

WW - Retirement of Fixed Assets WP2 (RCS)

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1. Objective and Scope

a. Objective of this Procedure

The purpose of this document is to describe the transactions related to the process of retirement of an asset.

1. a. Scope

This operating procedure (OP) applies to RCS system.

1. Reference Documents

N/A

1. Definitions

a. Responsibility

Project Manager (Industrial Function / IT / GBU/ Regulatory Affairs/ Research & development) are responsible to provide SU MAC the necessary information to perform the necessary movements in SAP.

: SU MAC is responsible to make the posting inside SAP and check the reliability of the postings performed in SAP

1. a. Abbreviations

PS	Project System (SAP module)
WBS	Work Breakdown Structure of a project in SAP PS
MC	Material Code
AuC	Asset under Construction
SU MAC	Service Unit Management Accounting

1. Retirement by sales (with customer)

When it is decided to retire an asset by sales, we need to check first in DA 02 if there is any impairment in the asset.
Go to transaction AS03, insert the asset and check in asset values the depreciation area 02 contain amounts. If is empty, it means the asset has not been Impaired.

This is important to define the transaction type that will be used.

Asset ZFR3-242740023778/00.

01 IFRS GAAP (mult)

02 IFRS - Impairme

13 Insurance (Grou

14 IFRS in ctrl ar

15 IFRS Net of Imp

30 LOCAL accountin

31 LOCAL - Impairm

33 Tax - Declining

34 Tax - Declining

35 Insurance value

40 Net worth tax

45 LOCAL adjustmen

Objects related to asset

Cost Center

Maint.infra.site Z0

G/L Account

FIXED ASSETS - PLAN ZF

Company Code ZFR3Rhodia Opérateur

Asset 2427400237780PIE07902 DIVER

Fiscal year 2011

Planned values

Posted values

Comparisons

Planned values IFRS - Impairment

Value	Fiscal year start	Change	Year-end	Crcy
Investment support				EUR
Acquisition value				EUR
Ordinary deprec.				EUR
Unplanned dep.				EUR
Write-ups				EUR
Value adjustment				EUR
Net book value				EUR
Down payments				EUR
Scrap value				EUR

1. a. Fixed asset with customer:

Enter in transaction F-92 and insert the following data:

- Date
- Posting Date
- Doc. Type: DR
- Company code
- Currency
- Text

Asset Retire. frm Sale w/ Customer: Header Data

Held document

Acct model

Fast Data Entry

Post with reference

Editing Options

Document Date 24.01.2014

Type DR

Company Code ZFR3

Posting Date 24.01.2014

Period

Currency/Rate EUR

Document Number

Translatn Date

Reference

Cross-CC no.

Doc.Header Text RETIREMENT WITH SALE

Trading Part.BA

Debit the customer account:

First line item

PstKy 01

count 2000289

SGL Ind

TType

Insert the amount of the sales (asset plus revenue or loss)

Customer	2000289	FACT GMBH	G/L Acc	41100100
Company Code	ZFR3	MARIE CURIE STRASSE 10		
Rhodia Opérations	KAISERLAUTERN			
Item 1 / Invoice / 01				
Amount	100,000.00	EUR		
☐ Calculate tax				
Contract	/	Flow Type		
Payt Terms		Days/percent	/	/
Blind Date	24.01.2014	Disc. Amount		
Disc. base		Invoice ref.	/	/
Amount is calculated				
Pmnt Block		Pmt Method		
Payment Ref.				
Assignment				
Text				Long Texts

Credit the revenue account:

Next line item						
PstKy	50	Account	98673010	SGL Ind	TType	New co.code

Insert the amount, the tax code, the cost center and check the box of "asset retirement" as demonstrated below:

Enter Customer invoice: Add G/L account item						
More data Acct model Fast Data Entry Taxes						
G/L Account	98673010	DISPOSAL FIXED ASSETS -INCOME				
Company Code	ZFR3	Rhodia Opérations				
Item 2 / Credit entry / 50						
Amount	100000	EUR				
Tax code	7X					
Cost Center	ZFR3-8400					
WBS Element						
		Use Cost Center	CCCC-84*			
		☐ Calculate tax				
		☐ W/o Cash Dscnt				
		Order				
		Real Estate Obj				
		Sales Order				
Asset			More			
Purchasing Doc.						
Assignment		Quantity				
Text		Asst retirement	☒			
Long Texts						
Next Line Item						
PstKy		Account		SGL Ind	TType	New co.code

Enter the disposal cost center of the BU to which the fixed asset is belonging to

Press enter and the following window will open. Fill in asset number, transaction type, asset value date and check "complete retirement":

Create Asset Retirement

Asset

Subnumber

Posting entries

Transaction Type

Asset Value Date

☒ Complete retirement

Amount posted EUR

Percentage rate

Quantity

Line Items

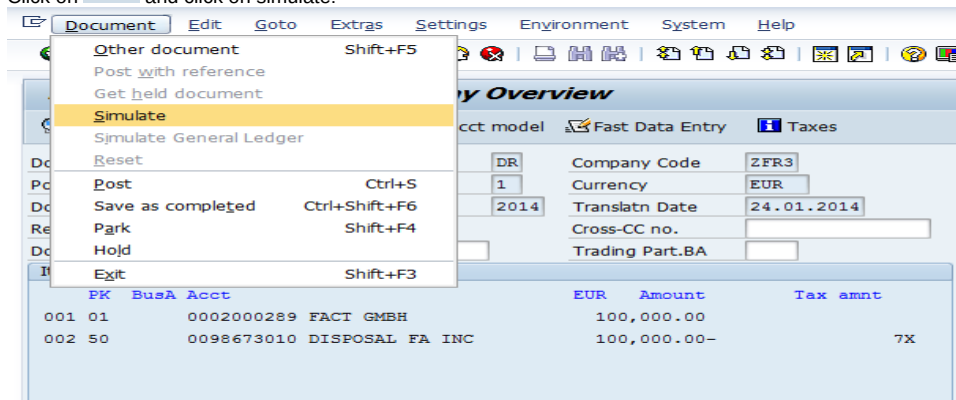
Transaction types of the asset retirement without impairment are:

- 210 Retirement with revenue (prior year acquisition)
- 260 Retirement of current-year acquisition with revenue
- 290 Retirement: Transaction type for proportional values

Transaction types of the asset retirement with impairment are:

- Z21 Retirement with revenue GAIN (Revenue amount > net NBV)
- Z26 Retirement of current-year acquis. with revenue GA
- Z28 Retirement with revenue LOSS (Revenue amount < net NBV)
- Z29 Retirement of current-year acquis. with revenue LO

Click on  and click on simulate:



Then, you will be able to check what will be posted:

Enter Customer invoice: Display Overview

Supplement Display Currency Taxes Reset

Document Date: 24.01.2014 Type: DR Company Code: ZFR3
 Posting Date: 24.01.2014 Period: 1 Currency: EUR
 Document Number: INTERNAL Fiscal Year: 2014 Translatn Date: 24.01.2014
 Reference: Cross-CC no.:
 Doc. Header Text: RETIREMENT WITH SALE Trading Part. BA:

Items in document currency

PK	BusA	Acct		EUR	Amount	Tax amnt
001	01	0002000289	FACT GMBH		100,000.00	
002	50	0098673010	DISPOSAL FA INC		100,000.00-	7X
003	75	0021700100	242740045531 0000		50,085.53-	BZ
004	70	0029170100	242740045531 0000		417.38	
005	40	0098673000	DISPOSAL FA NEV		100,000.00	
006	50	0098673300	GAIN / TANG. DISP.		50,331.85-	

Press to post.

Noted: another way of working for sale fixed asset with customer, the FI billing will perform by Intercompany team as posting scheme;

Dr. Customer Cr.98673010 + CCCC-84* , CCCC-85*

1. a. Retirement of an asset with revenue and without customer:

Enter in transaction ABAON: Insert the following fields:

- Asset number
- Document date: should be the real asset sale date
- Posting date: corresponds to the accounting period to book the asset sale.
- Asset value date: should be the real asset sale date
- Manual Revenue: asset sale value.

Enter Asset Transaction: Asset Sale Without Customer

Line items
 Change company code
 Multiple assets

Company Code: Rhodia Opérations
 Asset:

Transaction data | Additional details | Partial retirement | Note

Document Date:
 Posting Date:
 Asset Value Date:
 Text:

Specifications for revenue
☒ Manual Revenue
☐ Rev. from NBV

Click on the other tab and fill in the correct transaction type:

- Z21 Retirement with revenue GAIN
- Z26 Retirement of current-year acquis. with revenue GA
- Z28 Retirement with revenue LOSS
- Z29 Retirement of current-year acquis. with revenue LO

Then click on to simulate the posting:

Document Header Info													
Document Date: 24.01.2014				Document Type: AA				Company Code: ZFR3					
Posting Date: 24.01.2014				Period: 01				Fiscal Year: 2014					

Line items													
It.	PK	BusA	G/L Acc	Cost Center	Short Text	z	Amount	Ordy	S	D/C	Ac.	Text	Asset
1	75		21700100		242740045531 0000		50,085.53-	EUR	H	A		retirement with revenue	242740045531
			21700100				50,085.53-	EUR					
2	70		29170100		242740045531 0000		417.38	EUR	S	A		retirement with revenue	242740045531
			29170100				417.38	EUR					
3	40		98673000		DISPOSAL FA NBV		110,000.00	EUR	S	S		retirement with revenue	242740045531
			98673000				110,000.00	EUR					
4	50		98673300		GAIN / TANG. DISP.		60,331.85-	EUR	H	S		retirement with revenue	242740045531
			98673300				60,331.85-	EUR					
							0.00	EUR					

The P&L accounts 98673300 and 98673000 require a CO account assignment. It should be the disposal cost center of the BU to which the fixed asset is belonging to.

In order to have the cost center inside the P&L account, select it and click in Additional account assignment
 The following screen appears: Insert the cost center and click

Coding Block

Asset:
 Cost Center: Use Cost Center
CCCC-84*
 Order:
 Profit Center:
 WBS Element:
 Personnel No.:
 Sales Order:
 Material:

Transactn Type:
 Plant:
 Real Estate Obj:

Use Cost Center CCCC-84* , CCCC-85*

Then: Run ASKB to post in FI the differences from IFRS and Local account if any.

1. RETIREMENT OF ASSET BY SCRAPPING

a. First step

WARNING:

Before performing any retirement it is required to monitor the net book value of the asset.

If the asset has a net book value higher than 250 K Eur, in order to confirm the P&L

impact it is mandatory to get this retirement confirmed by the project manager or

requester with copy to the ID Regional Manager in order he can follow the topic.

So, to check the net book value, go to transaction AW01N and insert the asset number and the company code:

Asset Explorer

Asset ZFR9-205600006843/0000 Company Code ZFR9 Butachimie
Asset 205600006843 0 ARRET ADN 2013 / 12 ANS PIB12001
Fiscal year 2015

Planned values Posted values Comparisons Parameters

Planned values IFRS GAAP (multi-standard)

Value	Fiscal year start	Change	Year-end	Crcy
APC transactions	3.863.577,65		3.863.577,65	EUR
Investment support				EUR
Revaluation APC				EUR
Acquisition value	3.863.577,65		3.863.577,65	EUR
Ordinary deprec.	489.749,33-	326.499,51-	816.248,84-	EUR
Unplanned dep.				EUR
Write-ups				EUR
Value adjustment				EUR
Revaluation ord.dep.				EUR
Net book value	3.373.828,32	326.499,51-	3.047.328,81	EUR
Down payments				EUR

Objects related to asset
Cost Center
adn
G/L Account
FIXED ASSETS - PLANT,M

In this case the net book value is higher than 250 K Eur.

So, an e-mail should be sent to the project manager in order to confirm the retirement. With the Regional Manager I&D in copy.

After confirmation we can proceed with the retirement process.

1. a. Accelerate the depreciation posting

Go to transaction AS02 to adjust and accelerate the depreciation posting.
Enter the asset number and the company code. Press Enter:

Change Asset: Initial screen

Master data Depreciation areas Asset values

Asset: 242740045531

Subnumber: 0

Company Code: ZFR3

Go to tab **Deprec. areas** and change the depreciation key to **ZIM1 IFRS Immediat dep. 100% for retirement** inside DA 01 and 02 and save

General Time-dependent Allocations Origin Net worth tax Insurance Defined field Rhodia Deprec. areas						
Valuation						
A. Depreciation area	DKey	Useful life	Prd	ODep Start	Index	
01 IFRS GAAP	ZIM1	10		01.12.2013		
02 IFRS Imp.	ZIM1	10		01.01.2014		
11 IFRS St. AL	ZRH1	10		01.12.2013		
13 Insurance	Z000			01.12.2013		
14 IFRS contr ar	ZRH1	10		01.12.2013		
30 Loc GAAP	ZRH1	10		01.12.2013		
31 Loc Imp	ZRH2	10		01.01.2014		
33 Tax dep.	ZD14	10		01.12.2013		
34 Tax dep.Real	ZMA1	10		01.01.2013		
35 Ins at New	Z000			01.12.2013		
40 Local tax	Z000			01.12.2013		

It will appear the following message:  Depreciation key ZRH2 should no longer be changed (Please check)
Just validate by pressing enter.

1. a. **Second Step**

Go to transaction ABAVN, insert the asset number, the posting date, the document date and the asset value date.

Enter Asset Transaction: Asset Retirement by Scrapping

Line items
 Change company code
 Multiple assets

Company Code

Rhodia Opérations

Asset

Divers VA3C CRISTAFIAB3 TR1

Transaction data
Additional details
Partial retirement
 Note

Document Date

Posting Date

Asset Value Date

Text

Press to simulate the posting:

Enter Asset Transaction: Asset Retirement by Scrapping

Document Header Info

Document Date: 24.01.2014
Posting Date: 24.01.2014

Document Type: AA
Period: 01

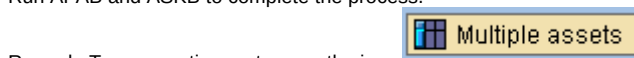
Company Code: ZFR3
Fiscal Year: 2014

Line items

It.	PK	BusA	G/L Acc	Cost Center	Short Text	±	Amount	Crcy	S	D/C	Ac.	Text	Asset	S	AsstValDat	TTY	TTY
1	75		21700100		242740045531 0000		50,085.53-	EUR		H	A		242740045531	0	24.01.2014	200	F33
							• 50,085.53-	EUR									
2	70		29170100		242740045531 0000		50,085.53	EUR		S	A		242740045531	0	24.01.2014	Y20	F33
							• 50,085.53	EUR									
							• = 0.00	EUR									

Press to post.

Run AFAB and ASKB to complete the process.



Remark: To mass retirement, press the icon and insert all assets to be retired.

1. Partial Retirement

- a. Transfer partially an asset to another one
 - i. By Quantity

To performed a transfer of quantity from one asset to a new one, first check in Asset master data (AS03) if the quantity is bigger than one:

Display Asset: Master data

Asset values

Asset: 242740039706 0 2 sélecteurs de métaux +2 ensembles aimants mis
 Class: AC215100 Production Equipmt Company Code: ZFR3

General Time-dependent Allocations Origin Networth tax Insurance Def

General data

Description: 2 sélecteurs de métaux +2 ensembles aimants mise e
 Asset main no. text: 2 sélecteurs de métaux +2 ensembles aimants mise e
 Acct determination: RCS21510 OTHER MATERIAL ASSET - MATERIAL AND EQUIPMENT
 Serial number:
 Inventory number: 64000006639
 Quantity: 2 PC Piece

Inventory

Last inventory on: Include asset in inventory list
 Inventory note:

Posting information

Capitalized on: 01.01.2005 Deactivation on:
 First acquisition on: 01.01.2005 Plnd. retirement on:
 Acquisition year: 2005 001

NB: the Unit of measure field would have to be informed in the new fixed asset master prior to perform the transfer otherwise the quantity won't be updated.

To transfer the quantity required, go to transaction ABUMN, insert the asset number to be transferred, the required dates and the data to be created the new asset: cost center, description, asset class.

Transaction Edit Goto Extras Environment System Help

Enter Asset Transaction: Transfer within Company Code

Line items Change company code Multiple assets

Company Code: ZFR3 Rhodia Opérations
 Asset: 242740039706 2 sélecteurs de métaux +2 ensembles aimants mis

Transaction data Additional details Partial transfer Note

Document Date: 31.10.2011
 Posting Date: 31.10.2011
 Asset value date: 31.10.2011
 Text: partial Transfer in quantity

Transfer to

☐ Existing asset
☒ New asset

Description: 1 sélecteurs de métaux +1 ensembles aimants mis
 Asset class: AC215100
 Cost Center: 7512-1012

MasterData

Click then in "Master data" button and fill the remaining data of the new asset that is being created:

Enter Asset Transaction: Transfer within Company Code

Line items Change company code Multiple assets

Company Code Create Asset:

Asset

Asset(s) to be created

Asset class AC215100

Company code / asset ZFR3

☐ Subnumber

Reference

☐ None

☒ Sending asset

☐ Refer. asset

Master data

Description 1 sélecteurs de métaux +1 ensembles aimants mise e

Inventory number 64000006639

Business Area

Cost Center 7512-1012

Plant 7512

Location 50079

Additional data

✓ ↺ ✕

Click in additional data to fill in only the unit measure as demonstrated below:

Asset INTERN-00001 0

Class AC215100 Production Equipmt Company Code ZFR3

General Time-dependent Allocations Origin Net worth tax Insurance Depreciation

General data

Description 1 sélecteurs de métaux +1 ensembles aimants mise e

Asset main no. text

Acct determination RCS21510 OTHER MATERIAL ASSET - MATERIAL AND EQUIPMENT

Serial number

Inventory number 64000006639

Quantity PC

Inventory

Last inventory on

Inventory note

☐ Include asset in inventory list

Posting information

Capitalized on

First acquisition on

Acquisition year 000

Deactivation on

Plnd. retirement on

Go back and fill in the following data:

To finalize, press .
On the new fixed asset, it will be necessary to perform an accelerated depreciation before to retire the fixed asset, as described in item 5.

1. a. i. **By percentage**

Perform the same process as by quantity, the only step different is on tab "partial transfer". Choose the following:

Enter Asset Transaction: Transfer within

Line items

Change company code

Multiple as

Company Code

ZFR3

Rhodia Opérations

Asset

242740000514

0

travaux de chaud

Transaction data

Additional details

Partial transfer

Amount posted

Percentage rate

50,00

Quantity

Related to

☒ Prior-year acquis.

☐ From curr.-yr aquis.

1. a. i. **By Amount posted**

Perform the same process as by quantity, the only step different is on tab "partial transfer". Choose the following:

Transaction

Edit

Goto

Extras

Environment

System

Enter Asset Transaction: Transfer within

Line items

Change company code

Multiple as

Company Code

ZFR3

Rhodia Opérations

Asset

242740000558

0

Modification

Transaction data

Additional details

Partial transfer

Amount posted

1.000,00

Percentage rate

Quantity

Related to

☒ Prior-year acquis.

☐ From curr.-yr aquis.

1. **Check the reliability of the postings performed**
 - a. **Posting Check**

For each corresponding item above (Disposal, Retirement, Transfer), must be checked by SU MAC in transaction AS03, if the posting is correctly done in PF1 or RCS.

Example of a Retirement without revenue in RCS for company ZFR3:

Company Code	ZFR3	Rhodia Opérations
Asset	242740045969	0 DAP 31311 AFX 216 V60 GRY2348 FOR HINGE
Fiscal year	2014	

Planned values	Posted values	Comparisons	Parameters
----------------	---------------	-------------	------------

Planned values IFRS GAAP (multi-standard)

Value	Fiscal year start	Change	Year-end	Crcy
APC transactions				EUR
Investment support				EUR
Revaluation APC				EUR
Acquisition value				EUR
Ordinary deprec.		23,493.15-	23,493.15-	EUR
Unplanned dep.				EUR
Write-ups				EUR
Value adjustment		23,493.15	23,493.15	EUR
Revaluation ord.dep.				EUR
Net book value				EUR
Down payments				EUR
Scrap value				EUR

Transactions

AssetValDate	Amount	TType	Transaction type name	Crcy	Text
01.03.2014	23,493.15	331	Acquiring transfer of prior-yr acquis from inv.meas.	EUR	OTP RR.IKOREA.EP-132
01.03.2014	23,493.15-	200	Retirement without revenue	EUR	mise en service et sorite immédiate

Other tool for this analysis/check is the map of tangible and intangible assets, through PF1 and RCS, which shows the movements of Fix Assets (tangible and intangible) in the exercise/month in analysis.

Go to transaction S_ALR_87011990, in this example in RCS:

31.03.2014		Asset History Sheet Based on Posted Depreciation - 01 IFRS GAAP						
22.04.2014		In compl. w/EC directive 4 (13 col.,wide version) (incomplete)						
Crcy	Accnt: APC	Asset Class	APC FY start	Acquisition	Retirement	Transfer	Current APC	Dep. FY start
EUR	21700100	AC215200	1,026,616.75	0.00	0.00	0.00	1,026,616.75	993,021.90-
EUR	21300110	AC213110	924,086.60	5,202.84	0.00	0.00	929,289.44	655,967.44-
EUR	21700100	AC215103	189,969.59	0.00	0.00	0.00	189,969.59	163,810.74-
EUR	21500410	AC215410	76,848.20	0.00	0.00	0.00	76,848.20	70,426.51-
EUR	21500400	AC215401	103,604.64	0.00	0.00	0.00	103,604.64	100,052.85-
EUR	21300100	AC213101	881,349.27	0.00	0.00	0.00	881,349.27	881,174.93-
EUR	20300100	AC203100	78,479.00	0.00	0.00	0.00	78,479.00	78,479.00-
EUR	21500400	AC215400	3,114.00	0.00	0.00	0.00	3,114.00	1,843.82-
EUR	21100100	AC211100	578,620.24	0.00	0.00	0.00	578,620.24	0.00
EUR	21500300	AC215300	336.31	0.00	0.00	0.00	336.31	336.31-
EUR	21700100	AC215109	6,715.00	0.00	0.00	0.00	6,715.00	559.58-
EUR	21900100	AC219199	0.00	0.00	0.00	0.00	0.00	0.00
EUR			3,869,739.60	5,202.84	0.00	0.00	3,874,942.44	2,945,673.08-

- Check the opening and final balance
- Acquisitions of the year
- Disposals
- Retirements
- Transfers

After the postings performed we can Check if the Depreciation planned is calculating correctly if any.. To do this use AS03, in the "posted values" tab. Compare the amounts recorded in the year (N) with the N-1 and the planned values for the future months.

Depreciation posted/planned					
	Status	Status	Per	Σ Ord.dep. TBP	Σ UpInd dep.
■	Posted	Posted	3	23,493.15-	0.00
▲	Planned	Planned	4	0.00	0.00
▲	Planned	Planned	5	0.00	0.00
▲	Planned	Planned	6	0.00	0.00
▲	Planned	Planned	7	0.00	0.00
▲	Planned	Planned	8	0.00	0.00
▲	Planned	Planned	9	0.00	0.00
▲	Planned	Planned	10	0.00	0.00
▲	Planned	Planned	11	0.00	0.00
▲	Planned	Planned	12	0.00	0.00
				■ 23,493.15-	■ 0.00

End of document