

# Check Depreciation Allocation

## Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country\_accounting
- Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk\_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south\_korea, thailand, singapore, new\_zealand, emea\_transversal, apac\_transversal
- Unit and Domain according to the [List of labels to be used in the Finance Service Line space](#)
  - E.g. 1: WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
    - Labels to be used: **ww, financial\_accounting, central\_fin\_proc\_compliance**
  - E.g. 2: France Operation in Financial Accounting:
    - Labels to be used: **country\_accounting, france, financial\_accounting**  
(for country operations, the Domain is always country\_accounting)

3. Fill in all fields as described above

4. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the "to", mainly action verb...something) -" I do something..."**

5. Once the description of the operation is completed, ensure it is approved and published by launching the [SBS-Finance approval workflow](#)

Domain:

Responsibility area:

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## Scope

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WW

## ERP

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PF2

## Frequency

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Monthly

## References

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## Forms

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## Attachments

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[Depreciation Allocation CCCC MM  
YYYY\\_Template](#)

[Template Depreciation Cases](#)

[Depreciation check PF2\\_ New  
Template](#)

[Depreciation check WP2\\_ New  
Template](#)

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# 1. Objective and Scope

## 1.1. Objective of this Operation

The goal of this check is to guarantee that all Syensqo companies are allocating correctly the Depreciation costs to final BFC headings related to Depreciation (making a consistency check between the BS and PL Depreciation).

## 1.2. Scope

WW

## 2. Definitions

See [Finance Glossary](#):

- ...

## 3. Depreciation Check

### 3.1. I receive the file with the central check of the depreciation

#### 3.1. I check if my companies have deltas

Depreciation Balance Sheet									
Reporting Unit	AC=R27200	AC=R33800	AC=R36300	AC=R38400	AC=R48620	AC=R25860	Total Dep P&L	Dotation	CHECK
	Serv&Ut	Adm&Com	R&D	Other recurring depreciation expenses	Other non-recurring impairment losses	period non proportional depreciation of a product	BFC	BFC	P&L VS BSheet
RU=04056	-2.272	-478		-1.139		-13.411	-17.300	-17.427	127
RU=05782	-18.075	-5.378	-8.949	-1.281	-3.207	-65.841	-102.731	-103.320	589
RU=06289						-470	-470	-306	-164

### 3.2. I analyze the deltas

#### 3.2.1. I confirm the amount in BS

The amount coming from BS appears in the file split by BS Headings, starting on column AD, and being the total on column Y.

Depreciation Balance Sheet									
Reporting Unit	AC=R27200	AC=R33800	AC=R36300	AC=R38400	AC=R48620	AC=R25860	Total Dep P&L	Dotation	CHECK
RU=01196		-1.847		-5			-1.852	-1.852	

If there was no manual adjustment in BFC, this amount should be the same as the amount in SAP in the Asset History Sheet.

Transaction AR02

[blocked URL](#)

CoCd	Heading	Crcy	Σ	F00 OPENING	Σ	F99 CLOSING	Σ	F25 TOTAL	Σ
1196		EUR		0,00		0,00		0,00	
	A20300	EUR		401.775,44		401.775,44		12.949,00-	
	A20800	EUR		0,00		0,00		0,00	
	A21100	EUR		18.475,00		18.475,00		616,00-	
	A21300	EUR		799.419,99		818.434,03		34.128,04-	
	A21500	EUR		1.995.090,25		2.142.870,37		153.581,88-	
	A21700	EUR		395.618,91		395.218,91		10.947,00-	
	A21900	EUR		43.000,00		0,00		0,00	
	A23300	EUR		12.840.174,76		13.015.734,45		1.549.236,29-	
	A23400	EUR		245.255,23		260.931,53		85.970,21-	
1196		EUR		<b>16.738.809,58</b>		<b>17.053.439,73</b>		<b>1.847.428,42-</b>	

If the amount is not the same, it means that a manual adjustment was done in BFC BS. To solve the delta, this adjustment must also be done in BFC PL.

Note: In some situations there is a gap not considered in F25, and which should appear in AR02 under F33. If this is the case, we should consider it also OK.

### 3.2.2. I confirm the amount in PL

The original amounts are posted in cost centers and then should be allocated via cycles using the correct allocation structures or Cost Elements.

Transaction S\_ALR\_87013615:

+ + Data Source... i

**Selection values**

Controlling Area	CHEF
Fiscal Year	2022
From Period	1
To Period	3
Plan Version	0

**Select Groups/Values**

Cost Center Group	E_0005				
Or value(s)		to		<span style="font-size: 0.8em;">→</span>	
Cost Element Group	ZSOLV-DEP				
Or value(s)		to		<span style="font-size: 0.8em;">→</span>	

Breakdown by Partner

Date: 24.04.2023 Page: Column:

Cost Center/Group: E\_0005 SOLVAY CHEM INT  
 Person responsible: \*  
 Reporting period: 1 to 3 2022

Cost Elements/Partner Object	Act. Costs	Plan Costs	Var. (Abs.)
* 6301000000 Intang assets-am	788,48		788,48
** AMO / DEPRECIATION excluding IFRS1	788,48		788,48
* 6302000000 DEPREC-BUILD -IFRS16	539,94		539,94
** IFRS16 direct depreciation	539,94		539,94
*** OUT OF SCOPE AMO / DEPRECIATION	1.328,42		1.328,42
**** Debit	75.095,33		75.095,33
***** Over/Underabsorption	75.095,33		75.095,33
	41.824,03		41.824,03
	41.824,03		41.824,03
	116.919,36		116.919,36
	118.247,78		118.247,78
	118.247,78		118.247,78

In this case, as we don't have any credit amount, it means that the allocation was done directly to COPA.

	AC=R25890 Prod	AC=R27200 Serv&Ut	AC=R33800 Adm&Com	AC=R36300 R&D	AC=R38400 ring depreciatio	AC=R48620 curring imponal depre	AC=R25860 nt of intan	AC=R45500 Goodwill Impairment	AC=R46000	Total Dep P&L BFC
s RU=00005	0	-86	-35	0	0	0	0	0	0	-121

If the amount on the debit side is not the same as the BFC amount, it means that the cycle allocations are not being done properly, or that there was a manual adjustment in BFC PL.

**NOTE:**

- Use template "Depreciation Allocation CCCC MM YYYY" for the PF2 system to easily detect cost centers that have incorrect allocation. We created file "Template depreciation cases" containing various cases so that we could quickly discover discrepancies.
- Use template "Depreciation check PF2\_ New Template" and "Depreciation check WP2\_ New Template" for deeper analysis.

**3.2.2.2. Analysis for CC allocating directly to COPA**

Note: Each Cost Element is linked to a certain Value Field (via Cost Element Group ZFC-PA), but in fact the Value Field is directly maintained in the cycle, so we can have a different (incorrect) link. Because of that, if needed we can check manually the final Value Field of each CC, independently from the Cost Element.

**Example of analysis:**

Transaction S\_ALR\_87013615:

# Cost Centers: Breakdown by Partner: Selection

Data Source...

## Selection values

Controlling Area	CHEF
Fiscal Year	2022
From Period	1
To Period	3
Plan Version	0

## Select Groups/Values

Cost Center Group		to		
Or value(s)	CH1264803B	to		
Cost Element Group	ZSOLV-DEP	to		
Or value(s)		to		

## Reports

- Breakdown by Partner
- Partner Object Type

Breakdown by Partner		Date: 2
Cost Center/Group	CH1264803B	Koppersi
Person responsible	50033507	
Reporting period	1 to 3	2022

Cost Elements/Partner Object	Act. Costs
	314,82
* 6302000000 Depr. tgble assets	314,82
** AMO / DEPRECIATION excluding IFRS1	314,82
*** OUT OF SCOPE AMO / DEPRECIATION	314,82
**** Debit	314,82
CTR CH32480400 AQ bulk	
CTR CH38600012 Wegv.afvalst.AQ	314,82-
* 9630000001 Depreciations	314,82-
** Indirect depreciation Actual	314,82-
*** INDIRECTS COSTS Depreciation Actua	314,82-
**** Credit	314,82-
**** Over/Underabsorption	

## Transaction KE24 - COPA amounts:

### Display Actual Line Items: F001 - Cost-Based

Selection Conditions				
Currency type	10			Code Currenty
Record type	D	to		Cycles
Period/year	001.2023	to	003.2023	Periods
Document number		to		
Date created		to		
Reference document number		to		
Entered by		to		
Sender cost center	CH1264803B	to		Cost center
Cost element		to		
CO order		to		
Sales order		to		
Company code	0294	to		Company code
Customer		to		
Product		to		
Billing date		to		

The entire amount is allocated to a Depreciation PL heading, so it's OK:

Layout	SUSANA	Cost centers check
Cost Center	CH1264803B	Koppersinstallatie
Report currency	*	Object Currency

Cost Element	Cost element name	Σ	Val.in rep.cur.	Total quantity PUM	Per O...	Offsetting acct	Nam
		-	0,00		1		
		-	0,00		2		
		-	0,00		3		
		- -	0,00				

### 3.2.2.2. Analysis for indirect CC

The original amounts are posted in cost centers, then after should be allocated to other cost objects using the correct cost elements for depreciation.

**Example of analysis:**

Transaction S\_ALR\_87013615:

Cost Centers: Breakdown by Partner: Selection

Data Source...

Selection values

Controlling Area	CHEF
Fiscal Year	2020
From Period	1
To Period	12
Plan Version	0

Select Groups/Values

Cost Center Group		
Or value(s)	JF80000101	to
Cost Element Group	ZSOLV-DEP	
Or value(s)		to

In this case we have an issue: we had 151€ of depreciation that were allocated to Fixed Costs, which is wrong.

1st step: Check if it was already solved during the year:

Further Selection Criteria...

Controlling Area **CHEF**

Cost Center JF80000101 to

or

Cost Center Group

Cost Element to

or

Cost Element Group ZSOLV-DEP

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Posting Data

Posting Date 01.01.2020 to 31.12.2020

Layout	CATARINA	3S-lineitems
Cost Center	JF80000101	People debit COGENER
Report currency	*	Object Currency

  

Cost Center	Cost Element	Cost element name	D/C	Σ	Val.in rep.cur.	RCurr	Per	Σ
				▪	<b>17,78</b>	<b>EUR</b>	1	▪
				▪	<b>17,75</b>	<b>EUR</b>	2	▪
				▪	<b>17,78</b>	<b>EUR</b>	3	▪
				▪	<b>17,78</b>	<b>EUR</b>	4	▪
				▪	<b>17,76</b>	<b>EUR</b>	5	▪
				▪	<b>17,76</b>	<b>EUR</b>	6	▪
				▪	<b>17,77</b>	<b>EUR</b>	7	▪
				▪	<b>5,36</b>	<b>EUR</b>	8	▪
				▪	<b>5,35</b>	<b>EUR</b>	9	▪
				▪	<b>5,35</b>	<b>EUR</b>	10	▪
				▪	<b>5,36</b>	<b>EUR</b>	11	▪
				▪	<b>5,35</b>	<b>EUR</b>	12	▪
				▪▪	<b>151,15</b>	<b>EUR</b>		▪▪

In this case, every month we have deltas, meaning that the cycle is still wrong, so we need to check which is the cycle that balances this CC and analyze it.

In this case the cycle is created as below, which means that all amounts posted on this CC (without any restriction on the Cost Element) will be allocated to Labor (Fixed Costs):

Controlling Area: **CHEF** ERP SOLVAY  
 Cycle: 5835E1 5835 - Exception 1  
 Segment Name: JF8000101  Lock indicator

Segment Header | Senders/Receivers | Sender Values | Receiver Tracing Factor

	From	To	Group
<b>Sender</b>			
Cost Center	JF8000101		
Cost Object			
Cost Element			
<b>Receiver</b>			
Order			
Cost Center			
Cost Object			
WBS element	I05835SPPT6306		

Controlling Area: CHEF ERP SOLVAY  
 Cycle: 5835E1 5835 - Exception 1  
 Segment Name: JF8000101A  Lock indicator

Segment Header | Senders/Receivers | Sender Values | Receiver Tracing Factor

Assessment CEle: 962000001 personnel costs int.  
 Allocation structure:

Sender values

Sender rule: Posted amounts  
 Share in %: 100,00 %  
 Actual value origin  Plan value origin

Receiver tracing factor

Receiver rule: Fixed percentages

here we know that this cost element is allocating to fixed costs  
 Go to Hah3 with cost element group and search CE - it is included in cycle

ZSOLV-FC Total fixed costs

- 6145020000
- 7090000000
- 7400000000
- 7400000020
- ZSO-29991A R12600 Royalties paid (sales) C41
- ZSO-P00001 PEOPLE
  - ZSO-P10001 Internal
  - ZSO-P10002 Temporary Staffing
  - ZSO-P10096 Management Contractors
- ZSO-P00002 HUMAN RESOURCES SERVICES
  - ZSO-P10006 Payroll Services
  - ZSO-P10007 Recruitment Services
  - ZSO-P10008 Learning & Development Services
  - ZSO-P10076 Assessment Services
  - ZSO-P10099 Compensation & Benefit Services
- ZSO-P00003 FINANCIAL SERVICES
  - ZSO-P10013 Banking & Investment Services

The correct way to allocate this CC is to split the amount between Fixed Costs and Depreciation. How?

Display Actual Assessment Cycle: Segment

Controlling Area: CHEF ERP SOLVAY  
 Cycle: 5835E1 5835 - Exception 1  
 Segment Name: JF8000101B  Lock indicator

Segment Header | Senders/Receivers | Sender Values | Receiver Tracing Factor

	From	To	Group
<b>Sender</b>			
Cost Center	JF8000101		
Cost Object			
Cost Element			ZSOLV-DEP
<b>Receiver</b>			
Order			
Cost Center			
Cost Object			
WBS element	I05835SPPT6306		
Business entity			

Segment 1 to allocate all Depreciation costs to Amortization:

Display Actual Assessment Cycle: Segment

Attribute

Controlling Area: CHEF ERP SOLVAY  
 Cycle: 5835E1 5835 - Exception 1  
 Segment Name: JF8000101B  Lock indicator

Segment Header | Senders/Receivers | Sender Values | Receiver Tracing Factor

Assessment CEle: 9637200001 Dep Study & Start-Up  
 Allocation structure:

Sender values

Sender rule: Posted amounts  
 Share in %: 100,00 %  
 Actual value origin  Plan value origin

Receiver tracing factor

here we can use any cost element that is inside Group AMO/depreciation  
 To be /agreed/validated by controller

- ZSOLV-DEP Total depreciation
  - ZSO-29994I R38400 Other recurring deprec. exp I65
  - ZSO-IND5 INDIRECTS COSTS Depreciation Absorption
    - ZSO-IND51 INDIRECTS COSTS Depreciation Absorption
  - ZSO-P19993 OUT OF SCOPE AMO / DEPRECIATION
    - ZSO-29993 AMO / DEPRECIATION excluding IFRS16
    - ZSO-29993B IFRS16 direct depreciation
  - ZSO-IND4 INDIRECTS COSTS Depreciation Actual
    - ZSO-IND41 IFRS16 Indirect depreciation Actual
    - ZSO-IND42 Indirect depreciation Actual

Segment 2 to allocate all Fixed Costs to Fixed Costs:

Attribute

Controlling Area: CHEF ERP SOLVAY  
 Cycle: 5835E1 5835 - Exception 1  
 Segment Name: JF8000101A  Lock indicator

Segment Header | Senders/Receivers | Sender Values | Receiver Tracing Factor

	From	To	Group
<b>Sender</b>			
Cost Center	JF80000101		
Cost Object			
Cost Element			ZSOLV-FC
<b>Receiver</b>			
Order			
Cost Center			
Cost Object			
WBS element	I05835SPPT6306		

Controlling Area: CHEF ERP SOLVAY  
 Cycle: 5835E1 5835 - Exception 1  
 Segment Name: JF80000101  Lock indicator

Segment Header | Senders/Receivers | Sender Values | Receiver Tracing Factor

Assessment CEle: 9620000001 personnel costs int.  
 Allocation structure:

Sender values

Sender rule: Posted amounts  
 Share in %: 100,00 %  
 Actual value origin  Plan value origin

Receiver tracing factor

Receiver rule: Fixed percentages

Keep the same Assessment Cost Element that we already had

**NOTE:**

This split between type of costs can be done using different segments (as shown above), but can also be done using only 1 segment with the correct allocation structure

It's necessary to check in the [cycles rules](#) the correct way to allocate the respective CC (unless there is some specific and justified reason requested by the controller to allocate otherwise).

End of document.