

US - 1430 - Chemplex Prepare Consolidated Results BFC

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:

Table of contents

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- Table of contents
- 1. Objective and Scope
 - 1.1. Objective of this Operation
 - 1.2. Scope
- 2. Definitions
- 3. Tasks description
- 3.1. I Receive and Retrieve BFC File
 - 3.1.1. I Receive BFC File
 - 3.1.2. I Retrieve the BFC File
- 3.2. I Update the Tabs
 - 3.2.1. I Update the Tabs

- [3.2.2. I Make the Headings Correction](#)
- [3.2.3. I Make the Intercompany Corrections](#)

Scope

 Unknown Attachment

ERP

 **WP1**

Frequency

 **Month**

References

Forms

Attachments

[1430 - Chemplex Consolidated Results BFC](#)

[Chemplex Intercompany AR and AP](#)

<< US - 1430 - Chemplex Prepare Consolidated Results BFC >>

1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how to perform the Consolidation BFC file for Chemplex company to be able to include in BFC tool.

It is useful to organize and certify everything is correct.

1.2. Scope

This procedure is applicable to 1430 company code Chemplex in SAGE system, which is part of WP1 system.

It is done normally on D+3 after receiving the BFC file for Chemplex and Herman business from Chemplex controller.

2. Definitions

See [Finance Glossary](#):

- [BFC](#)
- [CAM](#)
- [SAGE](#)
- [SAP](#)
- [WP1](#)

3. Tasks description

3.1. *I Receive and Retrieve BFC File*

3.1.1. *I Receive BFC File*

After the Chemplex meeting on D+3, the Chemplex controller will share the BFC file for Chemplex and Herman business.

It is sent by email. Make sure to receive it as soon as possible on D+3, because you need to work with this file to begin the consolidation file for BFC.

3.1.2. *I Retrieve the BFC File*

Download the month file "MM.YYYY Chemplex Consolidated Results BFC" in folder [1430 - Chemplex Consolidated Results BFC](#).

File understanding:

- tab TB = all accounts and monthly figures for Chemplex and Herman;
- Tab BS data = all that is with account category Asset, Liability, Equity;
- Tab BS = Pivot table showing the balance sheet by heading;
- tab P&L Data = all that is with account category P&L;
- tab P&L = Pivot table showing the P&L by heading;
- tab FA = Fixed assets information;
- tab BFC vs TB = comparison with TB and BFC figures, this tab is used to include the figures in BFC in another procedure;

3.2. *I Update the Tabs*

3.2.1. *I Update the Tabs*

- Tab TB

To update the tab TB you need to pass the values from Final Consolidated BFC files received from the Chemplex Controller.

To do that, make sure there is no account doubled in the TB tab making a countif formula, and if not, make a sumif by the account number to sum the values in the files received.

Make sure everything is correct. Make a total by asset, liability and P&L to check it.

It can have new accounts that need to be included in tab TB.

- tab BS data

This tab is getting a the values by month and account from tab TB, but only the Balance sheet values.

Make sure to have all accounts updated and include the new ones in the end of the file.

Double check the totals and make sure the headings are assigned by account.

- tab BS

This is the Balance sheet by heading. The pivot table is set up as below:



Make sure to have it updated. Check the total value, the difference should be only the P&L value.

In columns P and Q, make sure to update the numbers. Column P is calculating 1 month difference and column Q is the YTD difference.

- tab P&L Data

it is similar with tab BS data, but with P&L figures.

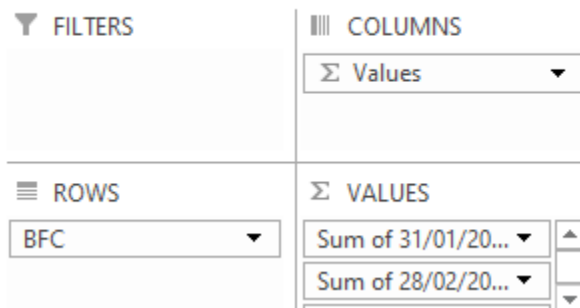
Here there are 2 accounts that is double counted, the "60500-00-6200 Bad Debt Expense-COR-Admin" and "50150-00-3002 Inventory Adjustments-COR-Misc Prod". They are in yellow and should not have a formula on that, because they are adjustments accounts to fit in BFC (not generate blocking controls). It will be explained further in the procedure.

Double check the totals and make sure the headings are assigned by account.

- tab P&L

Pivot table with P&L figures by heading. The pivot table is set up as below:

Drag fields between areas below:



The total should net zero with BS total tab. Actually, there is 0,04 from historical difference.

- Tab FA

This is the fixed asset figures and IFRS16.

Make sure the current month is getting the correct value.

At the right, there are the flows and a column difference. You need to allocate the values in the flows and let the column difference 0.

The flows can be:

- F30 Gain on sale pull out asset value and depreciated amount;
- F25 Depreciation charge should agree to P&L;
- F20 Should only be Assets under Construction;
- F33 If fully depreciated pull out asset value and depreciated amount;
- F34 used when capitalize assets under construction back to asset (AIS asset into service);

Heading A21900 - if there is no capitalization in the month, the difference value should be included in F20;

For the new impairments include in F25 it should match with heading R48620;

Demolition should be included in F33;

Decrease should be in F30;

The impairment value in column AU it is an historical value in which the Chemplex controller retired the assets, but should be done an impairment only as the assets are in the plant.

So, this is a correction to come back the impairment value to the book. This happens with asset headings, their depreciation and the impairment.

That is the reason there is a column BFC in the workpaper, this is the column that should be considered in BFC.

The final number for those assets will be 0, but in different headings.

- To update the IFRS16 values, the IFRS16 team in SBS sends a file in the email with the Chemplex part for IFRS16 named "MM.YYYY - IFRS16 Chemplex balance". Download this file and include the flows information. It is in tab "Resume";

After updating the FA tab with the flows, make sure to check the F25 vs P&L value. There is a check in columns AX to AZ to check that, it should have 0 difference. Update the BS and P&L values with the correct month figures.

- Tab BFC vs TB

This tab is getting the values from tab BS and P&L by headings. In addition, there are historical adjustments that need to be considered to upload to BFC and they are indicated in yellow (they had been audited by external auditors and are ok).

There are the impairment values as well.

And some intercompany values between Chemplex and Herman that need to be net zero as they are intercompany (consolidation process - that will be shown further in this procedure).

In Columns BH and BI, make sure to update the value getting the current month value. Update the value with BFC column and assets with same signal and the liabilities and P&L against the signal.

3.2.2. I Make the Headings Correction

To not generate blocking controls, some adjustments between headings should be done. In Chemplex side, it is booked in the same account and no problems are generated for their side, only in BFC.

- Inventory write-down

The movement of the year in heading A39700 in the balance sheet should be the same as R25600 in the P&L.

With this, it should be adjusted in heading R25600 and the difference goes to R27900.

The adjustment in tab P&L Data:

The annual movement in "A39700M INVENT W DOWN FINISH&SEMI FINIS GOOD" = account 50150-00-3002 in heading R25600.
The difference needs to be adjusted in account 50150-00-3002, but in heading R27900.

To be sure of the value, go to tab BS data, filter the heading A39700 and make a calculation in column R to get only the annual movement.

After getting the value, go to P&L Data tab and filter account 50150-00-3002. Include the value in heading R25600 and the difference include in heading R27900 (in yellow).

After that, update the P&L tab pivot table and make sure it is updated in tab "BFC vs TB" as well.

- Bad debit

It is the same thing as below, but different accounts. As Chemplex does not have factoring, it needs to have bad debit write down for its receivables.

The annual movement in heading A49100 should match with R33330.

The adjustment in tab P&L Data:

The annual movement in "A49100M TRADE RECEIVABLES- WRITE DOWN" = account 60500-00-6200 in heading R33330.
The difference needs to be adjusted in account 60500-00-6200, but in heading R33310.

To be sure of the value, go to tab BS data, filter the heading A49100 and make a calculation in column R to get only the annual movement.

After getting the value, go to P&L Data tab and filter account 60500-00-6200. Include the value in heading R33330 and the difference include in heading R33310 (in yellow).

After that, update the P&L tab pivot table and make sure it is updated in tab "BFC vs TB" as well.

3.2.3. I Make the Intercompany Corrections

The intercompany annulation should be done in tab BFC vs TB, column difference to update the BFC value.

Go to file [Chemplex Intercompany AR and AP](#) for the month and check:

- If there is any receivables in Herman side with Chemplex.

If yes, adjust the value in heading A41100 trade receivables (removing the value) and L40100 trade payables (removing the value).

- If there is any sale from Herman to Chemplex:

If yes, adjust the year to date value in headings R10000 (removing the value) and R15400 (removing the value).

- Check with CAM and Chemplex Controller if there is any other value to adjust between the 2 companies.

In the past months we had to adjust a value in prepaid as well. It was adjusted in A47800 and L40100.

After that, it is ok to have it uploaded to BFC. Save this file as it will be shared with the CAM and Tax team.

End of document.