

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.

The screenshot shows the SAP Asset Manager interface. On the left, a tree view lists various depreciation areas, with '02 IFRS - Impairme' selected. The main area displays 'Planned values IFRS - Impairment' for fiscal year 2011. The table below shows the planned values for various asset categories.

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

The screenshot shows the 'Asset Retire. frm Sale w/ Customer: Header Data' form. The form contains the following data:

Held document	Acct model	<input checked="" type="checkbox"/> Fast Data Entry	<input type="checkbox"/> 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:

The screenshot shows the 'First Line Item' form. The 'PstKy' field is highlighted with a red box and contains the value '01 count 2000289'. Other fields include 'SGL Ind' and '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		
	<input type="checkbox"/>	Calculate tax		
Contract	/	Flow Type		
Payt Terms		Days/percent	/	/
Blinc Date	24.01.2014	Disc. Amount		
Disc. base		Invoice ref.	/	/
	Amount is calculated			
Pmnt Block	<input type="checkbox"/>	Pmt Method		
Payment Ref.				
Assignment				
Text				

Credit the revenue account:

Next line item									
PstKy	50	Account	98673010	SGL Ind	<input type="checkbox"/>	TType	<input type="checkbox"/>	New co.code	<input type="checkbox"/>

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	<input type="checkbox"/> Calculate tax
Cost Center	ZFR3-8400	<input type="checkbox"/> W/o Cash Dscnt
WBS Element		Order
Asset		Real Estate Obj
Purchasing Doc.		Sales Order
Assignment		Quantity
Text		Asst retirement <input checked="" type="checkbox"/>

Use Cost Center CCCC-84*

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: 242740045531
 Subnumber:

Posting entries

Transaction Type: 210
 Asset Value Date: 24.01.2014
 Complete retirement

Amount posted: EUR
 Percentage rate:
 Quantity:


Line Items

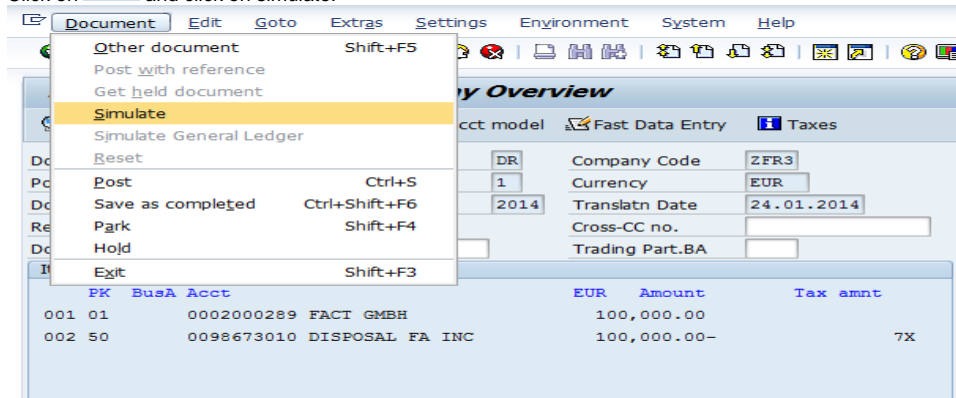
Transaction types of the asset retirement without impairment are:

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

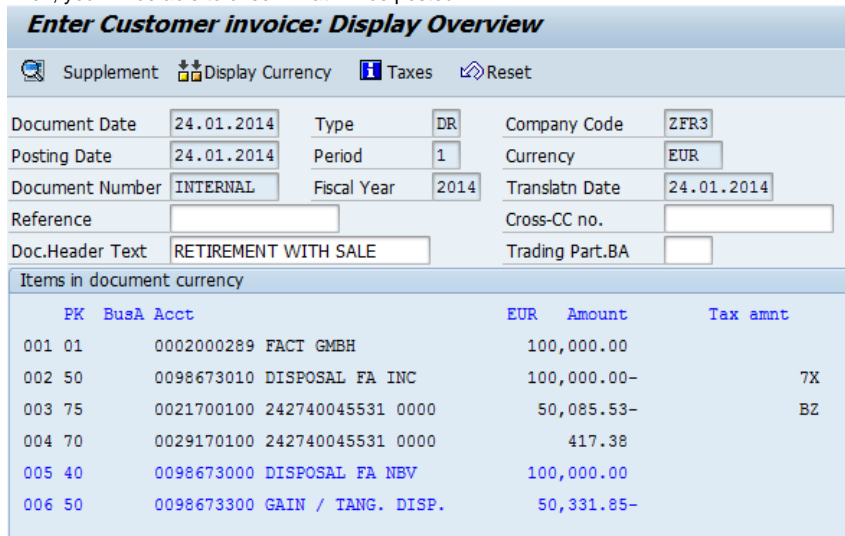
Transaction types of the asset retirement with impairment are:

- 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:



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: ZFR3 Rhodia Opérations
 Asset: 242740045531 Divers VA3C CRISTAFIAB3 TR1

Transaction data | Additional details | Partial retirement | Note

Document Date: 24.01.2014
 Posting Date: 24.01.2014
 Asset Value Date: 24.01.2014
 Text: retirement with revenue

Specifications for revenue
 Manual Revenue: 110,000.00
 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	Σ	Amount	CrCy	S	D/C	Ac.	Text	Asset	S	AssetValDat	TTY	TTY Q
1	75		21700100		242740045531 0000		50,085.53-	EUR	H	A		retirement with revenue	242740045531	0	24.01.2014	Z21	F30
			21700100				50,085.53-	EUR									
2	70		29170100		242740045531 0000		417.38	EUR	S	A		retirement with revenue	242740045531	0	24.01.2014	290	F30
			29170100				417.38	EUR									
3	40		98673000		DISPOSAL FA NBV		110,000.00	EUR	S	S		retirement with revenue	242740045531	0			
			98673000				110,000.00	EUR									
4	50		98673300		GAIN / TANG. DISP.		60,331.85-	EUR	H	S		retirement with revenue	242740045531	0			
			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.

Additional account assignment

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

Coding Block

Asset: 242740045531 0
 Cost Center: ZFR3-8400 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

The screenshot displays the SAP Asset Explorer interface. The main window shows the 'Planned values IFRS GAAP (multi-standard)' table for fiscal year 2015. The table includes columns for Value, Fiscal year start, Change, Year-end, and Crcy. The net book value is highlighted in yellow.

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

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

A.	Depreciation area	DKey	Useful life	Prd	ODep Start	Index
01	IFRS GAAP	ZIM1	10		01.12.2013	
02	IFRS Imp.	ZIM1	10	<input type="checkbox"/>	01.01.2014	
11	IFRS St. AL	ZRH1	10		001.12.2013	
13	Insurance	Z000			01.12.2013	
14	IFRS ctrl ar	ZRH1	10		001.12.2013	
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

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

Press to simulate the posting:

Enter Asset Transaction: Asset Retirement by Scrapping

Document Header Info

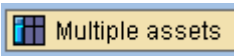
Document Date: 24.01.2014 Document Type: AA Company Code: ZFR3
 Posting Date: 24.01.2014 Period: 01 Fiscal Year: 2014

Line items

It.	PK	BusA	G/L Acc	Cost Center	Short Text	%	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	
			21700100				50,085.53-	EUR										
2	70		29170100		242740045531 0000		50,085.53	EUR		S	A		242740045531	0	24.01.2014	Y20	F33	
			29170100				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 mi

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 sécteurs 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 Det

General data

Description: 1 sécteurs 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: Include asset in inventory list
 Inventory note:

Posting information

Capitalized on: Deactivation on:
 First acquisition on: PInd. retirement on:
 Acquisition year: 000

Go back and fill in the following data:

Enter Asset Transaction: Transfer within Company Code

Line items
 Change company code
 Multiple assets

Company Code: ZFR3 Rhodia Opérations
 Asset: 242740039706 0 2 sélecteurs de métaux +2 ensembles aimants m

Transaction data | Additional details | Partial transfer | Note

Special specif. for document
 Posting period:
 Document type:

Special specif. for transaction
 Transfer variant: RCS7

Additional info on document
 Reference:
 Allocation:

Always use RCS7 as transfer variant

In tab "Partial transfer", insert the quantity to be transferred:

Enter Asset Transaction: Transfer within Compar

Line items
 Change company code
 Multiple assets

Company Code: ZFR3 Rhodia Opérations
 Asset: 242740039706 0 2 sélecteurs de métaux +2 ens

Transaction data | Additional details | Partial transfer | Note

Amount posted:
 Percentage rate:
 Quantity: 1

Related to
 Prior-year acquis.
 From curr.-yr aquis.

Click in to simulate the posting:

Document Header Info

Document Date: 31.10.2011 Document type: AA Company Code: ZFR3
 Posting Date: 31.10.2011 Period: 10 Fiscal Year: 2011

Line items

Ite...	PK	GL Account	Short Text	Amount	Crcy	Cost Center	AsstVal date	CoCd	DIC	TTy	TTY	Year	Text
1	75	21500100	242740039706 0000	21.509,43	EUR		31.10.2011	ZFR3	H	300	F50	2011	partial Transfer in quantity
2	70	29150100	242740039706 0000	18.128,59	EUR		31.10.2011	ZFR3	S	390	F50	2011	partial Transfer in quantity
3	70	21500100	INTERN-00001 0000	21.509,43	EUR		31.10.2011	ZFR3	S	310	F50	2011	partial Transfer in quantity
4	75	29150100	INTERN-00001 0000	18.128,59	EUR		31.10.2011	ZFR3	H	395	F50	2011	partial Transfer in quantity
0,00 EUR													

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 acquis.

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 acquis.

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 Rhodia Opérations
 Asset DAP 31311 AFX 216 V60 GRY2348 FOR HINGE
 Fiscal year

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	Acctnt: 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.

Status	Status	Per	Σ Ord.dep. TBP	Σ Uplnd 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