

WW - Investment Grants or Subsidies

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Objective and Scope

Objective of this Procedure

The purpose of this document is to standardize and harmonize the customizing and procedure of investment grants/subsidies posting.

Scope

This operating procedure (OP) describes the steps to be done to prepare and perform subsidies postings in PF2 (ERP) as well as WP2 (RCS).

Reference Documents

(N/A)

Definitions

SBS SU MAC Service unit management accounting

GBU Global Business Unit

APC Acquisition/Purchase Cost

WBS-element Work Breakdown Structure Element

Investment Grants or Subsidy: amount granted by public institutions or third party to support an investment project.

Responsibility

GBU supported by local organization examines if and how subsidies will be granted for investment projects. In case of subsidies to be received, GBU has to provide the agreements and documentation to Technical Controller (for PF2 companies) or SBS SU MAC I&D key user (for PF2/WP2 companies). Technical Controller respectively SBS SU MAC I&D key user have to prepare necessary WBS-elements as well as asset master for subsidy postings. They have to support the local management in case of an audit (e.g. by local authorities) by providing the appropriate SAP reports. Depending on the specifics of the agreement, the subsidies have to be posted at the due date (e.g. as a receivable when the asset is ready for use) and not at the cash-in date.

Subsidies in SAP

Posting and documentation of subsidies granted for investment projects are standard procedures in SAP. Depending on the country or subsidy specifics, three different types have to be distinguished:

1. Subsidy to be capitalized in IFRS and Local GAAP
2. Subsidy to be capitalized in IFRS and to be reported on liability side for Local GAAP
3. Subsidy to be capitalized in IFRS and to be reported as profit in P&L for Local GAAP

Master Data Maintenance

First step in SAP is always to determine the appropriate investment support key and to maintain the asset master accordingly. In the asset master, on tab "Allocations" you will find in the sub-tab "Investment support measures" the field "Key":

Display Asset: Master data

Asset values

Asset: 250000007227 0 2 Ultrafilter Latexfiltr. E4F50 / E4F51
Class: ZDE24700 ROTARY&MECH.FILTERS Company

General Time-dependent **Allocations** Origin Net worth tax Ins

Allocations

Evaluation group 1		
Evaluation group 2		
Evaluation group 3		
Evaluation group 4	24	FILTRATION AND SEPARATION EQUI
Evaluation group 5	N11303	Text does not exist

Investment reason:

Envir. investment: ZDA00 Environmental investments_A00 (Ger

Asset super number:

Investment support measures

Key	Description
98	All Depr. Areas

Clicking on the match-code button of "Key"...

Investment support measures

Key	Description
98	<input type="checkbox"/> Depr. Areas

...you will get the full list of selectable keys per chart of depreciation (example in PF2):

Investment support key 35 Entries

Chart of dep. ZDE1

Inv.supp	Investment support measure
21	State Grant 5%
23	State Grant 10%
24	State Grant 12,5%
36	State Grant 12%
37	State Grant 8%
55	Subsidy 23%
56	Subsidy 23%
57	Subsidy 23%
61	Subsidy 23%
62	Subsidy 23%
63	Subsidy 20%
64	Subsidy 20%
65	Subsidy 20%
67	Subsidy 26,67%
68	Subsidy 26,67%
69	Subsidy (old)
71	Subsidy 20,62%
72	Subsidy 20,62%
73	Subsidy 20,62%
74	Subsidy 27,67%
75	Subsidy 29,64%
76	Subsidy 24,39%
77	Subsidy 35% (Rheinberg)
78	Subsidy 25,98%
79	Subsidy 35% (Rheinberg) Depr.Areas 01 and 02 only
80	Subsidy 21,68%
81	Subsidy 17,65%
85	Profit Elimination

The list in WP2 less exhaustive:

Investment support key (1) 6 Entries found

Restrictions

Chart of dep.: ZCDE

Inv.supp	Investment support measure
01	Government investment support (IFRS)
02	Impairment (IFRS)
30	Government investment support (all areas)
31	Impairment (LOCAL)
32	Government investment support (LOCAL 01+32)
R1	R&D grant (IFRS) - limited to DA01

The appropriate key has to be selected and the updated master data to be saved.

Posting of Subsidies

Two SAP standard transactions exist for posting of subsidies: ABIF and AR11 . They can be either perform by SBS SU MAC.

ABIF

ABIF has to be used for posting of individual amounts on individual assets. The transaction is available in both systems, PF2 as well as WP2.

ABIF posting in WP2

To start a posting with ABIF, following selections have to be made:

Company Code

Asset Number

Document Date

Posting Date and period

Transaction Type

The transaction type always depends on the investment key and the period of the related acquisition cost:

	Acquisition cost posted in	
Investment key	previous FY	current FY
01	K01	I01
30	K30	I30
32	K32	I32

Investment support: Initial Screen

Company Code

Asset

Subnumber

Date specif.

Document Date

Posting Date

Posting Period

Transact.

Transaction Type IFRS Investment support (credit)

Following entries have to be made in the posting screen:

Amount

Asset Value Date

Offsetting Account (see posting schemes in the EXCEL file attached)

Text

Assignment

Reference

Create Asset Transaction: IFRS Investment support (credit)

Line Items

Asset ENV 3 etude de base station traiteme
 Company Code
 G/L Account
 Trans. Type IFRS Investment support (credit)

Posting data

Amount posted EUR
 Asset Val. Date
 Offsetting acct

Additional details

Text
 Document type
 Assignment
 Reference

Before executing the posting, click on simulation , flag the line with the P&L account and check by clicking on "Additional Account Assignment" if a cost center has been added by default:


Create Asset Transaction: IFRS post capitalisation - GRANT

Document Header Info


Document Date: 22.04.2015 Document Type: AA Company Code: ZFR3
 Posting Date: 22.04.2015 Period: 04 Fiscal Year: 2015

Line items

It.	PK	BusA	G/L Acc	Cost C.	Short Text	Σ	Amount	Crcy	Text	Asset	AsstValDat	TTY	TTY	Ref. Tr...	TrTy
1	75		21700100		242740047283 0000		1,00-	EUR	Investment Grants Acpte 30% A...	242740047283	22.04.2015	K01	F20	AMBU	INVZ
			21700100			*	1,00-	EUR							
2	40		98300197	7682-...	GRANT CAPITALIS.		1,00	EUR	Investment Grants Acpte 30% A...	242740047283				AMBU	INVZ
			98300197			*	1,00	EUR							
						**	0,00	EUR							

 Coding Block

Asset	242740047283	0
Cost Center	7682-1011	<input type="checkbox"/>
Order		
Profit Center	7682-I1052	
WBS Element		
Personnel No.		
Sales Order	<input type="text"/>	<input type="text"/>
Material	<input type="text"/>	
	Transactn Type	<input type="text"/>
	Plant	<input type="text"/>
	Real Estate Obj	<input type="button" value="➔"/>

Finally click on "Post" 

ABIF posting in PF2

The principle of posting procedure in PF2 is exactly the same as in WP2. The only differences are the investment keys and related transaction types.

AR11 posting in PF2

AR11 is used to make subsidy postings on several assets via batch input. This is currently not prepared in WP2. Prerequisite is the customizing of investment keys – as well as corresponding transaction types – with a fixed percentage. The asset master has to be prepared like described above (see 5.1).

Parameter like posting date, document date, asset value date, transaction type etc. have to be selected comparable to ABIF. A range of assets, all assets of an entire cost center, plant or location can be selected and posted in one shot.

Before executing the posting, don't forget to remove the "Test Run" flag and make sure that the document type selected is **AA**.

Investment Support

Company code: 4056 to []

Asset number: [] to []

Subnumber: [] to []

Selections

Asset class: [] to []

Business area: [] to []

Cost center: [] to []

Plant: [] to []

Location: [] to []

Asset super number: [] to []

Settings

Report date: 31.12.2015

List assets
 ... or main numbers only
 ... or group totals only

Further Selections

Investment support: 80 to []

Transaction Type: [] to []

Further Settings

No rounding
 Round down
 Arithmetic Rounding
 Round up

Rec.trans.prior-yr acq.frm AuC
 Test Run

Layout: []

Posting Date: 31.12.2015
Document Date: 31.12.2015
Asset Value Date: 31.12.2015
Posting Period: []
Transaction type: K80
Document type: AA
Text: []

Corresponding postings in PS

To reflect the reduction of acquisition cost of assets in PS and to align the capitalized cost in PS and FI-AA, special "statistical" postings have to be performed. For this purpose a special asset under construction (asset class in PF2 ZXX93000 and AC219199 in WP2) as well as a WBS-element for subsidies has to be created.

This WBS-element, linked via settlement rule with the special asset under construction can also be used to "park" temporarily subsidies received already before the final assets are completed. In such a case the sequence of steps below has to be changed (2. – 3. – 1. – 4.).

The principle of postings to be performed is always the same:

1. Posting of subsidies on assets (ABIF or AR11) vs. P&L account
2. Posting on vendor account vs. WBS-element
3. Settlement from WBS-element on asset under construction (CJ88)
4. Settle asset under construction (investment measurement) to special asset under construction (CJ88)
5. Balancing of special asset under construction vs. P&L account (AB01)

End of document