

Monthly costing and cost accounting closing

1. Objective and Scope

1.1 Objective of this Procedure

This procedure describes the Group requirements for Costing- Monthly closing

It includes:

- the roles and responsibilities within the SU Management Accounting (SU MAC)
- the tasks to be performed
- the related deadlines.

1.2 Scope

This organizational procedure (P) applies to all companies included in the Solvay Business Services scope of entities.

This procedure takes effect as of disclosure of the document to the Group.

2. Reference Documents

[SBS-P-RTR-05-005 Closing Calendar](#)

[GAR List of companies](#)

3. Definitions

[costing - Glossary](#)

4. Organizational Procedure

4.1 General Roles and Responsibilities

SU Management Accounting (SU MAC)

WW PE Costing : Process Management Team – WW level

- PE Costing is the owner of the process for the Group at a worldwide level
- Ensure efficient governance of the process through rules definition, communication and enforcement.
- Manage internal controls on Costing and Cost Accounting
- Deploy procedures / orientation defined at RTR Process Management level
- Manage the delivery accounting team in each region
- Deploy common/standard procedures and support local teams
- Establish the link between Process Management and Delivery team in each region
- Mostly act as supervisors to ensure process efficiency and performance enhancement
- Create/Maintain the controlling network
- Leverage the controlling network to achieve process efficiency and transmission of required expertise

The Process Expert will work closely with a **Delivery team** in charge of Su MAC activities organized as follows:

SU Management Accounting (SU MAC)

- Perform daily operations related to the Monthly closing process, in line with guidance and rules defined upfront, for activities not requiring proximity to customers or specific local knowledge
- Optimize and standardize operations, as well as documentation materials (mostly Operating Procedures).
- Offer standard services and conduct related internal controls
- Three centers serving their regions as well as the whole world, and coordinated worldwide (Lisbon, Curitiba, Bangkok)

Non-GBS Roles:

Corporate Controlling

- Responsible for giving instructions on process objective

Group Accounting Reporting (GAR)

- Responsible for establishing Group consolidation policies

GBU Finance Responsible Assigned (FRA)

- Responsible for validating Costing processes

4.2 Costing Monthly Closing: General Process Description

4.2.1 Costing Monthly Closing Roles and Responsibilities

The Costing Monthly closing activity implies inputs and responsibilities from various actors in the organization, as described below:

4.2.1.1 *SBS actors of the Costing Monthly closing*

WW PE Costing

- Define the generic roles of the Costing and cost accounting organization
- Define, communicate and implement Costing Monthly closing procedures
- Validate Costing Monthly closing procedures
- Provide the needed training of resources
- Design of internal controls on the process
- Organize teams in order to ensure the proper functioning of the Costing Monthly closing process
- Ensure a proper allocation of resources to the Costing Monthly closing process
- Ensure the link between process management and delivery team in each region
- Provide feedback, relay information from the regions to PE costing
- Control and validate the requests sent by GBU
- Supervise and validate internal control efficiency within the region

Company Accounting Managers

- Provide feedback and relay information from the regions to Process Experts Costing
- Review financial results for each legal entity
- Responsible for BFC packages publishing

SU Management Accounting (SU MAC)

- Main responsible for performing the monthly closing activities (including monitoring and executing Schedule Manager)
- Check that all the closing operations have been duly and timely performed.
- Provides balanced and consistent financial statements before Tax

4.2.1.2 *Non-GBS actors of the Costing Monthly Closing*

FRA/GBU Controller

- Provide manual accruals on time
- Control and validate the preliminary P&L

GAR

- Responsible for BFC reporting structure
- Establish and communicate month-end consolidation policies

4.2.2 Monthly Closing Schedule

Please refer to the [Finance SL Closing Calendar \(Harmonized Timetable\)](#)