

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:

Table of contents

- [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](#)
- [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](#)

▸ [Table of contents](#)

▸ [1. Objective and Scope](#)

- [1.1. Objective of this Operation](#)
- [1.2. Scope](#)

▸ [2. Definitions](#)

▸ [3. Depreciation Check](#)

- [3.1. I check if my companies have deltas](#)
- [3.2. I analyze the deltas](#)
 - [3.2.1. I confirm the amount in BS](#)
 - [3.2.2. I confirm the amount in PL](#)
 - [3.2.2.2. Analysis for CC allocating directly to COPA](#)
 - [3.2.2.2. Analysis for indirect CC](#)

Scope



WW

ERP

PF2

Frequency

Monthly

References

Forms

Attachments

[Depreciation Allocation CCCC MM
YYYY_Template](#)

[Template Depreciation Cases](#)

[Depreciation check PF2_ New
Template](#)

[Depreciation check WP2_ New
Template](#)

<< Check Depreciation Allocation >>

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 BS
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		16.738.809,58		17.053.439,73		1.847.428,42-	

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...

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

Breakdown by Partner

Reports

Breakdown by Partner

Partner Object Type

Variation: Cost Center

E_0005 SOLVAY CHEM INT

BP_GSR GROUP SERVICES

BP187IMO36 AMORT IMMOB DIV 36

BP_IFRS16 IFRS 16 Cars Depreciation

BP80005439 IFRS 16 Cars Depreci

0005_XL SCI (BE) - IXELLES

XLK SCI (BE) - IXELLES COMMUNS

BPSERV2006 0005 XL CC ORGANISAT

BPSCI_EUR6 0005 CC SCI EUROPE

BP18300825 SD-SC Mgt,S&OP

BP187REA25 SD-REACH DIV 25

BP187REA47 SD-REACH DIV 47

BPCOMPTABL 0005 XL CC REPARTITI

BPDEPOTS 0005 XL CC REPARTITI

BP89008395 DEPOT - SOGEMA

BP89008UN5 DEPOT - SC RUN

Breakdown by Partner

Date: 24.04.2023

Page:

Cost Center/Group

E_0005

SOLVAY CHEM INT

Person responsible

*

Reporting period

1 to 3 2022

Column:

Cost Elements/Partner Object	Act. Costs	Plan Costs	Var. (Abs.)
	788,48		788,48
* 6301000000 Intang assets-am	788,48		788,48
	539,94		539,94
* 6302000000 Depr. tgble assets	539,94		539,94
** AMO / DEPRECIATION excluding IFRS1	1.328,42		1.328,42
	75.095,33		75.095,33
* 6302000010 DEPREC-BUILD -IFRS16	75.095,33		75.095,33
	41.824,03		41.824,03
* 6302000020 DEPR-MOV ASS -IFRS16	41.824,03		41.824,03
** IFRS16 direct depreciation	116.919,36		116.919,36
*** OUT OF SCOPE AMO / DEPRECIATION	118.247,78		118.247,78
**** Debit	118.247,78		118.247,78
**** Over/Underabsorption	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	AC=R27200	AC=R33800	AC=R36300	AC=R38400	AC=R48620	AC=R25860	AC=R45500	AC=R46000	Total Dep P&L
	Prod	Serv&Ut	Adm&Com	R&D	ring depreciatio	curring im	ponal depre	of intan	Goodwill Impairment	BFC
s	RU=00005	0	-86	-35	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: FO01 - Cost-Based



Selection Conditions

Currency type	10	to		Code Currency
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

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
				▪	17,78	EUR		1	▪
				▪	17,75	EUR		2	▪
				▪	17,78	EUR		3	▪
				▪	17,78	EUR		4	▪
				▪	17,76	EUR		5	▪
				▪	17,76	EUR		6	▪
				▪	17,77	EUR		7	▪
				▪	5,36	EUR		8	▪
				▪	5,35	EUR		9	▪
				▪	5,35	EUR		10	▪
				▪	5,36	EUR		11	▪
				▪	5,35	EUR		12	▪
				▪▪	151,15	EUR			▪▪

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: **JF80000101** ☐ Lock indicator

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

	From	To	Group
Sender			
Cost Center	JF80000101		
Cost Object			
Cost Element			
Receiver			
Order			
Cost Center			
Cost Object			
WBS element	I05835SPPT6306		

Controlling Area: **CHEF** ERP SOLVAY
 Cycle: **5835E1** 5835 - Exception 1
 Segment Name: **JF80000101A** ☐ Lock indicator

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

Assessment CEle: **9620000001** personnel costs int.
 Allocation structure: **9620000001**

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?

Cycle: **5835E1** ERP SOLVAY
 Segment Name: **JF80000101B** ☐ Lock indicator

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

	From	To	Group
Sender			
Cost Center	JF80000101		
Cost Object			
Cost Element			ZSOLV-DEP
Receiver			
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
Sender			
Cost Center	JF80000101		
Cost Object			
Cost Element			ZSOLV-FC
Receiver			
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.