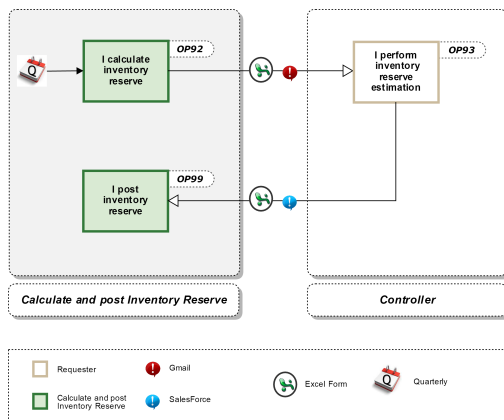


# OP.099

## I post inventory reserve

Process: [Inventory Valuation](#)

Responsibility area: [Calculate and post Inventory Reserve](#)



The purpose of this document is to explain how to generate the proposition and how to account in ERP the valuation of the stocks at the "fair value" in order to give relevant information about the "real value" of the company to all economic actors (share-holders, legal authorities...).

Before the closure in the months of March, June, September and December. The final validation and postings should be done until D-5 at the latest.

SU MAC Team runs the transactions and prepares the Excel files with proposal of rotation and financial depreciation.

Controllers are responsible to analyze the posting proposal sent by SU MAC team and provide the final validation for the depreciation amounts to be posted, indicating the changes to be done to the original posting proposal. In some cases, an additional comment on the largest variances between depreciation proposed and validated is required.

Scope

WW

Frequency

On a Quarter Basis

References

- [OP.099](#)
- [Rules - Posting of Inventory Depreciation](#)
- [OP.099](#)
- [Rules - Posting of Inventory Depreciation](#)

Attachments

[posting scheme for inventory reserve](#)

[Hard-Close instruction for inventory reserve](#)

SBS-OP-DRTR-02-092 << I post inventory reserve

### Guideline

The posting of Inventory depreciation can only be carried out after validation of the responsible Controller. In the validation reply to the initial proposal, the depreciation amounts must be indicated for each specific material.

Please check file related with [posting scheme for inventory reserve](#) for all the details.

- Manual entry after validation by FRA or GCCO; no direct update of standard price or moving average price in a material master;
- BFC P/L reporting heading is always **R25600** "Write-downs on inventories";
- Document type to use must be always **SB**;
- Posting and document date must be always the last day of the **Quarter**: 1<sup>st</sup> 31/03, 2<sup>nd</sup> 30/06, 3<sup>rd</sup> 30/09 and 4<sup>th</sup> (30/11 or 31/12 - according with instructions of [I calculate inventory reserves](#));
- In SAP, separate documents per impairment type ([NRV](#), [Slow-turn](#) and [Quality](#) - off-spec / obsolete / damaged), meaning that:
  - It should be performed only one posting per impairment type and per plant (if several exist in the company).
  - In the document, the assignment should mention the impairment type and the text should mention the type of impairment and the period related (Month/Hard-close).

- The posting must be **reversed** on the 1st day of the month of the following quarterly closure: 1st 01/06, 2nd 01/09 and 3rd 01/12.
- To reverse the posting of the 4<sup>th</sup> quarter/hard-close on 01/03, we have to change the following elements, since the posting is done in a new fiscal year:
  - **P&L Account to be used is 98340650**
  - **and Transaction Type to be used in the stock account is F36 (cash-flow).**

**Mandatory fields:**

- P&L Account to use is always **98340600**;
- It is mandatory to insert the appropriate company code **cost center** to determine the correct Activity Market and CGU of the stock being depreciated. P&L specific cost center (XXXX-75XX);
- B/S transaction type **F25** (allowance) must be used;
- Both assignment fields (B/S and P&L) should identify the impairment type;
- Stock Account (B/S) to be used depends of the material Valuation Class (check Table 1). It is mandatory to insert the appropriate **profit center** for working capital.

**Table 1**

Valuation Class	B/S Account	B/S Account Name	Inventory Type	B/S - BFC	P/L Account	P/L Account Name	P/L - BFC
Z100	39100100	Raw Materials-Valuation Allowances	Raw Materials	A39100	98340600	stock depreciation	R25600
Z110	39100300	Packaging Material-Valuation Allowances	Packaging	A39100	98340600	stock depreciation	R25600
Z120	39100200	Industrial Supplies-Valuation Allowances	Industrial Supplies	A39100	98340600	stock depreciation	R25600
Z130	39700200	Goods For Resale-Valuation Allowances	Trading Goods	A39700	98340600	stock depreciation	R25600
Z140	39700400	Semi-Finished Products-Valuation Allowances	Semi-Finished Products	A39700	98340600	stock depreciation	R25600
Z150	39700100	Finished Products-Valuation Allowances	Finished Products	A39700	98340600	stock depreciation	R25600
Z150	39700102	FINISHED PRODUCTS - OFF SPEC	Finished Products	A39700	98340600	stock depreciation	R25600
Z150	39700102	GOODS FOR RESALE - NRV	Finished Products	A39700	98340600	stock depreciation	R25600
Z150	39700201	FINISHED PRODUCTS - NRV	Finished Products	A39700	98340600	stock depreciation	R25600
Z160	39100100	Industrial Supplies consumed in BOM	Industrial Supplies Consumed in BOM	A39100	98340600	stock depreciation	R25600

**Mandatory fields:**

- P&L Account to use is always **6310000000**;
- It is mandatory to insert the appropriate **reporting cost center at PIF level** to determine the correct Activity Market and CGU of the stock being depreciated;
- B/S transaction type **F25** (allowance) must be used;
- Both assignment fields (B/S and P&L) should identify the impairment type;
- Stock Account (B/S) to be used depends of the material Valuation Class (check Table 2). It is mandatory to insert the appropriate **business area** for working capital.

**Table 2**

Valuation Class	B/S Account	B/S Account Name	Inventory Type	B/S - BFC	P/L Account	P/L Account Name	P/L - BFC
Z100	2009000000	Finished Goods Manufactured-Write Downs	Finished Products	A39700	6310000000	Inventories-write downs	R25600
Z101	2019000000	Finished Goods Purchased-Write Downs	Finished Products	A39700	6310000000	Inventories-write downs	R25600
Z052	2109000000	Raw Materials,Combustible,Energy-Write Downs	Raw Materials	A39100	6310000000	Inventories-write downs	R25600
Z000	2109000100	Main Raw Materials-Write Downs	Raw Materials	A39100	6310000000	Inventories-write downs	R25600
Z050	2109000200	Other Raw Materials-Write Downs	Raw Materials	A39100	6310000000	Inventories-write downs	R25600
Z054	2109000500	Utilities-Write Downs	Utilities	A39100	6310000000	Inventories-write downs	R25600
Z053	2109100000	Semi-Finished Goods-Write Downs	Semi-Finished Products	A39400	6310000000	Inventories-write downs	R25600
Z055	2119000000	Gen and Techn Items Excl Packaging-Write Downs	Industrial Supplies	A39100	6310000000	Inventories-write downs	R25600

Z058	2119010000	Spare Parts-Write Downs	Industrial Supplies	A39100	6310000000	Inventories-write downs	R25600
Z051	2119100000	Packaging-Write Downs	Packaging	A39100	6310000000	Inventories-write downs	R25600