

# I guarantee consistency on restructuring provisions figures

## Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country\_accounting
- Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk\_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south\_korea, thailand, singapore
- Unit and Domain according to the [List of labels to be used in the Finance Service Line space](#)
  - E.g. 1: WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
    - Labels to be used: **ww, financial\_accounting, central\_fin\_proc\_compliance**
  - E.g. 2: France Operation in Financial Accounting:
    - Labels to be used: **country\_accounting, france, financial\_accounting**  
(for country operations, the Domain is always country\_accounting)

3. Fill in all fields as described above

4. Once the description of the operation is completed, ensure it is approved and published by launching the [SBS-Finance approval workflow](#)

**Domain:** Central Finance Processes & Compliance

**Responsibility area:** Ensure figures reporting

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## Scope

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## ERP

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## Frequency

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## References

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SAP FBL3N/ KE24

## Forms

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## Attachments

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8. Add the link to attachments or external links

<https://FinancialConsolidation.solvay.com/FCprod-XL>

SAP vs BFC vs CALAME template files

*I analyze the different movements on restructuring provision accounts << I guarantee consistency on restructuring provisions figures >> I upload the restructuring provisions to BFC*

# 1. Objective and Scope

## 1.1 Objective of this Operation

The aim of this operation is to guarantee the consistency of the figures within Balance Sheet and Income Statement.

## 1.2 Scope

All PF1 and WP1 impacted by Restructuring provisions.

# 2. Definitions

See Finance Glossary

### 3. Tasks description

Restructuring costs include:

- severance pay
- compensation for the early termination of operating leases, and
- all exit costs arising from restructurings, including impairment losses recognized on discontinued assets due to the closure of a site or operation.

They are recognized net of reductions in employee benefits already accrued, in case of loss of these benefits by employees.

#### **Restructuring expenses of the period excluding depreciation (R45100)**

These are actual restructuring expenses, which relate to existing provisions (made in previous periods).

Are included, the following expenses types:

- Staff costs and other social costs:
  - severance indemnities (for involuntary or voluntary leave)
  - indemnities for a previous notice not worked
  - leave reclassification
  - grants and aids in the creation of enterprises
  - outplacement costs
  - expertise costs of an audit firm
  - professional fees
  - etc...
- Charges (gains) associated with a shutdown (site, production unit, activity, commercial and administrative offices), causing the cessation of a going concern at the site level:
  - rent/lease and contract termination fees
  - destruction and restoration costs
  - gains from the sale of destruction materials (e.g.: scrap metal)
  - professional fees

#### **Use of restructuring provisions (R45200)**

This relates to the use (cash-out) made on restructuring provisions relating to period expenses (expenses reported under R45100).

Notes:

- R45200 should always correspond to the opposite amount posted on R45100.
- The corresponding heading of R45200 in the statement of financial position is "L45800 - short-term provisions for restructuring".

#### **Restructuring provisions (R45300)**

In here are reported the full charges of these provisions in the P/L (without cash counterpart):

- the new provisions (new measures) See above under R45100 for the related expenses types.
- The restructuring provisions are reviewed quarterly with the cost controllers.

Notes:

- The corresponding heading of R45300 in the statement of financial position is "L15800 / L45800 - long-term / short-term provisions for restructuring".
- Before reported new restructuring provisions, the agreement from the Consolidation Department is required in order to ensure these provisions relate well to a restructuring plan and not a recovery plan (competitive plan).

### 3.1. I perform SAP vs BFC check

*I perform the SAP vs BFC check to guarantee the consistency of the figures as below:*

Inside of SAP, in order to avoid blocking controls when uploading data to BFC tool, I must ensure that:

BS flow F24 must be reconciled with PL heading R45300.

BS flow F35 must be reconciled with PL heading in R45100 and R45200. The sum of R45100/R45200 must be equal to 0.

BS flow F37 must be reconciled with PL heading R45300.

Other flows like F70, F31, F50 are used but not subjected to cross linking.

