D - Intermediate Indirect Cost Pool	Intermediate Pools	Intermediate Pool costs may include: <ul style="list-style-type: none"> Occupancy Wages Occupancy Expense Base (Square Footage) Overtime Premium (in Other Direct Costs (ODCs)) Overtime Premium Other Adjustment to arrive at Total Payroll Distributed <ul style="list-style-type: none"> Detailed support Fringe
Schedule E - Claimed Allocation Bases	Claimed Allocation Bases	Claimed allocation Bases may include: <ul style="list-style-type: none"> G&A Allocation Base OH Allocation Base
Schedule F - Facilities Capital Cost of Money Factors Computation	Cost Of Money OH	
	Cost of Money G&A	

Table 4: Threshold Table

New Custom table to allow for the entry of contract value threshold. Current value = \$10M but is subject to change over time.

*Input Selection Screen

Users will need the ability to define the level of data they want to view. Each Business Unit will be monitoring the data within their respective divisions. While the report is submitted on an annual basis, monthly reviews will be performed through out the year. Below are the recommended fields for indexing and accessing the necessary information.

Selection Screen Fields:

*Company Code
*Fiscal Year
*Segment
Profit Center
Period
WBS Element
Contract

*Required Fields

Program Edit Goto Settings System Help

Texas Cost of Goods Sold Analysis and Reporting

Number of Entries

Company Code to [magnifying glass icon]

Fiscal Year to [magnifying glass icon]

Profit Center to [magnifying glass icon]

Segment to [magnifying glass icon]

Posting period to [magnifying glass icon]

WBS element to [magnifying glass icon]

Contract Number to [magnifying glass icon]

*Get Sales Values

Sales numbers can be found by collecting the cleared AR items. We can find the relevant cleared items by checking the issued invoices against the cleared items table.

Get the list of invoices issued from table **VBK** using the the period specified from the user input screen and where sales org = company code.

Get the customer number, KUNNR
company code, BUKRS
financial document number, BELNR
destination country, LAND1

Using the list of financial document invoices, BELNR, read table BSAD for cleared items. Entries found on BSAD will give us the list of sales values to include in the report.

Read table **BSAD** by the billing document from VBK-BELNR, the company code, BUKRS, and year, GJAHR, from the selection screen.

NOTE: Users must enter company code and period/year as a minimum on the selection screen.

Get only those records who's 'clearing year' AUGGJ = year from selection screen

Get the list of clearing document numbers from table BSAD.
BSAD-AUGBL.

Get the local currency amount DMBTR
local currency WAERS
functional currency amount FINS_VFCCUR12
functional currency FINS_CURRFC
Segment
Profit Center

Using the billing document from VBK-VBELN

Get the sales document from table **VBK**
sales document VBRP-AUBEL

Using the sales document from VBRP, find the billing WBS element on the sales order, this will give us the costing WBS elements from the Project system tables.

Read table VBAP by VBRP-AUBEL.

Get the WBS elements from each line item, VBAP-PS_PSP_PNR. Get the costing WBS elements from table **PRPS** Using the billing element WBS from BSAD

Get all level WBS elements below billing level (Levels 2, 3, and 4)

Project Builder: Project D-ABCD1234

Project Structure: Description Identification

- Prototype Project (Direct) D-ABCD1234
 - Top D-ABCD1234
 - POB D-ABCD1234.PAA
 - Revenue Recognition D-ABCD1234.RAA
 - Billing D-ABCD1234.BAAA
 - asdf 110
 - Milestone 1 93
 - Milestone 2 94
 - Milestone 3 98
 - Milestone 4 99
 - Milestone for D-ABCD1 102
 - asdf 108
 - Work Package D-ABCD1234.WAAA
 - Cost Charge D-ABCD1234.CAAA12345678
 - Billing D-ABCD1234.BAAB

Identification and view selection

WBS element D-ABCD1234.CAAA12345678 Cost Charge

Detail:

Overview(s):

Basic Data Dates Assignments Control User fields Administr. Superior Progress

Path to WBS element

Lev	WBS element	Description
1	D-ABCD1234	Top
2	D-ABCD1234.PAA	POB
3	D-ABCD1234.RAA	Revenue Recognition
4	D-ABCD1234.BAAA	Billing
5	D-ABCD1234.WAAA	Work Package
6	D-ABCD1234.CAAA12345678	Cost Charge

From the Project definition level, pull the contract ID, PROJ-USR00.

Project Builder: Project D-AAAACC

Project Structure: Description Identification

- Test Load D-AAAACC
 - Top D-AAAACC
 - RA D-AAAACC.P01
 - Bill D-AAAACC.BAAA
 - Cost D-AAAACC.C00001

Identification and view selection

Project def. D-AAAACC Test Load

Detail:

Overview(s):

Basic Data Control Administration Long Text Collect. PR Indicators User Fields

Field key ZLMD001

General fields

606 Contract 606 Test 52

CAS Segment CORE

Dates

Numeric fields

Checkboxes

Once sales documents have been collected, pull the customer type and product/service indicator information for each contract

Get contract assignment of Product or Service from CRW table:
Read the ZCRW table by the contract no. PROJ-USR00 and get:
Product/Service (reference field 5.1.9 from RTR-20012-F)

Get Contract details: customer details of Government or Commercial
Coding assignment logic
Read table KNA1 by the customer number BSAD-KUNNR
Get the attribute 2 field KATR2 from the customer master data record.

Layout of Texas Franchise COS OWM Template (updated 6/14/23)

(TOP) TPP – tangible personal property (manufactured goods, supplies, etc.)

By Contract Direct Cost (COGS)

Customer Type: USG / FMS / Commercial

(MIDDLE) Services (engineering, field support, etc.)

By Contract Direct Cost (COGS)

Customer Type: USG & FMS

(BOTTOM) Services (engineering, field support, etc.)

Summarized (COGS)

Customer Type: Commercial

Also analyzes INDIRECT COST

= SUMMATION WOULD TOTAL ALL COGS FOR AERO (CC 5000)

If Contract is Service and Customer is Commercial, move to Non Qual contracts.

If Contract is Service and USG Customer, move to Qual contracts.

If Contract is Product, move to Qual contracts.

If Contract is over \$10M, move to Qual contracts and mark for line item listing on report.

All other contracts under \$10M, sum and move to Qual contracts and report in separate section of report.

***Get Indirect Costs**

Indirect costs and those containing over head charges will need to be assessed for non-qualifying cost elements as well as re-assignment. Non qualifying cost elements are excluded and the remaining overhead charges summed and recalculated to determine the new OH rate using the edited list of cost elements as found in the tax table above. Some indirect costs will need to be re-assigned as a DIRECT cost and summed accordingly.

**The redetermination of indirect costs will need to be pulled from Cognitus processing. (Function Module?)

Perform a call to Cognitus to retrieve all indirect costs posted to cost elements defined in tax table (specific to Schedule A3 noted above).

Pull all Overhead cost elements (aka Pool costs).

Pull all base costs.

Remove the OH cost elements not found in tax table.

Sort the remaining 'qualifying' OH cost elements into the categories defined in the table.

For qualifying G&A costs, the recalculated rate will be set at 4%. Multiply the G&A base costs by 4% and store this value for reporting.

For all other qualifying OH costs sum the cost elements and perform a calculation to determine the new over head rates.

Sum of qualifying OH cost element category/Total OH Costs = qualifying OH rate

Multiply the new qualifying OH rate to the base costs. This is the value needed for the COGS report.

*Check the exception table and apply adjusted rate as needed to the identified contracts/WBS elements/Profit Centers.

SUMMARY OF ALL CLAIMED INDIRECT EXPENSE RATES
FISCAL YEAR ENDED 3/31/2009

Description	Amount	Reference
<u>General and Administrative:</u>		
Pool	\$271,022	Schedule B
Base	\$3,151,320	Schedule E
Claimed G&A Rate	8.60%	
<u>Overhead:</u>		
Pool	\$510,610	Schedule C
Base	\$656,824	Schedule E
Claimed O/H Rate	77.74%	
<u>Occupancy Expense (Intermediate):</u>		
Pool	\$178,083	Schedule D
Base (Square Footage)	<u>18,492</u>	Schedule D
Claimed Rate (per Sq. Ft.)	<u>\$2.63</u>	
<u>Cost of Money Overhead:</u>		
COM For period	\$10,235	Schedule F
Allocation Base	<u>\$656,824</u>	
O/H COM Factor	0.01558	
<u>Cost of Money G&A:</u>		
COM For period	\$2,101	Schedule F
Allocation Base	\$3,151,320	

1. Analyze indirect costs

- G & A is reviewed to determine if
 - Non-qualified
 - Direct COGS
 - Remaining amount is G&A but is limited to 4%
- Other overhead pools (manufacturing, engineering, material management) are reviewed to determine if
 - Non-qualified
 - Cost that must be moved to G&A
 - All other cost are qualified and a qualified percentage is calculated

Using the costing WBS elements, pull the costs posted against each (refer to list of valid cost elements from table)

Read table ACDOCA by the costing WBS element
Keep only costs belonging to valid set in table.
Sort and sum the costs into the categories: (see table above) by contract and add to report.

Sum all costs by Contract, in to:
Manufacturing Total
Manufacturing Qualifying
Engineering Total
Engineering Qualifying
G&A Total
G&A Qualifying

*Get Direct Costs

Direct costs will need to be assessed for non-qualifying cost elements as well as re-assignment. Non qualifying cost elements are excluded and the remaining charges summed using the edited list of cost elements as found in the tax table above. Some direct costs will need to be re-assigned as G&A or overhead costs and summed accordingly.

Direct costs will be found directly on the costing WBS elements of the identified contracts.

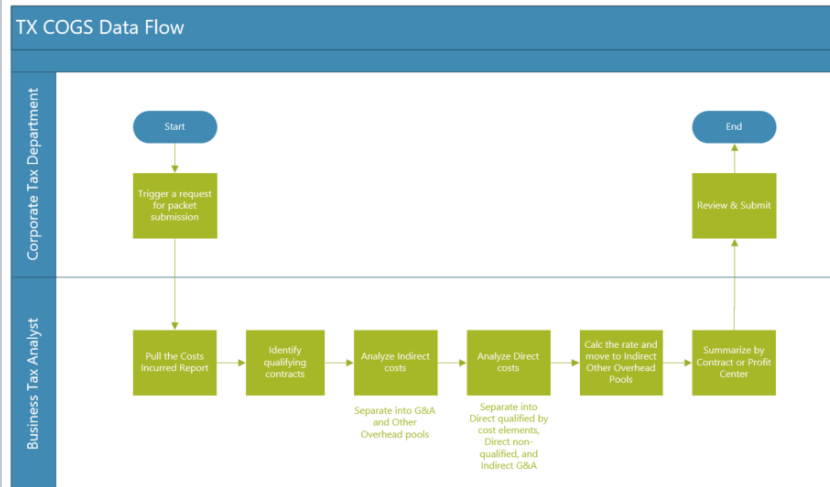
Read ACDOCA by the costing WBS element and pull all transactions posted.
Record the total costs on the report.
Review the transactions and exclude any not posted to one of the defined cost elements in the table above.
Sum these excluded costs and move to 'non-qualifying costs' on the report.
Review the remaining costs and sort according to the specified category (DIRECT, G&A, MFG OH, ENG OH).
Sum DIRECT and move to the report.
For G&A costs, calculate the Qualifying G&A Costs by multiplying the sum of Direct G&A by 4%.
Move this calculated amount to the report.
For direct costs deemed as MFG OH and ENG OH, add these values to the indirect OH pool total and recalculate as follows:
Overhead pool cost qualified / Overhead pool total cost = Overhead qualified rate

Direct costs determined to be overhead X Overhead qualified rate = Qualified amount moved from direct to overhead
Move the summed and calculated values to the report.

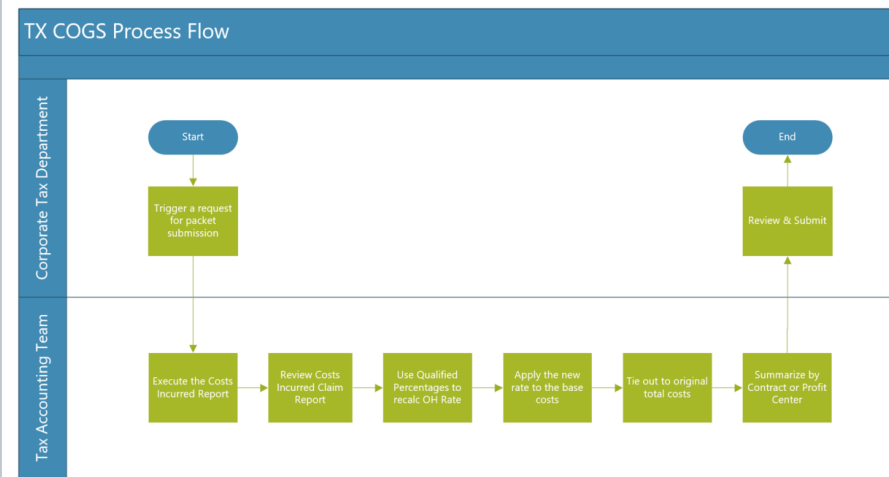
Lockheed Martin Corporation TX Cost of Goods Sold					
Entity Name: MISSILES & FIRE CONTROL Entry ID: 1004050 Year: 2022 Period: ANNUAL Template Name: TX Cost of Goods Sold					
Provide explanations for any changes greater than \$5,000,000.					
TX Cost of Goods Sold Analysis					
Description	Current Year	Prior Year	\$Change	%Change	Explanation
Book Sales Per Financials	10,501,119,232	10,745,734,873	(244,615,641)	-2.23%	
Book COGS Per Financials	9,094,690,011	9,304,143,436	(209,453,425)	-2.25%	
Book Profit	1,406,429,221	1,441,591,437	(35,162,216)	-2.44%	
TX Cost Incurred	10,105,471,817	10,415,270,869	(309,799,053)	-2.97%	
Total Direct Costs	6,863,124,049	6,845,824,148	17,299,902	0.25%	
Qualified Direct Costs	6,863,124,049	6,845,824,148	17,299,902	0.25%	
Total Indirect Costs	2,210,940,517	2,109,065,934	101,874,583	4.83%	
Qualified Indirect Costs	1,174,574,305	1,157,668,463	16,905,842	1.46%	
Total Manufacturing Pool Cost	445,145,807	432,519,059	12,626,747	2.92%	
Qualified Manufacturing Pool Cost	444,308,129	432,120,531	12,187,598	2.82%	
Total Engineering Pool Cost	341,616,944	331,357,628	10,259,316	3.10%	
Qualified Engineering Pool Cost	336,214,454	328,883,095	7,331,359	2.23%	
Total G&A Pool Cost	1,424,177,766	1,345,189,246	78,988,519	5.87%	
Qualified G&A Pool Cost	394,051,722	396,664,838	(2,613,115)	-0.66%	
Total Admin Cost	865,219,184	774,755,495	90,463,689	11.68%	
Qual Admin Cost	34,608,767	30,990,220	3,618,548	11.68%	
Qual Direct Costs %	100.00%	100.00%		0.00%	
Qual Indirect Costs %	53.13%	54.89%		-1.76%	
Qual Manufacturing Pool Cost %	99.81%	99.91%		-0.10%	
Qual Engineering Pool Cost %	98.42%	99.25%		-0.83%	
Qual G&A Pool Cost %	27.67%	29.49%		-1.82%	
Total Qualified Cost (Incl Qual Admin) %	88.96%	89.72%		-0.76%	
Total Admin Cost %	9.54%	8.65%		0.88%	
Total Manufacturing Pool Cost	445,145,807	432,519,059	12,626,747	2.92%	
Total Engineering Pool Cost	341,616,944	331,357,628	10,259,316	3.10%	
Total G&A Pool Cost	1,424,177,766	1,345,189,246	78,988,519	5.87%	
Total Pools	2,210,940,517	2,109,065,934	101,874,583		
Total Indirect Costs	2,210,940,517	2,109,065,934	101,874,583		
Variance	-	-		(0) Check	

2.1 Application High Level Overview

Data Flow Diagram:



Process Flow Diagram:



2.2 Application Detail Overview

Functional description of the requirements (i.e. business needs):

Functional Requirement ID	Functional Requirement Description
TAX_ST_024	As a tax analyst, I need the ability to determine the cost allocation for Texas COGS calculation from information provided by the ERP system, so that I can accurately calculate the Texas Gross Margin Tax and defend/support tax positions.
TAX_FED_032	The system shall provide the tax analyst the ability to cost element detail data, including location, regarding direct and indirect costs for purposes of assessing cost of goods sold, so that I can determine the appropriate tax implications to be reported in the income tax provision and return computations by legal entity.
TAX_FED_033	The system shall provide the tax analyst the ability to capture cost element details for expense by location. This would include pre and post allocation of expenses pooled in indirect projects such as R&D, G&A, HR, etc. to facilitate the determination of the appropriate tax implications to be reported in the income tax provision and return computations by legal entity.
TAX_FED_059	The system shall provide the tax analyst the ability to identify interest and penalties expense associated with unrecognized tax benefits within the income tax expense G/L accounts separately within the ERP and financial consolidation system so I can determine the appropriate income tax implications and disclosures in accordance with US GAAP.

2.3 Selection Criteria

Selection Screen Fields:

*Company Code

*Fiscal Year

*Segment

Profit Center

Period

WBS Element

Contract

*Required Fields

Program Edit Goto Settings System Help

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2.8 Report Output /Layout	<table><tr><th>Report field</th><th>Table</th><th>Field</th><th>Comments</th></tr><tr><td>Contract ID</td><td>PROJ</td><td>USR00</td><td>Contract ID from PROJ table</td></tr><tr><td>Billing WBS Element</td><td>PRPS</td><td>POST1</td><td>Billing element Level 2 from table PRPS</td></tr><tr><td>Total Sales</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Qualifying Sales Non-Qualifying Sales</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Direct Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Qualifying Direct Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Total Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Total Qualifying Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Total Administrative Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Qualifying Administrative Cost(4%)</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Total Qualifying Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Manufacturing Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Qualifying Manufacturing Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Administrative Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Engineering Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Qualifying Engineering Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Administrative Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>G&A Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Qualifying G&A Pool Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr><tr><td>Administrative Cost</td><td>Program logic</td><td>summed value</td><td>Calculated sum</td></tr></table>				Report field	Table	Field	Comments	Contract ID	PROJ	USR00	Contract ID from PROJ table	Billing WBS Element	PRPS	POST1	Billing element Level 2 from table PRPS	Total Sales	Program logic	summed value	Calculated sum	Qualifying Sales Non-Qualifying Sales	Program logic	summed value	Calculated sum	Direct Cost	Program logic	summed value	Calculated sum	Qualifying Direct Cost	Program logic	summed value	Calculated sum	Total Pool Cost	Program logic	summed value	Calculated sum	Total Qualifying Pool Cost	Program logic	summed value	Calculated sum	Total Administrative Cost	Program logic	summed value	Calculated sum	Qualifying Administrative Cost(4%)	Program logic	summed value	Calculated sum	Total Qualifying Cost	Program logic	summed value	Calculated sum	Manufacturing Pool Cost	Program logic	summed value	Calculated sum	Qualifying Manufacturing Pool Cost	Program logic	summed value	Calculated sum	Administrative Cost	Program logic	summed value	Calculated sum	Engineering Pool Cost	Program logic	summed value	Calculated sum	Qualifying Engineering Pool Cost	Program logic	summed value	Calculated sum	Administrative Cost	Program logic	summed value	Calculated sum	G&A Pool Cost	Program logic	summed value	Calculated sum	Qualifying G&A Pool Cost	Program logic	summed value	Calculated sum	Administrative Cost	Program logic	summed value	Calculated sum
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	Administrative Cost	Program logic	summed value	Calculated sum																																																																																				
	COGS Excel Reporting Sample:																																																																																							
	MFC 2022 Annual - TX Cost of Goods Sold packet.xlsx																																																																																							
	Download/save option requested.																																																																																							
2.9 Hierarchies	N/A. Report will only require sorting logic.																																																																																							
2.10 Expected Data volume	High.																																																																																							
2.9 Batch Frequency and Timing	Manual execution only (at this time).																																																																																							
2.10 Drilldown and Follow-on Activities	Users request the ability to drilldown on summed detail sheets.																																																																																							
2.11 Data Latency Requirements	Real time, batched, or background options.																																																																																							
2.12 History	Current and Prior 7 years.																																																																																							
2.13 Key User Groups using the report	<table><tr><th>User Group</th><th>No. of users</th><th>Frequency</th><th>Description</th></tr><tr><td>Tax Analysts</td><td>100 +/-</td><td>D/M/Y</td><td>Access should be given to a common tax role for anyone within the department to execute.</td></tr></table>				User Group	No. of users	Frequency	Description	Tax Analysts	100 +/-	D/M/Y	Access should be given to a common tax role for anyone within the department to execute.																																																																												
User Group	No. of users	Frequency	Description																																																																																					
Tax Analysts	100 +/-	D/M/Y	Access should be given to a common tax role for anyone within the department to execute.																																																																																					
2.14 Security	<p>Data Classification/Tagging Requirements : Develop custom tcode/Fiori app with appropriate authorization object, no restriction. No restrictions on table access. Access granted to FI Display role: FI DISPLAY. No sensitive data will be stored.</p> <p>Data Level Security : Low risk.</p> <p>Report/Object Security : Tax Analysts and above.</p> <p>Scheduling/Distribution : Manual execution. Report will be downloaded into Excel for manual feed into the Tax Compliance/Provision tools.</p>																																																																																							

3.0 How to Test (Write both positive and negative steps)

3.1 Data Setup

Data Object	Value /Code	Description	Comments
Contract	TBD	LMC sale to Foreign Government sale of Product	Contract execution required through billing and invoice payment
Contract	TBD	LMC sale to Foreign Government sale of Services	Contract execution required through billing and invoice payment
Contract	TBD	LMC Government sale of Product to Domestic location	Contract execution required through billing and invoice payment
Contract	TBD	LMC Government sale of Services to Domestic location	Contract execution required through billing and invoice payment
Contract	TBD	LMC Foreign Commercial sale of Product	Contract execution required through billing and invoice payment
Contract	TBD	LMC Foreign Commercial sale of Services	Contract execution required through billing and invoice payment
Contract	TBD	LMC Commercial sale of Product to Domestic location	Contract execution required through billing and invoice payment
Contract	TBD	LMC Commercial sale of Services to Domestic location	Contract execution required through billing and invoice payment

3.2 Procedural Steps: Please list each procedural step, the expected result and whether the steps PASS or FAIL

Steps	Step Description	Actual Results	Expected Results
N/A			

Appendix 1 Selection Screen Requirements/CDS View Parameters if applicable

Table /Structure Name	Field Name	Format	Default Value	Table Value / Checkbox / Radio Button / Radio Button Group	Select Option or Parameter	Single, Range, or Multiple Ranges	Mandatory or Optional	Field Labels
T001	BUKRS	CHAR 4	User input	Table Value	Select Option	Single, Range, or Multiple Ranges	Mandatory	Company Code
ACDOCA	SEGMENT	CHAR 10	User input	Table Value	Select Option	Single, Range, or Multiple Ranges	Optional	Segment
BSAD	GJAHR	NUMC 4	User input	Table Value	Select Option	Single, Range, or Multiple Ranges	Mandatory	Year
BSAD	MONAT	NUMC 2	User input	Table Value	Select Option	Single	Optional	Fiscal Period
PRPS	PS_POSID	CHAR 24	User input	Table Value	Select Option	Single, Range, or Multiple Ranges	Optional	WBS Element
PROJ	PS_PSPID	CHAR 24	User input	Table Value	Select Option	Single, Range, or Multiple Ranges	Optional	Contract
PRCT	PRCTR	CHAR 12	User input	Table value	Select Option	Single, Range, or Multiple Ranges	Optional	Profit Center