SAP MM CONFIGURATION

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Based on the mail request from the different Consultants.. I have covered important and not covering entire MM details (MRP, outline agreements..etc). But sure it will be more useful. Thanks for the continuous Support from every one.

1   Definition of MM Organizational Elements

1.1   Plants

The **plant** is an operating area or branch within a company.

The plant is embedded in the organizational structure as follows:

- The plant is assigned to a single **company code**. A company code can have several plants.

- Several **storage locations** in which material stocks are managed can belong to a plant.

- A single **business area** is assigned to a plant and to a **division**.

- A plant can be assigned to several combinations of **sales organization** and **distribution channel**.

- A plant can have several shipping points. A shipping point can be assigned to several plants.

- A plant can be defined as a **maintenance planning plant**.

A plant has the following attributes:

- A plant has an address.

- A plant has a language.

- A plant belongs to a country.

- A plant has its own material master data. You can maintain data at plant level for the following views on a material master record in particular: MRP, Purchasing,

Storage, Work scheduling, Production resources/tools, Forecasting, Quality management, Sales, Costing.

The plant plays an important role in the following areas:

- material valuation

    If the **valuation level** is the plant, the material stocks are valuated at plant level. If the valuation level is the plant, you can define the material prices for each plant. Each plant can have its own **account determination**.

- inventory management

    The material stocks are managed within a plant.

- MRP

    Material requirements are planned for each plant. Each plant has its own MRP data. Analyses for materials planning can be made across plants.

- production

- costing

    In costing, **valuation prices** are defined only within a plant.

Prerequisites

The Company code 1000 has already been created.

Procedure

Transaction Code	SPRO
IMG Menu	*Enterprise Structure → Definition → Logistics General → Define, Copy, Delete, Check plant → Define Plant*

Maintain the below shown addresses for corresponding Plants.

For the Plant code 1000 (XXXX Head Office), maintain the below shown address.

1.2   Plant parameters

In this step, you make the general plant settings for

Inventory Management. All settings are also contained in the individual steps of the Implementation Guide for Inventory Management. If you want to allow negative stocks in your plant, you have to set the XBKNG indicator in addition to the settings in this step. To maintain this indicator, choose the step Goods Issue/Transfer Postings -> Allow Negative Stocks in Customizing.

Activities

If you have created a plant in the enterprise structure using the Copy plant function, you do not need to make any settings. If you have created a plant manually, you have to create a new entry for the plant parameters.

Procedure

Transaction Code	OX09
IMG Menu	*Materials Management → Inventory Management and Physical Inventory → Plant Parameters*

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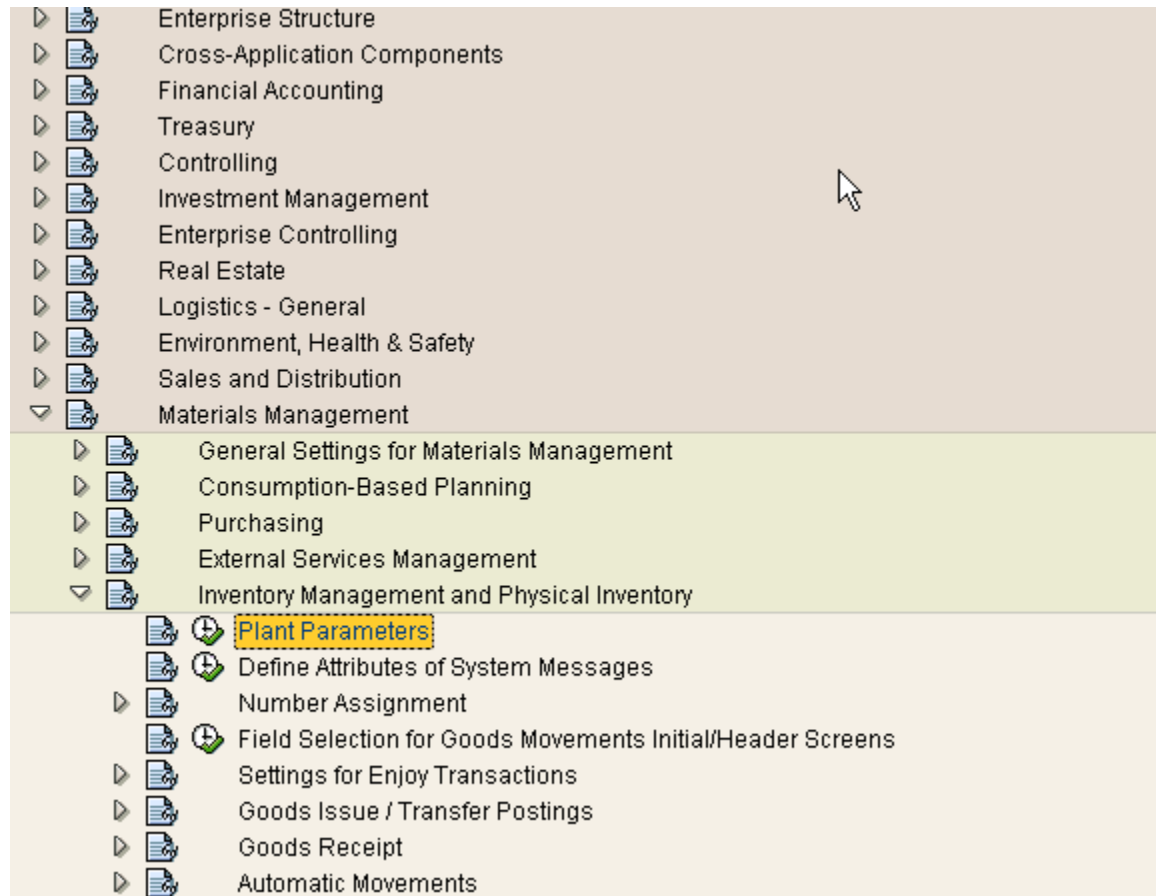
For the plant 1000, set the following parameters for goods movement, physical inventory, reservations and negative stocks.

Negative stock is not allowed for any material type in plant code 1000

Change View "General plant settings in Inventory Management": Details

New Entries

Plant   1000

Goods movements

Create SLoc. automat.	☑	BBD/Prod. Date	☐
Del. compl. default	☑	BOM Usage	1
Miss. parts active	☐	BOM Application	BEST
Summarize miss.parts	☐	Trans./Event Type	WV
BaWU deactivated	☐	GR/GI slip number	☐
BaWU synchron.postng	☐	BchNo.auto.GR AcAsst	☐

Physical inventory

Stock type	1
Alternative Unit	☑
Batch in Background	☑
Change document	☐
Adj. Book Inventory	
Reason f. difference	

Reservations

Movement Allowed	☑
Days mvt. allowed	10
Retention period	30

Negative stocks

Vendor consignment gds	☐	Customer Consignment	☐
RTP stocks	☐	Return.pack.at cust.	☐
Stcks of mat. w. vendor	☐	Sales order stock	☐
		Project stock	☐

For the plant 1100, set the following parameters for goods movement, physical inventory, reservations and negative stocks.

Negative stock is not allowed for any material type in plant code 1100

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Change View "General plant settings in Inventory Management": Details

New Entries

Plant   1100 ▮▮▮▮▮▮

Goods movements

Create SLoc. automat.	☑ ▮	
Del. compl. default	☑	
Miss. parts active	☐	
Summarize miss.parts	☐	
BaWU deactivated	☐	
BaWU synchron.postng	☑	

BBD/Prod. Date	☑	
BOM Usage		1
BOM Application		BEST
Trans./Event Type		WV
GR/GI slip number	☐	
BchNo.auto.GR AcAsst	☐	

Physical inventory

Stock type	1
Alternative Unit	☑
Batch in Background	☑
Change document	☐
Adj. Book Inventory	
Reason f. difference	

Reservations

Movement Allowed	☑	
Days mvt. allowed		10
Retention period		30
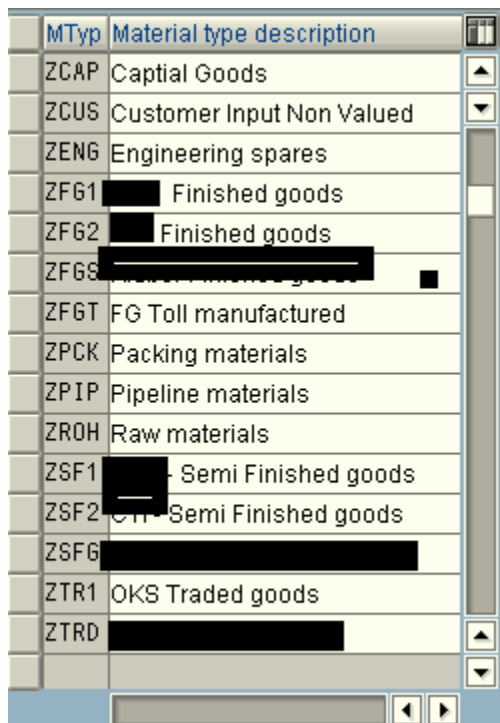
Negative stocks

Vendor consignment gds	☐	
RTP stocks	☐	
Stcks of mat. w. vendor	☐	

Customer Consignment	☐	
Return.pack.at cust.	☐	
Sales order stock	☐	
Project stock	☐	

For the plant 1200, set the following parameters for goods movement, physical inventory, reservations and negative stocks.

Negative stock is not allowed for any material type in plant code 1200

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For the plant 1300, set the following parameters for goods movement, physical inventory, reservations and negative stocks.

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Negative stock is not allowed for any material type in plant code 1300

Change View "General plant settings in Inventory Management": Details

New Entries

Plant   1300

Goods movements

Create SLoc. automat. ☑	BBD/Prod. Date ☑
Del. compl. default ☑	BOM Usage 1
Miss. parts active ☐	BOM Application BEST
Summarize miss.parts ☐	Trans./Event Type WV
BaWU deactivated ☐	GR/GI slip number ☐
BaWU synchron.postng ☐	BchNo.auto.GR AcAsst ☐

Physical inventory

Stock type	1
Alternative Unit	☑
Batch in Background	☑
Change document	☐
Adj. Book Inventory	
Reason f. difference	

Reservations

Movement Allowed	☑
Days mvt. allowed	18
Retention period	30

Negative stocks

Vendor consignment gds ☐	Customer Consignment ☐
RTP stocks ☐	Return.pack.at cust. ☐
Stcks of mat. w. vendor ☐	Sales order stock ☐
	Project stock ☐

For the plant 1400, set the following parameters for goods movement, physical inventory, reservations and negative stocks.

Negative stock is not allowed for any material type in plant code 1400

For the plant 1500, set the following parameters for goods movement, physical inventory, reservations and negative stocks.

Negative stock is not allowed for any material type in plant code 1500

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2   Creation of Material Type

The following new material types have been created for XXXXX based on the requirement.

Procedure

Transaction Code	OX09
IMG Menu	*Logistics General → Material Master → Basic Settings → Material types → Define Attributes of Material Types*

Separate Material types have been created for XXXXX, OKS and CTI, as the number ranges of material type are different for the different brands.

The material type "ZCUS" is created for the Input materials of Toll manufacturing which will not have accounting and costing information.

The material type "ZFGT" is created for the Finished goods of Toll Manufacturing process.

3   Attributes of **Material** Types

Whenever you create a material master record, you must assign it to a **material type**. This requires you to first define the attributes of each material type. You do this in this **IMG activity**.

Material types are used in the following neighboring areas, where they are also configured in Customizing:

- **Profit Center Accounting**

- **Product Cost Planning**

- Sales and Distribution (**availability check**)

- Valuation and Account Assignment (**valuation classes**)

- Production:

  o **Bills of material**

  o **Routings**

Maintain the attributes for the material types created for XXXXX as follows

Once you have maintained the material types, **define the number ranges for each material type**

Material Type	ZCUS	Customer Input Non Valued

General data

Field reference	ROH	X-plant matl status	
SRef: material type	ROH	Item category group	
Authorization group		☐ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

	Status description	
	Work scheduling	
	Accounting	
	Classification	
	MRP	
	Purchasing	
	Production resources/tools	
	Costing	
	Basic data	
	Storage	
	Forecasting	

Internal/external purchase orders

Ext. Purchase Orders	2
Int. purchase orders	2

Classification

Class type	
Class	

Valuation

Price control	
Acct cat. reference	0007	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	○ In all valuation areas
○ In no valuation area	◉ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type
Time till deleted	
☐ Display material	☐ Print price

Material Type	ZENG	Engineering spares

General data

Field reference	ROH	X-plant matl status	
SRef: material type	ROH	Item category group	
Authorization group		☐ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

Status description	⊞
Classification	▲
MRP	▼
Purchasing	
Production resources/tools	
Costing	
Basic data	
Storage	
Forecasting	
Quality management	▲
Warehouse management	▼

Internal/external purchase orders

Ext. Purchase Orders	2
Int. purchase orders	0

Classification

Class type	
Class	

Valuation

Price control	V Moving average price/periodic unit price	🖹
Acct cat. reference	0003	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	◉ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type	🖹
Time till deleted		
☐ Display material		☐ Print price

Material Type	ZFG1	OKS Finished goods

General data

Field reference	FERT	X-plant matl status	
SRef: material type	ROH	Item category group	NORM
Authorization group		☑ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

	Status description	
	Classification	▲
	MRP	▼
	Purchasing	
	Production resources/tools	
	Costing	
	Basic data	
	Storage	
	Forecasting	
	Quality management	▲
	Warehouse management	▼

Internal/external purchase orders

Ext. Purchase Orders	1
Int. purchase orders	2

Classification

Class type	
Class	

Valuation

Price control	S Standard price	
Acct cat. reference	0009	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	◉ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type	
Time till deleted		
☐ Display material		☐ Print price

Material Type	ZFG2	CTI Finished goods

General data

Field reference	FERT	X-plant matl status	
SRef: material type	ROH	Item category group	NORM
Authorization group		☑ With Qty Structure	
☑ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

	Status description	
	Classification	▲
	MRP	▼
	Purchasing	
	Production resources/tools	
	Costing	
	Basic data	
	Storage	
	Forecasting	
	Quality management	▲
	Warehouse management	▼

Internal/external purchase orders

Ext. Purchase Orders	1
Int. purchase orders	2

Classification

Class type	
Class	

Valuation

Price control	S Standard price	
Acct cat. reference	0009	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
⦿ In all valuation areas	⦿ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID   General material type

Time till deleted

☐ Display material   ☐ Print price

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Material Type	ZFGS	▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓

General data

Field reference	FERT	X-plant matl status	
SRef: material type	ROH	Item category group	NORM
Authorization group		☑ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

	Status description	▥
	Classification	▲
	MRP	▼
	Purchasing	
	Production resources/tools	
	Costing	
	Basic data	
	Storage	
	Forecasting	
	Quality management	▲
	Warehouse management	▼

Internal/external purchase orders

Ext. Purchase Orders	1
Int. purchase orders	2

Classification

Class type	
Class	

Valuation

Price control	S Standard price	▤
Acct cat. reference	0009	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	◉ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type	▤
Time till deleted		
☐ Display material		☐ Print price

| Material Type | ZFGT | FG Toll manufactured |

General data

Field reference	ROH	X-plant matl status	
SRef: material type	ROH	Item category group	
Authorization group		☑ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

	Status description	
	Classification	
	MRP	
	Purchasing	
	Production resources/tools	
	Costing	
	Basic data	
	Storage	
	Forecasting	
	Quality management	
	Warehouse management	

Internal/external purchase orders

| Ext. Purchase Orders | 2 |
| Int. purchase orders | 2 |

Classification

| Class type | |
| Class | |

Valuation

| Price control | |
| Acct cat. reference | 0007 | ☐ Price ctrl mandatory |

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	◉ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type
Time till deleted	
☐ Display material	☐ Print price

Material Type	ZPCK	Packing materials

General data

Field reference	VERP	X-plant matl status	
SRef: material type	ROH	Item category group	VERP
Authorization group		☑ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

Status description	
Classification	▲
MRP	▼
Purchasing	
Production resources/tools	
Costing	
Basic data	
Storage	
Forecasting	
Quality management	▲
Warehouse management	▼

Internal/external purchase orders

Ext. Purchase Orders	2
Int. purchase orders	1

Classification

Class type	
Class	

Valuation

Price control	V Moving average price/periodic unit price
Acct cat. reference	0004 ☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	◉ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type
Time till deleted	
☐ Display material	☐ Print price

Material Type	ZROH	Raw materials

General data

Field reference	ROH	X-plant matl status	
SRef: material type	ROH	Item category group	
Authorization group		☑ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types
- ☐ Material is configurable
- ☐ Material f. process
- ☐ Pipeline mandatory
- ☐ Manufacturer part

User departments

	Status description
	Classification
	MRP
	Purchasing
	Production resources/tools
	Costing
	Basic data
	Storage
	Forecasting
	Quality management
	Warehouse management

Internal/external purchase orders

Ext. Purchase Orders	2
Int. purchase orders	0

Classification

Class type	
Class	

Valuation

Price control	V Moving average price/periodic unit price
Acct cat. reference	0001	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating
- ◉ In all valuation areas
- ○ In no valuation area
- ○ By valuation area

Value updating
- ◉ In all valuation areas
- ○ In no valuation area
- ○ By valuation area

Retail-specific fields

Material type ID	General material type
Time till deleted	
☐ Display material	☐ Print price

Material Type	ZSF1	OKS - Semi Finished goods

General data

Field reference	HALB	X-plant matl status	
SRef: material type	ROH	Item category group	
Authorization group		☑ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

Status description	
Classification	▲
MRP	▼
Purchasing	
Production resources/tools	
Costing	
Basic data	
Storage	
Forecasting	
Quality management	▲
Warehouse management	▼

Internal/external purchase orders

Ext. Purchase Orders	2
Int. purchase orders	2

Classification

Class type	
Class	

Valuation

Price control	S Standard price	
Acct cat. reference	0008	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	◉ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type	
Time till deleted		
☐ Display material		☐ Print price

Material Type	ZSF2	CTI - Semi Finished goods

General data

Field reference	HALB	X-plant matl status	
SRef: material type	ROH	Item category group	
Authorization group		☑ With Qty Structure	
☑ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

	Status description	
	Classification	
	MRP	
	Purchasing	
	Production resources/tools	
	Costing	
	Basic data	
	Storage	
	Forecasting	
	Quality management	
	Warehouse management	

Internal/external purchase orders

Ext. Purchase Orders	2
Int. purchase orders	2

Classification

Class type	
Class	

Valuation

Price control	S Standard price	
Acct cat. reference	0008	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
⦿ In all valuation areas	⦿ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type 🖹
Time till deleted	

☐ Display material   ☐ Print price

Quantity/value updating

Quantity updating	Value updating
⦿ In all valuation areas	⦿ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type 🖹
Time till deleted	

☐ Display material   ☐ Print price

Material Type	ZTR1	OKS Traded goods

General data

Field reference	HAWA	X-plant matl status	
SRef: material type	ROH	Item category group	NORM
Authorization group		☐ With Qty Structure	
☐ External no. assignment w/o check		☐ Initial Status	

Special material types

☐ Material is configurable
☐ Material f. process
☐ Pipeline mandatory
☐ Manufacturer part

User departments

	Status description	
	Classification	▲
	MRP	▼
	Purchasing	
	Production resources/tools	
	Costing	
	Basic data	
	Storage	
	Forecasting	
	Quality management	▲
	Warehouse management	▼

Internal/external purchase orders

Ext. Purchase Orders	2
Int. purchase orders	0

Classification

Class type	
Class	

Valuation

Price control	V Moving average price/periodic unit price	
Acct cat. reference	0005	☐ Price ctrl mandatory

Quantity/value updating

Quantity updating	Value updating
◉ In all valuation areas	◉ In all valuation areas
○ In no valuation area	○ In no valuation area
○ By valuation area	○ By valuation area

Retail-specific fields

Material type ID	General material type	
Time till deleted		
✔ Display material	✔ Print price	

The below table shows the different views maintained for the different material types created.

Material Type	Work Scheduling	A/C	Class	MRP	Purchase	Costing	Basic	Storage	Forecasting	Quality	Sales	Plant stock	Sloc Stock
ZCAP		X			X		X				X		
ZCUS					X		X	X				X	X
ZENG		X		X	X		X	X				X	X
ZFG1	X	X	X	X		X	X	X	X	X	X	X	X
ZFG2	X	X	X	X		X	X	X	X	X	X	X	X
ZFGS	X	X	X	X		X	X	X	X	X	X	X	X
ZFGT	X	X		X	X	X	X	X		X	X	X	X
ZPCK		X		X	X	X	X	X		X		X	X
ZROH		X	X	X	X	X	X	X		X	X	X	X
ZSF1	X	X	X	X	X	X	X	X	X	X		X	X
ZSF2	X	X	X	X	X	X	X	X	X	X		X	X
ZSFG	X	X	X	X	X	X	X	X	X	X		X	X
ZTR1		X	X	X	X		X	X	X	X	X	X	X
ZTRD		X	X	X	X		X	X	X	X	X	X	X
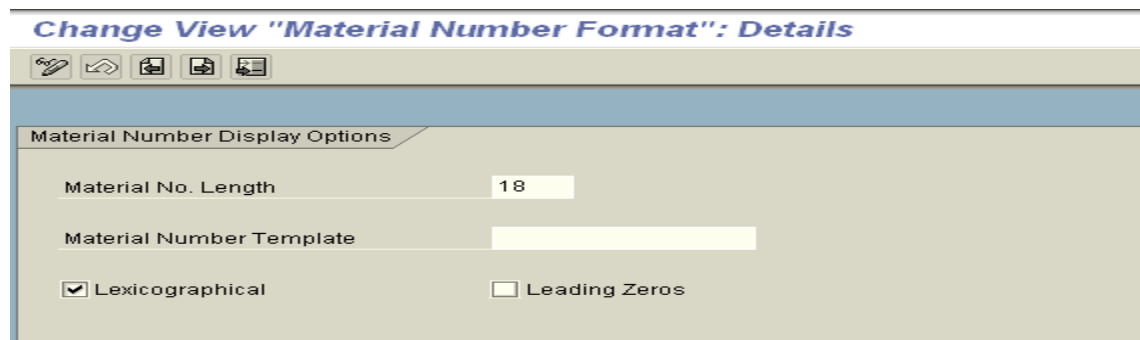
3.1 Numbering of Material Masters based on Material Type

Before maintaining the Number ranges for different material types, the material numbering format has to be determined. Most of the material types are externally number managed, for the reason that the numbering in SAP has to be the same as their Global entities to provide Uniformity across different ERPs being used across different countries of the company.

Those external number managed materials have some leading zeroes in the material coding. To accommodate the leading actual zeroes for material codes, "LEXICOGRAPHICAL" indicator needs to be ticked in material master numbering format.

Transaction Code	OMSL
IMG Menu	*Logistics General → Material Master → Basic Settings → Define output format of Material Numbers*

3.2 Number Ranges for Material Types

Transaction Code	SPRO
IMG Menu	*Logistics General → Material Master → Basic Settings → Material types → Define number ranges for Material types*
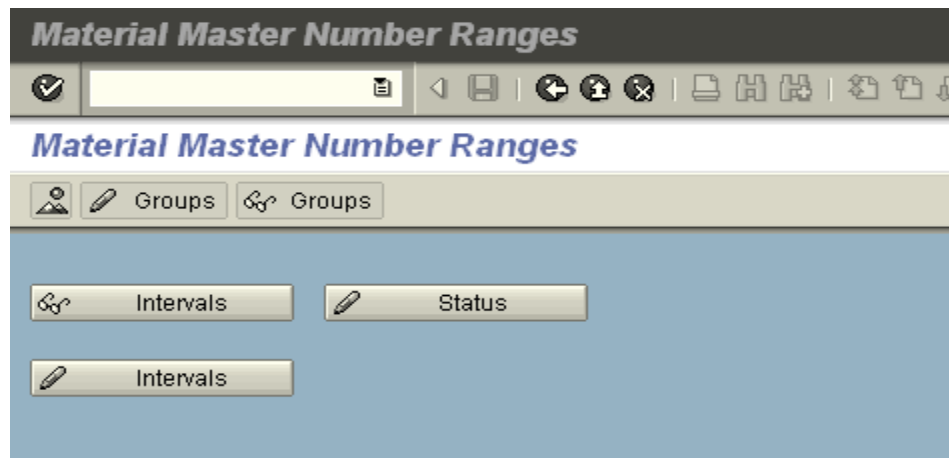
Maintain the number ranges for material type grouping. Group the material types with similar number ranges and then assign the number ranges for that particular group.
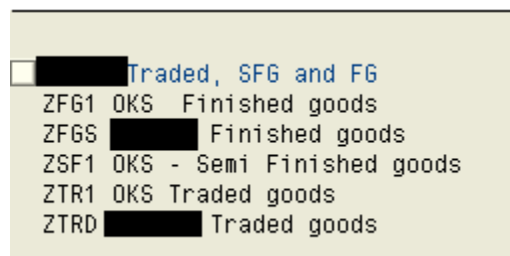
For the above grouping maintain the number range as follows.

From number	To number	Current number	Ext
00000000010000000	000000999999999999		☑

The next grouping of material type is:
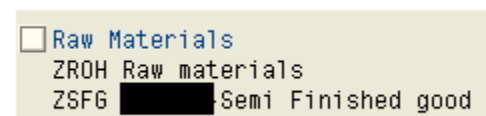
and the corresponding number ranges are

From number	To number	Current number	Ext
000000000000000000	0000000000001229999		☑

For the grouping

```
☐ CTI Products
   ZFG2 CTI  Finished goods
   ZSF2 CTI - Semi Finished goods
```
Maintain the following number range

From number	To number	Current number	Ext
AAAAAAAAAA	ZZZZZZZZZZZZZZ		☑

Also maintain the following number ranges for the mentioned material types

ZPCK	000000000002000000	000000000002999999
ZCUS	000000000003000000	000000000003999999
ZFGT	000000000004000000	000000000004999999

4   Define Material Groups

In this IMG activity, you define **material groups**. With material groups you group materials with the same attributes or purpose.

You can use material groups to:

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- Limit the scope of analyses

- Systematically search for material master records via matchcodes

Transaction Code	OMSL
IMG Menu	*Logistics General → Material Master → Settings for Key Fields → Define Material Groups*

Matl Group	Material Group Desc.
01	Consumables
02	Additives
03	Solvents
04	Packaging
PG00020	Additives
PG00030	Solvents
PG00110	Soap greases
PG00120	Complex soap greases
PG00130	Other mineral oil gr
PG00150	Perfluoro alkyl ethe
PG00160	Silicone greases
PG00170	Ester greases
PG00180	Polyalphaolefin grea
PG00190	Other Syn Oil Grease
PG00210	Mineral oils
PG00230	Polyglycol oils
PG00240	Perfluoroalkylether
PG00250	Silicone oils
PG00260	Ester oils
PG00270	Polyalphaolefin oils
PG00280	Other synthetic oils
PG00500	Services
PG00510	not water miscible

PG00520	water miscible
PG00530	Sep. ag. f. metal di
PG00540	Sep. ag. f. gravity
PG00550	Corrosion protection
PG00560	Sep. ag. f. welding
PG00610	Sprays
PG00620	Powders
PG00630	Pastes
PG00640	Cleaning agents, dis
PG00650	Varnishes
PG00850	Coatings
PG00900	IT
PG00910	Admin
PG00920	Capital goods
PG00930	Engineering spares
PG00990	Others

5   Define Divisions

In this IMG activity, you define the **divisions** in your company. You use divisions to group together materials, products, or services. The system uses the division to determine the sales areas and business areas to which a material, product, or service is assigned.

In the application component Sales and Distribution (SD), the division is an organizational entity responsible for selling particular products or for the profit made on them.

Actions

To define a division, enter the following information:

● two-character, alphanumeric key

Transaction Code	OMSL
IMG Menu	*Logistics General → Material Master → Settings for Key Fields → Define Divisions*

Division	Name
01	Bearings
02	Power transmission
03	Valves & Pneumatics
04	Machine Tool (OEM'S)
05	Electronics & Elect
06	Metal Working
07	Conveyors & MHE
08	Automotive OEM
09	Rail,Water&Aircraft
10	Automotive Supplier
11	Food & Pharma
12	Steel Mill
13	Mining,Basemat&Glass
14	Cement-Lime
15	Chem,Fert&Refin,Plas
16	Power & Wind
17	Paper & Printing
18	Wood Industry
19	Textile Industry
20	Service Enterprise
21	Distributors
22	Exporters
23	Representativ abroad

Division	Name
24	ICS - Chemtrend
25	ICS - OKS
40	KL - Companies
98	Captive Consumption
99	Miscellaneous

6   Maintaining Storage Locations for Plant

6.1   *Maintain storage location*

A **storage location** is the place where stock is physically kept within a plant.

A storage location has the following attributes:

- There may be one or more storage locations within a plant.

- A storage location has a description and at least one address.

- It is possible to store material data specific to a storage location.

- Stocks are managed only on a quantity basis and not on a value basis at storage location level.

- Physical inventories are carried out at storage location level.

- A storage location can be assigned to a **warehouse number** in the **Warehouse Management System**. You can assign more than one storage location to the same warehouse number within a plant.

- Storage locations are always created for a plant.

Prerequisites

The Plants have been already created.

Procedure

Transaction Code	OX09
IMG Menu	*Enterprise Structure → Definition → Materials Management → Maintain Storage Location*

1. Maintain the below shown Storage locations for the Plants 1100

SLoc	Description
IT01	In Transit SLoc
KL01	▮▮▮ Warehouse

2. Maintain the below shown Storage locations for all Plants from 1200

SLoc	Description
IT01	In Transit SLoc
KT01	▮▮▮ Traded
OK01	OKS Traded goods

3. Maintain the below shown Storage locations for Plant 1300 – Chennai Bonded warehouse

SLoc	Description
AR01	Air received mat
CWH1	Chennai Bond WH
IT01	In Transit SLoc
SE01	Sea Received mat

4 Maintain the below shown Storage locations for Plant 1400 – Mysore Bonded warehouse

SLoc	Description
IT01	In Transit SLoc
MWH1	Mysore Bonded WH

5. Maintain the below shown Storage locations for Plant 1500 – Bangalore Bonded warehouse

SLoc	Description
BWH1	Blore Bonded WH
IT01	In Transit SLoc

7   Maintaining Purchase Organizations

7.1   *Maintain purchasing organization*

In this step, you set up your purchasing organizations.

From the Materials Management and Purchasing view, the **purchasing organization** is responsible for all purchasing activities (including the processing of requests for quotations and purchase orders, for example).

The purchasing organization is integrated within the organizational structure as follows:

- A purchasing organization can be assigned to several company codes.
  (= Corporate-group-wide purchasing).

- A purchasing organization can be assigned to one **company code**.
  (= Company-specific purchasing).

- A purchasing organization can also exist without being assigned to a company code.

  - Since each plant must be assigned to a company code, the latter can be determined via the plant at the time of each procurement transaction even if the procuring purchasing organization has not been assigned to a company code.

- A purchasing organization must be assigned to one or more **plants**.
  (= Plant-specific purchasing).

- A purchasing organization can be linked to one or more other purchasing organizations.
  (= **reference purchasing organization**)

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For more on this topic, refer to **Assign Purchasing Organization to Reference Purchasing Organization**.

- A purchasing organization can be divided into several purchasing groups that are responsible for different operational areas.

- Each purchasing organization has its own **info records** and **conditions** for pricing.

- Each purchasing organization has its own vendor master data.

- Authorizations for processing purchasing transactions can be assigned to each purchasing organization.

- All items of an external purchasing document, that is, request for quotation, purchase order, contract, or scheduling agreement, belong to a purchasing organization.

- The purchasing organization is the highest level of aggregation (after the organizational unit "client") for **purchasing statistics**.

- The purchasing organization serves as the selection criterion for lists of all purchasing documents.

Transaction Code	SPRO
IMG Menu	*Enterprise Structure → Definition → Materials Management → Maintain Purchase Organization*

Create the following new entries in Purchasing Organization

Purch. Organization	Purch. Org. Descr.
1000	Central POrg
1100	OKS Central POrg
1200	ocal POrg
1300	OKS local POrg

8   Assignment of MM Organizational Elements

8.1   Assign plant to company code

In the IMG activity "Assignment **Plant** - **Company Code**" you assign each **plant** to a **company code**.

A plant can only belong to one company code.

Note

Complete functionality of the system can only be ensured if the plants assigned to a company code are only those situated in the same country as the company code.

It is therefore recommended that you also create a company code for each country in which a plant is situated.

Requirements

Before you can assign plants to company codes, you must define the valuation control.

Prerequisites

 The Company code 1000 and the plants are created

Transaction Code	OX18
IMG Menu	*Enterprise Structure → Assignment → Logistics General → Assign plant to company code*

Link all Plants under Indian Company code 1000

	Assignment Plant - Company Code			
CoCd	Plnt	Name of Plant	Company Name	Status
1000	1000	▮r Head Office	▮ India Pvt Ltd	
1000	1100	▮ Factory	▮ India Pvt Ltd	
1000	1200	▮ Depot	▮ India Pvt Ltd	
1000	1300	▮ Chennai Bonded warehous	▮ndia Pvt Ltd	
1000	1400	▮ Mysore Bonded warehouse	▮ India Pvt Ltd	
1000	1500	▮ Bangalore Bonded W/H	▮ India Pvt Ltd	

8.2   Assign purchasing organization to plant

In this IMG activity, you assign **purchasing organizations** to the **plants** for which they are responsible.

You have the following options:

- One purchasing organization procures for one plant.
  This is plant-specific purchasing.

- One purchasing organization procures for several plants.

- Several purchasing organizations procure for one plant.

Transaction Code	OX17
IMG Menu	*Enterprise Structure → Assignment → Materials Management → Assign Purchasing Organization to Plant*

Create the following entries and link the different plants to different purchase organisations.

Assign Purchasing Organization to Plant			
POrg	Description	Plnt	Name 1
1000	Central POrg	1000	Head Office
1000	Central POrg	1100	Factory
1000	Central POrg	1200	Depot
1000	Central POrg	1300	Chennai Bonded warehous
1000	Central POrg	1400	Mysore Bonded warehouse
1000	Central POrg	1500	r Bangalore Bonded W/H
1100	OKS Central POrg	1000	r Head Office
1100	OKS Central POrg	1100	r Factory
1100	OKS Central POrg	1200	r Depot
1100	OKS Central POrg	1300	Chennai Bonded warehous
1100	OKS Central POrg	1400	Mysore Bonded warehouse
1100	OKS Central POrg	1500	Bangalore Bonded W/H
1200	local POrg	1000	Head Office
1200	local POrg	1100	Factory
1200	ocal POrg	1200	Depot
1200	ocal POrg	1300	Chennai Bonded warehous
1200	ocal POrg	1400	Mysore Bonded warehouse
1200	local POrg	1500	Bangalore Bonded W/H
1300	OKS local POrg	1000	Head Office
1300	OKS local POrg	1100	Factory
1300	OKS local POrg	1200	Depot
1300	OKS local POrg	1300	r Chennai Bonded warehous
1300	OKS local POrg	1400	Mysore Bonded warehouse
1300	OKS local POrg	1500	Bangalore Bonded W/H

9   Creating Purchase Groups

A key for a buyer or group of buyers responsible for certain purchasing activities.

The purchasing group is:

- Internally responsible for the procurement of a material or a class of materials

Transaction Code	SPRO
IMG Menu	*Materials Management □ Purchasing □ Create purchasing groups*

Create the Following Purchasing groups

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Purchasing Groups	
Purcha..	Desc. Pur. Grp
01	Import RM
02	Local RM
03	Local Packing
04	Capital Purchase
05	Services
06	Consumables
07	Engineering spares
08	Import Traded good
09	Stock Transfer

Different Purchasing groups are created for the different kind of materials / services procured thru different means. This classification of purchasing groups helps in differentiating the Release strategy for different material types / services.

10   MM Pricing Procedure

10.1   Defining the Condition types

The condition types are used to represent pricing elements such as prices, discounts, surcharges, taxes, or delivery costs in the SAP System. These are stored in the system in condition records.

Transaction Code	**M/06**

IMG Menu	*Materials Management □ Purchasing □ Conditions □ Define Price Determination Process □ Define Condition Types*

The following are the new condition types to be created for Local Pricing procedure.

Condition types	Description
ZPAK	Packing &Forwarding
ZSET	State Entry Tax
ZFR3	Freight -Primary Vendor
ZFR2	Pick up Freight-qty
ZFR4	Inward Freight-qty
ZFR5	Local Freight-qty

The following new condition types are to be created for Import Pricing procedure.

Condition types	Description
ZPAC	Packing charges
ZINS	Insurance
ZFFW	Ocean/Air Freight &FW
ZPIC	Picking Charges
ZASS	Assessable value
JEC2	ECess on CVD- Depot
J1CV	Sec ECess on CVD-Fac
J2CV	Sec ECess on CVD-Dep
JECD	Cess on Total Duty
JETD	High Ed cess- tot duty
JADC	Add Custom duty-Fact
JSA2	Add Custom duty-Depot
ZINB	In bonding charges
ZWHC	Warehousing charges
ZCFW	Out Clearing &Forward
ZFR1	Local Freight - Secon

The following new condition types are to be created for Pricing procedure for Stock Transfer from Bonded Warehouses.

Condition types	Description
JBCD	Basic Custom Duty
ZECD	Edu cess on tot duty
ZETD	HECess on Tot duty

10.2 Define Account Keys / Transaction Event Keys

To enable the system to find the relevant account for provisions (for accrued delivery costs or miscellaneous provisions, for example), you must assign a transaction/event (internal processing) key to each condition type that is relevant to provisions in the step **Define Calculation Schema**.

Transaction Code	SPRO
IMG Menu	*Materials Management ☐ Purchasing ☐ Conditions ☐ Define Price Determination Process ☐ Define Transaction/Event keys ☐ Transaction Key*

Create the following new entries in Accounting keys.

ActKy	Name
FR5	CVD clearing
FR6	Clearing and forward
FR7	Cenvat Clearing
INS	Insurance

These new accounting keys are created for assigning to newly created accrual condition types for CVD, Clearing charges and Insurance.

### 10.3 Defining the Calculation Schemas

In this step, you define the calculation schemas.

In the MM area, a calculation schema - a framework of steps used to calculate or determine something - is used among other things to calculate costs, prices, period-end rebates, and taxes.

In the calculation schema (pricing procedure), you specify which condition types are to be taken into account in which sequence

Transaction Code	M/08
IMG Menu	*Materials Management □ Purchasing □ Conditions □ Define Price Determination Process □ Define Calculation Schema*

10.3.1 Create the calculation schema – ZIMP01 for Import Pricing procedure.
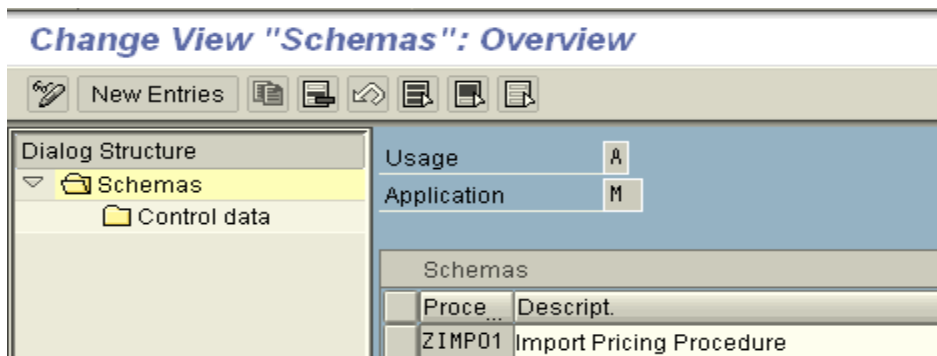
In the control data for the pricing procedure ZIMP01, create the entries in the following sequence.

The import pricing procedure will have the condition types for all the duty elements like Customs duty, CVD, Education Cess on CVD, Secondary Education Cess on CVD, Cess on Total duties, Additional Customs duty.

Apart from the condition types for duties, the import pricing procedure will have the condition types for Insurance, Clearing and Forwarding charges, Warehousing charges to accommodate all kinds of pricing factors that could be involved.

Also there is a statistical condition type ZASS – Assessable value included in the pricing procedure. This condition type value is used just for the calculation of Duty values and the same will not be included in the landed cost value of the material.

All the secondary delivery charges and the duty condition types will have a provision entering the secondary vendors at condition type level in Purchase Order.
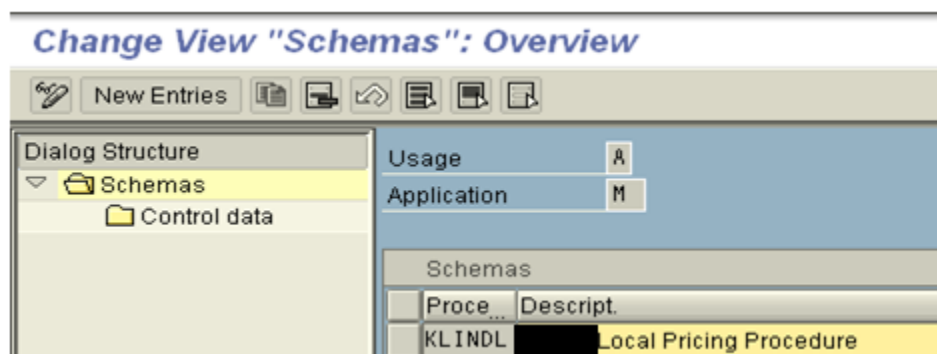
All the condition types are arranged in the required sequence as follows.

Control data for ZIMPO1 – Import Pricing procedure

Step	Co	CTyp	Description	Fro	To	Ma	R	Stat	P	SuTot	Reqt	CalTy	BasTy	AccK	Accru
10	0	P000	Gross Price						X	9					
10	2	PBXX	Gross Price						X	9	5				
20	0	ZPAC	Packing charges												
30	0		Subtotal					✔		7					
40	0	ZINS	Insurance												INS
50	0	ZFFW	Ocean/Air Freight&FW											FRE	FR1
60	0	ZPIC	Picking Charges												FR1
70	0		Sub total	30	60			✔							
90	0	ZASS	Assesible value					✔							
100	0	JCDB	IN Basic customs	90	90										FR3
110	1	JCV1	IN CVD - Factory	90	100										FR5
110	2	JCV2	IN CVD - Depot	90	100			✔							
120	1	JECV	ECess on CVD-Factory	110	110										FR5
120	2	JEC2	ECess on CVD- Depot	110	110			✔							
130	1	J1CV	Sec ECess on CVD-Fac	110	110										FR5
130	2	J2CV	Sec ECess on CVD-Dep	110	110			✔							
140	0	JECD	Cess on Total Duty	100	130										FR3
150	0	JETD	High Ed cess- tot dy	100	130										FR3
160	1	JADC	Add Custom duty-Fact	90	150										FR5
160	2	JSA2	Add Customduty-Depot	90	150			✔							
170	0		Total Duties	100	160			✔							
180	0		CIF Value	70	70			✔							
190	0		CIF + Total Duties	170	180			✔							
200	0	ZINB	Inbonding charges												FR6
210	0	ZWHC	Warehousing charges												FR6
220	0	ZCFW	Out Clearing&Forward												FR6
230	0	ZFR1	LocalFreight - Secon											FRE	FR1
250	0		Total	190	240										

The accrual keys are given for the accrual condition types.

10.3.2 Create the Calculation schema – xxxxxx for Local pricing procedure.

In the control data of xxxxxx local pricing procedure create the following entries in sequence.

Step	Co.	CTyp	Description	Fro	To	Ma.	R.	Stat	P	SuTot	Reqt	CalTy	BasTy	AccK	Accru
1	1	P000	Gross Price			☐	☐	☐	X	9					
1	2	PBXX	Gross Price			☐	☐	☐	X	9	5				
10	1	RB00	Absolute discount			☑	☐	☐	X						
10	2	RC00	Discount/Quantity			☑	☐	☐	X						
30	0	ZPAK	Packing&Forwarding			☐	☐	☐	X						
50	0		Net including discount & pack			☐	☐	☑		7					
60	0	ZSET	State Entry Tax	1	1	☐	☐	☐	X						
70	0	ZFR3	Freight -Primary Ven			☐	☐	☐							
80	0		Sub total			☐	☐	☑		7					
91	0	ZFR2	Pick up Freight-qty			☐	☐	☐							FR1
92	0	ZFR4	Inward Freight-qty			☐	☐	☐							FR1
93	0	ZFR5	Local Freight-qty			☐	☐	☐							FR1
100	0	JEXC	IN Manual Excise			☑	☐	☑		5					
105	0	ZADC	ADC in Pricing			☑	☐	☑		2					
110	0		Net value exclusive of man exc	80	93	☐	☐	☑		7					
120	0	JEXS	Taxes on the PO			☐	☐	☑		D					
130	0	NAVS	Non-Deductible Tax	110	110	☐	☐	☑							
140	0		Price inclusive of all taxes	110	120	☐	☐	☑		S					

105	0	ZADC	ADC in Pricing			☑	☐	☑		2					
110	0		Net value exclusive of man exc	80	93	☐	☐	☑		7					
120	0	JEXS	Taxes on the PO			☐	☐	☑		D					
130	0	NAVS	Non-Deductible Tax	110	110	☐	☐	☑							
140	0		Price inclusive of all taxes	110	120	☐	☐	☑		S					

The condition type JEXC is used for entering the manual excise value, where in the excise duty is not exactly a fixed percentage value. The value entered in JEXC will replace the value of excise duty condition type calculated by the Tax Code.

10.3.3 Create the Calculation Schema ZSTOBF - STO from Bonded Warehouse.
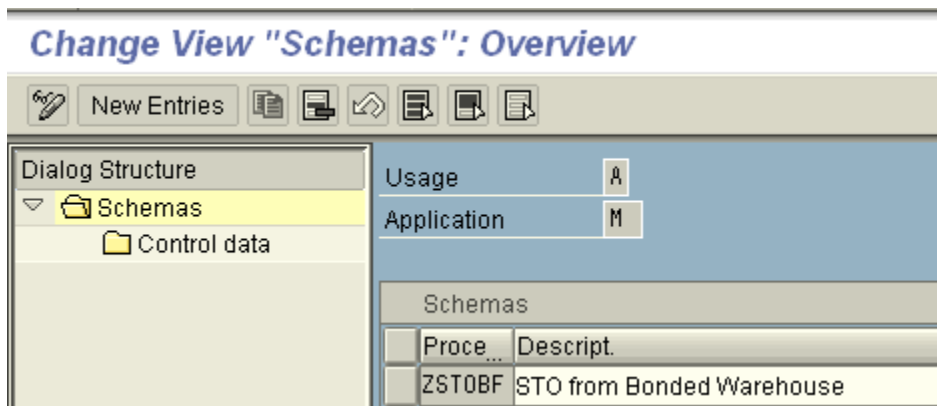
The materials received and kept in the bonded warehouse plants are stock transferred to the Factory or Depot plant on payment of duties. Hence the pricing procedure for stock transfer from bonded location to Factory / Depot plant includes the delivery charges and the non creditable duty values which need to be included in the inventory valuation.

In Control data, create the following entries in sequence for the ZSTOBF pricing procedure.

Here the condition type P101 will automatically pick up the material master price of supplying plant in the stock transport order.

10.3.4 Calculation Schemas for Stock transfer between factory and Depot
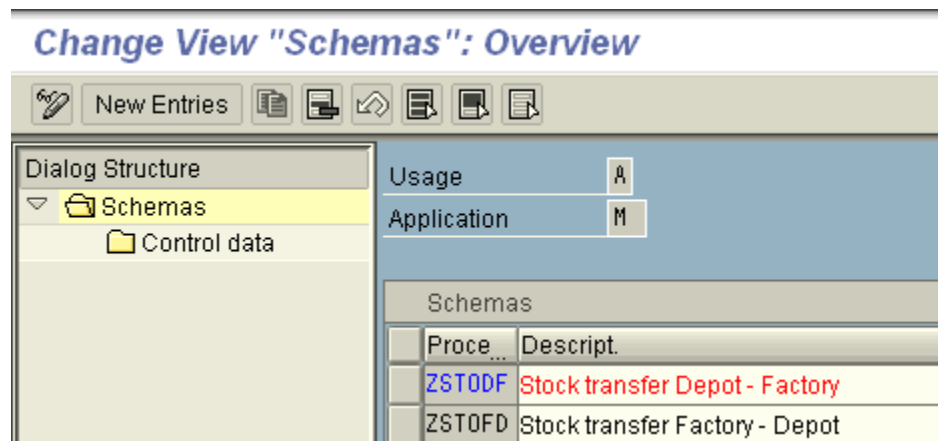
ZSTODF – Pricing procedure for stock transferring from Depot to Factory
ZSTOFD – Pricing procedure for stock transferring from Factory to Depot

In the Control data, create the following entries for ZSTODF

In the Control data, create the following entries for ZSTOFD

10.4 Defining the Schema Groups

In this step, you define schema groups.

These allow you to group together purchasing organizations that use the same calculation schema.

You can also use them to group together vendors for whom the same calculation schema is valid.

Note:
You assign vendors to schema groups in the relevant vendor master records.

10.4.1 Schema Groups : Vendor

Transaction Code	SPRO
IMG Menu	*Materials Management ⬜ Purchasing ⬜ Conditions ⬜ Define Price Determination Process ⬜ Define Schema Group⬜ Schema Groups: Vendor*

Create the following schema groups for India.

Sch.Grp Vndr	Description
01	Local vendors
02	Import Vendors

10.5 Defining Schema Determination

In this step, you assign purchasing transactions and processes to a calculation schema; that is, you specify the cases in which a certain schema is used.

- For standard purchase orders
  (depending on the schema group of the vendor and the purchasing organization)

- For stock transport orders
  (depending on the supplying plant, the document type and the schema group of the purchasing organization)

10.5.1   Determine Calculation Schema for Standard Purchase Orders

Transaction Code	SPRO
IMG Menu	*Materials Management ☐ Purchasing ☐ Conditions ☐ Define Price Determination Process ☐ Define Schema Determination ☐ Determine Calculation Schema for Standard Purchase Orders*

Create two different Schema group for vendor master for Local and Import Pricing Procedure. This schema group will be attached to vendor master, so that the corresponding pricing procedure in the purchase order

Schema GrpPOrg	Sch.Grp Vndr	Proc.	Description
	01		Local Pricing Procedure
	02	ZIMP01	Import Pricing Procedure

10.5.2 Determine Schema for Stock transport orders

Create the following entries.

Schema GrpPOrg	Doc. Type	Suppl.Plnt	Proc.	Description
	Z1	1300	ZSTOBF	STO from Bonded Warehouse
	Z1	1400	ZSTOBF	STO from Bonded Warehouse
	Z1	1500	ZSTOBF	STO from Bonded Warehouse
	Z3	1100	ZSTOFD	Stock transfer Factory - Depot
	Z4	1200	ZSTODF	Stock transfer Depot - Factory

The stock transport pricing procedure is picked using the document type of stock transport order.

11 Configuration for Purchase Documents

11.1 Purchase Requisitions

11.1.1 Document Types

The SAP System manages **purchase requisitions** as documents. You can group requisitions into any number of document types.

In this step, you can do the following:

- Create new document types

- Define the item interval

- Define allowed follow-on document types

- Assign document types to a **number range group**

- Define number range interval

- Choose type of **number assignment** (internal or external)
  You maintain the associated **number ranges** in the step **Define Number Ranges** under "Purchasing".

| Transaction Code	SPRO
IMG Menu	*Materials Management □ Purchasing □ Purchase Requisition □ Define Document Types*

A new document type AP has been created for Assets Purchase requisition. This is done to differentiate the other purchase requisitions while fixing the release strategy for asset purchase requisition.

Another document type MB – Manual Purchase Requisition is created for differentiating the Purchase requisitions generated manually from that of MRP generated.

	Type	Doc. Type Descript.	ItmInt.	NoRgeI	NoRge Ext	FieldS	Cont	OvRel	Layout
	AP	Asset Purchase Req	10	04	03	NBB		☐	
	MB	Manual Purchase Req	10	05	02	NBB		☐	

11.1.2 Define Number ranges for Purchase Requisitions

Transaction Code	SPRO
IMG Menu	*Materials Management ☐ Purchasing ☐ Purchase Requisition ☐ Define Number ranges*

Number Ranges for Purchase Requisitions

👤	

👓 Intervals	✏ Status
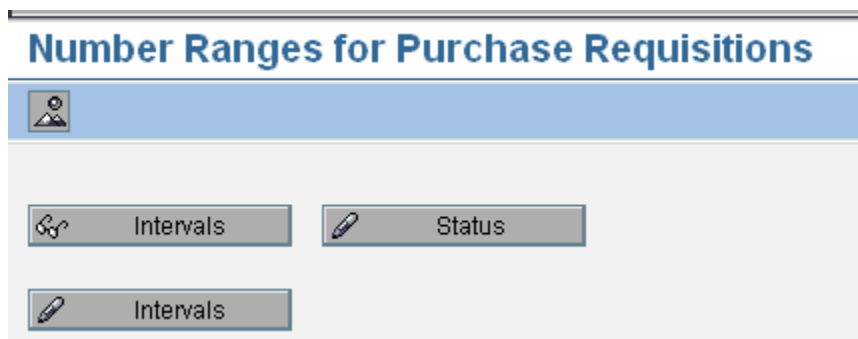
✏ Intervals

Click on create intervals and maintain the number range intervals as follows

Maintain Number Range Intervals

Interval

| NR Object | Purchase requisition |

Intervals

	No.	From number	To number	Current number	Ext	
	01	0010000000	0019999999	10001442	☐	▲
	02	0090000000	0099999999		☑	▼
	03	2000000000	2999999999		☑	
	04	3000000000	3999999999	0	☐	
	05	5000000000	5099999999	0	☐	

11.2 Purchase Orders

11.2.1 Document Types

The SAP System manages **purchase orders** (POs) as documents. You can group POs together to form any number of **document types**.

In this step, you can do the following:

- Create new document types

- Define item interval

- Define allowed follow-on document types

- Assign document types to a **number range group**

- Define a number range interval

- Choose type of **number assignment**:

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o Internal

o External

Transaction Code	SPRO
IMG Menu	*Materials Management ☐ Purchasing ☐ Purchase Order ☐ Define Document Types*

Maintain the Document types for Purchase Orders as follows

Type	Doc. Type Descript.	ItmInt.	NoRgeInt	NoR...	NoR...	Updat...	FieldSel.	Cont...	Sltml
AP	Asset Purchase Order	10	46	41		SAP	NBF		
FO	Framework Order	10	45	41		SAP	FOF		
IP	Import Purchas Order	10	47	41		SAP	NBF1		
LP	Local Purchase Order	10	48	41		SAP	NBF		
RP	Release Order	10	50	41		SAP	NBF		
S1	Service PO - Capital	10	49	41		SAP	NBF		
S2	Service PO - Revenue	10	49	41		SAP	FOF		
Z1	STO Bonded Warehouse	10	55	41		SAP	UBF	T	
Z3	STO Factory - Depot	10	55	41		SAP	UBF	T	
Z4	STO Depot - Factory	10	55	41		SAP	UBF	T	

11.2.2 Maintain Number ranges for Purchase Order Document Types

Transaction Code	SPRO
IMG Menu	*Materials Management ☐ Purchasing ☐ Purchase Order ☐ Define Number ranges*

Number Ranges for Purchasing Documents

Intervals		Status
Intervals		

Click on the maintain interval icon to maintain the number ranges as follows

Maintain Number Range Intervals

Interval

NR Object   Purchasing document

Intervals

No.	From number	To number	Current number	Ext
41	4100000000	4199999999		☑
44	4400000000	4499999999		☑
45	4500000000	4599999999	4500000000	☐
46	4600000000	4699999999	4600000006	☐
47	4700000000	4799999999	4700000082	☐
48	4800000000	4899999999	4800000219	☐
49	4900000000	4999999999	4900000000	☐
50	5000000000	5099999999	0	☐
55	5500000000	5599999999	5500000021	☐
56	5600000000	5699999999		☑
60	6000000000	6099999999	0	☐
61	6100000000	6199999999		☑

12   Release Procedure

12.1 For Purchase Requisition

The aim of this approval procedure is to check the data on the material, quantities, and delivery dates for correctness and to ensure that the right account assignment and source of supply have been specified.

Transaction Code	SPRO
IMG Menu	*Materials Management □ Purchasing □ Purchase Requisition □ Release Procedure*

Create Release Procedure with Classification

12.1.1 1 Create Characteristics

In this step, you create characteristics for a release procedure with classification.

Classification characteristics constitute the criteria for a **release condition**. If the criteria of a release condition are satisfied, the associated release strategy is assigned to the purchase requisition.

Example

Release condition for release strategy BA:

Characteristic	Characteristic value
Total value of requisition	Above $10,000

If the total value of a purchase requisition exceeds $10,000, release strategy BA is assigned to the requisition.

Transaction Code	CT04

Select on Create icon

Maintain the additional data tab as follows

Create another characteristic as follows

Characteristics

Characteristic	ZPRVALUE
Change Number	
Valid From	

Click on create icon

Change Characteristic

Characteristic   ZPRVALUE
Change Number
Valid From   26.11.2007   Validity

Basic data | Descriptions | Values | Addnl data | Restrictions

Basic data

Description   Total Value of Item
Chars Group
Status   Released
Auth.Group

Format

Data Type   Currency Format

Number of Chars   13
Decimal Places   2
Currency   INR

Template   _____.__

Value assignment

○ Single-value
◉ Multiple Values

☑ Interval vals allowed
☐ Negative Vals Allowed
☐ Restrictable

☐ Entry Required

Maintain the additional tab for this characteristic as follows

12.1.2 2 Create Class

Transaction Code	CL04

Create a class as follows

Click on create icon and maintain the entries as follows

Maintain the following entries under the Characteristics tab

12.1.3 3. Setup Release Procedure

Transaction Code	SPRO
IMG Menu	*Materials Management ☐ Purchasing ☐ Purchase Requisition ☐ Release Procedure ☐ Procedure with classifications ☐ Setup Procedure with classification*

In this step, you set up the release procedure with classification. You can also link the release procedure to workflow. (Note that in this context "releasing" means "approving", or giving the "green light" to a document.)

Activities

Here you specify the following:

- Release group

- Release codes

- Release indicators

- Release strategy

a. **Release Group**

Define a release group for your release procedure:

- Specify for the release group either "overall release" or "item-wise release" using the *OverReqRel* (overall requisition release) indicator.

  Note
  You determine whether a purchase requisition can be released in total or item by item via the document type. If, for example, you have defined the former, that is, the overall release, for document type "NB - purchase requisition", a requisition of the document type "NB" cannot be released on an item-wise basis. For this reason, the release group for overall release, for example, only applies to the document types with overall release.
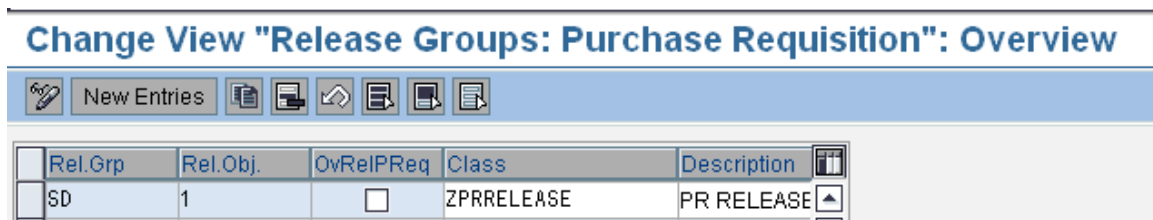
- Assign a class, thus defining **release conditions** for the release procedure.

  Note
  You must assign the same class to all release groups with the same type of release (item-wise or overall).

Change View "Release Groups: Purchase Requisition": Overview

New Entries

Rel.Grp	Rel.Obj.	OvRelPReq	Class	Description
SD	1	☐	ZPRRELEASE	PR RELEASE
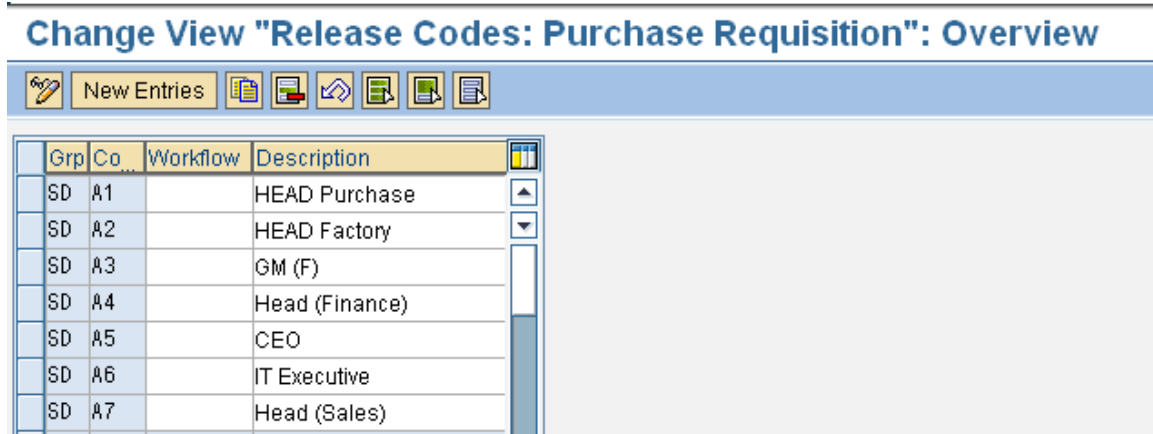
b.   Release Codes

Here you create the **release codes** that you need for your **release strategy** and assign the codes to your release group

Release codes are the people with different levels of authorization to approve different Purchasing documents based on the value, document type etc.

Create the following release codes to map the different personals with different levels of authorization.

Change View "Release Codes: Purchase Requisition": Overview

New Entries

Grp	Co...	Workflow	Description
SD	A1		HEAD Purchase
SD	A2		HEAD Factory
SD	A3		GM (F)
SD	A4		Head (Finance)
SD	A5		CEO
SD	A6		IT Executive
SD	A7		Head (Sales)
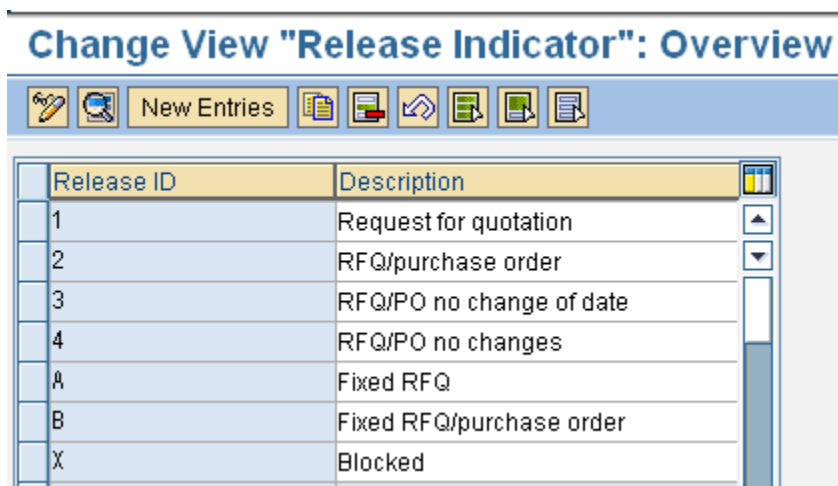
c.   Release Indicators

An indicator showing the release (approval) status of a purchasing document.

When you release (approve) an internal or external purchasing document using your release code, the system assigns a release indicator to the document. The release indicator determines how the document may be processed. For example, it can denote that a requisition can be converted into a purchase order, or that a subsequent release point must first signify approval.

Maintain the following release indicators for Purchase Requisition
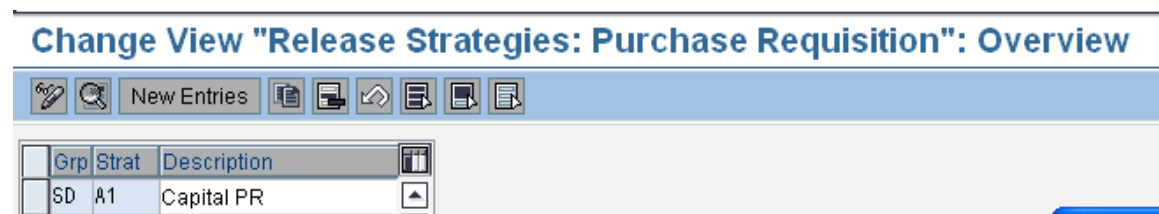
d. Release Strategy

Create a release strategy for your release group and assign your release codes accordingly.

- **Release prerequisites**

    With the **release prerequisites**, you specify the order in which the individual release points (individuals or departments) represented by the release codes may release the document.

Click on the release status and maintain the following entries

Click on the Classification and maintain the following entries

Maintain another release strategy as follows

G.V.SHIVAKKUMAR   venkatesansivakumar@yahoo.co.in

Change View "Release Strategies: Purchase Requisition": Details

New Entries

| Release Group | SD | PR RELEASE CLASS |
| Release Strategy | A2 | Capital PR |

Release codes

A2	HEAD Factory
A4	Head (Finance)
A5	CEO

Release prerequisites   Release statuses   Classification   Release simulation

For Release Status

Release Statuses

A2	A4	A5		R	Release Indicator Description
☐	☐	☐		X	Blocked
☐	☐	☑		2	RFQ/purchase order
☐	☑	☐		2	RFQ/purchase order
☐	☑	☑		2	RFQ/purchase order
☑	☐	☐		2	RFQ/purchase order
☑	☐	☑		2	RFQ/purchase order
☑	☑	☐		2	RFQ/purchase order
☑	☑	☑		2	RFQ/purchase order

Continue   Cancel

For Classification maintain the below entries

12.2 Release Procedure for Purchase Order

12.2.1 Create the following characteristics

1. ZPORELEASE
2. ZPONETVALUE

12.2.2 Create the Release Class ZPORELEASE using CL04.

Maintain the below characteristics in the Characteristics tab

G.V.SHIVAKKUMAR   venkatesansivakumar@yahoo.co.in

Class	ZPORELEASE	
Class type	032	Release Strategy
Change Number		
Valid from	26.11.2007	Validity

	Char.	Description	Data	N	D	Unit	R	Org. Areas	Std	O	I	Origin	P	S	D	I
	ZPODOCUMENTTYPE	Order Type (Purchasing)	CHAR	4	0											
	ZPONETVALUE	Total net order value	CURR	15	2	INR										

12.2.3 Define Release Procedure for Purchase Orders

Transaction Code	SPRO
IMG Menu	*Materials Management □ Purchasing □ Purchase Requisition □ Release Procedure □ Procedure with classifications □ Setup Procedure with classification*

12.2.3.1 Define Release Groups

Change View "Release Groups: External Purchasing Document": Overview

New Entries

	Rel.Grp	Rel.Obj.	Class	Description	
	SC	2	ZPORELEASE	PO RELEASE CLASS	

12.2.3.2 *Define Release Codes*

	Grp	Co	Workflow	Description
	SC	A1		HEAD Purchase
	SC	A2		HEAD Factory
	SC	A3		GM (F)
	SC	A4		Head (Finance)
	SC	A5		CEO
	SC	A6		IT Executive
	SC	A7		Head (Sales)

12.2.3.3 *Define Release Indicators*

G.V.SHIVAKKUMAR   venkatesansivakumar@yahoo.co.in

	Release ID	Released	Chgable	% Value Change	Description
	1	☐	4		BLOCKED
	2	☑	4	10.0	RELEASED FOR PRINTOUT

12.2.3.4 *Define Release Strategy*

Under this node, create the following release strategies based on the different document type for purchases like local / imported, and the value of purchase.

12.2.3.4.1 Release Strategy 1 for local PO with low value

Release Group	SC	PO RELEASE CLASS
Release Strategy	01	Local PO Release

Release codes
A1	HEAD Purchase
A3	GM (F)

[Release prerequisites] [Release statuses] [Classification] [Release simulation]

Maintain the below entries for Classification tab

G.V.SHIVAKKUMAR   venkatesansivakumar@yahoo.co.in

12.2.3.4.2 Release Strategy 2 for Local PO with High value

Maintain the below entries for Classification tab

12.2.3.4.3 *Release Strategy 3 for Import PO with small value*

Change View "Release Strategies: External Purchasing Documents":

New Entries

Release Group	SC PO RELEASE CLASS
Release Strategy	03 Import PO release

Release codes

A3	GM (F)

Release prerequisites | Release statuses | Classification | Release simulation

Maintain the below entries for Classification

Change View "Release Strategies: Classification
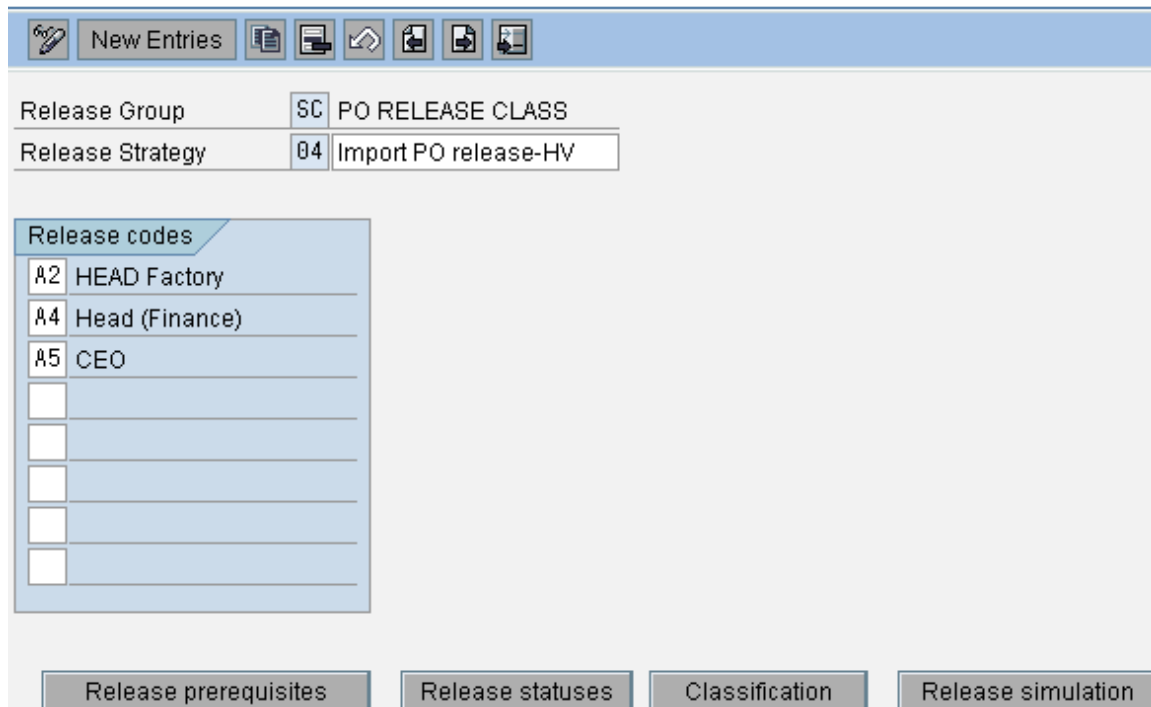
Object

Release group	SC	Rel. Strategy	03	Import PO release
Class Type	032			Release Strategy

Values for Class ZPORELEASE - Object SC 03

General

Characteristic Descripti	Value
Order Type (Purchasing)	IP
Total net order value	<= 2750000.00 INR

12.2.3.4.4 Release Strategy 4 for Import PO with high value

Maintain the below entries for Classification Tab

Change View "Release Strategies: Classification

Object

Release group	SC	Rel. Strategy	04 Import PO release-HV
Class Type	032		Release Strategy

Values for Class ZPORELEASE - Object SC 04

General

Characteristic Descripti...	Value
Order Type (Purchasing)	IP
Total net order value	> 2700000.00 INR

12.2.3.4.5 Release strategy for Service PO for low value revenues

Release Group	SC	PO RELEASE CLASS
Release Strategy	05	Service PO - Revenue

Release codes

A3	GM (F)
A1	HEAD Purchase

Release prerequisites	Release statuses	Classification	Release simulation

Under classification maintain the below entries
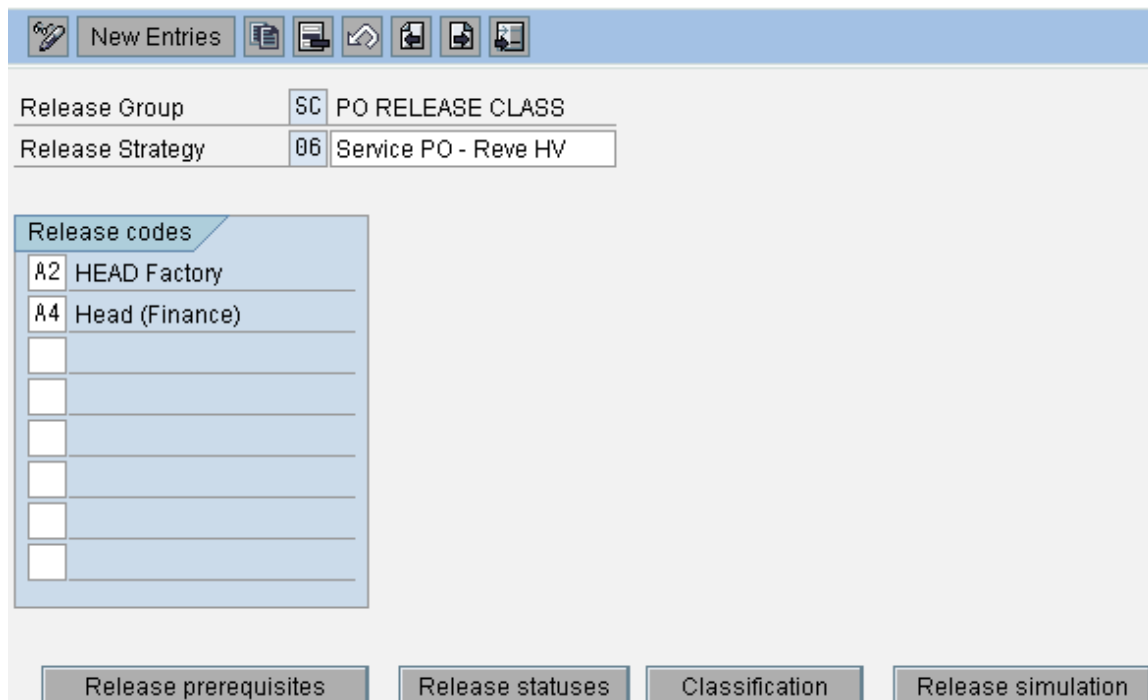
Object				
Release group	SC	Rel. Strategy	05	Service PO - Revenue
Class Type	032		Release Strategy	

Values for Class ZPORELEASE - Object SC 05

General

Characteristic Descripti...	Value
Order Type (Purchasing)	S2
Total net order value	<= 50000.00 INR

12.2.3.4.6 Release strategy for Service PO for high value revenues
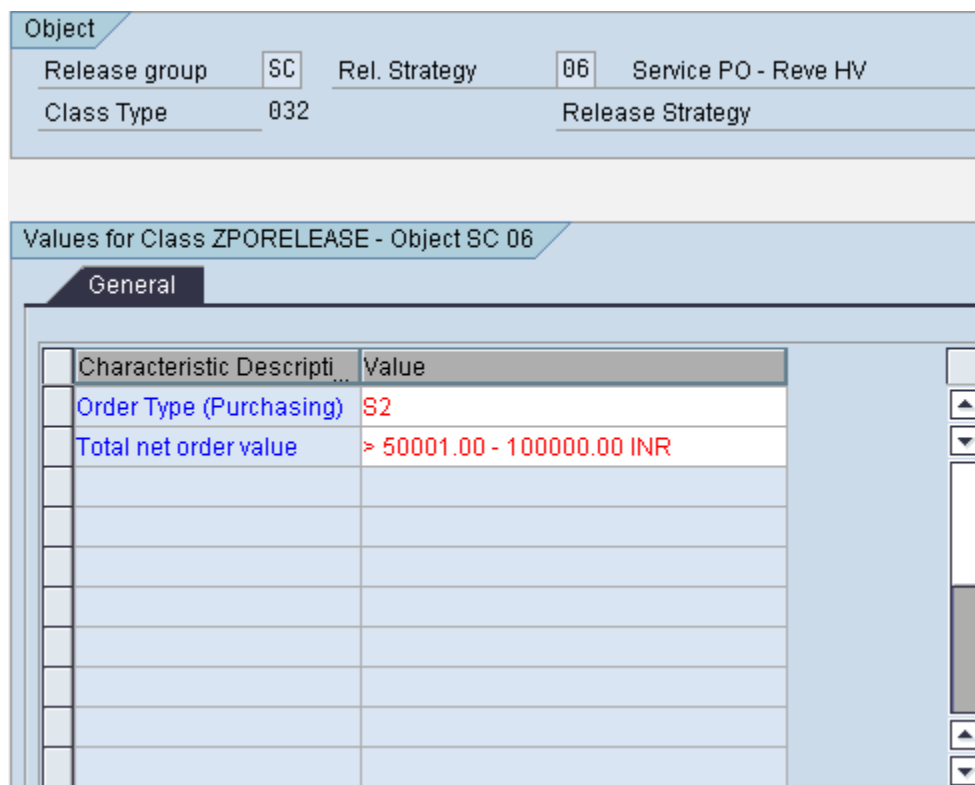
Release Group	SC	PO RELEASE CLASS			
Release Strategy	06	Service PO - Reve HV			

Release codes

A2	HEAD Factory
A4	Head (Finance)

Release prerequisites   Release statuses   Classification   Release simulation

Under classification maintain the below entries

Object

Release group	SC	Rel. Strategy	06	Service PO - Reve HV
Class Type	032		Release Strategy	

Values for Class ZPORELEASE - Object SC 06

General

Characteristic Descripti_	Value
Order Type (Purchasing)	S2
Total net order value	> 50001.00 - 100000.00 INR

12.2.3.4.7 Release strategy for Service PO for very high value.

Under classification maintain the below entries

Object				
Release group	SC	Rel. Strategy	07	Service PO - Reve HV
Class Type	032			Release Strategy

Values for Class ZPORELEASE - Object SC 07

General

Characteristic Descripti...	Value
Order Type (Purchasing)	S2
Total net order value	> 100000.00 INR

13   Defining Vendor Account Groups

In this step you determine the account groups for vendors.

You can also define reference account groups for one-time accounts. These enable you to control the fields in the one-time account screen. You can, for example, make certain fields required fields and suppress others.

When creating a vendor account, an account group must be specified. You can enter a reference account group in the "General data" section of the one-time account master record under "Control data". If you do not specify a reference account group, all fields in the one-time account screen for document entry are ready for input (as before).

Via the account group you determine

- The interval for the account numbers

- Whether the number is assigned internally by the system or externally by the user (type of number assignment)

- Whether it is a one-time account

- Which fields are ready for input or must be filled when creating and changing master records (field status)

Transaction Code	SPRO
IMG Menu	*Financial Accounting ☐ Accounts Receivable and accounts payable ☐ Vendor Accounts ☐ Master Records ☐ Preparations for creating Vendor Master Records ☐ Define Account Groups with screen layout*

Create the following entries for India.
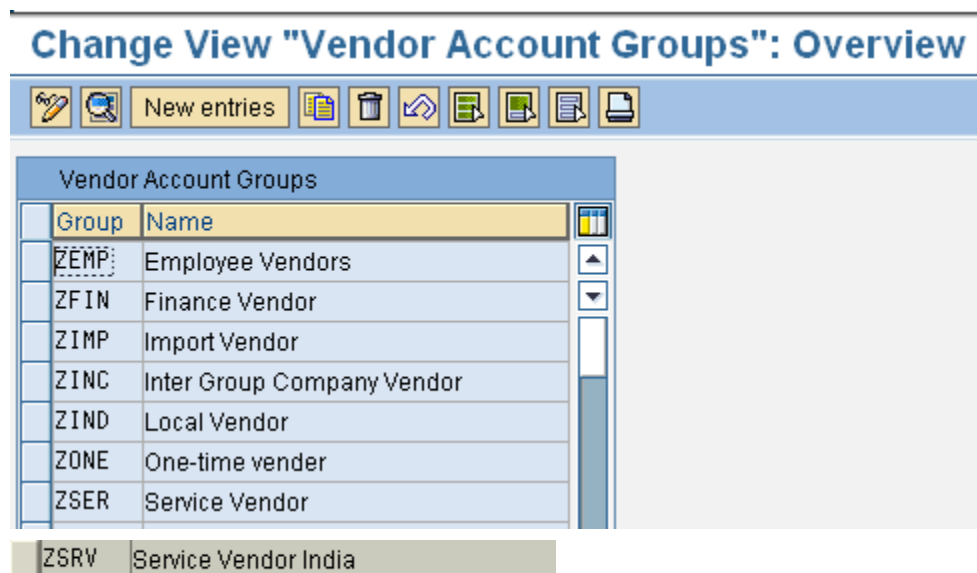
13.1   Assigning Number Ranges to Vendor Account Groups

In this step you allocate the number ranges you created in the preceding step to the account groups for vendors. You can use one number range for several account groups.

Transaction Code	SPRO
IMG Menu	*Financial Accounting ☐ Accounts Receivable and accounts payable ☐ Vendor Accounts ☐ Master Records ☐ Preparations for creating Vendor Master Records ☐ Assign number ranges to vendor account groups*

Create the following entries for India.

Change View "Assign Vendor Account Groups->Number Range":

Group	Name	Number range
ZEMP	Employee Vendors	XX
ZFIN	Finance Vendor	05
ZIMP	Import Vendor	02
ZINC	Inter Group Company Vendor	03
ZIND	Local Vendor	01
ZONE	One-time vender	06
ZSER	Service Vendor	04
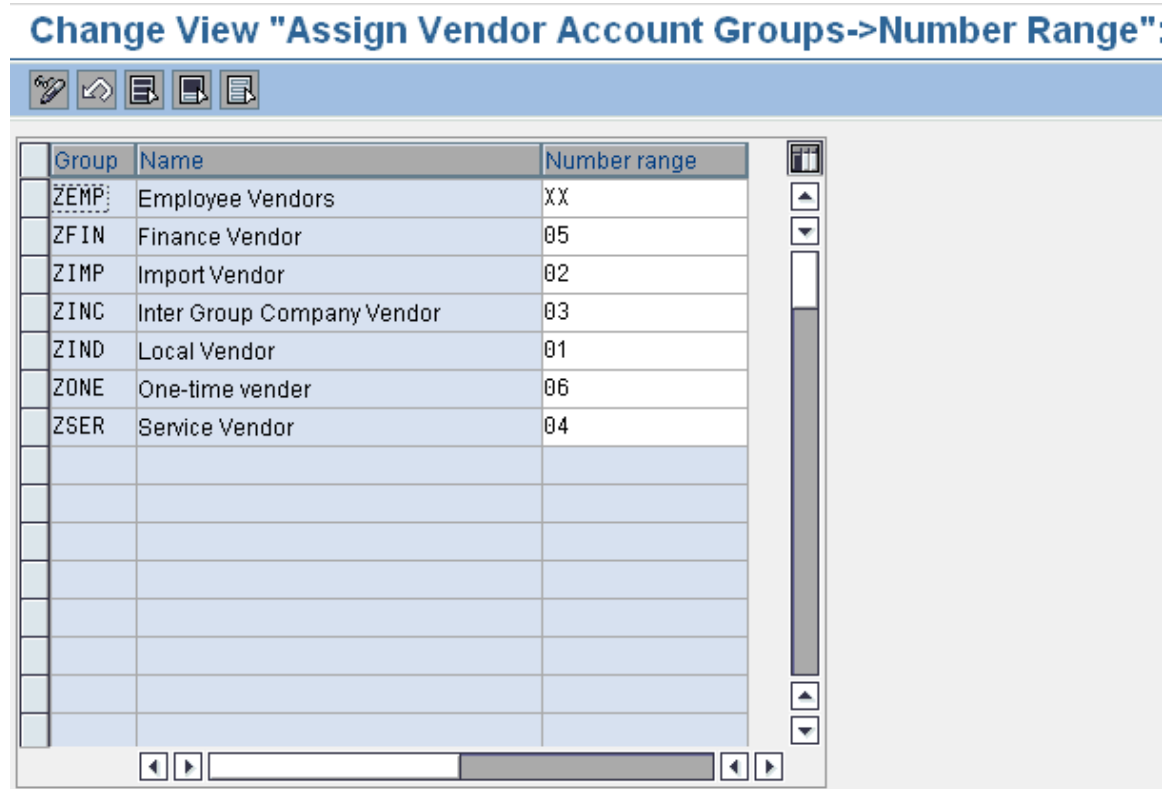
13.2 Payment Terms

In this step, you define the terms of payment. Specifically, you define

- Cash discount percentages

- Periods allowed for payment (discount-qualifying periods)

You store these terms of payment under an alphanumeric key.

Transaction Code	SPRO
IMG Menu	*Materials Management □ Purchasing □ Vendor Master□ Define Terms of Payment*

Create the below payment terms as shown

Change View "Terms of Payment": Details

New Entries

Payt Terms	Z000	Sales text	
Day limit	0	Own explanation	Immediate Payment

Account type
- ☐ Customer
- ☑ Vendor

Baseline date calculation
- Fixed day
- Additional months

Pmnt block/pmnt method default
- Block key ☐
- Payment Method ☐

Default for baseline date
- ○ No default
- ● Document date
- ○ Posting date
- ○ Entry date

Payment terms
- ☐ Installment payment
- ☐ Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	%				
2.	%				
3.					

Explanations

Immediate Payment	

Change View "Terms of Payment": Details

New Entries

Payt Terms	Z001	Sales text	
Day limit	0	Own explanation	Advance Payment

Account type
- ☐ Customer
- ☑ Vendor

Baseline date calculation
Fixed day	
Additional months	

Pmnt block/pmnt method default
Block key		☐
Payment Method		☐

Default for baseline date
- ○ No default
- ○ Posting date
- ◉ Document date
- ○ Entry date

Payment terms
- ☐ Installment payment
- ☐ Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	%				
2.	%				
3.					

Explanations
Advance Payment	

Change View "Terms of Payment": Details

New Entries

Payt Terms	Z015	Sales text	
Day limit	0	Own explanation	15 Days Credit

Account type
- ☐ Customer
- ☑ Vendor

Baseline date calculation
- Fixed day [ ]
- Additional months [ ]

Pmnt block/pmnt method default
- Block key [ ] ☐
- Payment Method [ ] ☐

Default for baseline date
- ○ No default   ○ Posting date
- ◉ Document date   ○ Entry date

Payment terms
☐ Installment payment   ☐ Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	[ ] %	15		[ ]	[ ]
2.	[ ] %	[ ]		[ ]	[ ]
3.		[ ]		[ ]	[ ]

Explanations

15 Days Credit	

New Entries							

Payt Terms	Z030	Sales text	
Day limit	0	Own explanation	30 Days Credit

Account type
- [ ] Customer
- [✓] Vendor

Baseline date calculation
- Fixed day
- Additional months

Pmnt block/pmnt method default
- Block key [ ]
- Payment Method [ ]

Default for baseline date
- ◯ No default
- ◉ Document date
- ◯ Posting date
- ◯ Entry date

Payment terms
- [ ] Installment payment
- [ ] Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	%	30			
2.	%				
3.					

Explanations

30 Days Credit	

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Change View "Terms of Payment": Details

New Entries

Payt Terms	Z045	Sales text	
Day limit	0	Own explanation	45 Days Credit

Account type
- ☐ Customer
- ☑ Vendor

Baseline date calculation
- Fixed day
- Additional months

Pmnt block/pmnt method default
- Block key ☐
- Payment Method ☐

Default for baseline date
- ○ No default   ○ Posting date
- ⦿ Document date   ○ Entry date

Payment terms
- ☐ Installment payment   ☐ Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	%	45			
2.	%				
3.					

Explanations

45 Days Credit	

Change View "Terms of Payment": Details

New Entries

Payt Terms	Z060	Sales text	
Day limit	0	Own explanation	60 Days Credit

Account type
- [ ] Customer
- [x] Vendor

Baseline date calculation
- Fixed day
- Additional months

Pmnt block/pmnt method default
- Block key
- Payment Method

Default for baseline date
- ○ No default
- ● Document date
- ○ Posting date
- ○ Entry date

Payment terms
- [ ] Installment payment
- [ ] Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	%	60			
2.	%				
3.					

Explanations

60 Days Credit	

Change View "Terms of Payment": Details

New Entries

| Payt Terms | Z075 | Sales text | |
| Day limit | 0 | Own explanation | 75 Days Credit |

Account type
- [ ] Customer
- [x] Vendor

Baseline date calculation
- Fixed day
- Additional months

Pmnt block/pmnt method default
- Block key
- Payment Method

Default for baseline date
- ( ) No default   ( ) Posting date
- (•) Document date   ( ) Entry date

Payment terms
- [ ] Installment payment   [ ] Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	%	75			
2.	%				
3.					

Explanations

| 75 Days Credit | |
| | |

Change View "Terms of Payment": Details

New Entries

Payt Terms	Z090	Sales text	
Day limit	0	Own explanation	90 Days Credit

Account type
- ☐ Customer
- ☑ Vendor

Baseline date calculation
- Fixed day
- Additional months

Pmnt block/pmnt method default
- Block key ☐
- Payment Method ☐

Default for baseline date
- ○ No default
- ◉ Document date
- ○ Posting date
- ○ Entry date

Payment terms
- ☐ Installment payment
- ☐ Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	%	90			
2.	%				
3.					

Explanations

90 Days Credit	

14   Stock Transport Order settings

Stock transport Order functions like a purchase order for stock transfer of materials between two plants of the same company code as well as different company codes.

Transaction Code	
IMG Menu	*Materials Management ☐ Purchasing ☐ Purchase Order ☐ Set Up Stock Transport Order*

14.1 Define Shipping data for Plants

In this step, you maintain the shipping data for plants for stock transfer processing.

Here you maintain the customer number of the receiving plant. This customer number is used in SD shipping processing to identify the goods recipient (ship-to party) if provision has been made in Customizing for a stock transfer to be carried out with an SD delivery (see **Assign Delivery Type and Checking Rule**).

You can also define the following for the supplying plant:

- Sales organization

- Distribution channel

- Division

14.1.1 For Plant 1100

14.1.2 For Plant 1200

Plant	1200	███████

Detailed information

Customer no. - plant	P1200	████████████████
		Mysore
SlsOrg.Int.B.	1300	██████rs
DistChannellB	10	Domestic Direct
Div.Int.Billing	99	Miscellaneous

Language for stock transport order texts

Language Key	EN	English

14.1.3 For Plant 1300
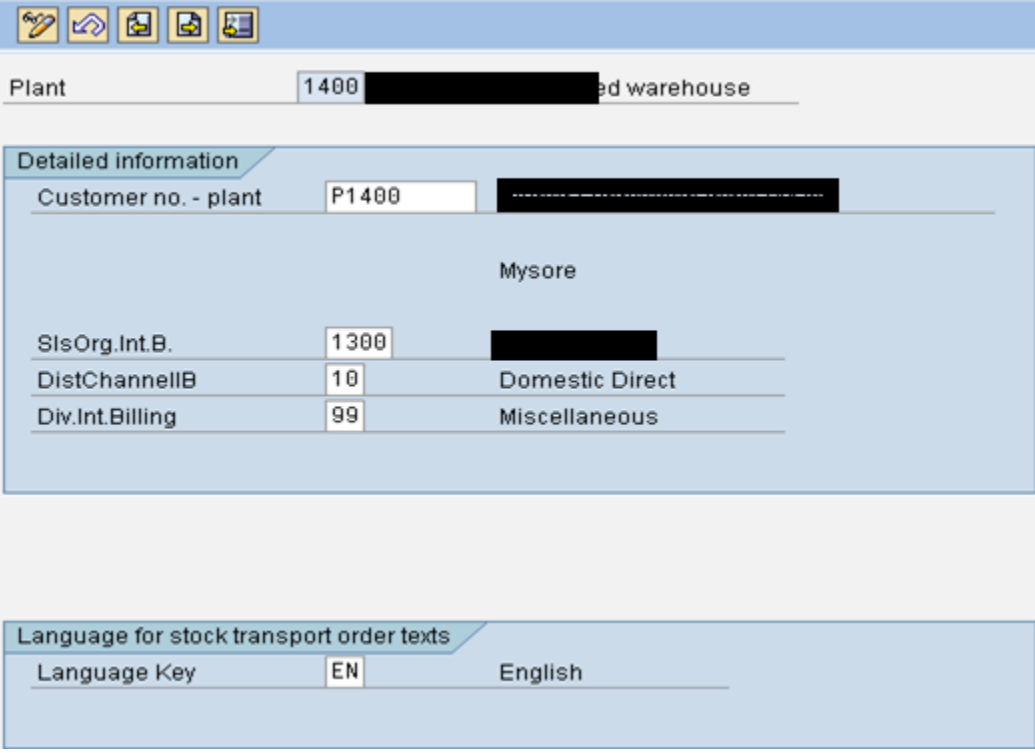
14.1.4 For Plant 1400

Plant 1400 .... ed warehouse

Detailed information

Customer no. - plant P1400 ---------------------------------

Mysore

SlsOrg.Int.B. 1300

DistChannellB 10 Domestic Direct

Div.Int.Billing 99 Miscellaneous

Language for stock transport order texts

Language Key EN English

14.1.5 For Plant 1500

Plant 1500

Detailed information

Customer no. - plant P1500

Bangalore

SlsOrg.Int.B. 1300

DistChannellB 10 Domestic Direct

Div.Int.Billing 99 Miscellaneous

Language for stock transport order texts

Language Key EN English

14.2 Assign Delivery Type and Checking Rule

In this step, you specify whether an SD delivery is to be created in the case of a PO with a certain combination of supplying plant and document type. You can also specify which delivery type is to be used.

Maintain the following entries in this configuration node.

Change View "Stock Transfer Data": Overview

Ty.	DT Dscr.	SPl	Name 1	DlTy.	Description	CRl	Description of	S..	R..	Del..
Z1	STO Bonded Warehouse	1300	Chennai	NL	Replenishment	B	SD delivery	☐	☐	
Z1	STO Bonded Warehouse	1400	ysore E	NL	Replenishment	B	SD delivery	☐	☐	
Z1	STO Bonded Warehouse	1500	Bangalo	NL	Replenishment	B	SD delivery	☐	☐	
Z3	STO Factory - Depot	1100	Factory	NL	Replenishment	B	SD delivery	☐	☐	
Z4	STO Depot - Factory	1200	Depot	NL	Replenishment	B	SD delivery	☐	☐	

14.3 Assign Document type, One-step Procedure

In this step, you define which document type is to be used for a certain combination of supplying plant and receiving plant.

- If the supplying and receiving plants belong to the same company code, choose the document type 'UB' or a comparable document type of your own. A physical stock transfer is then carried out without a billing document.

If the supplying and receiving plants belong to different company codes, choose the document type 'NB' or a comparable document type of your own. A physical stock transfer is then carried out with delivery and billing document.

Depending on the supplying and issuing plants, you can also specify whether or not the stock transfer is to be executed according to the one-step procedure. With the one-step-procedure, the goods receipt in the receiving plant is posted at the same time as the goods issue in the issuing plant.

15   Valuation and Account Assignment

In this section, you make the system settings required for the following areas:

- Material valuation

- Link between Materials Management and Financial Accounting

Requirements

You must have processed the defaults for the **material types** before you can make your configurations for "Valuation and Account Determination

Account Determination Process in Materials Management

In this section, you make the configurations relevant to transactions in **Inventory Management** (for example, **goods movements**) and in **Invoice Verification** (for example, **invoice receipt** for automatic postings to G/L accounts in Financial Accounting and Cost Accounting).

15.1 Define Valuation Control

Transaction Code	
IMG Menu	*Materials Management ☐ Valuation and account assignment ☐ Account Determination ☐ Account determination without wizard ☐ Define Valuation Control*

The valuation area can be either the Plant or the Company code. SAP recommends having Plant as valuation area.

Here we just activate the valuation control.

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Valuation Control

Valuation grouping code
● Valuation grouping code active
○ Valuation grouping code not active

15.2 Group Together Valuation areas

In this step, you assign **valuation areas** to a valuation grouping code.

The valuation grouping code makes it easier to set automatic **account determination**. Within the **chart of accounts**, you assign the same valuation grouping code to the valuation areas you want to assign to the same account.

Valuation grouping codes either reflect a fine distinction within a chart of accounts or they correspond to a chart of accounts.

Within a chart of accounts, you can use the valuation grouping code

- to define individual account determination for certain valuation areas (**company codes** or **plants**)
  Example

- to define common account determination for several valuation areas (company codes or plants)
  Example

Transaction Code	
IMG Menu	*Materials Management ☐ Valuation and account assignment ☐ Account Determination ☐ Account determination without wizard ☐ Group together valuation areas*

Maintain the entries as below

Val. Area	CoCode	Company Name	Chrt/Accts	Val.Grpg Code
1000	1000	███ India Pvt Ltd	1000	0001
1100	1000	███ ndia Pvt Ltd	1000	0001
1200	1000	███ India Pvt Ltd	1000	0001
1300	1000	███ India Pvt Ltd	1000	0001
1400	1000	███ India Pvt Ltd	1000	0001
1500	1000	███ ndia Pvt Ltd	1000	0001

valuation area

Valuation area is an organizational unit in Logistics subdividing an enterprise for the purpose of uniform and complete valuation of material stocks.

15.3 Define Valuation Classes

In this step, you define which **valuation classes** are allowed for a **material type**.

If a user creates a material, he must enter the material's valuation class in the accounting data. The ERP system uses your default settings to check whether the valuation class is allowed for the material type.

The valuation class is a group of materials with the same **account determination**. If a transaction is to be posted to different accounts depending on the valuation class, create an account determination for each valuation class in the step **Create automatic postings**.

The valuation classes allowed depend on the material type. Several valuation classes are generally allowed for one material type. A valuation class can also be allowed for several material types.

The link between the valuation classes and the material types is set up via the account category reference.

The account category reference is a combination of valuation classes. Precisely one account category reference is assigned to a material type.

Transaction Code	
IMG Menu	*Materials Management □ Valuation and account assignment □ Account Determination □ Account determination without wizard □ Group valuation classes*

15.3.1 Account Category Reference

Maintain the below account category reference

	ARef	Description
	0001	Reference for raw materials
	0002	Ref. for operating supplies
	0003	Reference for spare parts
	0004	Reference for packaging
	0005	Reference for trading goods
	0006	Reference for services
	0007	Ref. for nonvaluated material
	0008	Ref. for semifinished products
	0009	Ref. for finished products
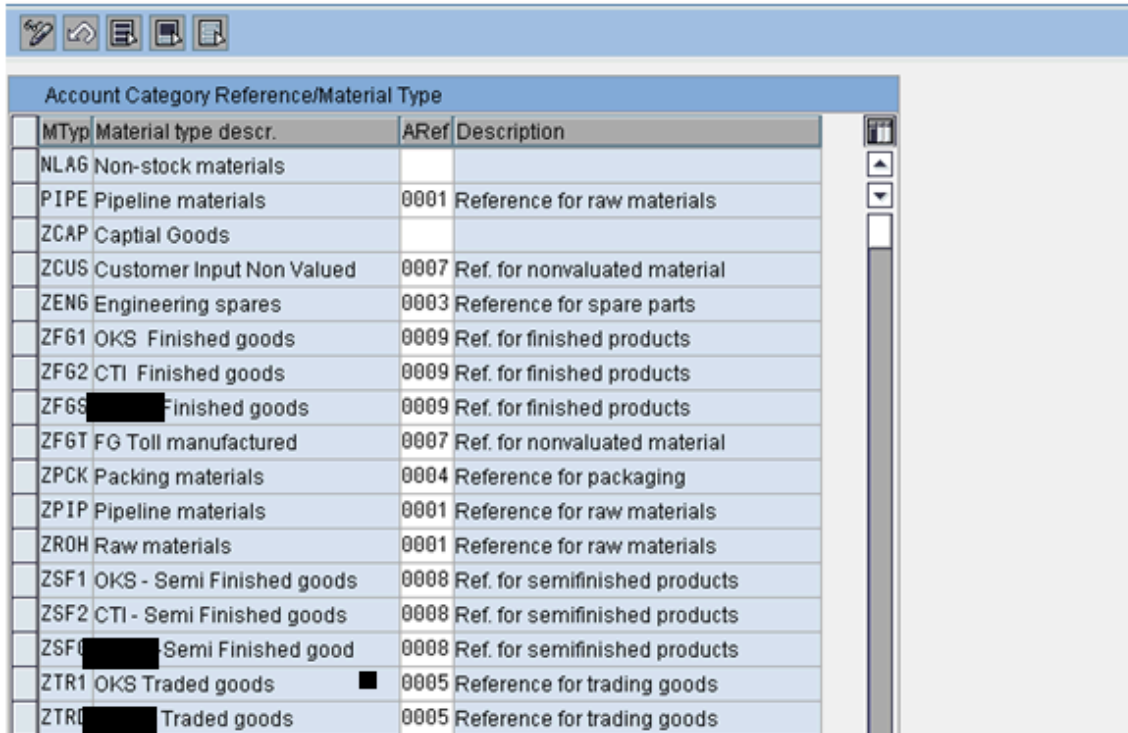
15.3.2   Maintain the Valuation classes

Change View "Valuation Classes": Overview

New Entries

ValCl	ARef	Description	Description
0710	0001	Equipment 1	Reference for raw materials
0720	0001	Equipment 2	Reference for raw materials
1210	0002	Spec.complex fixed assets	Ref. for operating supplies
3000	0001	Raw materials Local	Reference for raw materials
3001	0001	Raw materials Import	Reference for raw materials
3002	0001	Raw materials Base Oil	Reference for raw materials
3030	0002	Operating supplies	Ref. for operating supplies
3031	0002	Operating supplies 2	Ref. for operating supplies
3040	0003	Spare parts	Reference for spare parts
3050	0004	Packaging materials	Reference for packaging
3100	0005	Trading goods	Reference for trading goods
3200	0006	Services	Reference for services
3300	0007	Customer Non Val material	Ref. for nonvaluated material
7900	0008	Semifinished products	Ref. for semifinished products
7920	0009	Finished products	Ref. for finished products

15.3.3 Maintain the link between Account category reference and material type

Maintain the below entries

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Change View "Account Category Reference/Material Type": Overview

Account Category Reference/Material Type

MTyp	Material type descr.	ARef	Description
NLAG	Non-stock materials		
PIPE	Pipeline materials	0001	Reference for raw materials
ZCAP	Captial Goods		
ZCUS	Customer Input Non Valued	0007	Ref. for nonvaluated material
ZENG	Engineering spares	0003	Reference for spare parts
ZFG1	OKS Finished goods	0009	Ref. for finished products
ZFG2	CTI Finished goods	0009	Ref. for finished products
ZFGS	████ Finished goods	0009	Ref. for finished products
ZFGT	FG Toll manufactured	0007	Ref. for nonvaluated material
ZPCK	Packing materials	0004	Reference for packaging
ZPIP	Pipeline materials	0001	Reference for raw materials
ZROH	Raw materials	0001	Reference for raw materials
ZSF1	OKS - Semi Finished goods	0008	Ref. for semifinished products
ZSF2	CTI - Semi Finished goods	0008	Ref. for semifinished products
ZSF█	████-Semi Finished good	0008	Ref. for semifinished products
ZTR1	OKS Traded goods	0005	Reference for trading goods
ZTR█	████ Traded goods	0005	Reference for trading goods

15.4   Configure automatic Postings

Postings are made to G/L accounts automatically in the case of Invoice Verification and Inventory Management transactions relevant to Financial and Cost Accounting.

How does the system find the relevant accounts?

When entering the goods movement, the user does not have to enter a G/L account, since the ERP system automatically finds the accounts to which postings are to be made using the following data:

- **Chart of accounts of the company code**

  If the user enters a company code or a plant when entering a transaction, the ERP system determines the chart of accounts which is valid for the company code.
  You must define the automatic account determination individually for each chart of accounts.

- **Valuation grouping code of the valuation area**

If the automatic account determination within a chart of accounts is to run differently for certain company codes or plants (valuation areas), assign different valuation grouping codes to these valuation areas.

You must define the automatic account determination individually for every valuation grouping code within a chart of accounts. It applies to all valuation areas which are assigned to this valuation grouping code.

If the user enters a company code or a plant when entering a transaction, the system determines the valuation area and the valuation grouping code.

- **Transaction/event key (internal processing key)**

Posting transactions are predefined for those inventory management and invoice verification transactions relevant to accounting. Posting records, which are generalized in the value string, are assigned to each relevant movement type in inventory management and each transaction in invoice verification. These contain keys for the relevant posting transaction (for example, inventory posting and consumption posting) instead of actual G/L account numbers.

You do not have to define these transaction keys, they are determined automatically from the transaction (invoice verification) or the movement type (inventory management). All you have to do is assign the relevant G/L account to each posting transaction.

- **Account grouping** (only for offsetting entries, consignment liabilities, and price differences)

Since the posting transaction "Offsetting entry for inventory posting" is used for different transactions (for example, goods issue, scrapping, physical inventory), which are assigned to different accounts (for example, consumption account, scrapping, expense/income from inventory differences), it is necessary to divide the posting transaction according to a further key: account grouping code.

An account grouping is assigned to each movement type in inventory management which uses the posting transaction "Offsetting entry for inventory posting".

Under the posting transaction "Offsetting entry for inventory posting", you must assign G/L accounts for every account grouping, that is, assign G/L accounts.

If you wish to post price differences to different price difference accounts in the case of goods receipts for purchase orders, goods receipts for orders, or other movements, you can define different account grouping codes for the transaction key.

Using the account grouping, you can also have different accounts for consignment liabilities and pipeline liabilities.

- **Valuation class of material or (in case of split valuation) the valuation type**

The valuation class allows you to define automatic account determination that is dependent on the material. for example: you post a goods receipt of a raw material to a different stock account than if the goods receipt were for trading goods, even though the user enters the same transaction for both materials.

You can achieve this by assigning different valuation classes to the materials and by assigning different G/L accounts to the posting transaction for every valuation class.

If you do not want to differentiate according to valuation classes you do not have to maintain a valuation class for a transaction

Transaction Code	
IMG Menu	*Materials Management ☐ Valuation and account assignment ☐ Account Determination ☐ Account determination without wizard ☐ Configure automatic postings*

Maintain FI Configuration: Automatic Posting - Procedures

Group   RMK   Materials Management postings (MM)

Procedures

Description	Transaction	Account determ.
Rev.from agency bus.	AG1	☑
Sales fr.agency bus.	AG2	☑
Exp.from agency bus.	AG3	☑
Expense/revenue from consign.mat.consum.	AKO	☑
Expense/revenue from stock transfer	AUM	☑
Subsequent settlement of provisions	BO1	☑
Subsequent settlement of revenues	BO2	☑
Provision differences	BO3	☑
Inventory posting	BSD	☑
Change in stock account	BSV	☑
Inventory posting	BSX	☑
Revaluation of other consumables	COC	☑
Del credere	DEL	☑
Materials management small differences	DIF	☑
Purchase account	EIN	☑
Purchase offsetting account	EKG	☑
Excise duty paid	EXP	☑
Freight clearing	FR1	☑
Freight provisions	FR2	☑
Customs clearing	FR3	☑
Customs provisions	FR4	☑

15.4.1 Maintain the G/L accounts for individual Transaction event key as follows

For Transaction Key BSV

Chart of Accounts	1000	...dia Chart of Account
Transaction	BSV	Change in stock account

Account assignment

Valuation c...	Account
7900	41001104
7920	41001101

For Transaction Key BSX

Chart of Accounts	1000	...dia Chart of Account
Transaction	BSX	Inventory posting

Account assignment

Valuation c...	Account
3000	14006101
3001	14006102
3002	14006103
3040	14006141
3050	14006131
3100	14006122
3300	14006104
7900	14006111
7920	14006121

For Transaction Key FR1

Chart of Accounts	1000	India Chart of Account
Transaction	FR1	Freight clearing

Account assignment

Account
51003102

For Transaction Key FR3

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Chart of Accounts	1000	▮▮▮▮ndia Chart of Account
Transaction	FR3	Customs clearing

Account assignment

Account
51003104

For Transaction Key FR5

Chart of Accounts	1000	▮▮▮▮ndia Chart of Account
Transaction	FR5	CVD clearing

Account assignment

Account
51003105

For Transaction Key FR6

Chart of Accounts	1000	▮▮▮▮ndia Chart of Account
Transaction	FR6	Clearing and forward

Account assignment

Account
41001163

For Transaction Key FR7

Chart of Accounts	1000	India Chart of Account
Transaction	FR7	Cenvat Clearing

Account assignment

Account
51003103

For Transaction Key GBB

Chart of Accounts	1000	India Chart of Account
Transaction	GBB	Offsetting entry for inventory posting

Account assignment

INV	3040	51001102	51001102
INV	3050	51001102	51001102
INV	3100	51001102	51001102
INV	7900	51001102	51001102
INV	7920	51001102	51001102
VAX	3000	41001113	41001113
VAX	3001	41001113	41001113
VAX	3002	41001113	41001113
VAX	3100	41001112	41001112
VAX	3300	41001114	41001114
VAX	7920	41001111	41001111
VAY	3000	41001113	41001113
VAY	3001	41001113	41001113
VAY	3002	41001113	41001113
VAY	3100	41001112	41001112
VAY	3300	41001114	41001114
VAY	7920	41001111	41001111
VBR	3000	41001121	41001121

VBR	3001	41001122	41001122
VBR	3002	41001121	41001121
VBR	3040	41001131	41001131
VBR	3050	41001126	41001126
VBR	3100	41001123	41001123
VBR	3300	41001127	41001127
VBR	7900	41001124	41001124
VBR	7920	41001125	41001125
VKA	3000		41001113
VKA	3001		41001113
VKA	3002		41001113
VKA	3100		41001112
VKA	7920		41001111
VNG	3000	41001142	41001142
VNG	3001	41001142	41001142
VNG	3002	41001142	41001142
VNG	3040	41001142	41001142
VNG	3050	41001142	41001142

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VNG	3100	41001142	41001142
VNG	7900	41001142	41001142
VNG	7920	41001142	41001142
VQP	3000	41001165	41001165
VQP	3001	41001165	41001165
VQP	3002	41001165	41001165
VQP	3040	41001165	41001165
VQP	3050	41001165	41001165
VQP	3100	41001165	41001165
VQP	7900	41001165	41001165
VQP	7920	41001165	41001165
VQY	3000	41001165	41001165
VQY	3001	41001165	41001165
VQY	3002	41001165	41001165
VQY	3040	41001165	41001165
VQY	3050	41001165	41001165
VQY	3100	41001165	41001165
VQY	7900	41001165	41001165

VQY	7920	41001165	41001165
ZOB	3000	41006263	31003112

For Transaction Key INS

Chart of Accounts	1000		India Chart of Account
Transaction	INS		Insurance

Account assignment

Account
51003107

For Transaction Key KDM

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Chart of Accounts	1000	ndia Chart of Account
Transaction	KDM	Materials management exch.rate diffs

Account assignment

Debit	Credit
41006267	31003115

For Transaction Key PRD

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Chart of Accounts	1000	India Chart of Account
Transaction	PRD	Cost (price) differences

Account assignment

General m...	Valuation c...	Account
	3000	41001151
	3001	41001151
	3002	41001151
	3040	41001154
	3050	41001151
	3100	41001153
	7900	41001155
	7920	41001152
PRA	3000	41001151
PRA	3001	41001151
PRA	3002	41001151
PRA	3040	41001154
PRA	3050	41001151
PRA	3100	41001153
PRA	7900	41001155
PRA	7920	41001152
PRF	3000	41001151
PRF	3001	41001151

PRF	3002	41001151
PRF	3040	41001154
PRF	3050	41001151
PRF	3100	41001153
PRF	7900	41001155
PRF	7920	41001152

For Transaction Key WRX

Chart of Accounts	1000	India Chart of Account
Transaction	WRX	GR/IR clearing account

Account assignment

Account
51003101

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Local PO
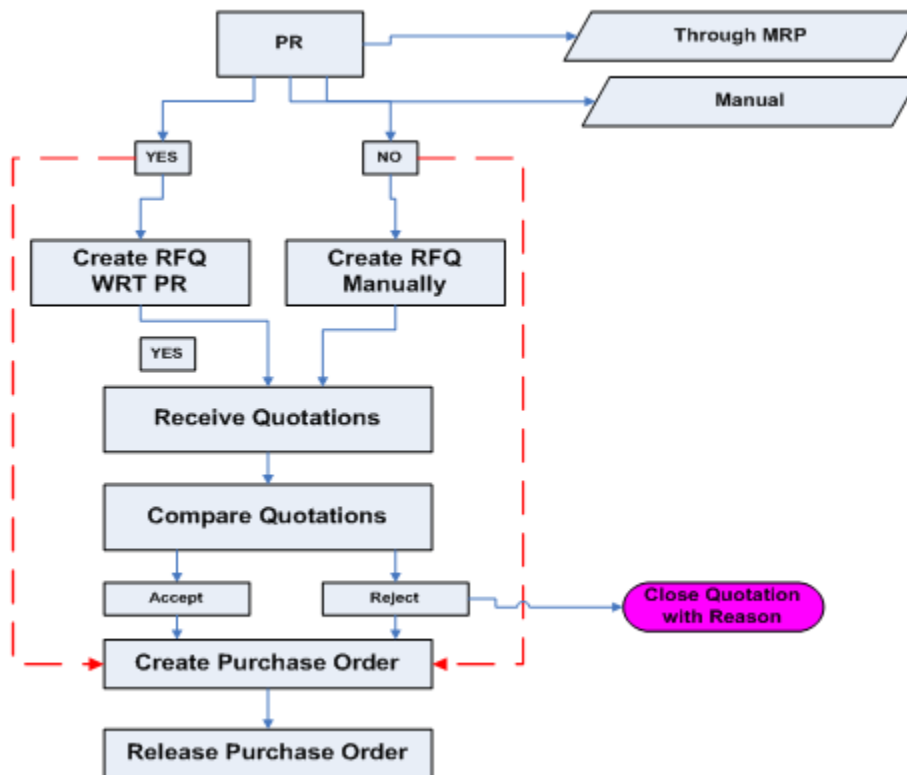
Import PO
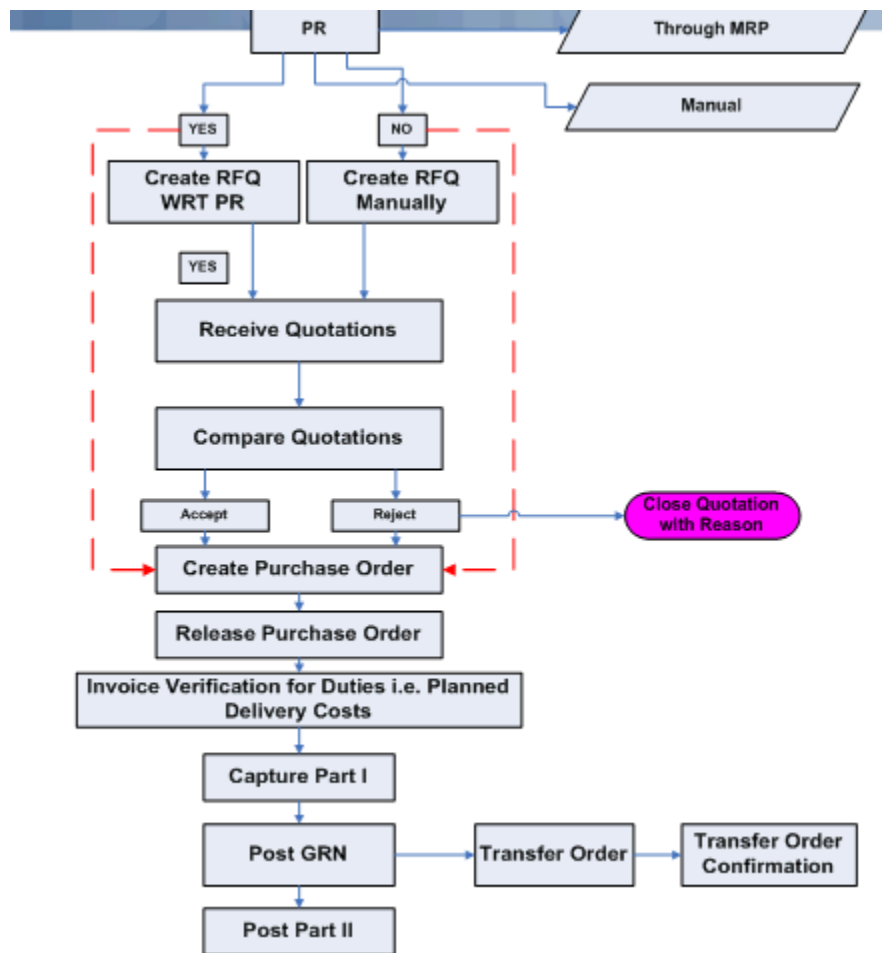
Sub contracting PO

The Subcon Process in SAP Purchasing Modules Subcontracting Processing When a main BOM item is a subcontract item (in the item category field of PO/PR line item, the value is "L"), then the system will automatically know that the sub items need to be issued out. Such issue, from the internal system processing view point, is only a transfer from one storage location to the subcontractor vendor storage location rather than a consumption. It will only be deemed a consumption when the parent item is received back from the vendor. The system will automatically track all the items sent to the vendor waiting to be receieved back. The following are the pre-requisite procedure for handling subcontract items:

When setting up the subcontracted parent item (material type HALB), the material master has a procurement type of "F" and special procurement of 30. The effect is that when the purchase requistion was created by MRP or manually, the item category will be "L".

BOM items for the main part has been setup to contain all the materials which must be supplied FOC to the vendor.

There is no need to setup the routing for the sub-contracted main item.

The following are subcontracted related procedures:

Finding out what sub-items need to be issued to subcontractors and issue them.

Finding out what sub-items have been issued to subcontractors and waiting to come back.

Receiving subcontracting item (from the store viewpoint, there is no difference from normal receiving).

Invoice processing : the invoice is only for the services and is no difference from normal processing.

Invoke transaction **ME2O**

Leave the Date required, Material and Plant blank unless you wish to limit the listing to a specific area. Check the Only Negative available SC stocks if you only want to look at the cases where materials need to be handed to the subcontractor. If you do not check this, then items which have already been issued to the subcontractor and waiting to come back will also be shown.

To issue the items to the subcontractor, select the item, then click Post goods issue button.

Enter the storage location from which the sub-items is taken out, and the quantity given.

If there is not sufficient on hand stock to be given to the subcontractor, then the system will issue a "0 items posted" message. If there is sufficient quantity, the system will transfer the quantity to the vendor storage location. On this screen, you can also check the on hand stock balance by clicking the stock overview and stock/requirement buttons. You may also palce the cursor on a PO number and display the PO details giving rise to this SC issuing requirement.

Subcontract Posting Material Document **101 +** Receive in the new Material after sub-contract **543 -** Clear the quantity in Material Provision for Vendor
Accounting Document Debit Inventory - New Part 150 Credit
 Inventory - Purchase Offset 150 Debit
Service cost for sub-contract 50 Credit
GR/IR - Inventory 50 Debit
ROH - Material Consumed 100 Credit
ROH - Material Consumed 100 **Controlling the subcontracting to Vendor (541)** SAP system allows user to issue material to the vender through 541 movement type (transfer posting -MB1B) without refering to any purchasing document. It's a standard SAP functionality which you can control in two ways:
1. Field settings : Change fields settings for 541 to include Purchase Order number field as mandatory in the screen. But, this is a weak control as you can enter a Purchase Order and send any material to vendor. **OMBW** - double click 541 -> double click Material Management

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2. Change the IMG settings for movement type 541 and remove the transaction code MB1B as allowed transaction code. Use ME2O only. If you want to issue excess material to vendor, you will have to change the Purchase Order components. **OMJJ** - click the Select all button Type 541 for the Movement Type Click the Back button Click Allowed Transactions Delete transaction code for MB1B **Subsequent Adjustment (121)** You must post a subsequent adjustment to correct the goods issue posting when the vendor informs you after goods receipt that a greater or smaller quantity of the components was actually consumed than planned in the purchase order. To do this, proceed as follows: **MB04** - Subcontracting Subsequent Adjustment Fill in the **Purchase Order Number** and hit enter **Tick the checkbox** of the components you want to adjust and click the **Adopt button or press F5** Enter the quantity difference. If more of the components were consumed, enter a **positive amount**, if fewer were consumed enter a **negative amount**. Finally, post the document. After saving, the value of the goods receipt is recalculated to include the subsequent quantity.

When the raw
material is
received at plant &
than transferred to
the subcontractor
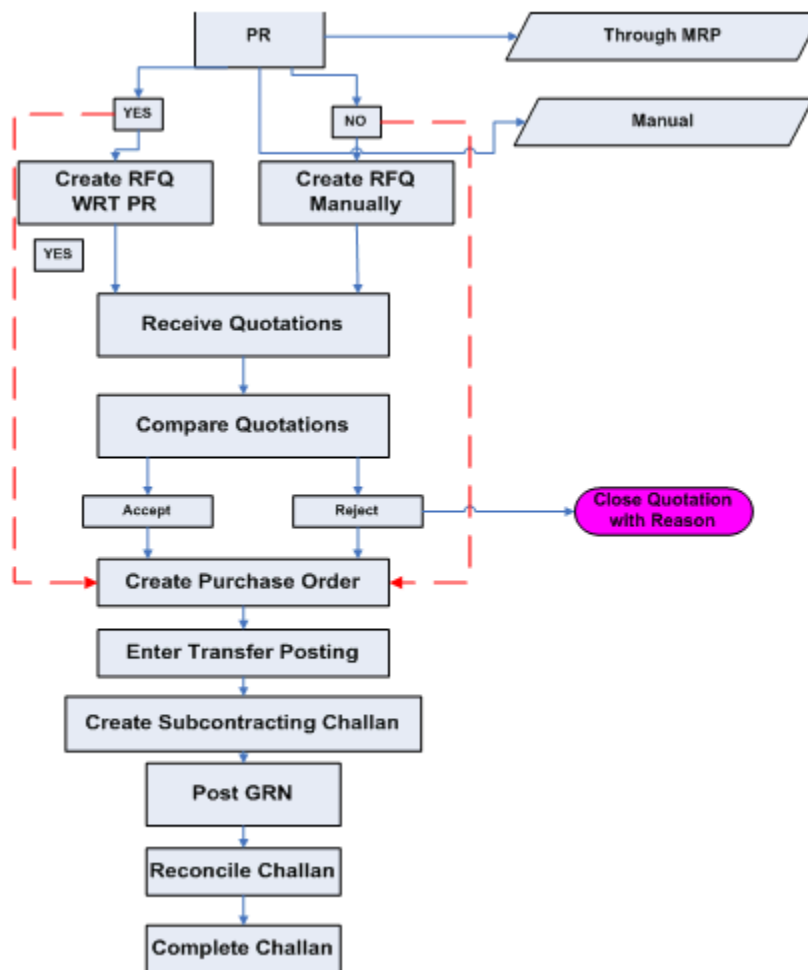
When the raw material is received directly by the subcontractor
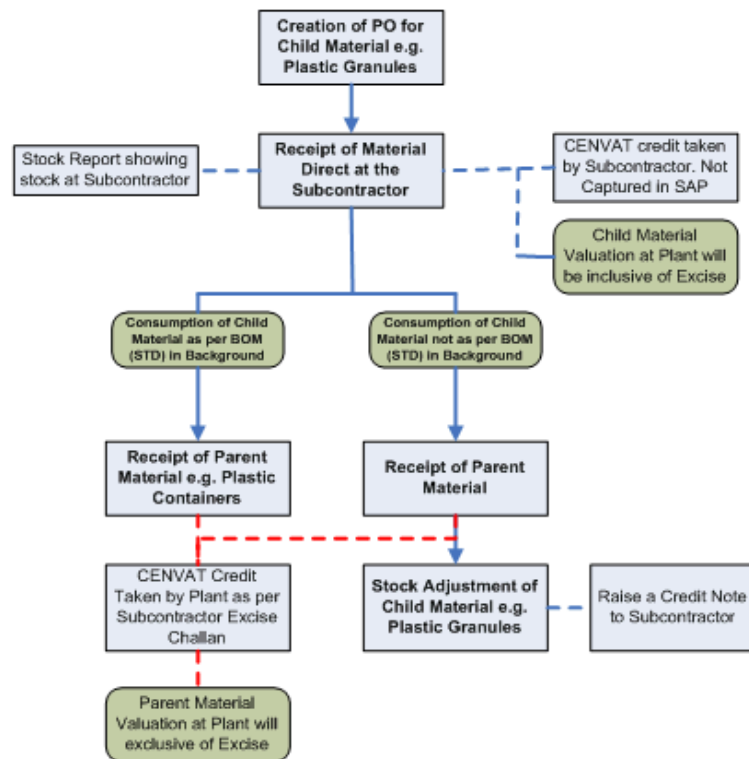
STO
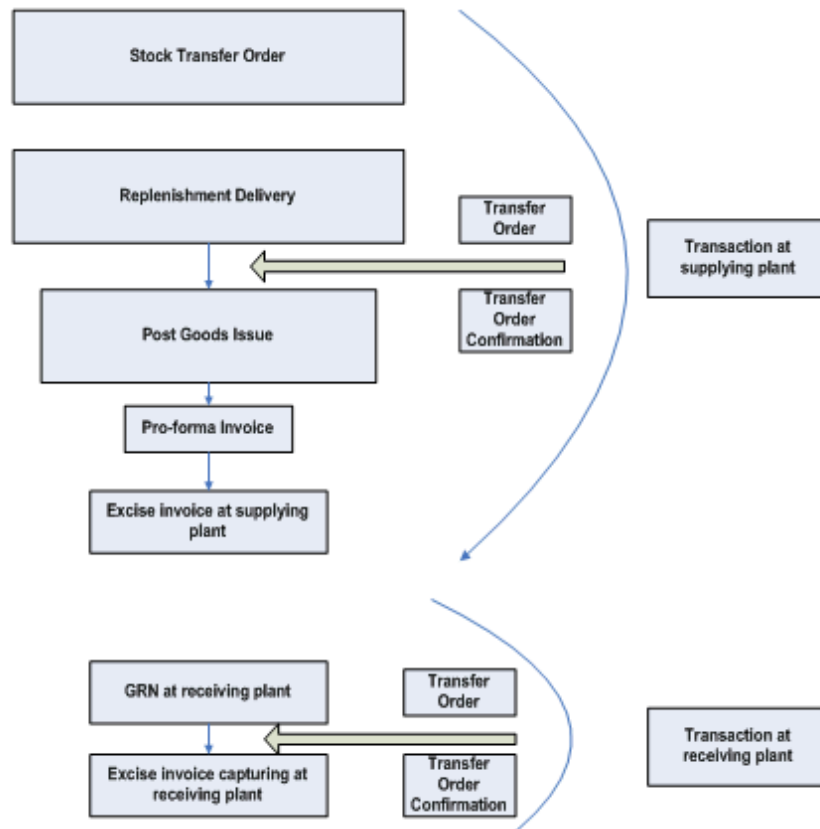
Business Process Flow Detail Description

Step	Description	Menu Path	Input Instructions
1.	Material Master maintenance	Logistics→Materials Mgmt→Material master	Enter master fields for different views
2.	Vendor Master maintenance	Logistics→Materials Mgmt→Purchasing→ Master data→vendor→ Create→Central	Enter vendor master data field related to purchasing data and accounts data
3.	User department will raise the purchase requisition. This activity will be the external activity.		
4.	Request for quotation, Quotation and price comparison for vendor selection in case of consumables will be handled externally.		

5.	Create Purchase order for the vendor. As in case of consumables item, the material master will be created item specific and not brand specific, there can be high price difference between two brands. In such cases there will be two different purchase orders will be raised.	Logistics→Purchasing →Purchase Order→ Create Vendor Known	Enter the price, vendor code with terms and conditions
5.1	The approval procedure will be there for purchase order depending upon the value of the purchase order.	Logistics→Purchasing →Purchase Order→ Change→ Release→Save	If the created Purchase order needs to be changed for quantity or similar field then it can be changed and then released to higher authorities.
	This procedure will be followed as per attached document. Unless the purchase order will be released by the Appropriate authority, it will not be possible to take print out of purchase order. After print out the hard copy will be again circulated for signature.		

6.	Goods receipt against the purchase order will be done for the material. This will trigger the accounts document. There will be some material like broom, which will be written off at the time of goods receipt. Some material like paper and other stationary items will be in inventory.	Logistics→Material Mgmt→Goods Receipt for Purchase Order	Enter the movement type '101' and the purchase order number. Enter the quantity, which is actually received.
7.	Inventory management.	Logistics→Materials Management →Inventory Management	There are number of reports which can show the stock overview, Material documents etc.
8.	Goods will be issued to cost center as per the consumption department wise.	Logistics→Materials Management →Inventory Management→Goods Issue	Enter the material movement type '201' and enter the material code with cost center.
9.	Vendor Evaluation will be executed once in three months. This can also be executed more frequently	Logistics→material Management→Purchasing→Master data→Vendor evaluation	Enter Vendor codes for which vendor evaluation needs to be executed. Also enter the marks manually for the manual criteria.

	depending upon the requirement.		
10.	Vendor payment		

SAP AUTHORIZATION TO USERS Based on their Roles

1	Sales Admin - Factory
	Sales order delivery and processing SD Reports and Inquiries Invoicing, printing sales documents

	Customer returns processing
	Stock Reports
	Availability Check
	Excise Transactions (invoice, utilization)
	Excise Reports
2	Stores In-charge
	Inventory Transactions
	Inventory reports and inquiries
	MRP Reports
	Purchase Order (view) & Reports
	Stock Transport Orders for receiving
	Excise transactions related to MM
	Excise reports and registers
3	Buyer (Central / Local)
	PO Creation and Maintenance
	PO approval
	Vendor Master Creation
	Purchasing Inquiries and Reports
	Vendor evaluation
	Vendor Info Records
	Material Status Inquiry
	PO tracking reports
	Contract and Scheduling Agreement
	RFQ

SAP MM Configuration - Create a New Plant in Enhancement Project.

IMG for SAP Plant Maintain How to Configure a New Plant in SAP? Plant **0001** is the SAP default provide for your reference. **OX14** - Define Valuation Area (Tick one only- Once your system go live, no more changes) Most company take the SAP recommended choice - Value Material Stock at Plant level Value Material Stock at Plant or Company Level

o If you valuate material stocks at plant level, the plant is the valuation area.

o If you valuate material stocks at company code level, the company code is the valuation area.
o The decision you make applies to the whole client.

OX10 - Create / Change / View Plants **OVXB** - Create / Change / View Division **OX18** - Assign Plant to company code e.g. 0001 - 0001 - All Plants Px1 - Plant Px1 Px2 - Plant Px2 **OX19** - Assignment of company code to the Controlling Area **OB38** - Assign company code to Credit Control Area

OMJ7 - Assign business area to Plant/Valuation area and division e.g. Plant Px1 - Business Area Bx1 Bx2 Assign Valuation area to the Business Area .e.g. Valuation area Vx1 - Business Area Bx1 Business Area Bx2 **OMS0** - Assign Factory Calendar to the Plant and Business Area The plant plays an important role in the following areas:

Material Valuation - If the valuation level is the plant, the material stocks are valuated at plant level. Each plant can have its own material prices and account determination.

Inventory Management - The material stocks are managed within a plant.

MRP - Material requirements are planned for each plant. Each plant has its own MRP data. Analyses for materials planning can be made across plants.

Production - Each plant having they own production/planning.

Costing - In costing, valuation prices are defined only within a plant.

Plant Maintenance - If a plant performs plant maintenance planning tasks, it is defined as a maintenance planning plant. A maintenance planning plant can also carry out planning tasks for other plants (maintenance plants).

If you want to use the application PP (production planning) or product costing and job-order costing, you must set valuation at plant level. The valuation level that you choose affects

the maintenance of material master records

the G/L accounts in which material stocks are managed

the G/L accounts to which transactions are posted in Materials Management

Effect on the maintenance of material master records: Depending on the valuation level chosen,

you maintain accounting data in the material master record for each plant or for each company code

you define a valuation price for the material in each plant or in each company code

Effect on G/L accounts: If material stocks are valuated at company code level, all plant stocks of a material are managed in a joint stock account for each company code. If material stocks are valuated at plant level, you can manage the material stocks for each plant in different accounts. For each plant, you can define a separate determination. If several plants are to use account determination, you can group these plants in "Valuation and Account Assignment" Customizing.

Consignment Process: The vendor provides the material and stores it into your premises. He remains the legal owner of the material until you withdraw the material from consignment stores. Only then the vendor requires the payment.

  In configaration steps :

OMEV tcode activate consignment info record.

Steps of consignment process...

Step 1: Tcode: ME11. Create consignment inforecord by selecting infocategory as 'COSIGNMENT'. Price is an important factor as the price is necessary for valuation and settlement of material.

Step 2: Tcode: ME21N. Create a cosignment PO by Select item category as K.

Step 3: Tcode: MIGO. Do goods receipt with movement type 101K. In this no accounting documents gets generated.
View tcode: MB54/ MMBE, Display consignment stock .

Step 4: Using Tcode: MB1B - 411 k -- consignment stock to our own stock
                Tcode: MB1A - 201K---- consignment sotck to cost center directly

At this time system will pick up the Price from Consignment Info Record and post the Accounting Document. Here following FI Entry will be,
(BSX) Stock A/c - Dr
(KON) Consignment Liabilities - Cr

Step 5: Tcode: MRKO: Here will do periodic settlement to vendor. Remember there is no invoice concept in consignment process. Financial settlement to vendor is not against PO and Invoice, but based on items issued/consumed over the agreed period.
Note: Use message determination i.e output type : KONS for settlement.

FI entries will be-
Vendor A/c - Cr
Consignment Liabilities - Dr

Configuration steps:

1. The related setting can be found in Transaction OMD9
2. Tcode: OBYC. with Transaction key: KON. Enter the account. Contact FI person.

Sending P.O. By Mail to Vendor
Is there any standard programm for sending P.O.'s by e-mail to vendor's email-id?
You need to do some configuration for this.
- Goto NACE . - Select EF and click on OUTPUT TYPES. - Then select Output Type NEU and click on processing routines . - In that you have to add a new entry - medium 5 . - Then you need to assign a program, form routine and form. - You can use the standard program i.e. SAPFM06P, FORM routine is always ENTRY_NEU and standard MEDRUCK.

- Then in PARTNER FUNCTION you need to add a new entry : medium - 5 and function - VN . - For subject of the mail goto Mail Title and Texts. In title give PO No. &EKKO-EBELN& . - Under General data -> Replacement of text symbols give programm as SAPMM06E and Form Routine as TEXT_SYMBOL_REPLACE . - Now the subject will be PO No. 1800004202. - You need to maintain your email id in tcode SU01 and also the vendor's email id. - Now while creating a new purchase order , change the medium to External Send . - Then goto Communication Method and select CS01 . ALSO make sure that the Cover Page Text has value PO No. &EKKO-EBELN& . - Goto tcode ME9F . - Execute. - Select the checkbox and click on Output Message. - You will get a message MAII 00000000000001 generated .

If the BASIS guys have made the necessary configuration for sending mail then the mail will go .

You can see the status in tcode SOST.

If you want to use a z-programm and z-form then you need add the functions used in standard programm SAPFM06P for generating mail in your z-programm.

Send Purchase Order via Output Determination Read note **191470** - Purchase order as an e-mail From release 4.5, you can send your purchase order via output determination. This note have indicate all the requirement and settings necessary to send purchase order via the output determination once your SAP have been connected to an External Mail System.

Send SAP Purchase Order with Microsoft Outlook This is how it work:-

First you send the text converted Purchase Order to your SAPoffice
o Sample ABAP program for sending mail to your SAPoffice
Then from Microsoft Outlook, you can send it out externally to your Vendor

Install the SAP setup program on the SAP Presentation CD-ROM under **\GUI\WINDOWS\WIN32** Execute the SAPsetup program and choose the Desktop Interfaces. Then choose the SAP MAPI Service Provider (select Change Options to display the selection) Once the SAP MAPI is installed. You can create your logon profile for SAPoffice. Go into your Control Panel of your windows. Select the Mail option from the Control Panel to call the MAPI profile manager. Choose Add to call up the new logon profile setup wizard Select Add from the Services and select the SAP MAPI Service Provider Type in the required R/3 information (client, sap user name, password) The supplied PST file is sapwrk.pst Now, logon to your Microsoft Outlook and see whether you can access all your SAPoffice folders. If you send the file using **SP01** -> System -> List -> Send, the file will have the extention **ALI**. Use the Windows Explorer to default open with the Windows **Notepad**. **Sending mail directly from SAP via Microsoft Exchange** If you want to send your mail directly via Microsoft Exchange, you have to install the SAP

Exchange Connector Software on your Microsoft Exchange Server. The setup program SETUP.EXE is located on the R/3 Presentation CD in the directory :**\GUI\WINDOWS\WIN32\SXC**. Then you have to setup :-
SM59 - The RFC destination
SCOT - SAPconnect

How to Maintain the Material Type? Configuring the Material Master Material Type:
OMS2 - Material Type Maintenance - Create/Change/Display Steps:-
transaction OMS2
click Change
key in the Material Type you want to change e.g. FERT then hit enter

The Views belows allows you to choose the Views for each Material Type. (Press the *Page up/Page Down* keys to scroll the views) If you tried to change from FERT to HAWA in **4.6x**, you will receive an error message :- The material type cannot be changed. This is not allowed if only external procurement is defined for the new material type, or if the new material type has a different account category reference than the old material type. To overcome it, goto OMS2 and change the HAWA material type. In the Internal/external purchase orders sections:

	Original	Changes
Ext. purchase orders	2	1
Int. purchase orders	0	1

How to Block materials from inventory posting? After blocking,

when the user do a inventory posting, they will get this error message :- E: Material xxxxx has status Blocked for procmnt/whse To activate the blocking :- Goto transaction **MM02** - Purchasing View

Type in **01** at the **MM/PP** status field and save it **Create Delivery Log - Material xxx is blocked** During the Create Delivery (**VL01**), SAP prompt you a log that **Material xxx is blocked**. During the Sales Order Create/Change for that material, there might be some update termination that causes the locked of the material (Windows hanged or power failure). You can check using transaction **SM12** - type an "*" at the User name field. Check whether the material is in the locked list. If it is in the locked list, asked the user to log out before you delete it from the locked list.

Maintain Storage Location for a Material MMSC - Collective
entry of Storage Location for a material. Insert new or delete un-used Storage Location.
Maintain whether the storage location was included or excluded from MRP run.
Accounting document number range for MM Transaction **OMW9 Document Type** -
Double click on desire transaction code to check the document type for number range.
(e.g. MR21 Document type - PR) **Financial accounting document type** - Assign the
document type to a number range and account type. (e.g. PR - Account type allowed for
posting will be **MS**)
Double click on the document type PR.
Assign an unique starting number range that was not used. e.g. 88
Choose the Account type for Material and G/L account (MS)
The rest of the fields are optional (you can leave it as blank)

SAP definitions for account type -
A - Assets
D - Customers
K - Vendors
M - Material
S - G/L accounts

Number ranges for financial accounting document type - Assign the number range to
the running number range. No. Year (till) From number To number Current number Ext
(no tick internal or tick external) 88 9999 8800000000 8899999999 Track by SAP Blank
Accounting document will be generated if there are stocks during price change, if you
don't have any stocks, no accounting document will be generated as there are no
inventory to revaluate for price differences.

**How to Change Valuation Class in Material Master How to change valuation class, even
if all the stocks are zero and there is no pending orders as well?** Option 1: Goto tcode
MMAM - This tcode is for changing the material type and not valuation class. If you
change the material type in MMAM transaction automatically the valuation class will be
changed in material master. The system will take the changed material type valuation
class which was created for that material type. Option 2: Goto tcode MM02 - Accounting
View 1 - This tcode is to change the valuation class directly. Whether you can or cannot
change the valuation class directly without changing the material type depends on your
own company img settings. If you want to change the valuation class, there may be
because of one or more of the following already exist for the material: 1) Valuated stocks
in the current period or in the previous period. 2) Open purchase orders may be there.
3) Production orders which a goods movement has already taken place. For this first you
have to do the following: If valuated stocks already exist, you can change the valuation
class only: a) Post the stocks of the material to an interim account. b) Change the

valuation class in the material master record. c) Post the stocks of the material back to their original account. If open purchase orders already exist, you can only change the valuation class if you first flag the corresponding purchase order items for deletion. If production orders exist for which a goods movement has already taken place, you can only change the valuation class if you first set the status of the production orders to deleted By this you can keep the same material type as FG and can assign the proper valuation class.

Configuring the Stock Transport Order **While I am doing Stock transport order I am getting the following error: "Not possible to determine shipping data for material 4500012" I have maintained the material 4500012 in both the plants.** I am not quite sure to what you are trying to say but the cross company Stock Transport Orders can be done by: - Configure using transaction **OMGN** - Depending upon the sending and receiving plants, maintain sales organization and customer data in customizing. - Maintain the supplying plant as a vendor and attach the plant to the vendor in the Vendor Master. - Material type has to be **HALB** or **HAWA**. - Ensure that the company with sales Organization has a plant to take care of stocking. - The PO used is NB and not Stock Transfer PO. Configure SD for inter-company billing to enable picking up the pricing procedure for billing. - Carry Out delivery through process delivery due list and billing through process billing due list. Otherwise, You need to configure your Stock Transport Order settings for your Cross-Company: **Business Transaction to work.** 1. Customer No. for the Goods Receiving Plant - **OMGN** 2. Availability Check- Checking Rule (if necessary) - **OMGN** 3. Assign a Delivery Type for the Delivering Plant - **OMGN** (for Stock Transport Orders, NLCC) 4. PO type (which i belive you have done) - **OMGN** 5. Assign Vendor No. to the Supplying Plant (done) - **VK02** 6. Assign Customer No. to the Purchasing Plant for the Inter-Compnay Invoice (but you need to assign this to the Sales Organization pre-assigned to the Purchasing Plant), IMG-SD-Billing-InterCompany Billing-Define Internal Customer No. by Sales Org ***and by the way for the Invoice to work between Cross-Compnay Plants, you need also to have a Sales Org for the Supplying Plant and a Pricing Determination Procedure.

Transfer Posting Plant to Plant Transfer Posting Plant (Unrestricted) to Plant (Blocked) Step 1. Now Transfer stock from plant 1 to plant 2 with in the same Company code. Either with single step procedure or with two step procedure. Before you do transfer stock from plant 1 to plant 2 first need to extend your material to plant 2.
Step 2. Procedure to extend material: T.code MM01 enter your material XXXX enter "organizational levels " window will open there u select your plant 2 (receiving plant) click on tick continue the msg will appear "The material already exists and will be extended" enter require fields and save (now your material is extended to plant 2)
 Step 3: Single step procedure stock transfer from plant 1 to plant 2 T.code MB1B Mvt type is 301 enter receiving plant is "plant 2" and material XXXXX and required sfields and save.

Step 4. Do stock type transfer from unrestricted to blocked stock T.code MB1B movt type is 344. for plant 2 You can only do blocked stock to blocked stock transfer within a plant mvt type is 325. **Transferring Stocks Via Purchase Order** Please follow the following process as below:

1) Create the STO using T-Code:ME21N and maintain pricing conditions of freight and Save.

2. Create Delivery :VL10G Click on the Background Button after selecting line item A message is flashed : See log for information> next Click on Log for delivery creation Button >click on line item>click on document button to get Delivery document No

3. Picking, PGI:VL02N

4. Billing:VF01 Save the document and its done

5. J1IIN - Outgoing Excise Invoice

6. MIGO - Goods Receipt against outbound Delivery

7. J1IEX - Capture & Post Excise Invoice

Steps To Create New Movement Types in SAP MM How to create movement types? What are the steps involved? When will you recommend a new movement type?

Companies may request a new movement type to differentiate between the inventory posting transaction. For example, 551 scrap movement type. Some company may request to have it as 551 for Internal Scrap and Z51 for External Scrap. **Copy, Change Movement Types 4.6x** Assuming I want to create another movement type **Z01**.

Transaction **OMJJ**

Select the standard movement type **201**

Click copy, then overwrite the **201** with **Z01**

Click the **Enter** button, then click **Copy all**

Select the new movement type **Z01**

On the left hand column screen, click **Reversal/follow-on movement**

Fill in the reversal movement type

For the rest of the options, you can leave it alone or change it depending on your requirement **Inter Plant Purchasing (Plant A buys from Plant B)** Procedure Flow:-

Buying Plant Create the Purchase Order type **UB** - Stock transport Order - transaction **ME27**

Supplying Plant receive the Purchase Order and issue it to the transport warehouse once they have the required quantity - transaction **MB1B** - movement type 351 - Transfer posting to stock in transit from unrestricted use.

Buying Plant receive the purchase quantity with transaction **MB01** - Goods Receipt from Purchase Order.

Accounting document was created during the transfer posting - movement type 351. Debit Buying Plant Inventory Credit Supplying Plant Inventory If there was a price

difference (the same material have different price in the different plant), the lower price plant will be posted with the amount differences.

Material Master - Costing View	Material Price for Buying Plant	100
	Material Price for Supplying Plant	150

The Accouting posting would be:-
    Debit   12345 Buying Plant Inventory   100
    Debit   67890 Price Difference for Stock Transfer   50
    Credit   12345 Supplying Plant Inventory   150
The General Ledger Account Number was determine through the Material Valuation Class which was tied throught the Automatic
Posting of Account Assignment. (Transaction OMWB then click Account Assignment)
Double click on the Description to check the General Ledger Account Number
Inventory posting   BSX
Expense/revenue from stock transfer   AUM

Standard vs Moving Average Price Generally all raw materials (ROH), spare parts (ERSA), traded goods (HAWA) etc. are assigned as moving average price (MAP) because of the accounting practice of accurately valuating the inventory of such materials. These materials are subject to the purchase price fluctuations on a regular basis. Company generally use moving average on purchased materials with small cost fluctuations. It is most appropriate when the item is easily obtainable. The impact on margins are minimized which reduces the need for variance analysis. Furthermore, the administrative effort is low as there are no cost estimates to maintain. The cost reflects variances, which are closer to actual costs. The semi-finished goods (HALB) and finished products (FERT) are valuated with standard price because of the product costing angle. If these were to be MAP controlled, then finished/semi-finished product valuation would fluctuate due to data entry errors during backflushing of material and labour, production inefficiencies (higher cost) or efficiencies (lower cost). This is not a standard accounting and costing practice. Refer to OSS note **81682 - Pr.Contr.V for semi-finished and finished products.** SAP recommends that standard price to be used for FERT and HALB. If actual price is required for valuation, make used of the functions of material ledger where a periodic actual price is created which is more realistic. e.g. **how SAP calcualte the moving average price** Goods Receipt for Purchase Order Balance on hand quantity + Goods Receipts quantity Balance on hand value + Goods Receipts value New Moving Average Price = Total Value / Total Quantity Invoice Receipt for Purchase Order Invoice price more than Purchase Order price
additional value add to Balance on hand value then divided by Balance on hand quantity

Invoice price less than Purchase Order price
difference is deducted from the Balance on hand value (up to 0). The rest of the amount will becomes price variance. This will result in Balance on hand value is zero while there are Balance on hand quantity. If the Balance on hand value is enough to deduct, then the remaining value will be divided by Balance on hand quantity.

When your **Goods Issue price is constantly greater than your Goods Receipt price**, it will result into zero value moving average price. OSS note 185961 - Moving Average Price

Calculation. 88320 - Strong variances when creating moving average price. Never allow negative stocks for materials carried at the moving average.

Prevent Inventory Back Posting to Previous period This will prevent changes to the previous month Stock Values - **MB5L** - List of Stock Values:Balances
transaction **MMRV**
tick Backposting not allowed generally
click Save

During year end, the Stock Account have to be bought forward using transaction **F.16** - GL Account Carried Forward. If not, the Material and Stock Account shown in **MB5L** will not be equal for the new financial year. You can check the General Ledger Stock Account with transaction **FS10 - Display Balances.** In MM only two periods can be kept open at any point of time. **Re-open Period closing** Suppose by mistake you closed the period and want to reopen it. Use transaction code **MMPI**. Enter the period you want to open sequentially. For e.g. the current period is 10, and you want to be open for the 7th one, then you have to open period like 9th, 8th and 7th. After making the correction you have to closed the period again sequentially. There are no major-minor impact on the system, but it is better to do this once only. Regular practice for this transaction may be harmful. **Auto PO creation During GR Posting In the movement type config - there is an auto PO creation flag, which allows the system to automatically create PO in the background from within the GR posting transaction. Has anyone used this feature -please share your experience. We are on 46c, and I don't see any existing movement type in the system which has this flag turned on.** For business process control purpose, I suggest avoiding auto PO from GR unless it is really necessary. Instead, use "traditional" PR-PO-GR process. Actually what is the rational of using a automatic PO function, what is the benefit and what is the disadvantages of using this function? and under what business practise is best suit to use this function?
Sometimes the SAP help portal give you a lot of technical but didn't explain thoroughly from the business perspective point of view. One of the benefits of using this feature is that you are taking delivery of the raw materials which are delivered by trucks and since it is not possible to capture the actual receipted quantity at the time of PO creation. Other benefits is to reduce the workload of
purchasing department for the case of consignment process. **How to create AUTO PO during MIGO ?** Check in customizing whether you have maintained creation of automatic PO during good receipt. Menu path : MM -> Inventory Management -> Goods Receipt -> Create Purchase order Automatically -> Activate Auto PO creation for Mvt type. And then activate Auto PO creation in vendor master.

Item Wise Display of Invoice Amt to be Paid to Vendor I have a Reqt wherein I should be able to know line item wise the Materials Received(GR), Invoice Price and Qty Raised, Invoice to be Paid so that pending Qty and Amt can be calculated. I will explain the scenario in Detail---- Say a PO has 3 Line Items A,B,C of 10 Quantities each has

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been ordered to a vendor. Out of which for Item A----------All the 10 Nos have been delivered. For Item B-----------5 Nos have been delivered. For Item C, Nothing has been delivered. So Invoice(MIRO)has been posted for 10, 5, 0 Nos for the three Items. In FI side, is there any transaction code where in we can go and see Line Item display of which material---------how much is the PO Qty, GR Qty, Invoice Qty and the Invoice Amt to be paid individually line itemwise? In F.13 we could see the consolidated amt for each vendor but we want the PO Line Itemwise Qties delivered and payment amt so that the remaining Qty and Amt can be calculated. Goto Transaction MB5S - List of GR/IR Balances Fill in the mandatory inputs and check the result list.

Step-By-Step Procedure Of Configuring Split-Valuation

To used split valuation, you have to activate it using 'OMW0'. To change split material valuation once it has been set, you must

1. first post out all stocks (for example, to a cost center or with movement type 562)
2. then change the control parameters
3. if necessary, change the automatic account determination
4. finally post the stocks back in again In split valuation, you can distinguish between partial stocks of a material according to certain criteria and valuate them separately. The material stock is divided according to valuation category and valuation type. The valuation category determines how the partial stocks are divided, that is, according to which criteria. The valuation type describes the characteristics of the individual stocks. With the function "Setting" you can determine: - which valuation categories exist in your company (global categories) - which valuation types exist in your company (global types) - which valuation types belong to which valuation category - which valuation categories exist in a valuation area (local categories) Your entries are only relevant if you set split valuation as active in the function "Global settings". In the standard SAP R/3 System, the following valuation categories are default settings :

B procurement type with the valuation types: "EIGEN" for in-house production "FREMD" for external procurement H Origin X automatic valuation (only for batch) To select split valuation ('OMWC'), proceed as follows: 1. Determine the valuation categories and valuation types that are allowed for all valuation areas: - global valuation categories via menu "Goto --> Global Categories" - global valuation types via menu "Goto --> Global Types" 2. Allocate the valuation types to the valuation categories. a) Select "Goto --> Global Categories". b) Position the cursor on a valuation category and select "Goto --> Global Categories --> Assignments --> 'Types->Category'". c) Activate the valuation types you want. 3. Determine the local valuation categories for each valuation area. a) Select "Goto --> Local definitions". b) Position the cursor on a valuation area and select "Goto --> Local Definitions --> Allocate Categoires->Org.units (button Cats->(OU)". You obtain a list of the global valuation categories. c) Activate the categories to be used in this valuation area. The system creates the local valuation types based on the allocations under point 2. Only now can you create a master record with split valuation. Specifying Split Valuation by creating Material Subject to Split Valuation

1. Create a material master record, selecting the Accounting View 1.
2. Enter your data as required on the Accounting data screen, specifying a valuation category. (If you can't find the valuation category field, it might be hidden, use OMSR to define the Field Groups. Look for the field MBEW-BWTTY for Valuation category).
 3. Be sure that the price control indicator is V for moving average price and enter a moving average price.
4. In the case of split valuation, you can create only one valuation header record with price control V because the individual stock values are cumulated, and this total value is written to the valuation header record. This is where the individual stocks of a material are managed cumulatively. To do this, fill in the Valuation category field on the accounting screen when you create the material master record and leave the Valuation type field blank.
 5. Save your data and the system creates the valuation header record.
6. The initial screen appears.
7. Extend the material by creating new material master records from the Accounting view 1. For the first material, specify a valuation type in the Organizational Levels dialog box and enter the respective accounting data on the data screen. Proceed likewise for the other materials, distinguishing between them by valuation type. To do this, call up the material in creation mode again. Due to the fact that a valuation header record exists, the system requires you to enter a valuation type for the valuation category.
 8. Repeat step seven for every valuation type planned. You want to valuate the stock of material XYZ that you obtain from manufacturer A in Los Angeles at a different price than the stock you obtain from manufacturer B in Detroit. In this case, the valuation category is H for origin. Your valuation types can be LOS ANGELES and DETROIT. If a material is subject to split valuation, every quantity (sub-stock) of this material must be assigned to a valuation type (for example, country of origin). For every valuation type, there are two types of data in the system, as follows: Valuation data (for example, valuation price, total stock quantity, total stock value), which is defined for every valuation type at valuation-area level and applies to all dependent storage locations. Stock data, which, like batch data, is managed separately for each storage location. If a material that is subject to split valuation is also subject to management in batches, its stock data is not managed by valuation type, but rather by batch. Every batch is assigned to a valuation type. The stock quantity, stock value, and valuation price for all valuation types are managed cumulatively at valuation-area level. Must the Valuation Type Exist Before the First Goods Receipt? You can post the goods receipt of material of a certain valuation type only if the valuation data for this valuation type already exists, because the system valuates the goods receipt at the price defined in the valuation data. On the other hand, the stock data for the valuation type is created automatically during the first goods receipt into the storage location, if this is defined in Customizing for Inventory Management. Goods Movements with Materials Subject to Split Valuation If you want to enter goods movements for materials subject to split valuation, you must enter the valuation type in addition to the material number. Enter the valuation type in the Batch field for MB01.

In MIGO, there is a valuation type field in Detail data -> Material.

SAP MM Tables Link and Flow

1...Purchase Order ---- T.code ----ME21N (To Vendor) EKKO, EKPO, EKKN, EKES..etc

2...Goods Receipt-------T.code....MIGO (Tables: MKPF, MSEG)

3...Invoice Verification----T.code...MIRO (Tables: BKPF , BSEG)

4...Vendor Payment----T.code...FB60 (FI - Account Payable)