

I calculate inventory reserves

Domain: Costing

Responsibility area: Supervise Inventory Valuation

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Scope



WW

ERP

PF2

WP2

Frequency

References

- [ZCO_SPAREPARTS - Industrial Supplies Depreciation](#)
- [ZWFA10A - Determination of Lowest Value;](#)
- [MRN1 - Lowest Value Determination Based On Range Of Coverage](#)
- [ZWFA21A-Determination of Lowest Value](#)
- [ZFI_INVENTORY_SMOG - Inventory SMOG report](#)
- [ZWFA23A](#)
- [MRN0](#)
- [ZWDV11 - Transfer Program of UNIX file to PC file](#)

Forms

Attachments

- [Inventory Impairment](#)
- [posting scheme for inventory reserve](#)
- [Hard-Close instruction for inventory reserve](#)
- [PF1 reserves Template BW](#)
- [PF1 reserves Template BW \(5642\)](#)
- [WP1 reserves Template BW](#)
- [WP1 reserves Template BW - With posting file](#)
- [WP1 reserves Template BW \(CM\) - Posting File](#)
- [PF1 reserves Template BW SPP Monthly](#)
- [PF1 reserves Template BW SPP Quarterly](#)
- [Spare Parts & Provision Report in PF1 / WP1](#)
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- [Calculate and post Inventory Reserve](#)

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1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how to generate the proposition and how to account in ERP the valuation of the stocks at the "fair value" in order to give relevant information about the "real value" of the company to all economic actors (share-holders, legal authorities...).

1.2. Scope

This procedure is applied to all companies WW.

2. Definitions

[Finance - Glossary](#)

3. Tasks description

3.1. Background

* Hard-Close instruction for Inventory Reserve (please check attachment)

Objectives

The purpose of this document is to explain how to generate the proposition and how to account in ERP the valuation of the stocks at the "fair value" in order to give relevant information about the "real value" of the company to all economic actors (share-holders, legal authorities...).

Before the closure in the months of March, June, September and (November and or December)*. The final validation and postings should be done until D-5 at the latest.

General Rules - Frequency (*Best Practice)

- On a quarterly basis, review the impairment of inventories based on the matrix of inventory and impairment type that is recommended and update an existing inventory reserve.
- At least once a year, justify slow-turn inventory reserve in November for hard-close and NRV inventory reserve in December for year-end close.
- Mandatory for all companies included in the consolidation under full integration
- Recommended for "joint operation", joint-ventures and where Solvay is considered as "associate"
- All types of inventories that need to be written down by below impairment cases:
 - Slow-turn
 - Obsolescence (end of shelf-life)
 - Off-specification / bad-quality
 - Damage
 - Net realizable value

	Slow-turn	Obsolescence / Off-specification / Bad-quality / Damage	NRV
To be validated	In November	In November	In December
Finished Goods	X	YES	YES
Intermediate	YES	YES	X
RM	YES	YES	X
Spare Parts	YES	YES	X
Packaging	X	YES	X

*YES means "designated impairment types should be checked for the concerned inventory type"

WHO	WHAT	WHEN
FRA	- Ask Service Center to reverse the slow-turn inventory reserve of Q3. - Ask PIM to initiate an inventory reserve for obsolete, off-spec and damaged inventories and validate it. - In WP1 perimeter, ask Service Center to calculate a slow-turn inventory reserve based on the stocks at the end of October and validate it. - In PF1 perimeter, calculate a slow-turn inventory reserve based on the stocks at the end of October. - Ask Service Center to post a new slow-turn inventory reserve for November closing.	November
PIM	Validate an obsolete, off-spec and damaged inventories and propose an inventory reserve to FRA.	November
GCCO	- Identify the NRV inventory reserve of Q3 and if no NRV reserve posted in Q3, validate it if there is no impairment indication by NRV. - Ask Service Center to recalculate the NRV inventory reserve based on the stocks at the end of November and validate it in WP1 perimeter and calculate it in PF1 perimeter.	November December
Technical expert for spare part	Propose an inventory reserve for obsolete, off-spec and damaged spare parts.	November
Service Center	- Calculate an inventory reserve in WP1 perimeter and report it to FRA, according to this procedure. - Post an inventory reserve that is validated by FRA (slow-turn) or GCCO (NRV).	November
RCOM	Follow up external audit requirements for hard-close in Audit WIKI.	December
CAM	Review stock accounts for inventory reserve based on the CAM Guidebook.	December D4

? Unknown Attachment

General Rules - Depreciation

- [Standard rule](#) for NRV/LCM and Slow-turn if no local procedure defined.
- [Local procedure for inventory reserve](#) for obsolete, off-spec and damaged inventory reserve

3.2. Responsibilities

SU MAC runs the transactions and prepares the Excel files with proposal of rotation and financial depreciation.

Controllers are responsible to analyze the posting proposal sent by **SU MAC** and provide the final validation for the depreciation amounts to be posted, indicating the changes to be done to the original posting proposal. In some cases, an additional comment on the largest variances between depreciation proposed and validated is required.

Regarding Spare Parts and Gen & Tech (exc. Packaging) the **Accounting Platform Team** is responsible to perform IFRS vs LOCAL GAAP postings - see specificity on point 3.3) 1) For Spare Parts 1) PF1: Industrial Supplies - DE Specificities

3.3. I run inventory valuation reports

Start the transaction ZCO_SPAREPARTS

 Industrial Supplies
Depreciation: initial screen

Spare part by Company/ Plants / Profit center / Material



Selection Screen

Company Code

Valuation Area

Material Code

Valuation Class

Profit Center

Year

Period

☐ Storage Location

☐ Schedule Manager

to

to

to

to

to

Display Options

Layout

STEP 2

1. Select variant: **SLOWTURN-SP**
2. Enter the **company code**
3. Enter **Year and Period** (period must be end of month before quarterly. Feb May Aug and Oct for Hardclose)
4. Execute  to display the report or execute in background to save the report to SQ00

Spare part by Company/ Plants / Profit center / Material

 1

Selection Screen

Company Code

Valuation Area

Material Code

Valuation Class

Profit Center

Year

Period

☒ Storage Location

☐ Schedule Manager

to

to

to

to

to

Display Options

Layout

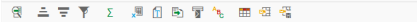
/SLOWTURNSP

STEP 3

The report is displayed

Save the report by pressing  in order to have it available in the SQ00 query ZCO_SPAREPARTS. These will be the final figures to use in the posting. If you have not saved the report, some inconsistencies may be created.

Spare part by Company/ Plants / Profit center / Material



CoCode	GL Account	Val. Area	Val. Class	Stor. Loc.	Profit Center	Material	Material Description	FC	CGU	Mati Type	Mati Group
7811	31000200	7807	Z120	IS01	7811-11045	1760925	MASS FLOW METER SENSOR/RCCS39		PACGUB17	ZERS	0178
7811	31000200	7807	Z120	IS01	7811-11045	1762031	MECHANICAL SEAL FOR P10060		PACGUB17	ZERS	0141
7811	31000200	7807	Z120	IS01	7811-11045	1762030	MECHANICAL SEAL FOR A10040/10050/29011		PACGUB17	ZERS	0141
7811	31000200	7807	Z120	IS01	7811-11045	1765078	CENTRIFUGAL PUMP ES100-45-200/2P-30		PACGUB17	ZERS	0153
7811	31000200	7807	Z120	IS01	7811-11045	1764841	FC-302P75KT3E20HZ65COOXSXXXXXBNKXXXXX		PACGUB17	ZERS	0474
7811	31000200	7807	Z120	IS01	7811-11045	1830276	control valve SCV 10031/20022/SIZE 4"		PACGUB17	ZERS	0194
7811	31000200	7807	Z120	IS01	7811-11045	1764840	FC-302P45KT3E20HZ65COOXSXXXXXBNKXXXXX		PACGUB17	ZERS	0474
7811	31000200	7807	Z120	IS01	7811-11045	1830274	control valve SCV12025/30001/SIZE 3"		PACGUB17	ZERS	0194
7811	31000200	7807	Z120	IS01	7811-11045	1830245	control valve CV 94021/ SIZE 3"		PACGUB17	ZERS	0194
7811	31000200	7807	Z120	IS01	7811-11045	1844919	Magnetic flowmeter DN25 0-2.5t/h 316L PA		PACGUB17	ZERS	0178
7811	31000200	7807	Z120	IS01	7811-11045	1830237	control valve CV 9401U/ SIZE 3"		PACGUB17	ZERS	0194
7811	31000200	7807	Z120	IS01	7811-11045	1762003	MOTOR EEV0DLT4 M23A200L4		PACGUB17	ZERS	0335

STEP 4

extract the report and put in the inventory reserve template

1. there are 2 provision type in the report
2. **Unrestricted provision** is calculated by slow moving day defined by the rule
3. Blocked provision is calculated by amount of inventory in blocked status (100% provision)

STEP 5

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STEP 1

**Use transaction
code: ZCO_SPAREPARTS_POST**

i ZCO_SPAREPARTS_PO
ST- Spare parts provision
posting: Initial Screen

i This program is for
automatic posting of
spare parts provision
which data is saved in
SQ00
table ZCO_SPAREPARTS

The data must be
available in SQ00 before
processing this transaction

Report for Spareparts Provision Posting

General Selections

Company Code ☒ to

Valuation Area ☒

Provision Calculation Period

☒ Test Run

Processing Type

☒ Input posting date to post the provision

Posting Date

☐ To reverse the provision with the posting date input

☐ Display reports only

STEP 2

This program is used to post/reverse
spare parts provision

There are 3 processing type for this
transaction

1. Posting
2. Reverse

Processing Type

☒ Input posting date to post the provision

Posting Date

☐ To reverse the provision with the posting date input

☐ Display reports only

3. Display

STEP 3

Fill the selection

Selection Parameters:

1. Company code
2. Valuation area **put * to select all valuation area** or specific the value
3. Provision calculation period: period that the data is extracted to SQ00 (provision period = Feb, May, Aug and Oct)
4. Processing type:
 - Posting = put the posting date as end of quarterly month
 - Reverse = put the same date of the posting to repost the provision or put it in next quarter
 - Display = only display the data
 Then execute the transaction

Report for Spareparts Provision Posting

General Selections

Company Code	7180	1	to	
Valuation Area	*	2		
Provision Calculation Period	2	2021	3	

☒ Test Run

Processing Type

☒ Input posting date to post the provision

Posting Date 4 31.03.2021 5

☐ To reverse the provision with the posting date input

☐ Display reports only

STEP 4

Output results:

Posting

- When Test mode is selected: you can save and output will give you the status whether it can be posted (in case of the error from Master data is missing please contact SU MAC)

Report for Spareparts Provision Posting

Date	CoCode	G/L Account	Val. Area	Profit Center	Val. Class	Val. Type	Material	Curren.	Val.Stream	FC	CGU	De
30.04.2021	6062	31000200	8245	8245-20449	2120		1908475	SGD	CGU0N077		CSCGU073	
		31000200					1908479	SGD	CGU0N077		CSCGU073	
		31000200					1908480	SGD	CGU0N077		CSCGU073	
		31000200					1908484	SGD	CGU0N077		CSCGU073	
		31000200					1908490	SGD	CGU0N077		CSCGU073	
		31000200					1908491	SGD	CGU0N077		CSCGU073	
		31000200					1908492	SGD	CGU0N077		CSCGU073	
		31000200					1908493	SGD	CGU0N077		CSCGU073	
		31000200					1908494	SGD	CGU0N077		CSCGU073	
		31000200					1908495	SGD	CGU0N077		CSCGU073	

Message text	Msg. Var.	Status
Document check - no errors: BKPFF \$ WQ1_400	BKPFF	■

Message text	Msg. Var.	Status
Document posted successfully: BKPFF 100000146360622021 WQ1_400	BKPFF	■

- When test mode is not selected: when you save the output will return with document number and the items will be locked with document number

Bkcd	Prov	UnstrProv	Total Prov	Posted	Cancelled	Prov. Year	Post Doc.	Revs Doc	Current Date	Use
0.00	206.21	206.21		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	2.67	2.67		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	9.60	9.60		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	0.00	0.00		☐	☐				09.03.2021	TH
0.00	2.16	2.16		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	24.04	24.04		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	62.46	62.46		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	14.89	14.89		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	25.60	25.60		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	20.80	20.80		☒	☐	2021	23000002055		24.03.2021	BUI
0.00	0.00	0.00		☐	☐				09.03.2021	TH

Reverse

- Steps are similar to the posting



Provision data will be frozen in the table SQ00 after document is posted by the program

NOTE:



In case it's necessary to update the CC automatically used, this should be done directly in transaction ZCO_SP_POS TScheme

Change View "Spare Parts Posting Scheme Table": Overview

New Entries

Spare Parts Posting Scheme Table

CoCd	Plnt	BusA	Cost Center
0143	VKP	7360	73037700000
0212	EPS	7250	DG377000000
0237	JEI	7360	X4377000000
0240	WNI		WN377000000
0240	WNI	7360	WN377000000
0240	WNIH	7360	WN377000000
0245	TOS	7510	SQ377000000
0245	TOSA	7250	SQ377000002
0245	TOSB	7470	SQ377000003

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STEP 1

Use transaction code:
Z1K_SPAREPARTS

You will be able to find four sections:

- Selection Screen
- Layout
- Download to excel

Spare part by Company/ Plants / Profit center / Material

Selection Screen

Company Code		to		
Valuation Area		to		
Material Code		to		
Valuation Class	☒	to		
Profit Center		to		
Year	☒			
Period	☒			
☐ Storage Location				

Display Options

Layout

 PF2 - Report
Z1k_SPAREPARTS: This report will provide you extraction of several fields of the master data of the material as well as stock quantities, values and consumption-

 This report is mainly used to provide information for the calculation PF1 inventory reserves:

- Raw Materials
- Spare Parts
- Finished goods (limited)

-  This report is mainly used to provide information for the calculation PF1 inventory reserves:
- Raw Materials
 - Spare Parts
 - Finished goods (limited)

STEP 2 Selection Screen

STEP 2 Selection Screen

In the Selection screen, the following data needs to be selected:

- Company code
- Valuation class (Of the material)
- Year
- Month
- The other fields, can be selected depending on the level of detail available /needed
- Layout can also be selected if available (Otherwise can be define after execution)

Spare part by Company/ Plants / Profit center / Material

Selection Screen

Company Code	0270		
Valuation Area		to	
Material Code		to	
Valuation Class	±055	to	
Profit Center		to	
Year	2019		
Period	12		
☐ Storage Location			

Display Options

Layout

STEP 3

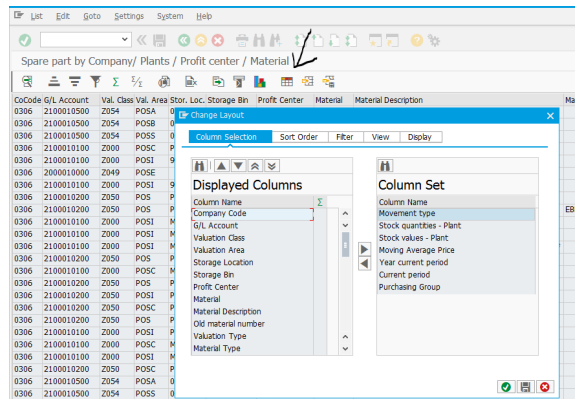
STEP 3 Layout

Depending on the information needed,
select the different fields to prepare
the report

First screen after execution:

[illegible]

Layout selection:

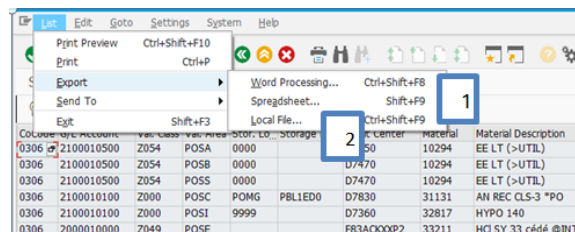


STEP 4 Extraction to excel

It is possible to extract to excel in two different ways:

1. Excel
2. Local File

Go to list -> Export
and select the option needed



IFRS accounts

The Z1K_SPAREPARTS transaction only uses the G/L account 6310000000 on the debit side which is a limitation for Germany companies, once they use dedicated accounts depending on the material. For **Spare Parts** it should be used the G/L account 6310000020 and for Gen & Tech (exc. Packaging) the G/L account 6310000050, according the following matrix: [PF2 Germany WD_Inventories accounts](#).

To guarantee the correct reporting, a manual reclassification will have to be performed by **Accounting Platform Team**.

Debit PL account 6310000020 AND/OR 6310000050 (in order to determine the amount to be transferred take into consideration the balance account, whether it is 2119010000 **Spare Parts** or 2119000000 Gen & Tech (exc. Packaging)).

Credit PL account 6310000000

Eliminations accounts

The Z1K_SPAREPARTS transaction only posts in IFRS. Therefore, elimination will have to be manually performed by the **Accounting Platform Team**:

- **Spare Parts**: post elimination as per the following matrix: [PF2 Germany WD_Inventories accounts](#).

Debit BS account B119010009

Credit PL account F310000029

- Gen & Tech (exc. Packaging): not to eliminate (no difference IFRS vs LOCAL GAAP)

Every time there are new users performing this procedure, it's important to maintain them in a specific table, so that they can be considered "Authorized Users to Save Spare Parts Report": T-Code GS02, Table ZCO_USER_SPAREPARTS (to be done by the TL).

NOTE All users can run the report (both in foreground and background), but only the User IDs that are maintained in the set ZCO_USER_SPAREPARTS can save the report result in the customized table. If the Saving part is not Done, we might have inconsistencies between the proposal posting and the real posting performed by the system.

STEP 1

Start the transaction MRN1

i Determine Lowest Value:
Range of Coverage: initial
screen

STEP 2

1. Enter the **company code**
2. **Key date**: Last day of the month = reference date for the calculation of R.O.C.
3. **Material type**: ZMAT : Finished products & RM & SF
4. Click on **Valuation level** to open a new window

STEP 3

Select "Company Code"

STEP 4

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

and enter 

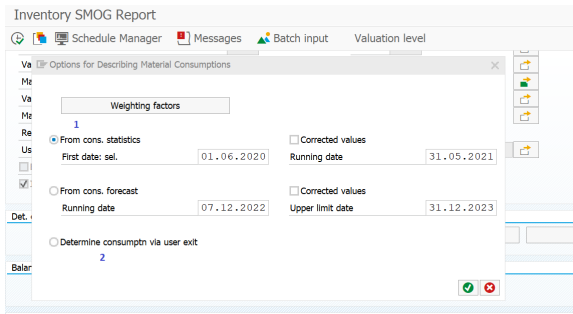
STEP 5

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.

and enter 



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

STEP 6

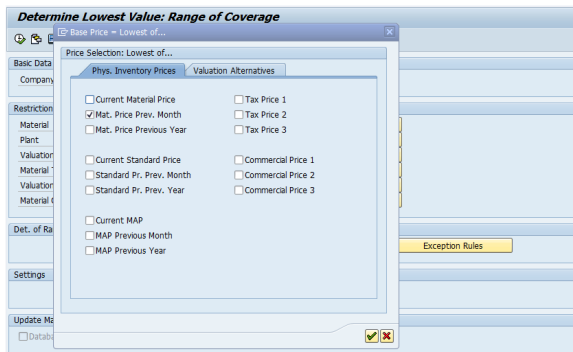
Click on

Base Price

It is the standard cost of the month

- If the transaction is run before the end of the month:
 - Select the **current material price**
- If the transaction is run after the end of the month:
 - Select the **Mat. Price Prev. Month**

and enter 



STEP 7

1. Check "Database Update" and 2 new buttons appear.
 - Never click on "Change Material Price"
2. Click on
3. Check "Tax Price 1" to store the price calculated by the system

Update Prices

and enter



Then start the calculation by clicking

on



Ignore the warning message

No material number interval entered. Please check

by clicking on



Determine Lowest Value: Range of Coverage

Schedule Manager Messages Batch Input Valuation Level

Basic Data
Company Code 7525 Key Date 30.09.2015

Restriction of Selection
Material to Plant to Valuation Type to Material Type ZMAT to Valuation Class to Material Group to

Det. of Range of Coverage
Material Stocks Phys. Inventory Prices Valuation Alternatives
Update Update Reset
3 Tax Price 1 Tax Price 2 Tax Price 3

Settings
Base Price

Update Material Master
Database Update Update Material Master
Print 1 Database Update Change Material Price 2 Update Prices

Explanatory Tool
Activate

STEP 8

The report is displayed

1 Determine Lowest Value: Range of Coverage 16.10.2015												
ValA	Material	Material Description	MTyp	Average Stock	BUn	Average Consumption	BUn	Range of Coverage	Base Price	% Deduct.	New Price	Price Unit
7603	132395	TY S 218L2 V30 BLACK 25KG PB/A	ZMAT	12,975.000	KG	4,856.250	KG	2.672	2,724,420	0.0	2,724,420	1,000
7603	132438	TY A 216 NATURAL 1000KG BB/A	ZMAT	0.000	KG	0.000	KG	0.000	2,982,959	0.0	2,982,959	1,000
7603	132449	TY SX 218 V50 BLACK 38N-K 25KG (KP) PB/A	ZMAT	10,175.000	KG	6,002.500	KG	1.695	2,180,568	0.0	2,180,568	1,000
7603	132664	TY A 216L2 V15 GREY 2355 25KG (KP) PB/A	ZMAT	850.000	KG	1,660.417	KG	0.512	3,263,336	0.0	3,263,336	1,000
7603	132894	HYDROGEN PEROXIDE 5% BULK	ZMAT	810.000	KG	787.500	KG	1.029	590,000	0.0	590,000	1,000
7603	132929	TY A 218 BLACK 25KG PB/A	ZMAT	0.000	KG	5.417	KG	400	5,000	0.0	5,000	1,000
7603	133114	STABAMID 27AE4 K BULK PROCESS	ZMAT	0.000	TO	3.543	TO	0.020	2,374,366	0.0	2,374,366	1
7603	133133	TY eXten D 219WFC V30 BLACK 25KG (612)/E	ZMAT	0.000	KG	0.000	KG	0.000	4,285,753	0.0	4,285,753	1,000
7603	133170	STABAMID 27AE4 K BIG BAG 1100 KG	ZMAT	1.987	TO	3.392	TO	0.586	2,374,366	0.0	2,374,366	1
7603	133184	MACHTERRA SSB-70CT PASTILLE 25KG BAGS	ZMAT	0.000	KG	0.000	KG	0.000	3,200,000	0.0	3,200,000	1,000

1. **Material Master Data** & plant code.
2. **Stock quantity** at the end of the month (execution date)
3. **Average consumption** on the last 12 months
4. **Number of months** needed to consume the whole stock with the average consumption = Average stock (2) / Average consumption (3)
5. **Base price** used for the calculation of impairment (= standard cost)
6. **% Deduct** calculated in function of range of coverage (4)
 - Range of coverage < 12 = 0 %
 - 12 < Range of coverage 24 = 50 %
 - 36 < Range of coverage = 100 %
 - 24 < Range of coverage 36 = 75 %
7. **New price** on which the range of coverage is applied = (100 - % Deduct (6)) x Base price (5)

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- SAP Transaction => "sap_transaction", Transaction code "xxxx"
- SAP Report => "sap_report"
- SAP Message => "sap_msg"

3. On the left section, describe the steps. On the right section, insert respective print screens and additional guidelines, if needed (e.g. Main selections of the transaction...)

STEP 1

Use transaction code:
Z1K_SPAREPARTS

You will be able to find four sections:

- Selection Screen
- Layout
- Download to excel



PF2 - Report
Z1K_SPAREPARTS: This report will provide you extraction of several fields of the master data of the material as well as stock quantities, values and consumption-



This report is mainly used to provide information for the calculation PF1 inventory reserves:

- Raw Materials
- Spare Parts
- Finished goods (limited)

Spare part by Company/ Plants / Profit center / Material

Selection Screen

Company Code			
Valuation Area		to	
Material Code		to	
Valuation Class	☒	to	
Profit Center		to	
Year	☒		
Period	☒		
☐ Storage Location			

Display Options

Layout

STEP 2

Selection Screen

In the Selection screen, the following data needs to be selected:

- Company code
- Valuation class (Of the material)
- Year
- Month
- The other fields, can be selected depending on the level of detail available /needed
- Layout can also be selected if available (Otherwise can be define after execution)

Spare part by Company/ Plants / Profit center / Material

Selection Screen

Company Code	0270		
Valuation Area		to	
Material Code		to	
Valuation Class	z055	to	
Profit Center		to	
Year	2019		
Period	12		
☐ Storage Location			

Display Options

Layout

STEP 3

Layout

First screen after execution:

Depending on the information needed, select the different fields to prepare the report

[illegible]

Layout selection:

The screenshot shows the 'Manage My Tables' app in SAP S/4HANA Fiori. The 'Material' table is selected, and the 'Displayed Columns' and 'Column Set' configuration is visible. The 'Displayed Columns' list shows the following columns: Val. Class, Val. Area, Stor. Loc., Storage Bin, Profit Center, Material, and Material Description. The 'Column Set' configuration shows the following columns: Column Name, Movement type, Stock quantities - Plant, Stock values - Plant, Moving Average Price, Year current period, Current period, Material, Material Description, Old material number, Valuation Type, and Valuation. The 'Column Set' configuration is set to 'Stock quantities - Plant'.

STEP 4 Extraction to excel

It is possible to extract to excel in two different ways:

1. Excel
2. Local File

Go to list - > Export

and select the option needed

The screenshot shows the SAP menu bar with 'List', 'Edit', 'Goto', 'Settings', 'System', and 'Help'. The 'Export' menu item is highlighted in the menu bar. The 'Export' sub-menu is open, showing options like 'Word Processing...', 'Spreadsheet...', and 'Local File...'. Red boxes highlight the 'Export' menu item and the 'Local File...' option.

Start the transaction ZWFA21A

 Determination of Lowest Value: Sales price determination: initial screen

Determination of Lowest Value : Sales price determination

Schedule Manager Messages Batch input Valuation level

Company code ☒ Key date 16.10.2015

Material to

Valuation area to

Valuation type to

Material type to

Valuation class ☒ to

Material group to

sales organisation ☒ to

Division to

Distribution channel to

Currency type 10 to

☐ Exclude material created after

☐ Ignore sales data of the plant for which the stocks = 0.

☐ Exclude Cross company delivery (intercompany flow)

Price comparison Comparison price

Update material master ☐ Database update

Print list

STEP 2

1. Enter the **company code**
2. **Key date**: Last day of the month
3. **Material type**: ZMAT - Raw materials & Finished goods
4. **Valuation class**:
 - Z130 : Trading goods
 - Z150 : Finished products
5. **Sales organisation**: All sales organisation of the company
6. **Currency type**: Useless (all data in specific table are in local currency)
7. Uncheck **Exclude Cross company delivery**

Determination of Lowest Value : Sales price determination

Schedule Manager Messages Batch input Valuation level

Company code 7525 ① Key date 30.09.2015 ②

Material to

Valuation area to

Valuation type to

Material type ③ ZMAT to

Valuation class ④ Z130 to

Material group to

sales organisation ⑤ 99.00 to 99.09

Division to

Distribution channel to

Currency type ⑥ 10 to

☐ Exclude material created after

☐ Ignore sales data of the plant for which the stocks = 0.

☐ Exclude Cross company delivery (intercompany flow) ⑦

Price comparison Comparison price

Update material master ☐ Database update

Print list

STEP 3

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



and enter

Determination of Lowest Value : Sales price determination

Schedule Manager Messages Batch input Valuation level

Company code 7525 ①

Valuation level ②

Valuation area

Company code ☒

Material

Valuation area

Valuation type

Material type

STEP 4

Click on

Comparison price

Select the relationship to Market Price
= **Lowest val. Comparisn**

Select the price used for the comparison:

- " Mat.Price Prev.Month " (material price previous month)



and enter

Determination of Lowest Value : Sales price determination

Select a Comparison Price:

Relationship to Market Price:

1. ☐ Lowest Val. Comparison
☐ Comparison Price as Replicmt. Val.
☐ No Comparison Price

Price Selection: Lowest of...

2. **Phys. Inventory Prices**

☐ Current Material Price
☒ Mat. Price Prev. Month
☐ Mat. Price Previous Year

Valuation Alternatives

☐ Tax Price 1
☐ Tax Price 2
☐ Tax Price 3

☐ Current Standard Price
☐ Standard Pr. Prev. Month
☐ Standard Pr. Prev. Year

☐ Commercial Price 1
☐ Commercial Price 2
☐ Commercial Price 3

☐ Current MAP
☐ MAP Previous Month
☐ MAP Previous Year

List format

STEP 5

1. Check "Database update" and a new button appears.
2. Click on
3. Select "Tax price 2": field of the material master data in which the calculated price is saved



and enter

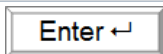
Then start the calculation by clicking



Ignore the warning message

No material number interval entered. Please check

by clicking on



Determination of Lowest Value : Sales price determination

Schedule Manager Messages Batch input Valuation level

Company code 7525 Key date 30.09.2015

Material Valuation area Valuation type Material type Valuation class Material group sales organisation Division Distribution channel Currency type

☐ Exclude material created after
☐ Ignore sales data of the plant for which the stock is zero
☐ Exclude Cross company delivery (intercompany)

Price comparison

Update material master

1. ☐ Database update

2. ☒ Update phys. inv. prices

3. **Update Phys. Inv. Prices - Select:**

☐ Tax price 1
☒ Tax price 2
☐ Tax price 3

☐ Commercial price 1
☐ Commercial price 2
☐ Commercial price 3

STEP 5

The report is displayed

Determination of Lowest Value: Sales price determination part 2

ValA	Material	Val.	Class.	Val. type	Material description	MatType	Tot. stock	Net Real value	Comparison price	Lowest price	per	Price Date	Price Source
7603	118799	2150			TY W500A GREY 2980 500 KG BB/A	ZMAT	21,500 KG	4,092,000	3,397,332	3,397,332	/1,000	201506	COPA
7603	118950	2150			PM01A-C32H2MX30 GREY 174NH-M 10KG BOX /A	ZMAT	200 KG	14,499,000	14,499,315	14,499,000	/1,000	201509	COPA
7603	118800	2150			TY SX 216 V55 G-GREY 25 KG FB/A	ZMAT	1,800 KG	3,129,000	2,488,740	2,488,740	/1,000	201506	COPA
7603	119932	2150			STABAMID 24FE3 K BIG BAG 750 KG	ZMAT	38,158 TO	26,811,460	24,038,485	24,038,485	/10	201506	COPA
7603	119997	2150			TA 23851 CV28 BLACK 25 KG FB /A	ZMAT	75 KG	1,000,000	54,000	54,000	/1,000	201506	COPA
7603	121497	2150			SIAR AFX 216 V60 GREY 2327 25KG(MF)/A	ZMAT	00 KG	1,000,000	81,000	81,000	/1,000	201506	COPA
7603	124713	2150			TY S 218 MV20 BLACK-E 750KG BB/A	ZMAT	21,000 KG	2,599,000	2,353,000	2,353,000	/1	201506	COPA
7603	125507	2150			TY 2417IG4 BLACK 25KG(KP) FB/A	ZMAT	6,050 KG	3,972,000	2,849,472	2,849,472	/1,000	201506	COPA
7603	125508	2150			TY C 216 V55 BLACK 25 KG FB/A	ZMAT	2,500 KG	3,008,000	2,119,186	2,119,186	/1,000	201506	COPA
7603	126165	2150			TY SX 218L2 V50 BLACK 38N 25 KG FB/A	ZMAT	7,000 KG	3,849,000	2,716,118	2,716,118	/1,000	201506	COPA

1. **Material Master Data** & plant code
2. **Stock quantity** at the end of the month (execution date)
3. **Net Real value** most recent "net real value" on the "key date"
4. **Comparison price:** Price selected in the "comparison price" box (here "price on the previous month")
5. **Lowest price:** Lowest value of the two prices (3) & (4) followed by the price unit
6. **Price date:** Date of calculation of the price
7. **Price Source:** Origin of the price

Unable to render {include} The included page could not be found.

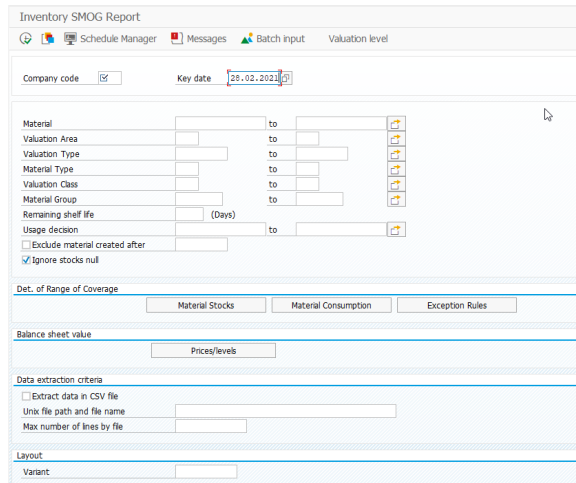
3.4. I calculate inventory reserves

Responsibility area: [Calculate and post Inventory Reserve](#)

STEP 1

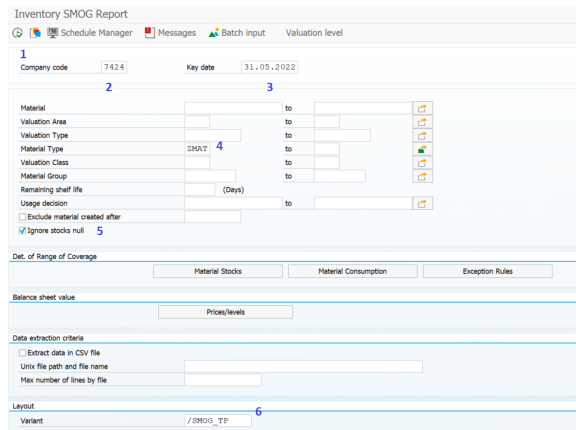
Start the transaction **ZFI_INVENTORY_SMOG**

 Inventory SMOG report: initial screen



STEP 2

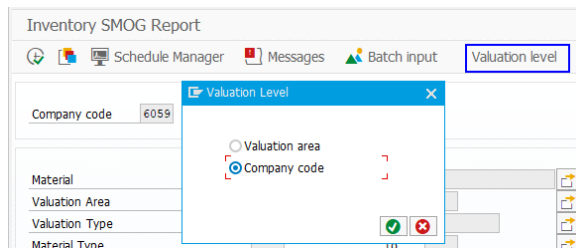
1. Select variant: /SMOG_TEMPLATE
2. Enter the **company code**
3. **Key date**: Last day of the month before quarterly
4. **Material type**: ZMAT and ZVER
5. The materials with null stock should not be considered in the calculation. The field must to be flagged. Note: The new materials can be excluded 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.

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

Ignore the warning message

STEP 7

SMOG Report Functions

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

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	BlckQtyAdj	BlckAmtAdj	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

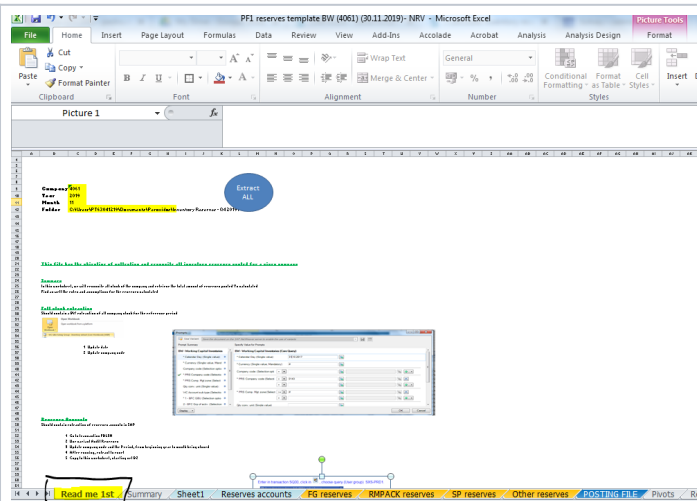
If $ROC > 36$, then %Reserve = 1, so for cases where ROC is equal or 9.999.00, it means that there is no consume for a long time.

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

The process is currently processed with the support of one excel template that needs to be updated with the extractions from each transaction mention in section 3.3.

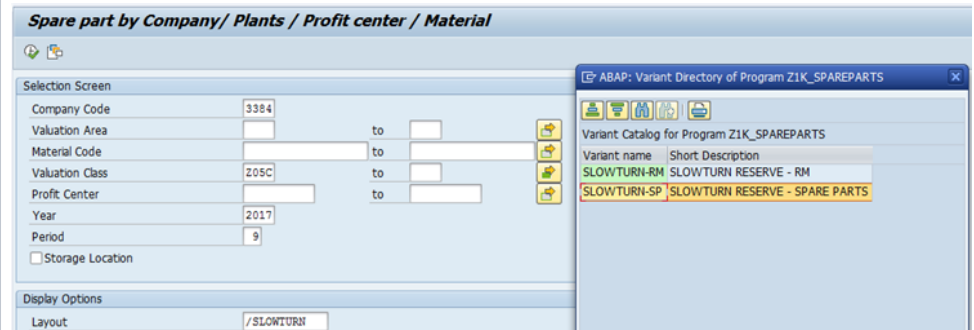
Worksheet "Read Me" in the template:

- The excel template contains a Read Me worksheet with the details of how to extract data and fill in each worksheet.
- Some files, might contain one Excel Macro to extract automatically the data from SAP and fill in each worksheet.



Prepare Spare Parts data (3.3.1):

1. Go to report Z1K_spareparts
2. Select variant /SLOWTURN-SP
3. Update the company code
4. Update the year and month
5. After running, extract to excel
6. Copy to **worksheet "SP reserves"**, starting cell A2



Prepare Raw Materials & Packaging data (3.3.2):

1. Go to report Z1K_spareparts
2. Select variant /SLOWTURN-RM
3. Update the company code
4. Update the year and month
5. After running, extract to excel
6. Copy to worksheet "RMPACK reserves", starting cell A2

Spare part by Company/ Plants / Profit center / Material

Selection Screen

Company Code	3384		
Valuation Area		to	
Material Code		to	
Valuation Class	Z05C	to	
Profit Center		to	
Year	2017		
Period	9		
☐ Storage Location			

Display Options

Layout /SLOWTURN

ABAP: Variant Directory of Program Z1K_SPAREPARTS

Variant name	Short Description
SLOWTURN-RM	SLOWTURN RESERVE - RM
SLOWTURN-SP	SLOWTURN RESERVE - SPARE PARTS

Prepare Finished Goods Data (3.3.3):

1. Got to SQ00
2. Select query/user group SXS-PRD1
3. Run table Z1K_UPIS3
4. Select Variant "INV RESERVES" with the company, plant (if necessary) and period/Year
5. After running, extract to excel
6. Copy to **worksheet "FG reserves"**, starting cell A2

Select query/user group SXS-PRD1

Query from User Group COSTING: Initial Screen

Name	User group name
COSTING	Costing
FI_3S_CTB	QUERIES FOR 3S CTB
SXS-PRD1	Solexis Products 1 (batches)
Z1_FI	FI

Run table Z1K_UPIS3

Query from User Group SXS-PRD1: Initial Screen

Query area: Standard Area (Client-specific)

Query:

QuickViewer Display Description

Queries of user group SXS-PRD1 : Solexis Products 1 (batches)

Name	Title	InfoSet	Logical Database	Table/View/Join	InfoSet Title
Z1C_ZWPPMCKOST	ZWPPMCKOST	Z1C_ZWPPMCKOST_TAB		ZWPPMCKOST	PT99375423:Z1C_ZWPPMCKOST
Z1K_BATCH_FV	CO BATCHES: list - Fix Var in Cny curr	CO-BATCH-NEW5		Z1K_BATCH3	CO Batches and UPIS
Z1K_BATCH_NEW	CO BATCHES: list - NEW version ---	CO-BATCH-NEW5		Z1K_BATCH3	CO Batches and UPIS
Z1K_PLANT	CO - plants by company code	CO_T001K		T001K	CO Cny plants (T001K)
Z1K_UPIS3	CO UPIS + SlowMoving + LCM - VERSION 2020	CO-BATCH-NEW5		Z1K_BATCH3	CO Batches and UPIS
Z1K_UPISTEST	UPIS - summary - DO NOT USE	CO-BATCH-NEW5		Z1K_BATCH3	CO Batches and UPIS
Z1K_UPIS_RAW	CO UPIS - VERSION 2012 - details in origin currency	CO-BATCH-NEW5		Z1K_BATCH3	CO Batches and UPIS
Z1K_UPIS_SUM	UPIS - summary - DO NOT USE	CO-BATCH-NEW5		Z1K_BATCH3	CO Batches and UPIS

Select Variant "INV RESERVES" with the company, plant (if necessary) and period/Year

Program selections

Company Code: 4061

Year: 2019

Period: 11

profit ctr:

plant:

Industrial Origin:

☐ Read UD DETAIL ?

Valuation Class: Z101

Material Number:

Batch Number:

Product hierarchy:

Output Format:

ABAP: Variant Directory of Program AQ20SXS-PRD1====Z1K_UPIS3====

Variant Catalog for Program AQ20SXS-PRD1====Z1K_UPIS3====

Variant name	Short Description	Environment	Protecte
GBU SP Z061	GBU SP x UPIS Z061	A	
GBUSPBACHTESSL	GBU SP BACHTES/SaraLoddo	A	
IAC5835	IAC5835	A	
INV RESERVES	Inv Reserves calculation	A	
P_A-Y_VVV	SpP Alg & Hyf WorldWide	A	
P_CNA	SpP CNA	A	
P_CNA1	SpP CNA1	A	
SODA ASH	SODA ASH BU UPIS	A	
SPOL TOTAL	UPIS x FG & WIP	A	
SPP BELGIUM	SpP Belgium	A	
STOCK GRU LCM	stock GRU LCM	A	

3.5. I send the report to the GBUs

3.5.1. I generate the proposition files

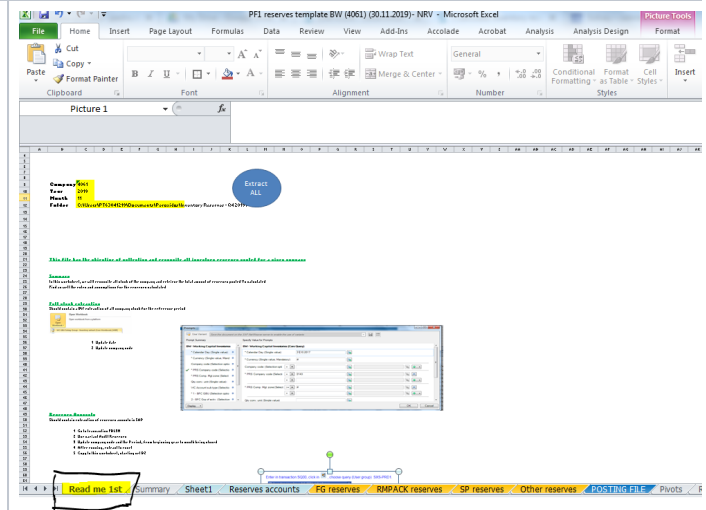
Extract the data in spreadsheet format from ZCO_SPAREPARTS and ZFI_INVENTORY_SMOG

and copy the data to inventory reserves template field A2 in both "RMFG reserves" & "Industrial supplies reserves"

Having the extractions done in section 3.4 related to PF2, each worksheet needs to be completed

Worksheet "Read Me" in the template:

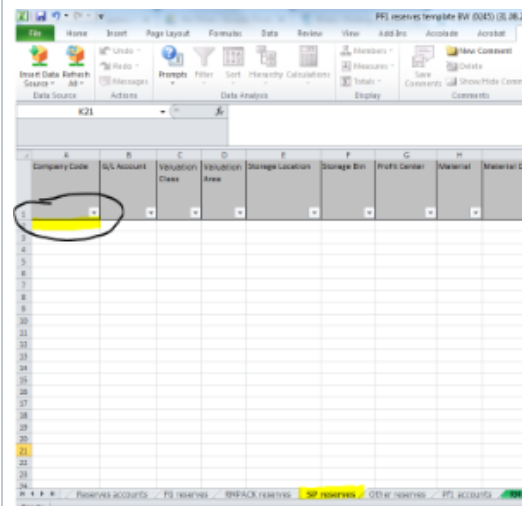
- The excel template contains a Read Me worksheet with the details of how to extract data and fill in each worksheet.
- Some files, might contain one Excel Macro to extract automatically the data from SAP and fill in each worksheet.



Prepare Spare Parts data (3.3.1):

- Copy the extraction to **worksheet "SP reserves"**, starting cell A2
 - Check the last columns are not overwrite, as these contain the formulas to calculate the reserves

Copy the extraction to cell A2



Have in mind that not to overwrite the last columns:

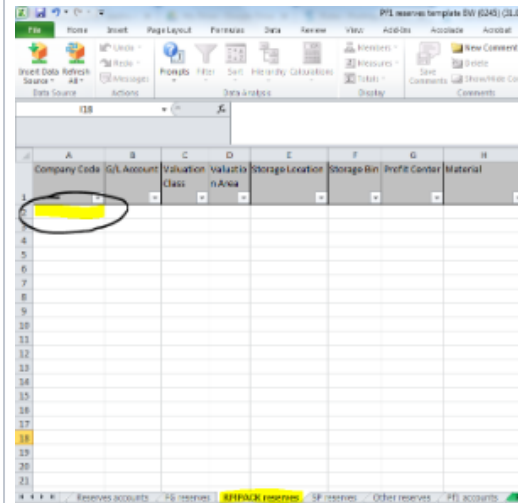
Number		Styles	
AM	AN	AO	AP
te of Last Count	No. of Slow Moving Days	Depreciation rate for 10% rule (=IF(AL2>365;10%;0%))	Slow-turn reserve by AJ2*AM2)
		0%	
		0%	
		0%	
		0%	

These columns are the ones containing the formulas to calculate the final res

Prepare Raw Materials & Packaging data (3.3.2):

1. Copy the extraction to **worksheet "RMPACK reserves"**, starting cell A2
 - a. Check the last columns are not overwrite, as these contain the formulas to calculate the reserves

Copy the extraction to cell A2



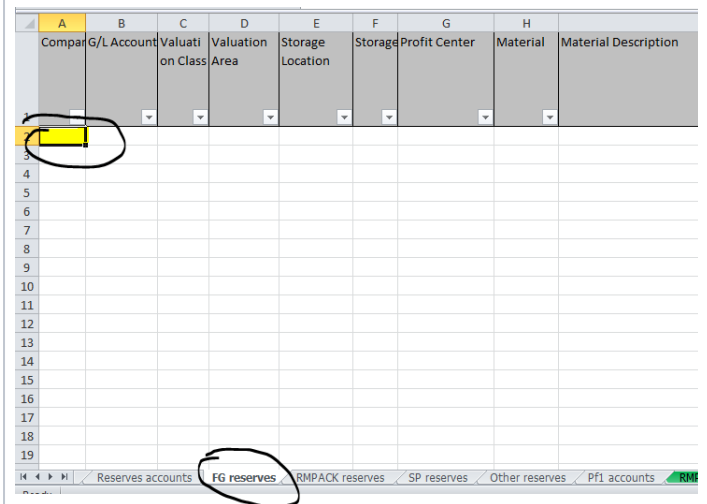
Have in mind that not to overwrite the last columns:

Material Type	Range of coverage	Rate of depreciation	Coverage Slo
RM		100	100%
RM		100	100%
RM		100	100%
RM		100	100%
RM		100	100%
RM		100	100%

These columns are the ones containing the formulas to calculate the final res

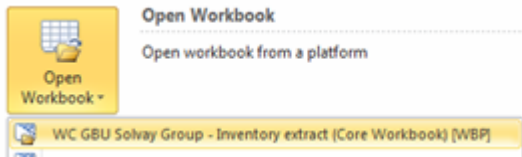
Prepare Finished Goods Data (3.3.3):

1. Copy the extraction to **worksheet "FG reserves"**, starting cell A2



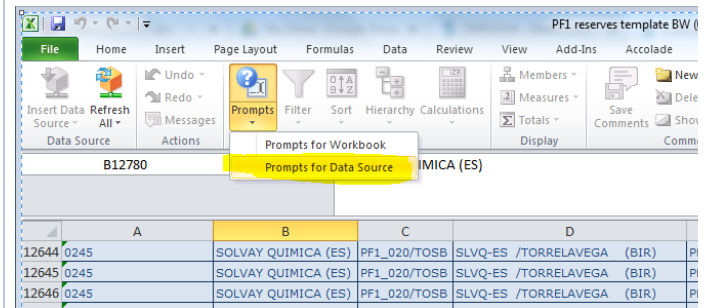
Worksheet "Full stock extraction" :

- Extract through BW, the stock of the company for the period in analysis

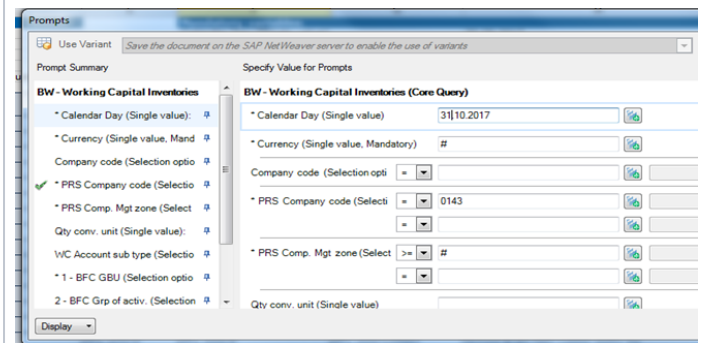


1. Refresh this worksheet through Analysis/Prompt
2. Select date (Last day of the month in analysis)
3. Select the company code

Go to "prompt" to perform the refresh

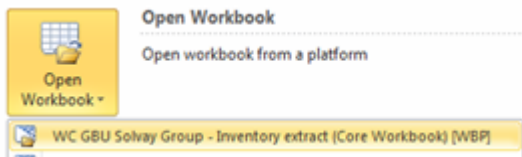


Select the date and company



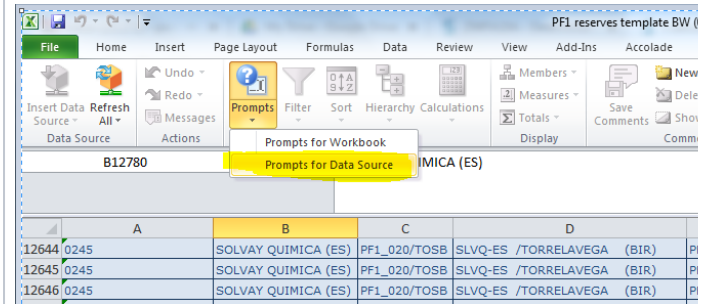
Worksheet "Reserve accounts" :

- Extract through BW, the [Balance sheet reserve accounts](#) of the company for the period in analysis

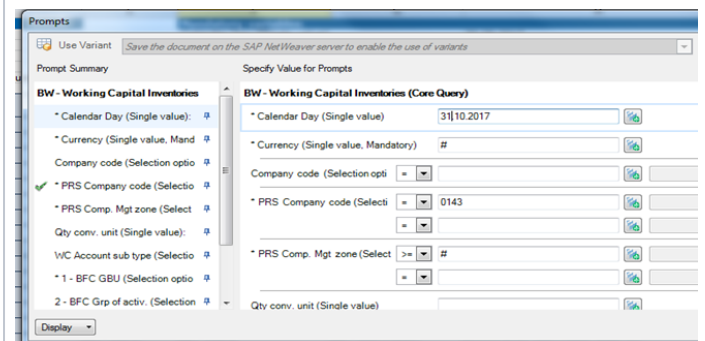


1. Refresh this worksheet through Analysis/Prompt
2. Select date (Last day of the month in analysis)
3. Select the company code

Go to "prompt" to perform the refresh



Select the date and company



- The total amount of the columns with the calculated reserve, should be in column G
- The total amount of company stock retrieved in worksheet "full stock extraction" should be in column C
- The total amount of the Balance sheet accounts coming from worksheet "reserve accounts" should be in column F

Solving Template Analysis - Write-off Inventories									
Category of Stock	Inventory			Inventory			Type of write-off	Criteria used	
	Current Value of Inventory	Current Value in Stock	Change in Value	Total Value of write-off Inventory	Total Value of write-off calculated in analysis	Total Inventory value			
Partners the following day									
2000-2004-2004-01-01	Current Inventory	10,000	10,000				2000-2004-2004-01-01	(1) 20	
	Current Inventory						2000-2004-2004-01-01	(1) 20	
	Current Inventory						2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100				2000-2004-2004-01-01	(1) 20	
2000-2004-2004-01-01	Current Inventory	100	100						

3.5.2. I prepare the proposition files

Solvay Template Analysis - Write-off inventories

		Check of Total Stock Amounts			Check of Reserves Posted		
Material class	Category of Stock	Total Value LC amount	Total Value LC amount from reserves calculation	Differences	Total Value LC of write-off booked	Total Value LC of write-off calculated	Differences
Z100	Raw Materials	-	-	-	-	-	-
Z105	Other Raw Materials	-	-	-	-	-	-
	Heavy Fuel	-	-	-	-	-	-
	Solid Fuel	-	-	-	-	-	-
	Light Fuel	-	-	-	-	-	-
Z110	Packaging	-	-	-	-	-	-
	Semi-Finished Goods	-	-	-	-	-	-
Z120/Z125	Spare Parts/Industrial Supplies RM	-	-	-	-	-	-
Z160	Spare Parts/Industrial Supplies FP	-	-	-	-	-	-
Z170/Z175	Gen & Tech exc. Packaging	-	-	-	-	-	-
Z150/Z140	Finished Goods manufactured	-	-	-	-	-	-
Z130	Finished Goods purchased/Goods for resale	-	-	-	-	-	-
Total		0	0		0	0	

Prepare Spare Parts data (3.3.1):

- Have in mind that not to overwrite the last columns:

Formula to determine if there is % to be calculated

IF(R2="X";0;IF(AN2>365;10%;0%))

Where column R is related to "critical spare part" and Column AN is related to

Number	Styles
--------	--------

AM	AN	AO	AP
Age of Last Count	No. of Slow Moving Days	Depreciation rate for 10% rule (=IF(AL2>365;10%;0%))	Slow-turn reserve by AJ2*AM2)
		0%	
		0%	
		0%	
		0%	

The formulas can change, depending on additional criteria implemented for a

1. Check that no formula is missing in the last columns

Formula for Column AO - Material type. Will provide what type of material is.

```
=IF(AP2<12;0%;IF(AP2<25;50%;IF(AP2<37;75%;100%)))
```

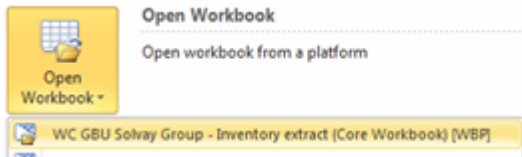
[illegible]

Here, also the formulas can change, depending on additional criteria impleme

[illegible]

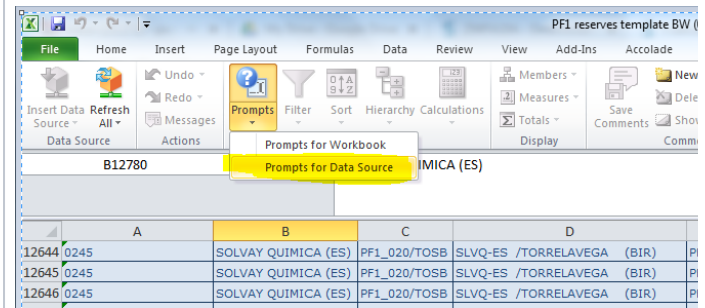
Worksheet "Full stock extraction" :

- Extract through BW, the stock of the company for the period in analysis

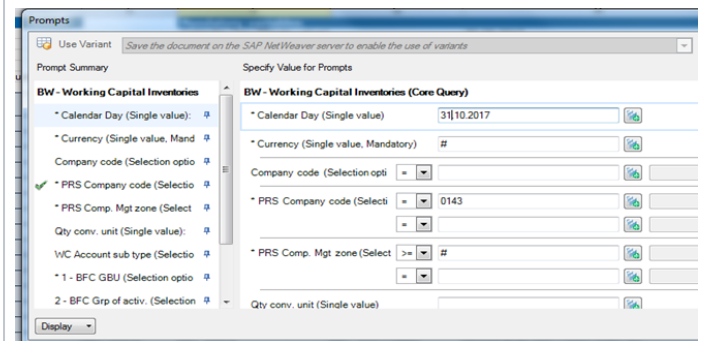


1. Refresh this worksheet through Analysis/Prompt
2. Select date (Last day of the month in analysis)
3. Select the company code

Go to "prompt" to perform the refresh

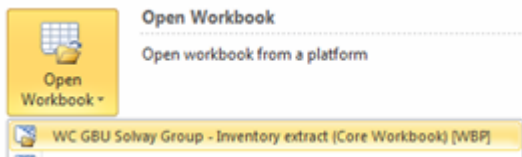


Select the date and company



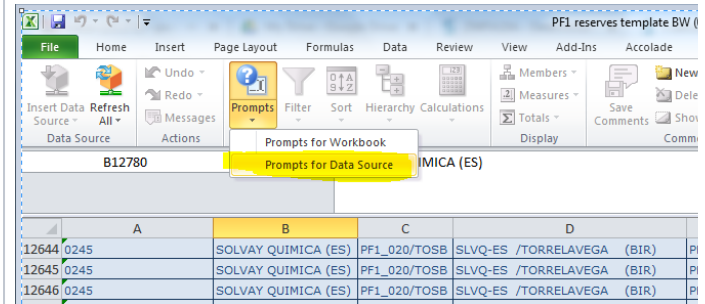
Worksheet "Reserve accounts" :

- Extract through BW, the [Balance sheet reserve accounts](#) of the company for the period in analysis

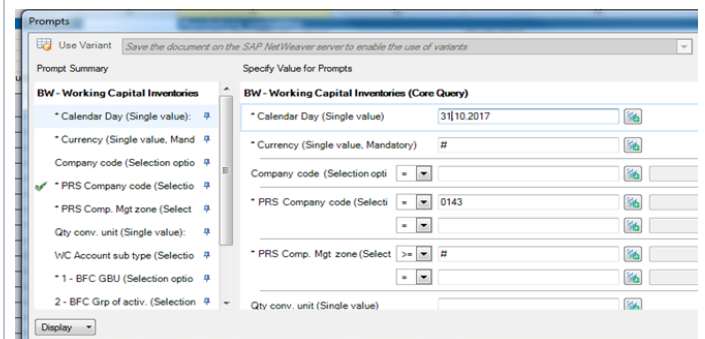


1. Refresh this worksheet through Analysis/Prompt
2. Select date (Last day of the month in analysis)
3. Select the company code

Go to "prompt" to perform the refresh



Select the date and company



Worksheet "Summary" in the template:

1. There is a table to reconcile all stock of the company and retrieve the total amount of reserves posted Vs calculated
 - a. Ensure that column E is zero, as this will confirm that all stock of the company is included in the analysis
 - i. Any difference, should be analysed
 - b. Column H, at this stage of the preparation, this column will not be zero. It will show the different of the current reserve amount to the proposed new reserve amount
- Find as well the rules and assumptions for the reserves calculated

Solving Template Analysis - Write-off Investments									
Category of Stock	Investment			Analysis			Type of write-off	Criteria used	
	Total Shares owned as of October 31	Total Shares in Portfolio as of October 31	Change in Shares	Total Value of write-off as of October 31	Total Shareholder's income calculation as of October 31	Stock owner's impact			
Portfolio the rubicon date									
2000-2004-2004-01-01	Apple/Oracle	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Oracle/Microsoft	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Microsoft	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2005-2005-01-01	Microsoft	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2006-2006-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2007-2007-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2008-2008-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2009-2009-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2010-2010-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2011-2011-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2012-2012-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2013-2013-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2014-2014-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2015-2015-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2016-2016-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2017-2017-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2018-2018-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2019-2019-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2020-2020-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2021-2021-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2022-2022-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
2023-2023-01-01	Oracle/Apple/Google	10,000	0	0	0	0	Share Purchase and Repurchase	(1) 0	
	Light Fuel	10,000	0	0	0	0	Share Purchase and		

3.5.3. I send the proposition files

After the file is completed, send the depreciation proposals to the controllers.



In the message clearly indicate the deadline, which should be D-5 at the latest and request the amount validated for Rotation and Financial Depreciation.