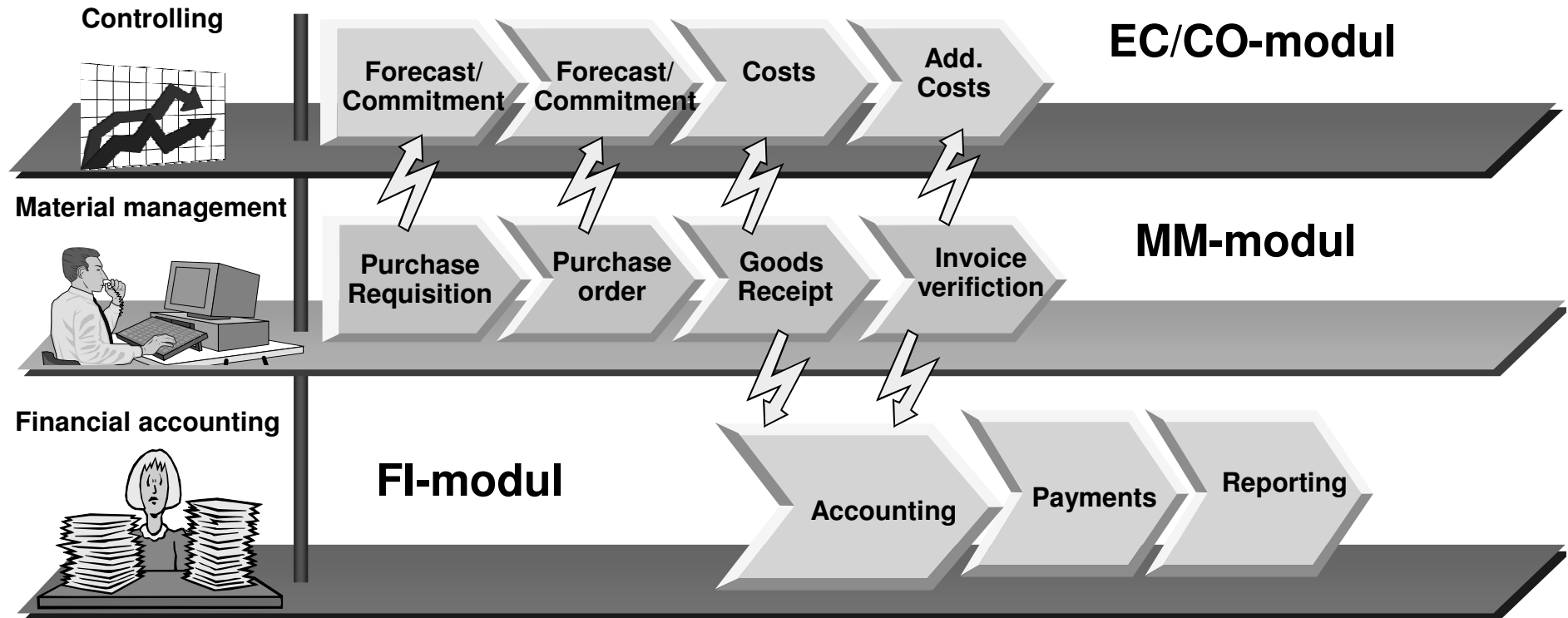
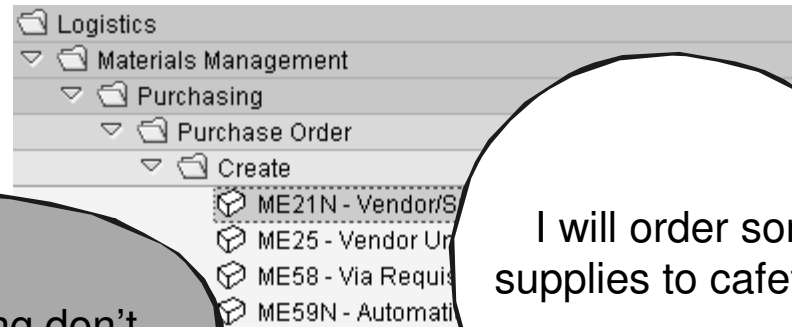


Integrated purchase process



The purchase process starts with a Purchase requisition. At this state a commitment item for the money to be spend is created in CO. The integration point to FI is at goods receipt. Then a posting to GR/IR-account is made. When the invoice is posted the second posting to GR/IR account takes place. From here the accounting department and accounts payables takes over.

Procurement: purchase order



We in accounting don't have do anything yet.

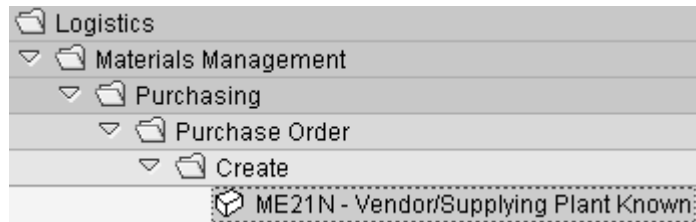


I will order some supplies to cafeteria



Let's now look at an example and follow a purchase to a cost center.

The buyer makes a purchase order (MM)



Create Purchase Order

Document Overview On [Icons] Hold [Icon] Print Preview Messages [Icon] Pers [Icon]

NB Standard PO [Icon] Vendor 1000 C.E.B. BERLIN

Header

S	Itm	A	I	Material	PO Quantity	O	C	Deliv. Date	Net Price	Curr
	10	K		100-251	1	PC	D	03.08.2007	100,00	EUR

Vendor number,
purchase
organization,
purchase group,
material number,
quantity, plant,
cafeterias cost
center

In this case the purchase is made to a cost center. The creator indicates this by putting a K in the assignment field. When the goods arrive, this will create a consumption posting. The price is defaulted from info record.



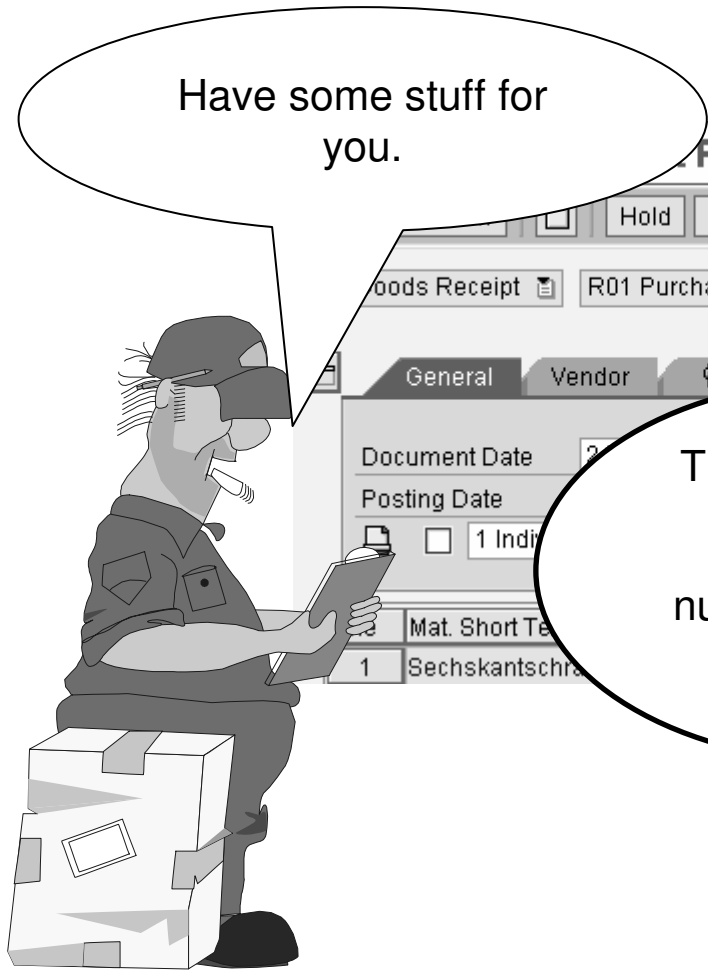
The system fills in the rest

The screenshot shows the SAP Account Assignment (Account Assi) screen. The 'CoCode' field is circled in red and contains the value '1000 IDES AG'. A larger red oval highlights the 'G/L Account', 'Business Area', 'CO Area', 'Cost Center', and 'Profit Center' fields, which are auto-filled with values: '410000', '9900', '1000', '1200', and '1402' respectively. The 'AccAssCat' is 'K Cost center' and 'Distribution' is 'Single account assignme'. The 'Unloading Point' and 'Recipient' fields are empty. A 'More' button is visible at the bottom right.

Field	Value
CoCode	1000 IDES AG
Unloading Point	
Recipient	
G/L Account	410000
Business Area	9900
CO Area	1000
Cost Center	1200
Profit Center	1402
Earmarked Funds	

Cost center is the only field to be filled. All the other fields - the account, business area, controlling area, company code - get values automatically on the basis of their assignments. The plant defines the company, cost center defines profit center. The account is derived from MM Account determination parameters.

Goods receipt (MM)



Have some stuff for you.

Follow-On Functions
MIGO - Goods Receipt

Purchase Order 4500017127 - 82167

Hold Check Post Help

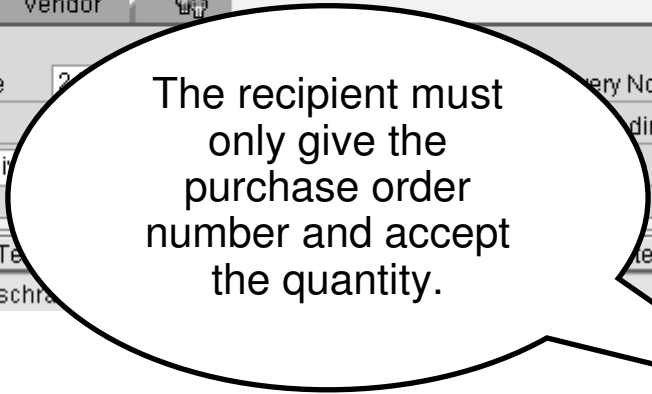
Goods Receipt R01 Purchase Order Plant 1000

General Vendor

Document Date Posting Date

1 Indi

Mat. Short Text	Plant	Bus. Unit	Profit Center	G/L Account	M. Code	D. Code
1 Sechskantschr	9900	1402	410000	101		+



The recipient must only give the purchase order number and accept the quantity.

The goods receipt generates postings in accounting

Display Material Document 5000011881 : Overview

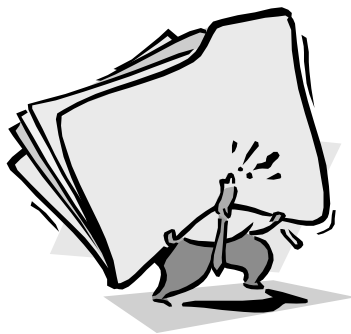
Details from Item | Material | Accounting Documents...

Posting Date: 30.06.2007 | Name: 82167

Item	Quantity	EUn	Material	PInt	SLoc	PO	Item	S	DCI
		BUn	Material Description			Batch	R	MvT	S S
1	1	PC	100-251	1000		4500017127	10		<input checked="" type="checkbox"/>
			1.5" Hex nut gasket neoprene white				101		+

List of Documents in Accounting

Doc. Numb...	Object type text	Ld
5000000019	Accounting document	
0000311374	Profit center doc.	
1000312311	Spec. purpose ledger	
0200145336	Controlling Document	



Goods receipt posting in accounting

Where does the system get these accounts from?



Item	PK	Account	Account short text	Assignment	Tx	Amount	Cost Ctr	Profit Ctr
1	81	410000	OEM products consume	20070630		100,00	1200	1402
2	96	191100	Goods Rcvd/Invoice R	450001712700010		100,00-		1402

The goods receipt is posted to a cost account and a GR/IR account, which the system finds from the MM account determination parameters based on material and MM transactions type.

Invoice receipt and verification (MM)

Logistics Invoice Verification
Document Entry
MIRO - Enter Invoice

Enter Incoming Invoice: Company Code 1000

Show PO structure Show worklist Hold Simulate Messages

Transaction 1 Invoice

Basic data Payment Details Tax Contacts Note

Invoice date 30.06.2007 Reference
Posting Date 30.06.2007
Amount 116,00 EUR Calculate tax
Tax amount 16,00 VN VN (16% domestic inp)
Text
Paymt terms 14 Days 3 %, 30 Days 2 %, 45 Days net
Baseline Date 24.07.2007
Company Code 1000 IDES AG Frankfurt

Bank acct 90010000
Dresdner Bank Berlin

PO reference G/L account Material

1 Purchase Order/Scheduling Agreement 4500017127 1 Goods/service items
Layout 7_6310 All information

Item	Amount	Quantity	Or	Purchase	Item	Procurement Doc.	PO Text
1	100,00	1	PC	<input type="checkbox"/>	4500017127 10		Sechsk

The invoice clerk enters the amount payable, tax information and additional costs like freight.



Invoice posting in accounting

How can I be sure,
that these accounts are OK?



Window - Display

Choose Save [Print] [Copy] [Paste] [Calculator] [Tax data] [Info] [Help]

(gross inv. receipt) Normal document

Document Number 5100000045 Company code 1000 Fiscal year 2007
Doc. date 30.06.2007 Posting date 30.06.2007 Period 06
Calculate Tax
Doc. currency EUR

	PK	Account	Account short text	Assignment	Tx	Amount	Cost Ctr	Profit Ctr
1	31	1000	C.E.B. BERLIN	51000000452007	VN	116,00-		
2	86	191100	Goods Rcvd/Invoice R	450001712700010	VN	100,00	1200	1402
3	40	154000	Input tax		VN	16,00		

The invoice posting balances the GR/IR-account. The vendor postings generates to postings, one on vendor account in accounts payable and one on the reconciliation account in general ledger.

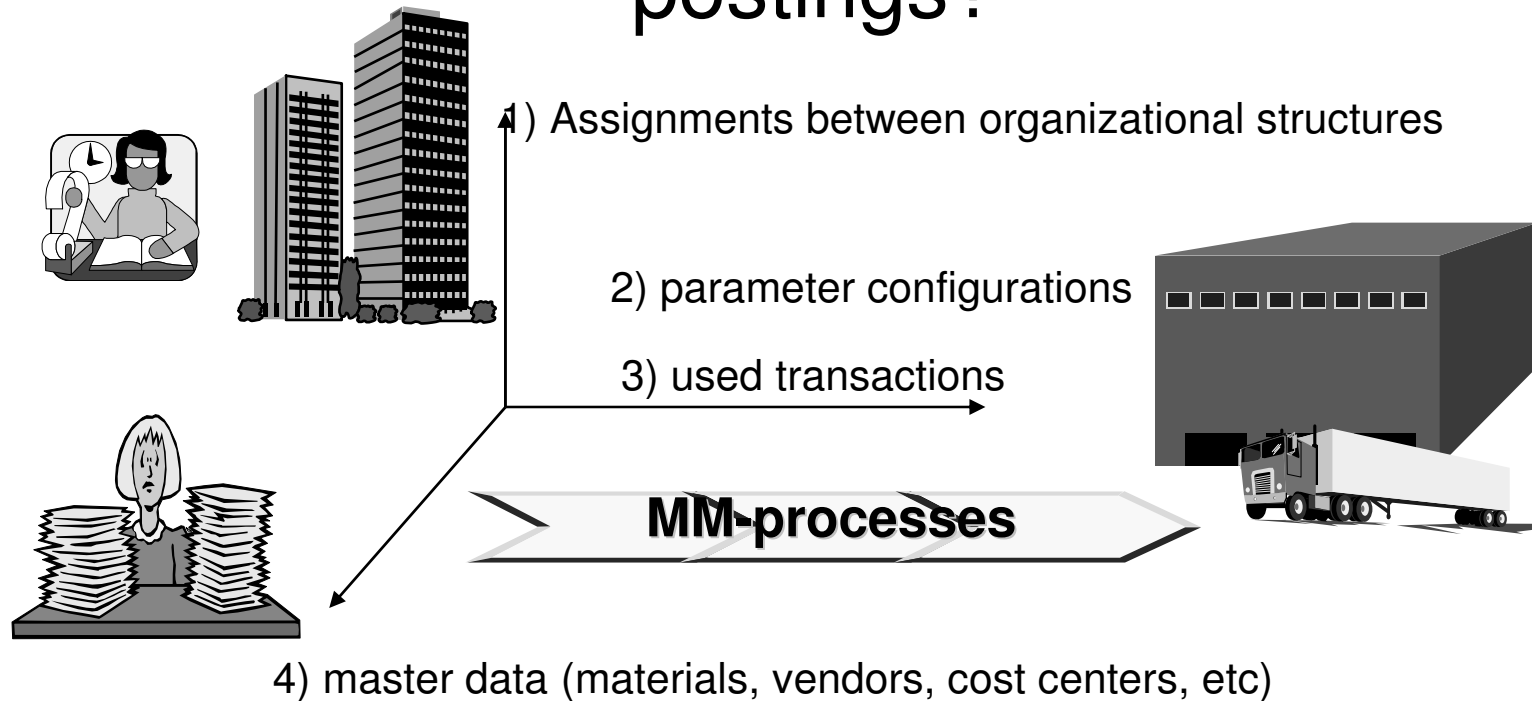
Vendor payment

List of Vendor Line Items

Assignment	Pstng Date	Type	DocumentNo	Doc. Date	BusA	Itm	PK	NP	PBk	PM	Discount base
Vendor 1000	CoCode 1000	Acctg clrk									
		Name	C.E.B. BERLIN								
		Street	Kolping Str. 15								
		Post.Code	12001								
		City	Berlin								
		Region	11								
		Country	DE								
Key date	24.07.2007										
51000000452007	30.06.2007	RE	5100000045	30.06.2007	9900	1	31				116,00
* Vendor 1000											
** 6/L Account 160000											
*** Company Code 1000											

The accounting department continues from here. Goods receipt is posted and invoice verified. An open item in accounts payables waits for clearing. The accounts payable clerk runs the payments daily.

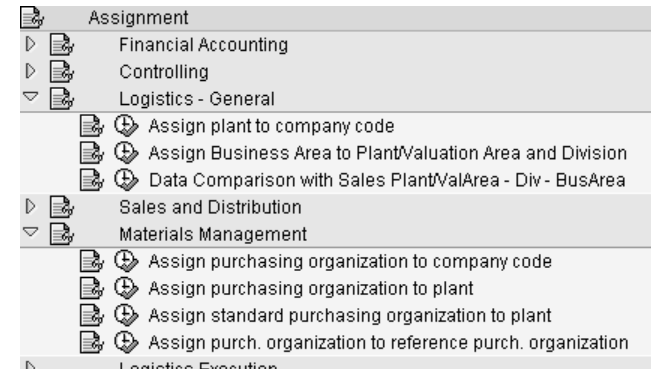
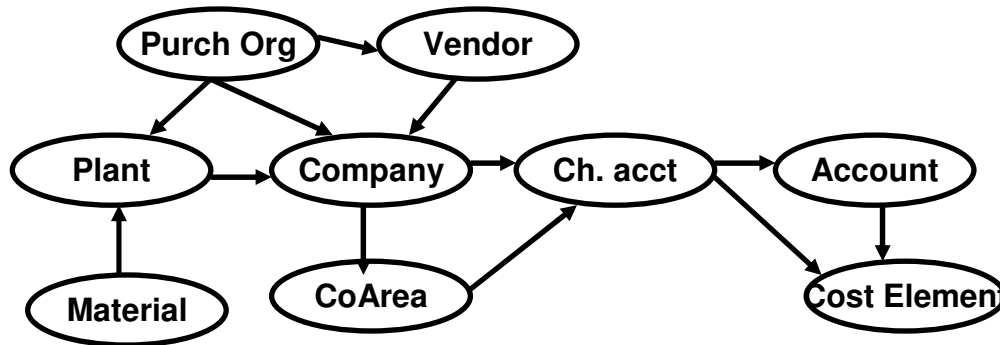
What determines the accuracy of the postings?



The automatic postings rely on correct system settings. The most important settings – 'the skeleton' of R/3 - are the assignments between organizational structures. It is also important, that the user knows how what to do, and picks the right transaction. The quality of master data is crucial to the posting quality.

The role of organizational structures in integration

The logistics people don't think about accounts, they think about purchase organizations, vendors, plants, materials. The logistical structures are assigned to accounting structures in system settings (IMG).



The purchase organization determines the company in whose accounting the posting is made. The plant defines the company, to whom the material belongs. The accounts payable account is in the vendor master data.

Postings in controlling

Display Actual Cost Line Items for Cost Centers

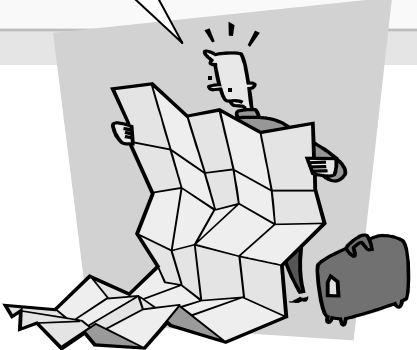
Document Master Record

Layout 1SAP Primary cost posting
Cost Center 1200 Cafeteria
Report currency EUR Euro

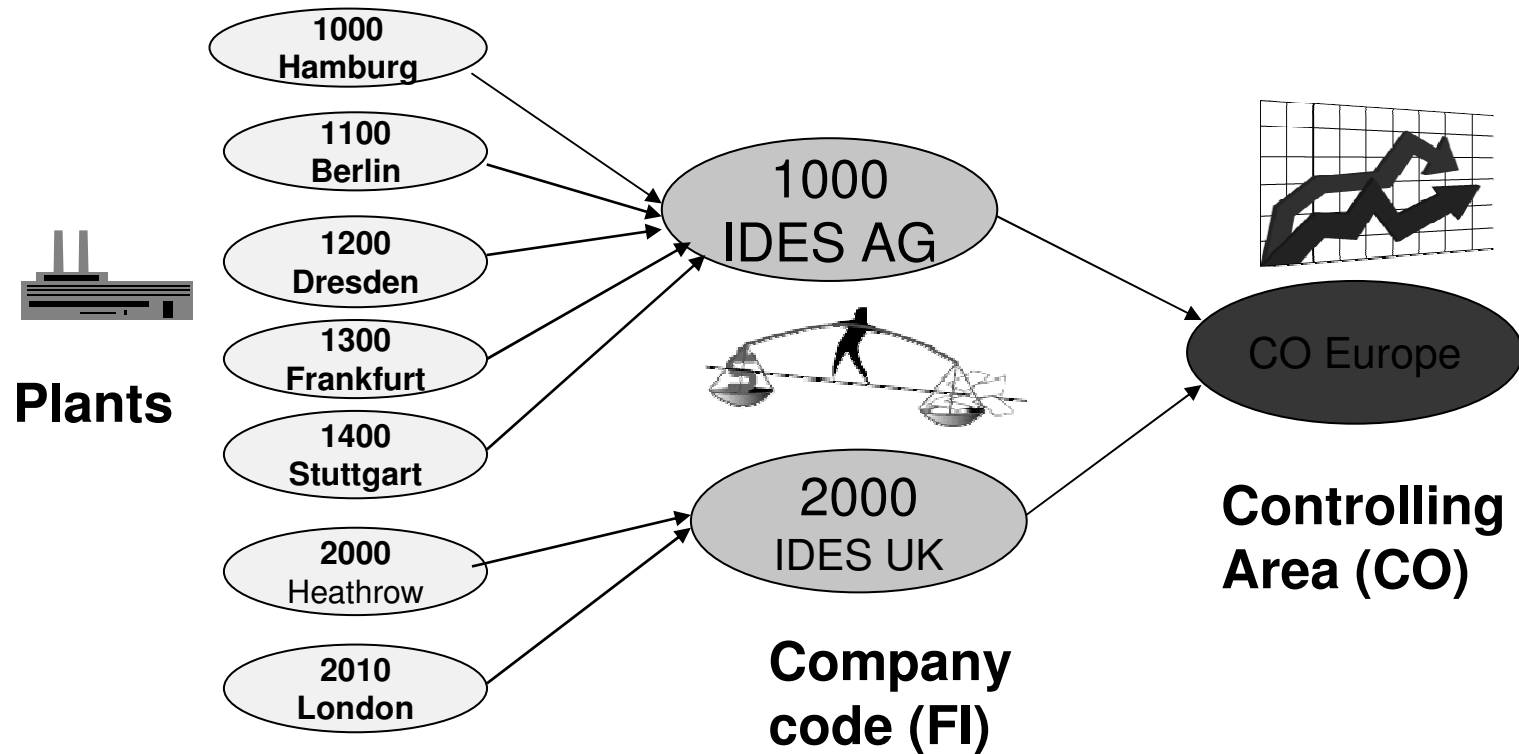
Cost Elem.	Cost element name	Val.in RC	Purch.Doc.	Quantity	PU	O	Offst.acct	Name of offsetting account	Material	Material Description
410000	OEM products consume	100,00	4500017127	1	PC	S	191100	Goods Rcvd/Invoice R	100001	1.5" Hex nut gasket r
Cost Center 1200 Cafeteria		100,00								
		100,00								

The goods receipt posting seems to be on the cafeteria cost center.

This example created a posting in CO, because the purchase was made to a cost center. Then the account must also be a cost element. The CO-postings can best be studied in the CO-reports.



Assignments of organizational structures



Here is an example of the assignments of organizational structures in SAP IDES. Company codes are the accounting units and can have several plants. All European companies are assigned to same controlling area. Controlling area is the management accounting unit. This means, that common management reports are obtained for all European companies.

Transaction type

MM

If I buy, I choose 'Purchasing'. If I make a receipt, I go to Inventory management.



Document 5000011881 : Overview

Item	Quantity	EUn	Material	Plnt	SLoc	PO	Item	S	
		BUn	Material Description			Batch	R	MvT	S
1	1	PC	100-251	1000		4500017127	10		
			1.5" Hex nut gasket neoprene white					101	+

- Logistics
 - Materials Management
 - Purchasing
 - Inventory Management
 - Goods Movement
 - MIGO - Goods Movement (MIGO)
 - Goods Receipt

Movement Type (Inventory)

Restrictions

M...	Movement Type Text
101	GR goods receipt
102	Reversal of GR

All MM inventory postings use a transaction type, which steers the processing in the system. The transaction type is also very important in account determination.

Example of MM account determination parameters

From here the system somehow concludes how goods receipt is posted in accounting.



Organization

Plant 1000 > Company Code 1000 -> Chart of Accounts INT
 -> Valuation Area 1000 -> Valuation Grpg Code 0001

Valuation

Material 100-251 -> Valuation Class 3100
 Material Type HAWA -> Value Update

Movement

Movement Type 101 GR goods receipt

Posting Lines

Posting Lines Text	VIGCd	AGC	VC1	PK	Acct		
Gain/loss from revaluation	-e-	-e-	3100	83	232500	93	232500
Inventory posting	-e-	-e-	3100	89	310000	99	310000
Incidental costs of external a	-e-	-e-	-e-	86	415000	96	415000
External activity	-e-	-e-	3100	86	417001	96	417001
Change in stock account	-e-	-e-	3100	81	400020	91	400020
Purchase offsetting account	0001	-e-	3100	40	379999	50	379999
Purchase account	0001	-e-	3100	40	379998	50	379998
Materials management exch.rate	-e-	-e-	-e-	40	230000	50	280000
Cost (price) differences	-e-		3100	83	281500	93	281500
GR/IR clearing account	-e-	-e-	-e-	86	191100	96	191100
Inventory posting	-e-	-e-	3100	89	310000		

**Process:
Goods receipt**

GR/IR clearing account

The account is determined based on Plant (valuation are), material's valuation class, movement type and MM transaction type.

Automatic account determination configurations

Purchasing **img**

Account Assignment

Maintain Account Assignment Categories

Acct Assignment Cat.	Acc.Assgt Cat.Dscr.
K	Cost center

Acct Assignment Cat. K Cost center

Detailed information

Acct.assg.changeable Consumption posting V Distribution 1

AA Chgable at IR Acct modification VBR Partial invoice 2

Derive acct. assgt. ID: AcctAssgt Scrn 1 Single account assig

Del.CstsSep. Special Stock

Goods Receipt GR Non-Valuated Invoice Receipt

GR Ind. Firm GR NonVal. Firm IR Ind. Firm



Materials Management

Valuation and Account Assignment

Account Determination

Configure Automatic Postings

Automatic Posting

Account Assignment Simulation G/L Accounts

Chart of Accounts INT Chart of accounts - international

Transaction GBB Offsetting entry for inventory posting

Account assignment

Valuation ...	General m	Valuation cl ...	Debit	Credit
0001	VBR	3100	410000	410000

The account for consumption postings can be tracked from IMG. The account modification code for Account assignment category is VBR. In transaction GBB 'Offsetting entry for inventory posting' account 410000 is defined. The valuation class is in material master.

At first sight this might seem difficult, but this is not rocket science and worth studying.