WW - Retirement of Fixed Assets WP2 (RCS)

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1. **Objective and Scope**
   a. **Objective of this Procedure**

The purpose of this document is to describe the transactions related to the process of retirement of an asset.

1. a. **Scope**

This operating procedure (OP) applies to RCS system.

1. **Reference Documents**

N/A

1. **Definitions**
   a. **Responsibility**

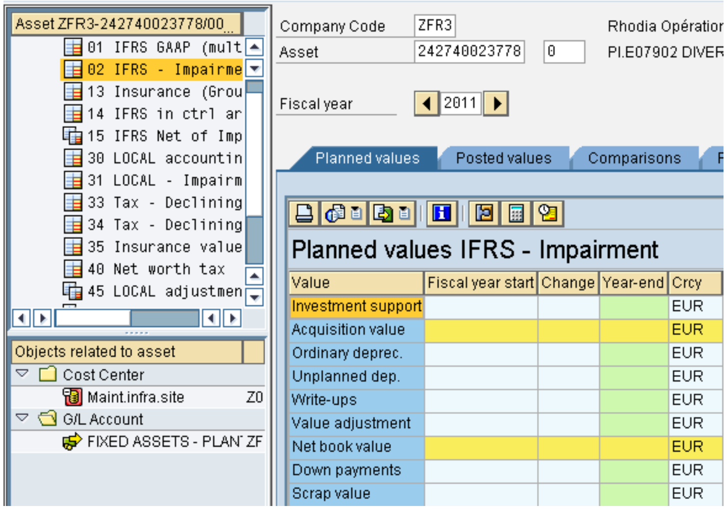
Project Manager (Industrial Function / IT / GBU/ Regulatory Affairs/ Research & development) are responsible to provide SU MAC the necessary information to perform the necessary movements in SAP.
: SU MAC is responsible to make the posting inside SAP and check the reliability of the postings performed in SAP

1. a. **Abreviations**

PS	Project System (SAP module)
WBS	Work Breakdown Structure of a project in SAP PS
MC	Material Code
AuC	Asset under Construction
SU MAC	Service Unit Management Accounting

1. **Retirement by sales (with customer)**

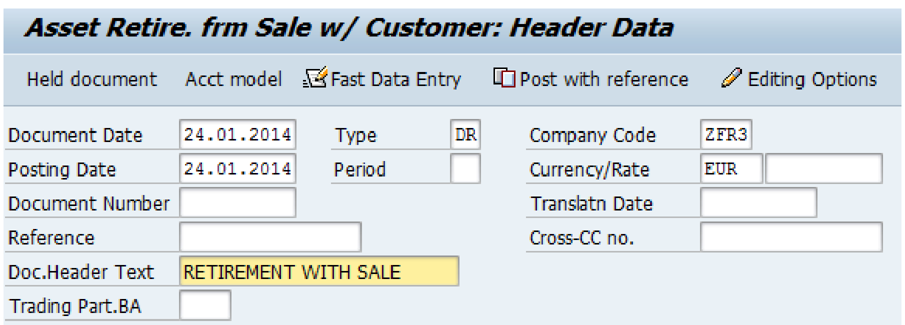
When it is decided to retire an asset by sales, we need to check first in DA 02 if there is any impairment in the asset.
Go to transaction AS03, insert the asset and check in asset values the depreciation area 02 contain amounts. If is empty, it means the asset has not been Impaired.
This is important to define the transaction type that will be used.



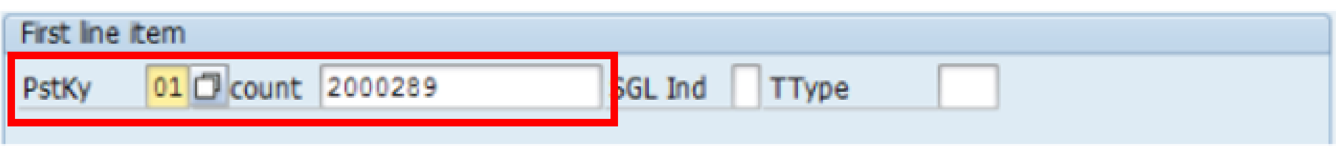
1. a. ***Fixed asset with customer:***

Enter in transaction F-92 and insert the following data:

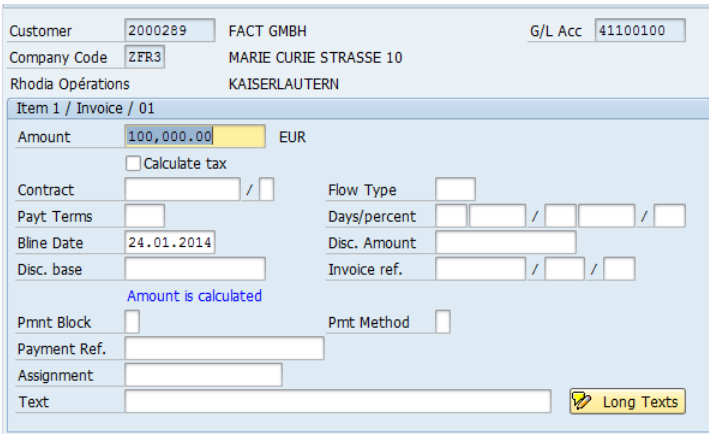
- Date
- Posting Date
- Doc. Type: DR
- Company code
- Currency
- Text



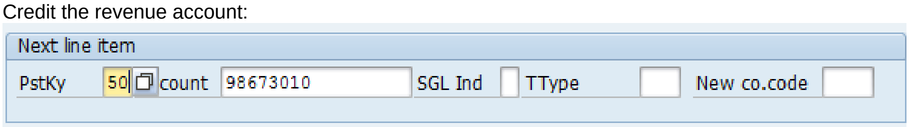
Debit the customer account:



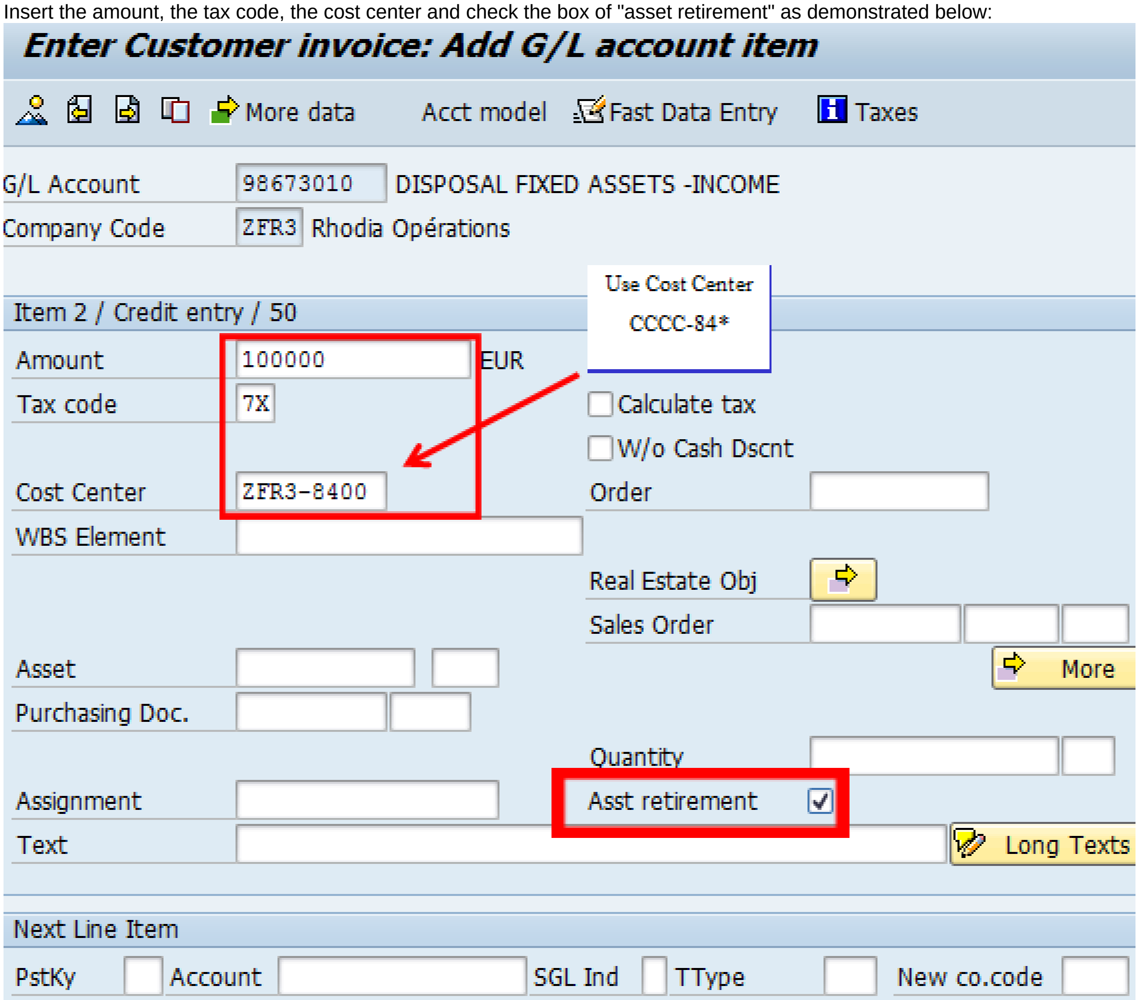
Insert the amount of the sales (asset plus revenue or loss)



Credit the revenue account:

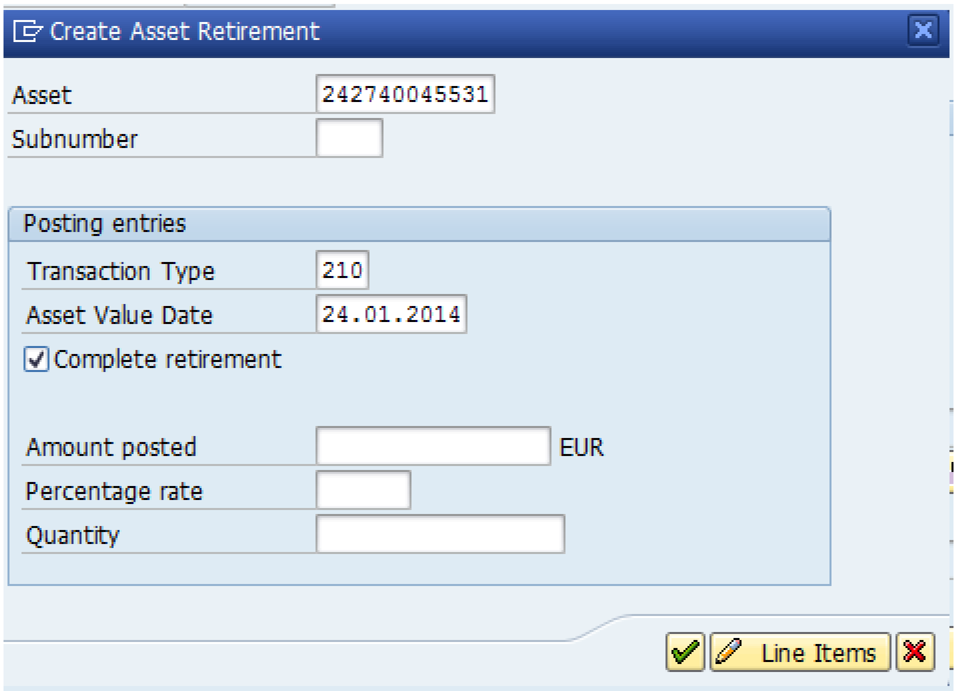


Insert the amount, the tax code, the cost center and check the box of "asset retirement" as demonstrated below:



Enter the disposal cost center of the BU to which the fixed asset is belonging to

Press enter and the following window will open. Fill in asset number, transaction type, asset value date and check "complete retirement":



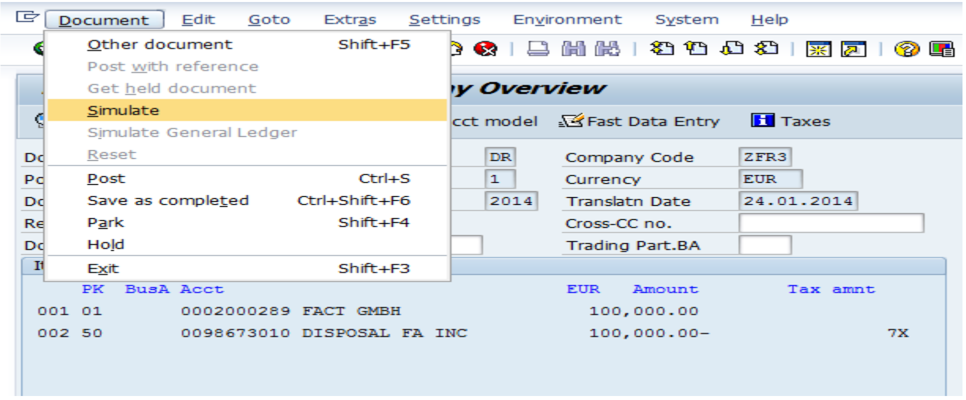
Transaction types of the asset retirement without impairment are:

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

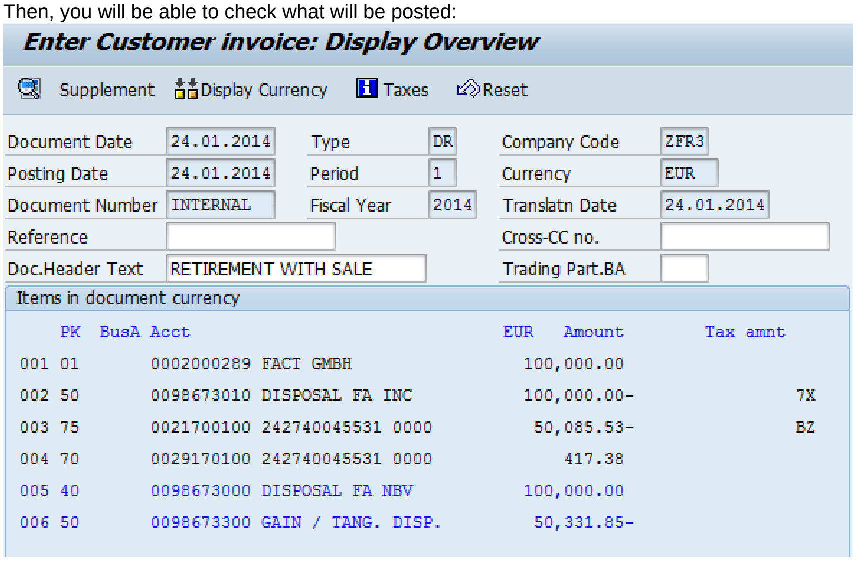
Transaction types of the asset retirement with impairment are:

- Z21 Retirement with revenue GAIN (Revenue amount > net NBV)
- Z26 Retirement of current-year acquis. with revenue GA
- Z28 Retirement with revenue LOSS (Revenue amount < net NBV)
- Z29 Retirement of current-year acquis. with revenue LO

Click on  and click on simulate:



Then, you will be able to check what will be posted:



Press to post.

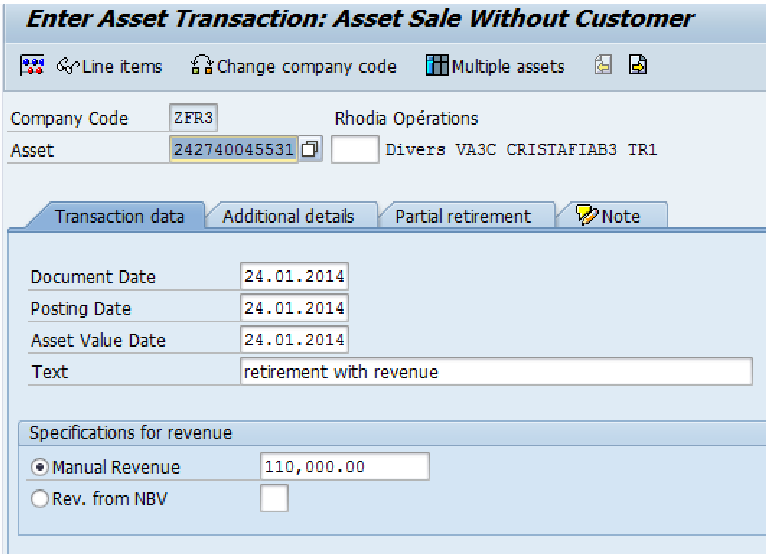
Noted: another way of working for sale fixed asset with customer, the FI billing will perform by Intercompany team as posting scheme;

Dr. Customer Cr.98673010 + CCCC-84* , CCCC-85*

1. a. **Retirement of an asset with revenue and without customer:**

Enter in transaction ABAON: Insert the following fields:

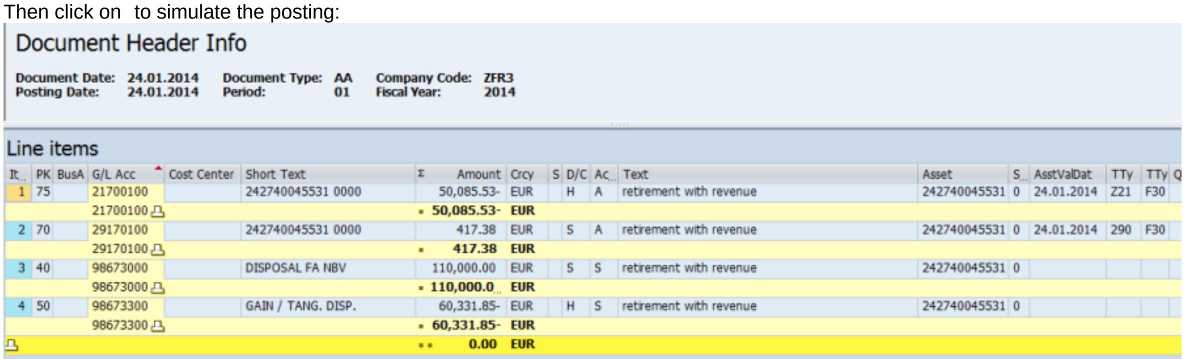
- Asset number
- Document date: should be the real asset sale date
- Posting date: corresponds to the accounting period to book the asset sale.
- Asset value date: should be the real asset sale date
- Manual Revenue: asset sale value.



Click on the other tab and fill in the correct transaction type:

- Z21 Retirement with revenue GAIN
- Z26 Retirement of current-year acquis. with revenue GA
- Z28 Retirement with revenue LOSS
- Z29 Retirement of current-year acquis. with revenue LO

Then click on to simulate the posting:



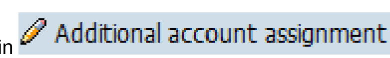
Document Header Info

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

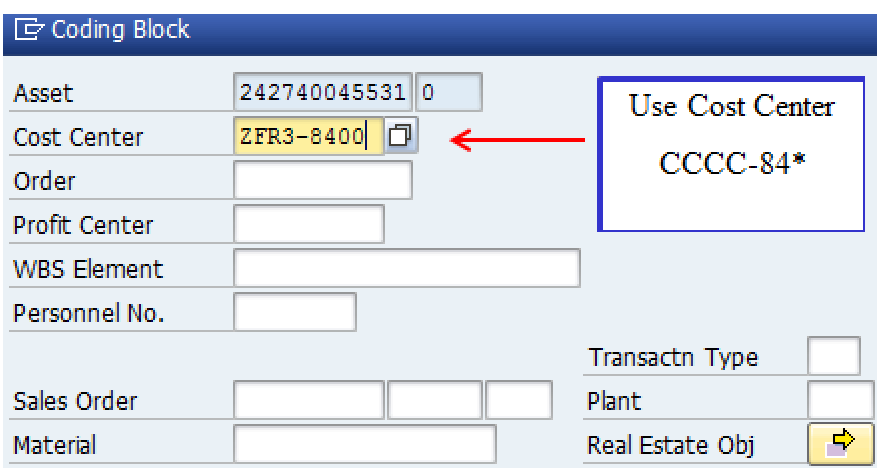
Line items

It..	PK	BusA	G/L Acc	Cost Center	Short Text	Σ	Amount	Crcy	S	D/C	Ac..	Text	Asset	S..	AsstValDat	TTy	TTy	Q
1	75		21700100		242740045531 0000		50,085.53-	EUR		H	A	retirement with revenue	242740045531	0	24.01.2014	Z21	F30	
			21700100			•	50,085.53-	EUR										
2	70		29170100		242740045531 0000		417.38	EUR		S	A	retirement with revenue	242740045531	0	24.01.2014	290	F30	
			29170100			•	417.38	EUR										
3	40		98673000		DISPOSAL FA NBV		110,000.00	EUR		S	S	retirement with revenue	242740045531	0				
			98673000			•	110,000.0...	EUR										
4	50		98673300		GAIN / TANG. DISP.		60,331.85-	EUR		H	S	retirement with revenue	242740045531	0				
			98673300			•	60,331.85-	EUR										
						••	0.00	EUR										

The P&L accounts 98673300 and 98673000 require a CO account assignment. It should be the disposal cost center of the BU to which the fixed asset is belonging to.

In order to have the cost center inside the P&L account, select it and click in 

The following screen appears: Insert the cost center and click

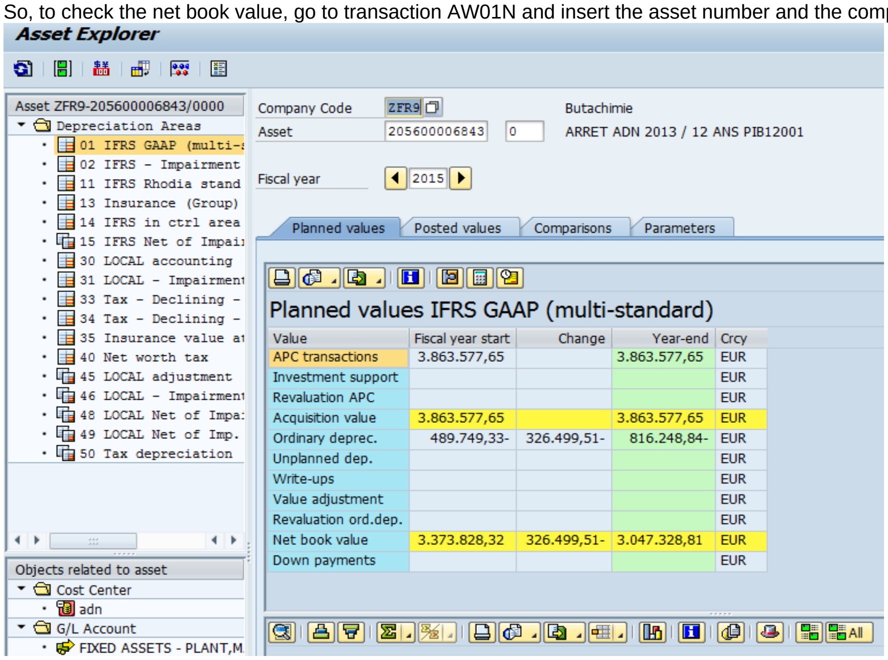


Use Cost Center CCCC-84* , CCCC-85*

Then: Run ASKB to post in FI the differences from IFRS and Local account if any.

1. **RETIREMENT OF ASSET BY SCRAPPING**
    a. **First step**

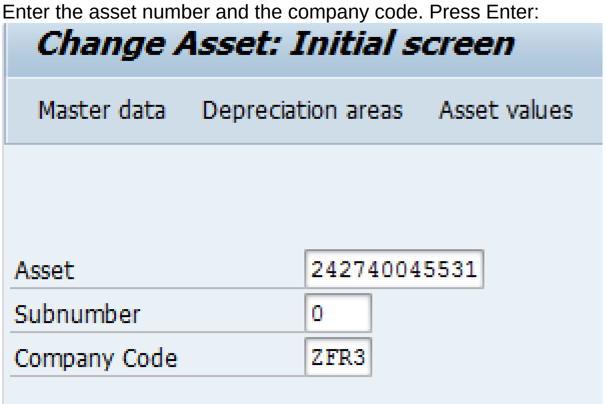
WARNING:
Before performing any retirement it is required to monitor the net book value of the asset.
If the asset has a net book value higher than 250 K Eur, in order to confirm the P&L impact it is mandatory to get this retirement confirmed by the project manager or requester with copy to the ID Regional Manager in order he can follow the topic.
So, to check the net book value, go to transaction AW01N and insert the asset number and the company code:

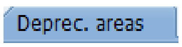


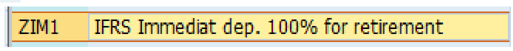
In this case the net book value is higher than 250 K Eur.
So, an e-mail should be sent to the project manager in order to confirm the retirement. With the Regional Manager I&D in copy.
After confirmation we can proceed with the retirement process.

1.
    a. Accelerate the depreciation posting

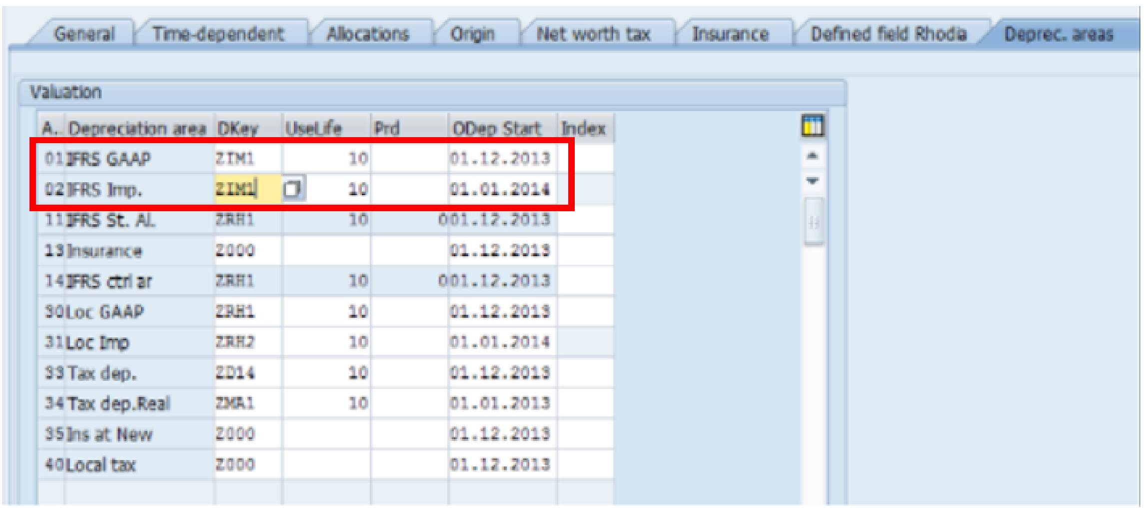
Go to transaction AS02 to adjust and accelerate the depreciation posting.
Enter the asset number and the company code. Press Enter:

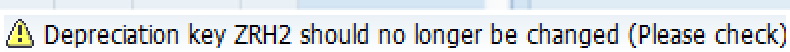


Go to tab 

and change the depreciation key to 

inside DA 01 and 02 and save
.

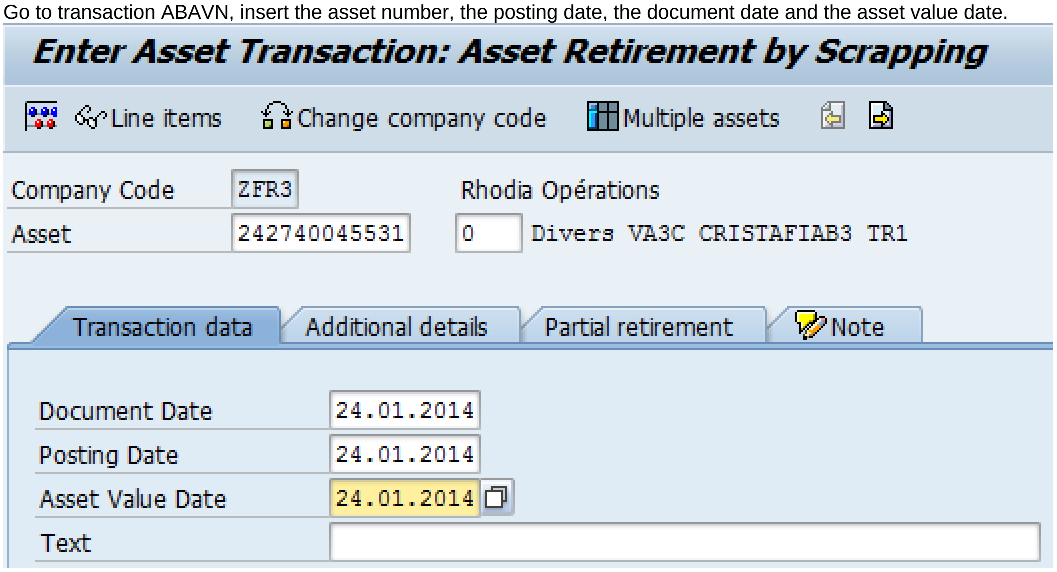


It will appear the following message: 

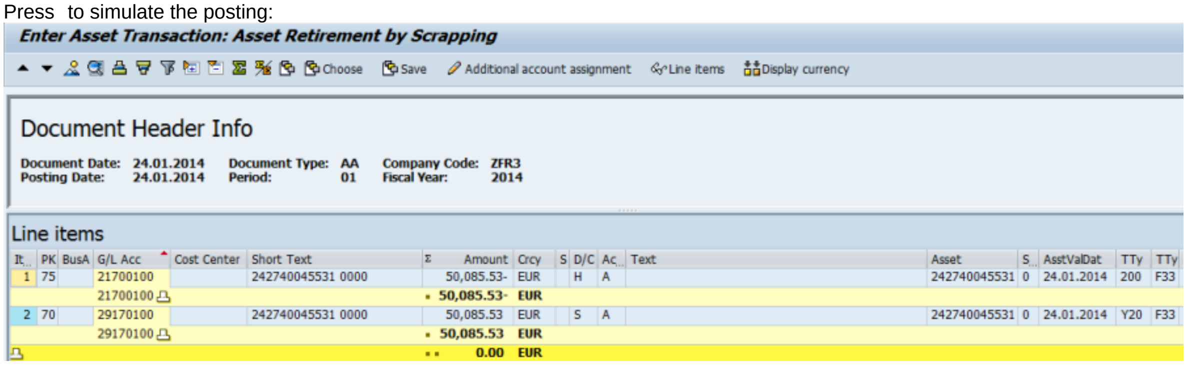
Just validate by pressing enter.

1. a. **Second Step**

Go to transaction ABAVN, insert the asset number, the posting date, the document date and the asset value date.

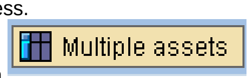


Press to simulate the posting:



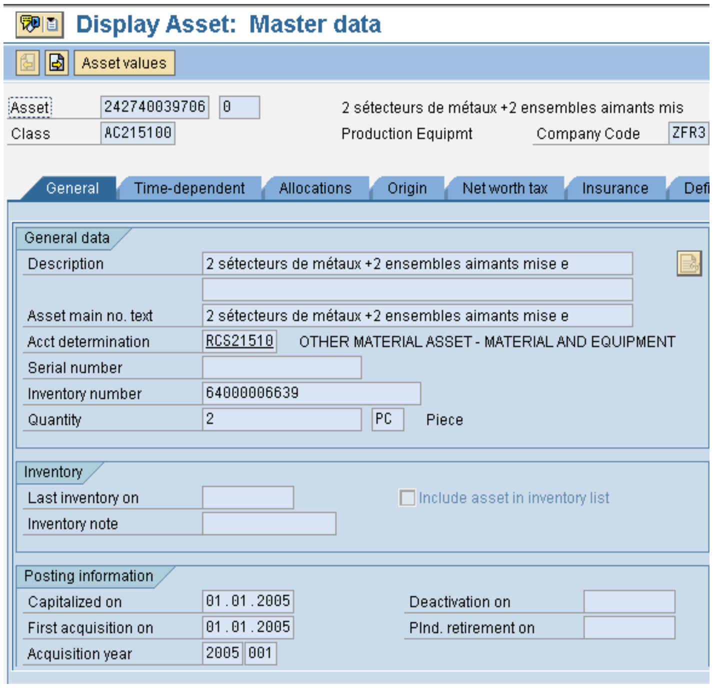
Press to post.

Run AFAB and ASKB to complete the process.

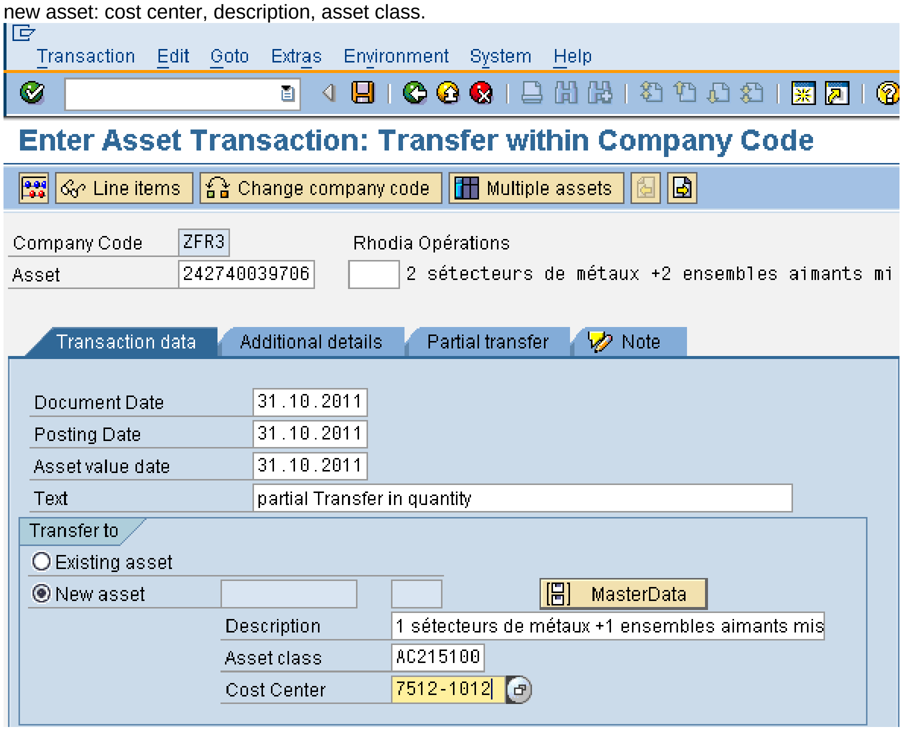
Remark: To mass retirement, press the icon  and insert all assets to be retired.

1. **Partial Retirement**
    a. **Transfer partially an asset to another one**
        i. **By Quantity**

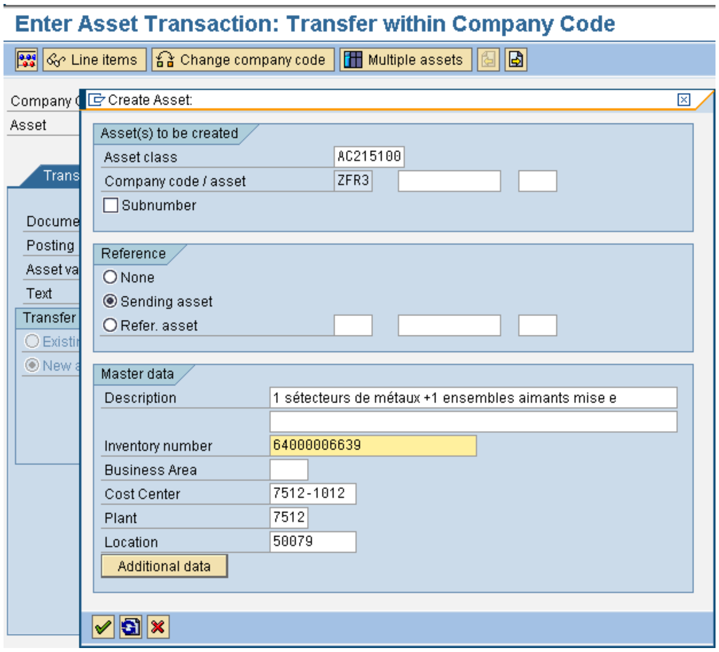
To performed a transfer of quantity from one asset to a new one, first check in Asset master data (AS03) if the quantity is bigger than one:



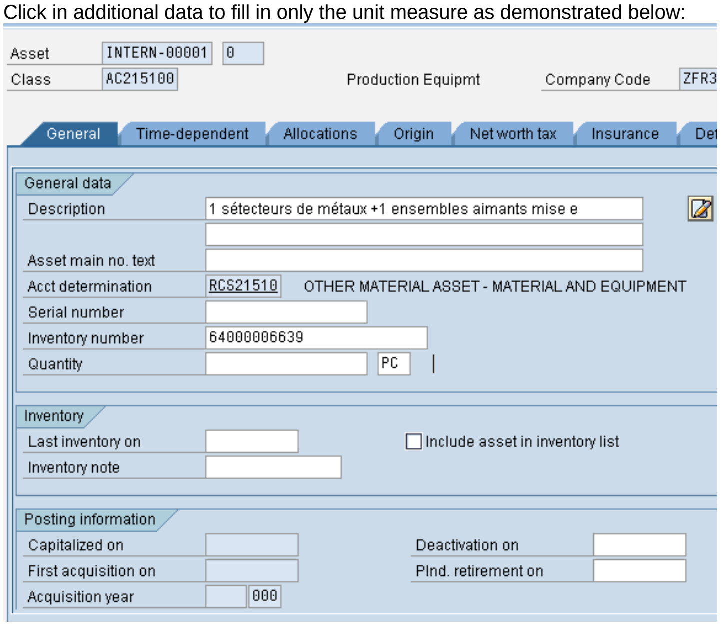
NB: the Unit of measure field would have to be informed in the new fixed asset master prior to perform the transfer otherwise the quantity won't be updated.
To transfer the quantity required, go to transaction ABUMN, insert the asset number to be transferred, the required dates and the data to be created the new asset: cost center, description, asset class.



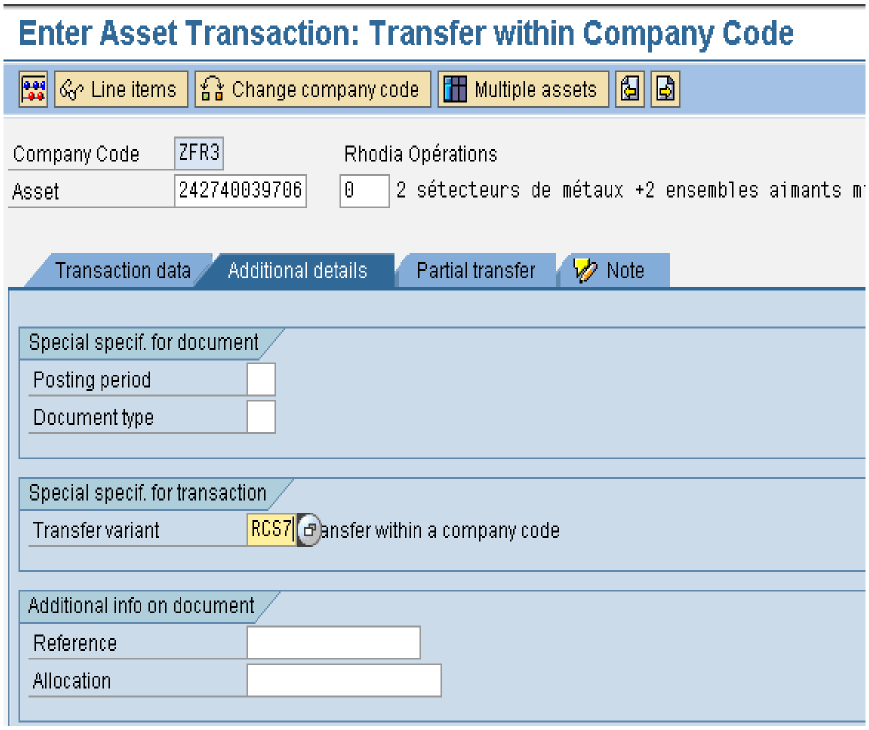
Click then in "Master data" button and fill the remaining data of the new asset that is being created:



Click in additional data to fill in only the unit measure as demonstrated below:

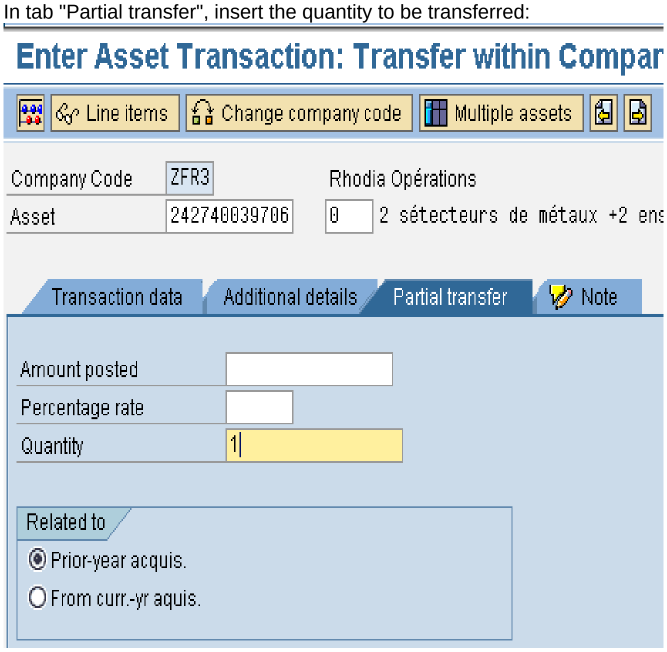


Go back and fill in the following data:

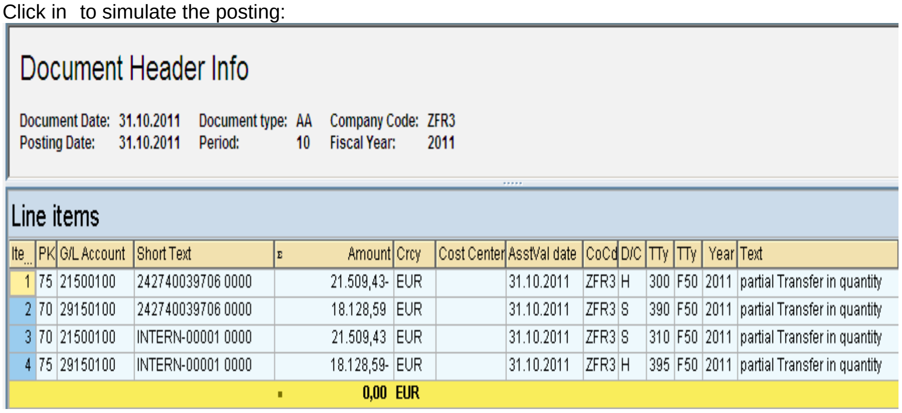


Always use RCS7 as transfer variant

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



Click in to simulate the posting:



Document Header Info

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

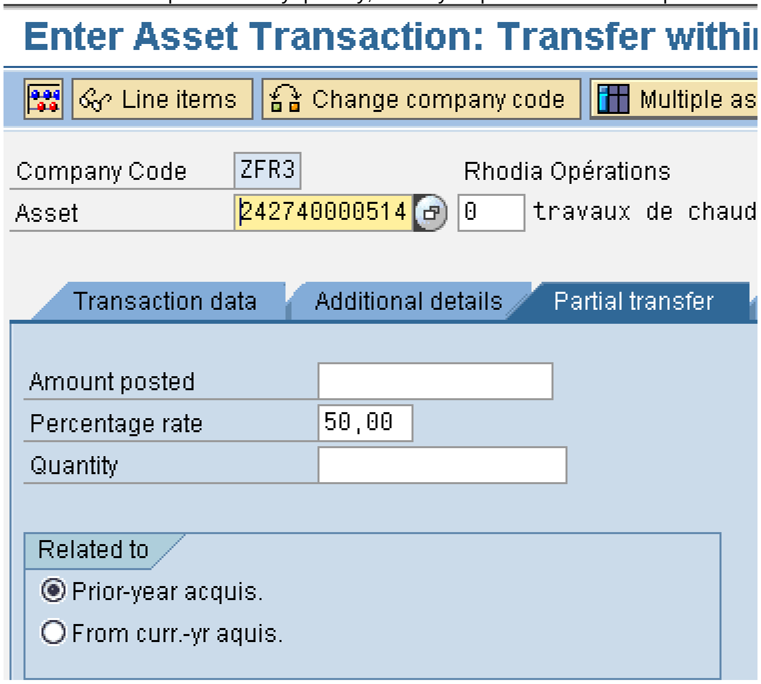
Line items

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

To finalize, press .
On the new fixed asset, it will be necessary to perform an accelerated depreciation before to retire the fixed asset, as described in item 5.

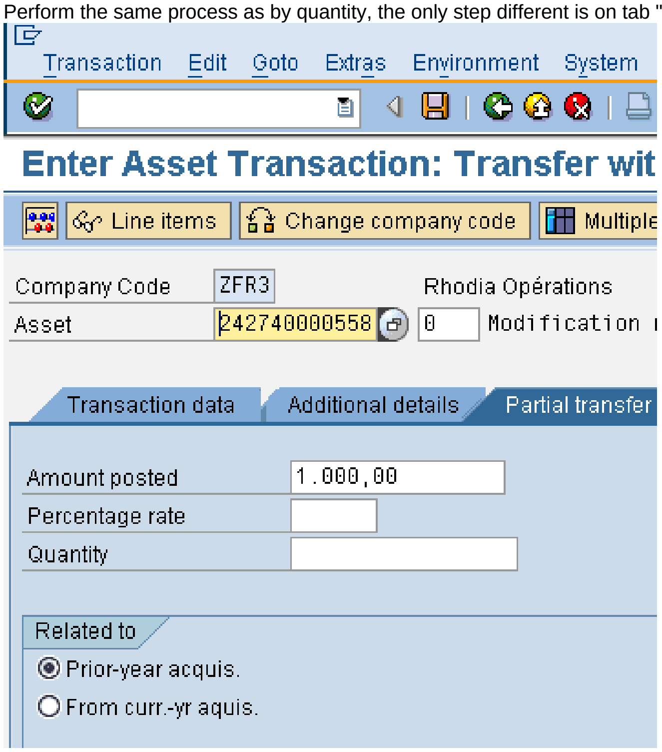
1. a. i. **By percentage**

Perform the same process as by quantity, the only step different is on tab "partial transfer". Choose the following:



1. a. i. **By Amount posted**

Perform the same process as by quantity, the only step different is on tab "partial transfer". Choose the following:



1. **Check the reliability of the postings performed**
   a. **Posting Check**

For each corresponding item above (Disposal, Retirement, Transfer), must be checked by SU MAC in transaction AS03, if the posting is correctly done in PF1 or RCS.
Example of a Retirement without revenue in RCS for company ZFR3:

Company Code ZFR3 Rhodia Opérations
Asset 242740045969 0 DAP 31311 AFX 216 V60 GRY2348 FOR HINGE

Fiscal year 2014

Planned values | Posted values | Comparisons | Parameters

Planned values IFRS GAAP (multi-standard)

Value	Fiscal year start	Change	Year-end	Crcy
APC transactions				EUR
Investment support				EUR
Revaluation APC				EUR
Acquisition value				EUR
Ordinary deprec.		23,493.15-	23,493.15-	EUR
Unplanned dep.				EUR
Write-ups				EUR
Value adjustment		23,493.15	23,493.15	EUR
Revaluation ord.dep.				EUR
Net book value				EUR
Down payments				EUR
Scrap value				EUR

All

Transactions

AssetValDate	Amount	TType	Transaction type name	Crcy	Text
01.03.2014	23,493.15	331	Acquirg transfer of prior-yr acquis from inv.meas.	EUR	OTP RR.IKOREA.EP-132
01.03.2014	23,493.15-	200	Retirement without revenue	EUR	mise en service et sorite immédiate

Other tool for this analysis/check is the map of tangible and intangible assets, through PF1 and RCS, which shows the movements of Fix Assets (tangible and intangible) in the exercise/month in analysis.
Go to transaction S_ALR_87011990, in this example in RCS:

31.03.2014 Asset History Sheet Based on Posted Depreciation - 01 IFRS GAAP
22.04.2014 In compl. w/EC directive 4 (13 col.,wide version) (incomplete)

Crcy	Accnt: APC	Asset Class	APC FY start	Acquisition	Retirement	Transfer	Current APC	Dep. FY start
EUR	21700100	AC215200	1,026,616.75	0.00	0.00	0.00	1,026,616.75	993,021.90-
EUR	21300110	AC213110	924,086.60	5,202.84	0.00	0.00	929,289.44	655,967.44-
EUR	21700100	AC215103	189,969.59	0.00	0.00	0.00	189,969.59	163,810.74-
EUR	21500410	AC215410	76,848.20	0.00	0.00	0.00	76,848.20	70,426.51-
EUR	21500400	AC215401	103,604.64	0.00	0.00	0.00	103,604.64	100,052.85-
EUR	21300100	AC213101	881,349.27	0.00	0.00	0.00	881,349.27	881,174.93-
EUR	20300100	AC203100	78,479.00	0.00	0.00	0.00	78,479.00	78,479.00-
EUR	21500400	AC215400	3,114.00	0.00	0.00	0.00	3,114.00	1,843.82-
EUR	21100100	AC211100	578,620.24	0.00	0.00	0.00	578,620.24	0.00
EUR	21500300	AC215300	336.31	0.00	0.00	0.00	336.31	336.31-
EUR	21700100	AC215109	6,715.00	0.00	0.00	0.00	6,715.00	559.58-
EUR	21900100	AC219199	0.00	0.00	0.00	0.00	0.00	0.00
EUR			3,869,739.60	5,202.84	0.00	0.00	3,874,942.44	2,945,673.08-

- Check the opening and final balance
- Acquisitions of the year
- Disposals
- Retirements
- Transfers

After the postings performed we can Check if the Depreciation planned is calculating correctly if any.. To do this use AS03, in the "posted values" tab.
Compare the amounts recorded in the year (N) with the N-1 and the planned values for the future months.

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Depreciation posted/planned

Status	Status	Per	Σ Ord.dep. TBP	Σ Uplnd dep.
Posted	Posted	3	23,493.15-	0.00
Planned	Planned	4	0.00	0.00
Planned	Planned	5	0.00	0.00
Planned	Planned	6	0.00	0.00
Planned	Planned	7	0.00	0.00
Planned	Planned	8	0.00	0.00
Planned	Planned	9	0.00	0.00
Planned	Planned	10	0.00	0.00
Planned	Planned	11	0.00	0.00
Planned	Planned	12	0.00	0.00
			23,493.15-	**0.00**

End of document