

I calculate the Inventory valuation (Material ledger)

Domain: Costing

Responsibility area: Perform product costing monthly closing-ML

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Scope



WW

ERP

PF2

Frequency

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Inventory valuation (Material ledger)
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1. Objective and Scope

1.1. Objective of this Operation

The objective of this operation is to guarantee that all costs posted in Cost Centers are allocated correctly to the final PL of the respective company.

1.2. Scope

This procedure is applied to all companies WW.

2. Definitions

See [Finance - Glossary](#)

3. Tasks description

3.1. I verify that the previous dependent steps have been performed

Confirm that Product Costing is successfully completed.

3.2. *I launch the calculation of Inventory valuation*

All the finished and semi-finished goods are preliminary valued at standard costs during the month. Consequently, at the end of the period, it is necessary to run Material Ledger, in order to correct the standard price, calculating an actual price for each material, based on all the actual costs for that specific period. This actual price is called "periodic price unit" and can be used to revalue the material stock for the mentioned period.

Actual Costing - determines what portion of the variance is to be debited to the next highest level using material consumption. With the actual BOM, variances can be rolled-up over multiple production levels all the way to the finished products.

Material Ledger is activated at company level but its use can be limited by plant or by article. So, if one plant is customized with ML, all the articles in this plant will have material ledger postings but with a different importance depending if the article is included in the end of the month procedure or not.

After the run of Material Ledger, all the inventory stocks are revaluated at actual prices and actual production cost of the period.

The transaction is composed of 5 flow steps which have to be launched in a sequential way and ends with the post closing step.

For WP2 companies, Material Ledger is performed only for Brazil and South Korea, due to fiscal purposes and for that reason the postings are done in local accounts.

In case of FI accounts closed please bear in mind that information in MM might be impacted (CKM3 information). In case this occurred please refresh cockpit to have the most updated status for the materials.

As action, open FI period, re-run post closing step and refresh cockpit again.


If accounts are not opened and material ledger is not refreshed, re-run ML cockpit will be kept in error, originating problems in the following period.

3.3. I check that there are no errors in Material ledger

Check the log of each step processed in CKMLCP to see if there are errors, even with all the status green.


Besides the errors that can appear in the log of each step, above you can find some of the possible errors that we can find during the run of Material Ledger:


- Single Level Price Determination

 "You cannot perform price determination in period XXX/YYYY"

This error happens because we are creating a Costing Run for future periods and, so, we have to correct the period.

Or else, if we are in the actual period, it means that the Material Ledger wasn't performed for the previous period and, in that case, we have to check the reason for that and, if necessary, contact locals.

 You cannot perform price determination in period 011 / 2009

 "Carry out period-end closing for material XXXXX in the previous period"

In this case, there is an inconsistency in the master data of material 32690 (Plant RBAE). This material is marked with "Price Determination: 3 Single-/multi-level" and "Price Control: S Standard price" (transaction MM03 – Accounting 1). This means that this material has to be integrated on the Material Ledger for the current month. However, as it wasn't included on the previous one, it's generating an error.

In these cases, we have to check with SU MAC Team if the mentioned material should be included or not on ML for the closing month.

After, we have to re-start the ML for the closing month.

Exc...	AppAr	MsgNo	Num...	Message text	Material	Val. type	S	Plant	MTyp	Level	Cycle no.
	C+	805	1	Carry out period-end closing for material 32690 in the previous period	32690			RBAE	Z700		
			1								
			1								

• Multilevel Price Determination



"Periodic Unit Price of the material will be negative"

Differences were collected in the period to be settled and, after the recalculation, a statistical periodic unit price has been calculated with a negative price.

To correct this, we must check if all production orders are settled, and settle the ones that still remain with amount. After having all the production order settled, if we remain with the same error, we need to exclude the mentioned material from the multi-level parameters:

Exc...	AppAr	MsgNo	Num...	Message Text	Material	Val. type	S	Plant	MTyp	Level	Cycle N...
	C+	723	4	Periodic unit price of the material will be negative	1055912			CCP	YYFP	1	1
			4								
			4								

Maintain Variant: Report SAPRCKMLMV_RUN_MLEVEL_SETTLE, Variant 0000000

Selection Options

Postprocessing Options

Material: 1055912

Plant: Do not select: Equal to

Valuation type:

Costing Level:

Treating Materials Already Processed

Process Again Do not process



"The actual price for XXXX could not be determined"

To solve we need to go to transaction KBK6 and manually change the actual price for the cost center and activity type in error:

In order to not have a variance, we just copy the amount that we have in column VarPlanPriceArea and paste it to column **FxdActPriceArea**.

After we must repeat this step (Multilevel price determination) for ML.

Exc...	AppAr	MsgNo	Σ Num...	Message Text	Material	Val. type	S	Plant	MTyp	Level	Cycle N...
CKMLLA	102	1	1	The actual price for P232200010/P2M1BP could not be determined	1030404			CCP	YYIM	2	
CKMLLA	102	1	1	The actual price for P232200010/P2M6MQ could not be determined	1030522			CCP	YYIM	2	
CKMLLA	102	1	1	The actual price for P232200020/P2M6V0 could not be determined	1006458			CCP	YYIM	2	

Cost Centers Manual Actual Price Display: Overview Screen

Version	8	Plan/Act- Version	
Period	7	To	7
Fiscal Year	2009		
Cost Center	P232300010	UP2	Unité de product

Activity	FixdActPrice Area	VarActPrice Area	C. Unit	Actual Price	API	FixdPlanPriceArea	VarPlanPriceArea	Unit	Plan Price	PI
P2M5VR	78,79	0,00	EUR	00001	5	78,79	0,00	EUR	00001	1


• Post Closing

 "Material XXXXX in valuation area YYYY locked"

Someone is using the material at the same time that we are running Material Ledger. We have to wait until that person leaves the material and re-run this step for the ML.

Remark: This error can also happen on other steps of Material Ledger.


Exc...	AppAr	MsgNo	Σ Num...	Message text	Material	Val. type	S	Plant	MTyp	Level	Cycle no
C+	710	1	1	Material 37140 PRODUCED in valuation area RBAE locked: price deter...	37140	PROD...		RBAE	Z700		
C+	710	1	1	Material 36975 in valuation area RBAE locked: price deter. not possible	36975			RBAE	Z707	2	
			2								
			2								

 "Period XXX/YYYY is not open for account type M and G/L XXXXXXXXXXXX"

The period is not open.

Go to transaction OB52, open the necessary account type and G/L account and re-run the step.


Exc...	AppAr	MsgNo	Σ Num...	Message text	Material	Val. type	S	Plant	MTyp	Level	Cycle no
F5	286	21	21	Period 007/2009 is not open for account type M and G/L 2000010000							
			21								
			21								

 "Account determination for entry COCA LKW not possible"

When choosing the parameters selection, the option "Revalue Material" was not flagged, causing this debit credit inconsistency.

In order to correct this error we have to reverse ML and re-execute the last step flagging the correct fields.

Exc...	AppAr	MsgNo	Σ Num...	Message text	Material	Val. type	S	Plant	MTyp	Level	Cycle no.
	M8	147	48	Account determination for entry COCA LKW not possible							
	F5	846	1	Debit/credit indicator is inconsistent							
	F5	846	1	Debit/credit indicator is inconsistent							
	F5	846	1	Debit/credit indicator is inconsistent							
			51								
			51								

 "Maximum number of items in FI reached"

The maximum number of items for a FI document has been exceeded.

To correct this error we have to change the field "No. of Materials in ML Doc." from 50 to 1:

No. of materials in ML doc.

Exc...	AppAr	MsgNo	Number	Message Text	Material	Val. type	S	Plant	MTyp	Level	Cycle N.
	F5	727	5	Maximum number of items in FI reached							
			5								
			5								

3.4. I check the balance of cost center *843*

With the implementation of SPS it was created 1 technical CC *843*, which will receive amounts during all month (at each movement done in the material), registered with the price of the respective material.

At the end of the month, with ML and Integrated Margin, the material price is updated and this is also posted in the same CC *843*.

This means that this CC will collect all the price differences of each material, and that it should be balanced after running the ML and IM, and should remain only with a small amount, that will then be allocated to value field D43 with a cycle.


In order to check the balance, it's important to understand that, in the subcontracting flows, the goods issue and goods receipt will also generate posting into this CC. However, they are not considered a ML variance, so the relevant cost elements should be excluded by the way of filtering in report layout.

There is a specific layout already created in KSB1 (/SPS VAR) that can be used.

Also it's recommended to set the "Maximum No. of Hits" from 5000 (which is the one by default) to 999999999:


Display Actual Cost Line Items for Cost Centers : Initial Screen

Further Selection Criteria...

Cost Center to 

or

Cost Center Group

Cost Element to 

or

Cost Element Group

Posting Data

Posting Date to

Settings

Layout 3S-lineitems

[More Settings](#)

Select Further Settings

Variant fields only

Output in ALV grid

Maximum No. of Hits

In case this CC is not balanced (or with a threshold amount agreed with the controllers), it must be analyzed.

There are several reasons for the unbalanced amount, and for some of them it might be necessary to re-run ML.

We can find [here](#) the details of how to make this analysis.

Besides the tips mentioned in the presentation above, we can also try to check also the movements of the material in transaction MB51 and see if we find something outside of the ordinary (can be compared with other material) - eg. movement types not used in the past, ...

Exception for Sp.Pol companies:

The amount unbalanced in CC *843, after the analysis and in case it's supposed to be allocated to PL, must be allocated to the respective materials.

The instructions can be found [here](#) (please note that there 2 to sheets with instructions, depending on the companies)

3.5. I inform the person in charge of product costing that Material ledger is completed

After checking that Material Ledger is finished and CC *843* is OK, an information message should be sent to controllers.



• Costing Run Deletion

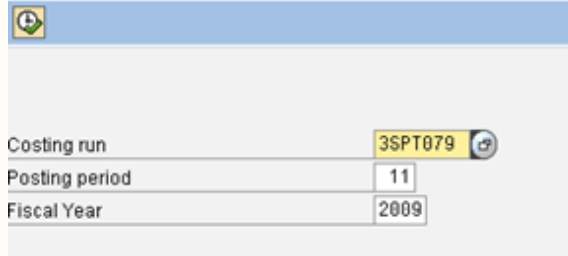
STEP 1

This transaction can only be executed if the Costing Run wasn't processed yet. Otherwise, the message "No authorization to delete the log" will be retrieved.

So, if the Costing Run wasn't processed yet, and when the naming of the Costing Run was not correctly chosen or when the plant selection was mistaken, we can delete it.

Insert the posting period, the fiscal year and the name of the costing run that you want to delete. After, press .

Delete a Costing Run in Actual Costing

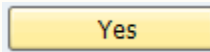


Costing run	3SPT079
Posting period	11
Fiscal Year	2009

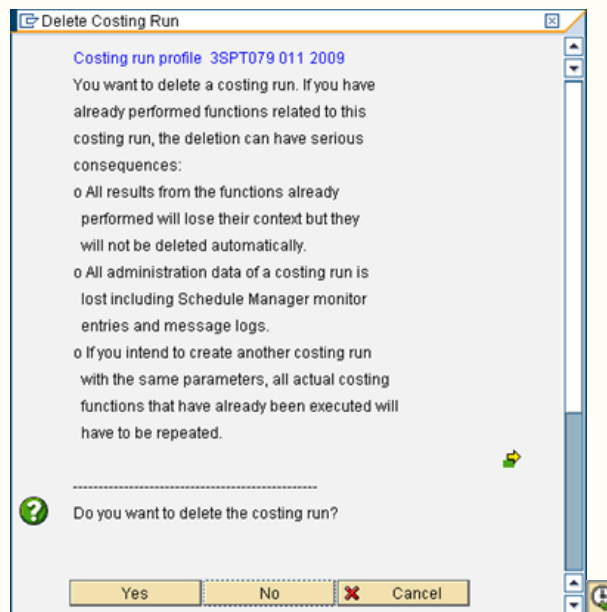
STEP 2

The system issues a warning about the consequences of this deletion.

- Click




The costing run is deleted and the system indicates from which table was the data deleted from.



Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Jun 13, 2016	Actor	Type	Activity	Version
Published	Sylvain Michel Alexandre Pingont	State	changed state to Published at 2:02 pm (Space Initialization)	v6
Draft	Sylvain Michel Alexandre Pingont	State	gave <i>Approvers</i> approval at 2:02 pm	
		State	changed state to Draft at 2:02 pm	v6
From Nov 10, 2015 to Feb 09, 2016				
	Alexandra Lepercq , Teresa Martins and ROLLIER, Charlotte	Edit	multiple updates from Alexandra Lepercq , Teresa Martins and ROLLIER, Charlotte	
	 Teresa Martins	Edit	created the page at 10:59 am	

• Reverse Material Ledger

The reverse of the Material Ledger is performed just on the last step, the Post Closing.

In this case:

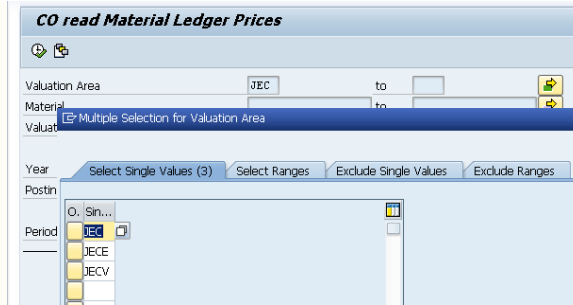
1. Mark the processing type "Reverse"
2. Mark the parameter "Revaluate" (for WP2, this is not necessary)
3. Delete flag "Background processing"
4. Delete flag "Test run"
5. Mark "Save log"
6. Execute the step Post Closing
7. Refresh Data with Direct Processing

• Material status check

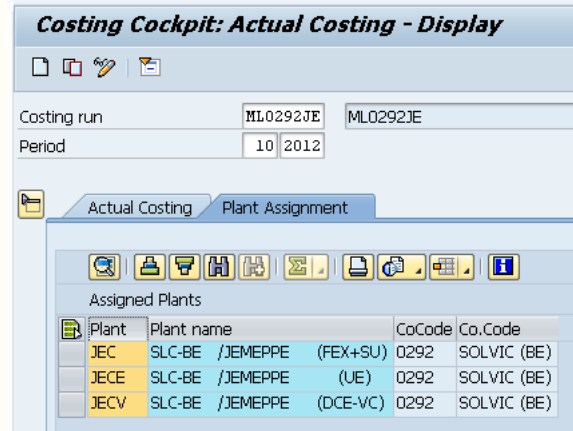
STEP 1

Enter the transaction **Z1K_MLSTATUS**.

In the field Valuation Area, add the plants considered in the costing run.



Check on CKMLCP the plants used for a specific costing run and copy them into Z1K_MLSTATUS.



plant	material	ML valuation	SD docum.	ST material text	Ending Stock	Receipts	Consumptions	UM
JECV	180465			70 PVC 2649C *J Ca1100 48875b F1	200,000	0,000	0,000	KG
JECV	180466			70 PVC 271PC1 *J Ca1000 48875b P	0,000	0,000	0,000	KG
JECV	181551			70 PVC 2678C1 LBNC *J Ca1100 4888	5,500,000	0,000	0,000	KG
JECV	182052			70 PVC 5275B LBNC *J Ca1100 48875	2,100,000	0,000	0,000	KG
JECV	182333			70 PVC 5608A *J Ca1100 48875b F1	0,000	0,000	0,000	KG
JECV	182347			70 PVC 2752C1 LBNC *J S25 13K F1	110,350,000	54,975,000	2,508,000	KG
JECV	184080			70 PVC 8200001 LBNC *J Ca1000 4E	31,800,000	26,000,000	22,000,000	KG
JECV	184254			70 PVC 5613F *J Ca1000 48875b P	4,900,000	0,000	0,000	KG
JECV	185237			70 PVC 5275B *J Ca1100 48875b F1	17,400,000	0,000	0,000	KG
JECV	188007			70 PVC 3728A *TA S25 2FA P11008T	0,000	0,000	0,000	KG
JECV	188187			70 PVC 8200001 *J Ca1000 48875b	0,000	2,000,000	2,000,000	KG
JECV	190566			70 PVC 5608F1 *J S25 3PA P137507	45,825,000	0,000	400,000	KG
JECV	190568			70 PVC 5608C1 *J S25 3PA P137507	79,100,000	1,375,000	1,375,000	KG

STEP 2

In the report result, status 70 is "Closing entry performed", so it's OK.

STEP 3

In the bottom of the screen you will find the description of each status.

If code 05 appears it means that the article was not touched in any transaction




If code 60 appears it means that ML was reversed but missing the relaunch.

When executed the report Z1K_MLSTATUS after Material Ledger, the expected status should be 01, 05 and 70.

- 00 - Not defined
- 01 - New objects
- 05 - Period Without Stock Opened
- 10 - Period opened
- 20 - Price change completed
- 30 - Qties & values entered
- 31 - Values entered
- 40 - Price det. single-level
- 50 - Price det. multi-level
- 60 - Closing entry reversed
- 70 - Closing entry performed

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Aug 07, 2025	Actor	Type	Activity	Version
Published	 CRISTINA VALA SERODIO, ines	Edit	updated the page at 11:39 am	
		State	changed state to Published at 9:39 am	v8
Draft	 CRISTINA VALA SERODIO, ines	State	gave <i>Approvers</i> approval at 9:39 am	
		State	changed state to Draft at 9:39 am	v8
Jun 13, 2016				
Published	Sylvain Michel Alexandre Pingont	State	changed state to Published at 2:02 pm (Space Initialization)	v7
		Draft	gave <i>Approvers</i> approval at 2:02 pm	
Draft	Sylvain Michel Alexandre Pingont	State	changed state to Draft at 2:02 pm	v7
		State	changed state to Draft at 2:02 pm	v7
From Oct 29, 2015 to Apr 28, 2016				
	Alexandra Lepercq and Teresa Martins	Edit	multiple updates from Alexandra Lepercq and  Te	

- **ML Posting check**

The documents posted by Material Ledger are always two: one with document type WE and another one with ML.

These are only posted in FI, MM and CO-PCA, and they correct the cost of goods sold (COGS) against stock accounts.

1. Transaction CKMB

In transaction CKMB, enter the document number and the running year and you will be able to see the Material Ledger posting by material

Display Material Ledger Document 2000044844: Overview

ML Data Accounting Documents

Material ledger settlement

Document number 2000044844
 Document date 06.01.2006
 User DE03133
 Period 012.2005
 Currency/valuation Company code currency EUR

Material	Material description	Plant	Valuation type	Price diff	ExRt diff	Curr.	It
31851	SL	BBAA	PRODUCED	38.446,31	0,00	EUR	CL
103055	SE	BBAA		957,51-	0,00	EUR	CL
103931	LIMESTONE TO BE CONSUMED	BBAA		4.870,33	0,00	EUR	CL

2. Transaction CKMS

In case of not having accessed immediatly CKMB after step 5 of ML cockpit run (otherwise you will not have the document number), in order to assure the entry of ML Post Closing enter in CKMB, please select the match code

Display Material Ledger Document: Initial Screen



Document Number



Document Year

You will enter in CKMS transaction. Select the plants codification included in CKMLCP – Assigned Plants.

Searching for Material Ledger Documents

Activity Type Selection

Material	<input type="text"/>	<input type="checkbox"/>	to	<input type="text"/>	
Plant	<input checked="" type="checkbox"/>		to	<input type="text"/>	
Valuation Type	<input type="text"/>		to	<input type="text"/>	
Sales Document	<input type="text"/>		to	<input type="text"/>	
Item (SD)	<input type="text"/>		to	<input type="text"/>	
WBS Element	<input type="text"/>		to	<input type="text"/>	

Scope of list

User name	<input type="text"/>		to	<input type="text"/>	
ML transaction type	<input type="checkbox"/>		to	<input type="checkbox"/>	
Posting Year	<input type="text"/>		to	<input type="text"/>	
Posting period	<input type="text"/>		to	<input type="text"/>	
Posting Date	<input type="text"/>		to	<input type="text"/>	
Document Number	<input type="text"/>		to	<input type="text"/>	
Document Year	<input type="text"/>		to	<input type="text"/>	
Errors with PrDeterm.	<input type="checkbox"/>		to	<input type="checkbox"/>	

Settings

Maximum No. of Hits

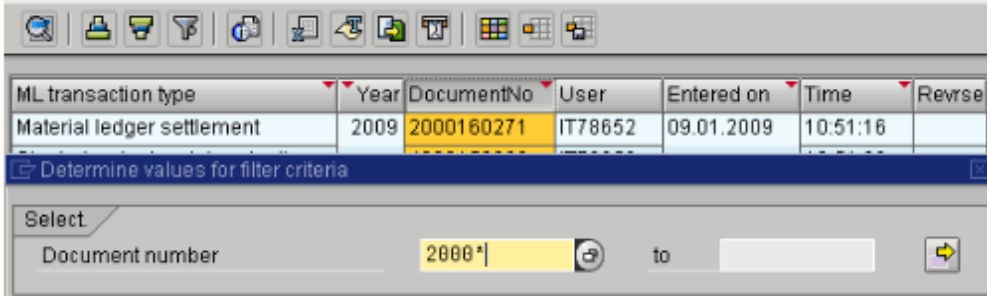
Documents

Document items for each mat.

Note: It's normal that the transaction takes some time to run.

Create a filter by the document number codification 2000*:

Searching for Material Ledger Documents 31 Hits



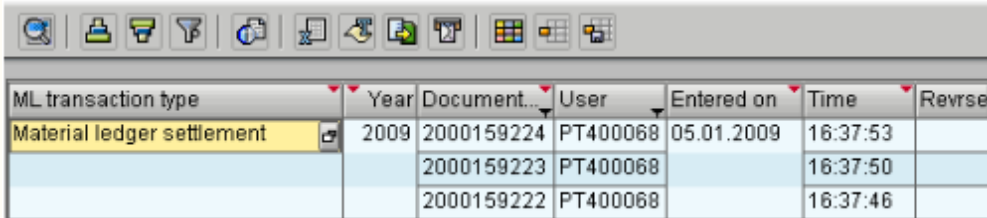
The screenshot shows the SAP search results for Material Ledger Documents. The table below displays the search results:

ML transaction type	Year	DocumentNo	User	Entered on	Time	Reverse
Material ledger settlement	2009	2000160271	IT78652	09.01.2009	10:51:16	

Below the table, there is a filter criteria section with the following input:

Select: Document number 2888* to

Searching for Material Ledger Documents 31 Hits



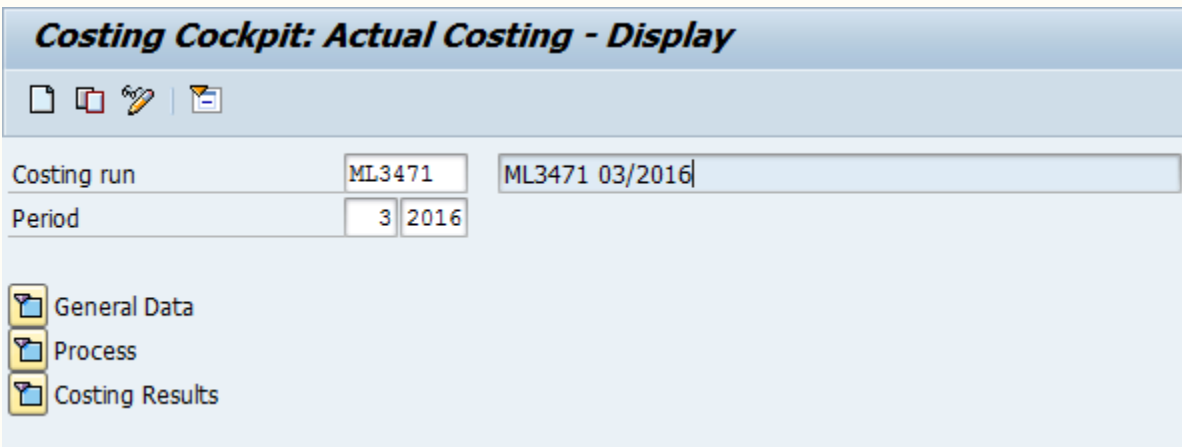
The screenshot shows the SAP search results for Material Ledger Documents. The table below displays the search results:

ML transaction type	Year	DocumentNo	User	Entered on	Time	Reverse
Material ledger settlement	2009	2000159224	PT400068	05.01.2009	16:37:53	
		2000159223	PT400068		16:37:50	
		2000159222	PT400068		16:37:46	

We will be able to access the Post Closing documents.

3. Transaction CKMLCP

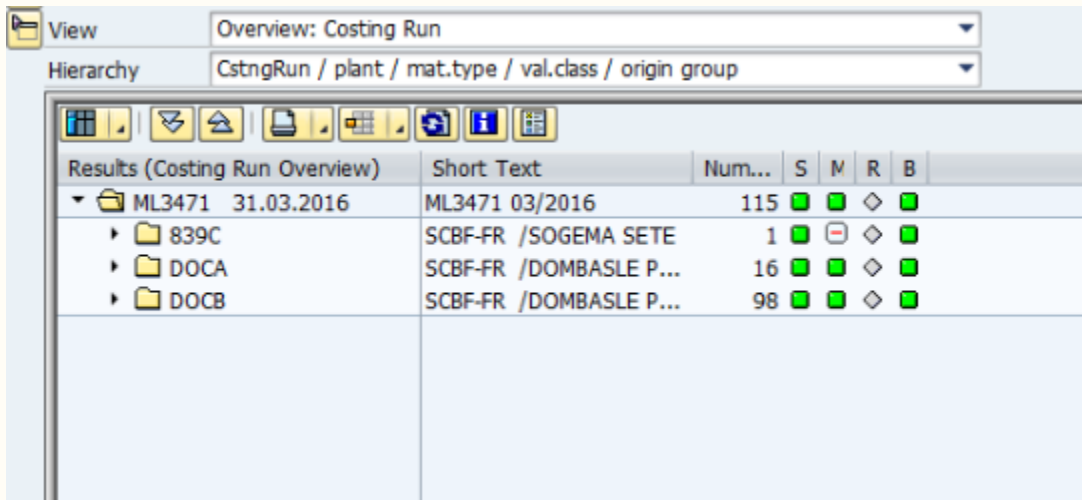
Staying in the costing run, there's also the possibility to look to the closing results.



The screenshot shows the SAP Costing Cockpit: Actual Costing - Display. The interface includes the following elements:

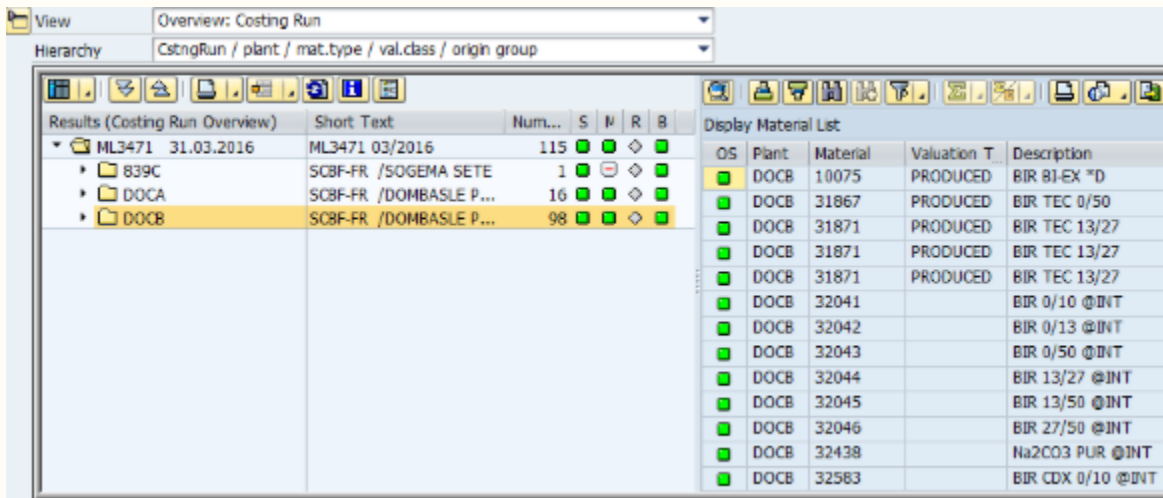
- Costing run: ML3471
- ML3471 03/2016
- Period: 3 2016
- Navigation options: General Data, Process, Costing Results


Click on the Costing Results option and you will have an overview:



Select a plant on the top node (corresponds to the company with all assigned plants, treated in the costing run)

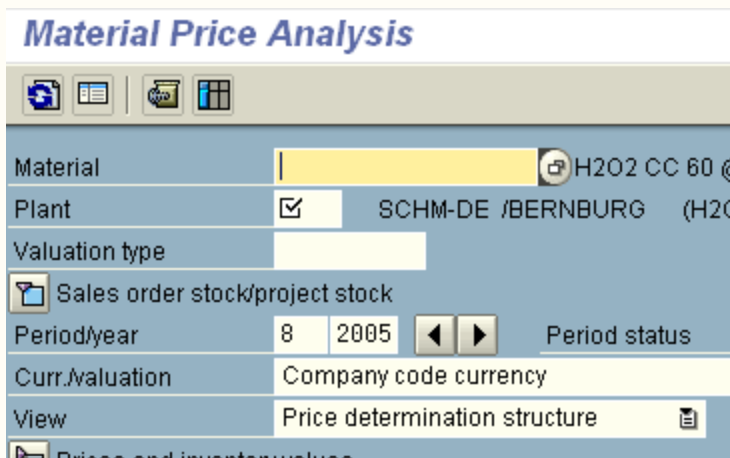
Double click on the selected object and an additional frame appears



On the right side, open the selection button , click on Choose Layout and select a layout (e.g. /TADFSTOCK)

The right side will change and show the costing results by material and the total by plant or by other chosen level

4. Transaction CKM3 - material price analysis for one material



Enter the material number, plant, valuation type (blank, produced, purchased) and analysis period

Choose view (usual ' price determination structure')

Click on refresh

See below the stock development for the selected material in the chosen period

In the bottom line see the period-end inventory revaluated in the material ledger at actual cost (column: ActualVal), the new periodic unit price, the preliminary value (stock quantity * standard price in column: PrelimVal) and the single and/or multi-level price differences, which are finally posted and lead to adjustments in inventories at the end of the period.

Category	Quantity	Unit	ActualVal.	Price	Currency	PrelimVal	S-L diff.	Mul
▶ Beginning inventory	1.384.490,000	1KG	295.621,83	213,52	EUR	307.578,28	656,65	12.61
▶ Receipts	4.780.683,000	1KG	1.128.388,82	236,03	EUR	1.062.076,54	835,27	65.4
▶ Cumulative inventory	6.165.173,000	1KG	1.424.010,65	230,98	EUR	1.369.654,82	1.491,92	52.8
▶ Consumption	5.207.533,000	1KG	1.202.818,21	230,98	EUR	1.156.905,51	1.260,18	44.6
▶ Ending inventory	957.640,000	1KG	221.192,44	230,98	EUR	212.749,31	231,74	8.2

End of document.

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Dec 03, 2025	Actor	Type	Activity	Version
Published	CHANSRI, Surachet	State	changed state to Published at 6:27 am	v20
Draft	CHANSRI, Surachet	State	gave <i>Approvers</i> approval at 6:27 am	
Sept 11, 2025				
	TORNPETCH, Ubonrat	Edit	updated the page at 11:23 am Other contributors:	
		State	changed state to Draft at 9:23 am	v20
Mar 13, 2025				
Published	Gomes, Susana	Edit	updated the page at 6:15 pm	
		State	changed state to Published at 5:15 pm	v19
Draft	Gomes, Susana	State	gave <i>Approvers</i> approval at 5:15 pm	
		State	changed state to Draft at 5:15 pm	v19