


ZFI_INVENTORY_SMOG - Inventory SMOG report

Responsibility area: Calculate and post Inventory Reserve

STEP 1

Start the transaction ZFI_INVENTORY_SMOG

 Inventory SMOG report: initial screen

STEP 2

1. Select variant: /SMOG_TEMPLATE
2. Enter the **company code**
3. **Key date**: Last day of the month before quarterly
4. **Material type**: ZMAT and ZVER
5. The materials with null stock should not be considered in the calculation. The field must to be flagged. Note: The new materials can be excluded by flagging the field "Exclude material created after" - it is not mandatory, it will depends of the business.
6. **Variant layout**: /SMOG_TP

STEP 3

1. Click on "Valuation level"
2. Select "Company code"

and enter 

Note: The rate of coverage is calculated at **company code level** and not batch level -The reason is that in some plants we only have the transfer of stock between 2 locations and no sale or consumption, which means that these plants always have 100% depreciation.

STEP 4

Click on

Prices/levels

1. Check "Tax Price 1" (where the range of coverage is stored) and "Tax Price 2" (where the Net realizable value is stored)
2. Check "0=0" Level 1
3. Click on **Bal.Sh.Val**
4. Add "Stock Value" to the already selected values.

Bal.Sh.Val

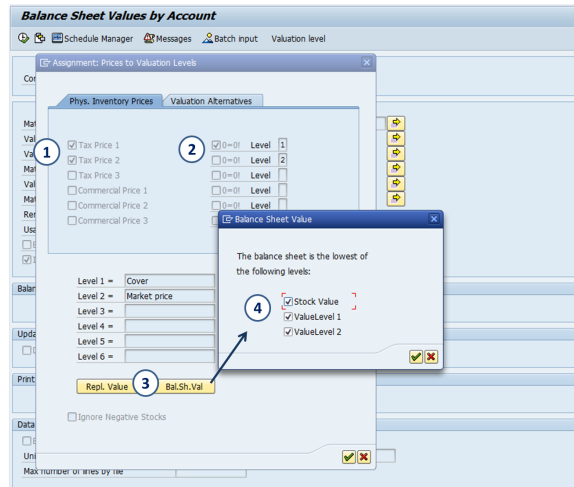
The calculation of impairment will be based on the lowest of the 3 values

- Stock value (=standard)
- Value Level 1 (= Tax Price 1)
- Value Level 2 (= Tax Price 2)



and enter if you have a message you can click on

Continue



STEP 5

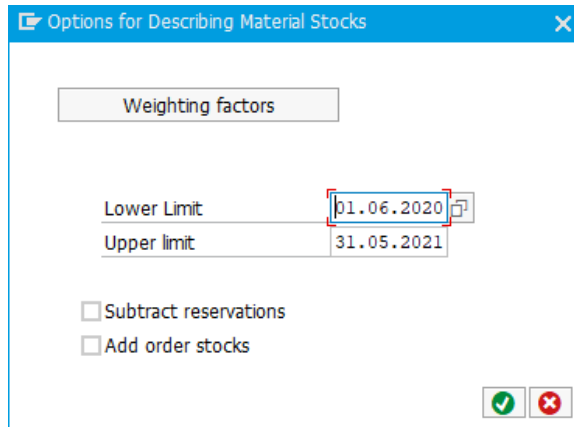
Click on

Material Stocks

Enter:

- "Upper limit" = "key date"
- "Lower limit" = "Upper Limit" – 12 months

The range of dates corresponds to the period of analysis of the monthly stocks



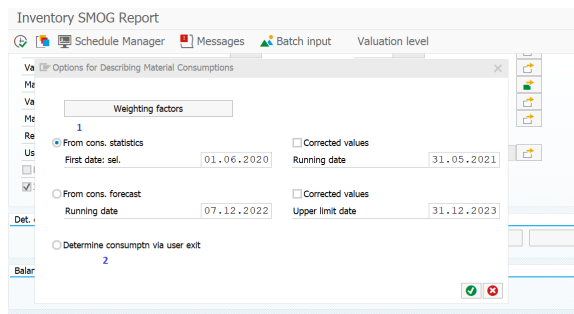
STEP 6

Click on

Material Consumption

1. Select and enter the range of date in the first range as the analysis period for the determination of consumptions.

Then execute the transaction



The option "Determine consumption via user exit" can be selected to apply the rules to calculate the range of coverage (average consumption).

Then start the calculation by clicking on [blocked URL](#)

Ignore the warning message [blocked URL](#)

STEP 7

SMOG Report Functions

1. The total stock are summarized by the batch stock, non batch stock and stock in transit.

Inventory SMOG Report

Account	Val. Area	Val. Class	Material	Val. Type	Material Description	Stor. Loc.	Batch	BatchStock	NoBatchStk	Stock in Transit	Unit	Total Value
31000300	8192	Z110	1825577		PE DRUM 208L PO BLUE Y1.4/150 VENTED			0	446	0	PC	10,644.35
31000300	8192	Z110	1825585		STEEL DRUM 208L PO 1.2X0.9X1.2 WBG ODPHL			0	461	0	PC	12,043.85
31000300	8192	Z110	1825590		STEEL DRUM 208L PO 1.2X0.9X1.2 WBB UNLND			0	564	0	PC	14,127.75
31000300	8192	Z110	1825601		STEEL DRUM 208L TO 1.1X0.8X1.1 WBB ODPHL			0	499	4	PC	14,304.03

2. Reserves and Financial depreciation

Manuf. Dte	Days Expr.	Expires On	ROC (M)	%Reserve	Coverage	BlockedQty	BlockedAmt	BkckQtyAdj	BkckAmtAdj	Aged Qty	ΣAged Amt	ΣNetCover	ΣFinReserve	ΣGood
08.09.2017	723- days	08.09.2019	9,999.000	1.00	2.86	0	0.00	0	0.00	1	2.86	0.00	2.86	0.00
15.09.2017	716- days	15.09.2019	18.000	0.50	1.34	0	0.00	0	0.00	1	2.68	0.00	2.68	0.00
30.09.2017	701- days	30.09.2019	0.077	0.00	0.00	0	0.00	0	0.00	1	3.35	0.00	3.35	0.00
25.11.2017	645- days	25.11.2019	0.006	0.00	0.00	0	0.00	0	0.00	1	2.89	0.00	2.89	0.00
06.12.2017	634- days	06.12.2019	9,999.000	1.00	3.02	0	0.00	0	0.00	1	3.02	0.00	3.02	0.00

- **Fin.Depr:** value is calculated from ZWFA21A stored in field tax price 2 in material master data
- **ROC(M):** value is calculated from MRN1 stored in field tax price 1 in material master data
- %Reserve:

If ROC < 12, then %Reserve = 0

If ROC > 12 & ROC < 24, then %Reserve = 0.5

If ROC > 24 & ROC < 36, then %Reserve = 0.75

If ROC > 36, then %Reserve = 1

- **Financial Depreciation:** based on Solvay standard : If source price is 'COPA' and Market price < Total value, then Financial depreciation = Total value - Market price
- **Coverage:** (Stock qty * % Reserve) * Standard material price
- **Blocked Qty:** (Off spec material) material batch with blocked status then total batch stock is blocked (100% provision).
- **Blocked Amt:** Blocked Qty * Standard Material Price
- **Aged Qty:** (Obsolescence material) When the day until expiration is less than 0, the whole batch stock will be aged (100% provision).
- **Aged Amt:** Aged Qty * Standard Material Price
- **NetCover:** Coverage - blocked amt - aged amt - blocked amt adj
- **FinReserve:** NetCover + blocked amt + aged amt + blocked amt adj
- **Good:** Total value - Financial Reserve

IMPORTANT

The program **ZFI_INVENTORY_SMOG** will prioritize the 3 following rules:

1. Identify any blocking stock of the batch

If yes, it will be proposed to be 100% reserved

2. Identify the aging of the stock/batch based on Expiration Date

If date expired, it will be proposed to be 100% reserved

3. Identify the Range of Coverage (RoC) based on the last 12 months of consumption (average consumption / average stock)

Reserved proposed based on following ranges

If $ROC < 12$, then $\%Reserve = 0$

If $ROC > 12$ & $ROC < 24$, then $\%Reserve = 0.5$




If $ROC > 24$ & $ROC < 36$, then $\%Reserve = 0.75$

if $ROC > 36$, then $\%Reserve = 1$, so for cases where ROC is equal or 9.999.00, it means that there is no consume for a long time

Note: If stock status is blocked or expired **Depreciation is 100%**.

Workflow history

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

Nov 26, 2024	Actor	Type	Activity	Version
Published	 Gomes, Susana	Edit	updated the page at 4:57 pm Other contributors: 	
		State	changed state to Published at 3:57 pm	v23
Draft	 Gomes, Susana	State	gave <i>Approvers</i> approval at 3:57 pm	
		State	changed state to Draft at 3:57 pm	v23
Dec 12, 2022				
Published	Lara Alves	Edit	updated the page at 5:07 pm	
		State	changed state to Published at 4:08 pm	v22
Draft	Lara Alves	State	gave <i>Approvers</i> approval at 4:08 pm	
		State	changed state to Draft at 4:08 pm	v22