

US - 7424 - Freeport Rent Billing

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, new_zealand, emea_transversal, apac_transversal
- 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. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the "to", mainly action verb...something) -" I do something..."**

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

Domain: Country Accounting

Responsibility area:

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Scope

? Unknown Attachment

ERP



Frequency

? Unknown Attachment

References

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[7424 - Freeport Rent](#)

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1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how to perform the billing request and journal entry for Freeport rent in 7424 company code in WP1 system.

There is a part of the plant in 7424 that is used by Special Chemicals GBU and the third party Vencorex US Inc. Due to that, there is a rent contract with quarterly installments (payments) and every Q4 the value is increased by 2% (section 4.01 of the contract).

The installment are related to previous quarter. For example, in Q2 billing that we issue to the customer, it refers to Q1 business and so on. So, every September (billing done in Q4) the value is updated as stated above.

Furthermore, we need to relocate the cost value to deduct it from the plant cost with a journal entry.

1.2. Scope

This procedure is applicable for 7424 company code on quarters.

It needs to be done until D-2, so it is preferable doing that in the mid month, because if something goes wrong, there will be time to correct.

2. Definitions

See [Finance Glossary](#):

- CC
- GBU
- SAP

3. Tasks description

3.1. I Update and Request the Billing to Customer

3.1.1. I Update the Billing Request

Go to Gdrive folder [7424 - Freeport Rent](#) and download the last version of the billing request form "7424 - Freeport Rent Billing Request Q# YYYY".

Populate it or check if everything is ok with the information below:

Sender Company Code = 74249

Nature of the document (Invoice/Credit Note) = Invoice

Header text on invoice = FREEPORT RENT Month 1 YYYY - Month 2 YYYY (update this information the options are Sep-Nov, Dec-Feb, Mar-May, Jun-Aug)

Invoice Type (FI or SD) = SD

Internal Customer (Y/N) = N

ERP Customer N° = 2039865

Customer Name = VENCOREX US INC

General Information

1. Billing/Sender Company Code (BFC Code)	<input type="text" value="74249"/>	<i>If unknown, please refer to the sheet "ERP Code->BFC Code" to determine SAP code th</i>
2. Billing/Sender Company Name	<input type="text" value="Solvay USA, Inc."/>	
3. Billing/Sender Company ERP (WP1/PF1)?	<input type="text" value="Wp1"/>	
5. Nature of the document (Invoice/Credit Note)?	<input type="text" value="INVOICE"/>	<i>If request concerns both invoicing and credit note, please select "INVOICE"</i>
If credit note Original Invoice Ref. (if known)	<input type="text" value=""/>	<i>If the credit note has no reference, please enter "NO INVOICE"</i>
6. Header text on invoice	<input type="text" value="FREEPORT RENT December 21 - February 2022"/>	<i>Enter free text field (ex.: Accounting Services)</i>
7.1. Invoice Type (FI or SD)?	<input type="text" value="SD"/>	
7.2. Internal Customer (Y/N)?	<input type="text" value="No"/>	ERP Customer N° / Trading Partner (BFC Co.Code) <input type="text" value="2039865"/>
7.3. Customer Name	<input type="text" value="VENCOREX US INC"/>	

In the Posting Details SD Invoice WP1 section:

Cost element = 98113305

Sender Cost Center = 7424-7310

Invoicing WBS in the billing entity = E74249CHOA2027829-01 (you can confirm it with Intercompany Team if any changes on this);

Currency = USD

Amount = check the document "Freeport Rent Billing Schedule" in Gdrive folder [7424 - Freeport Rent](#) to see the applicable amount according to the quarter that the billing refers to;

Text on invoice with GL and CC for receiver company = FREEPORT RENT Month 1 YYYY - Month 2 YYYY (update this information the options are Sep-Nov, Dec-Feb, Mar-May, Jun-Aug);

Posting Details SD Invoice WP1

Cost element	Sender Cost Center	Sender Order	Sender WBS	Invoicing WBS in the billing entity	Contract (sales)	Currency	Amount	Text on invoice with GL and CC for receiver company
98113305	7424-7310			E74249CHOA2027829-01		USD	120.952,22	FREEPORT RENT December 21 - February 2022

Save it in the excel file.

3.1.2. I Send the Request to Intercompany Team

Send a request to intercompany team by the applicable tool and attach the billing request form from previous step.

3.2. I Prepare the Journal Entry

3.2.1. I Prepare the Journal Entry

After the billing posting, we need to post a reclassification entry to deduct the billing cost value in the plant cost and not consider it as a service cost.

Go to [7424 - Freeport Rent](#) and download the last version of the document named "7424 - Freeport Rent COS Q#.YYYY". It is a posting file and should be as below:

Doc type = SB;

Header Text = Reclass Freeport Rent;

Doc date and Posting Date = date of the posting;

C - 50 - GL Account 98300900 + cost center 0251-1100 (transferring the value to this cost center);

D - 40 - GL Account 98300810 + cost center 7424-7310 (removing the value from this cost center);

value = billing value;

Text = Reclass Freeport Rent COS;

The justification can be = "To book the reclass of the cost related to Freeport rent invoice to hit R25470 - FC absorption - reducing the plant cost" and include the screenshot of the billing request.

Post it by the applicable tool.

ITEM	Company Code	Header Text	Doc Date	Posting Date	Posting Key	G/L account	Amount	Doc currency	Cost center	Text
1	7424	Reclass Freeport Rent	22032022	22032022	50	98300900	120.952,22		0251-1100	Reclass Freeport Rent COS
1					40	98300810	120.952,22		7424-7310	Reclass Freeport Rent COS

Just for information, in general, the scheme is:

1- billing - 50 / B34 IC Admin Expense / R33310

1- billing - 40 / I50 G&A Other specia / R33310

2- JE billing - 50 / B40 Sales Adm&COM FI / R11200 / 98113305 / 7424-7310 / -100

2- JE billing - 40 / Customer

3- JE COS - 50 / E90 FC absorption / R25470 / 98300900 / 0251-1100 / -100

3- JE COS - 40 / H60 CoS Deprec / R27200 / 98300810 / 7424-7310 / 100

After that, check the cost centers to certify all were posted correctly.

End of document.