# Billing (SD-BIL)

HELP.SDBIL

**Release 4.6C**

SAP™

# Copyright

© Copyright 2001 SAP AG. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP AG. The information contained herein may be changed without prior notice.

Some software products marketed by SAP AG and its distributors contain proprietary software components of other software vendors.

Microsoft®, WINDOWS®, NT®, EXCEL®, Word®, PowerPoint® and SQL Server® are registered trademarks of
Microsoft Corporation.

IBM®, DB2®, OS/2®, DB2/6000®, Parallel Sysplex®, MVS/ESA®, RS/6000®, AIX®, S/390®, AS/400®, OS/390®, and OS/400® are registered trademarks of IBM Corporation.

ORACLE® is a registered trademark of ORACLE Corporation.

INFORMIX®-OnLine for SAP and Informix® Dynamic Server™ are registered trademarks of Informix Software Incorporated.

UNIX®, X/Open®, OSF/1®, and Motif® are registered trademarks of the Open Group.

HTML, DHTML, XML, XHTML are trademarks or registered trademarks of W3C®, World Wide Web Consortium,
Massachusetts Institute of Technology.

JAVA® is a registered trademark of Sun Microsystems, Inc.

JAVASCRIPT® is a registered trademark of Sun Microsystems, Inc., used under license for technology invented and implemented by Netscape.

SAP, SAP Logo, R/2, RIVA, R/3, ABAP, SAP ArchiveLink, SAP Business Workflow, WebFlow, SAP EarlyWatch, BAPI, SAPPHIRE, Management Cockpit, mySAP.com Logo and mySAP.com are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other products mentioned are trademarks or registered trademarks of their respective companies.

# Icons

| Icon | Meaning |
|---|---|
| | Caution |
| | Example |
| | Note |
| | Recommendation |
| | Syntax |

# Contents

**Billing (SD-BIL) ..... 7**
**Billing ..... 8**
**Billing Document ..... 9**
**Basic Functions in Billing ..... 11**
Billing Document Type ..... 12
Invoice ..... 14
Creating an Invoice ..... 15
Credit Memo and Debit Memo ..... 17
Creating a Credit Memo / Debit Memo ..... 18
Pro Forma Invoices ..... 19
Creating a Pro Forma Invoice ..... 20
Billing Relevance ..... 21
Copying control ..... 23
Reference Documents ..... 24
Data Flow ..... 26
Billing Quantity ..... 27
Copying Requirements ..... 28
Pricing ..... 29
**Billing Processing ..... 34**
Billing Methods ..... 35
Collective Billing Documents ..... 36
Invoice Splits ..... 38
Individual Billing Documents ..... 40
Creating a Billing Document ..... 41
Creating Billing Documents via the Billing Due List ..... 42
Creating Billing Documents in the Background ..... 44
Creating Periodic Billing Documents ..... 45
Creating Billing Documents Explicitly ..... 47
Canceling Billing Documents ..... 48
Processing Billing Documents ..... 50
Creating Billing Documents ..... 52
Processing Billing Due List ..... 53
Display log for a billing run ..... 55
Canceling a Billing Run ..... 56
**Invoice List ..... 57**
Creating an Invoice List ..... 58
Creating an Invoice List ..... 60
**Rebate Agreements ..... 61**
Agreement type ..... 63
Rebate Agreements ..... 65
Creating Rebate Agreements ..... 68
Texts for Rebate Agreements ..... 69
Deleting Rebate Agreements ..... 70

Creating Condition Records for a Rebate Agreement ... 71
Automatically Renewing Rebate Agreements ... 72
Renewing Rebate Agreements ... 73
Retroactive Agreements ... 74
Creating Retroactive Rebate Agreements ... 75
Accruals ... 76
Working with Accrual Rates ... 77
Working with Manual Accruals ... 78
Posting Accruals Manually ... 79
Settling Rebate Agreements ... 80
Final settlement ... 81
Partial Settlement ... 83
Periodic Partial Settlement ... 84
Carrying out Final Settlements ... 85
Carrying out Partial Settlement for Rebate Agreements ... 86
Settling Rebate Agreements in the Background ... 87
Making Changes After Final Settlement ... 88
Lump Sum Payments ... 89
Listing Rebate Agreements ... 90
Displaying a List of Rebate Agreements ... 91
Displaying the Payment History ... 92
Displaying Payment History ... 93
**Integration with Accounting ... 94**
Forwarding Data to Financial Accounting ... 95
Working with Account Assignment ... 99
Analyzing Errors in Account Assignment ... 101
Billing Documents Blocked for Accounting ... 102
Billing Document Types with Automatic Block ... 103
Releasing Billing Documents to Financial Accounting ... 104
Forwarding Billing Data to Controlling ... 105
**Revenue Recognition ... 106**
Standard Revenue Recognition ... 108
Time-Related Revenue Recognition ... 109
Basic Dates and Basic Values ... 111
Service-related Revenue Recognition ... 116
Basic Values ... 118
Revenue Recognization ... 120
Evaluation ... 124
Customizing ... 125
Determining Revenue Recognition Methods ... 126
Account Determination ... 129
**Installment Plan ... 130**
**Resource-Related Billing ... 132**
Billing Requests ... 133
Creating a Billing Request ... 134
Editing Items in a Billing Request ... 136
Canceling a Billing Request ... 137

Working with Billing Documents ... 138
Billing Objects ... 139
Determining Resources to be Billed ... 141
User Exit for Resource-related Billing ... 143
System Settings for Resource-related Billing ... 144
**Intercompany Business Processing ... 147**
Working with Intercompany Sales Processing ... 148
Working with Intercompany Stock Transfer ... 150
Prerequisites for Intercompany Business Processing ... 152
Working with a Special Customer Master Record ... 153
Working with Intercompany Condition Types ... 154
Create Condition Record for Intercompany Processing ... 155
Working with Intercompany Sales Orders ... 156
Working with Intercompany Deliveries ... 157
Working with Intercompany Billing ... 158
Offsetting Entries for Intercompany Business ... 159
**The General Billing Interface ... 160**
Working with the General Billing Interface ... 161
Extracting Data from an External System ... 162
Communication Structures ... 164
Text Transfer ... 166
Reading the Material Master ... 167
Customizing ... 168
Function Module Parameter ... 169
Processing One-Time Customers ... 170
Converting to Synchronous Updating ... 172
**Down Payments for Sales Orders ... 173**
Customizing ... 175
Down Payment Processing Procedure ... 177
Down Payment Agreements in the Sales Order ... 178
Down Payment Request ... 180
Payments Made ... 183
Milestone Billing with Down Payment Clearing ... 184
Final Billing with Down Payment Clearing ... 187
**Cash on Delivery ... 190**

Billing (SD-BIL)

# Billing (SD-BIL)

# Billing

## Purpose

Billing represents the final processing stage for a business transaction in Sales and Distribution. Information on billing is available at every stage of order processing and delivery processing.

This component includes the following functions:

- Creation of:
  - Invoices based on deliveries or services
  - Issue credit and debit memos
  - Pro forma invoices
- Cancel billing transactions
- Comprehensive pricing functions
- Issue rebates
- Transfer billing data to Financial Accounting (FI)

## Features

Like all parts of sales order processing in R/3, billing is integrated into the organizational structures. Thus you can assign the billing transactions a specific sales organization, a distribution channel, and a division. Since billing has an interface to Financial Accounting, the organizational structures of the accounting department, (the company codes as well as the sales organizations assigned to the company codes) are important.

# Billing Document

## Definition

Umbrella term for invoices, credit memos, debit memos, pro forma invoices and cancellation documents.

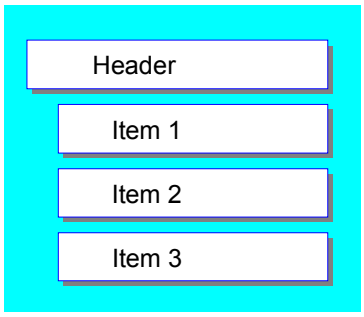
## Use

The billing document is created with reference to a preceding document, in order to create an invoice or a credit memo, for example.

The billing document contains the following data:

## Structure

All billing documents have the same structure. They are made up of a document header and any number of items. The following figure shows how billing documents are structured.




### Header

In the header, you find general data valid for the entire billing document. For example,

- Identification number of the payer
- Billing date
- Net value of the entire billing document
- Document currency
- Terms of payment and Incoterms
- Partner numbers, such as the identification number of the sold-to party
- Pricing elements

### Items

In the items, you find data that applies to one particular item. For example,

- Material number
- Billing quantity
- Net value of the individual items

**Billing Document**

- Weight and volume
- Number of the reference document for the billing document (for example, the number of the delivery on which the billing document is based)
- Pricing elements relevant for the individual items

The billing document is controlled via the billing type.

## Integration

When you create a billing document, the billing data is forwarded to Financial Accounting.

# Basic Functions in Billing

## Features

Basic functions in billing include:

- Billing types
- Number range
- Match codes
- Copying control
- Blocking reasons
- Displaying lists
- Displaying the billing due list

# Billing Document Type

## Definition

Controls processing of billing documents such as invoices, credit and debit memos as well as cancellation documents.

## Use

Billing document type controls the entire billing document.

You can use billing document types to deal with the different business transactions carried out during billing processing.

The different billing document types available are listed in the following table:

| Billing Document Type | Name |
|---|---|
| F1 | Delivery-related invoice |
| F2 | Delivery-related invoice |
| F5 | Pro forma invoice for sales order |
| F8 | Pro forma invoice for delivery |
| FP | Interface |
| | Billing - POS system |
| CR | Credit memo |
| L2 | Debit memo |
| RE | Credit memo for returns |
| S1 | Cancellation invoice |
| S2 | Cancellation credit memo |

Specific functions can be defined for each billing document type. This is done using control elements that are specified in tables. The document types can be tailored to meet the requirements of your company. You can also define new billing document types, if those defined in the SAP standard system do not meet all your company requirements.

The billing document type controls the following elements:

- The number range for the document number
- The billing type that can be used to cancel the billing document
- The transfer status of the billing document:
  - transferred to financial accounting

  - blocked from transfer
  - not transferred
- The procedure for account assignment in Financial Accounting
- The allowed output for a business transaction and the procedure for output
- The partner functions allowed at header level
- The partner functions allowed at item level

In SD Customizing, you can change the billing types provided with the standard system in order to meet your individual function requirements. You can also create your own billing types.

# Invoice

## Definition

A sales document used to bill a customer for a goods delivery or a service.

## Use

Deliveries and services which are carried out on the basis of sales orders are invoiced to the customer. If no complaints are made about the delivery, the business transaction is considered complete from the sales point of view.

When you create an invoice, you can refer to an order, a delivery, individual order or delivery items, or even partial quantities within an order item or a delivery item.

If you want to make sure that the goods are sent out before the invoice is created, you would create an invoice on the basis of the delivery.

If you want to receive money before you send the goods to the customer, you would create an invoice with reference to a sales order.

When you bill a customer for a service, you would probably refer to the sales order, since a service is usually based on an order, not a delivery.

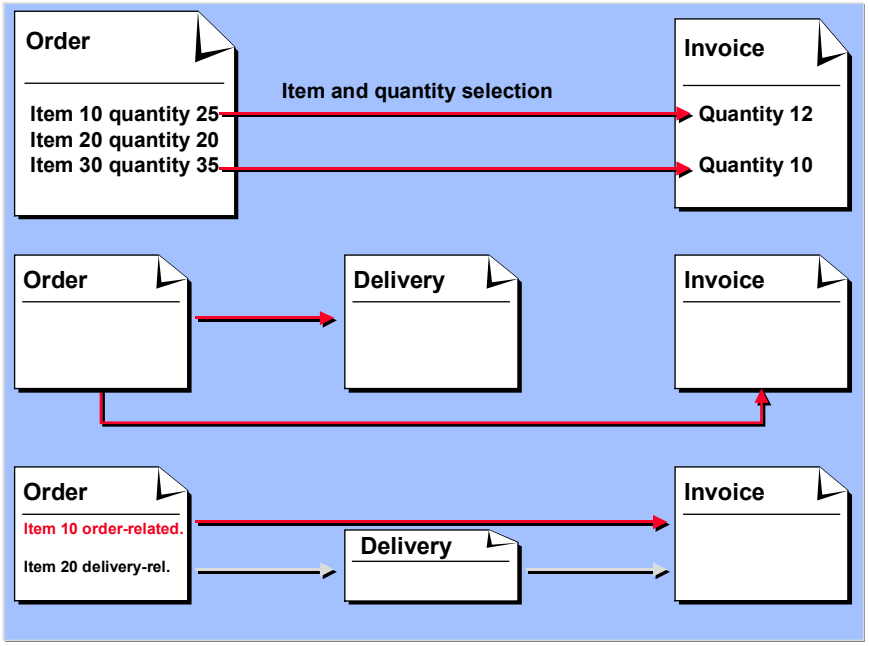
# Creating an Invoice

## Process Flow

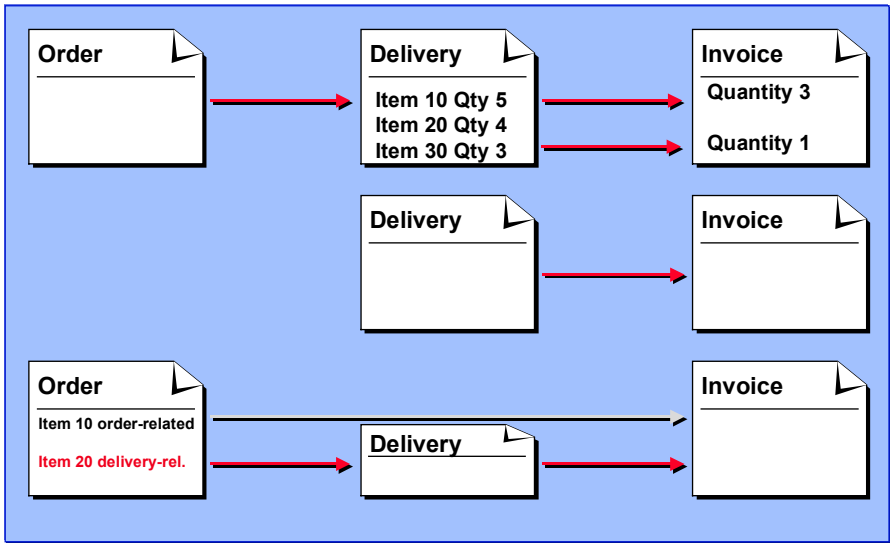
When creating an invoice, you can refer to either a sales order or a delivery. You can either bill all items, or select certain items or a certain quantity for billing.

The following graphic describes the different document flows involved in the creation of an invoice.

## Order-related Invoices



# Delivery-related Invoice



# Credit Memo and Debit Memo

## Definition

Credit memo: A sales document created on the basis of a customer complaint. This reduces receivables in Financial Accounting.

Debit memo: A sales document created on the basis of a customer complaint. This increases receivables in Financial Accounting.

## Use

You may need to create credit memos for various reasons (for example, because of defective goods or because you have overcharged a customer). Similarly, you may need to create a debit memo, if, for example, you have not charged the customer enough.

# Creating a Credit Memo / Debit Memo

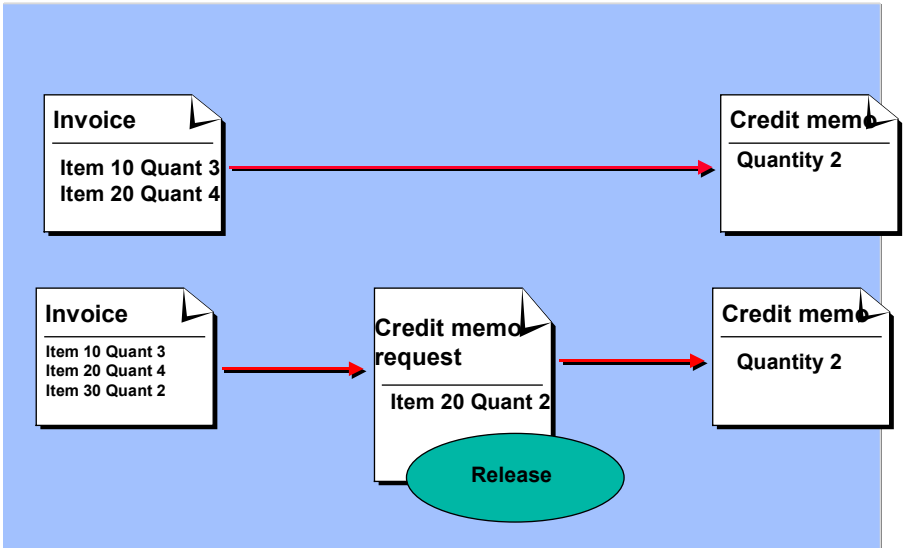
## Process Flow

When you create a credit or debit memo, you can refer to an invoice or a credit memo request. You can either refer to all items, or select only certain items or a certain quantity.

Select the credit memo request procedure if you want to use the release process in order processing.

For further information on credit memo requests, see the Complaints [Ext.] unit in order processing.

The following figure shows the options available when processing credit memos.




When you create a credit or debit memo, you must specify the date on which services are rendered. This is because credit or debit memos can refer to previous business transactions, and the taxes in the debit or credit memos must be determined according to the tax situation at the time the services were rendered.

# Pro Forma Invoices

## Definition

An invoice that is created on paper for exported goods to provide the customs authorities with evidence of the cost of the goods.

## Use

When you deal in export, you may need to print pro forma invoices. They are used to give the importer or the responsible authorities in the import country details about forthcoming shipments.

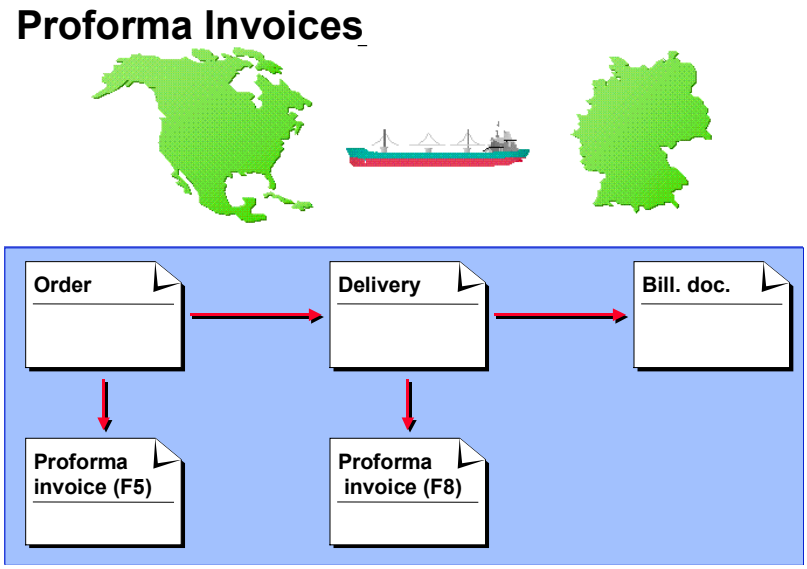
## Structure

A pro forma invoice appears exactly the same as a customer invoice. The difference is that this invoice does not need to be paid. Therefore, the system does not forward data to Financial Accounting (FI). No statistical data is created on the basis of pro forma invoices.

# Creating a Pro Forma Invoice

## Purpose

You can create pro forma invoices on the basis of sales orders or deliveries (see the following figure).




The following billing types are available for pro forma invoices in the standard version of the SAP R/3 system:

| Billing type | Reference document |
|---|---|
| F5 | Sales order |
| F8 | Delivery |

Processing pro forma invoices differs from processing normal invoices in the following ways:

- Goods issue is not required before you create a delivery-related pro forma invoice.
- You can create as many pro forma invoices as you like for a sales order or a delivery because the billing status in the sales order or delivery is not updated.
- Data from the pro forma invoice is not passed on to financial accounting.

# Billing Relevance

## Use

In Customizing for the item category, you can determine the basis for billing using the indicator **Billing relevance**.

This allows you to carry out the following controls:

A: Relevant for delivery-related billing documents

Outbound delivery is the basis for billing. The billing document status is only updated in the outbound delivery.

B: Relevant for order-related billing documents

The sales document is the basis for billing. The billing status is defined by the required quantity.

In the standard system the item categories REN (returns) and BVN (cash sales) are set up in this way.

C: Relevant for order-related billing documents

The sales document is the basis for billing. The billing status is defined by the target quantity.

In the standard system the item categories G2N (credit memo) and L2N (debit memo) are set up in this way.

D: Relevant for pro forma

To create a pro forma invoice, the billing relevance indicator must be blank. In addition, indicator D for cross-company code business processing should be used as follows:

In the case of free-of-charge outbound deliveries, an internal allocation should be made to the company code for the delivery.

The indicator D allows you to make free-of-charge outbound deliveries.

F: Relevant for order-related billing documents - Status according to the invoice receipt quantity

Relevant for order-related billing on the basis of the invoice receipt quantity (third party business transaction). The system only puts the order into the billing due list, if in Purchasing the invoice has been received from the vendor and processed. After every invoice receipt, a customer invoice is created in addition to the quantity given in the incoming invoice. The order applies until the next invoice comes in from the vendor.

In the standard system, the item category TAS (third party business transaction) is set up in this way.

Alternatively this procedure can refer to the quantity of goods received.

You can control whether the invoice receipt quantity or the quantity of goods received is relevant for billing by carrying out copying control for billing at item level in the billing quantity field.

**Billing Relevance**

G: Relevant for order-related billing of the delivery quantity

The order is relevant for billing, but the cumulated quantity already delivered. This means that you can bill a number of partial deliveries in one transaction.

H: Relevant for delivery-related billing documents - no zero quantities

You can use this to prevent items with zero amount being included in the billing document.

I: Relevant for order-related billing documents - billing plan

Billing is carried out using the billing plan and its status. The status of the order item is understood to be the total status of the billing plan billing statistics.

In the standard system, the item categories WVN (Service), MVN (rent) and TAO (milestone billing) are set up in this way.

J: Relevant for cross EC country deliveries.

The outbound delivery is only relevant for billing if

1. the switch ‘Plants abroad’ is active in Customizing
2. country of departure (where plant is located) and destination country (country of ship-to party) are different EU countries.

In the standard system, the item categories KBN (consignment fill-up), KAN (consignment pick-up) and NLN (replensihment delivery) are set up in this way.

K: Relevant for delivery-related partial billing documents

You use these indicators if you would like to select items and partial quantities in Billing.

# Copying control

## Use

Individual billing types take several different forms.

## Features

The differences lie mainly in:

- Reference document [Page 24]

  Which documents may be used as the basis for the billing document?
- Data flow [Page 26]

  Which data is to be copied to the billing document from the reference document?
- Billing quantity [Page 27]

  Should the order quantity or delivery quantity be invoiced?
- Copying requirements [Page 28]

  According to which requirements is a sales document to be billed?
- Pricing [Page 29]

  Should pricing be carried out again or should prices be copied from the sales order?

These control options are defined by your system administrator in SD Customizing via *Billing → Billing documents → Maintain copying control for billing documents.*

# Reference Documents

## Use

In Billing, a customer is invoiced for deliveries and services specified in a sales order or a customer may be granted a credit memo because of an incorrect or damaged delivery. For this reason, you create billing documents based on documents created earlier. For instance, you create:

- Invoices based on deliveries or services
- Credit and debit memos based on requests
- Pro forma invoices based on sales documents or deliveries
- Cancellation documents based on billing documents or credit memos

When creating a billing document you always refer to a preceding document. You can either bill the entire document, individual items, or partial quantities of items.

## Prerequisites

The billing type is determined automatically by the system. This can be changed in the following ways:

- In SD Customizing via *Sales documents* → *Sales document header* → *Define sales document types* for the *Billing* section.
- Via the proposal data when you create a billing document:

## Features

The following table shows the reference documents defined in the standard system:

| Billing Document | Reference Documents |
|---|---|
| Billing Document | Sales document or delivery |
| Credit Memo | Credit memo request |
| Debit memo | Debit memo request |
| Credit memo for returns | Credit memo request for returns |
| Pro forma invoice | Sales document or delivery |
| Cancellation invoice | Billing Document |
| Cancellation credit memo | Credit Memo |
| Invoice List | Billing documents |

You can specify in Customizing for Billing for each item category whether billing is carried out with reference to a delivery or a sales order.

The system will automatically suggest a billing type depending on the reference document it is based on.

A standard order (document type **OS**) is billed with an invoice (billing type **F2**).

# Data Flow

## Use

In Billing, data is copied into billing documents from reference documents. You can refer to an entire document, individual items or partial quantities of items.

For a delivery-related billing document, for example, quantities to be billed will be copied from the delivery and prices copied from the sales order.

You can redetermine prices in billing documents according to different Pricing Types [Page 29].

## Prerequisites

You determine controlling for dataflow in SD Customizing (see below).

## Features

You can influence the flow of data from reference documents to billing documents using:

- Billing document types (e.g. for text or partner)

  Controlling is carried out in SD Customizing via *Billing → Billing documents → Define billing types*.

- Copying control for either -

  the header:

  – Data on foreign trade
  – Assignment numbers
  – Reference numbers
  – Item number assignments

  or the item:

  – Quantity
  – Prices

  Copying control is carried out by the system administrator in SD Customizing via *Billing → Billing documents → Maintain copying control for billing documents*.

  You can also use the data transport routines to influence data flow to meet your individual requirements. For example, payment terms can be copied from the customer master instead of the sales document. Controlling for this is carried out in copying control for the item in the field *Data VBRK/VBRP*.

# Billing Quantity

## Use

The delivery quantity and the order quantity, including or excluding the quantity already invoiced, can be used as reference quantities. You can refer to the fully quantity of all items, or to manually entered partial quantities.

## Prerequisites

You define the quantity to be billed in the copying control. Copying control is carried out in SD Customizing via *Billing → Billing documents → Maintain copying control for billing documents,* select the relevant activity, Navigation *Item,* field*: billing quantity.*

## Features

The following cases are defined in the standard system:

| Billing Document | Reference Quantity |
|---|---|
| Based on order<br>(for example, credit memo) | Order quantity minus invoiced quantity |
| Based on delivery<br>(for example, billing types  and ) | Delivery quantity minus invoiced quantity |
| Pro forma invoice type | Order quantity |
| Pro forma invoice type | Delivery quantity |
| Third party business transaction (Item category TAS) | Ordered quantity or incoming invoice quantity minus the quantity already billed. |

You can also carry out order-related billing based on the quantity already delivered. For example, you would do this if you had carried out several partial deliveries and you needed to invoice them even though the total order quantity had not yet been delivered.

# Copying Requirements

## Use

Using requirements in copying control, you can specify how a sales document is to be billed with regard to requirements.

## Prerequisites

You define the copying requirements in copying control. Controlling is carried out in SD Customizing via *Billing* → *Billing documents* → *Maintain copying control for billing documents,* Navigation *Header and Item,* field*: Copying requirement*.

If you want to define a copying requirement as a data transfer routine, enter this in field: VBRK/VBRP.

## Features

You can determine copying requirements for:

- the header
- items

You can, for instance, call sales document data on:

- Billing status
- Billing block
- Pricing status
- Completeness

With the requirements in copying control, you can call up data in master records, for example data on whether a billing block exists in a customer master record.

You can also specify your own requirements as data transport routines. In this way, you can determine whether terms of payment are to be copied from the customer master instead of the sales document.

# Pricing

## Use

When a sales document is created, the system automatically carries out pricing.

During billing you have the option to copy the prices from the sales document to the billing document or to have the system carry out pricing again. You can also trigger pricing manually.

## Prerequisites

You define the pricing type in copying control. Controlling is carried out in SD Customizing via *Billing → Billing documents → Maintain copying control for billing documents,* Navigation *Item,* field*: Pricing determination type*.

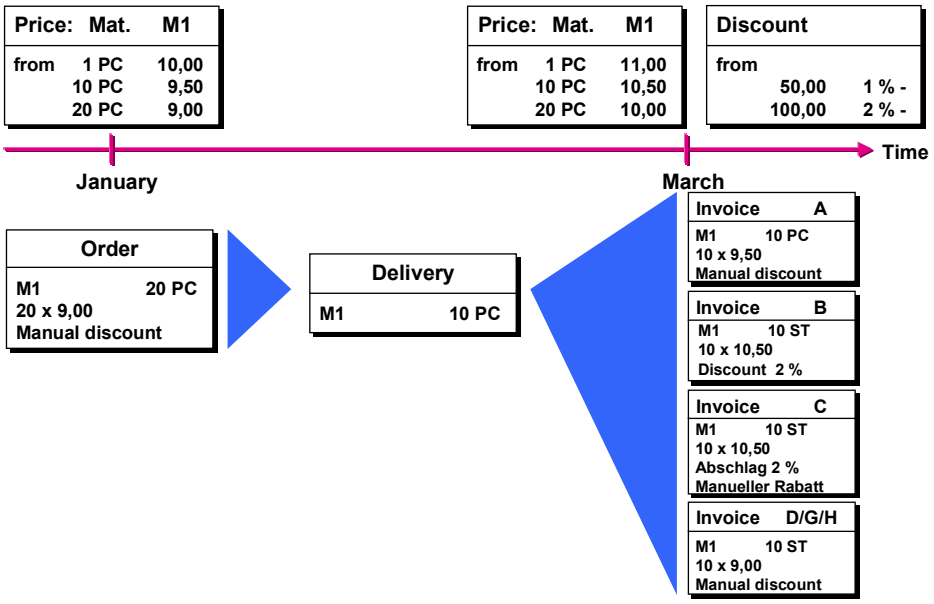
## Features

You can use the following pricing types when billing:

Taken from the standard settings:

- A: Copy pricing elements and update according to scale
- B: Carry out new pricing
- C: Copy manual pricing elements and redetermine the others
- D: Copy pricing elements unchanged
- E: Copy pricing elements and values unchanged
- F: Only used within the program
- G: Copy pricing elements unchanged and redetermine taxes
- H: Copy pricing elements and redetermine freight

The following figure shows how the pricing types function:




The following section describes pricing types in more detail.

## A: Copy pricing elements and update according to scale

With this pricing type, the system:

- Copies the pricing elements from the sales document (that is, it does not determine any new condition types).

  The system then uses these pricing elements to determine the valid prices, surcharges, and discounts based on the quantity to be invoiced.

- Redetermines the scale prices for changed delivery quantities

  If the delivery quantity differs from the order quantity, the system determines the price, surcharges and discounts on the basis of the delivery quantity based on the scales that are valid at the time of order entry.

  Invoice A. When an order was entered, the system used the January price list to determine a price of $9.00 per piece based on the rate for 20 pieces. At billing, the system uses the same price list, but uses the rate for 10 pieces (delivery quantity) to determine a price of $9.50 per piece.

## B: Carry out new pricing

With this pricing type, the system:

- redetermines pricing. The system determines valid pricing elements at the time of billing and uses those elements to determine the prices, surcharges and discounts.

  For instance, the customer may be entitled to a special price after the sales order has been created. The system would then determine the relevant pricing element for this instance and find the valid price.

  If the delivery quantity differs from the order quantity, the system determines the price, surcharges and discounts on the basis of the delivery quantity, according to the scales valid at the time of billing.

- redetermines the taxes.

  Invoice B. At the time of billing, there is a new price list and a new discount for March. The system uses this price list with the rate for 10 pieces to determine a material price of $10.50 per piece. It also determines a 2% discount. The system does not copy the manual surcharge or discount into the billing document since it is carrying out new pricing. The surcharge or discount entered manually in the order is not copied to the billing document, since pricing is carried out again.

## C: Copy manual pricing elements and redetermine the others

With this pricing type, the system:

- redetermines pricing (as above)
- Copies manually entered pricing elements from the sales order
- Redetermines the taxes

In the standard system, this pricing type is determined for items in an invoice using billing type F1.

Invoice C. As in invoice B, the system determines the new scale price of $10.50 per piece and copies the manually entered discount from the sales order into the invoice. Note: Customer loses quantity-based discount.

## D: Copy pricing elements unchanged

With this pricing type, the system:

- Copies the pricing elements and any automatically determined or manually entered surcharges and discounts from the sales order without changing them
- Does not redetermine the tax

In the standard version of R/3, this pricing type is defined for items in credit and debit memos (billing document types **G2** and **L2**).

Invoice D. This time the system does not use the delivery quantity as basis for pricing. It merely copies the price of $9.00 per piece from the sales order. It also copies the manually entered discount. Note: Customer keeps quantity based discount.

## E: Copy pricing elements and values unchanged

With this pricing type, the system:

- Copies the pricing elements and values unchanged with automatically determined or manually entered surcharges and discounts from the reference document
- Does not redetermine the tax

In invoice E, 20 units are invoiced, even if only 10 units are delivered.

In the standard system, this pricing type is determined for items in a cancellation.

## F: Only used within the program

This pricing type is used within the program during processing of group conditions.

## G: Copy pricing elements unchanged and redetermine taxes

With this pricing type, the system:

- redefines the following condition types:
  - Taxes (condition class D)
  - Rebate (condition class C)
  - Intercompany billing conditions (condition category I)
  - Invoice list conditions (condition category R)
  - Condition types with condition category L
  - Cost conditions (condition category G)
  - Cash discount conditions (condition category E)
- All other condition types are treated as in pricing type D.

In the standard version of the SAP R/3 system, this pricing type is defined for invoices of billing type `F2` as well as for pro forma invoices `F5` and `F8`.

## H: Copy pricing elements and redetermine freight

With this pricing type, the system:

- redefines the following condition types:
  - Freight conditions (condition category B, F)
  - Condition types with condition category L
- All other condition types are treated as in pricing type A.

**See also:**

For further information, see Conditions and Pricing [Ext.].

In order to take field changes in the reference document into account for pricing, corresponding pricing types are defined for certain field changes.

| Field change | Pricing type |
|---|---|
| Pricing date | C |
| Exchange rate | A |
| Ship-to party | G |
| Payer | G |
| Terms of payment | A |
| Incoterms | H |
| Batch | G |
| Plant | G |
| Quantity | A |
| Material | B |

When a change is made in one of the above fields, the system automatically carries out pricing with the corresponding pricing type.

# Billing Processing

## Purpose

During billing processing, you create, change and delete billing documents (invoices, credit memos, debit memos, etc.).

## Features

You can create billing documents:

- with reference to a sales order
- with reference to a delivery
- with reference to external transactions:

You can refer to an entire document, individual items or partial quantities of items.

You can create billing documents in the following ways:

- by having the system process a billing due list automatically as a background task
- by processing manually from a worklist
- by creating a billing document explicitly

You can also use the following forms of settlement:

- by combining several SD documents into a collective billing document
- by billing one or more SD documents with several billing documents (this is called an invoice split).
- by creating an individual billing document for every sales document

# Billing Methods

## Use

During billing, you can decided whether you want to create an invoice for every delivery, or whether you want to send the customer an invoice every month, for example.

## Features

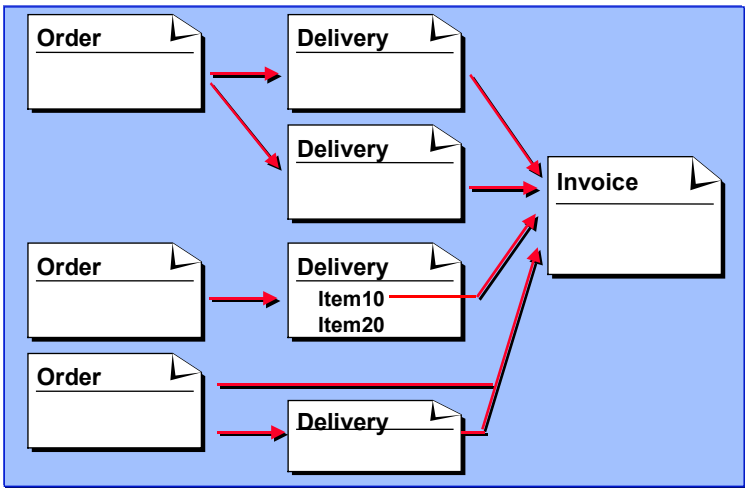
The following methods may be used in Billing:

- One individual billing document [Page 40] per sales document
- A collective billing document [Page 36] for several sales documents
- several billing documents for one or more sales documents (invoice split [Page 38])

# Collective Billing Documents

## Use

As long as certain data agrees, you can also combine different documents (orders and/or deliveries) fully or partially in a common billing
document:




## Prerequisites

The following prerequisites must be met:

- the header data appearing in the billing document must agree
- the split conditions specified do not apply

**See also:**

Periodic Billing: Creation [Page 45]

## Features

The system behaves differently for the functions **Billing due list** and **Create billing document**

### Process billing due list

The system combines documents with the same customer number, proposal billing type and sales organization, and attempts to include them all in the same billing document. If the preconditions are met, then a **single** invoice is created for the deliveries and/or orders.

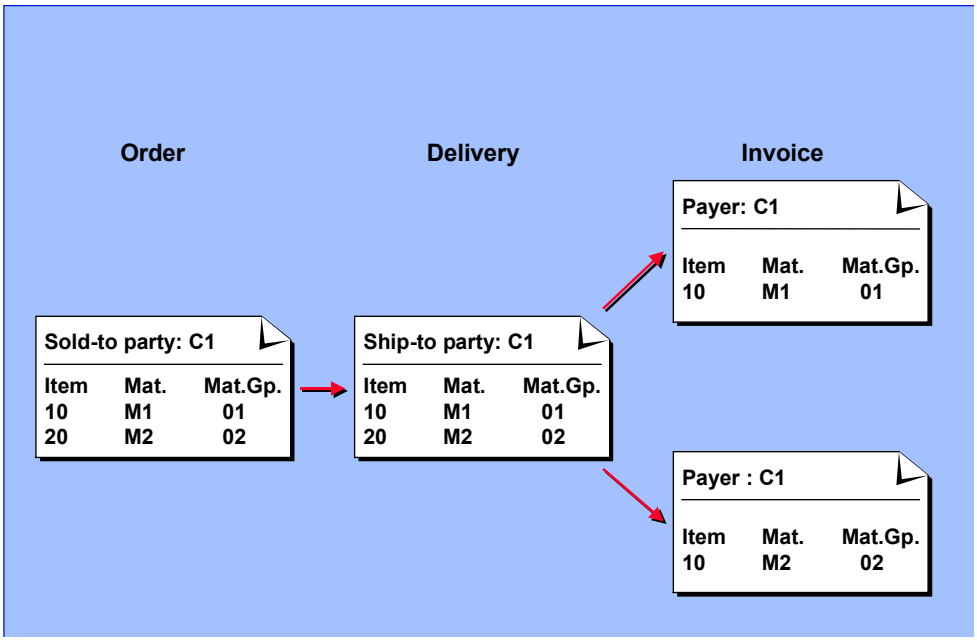
### Create billing document

When creating several billing documents, user exits can be used to reset the header data, so that more can be combined than in the billing due list.

# Invoice Splits

## Use

If you want to guarantee that invoices are created separately according to certain criteria, you can do this by defining certain split criteria. The following is an example of invoices split by material group:




## Prerequisites

In Customizing for copying control, you can specify requirements for splitting to prevent sales orders or deliveries from being combined into a collective billing document.

## Features

As a rule, the system combines into one billing document all transactions for the same customer, default billing date and sales organization.

If data from the related reference documents differs in the **header fields** of the billing document, the system will automatically split the invoice.

An order contains terms of payment at header as well as item level. These are stored only at header level in the billing document, however. If there are different terms of payment in the reference documents, an invoice split will always be made.

If data from the related reference documents differs in the **item fields** of the billing document, the system **does not** split the invoice.

The order basis is stored at header level in the order and at item level in the billing document. The system does not split the invoice. If you require an invoice split, you must first define the appropriate split requirements in Customizing for copying control. Copying control depends on the following criteria:

- Billing Document Type
- reference document type (i.e. type of order, delivery or billing document on which the sales document is based)
- item category in the reference document

You can also display a split analysis to discover why an invoice split has occurred.

## Activities

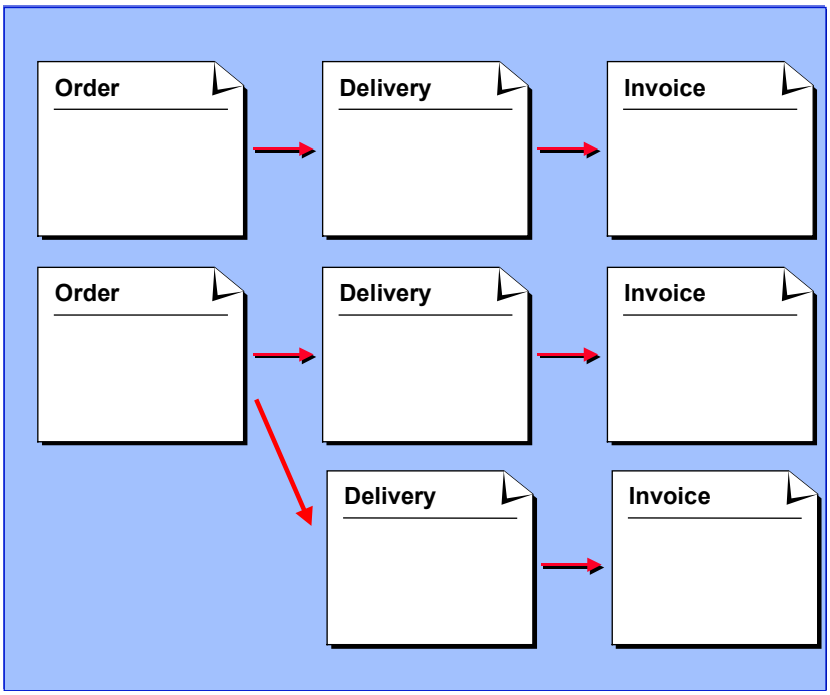
**See also:**

Split Analysis [Ext.]

# Individual Billing Documents

## Use

You can set the system to create one billing document for each sales document, e.g. one invoice per delivery.




## Prerequisites

Copying control is carried out in SD Customizing via *Billing* → *Billing documents* → *Maintain copying control for billing documents,* Navigation *Item,* field*: VBRK/VBRP*. In this field, you select data transfer routine 3.

## Features

Regardless of whether several deliveries originate from one or more orders, the system can create an individual invoice for each delivery.

# Creating a Billing Document

## Use

During billing document creation, you can create invoices, credit memos, debit memos, cancellations, etc.

## Features

The following options are available for billing document creation:

- Automatic processing of the billing due list in the background

  This can also be carried out periodically (e.g. every day at 10 PM) and automatically by the system.

- Manual processing of the billing due list

  You enter selection criteria. The system then selects all the documents fulfilling this criteria and enters them in a billing due list which you can process.

- Explicit invoice for a delivery or an order You can refer to an entire document, individual items or partial quantities of items.

You can create billing documents in the following ways:

- Explicitly specify the documents to be billed [Page 52]
- Process the billing due list [Page 53]
- Process Billing in the background [Page 44]

You can also have the system create invoices for a customer at regular intervals (periodic billing). In this case, the system selects the documents to be billed by the date defined in the billing schedule.

**See also:**

Periodic Billing: Creation [Page 45]

# Creating Billing Documents via the Billing Due List

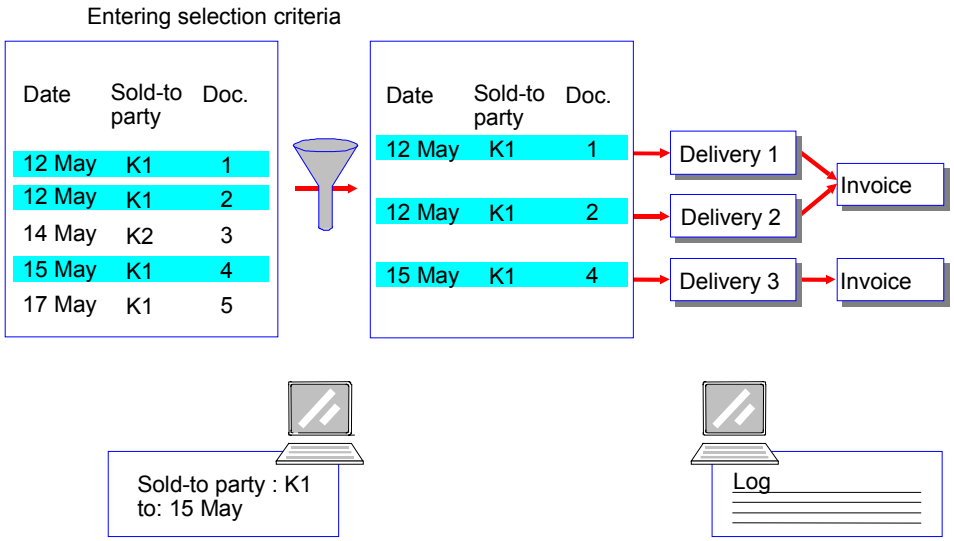
## Purpose

When processing the billing due list, you do not need to enter the individual documents to be invoiced. The system lists the documents to be invoiced on the basis of the selection criteria you enter. It can also combine several deliveries in one invoice.

## Process Flow

1. You select the function for creating a billing due list.
2. You enter the selection criteria for the billing documents to be created. For example, enter billing type *F2*, if you only want to create invoices with this billing type.
3. You then display the billing due list.
4. The system uses the selection criteria to create the billing due list (a list of sales documents to be billed). You can now process this list, e.g. select some or all of the sales documents to be billed.
5. You select the function for billing. The system creates the corresponding billing documents for the selected documents.

The following figure shows a case in which the billing documents are only to be created for documents that were delivered by May 15th and whose sold-to party is C1. According to this selection criteria, the system selects the documents to make up the billing due list and creates the invoices when this list is processed.



## Simulation

It is possible to process the billing due list as a simulation ‘trial run’. All documents marked for billing will be processed, and the system will display a list of billing documents which it would create. Any billing documents containing errors will be displayed with the relevant processing status.

## Log for a Billing Run

If the billing due list was processed previously and you need to know which billing documents were created from this billing due list, you can display the log for this billing run.

# Creating Billing Documents in the Background

## Use

If you need to reduce processing time, it is recommended that you process billing as a background task.

## Features

The billing due list can be processed in several runs. You can start several processes in parallel, which means that the total processing time will be reduced.

## Activities

Choose *Billing document* → *Background processing* (Report RV60SBAT). Here you can divide the billing due list into suitable blocks; for example, according to:

- customer (sold-to party)
- document numbers

You can also start report RV60SBAT, for example, using a job which starts the report daily at 16.00 using certain selection data.

For more information on background jobs, see the documentation on background processing.

Choose: *BC - Computing Center Management System - Background Processing*.

# Creating Periodic Billing Documents

## Use

Some customers may require invoices to be processed periodically, so that all deliveries due for billing by a certain time are put into one collective invoice.

## Prerequisites

To fulfill this requirement, a billing schedule must be defined for the customer:

- A factory calendar which contains special rules instead of working days must be created. These special rules refer to the days on which billing should be carried out. If, for example, an invoice is to be issued every last working day of the month, then this day must be entered as "valid from" day and "valid to" day. This day must be the only day defined as a working day in the calendar for each month.
- The ID-number of the factory calendar must be specified on the billing screen of the payer's customer master record in the *Billing schedule* field.

## Activities

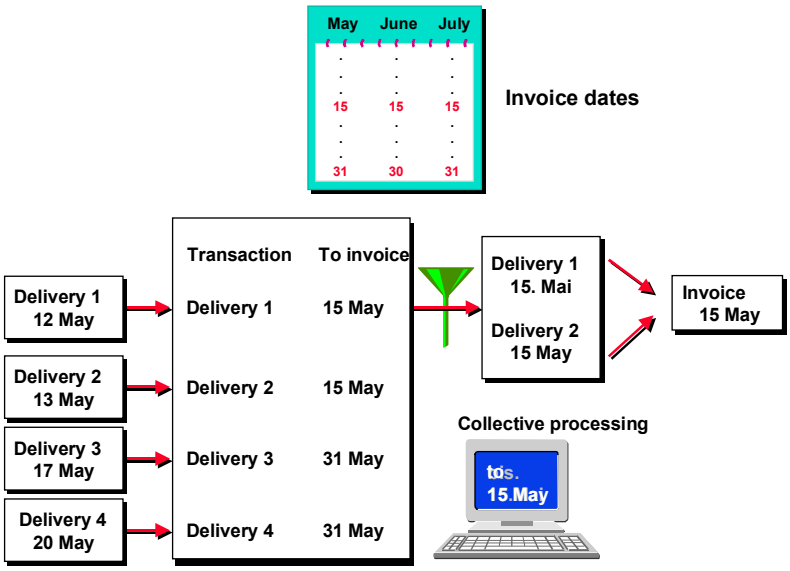
When a sales document is created, the system copies the invoice date from the factory calendar and enters it into the relevant document as follows:

On the next billing date determined by the factory calendar, the system selects all sales orders and deliveries and puts them in a billing due list. They can now be billed.

As a result of the ID-number of the factory calendar defined in the customer master record, all sales orders or deliveries for that customer over a particular period have the same billing date, and they can be combined in one collective invoice.

The following figure shows how the system proceeds if a billing schedule has been defined for a customer.

## Creating Periodic Billing Documents




For further information on creating a factory calendar for invoice dates, goto the online Implementation Guide (IMG) and view the *Maintain calendar* section under *Global settings*.

# Creating Billing Documents Explicitly

## Purpose

If you only have to bill specific orders or deliveries, you can carry out manual billing explicitly.

## Prerequisites

When you create a billing document, you must refer to a sales order, delivery or, in the case of a credit memo, to another billing document.

## Process Flow

You can specify which documents should be billed by entering the numbers of these documents or using the search help.

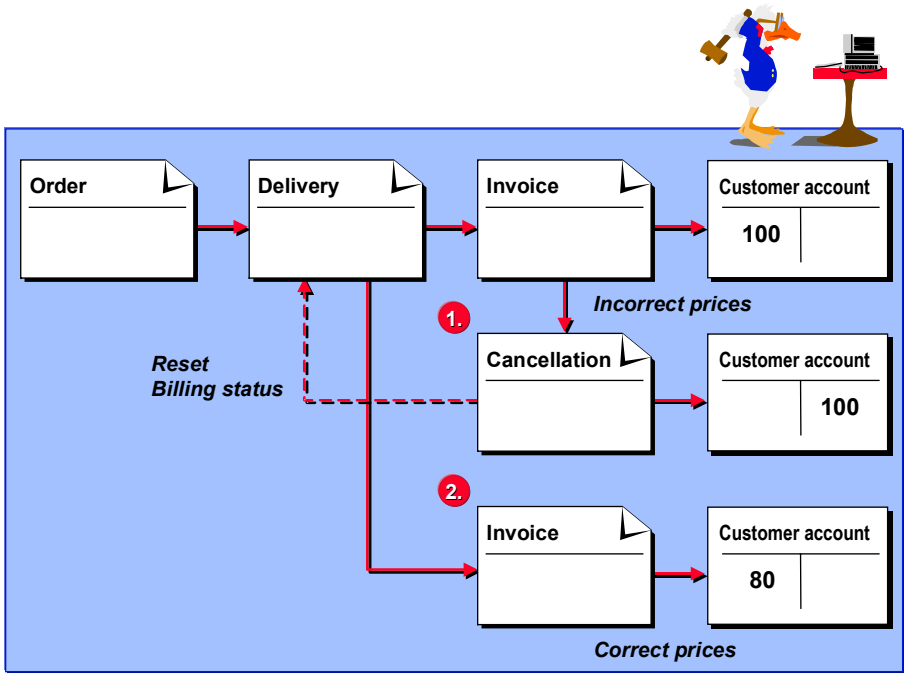
**See also:**

Creating a Billing Document [Page 52]

# Canceling Billing Documents

## Use

There are several reasons why a billing document may need to be canceled. For example, an error might have occurred during billing creation, or billing data might have been posted to the wrong accounts when it was transferred to the accounting department.




## Prerequisites

When you cancel a billing document, you are actually creating a cancellation document. The cancellation document copies data from the billing document and transfers an offsetting entry to the accounting department.

## Features

The cancellation document causes the reference document for the billing document (e.g. the delivery) to be reopened so that a correct billing document can be created.

You can also cancel individual items. In the billing document, goto: *Edit - Cancel item*
This function is not possible for:

- rebate agreements
- transactions involving credit cards
- documents that have not yet been forwarded to Financial Accounting

# Processing Billing Documents

## Procedures

Choose the following menu paths:

### Billing Processing

| Function | Menu path | What you need to know |
|---|---|---|
| Creating Billing Documents | *Billing document → Create* | See *Create billing document* |
| Changing Billing Documents | *Billing document → Change* | You can make only limited changes.<br>Before the system forwards the billing document to Financial Accounting, you can<br>• change output and texts<br>• carry out new pricing for the individual items or change the prices manually.<br>After the system forwards the billing document to Financial Accounting, you can only change the output and texts.<br>If you need to make other changes, you will have to cancel the billing document and create a new one. |
| Displaying Billing Documents | *Billing document → Display* | You can also display changes to a billing document. |
| Displaying Changes to Billing Documents | *Environment → Changes* | You can use this function when changing or displaying a billing document. |
| Displaying Billing Document from Archive | *Billing document → Display from Archive* | You cannot view the following data:<br>• Document flow<br>• Output<br>• Partner details<br>• Payment card data |

| | | |
|---|---|---|
| Canceling billing document | 1. *Billing document → Cancel*<br>2. *Edit → Execute* | If an error occurs (e.g. if the billing data was posted to the wrong accounts during forwarding to Financial Accounting), you can cancel the billing document. |
| Processing Billing Due List | *Billing document → Billing due list* | |
| Background processing of billing documents | *Billing document → Background processing* | |
| Display log for a billing run | *Billing document → Logs* | . |
| Print billing document | *Output → Billing documents* | |

# Creating Billing Documents

## Prerequisites

You must refer to a sales and distribution document, e.g. a delivery or a credit memo request.

## Procedures

1. In the Billing screen [Ext.] choose *Billing document* → *Create.*

   You will reach the screen *Create billing document.*

2. In the *document* column, enter the numbers of the sales documents (e.g. deliveries, orders or credit memo requests), which you want to be billed.

3. If you need to change data proposed by the system (e.g. you need to use another billing document type), make the entries accordingly.

4. if you only want to bill individual items and/or partial quantities, choose *Selection list.* Select the items required or specify the partial quantities for individual items.

   There is the following prerequisite in Customizing for item selection during delivery-related billing.

   Billing relevance of the item category must have the indicator **K**.

5. If you want to change the billing documents created, choose *Edit* → *Execute* to reach **Foreground processing .**

   If errors occur, you can display the notes on these errors in the log (*Edit* → *Log).*

6. Choose *Billing document* → *Save* to reach **Background processing** and to create the billing documents.

   In this case you have no more influence on the billing documents.

   As long as the sales and distribution documents were not incomplete or did not contain any errors, the number of the last billing documents created is displayed.

   If errors occur during account assignment and you can not get rid of these, you must cancel the billing documents.

# Processing Billing Due List

## Procedures

1. In the Billing screen [Ext.] select *Billing document* → *Process Billing due list*.

   The *Process Billing Due List* screen appears.

2. You can select by billing date, by reference document, or by customer and organizational data.

3. If you need to change data proposed by the system (e.g. you need to use another billing document type), select *Settings* → *Default data.*

   You can change the following data before you carry out the billing process:

   - **Billing type**

     Enter the billing type, if you want to create a billing document which cannot be determined automatically from the sales order or the delivery (for example, if you want to create a pro forma invoice).

   - **Billing date**

     If you do not specify a billing date, the billing date is always copied from the sales order or the delivery (field *Billing date*).

   - **Date of services rendered**

     For credit and debit memos, you must be able to refer to previous business transactions since tax must be determined according to the tax situation at the time the services were rendered.

   - **Pricing date**

     If you want to change the pricing date, enter a date in this field.

   Enter the relevant data and press `CONTINUE`.

4. In the *Documents to be selected* section, you can specify whether you want billing to be:

   – order-related

   – delivery-related

   – rebate-related

   – intercompany (intercompany billing document)

5. You can display the billing due list to check it before creating the billing documents:

   Select *Billing document* → *Display billing list*.

   Unmark any documents you do not want to invoice.

6. You now have the following billing options:

- **Individual Billing Documents**

  An individual billing document is created for all documents marked in the billing due list. No combination is carried out. You branch to transaction VF01 for every document selected.

**Processing Billing Due List**

- **Collective Billing Documents**

  All documents marked in the billing due list are billed. The system tries to combine them as much as possible. Processing of the selected documents is carried out in the background. After processing of the documents, you return to the billing due list. Here, icons indicate whether or not a document has been billed successfully.

- **Collective Billing Documents / Online**

  The system branches to the *Create billing document* function *(transaction VF01)*. The documents are combined as far as possible according to the usual criteria.

- **Save**

  As for collective billing, the system attempts to combine all selected documents. You do not however return to the billing due list, the system branches to the log display instead. After you leave the log display, the system also leaves the billing due list display.

- **Simulation**

  You can also carry out a simulation of billing. In this case, select *Simulate*. The system simulates the *collective billing / online* function described above.

  After the collective run you can display a **log** for the collective run. This displays possible errors during billing.

  You can also branch to the resulting billing documents, in order to carry out a **split analysis**.

  The billing documents of a collective run can also be **canceled.**

# Display log for a billing run

## Procedure

1. In the Billing screen [Ext.] select, *Billing document* → *Logs*.

   The *Log of Collective Run* screen appears.

2. Enter the required selection criteria.

Possible selection criteria can include the number of a billing run, the processor of the billing due list or the billing date.

3. Choose *Program* → *Execute.*

   You receive a list of one or more collective runs. You can display the billing documents and the notes for these collective runs.

   If no errors occurred, then the billing documents are created and the billing values are forwarded to Financial Accounting.

# Canceling a Billing Run

## Procedures

1. In the Billing screen [Ext.] select *Billing document* → *Logs*.
2. Enter the required selection criteria and select *Execute.*
3. Place the cursor on the required line and choose *Documents*.
4. Choose *Cancel all.*

## Result

All billing documents in collective processing are canceled. The cancellation billing documents created in this way are sumarized under a collective processing number of collective processing type ‘S’ and can be seen in *Billing document* → *Logs*

Using the described procedure, previous documents from the canceled billing documents can be billed again as normal.

You want to bill the orders for a customer. You start the collective run. The system creates an invoice for three of the four sales orders, although you wanted to create an invoice for all four orders. You receive a system message that tells you why you could not create an invoice for all four orders: An order is blocked for the billing document because pricing must still be checked. Here you should cancel the collective run, check the blocked order and, if possible, release it. Now you start the collective run again. You get **one** collective invoice for all of the customer orders.

# Invoice List

## Purpose

The invoice list lets you create, at specified time intervals or on specific dates, a list of billing documents (invoices, credit and debit memos) to send to a particular **payer**.

The billing documents in the invoice list can be **single** or **collective** documents (collective invoices combine items from more than one delivery).

The standard version of the SAP R/3 System includes two types of invoice lists:

- for invoices and debit memos
- for credit memos

If you wish, you can process invoices, debit memos, and credit memos at the same time. The system automatically creates a separate invoice list for credit memos.

A payer may be the head office of a buying group, which pays all the invoices for goods that are shipped to individual members. The group payer takes responsibility for paying the invoice lists and then collecting payment from the individual members. In return for these services, the group payer usually earns a **factoring** or **del credere** discount.

Depending on the tax structure of the payer's country, the payer may be liable to pay taxes on factoring discounts that he earns. In Germany, for example, factoring discounts are taxed at the standard rate of 15%. During invoice list processing, you can reimburse the payer in advance for this tax liability by creating special condition records.

# Creating an Invoice List

## Use

When you work with invoice lists, you need to be familiar with the following concepts:

- Prerequisites for invoice lists
- Relationship to Pricing
- Structure of an Invoice List
- Changing header and item data
- Integration with financial accounting (FI)

## Prerequisites

You can only process invoice lists if the following prerequisite data is defined by your system administrator in Customizing for Sales:

- Condition type RL00 (factoring discount) must be maintained and, if required, also the condition type MW15.
- An invoice list type must be assigned to each billing type that you want to process in invoice lists. The standard version of the SAP R/3 System includes two types of invoice lists: *LR* for invoices and debit memos, *LG* for credit memos.
- Copying requirements must be defined (for example, the payer, terms of payment and other fields that must be identical in the documents to be included in the invoice list)

In addition, before you process an invoice list, you must maintain the following master data:

- A customer calendar must be defined, specifying the time intervals or dates on which invoice lists are to be processed.
- The customer calendar must be entered in the *Billing Sales Area* view of the customer master record.
- Pricing condition records for the condition type *RL00* and, if necessary, (e.g. in Germany) the condition type *MW15* must be maintained.
- Output condition records for condition types LR00 and RD01 must be created.

## Relationship to Pricing

The system processes factoring discounts in invoice lists in exactly the same way as other kinds of pricing elements. The data for the factoring discount is stored in condition records. Controlling during document processing is carried out via condition types, pricing procedures and access sequences. This control data is defined in Customizing for Sales by your system administrator.

For further information, see Conditions and Pricing [Ext.].

## Structure of an Invoice List

An invoice list represents an individual billing document. It consists of a **document header** and **document items**. Each item represents a billing document that you have included in the invoice list. The header contains an overview of summary information, such as the net value of all

documents in the invoice list, the value of the factoring discount, details of taxes, and so on. It also contains information on partners and output.

## Changing Header and Item Data

You can change some of the header data - for example, the billing date - when you process the invoice list. You can change an item - either an individual or collective invoice - and display document details. However, you cannot change any data in individual billing documents once they are part of an invoice list.

It is possible, however, to make certain global changes to output in all items in an invoice list.

For further information on output, see Communication in Sales and Distribution Processing [Ext.].

## Integration With Financial Accounting (FI)

The documents that you want to combine within an invoice list must already have been billed and forwarded to Financial Accounting. Here the billing documents intended for an invoice list are blocked for normal dunning transactions.

The dunning block on FI documents is lifted as soon as you create an invoice list and transfer it to FI . The system then calculates the new dunning date for the invoice on the basis of the invoice list date.

In addition, the system enters invoice list numbers in the FI documents as reference numbers. Invoice list numbers can then be entered for incoming payments.

When you save the invoice list, the system automatically creates an accounting document for the factoring discount and possible taxes and posts it to the corresponding G/L account in FI.

# Creating an Invoice List

## Steps

To create an invoice list:

1. Select the Billing screen [Ext.].

   Depending on the number of billing documents that you want to include, you can choose one of two ways to create the invoice list. You can either

   - Select *Invoice list* → *Create* and enter each billing document separately
   - Create a list for all billing documents that are relevant for the invoice list. You can then process the work list for invoice lists.

   This procedure shows you how to create the work list.

2. Select *Invoice list* → *Edit work list*.
3. Enter your selection criteria and press ENTER.

   The system displays a list of billing documents that meet your selection criteria.

4. Select the billing documents that you want to include in the invoice list and select *Invoice list* → *Save*.

   You can also simulate creation of invoice lists via the work list for invoice lists. This is useful as a test option. The simulation also allows you to carry out a split analysis, which shows you why billing documents are written to different invoice lists (e.g. due to different payers).

   Incorrect invoice lists can also be canceled.

# Rebate Agreements

## Purpose

A **rebate** is a special discount which is paid retroactively to a customer. This discount is based on the customer's **sales volume** over a specified time period.

You define the details of the rebate in a **rebate agreement**. In the agreement you specify, for example

- who receives the rebate payment
- on what criteria the rebate is based (customer, customer and material, and so on).how long the rebate agreement is valid

Within the rebate agreement you create separate condition records for each product the customer buys. These records specify the rebate amount or percentage for each product. You can also specify a pricing scale so that the customer can earn a better rebate by ordering more. Because rebates are always paid retroactively, the system keeps track of all billing documents (invoices, credit and debit memos) that are relevant for rebate processing. The system can, if you wish, automatically post **accruals** so that the accumulated value of a rebate is recorded for accounting purposes.

A rebate agreement is finally settled when you issue a credit memo to the customer for the accumulated rebate total.

You can set up rebates at any level just like pricing. The following rebates have been set up in the standard version of the SAP R/3 system:

- Rebate based on a material
- Rebate based on a customer
- Rebate based on a customer hierarchy
- Rebate based on a group of materials

## Prerequisites for Processing Rebates

You can process rebate agreements when the following prerequisite conditions are met:

- The **sales organization** in which you are processing sales orders must be relevant for rebate processing. Your system administrator sets this indicator in Customizing for Sales.
- The **payer** must be relevant for rebate processing. In many cases, the payer is the same as the customer. You indicate whether a customer can receive rebates by marking the *Rebates* field in the *Billing* view of the customer master record.
- The **billing type** (invoice, credit memo, and so on) you are using must be relevant for rebate processing. Your system administrator sets this indicator when defining billing types in Customizing for Sales.

If you plan to create rebates that do not depend on a material, but instead, for example, depend only on the customer, you must create a special material master record for a settlement material.

## Relationship to Pricing

Rebates differ from other kinds of discounts in that they are based on sales volume over time and are paid retroactively. However, the system processes rebates in much the same way as other kinds of pricing elements. Rebate data is saved in condition records. Controlling for rebate processing is carried out via condition types, pricing procedures and access sequences. This control data is defined in Customizing for Sales and Distribution.

# Agreement type

## Use

When you first create a rebate agreement, the system prompts you to specify a **rebate agreement type**. The rebate agreement type you specify determines which data the system automatically proposes for the corresponding rebate agreement. For example, the system can propose

- which condition types you can use in an agreement
- which validity period the system automatically proposes for an agreement
- which status is required before an agreement can be processed for payment.
- which rebate agreement types are defined in Customizing for Sales and Distribution.

## Agreement Types in the Standard Version

The standard version of the SAP R/3 System includes the following rebate agreement types (the table shows the corresponding condition types):

| Agreement type | Basis of rebate | condition type |
|---|---|---|
| 0001 | Customer/material (% rebate) | BO01 |
| | Customer/rebate group (% rebate) | BO01 |
| 0002 | Customer/material (quantity dependent) | BO02 |
| 0003 | Customer (% rebate) | BO03 |
| 0004 | Customer hierarchy (% rebate) | BO04 |
| | Cust. hierarchy/material (% rebate) | BO05 |
| 0005 | Sales volume independent | BO06 |

You can also assign other or several different condition types to the rebate agreement types in Customizing.

Agreement type

# Rebate Agreements

## Definition

A rebate agreement usually consists of a number of individual agreements in the form of **condition records**. A rebate agreement and the condition records it contains are uniquely identified by a **rebate agreement number**.

The rebate agreement includes general information and terms that apply to all the condition records it contains. For example, the method of payment and the rebate recipient you specify for a rebate agreement will apply to all the condition records you create within the agreement.

## Structure

You can define the following data in a rebate agreement. This general data applies to all condition records that you create within the rebate agreement:

- Validity period
- Status (for example, whether the agreement is released for settlement)
- Rebate recipient (the party who receives the credit memo)
- Currency (default from the sales organization)
- Method of payment (check, bank transfer, and so on)

The credit memo passes this information on to Financial Accounting.

### Data Defined in a Condition Record

You can define the following data for each condition record in a rebate agreement:

- Basis for the rebate (customer, customer/material, rebate group, and so on)
- Validity period (the validity period for each condition record must be the same as or lie within the validity period of the rebate agreement)
- Condition rate
- Material for settlement
- Accrual rate
- Other control data, such as the pricing scale type

Some information in a condition record is automatically proposed by the system from corresponding condition types (BO01, BO02, and so on). In Customizing for Sales, your system administrator can specify, for example, that condition records for a certain condition type can only be based on percentage rebates.

## Material for Settlement

You may have to create rebates that do not depend on a material, but instead, for example, on:

- a customer
- a customer hierarchy
- a group of materials

You will then need to refer to a **material for settlement**. The system uses this material when you pay out the rebate.

In this case you need to create a special material master record for this material for settlement.

It does not matter which material type and material application type you use.

If you use the material type as a selection criteria for displaying lists, the material for settlement will appear in the list.

If you want to avoid this, you can create a special material type for the material type for the settlement material in SD Customizing.

You have to maintain the data in the material master record from the sales and accounting views.

It is advisable that you use a meaningful number and/or material text when you create the material for settlement, so that it will be easier to keep track of the rebates you pay out.

When you create the condition record within the rebate agreement, the system automatically asks you to enter the number of the material for settlement.

When you create a credit memo to settle the agreement, the material for settlement provides important material master data (such as account assignment and tax determination).

## Rebate based on a customer

You can base a rebate on a customer.

Certain customers get a 1% rebate on all materials they buy from you.

Use agreement type *0003*.

When you create a condition record, you must enter a settlement material.

## Rebate Based on a Material

You can base a rebate on a material that the customer buys from you.

Use the following agreement types:

| Agreement type | Basis of rebate | Example |
|---|---|---|
| 0001 | Percentage rate | 1% of the order value |

| | | |
|---|---|---|
| 0002 | Quantity dependent | US$ 10.00 per piece |

## Rebate Based on a Customer Hierarchy

You can base a rebate on a customer hierarchy.

Certain customers get a 1% rebate on all materials they or their subsidiaries buy from you. The subsidiaries must be linked to the rebate recipient within a customer hierarchy.

Use agreement type *0004*.

When you create a condition record, you must enter a settlement material.

.

## Rebate Based on a Group of Materials

A **rebate group** consists of materials to which you want to apply the same rebate.

Your system administrator can define rebate groups in Customizing for Sales according to the needs of your own organization.

You can assign a material to a rebate group in the material master record:

- View: *Sales 2*
- Field: *Rebate group*

When you create a condition record, you must enter a settlement material.

# Creating Rebate Agreements

To create a rebate agreement:

1. In the Create Rebate Agreement Screen [Ext.] , the system can automatically propose organizational data (sales organization, division, and so on). If you wish, you can change it here.

   You can also use data from an existing agreement, even one that has already expired, as the basis for a new agreement. To copy data from an existing rebate agreement, press *Create w/reference*.

2. Enter the rebate agreement type according to the kind of rebate you want to create (example: a customer rebate - *0003*) and choose `ENTER`.

   You reach the overview screen of a rebate agreement. Depending on how your system is configured in Customizing for Sales, the system automatically proposes data, such as the validity period.

3. The currency is always proposed. Enter the name or number of the rebate recipient and other relevant data, such as the payment method and the customer's reference for the rebate agreement.

   The data you have just defined applies automatically to every condition record that you create within the rebate agreement.

   You are now ready to create condition records for the rebate agreement.

# Texts for Rebate Agreements

## Use

You can maintain long texts for rebate agreements.

These give information, e.g. on the following:

- Information on the condition record system
- Information on licenses
- Information on invalidity

If you wish, long texts in the rebate agreement can also be transferred into documents (e.g. into the credit memo request for a rebate payment and from there into the rebate credit memo.

For texts in Price Conditions, transferring to documents is not supported.

Texts are not copied over when creating rebate agreements with references.

The following text types are set up in the standard system:

- 0001: Opening comments
- 0002: Licenses
- 0003: Closing comments
- 1000: Bonus payment

There are some buttons in the condition record for text maintenance.

You can also use an editor for a text type. This allows you to create body text (For information on controlling this, see Customizing).

## Customizing

In Customizing for Text Determination you can set up your own text types.

For an agreement type decide which text type should appear in the agreement for maintenance with “Text Edit Control”.

When text is transferred from the bonus agreement to the bonus documents, the document pricing procedure ‘B3’ is set up in the standard system with the text type 1000.

# Deleting Rebate Agreements

## Steps

To delete a rebate agreement:

1. In the Change rebate agreement [Ext.] screen, enter the number of the rebate agreement that you want to settle or determine the number by using the matchcodes.
2. Press `ENTER`.
3. Select *Agreement* → *Delete*.

   The system prompts you to confirm the deletion of the rebate agreement.
4. Press `ENTER` to delete the rebate agreement.

## Result

The rebate agreement receives status C (settlement created).

The system uses a credit memo request to remove the accruals created on the basis of the rebate agreement. You can display the credit memo request for the rebate agreement via *Payment* → *Rebate documents.*

# Creating Condition Records for a Rebate Agreement

## Steps

To create a condition record for a rebate agreement:

1. When creating or changing rebate agreements, you can create condition records by choosing *Goto* → *Conditions* to get to the *Agreement Overview* screen.
2. Enter the data necessary to create a condition record (for example: customer and condition rate).
3. Choose `ENTER`.

   If you do not enter a value for the accrual rate, the system automatically proposes the value you entered as the condition rate.
4. To create a pricing scale for a condition record, select the condition record and choose *Scales*.
5. To display or change details in a condition record, select the condition record and choose *Details*.

   It is possible to see an overview of condition records that already exist in other rebate agreements and that have the same **key combination** (customer/material, customer/rebate group, and so on).

   To view the list, select *Validity periods*.

   If the condition record only refers to the customer, the system prompts you to enter a value in the settlement material field.
6. If you have finished creating the condition record, press
   - *Save* to save the rebate agreement or
   - *Conditions* to return to the Condition screen where you can create additional condition records.

# Automatically Renewing Rebate Agreements

You can set the system to automatically renew rebate agreements.

Your system administrator is responsible for defining in Customizing for agreement types a calendar for extending rebate agreements by a half year or full year.

At different times throughout the year, you select all rebate agreements that are to be renewed.

You can set for each rebate agreement whether it is to be renewed automatically or not. Select *Extras* → *Rebate calendar* → *Reactivate* or *Remove* in the Change Rebate mode.

**See also:**

Renewing Rebate Agreements [Page 73]

# Renewing Rebate Agreements

## Steps:

1. Enter Screen Rebate agreements: Renewing [Ext.]:
2. Choose *Enter*.

   The system issues a list of all rebate agreements which were renewed.

   Rebate agreements which the system could not renew are listed in the log.

# Retroactive Agreements

## Use

You can create a rebate agreement for which the validity start date lies in the past. The system then takes into account all the rebate-relevant billing documents that were created between the validity start date and the date you created the rebate agreement.

You will encounter one of the following two cases when you wish to create a retroactive rebate agreement:

- The necessary settings have been made in Customizing and in the relevant payer master record:

  – The sales organization, and the relevant billing types have all been classified as relevant for rebate

  – The pricing procedure has been defined to include the condition types for rebate processing.

  – The relevant payers have been classified as relevant for rebate in the master record.

  In this case, the rebate processing index is correct. This means that when the rebate agreement is settled, the system will find all billing documents relevant for the rebate agreement and can determine the sales volume on the basis of them.

  For further information, see Creating a Retroactive Rebate Agreement when the Rebate Processing Agreement is Correct [Page 75]

- The necessary settings have not been made in Customizing, and the payer for whom billing documents should be relevant for rebate has not been classified as relevant for rebate. In this case, the rebate processing is not correct. Therefore, when the rebate agreement is settled, the system will not be able to find all invoices relevant for the rebate agreement to determine the appropriate sales volume.

  For more information, see the section on rebate processing in the Implementation Guide.

# Creating Retroactive Rebate Agreements

Create the rebate agreement in the usual way (see Creating a Rebate Agreement [Page 68])).

The system recognizes that the rebate agreement is retroactive. It reads the rebate processing index to access billing documents which are relevant for this retroactive rebate agreement. The rebate amount is calculated on the basis of these documents. In addition to the credit memo request, the system creates a correction sales document (type B2) automatically for this amount.

For information on creating retroactive agreements for which the rebate processing index is not correct, see the section on rebate processing in the online Implementation Guide.

# Accruals

## Use

Rebate accruals allow your accounting department to keep track of how much your company owes customers with whom you have rebate agreements.

| You can enter | Example |
|---|---|
| accrual rates based on sales volume | accrual rate USD 2.00 for every 10 pieces the customer buys from you |
| accruals not based on sales volume | lump sum payment of USD 5000 for front of store display |

If you are processing rebate agreements that have a relatively short life-span (for example, one month), it may not be necessary to use accruals at all during rebate processing.

# Working with Accrual Rates

## Use

You can enter an accrual rate manually in each condition record. The accrual rate should reflect, as accurately as possible, the rate at which the rebate will be calculated at final settlement.

Every time you process a rebate-relevant billing document (an invoice, a credit or debit memo), the system automatically posts an accrual to financial accounting (FI). Within FI, the rebate accrual is posted to two accounts: a sales deduction account and an accrual account. The accrual account is cleared when the rebate agreement is settled with a credit memo.

# Working with Manual Accruals

## Use

Posting accruals manually can be useful in different situations such as:

- Lump sum payments
- Accruals correction

You can control at which time and for which amount the accruals should be posted.

You can build accruals for a particular condition record or reverse them in part or in full.

When you save the rebate agreement, the system will automatically create a credit memo request. The system uses this document to create a credit memo. When the credit memo is released, the accruals are posted to FI.

If you have posted accruals manually, but these have not been passed on to financial accounting, the manual accruals and manual payments in the rebate agreement are blocked.

# Posting Accruals Manually

## Steps

To post accruals manually:

1. Select *Logistics* → *Sales/distribution* → *Master data* in the main menu screen.
2. Select *Agreements* → *Rebate agreement* → *Change*.
3. Enter the number of the rebate agreement or determine the number by selecting a matchcode.
4. Press ENTER.
5. Select *Goto* → *Manual accruals* in the *Overview* screen.
6. Enter the accruals to be posted in the field beside each rebate condition record as follows:
   - negative amount: to build accruals
   - positive amount: to reverse accruals

   It is not possible to reverse more accruals than actually exist for a condition record.

   To display accruals information about an individual condition record, select the condition record and press *Payment Data.*

   You can see the total accruals posted for the condition record as well as the accruals which have already been reversed.
7. Save the rebate agreement.

# Settling Rebate Agreements

## Use

You can partially or fully settle a rebate agreement.

The system uses the **services rendered date** (which is the billing date, if you are shipping products) to determine whether a billing document qualifies for rebate processing. To qualify, the date must fall within the validity period of one or more rebate agreements.

Since it is possible for the billing date to be later than the services rendered date, you may need to allow some time after the end of a rebate agreement's validity period before final processing of the rebate agreements. If the volume of your sales rebate processing is high, you can collectively process rebate settlements as a background task.

# Final settlement

## Use

When you carry out final settlement of a rebate agreement, the system automatically

- calculates the rebate based on the sales volume statistics or the lump sum
- deducts any previously paid rebates

It then creates a credit memo request, and proposes the end date of the agreement validity period as the billing date.

The system also reverses any accruals that have been posted.

Depending on Customizing, when the system creates a credit memo request, the document is automatically blocked for billing. After approving the credit memo request, the person responsible can remove the billing block. You can then create the final credit memo.

When you want to search for credit memo requests during sales order processing, you can use the matchcode **F** "Credit memo request for rebate".

You can carry out final settlement of rebate agreements

- automatically
- Manually
- as a background task (in batch)

## Settling Single Rebate Agreements

You can carry out settlement directly from within a rebate agreement.

Before you save the rebate agreement you can still carry out changes to the credit memo request:

The credit memo request is only saved when you save the rebate agreement.

## Carrying out Final Settlement as a Background Task

If the volume of your sales rebate processing is high, you can collectively process rebate settlements as a background task.

The following reports are available:

- RV15C001
- RV15C002

Your system administrator can use these reports to generate a list of rebate agreements, based on various selection criteria, such as rebate recipient, status of the agreement, and so on.

**Final settlement**

Background processing can then be carried out later. I.e., after the regular posting periods.

After a list is generated, the rebate agreements can be analyzed or processed for payment.

For more information about settling rebates as a background task, see your system administrator.

# Partial Settlement

## Use

You can also partially settle a rebate agreement during its validity period. The amount to be paid can be limited in Customizing for Sales. Payments can be:

- limited to the cumulative accruals of the condition record
- limited to the amount that would be paid if final settlement were presently carried out
- unlimited

You carry out partial settlement by using the manual payment screen within rebate agreement processing. On this screen you can specify the amount to be paid for each condition record.

The system will automatically create a credit memo request for the amounts specified.

It will also reverse the accruals with the credit memo if the rebate agreement type is configured accordingly. If the payment exceeds the record's accumulated accruals, the system will only reverse the accruals which are actually there.

The system gives you the opportunity to carry out additional partial settlements when previous partial settlements remain open in the form of credit memo requests or credit memos. The system always takes open documents into account when determining the maximum amount which you can pay.

When the system carries out final settlement for a rebate agreement, it takes all partial payments into account.

# Periodic Partial Settlement

## Use

In periodic partial settlement, you can refer to specific periods for settlement. This means that only the amount accumulated up to the settlement date is taken into account, even if partial payment is made only later.

You want to carry out partial settlement for January. You know, however, that revenues will occur in February although their date of services rendered is in January. You can now carry out periodic partial settlement in the middle of February. Enter a calendar year as the settlement period with the end of each month as the settlement dates. Enter January 31 as the concrete settlement date. The revenues in February with a date of services rendered that falls in January, are included in the settlement. New revenues in February are not included.

## Prerequisites

In Customizing, assign a settlement period to the rebate agreement type.

When using the cross-application functions in Customizing, you can create you own calendar for periodic partial settlement. You can then maintain the possible settlement dates as work days.

The settlement dates must always fall on the last day of the month.

# Carrying out Final Settlements

## Steps

Credit memo requests and credit memos must be closed before final settlement can be done. To carry out final settlement of a rebate agreement:

1. In the Change rebate agreement [Ext.] screen, enter the number of the rebate agreement that you want to settle or determine the number by using the matchcodes.
2. Press `ENTER`.
3. Depending on how the rebate agreement types have been configured for your system, you may need to manually release an agreement before you can process it for settlement. To do this, enter the appropriate value in the *Agreement Status* field.
4. You can carry out final settlement in two ways:

   a) If you need to change the credit memo request select Rebate *payments* → *Final settlement* → *Automatically.*

   The system confirms that a credit memo request has been created.

   To make changes to the credit memo request, select *Rebate payments* → *Credit Memo Request* → *Change*.

   To cancel a credit memo request, select *Rebate payments* → *Credit Memo Request* → *Reset.*

   b) If you would just like to make quick changes to the final settlement amounts select *Rebate payments* → *Final Settlement* → *Using Payment Screen.*

   The system shows the final settlement amount in the field *Amt. to be paid* next to the condition record.

   The system will not limit any changes you make.
5. Save the rebate agreement.

   After the rebate agreement has been saved, it is only possible to change or delete the credit memo request by calling it up as a sales document (Menu path: *Logistics* → *Sales*, then *Order* → *Change*).

# Carrying out Partial Settlement for Rebate Agreements

## Steps

To carry out partial settlement of a rebate agreement:

1. In the Change rebate agreement [Ext.] screen, enter the number of the rebate agreement that you want to settle or determine the number by using the matchcodes.
2. Press ENTER.
3. Select *Rebate payments* → *Pay.*
4. Enter the required payments in the field *Amt. to be paid* along with the condition records.
5. Press ENTER and check the +/- symbol proposed by the system, correcting it if necessary. The +/- symbol has the following significance:

| | |
|---|---|
| Negative | The rebate recipient receives the amount as a credit memo |
| Positive | The amount is charged to the rebate receiver. |

If customizing limits the amount which can be paid, the system lists the maximum amount per condition record. An error message will be displayed if the payment exceeds this limit.

6. To display payment information about an individual condition record, select the condition record and press *Payment Data*.
7. If you just need to pay the maximum amount for particular condition records, mark the records and select *Edit* → *Pay max. amount.*

   The system will transfer the value from the *Maximum Amount* field to the *Amount to be Paid* field for the selectedrecords.

8. Save the rebate agreement.

# Settling Rebate Agreements in the Background

## Steps

This procedure calls up the report RV15CO01.

To carry out final settlement as a background task:

1. In the Billing screen [Ext.] select, *Rebates* → *Rebate settlement*.

   The *Settlement of Rebate Agreements* screen appears.

2. Enter your selection criteria.

   Mark at least one field under the section *Rebate settlement status*.

3. Mark the *Carry out final settl.* or *Carry out partial settl.* field under the section *Action to be Taken*.

4. ***Choose*** *Program* → *Execute.*

   You can also use this procedure to list certain rebate agreements without actually carrying out final settlement.

   In this case you only select *Issue verification level* as the action in step three.

# Making Changes After Final Settlement

## Use

After final settlement, you may discover that, for example, a particular condition record was missing from the rebate agreement or you may decide that you do not want to pay out the amount calculated by the final settlement. You have the following options:

- **Example 1**:

  The credit memo has not yet been created.

  You can then carry out one of the following functions:

- You can change the amount in the credit memo request.
- You can delete the credit memo request. For more information, see Deleting Sales Orders [Ext.].

  The rebate agreement is reopened and you can change it as required and perform final settlement again.

- **Example 2**:

  The credit memo has been created but not yet forwarded to Financial Accounting.

  You can then carry out one of the following functions:

- You can change the amount in the credit memo
- If you want to make more comprehensive changes, you must cancel the credit memo. You must also copy the existing rebate agreement, since the rebate agreement is not reopened. You can change the copy of the rebate agreement as required and perform final settlement again.
- **Example 3**:

  The credit memo has been created and forwarded to Financial Accounting.

  You must cancel the credit memo. You can then carry out one of the following functions:

- If there is a minor change involved, you can change the credit memo request and then create a new credit memo.
- If there is a major change involved, you must copy the existing rebate agreement, since the rebate agreement is not reopened. You can change the copy of the rebate agreement as required and perform final settlement again.

# Lump Sum Payments

## Use

A lump sum payment is a special condition which does not depend on sales volume but on a promotional performance such as a front of store display or a local advertisement.

The following points must be considered:

### Creating a Lump Sum Condition Record

You create a lump sum condition record within a rebate agreement following the same procedure used to create other rebate conditions. When the system asks you for the condition type, you select the condition type for lump sum.

The system will not display the *Accruals rate* field since the record does not depend on sales volume.

### Posting Accruals for a Lump Sum Payment

Since no volume may occur for the condition record, using the accruals rate to build accruals is not sufficient. You will have to post accruals for lump sums manually.

When you post accruals manually, you can determine the exact time when accruals should be posted and which amount. You can post the accruals immediately when the rebate agreement is created or later. For example, you may wish to post accruals once it has been confirmed that the customer actually did the promotional performance agreed upon.

### Paying a Lump Sum

Lump sums can be settled:

- with the partial settlement carried out during the rebate agreement period
- with the final settlement carried out at the end of the rebate agreement period

# Listing Rebate Agreements

## Use

During rebate processing, you can list rebate agreements according to the following selection criteria:

- Agreement number
- Rebate recipient
- Organizational data
- Status

After you create a list, you can select, for example, from the following tasks:

- Releasing specific agreements for settlement
- Displaying the verification level of an agreement
- Selecting a specific agreement and, if the status allows it, make changes

Additionally, your system administrator can run a rebate processing report. For retroactive rebate agreements the report shows the difference between the sales volume recorded since the creation date of the agreement and the sales volume which takes into account those sales documents which have been processed after the validity start date but before the creation date of the rebate agreement.

# Displaying a List of Rebate Agreements

## Steps

You can display a list of rebate agreements from either of the initial screens for billing or mater data.

To display a list of rebate agreements:

1. In the Billing screen [Ext.] select, *Rebates* → *List*.

   You reach the *List of Rebate Agreements*.

2. Enter your selection criteria and select *Program* → *Execute.*

# Displaying the Payment History

## Use

You can display payment history on a rebate agreement. The following options are available:

- Final settlement
- Partial settlement
- Statistics corrections
- Manual accrual postings

A particular option can only be displayed if it has been carried out.

When you choose an option, the system will list:

- all credit memos for the rebate agreement
- open credit memo requests
- all cancellation documents for credit memos

Each document is broken down by condition record to show the amount which was paid and the accruals which were reversed.

# Displaying Payment History

## Steps

To display payment history for a rebate agreement:

1. In the Billing screen [Ext.] choose *Rebates* → *Rebate agreement* → *Display*.

   You reach the *Display Rebate Agreement* screen.
2. Enter the number of the rebate agreement that you want to settle or determine the number by using the matchcode
3. Press `ENTER`.
4. Choose *Payment* → *Rebate documents.*

   The system displays a dialog box which displays the following rebate document types:

   – Final settlement

   – Partial payments

   – Statistics corrections

   – Manual accrual postings
5. Place the cursor on the required option and press `ENTER`.

# Integration with Accounting

## Use

Integration with Accounting consists of forwarding billing data to

- Financial Accounting (FI - Accounts Receivable)
- Controlling (CO)

When you create a billing document, the system automatically creates all relevant accounting documents for:

  - General Ledger
  - Profit center
  - Profitability Analysis
  - Cost Accounting
  - Accounting

Integration with Financial Accounting [Page 95] consists of forwarding billing data in invoices, credit and debit memos to Financial Accounting. The system

- posts offsetting entries to the appropriate accounts (with the help of “account assignment”)
- and makes sure that FI can recognize all billing documents belonging to one business transaction (for example, a credit memo to an invoice)

Integration with Controlling [Page 105] consists of assigning costs and revenues to the appropriate sub-ledgers.

You can also:

- Blocking Billing Documents for Accounting [Page 102]
- Displaying all accounting documents for a billing document [Ext.]

# Forwarding Data to Financial Accounting

The system can forward billing data in invoices, credit and debit memos to Financial Accounting and post them to the appropriate accounts.

## Accounts

Costs and revenue can be posted to the following accounts:

- Customer accounts receivable
- General ledger (for example, a cash clearing account)
- Revenue
- Sales deductions
- Accruals (for rebate agreements)
  - Accrual account
  - Accrual clearing account

The system automatically posts the amounts to the appropriate accounts by means of Account determination [Page 99].

## Business Area

The system posts these costs and revenue according to the business area. The business area can be equivalent to the:

- Sales area (if the accounts are to be posted according to sales)
- Plant/division (if the accounts are to be posted according to products)

The business area is defined in Customizing for Sales.

## Reference Number and Assignment Number

Financial Accounting must be able to recognize that certain billing documents belong to one business transaction. These documents are combined for this purpose.

Incoming payments may refer to a specific number (such as a customer purchase order number). For clearing purposes this number can be used to find the relevant document quickly.

Also, if there are any cancellations or credit memos which are created on the basis of an invoice, it is important for Financial Accounting to be able to recognize that these billing documents belong to one business transaction.

For these purposes there are two special numbers in the billing document header which can be passed on to the accounting document as follows:

- the reference number in the accounting document header
- the assignment number in the customer line item

The **reference number** can contain the number of the customer business transaction. This number can be used as search criteria for changing or displaying the document. You can print the reference number instead of the accounting document number in all business correspondence.

The **assignment number** provides additional information in the customer line item of the accounting document. The account line items are sorted and displayed according to the assignment number.

Any subsequent documents, which relate to the invoice, such as a cancellation document, credit or debit memo, etc., will have the same reference and/or assignment number. In this way the system can view these documents as belonging to a single business transaction.

In Customizing for Sales, you can choose from the following to be used as a reference number and an assignment number:

- A: Customer purchase order number
- B: Sales order number
- C: Delivery number
- D: external delivery number
- E: current billing document number
- F: External delivery number if available or, if not, the delivery number (used mainly in the component supply industry)

The reference number and the assignment number can be entered as follows:

- manually in a sales order

  Choose *Goto* → *Header* → *Accounting: Reference* field.
- automatically in a billing document:
  - copied from the sales order
  - automatically determined by the system

  Choose *Goto* → *Header* → *Header detail: Assignment* field.

## Determining the FI Document Type from the Billing Type

You can assign an FI document type when maintaining the billing types.

If you do not make an entry, the system automatically assigns document type ‘RV’.

## Combining FI Documents Using a Payment Reference Number KIDNO.

In some countries you may be required to combine receivables, linked liabilities or cancellations in the same payment program.

This combination is carried out by filling field KIDNO in the billing header with the following values:

- F2 billing documents (customer invoices) with the billing number
- S1 cancellations using the reference to the corresponding F2 billing document to be canceled via the VBRK-KIDNO from the F2 billing document.
- If a reference for the credit memo request exists for a billing document, then the VBRK-KIDNO value of the reference billing document is copied.

- If there is no reference, then the KIDNO is given the current billing document number.

## Transaction-Related Negative Adjustment

Offsetting entries in the SAP system have always been entered on the corresponding opposite side, e.g. receivables on the debit side and credit memos on the credit side. In this way, the account could be balanced even though sales volume entries were made on both sides of the account.

Now, you can use the billing type to determine whether 'negative adjustment' is to be carried out for certain billing types. When maintaining the billing type you can set the following in the ‘negative adjustment’ field:

- No entry:

  no negative adjustment

- A:

  Credit memos/cancellations with ref. to an invoice - negative if the postings are within the same posting period.

- B:

  Credit memos/cancellations with ref. to an invoice - always negative.

## Value Date for Credit Memos

Credit memos that do not have a value date will be immediately due for payment on the billing date. This means that the receivables and payables will not be reconciled.

When maintaining the billing types, you can choose the function ‘*Set value date for credit memos*’.

If this function has been selected in the billing type, the reference billing date has not been cleared, and the baseline date for payment in the base billing document is after the billing date in the credit memo, then the following fields are completed:

- VALDT (fixed value date) is filled with the baseline date for payment from the base billing document, and the field
- REBZG (document number) is filled with the FI document number

The fields VALDT and REBZG are not completed for cleared base value billing documents.

## Transferring Partner Functions to Accounting

You can use the indicator *Branch/Head office* to determine which partner functions should be transferred to accounting when maintaining the billing type.

- o blank: If the payer is not the same as the sold-to party, the payer is transferred to accounting as the customer and the sold-to party is transferred as the branch office. If there is a branch office/central relationship available in accounting, this is ignored.
- o A: The sold-to party is transferred as the customer. If there is a branch/head office relationship in financial accounting for this customer, this is taken into account.
- o B: The payer is transferred as the customer. If there is a branch/head office relationship available in accounting for the customer, this is taken into account.

**Forwarding Data to Financial Accounting**

**Note:**

If the credit limit check is active, the system reacts automatically as is described in the entry “initial”, regardless of what setting has been made.

For more information, see the *FI Financial Accounting* documentation.

# Working with Account Assignment

The system can post entries in the billing documents automatically to the relevant accounts. To do this, it must first carry out account assignment. It can do this depending on the following elements:

- Chart of accounts of the company code
- Sales organization
- Account assignment group of the customer (from the customer master record, *Billing* screen, *Account group* field)
- Account assignment group of the material (from the material master record, *Sales 2* screen, *Account assignment group* field)
- Account key (from the pricing procedure)

The system carries out account assignment using the condition technique. This means that you can define the account assignment to suit your needs. Your system administrator is responsible for setting up the necessary condition records.

## To Which Accounts Are Postings Made?

Account assignment is used to find

- the revenue accounts to which prices are posted
- the sales deduction accounts to which surcharges and discounts are posted

In the standard version of the SAP R/3 system, all billing types are defined in such a way that the offsetting entry is made to the customer account. If you want the offsetting entry to be made to a G/L account (for example, to a cash clearing account), a billing type which contains the cash clearing key EVV must be defined. The system uses this key to post the billing document amount to the appropriate G/L account. Consult your system administrator if you require a billing type of this sort to be defined.

If errors occur in account assignment, the system will not be able to forward the billing data on to Accounting. You can use the function Account Assignment Analysis to find out where the errors have occurred.

**See also:**

Errors in Account Assignment [Page 101]

Account Assignment Analysis [Ext.]

## Cash Account Determination using the Condition Technique

The cash account can be determined using the condition technique in the same way as for the G/L account. You make the settings for this in Customizing for the SD basic functions.

# Determining the Reconciliation Account using the Condition Technique.

The reconciliation account can now be determined via the condition technique in much the same way as for the sales revenue/sales deduction accounts. This means that you can (for example) use the billing type to determine a completely different account.

You make the settings for this in Customizing for the SD basic functions.

If the condition technique cannot determine an account, then posting to the reconciliation account is carried out from the customer master.

# Analyzing Errors in Account Assignment

Errors in account determination [Page 99] may occur for the following reasons:

- The account assignment group in the customer master record of the payer has not been maintained.
- The account assignment group in the material master record of a billing item has not been maintained.
- Customizing of account assignment has not been set up correctly.
- Check the following in the billing document:
- You can find the account assignment group of the payer in the billing document by selecting *Header* → *Details*. You can find the account assignment group under the header Billing data in the *CustAcctAssgnmtGroup* field.
- You can find the account assignment group of material in the billing document by selecting *Item* → *Details*. You can find the account assignment group under the header Pricing and taxes in the *MatAcctAssignGroup* field.

If one of the two account assignment groups is missing, contact the person responsible for the corresponding master record and enter the account assignment group manually. As soon as the account assignment group is defined, you can release the billing document explicitly [Page 104], by selecting *Billing document* → *ReleaseToAccounting*.

If the error occurred during data transfer and both account assignment groups have been defined in the billing document, contact your system administrator to check the account assignment. As soon as the error has been corrected, you can release the billing document explicitly.

**See also:**

Account Assignment Analysis [Ext.]

# Billing Documents Blocked for Accounting

In the following cases, the billing documents are blocked for release to the accounting department:

- If the billing type automatically blocks the billing document when it is created [Page 103]
- If errors occur in account assignment [Page 101]
- If the billing document is incomplete (for example, if the customer master record of the payer has not yet been maintained by the accounting department)
- If errors occur in pricing

If the system blocks a billing document from being forwarded to the accounting department, you must explicitly release it. By releasing it, you pass on the billing data of that billing document to the accounting department.

If the billing document has not been passed on to the accounting department because of errors, you can release it to find out what errors occurred.

You can list all billing documents which have not been passed on to the accounting department with the menu path *Billing document* → *Display,* matchcode *A*.

**See also:**

Releasing Billing Documents for Accounting [Page 104]

# Billing Document Types with Automatic Block

An automatic block is required for certain billing documents that should be checked before being passed on to the accounting department. Your system administrator defines for which billing document types the system should set a blocking indicator.

When the system blocks a billing document, it sets a blocking indicator in the billing document. To display this indicator, select the menu option *Header* → *Details* in the billing document. The blocking indicator is displayed in the *Posting status* field.

As soon as the billing document has been checked and can be released, you call up the billing document in change mode and release it to Accounting by selecting *Billing document* → *Release to Accounting*.

**See also:**

Releasing Billing Documents for Accounting [Page 104]

# Releasing Billing Documents to Financial Accounting

To release a billing document to Financial Accounting, proceed as follows:

1. In the Billing Screen [Ext.], select *Billing document* → *Change.*

   You reach the *Change Billing Document* screen.

2. Enter the number of the billing document to be released or determine the number by selecting a matchcode.

3. Select *Billing document* → *ReleaseToAccounting*.

The system displays a message that the accounting document has been saved. If the billing document contains an error, the reason for not forwarding the document is displayed.

If the release was successful, the posting status in the billing document is set to *C* (accounting document has been created). You find the posting status by selecting *Header* → *Header Details* in the billing document.

If a billing document is incomplete, you can explicitly release it to Accounting; the system will then inform you which data is missing from the document. Complete the necessary data. As soon as the data is complete, you can release the billing document to Accounting.

# Forwarding Billing Data to Controlling

Costs and revenues can be assigned to the following sub-ledgers:

- Profit center
- Cost center
- Extended general ledger
- Projects
- Make-to-order sales orders
- Plant maintenance orders
- Profitability analysis (COPA)
- Cost collector

For make-to-order sales orders and projects, costs are not assigned to profitability analysis by the billing document but instead when the make-to-order sales order or project is settled.

Costs for a plant maintenance order can only be assigned by the resource-related billing document.

## Adding Costs of Sub-items to Main Item

Costs of sub-items that are not relevant to the cost price and/or the billing price, can be added to the cost of the main item.

You can activate this function in Customizing for copying control at item level. If the item category is not relevant for cost price and/or billing, then the costs of the sub-items in the delivery are added to the cost of the main item. The sub-items can arise from a batch split, free goods or the explosion of configurable materials.

**See also:**

For more information see the *CO Controlling* documentation.

# Revenue Recognition

## Use

Many companies require that revenues are calculated according to time period. This means that the revenues must be implemented in the posting period, in which the service was carried out, and not in the posting period in which the billing document was set up. The revenue recognition function in the SAP R/3 system helps you to fulfil these requirements and separate revenue recognition from the billing process. The R/3 system offers a flexible solution to companies using various methods of revenue recognition.

## Integration

Revenue recognition enables revenues to be calculated and established easily and flexibly using set rules. This new function is part of the Sales and Distribution (SD), Financial Accounting (FI) and Controlling (CO) application components and enables comprehensive and integrated revenue recognition.

## Features

The new revenue recognition function lets you decide when revenue recognition should take place. You can select those methods which are relevant to your area and which best meet your company's requirements.

These methods include:

- Revenue recognition at the point of billing (standard method)
- Time-related revenue recognition (the revenues are implemented between set specific dates in equal proportions)
- Service-related revenue recognition (the revenues are realized on the basis of a specific event, e.g. a delivery)

Many systems require that the revenues from a sale are indirectly credited after invoicing in the general ledger. The revenue recognition function gets rid of this restriction and enables you to separate revenue recognition from the billing process. On the basis of the criteria which you have established for the contract or order item, you can implement revenue before, during and after billing.

A further function of revenue recognition is the grouping and surveillance of revenues in two additional general ledger accounts.

- non-billed receivables
- calculated revenue

You can see in these accounts whether revenue has been implemented but not yet set up in the invoice or has been set up in the invoice but not yet implemented.

### Posting Costs in Revenue Recognition

During revenue posting in revenue recognition, the costs are also posted into the profitability analysis (CO-PA). Posting costs only takes place if no other cost assignment

(for example, account assignment to the sales order or project) is used. The cost price is used for posting costs in the standard system (control using condition category G).

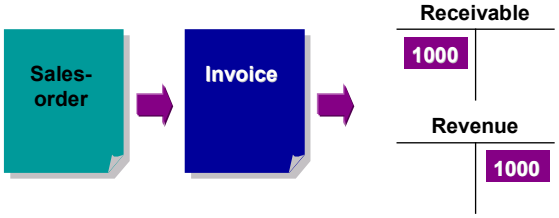
Posting of costs in specific periods is then possible.

# Standard Revenue Recognition

## Use

The R/3 standard method for revenue recognition consists of revenue recognition at the time of billing.

Companies use standard revenue recognition, if they want to post revenues in Financial Accounting, as soon as an invoice is created.



# Time-Related Revenue Recognition

## Use

Using time-related revenue recognition you can carry out recognition over a specific period of time. An example of this is revenue recognition for the length of a service contract.

With time-related revenue recognition the recognition is carried out between a specific start and finish date in **equal parts.** The start and end dates are determined on item level in the sales document. The number of periods between these dates is determined using the financial calendar for the company code assigned to the document.

Time-related revenue recognition can be used for:

- One-off billing document items
- Periodic billing plans
- Milestone billing plans

### Time at which revenue recognition is carried out

You can determine whether revenue recognition for sales document items is carried out at the point of sale/contract or later when the billing document is created. Control is described in the unit Customizing -> Determining Revenue Recognition Methods [Page 126]

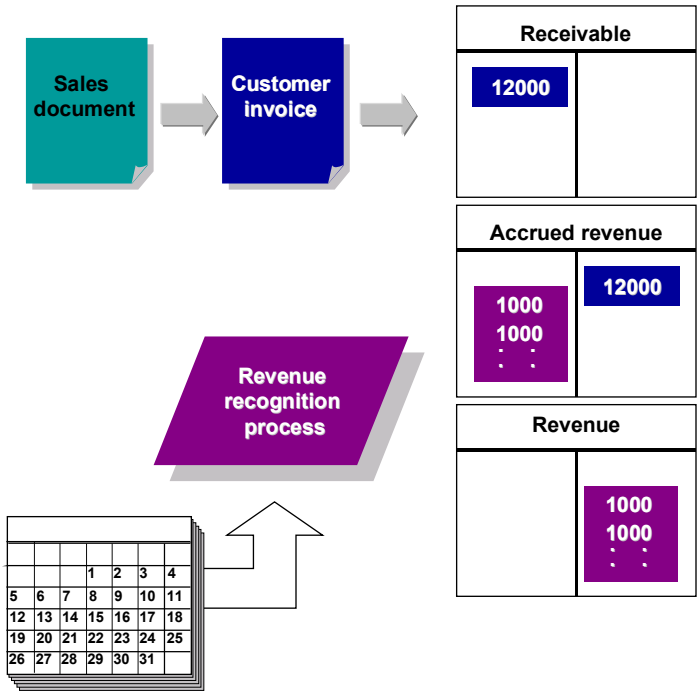
The following documents can be used as a reference for time-related revenue recognition:

- Sales contracts/sales orders
- Billing documents

Example of a time-related revenue recognition:

You agree a contract with the customer and invoice the customer for the product with the help of a periodic billing plan. The contract covers 12 periods and an amount of 12000. This means over 12 periods there is 1000 per contract period.

## Time-Related Revenue Recognition



# Basic Dates and Basic Values

## Use

The method for time-related revenue recognition uses several basic dates and basic values, which are used during the revenue recognition process. These basic dates and basic values determine how revenues are implemented for time-related items. The following basic dates and values are used:

- Start of accrual period
- End of accrual period
- No. of accrual entries
- Calculation of reset total value
- Calculation of the accrued amount

### Start of Accrual Period

The accrual period start date determines the beginning of the period, when the recognitions should be carried out. You choose the proposed date, by entering one of the following keys in the document item category field *Acc. period start* in Customizing.

**Start of Accrual Period: Options**

| Option | Description |
|---|---|
| Blank character | Not relevant |
| A | Proposal based on start of contract.<br>If you choose this option, revenue recognition proposes the start date of the item sales contract as the start of the accrual period. |
| B | Proposal based on start of billing plan.<br>If you choose this option, revenue recognition proposes one of the following dates as the start of the accrual period.<br>• Milestone billing plan<br>– The billing date of the first milestone<br>• Periodic billing plan<br>The system uses the earlier of the following two dates.<br>– Start date of the billing plan<br>– Start date of the first settlement period |

## End of Accrual Period

The accrual period end date determines the end of the period, when the recognitions should be carried out. Then end date comes from the sales document, which contains the posted item.

The table below describes the logical determination of the accrual end date for revenue recognition.

**Determining the End of Accrual Date Hierarchy**

| Billing Plan Type | Horizon | End of contract date | End of accrual period |
|---|---|---|---|
| No billing plan | Not available | Yes | End of contract date |
| Milestone billing plan | Not available | No | Last milestone date |
| | Not available | Yes | End of contract date |
| Periodic billing plan | No | No | Last settlement period end date |
| | | | End of contract date |
| | No | Yes | Last settlement period end date |
| | Yes | No | Last settlement period end date |
| | Yes | Yes | |

## No. of Accrual Entries

The number of accrual entries is identical to the number of posting periods, which have been identified at company level for the accrual period of an item.

The table below contains examples for calculating the accrual period.

**No. of Accrual Entries: Example Calculations**

| Start of accrual date | End of accrual date | No. of Accrual Entries: |
|---|---|---|
| 1.1.97 | 31.12.97 | 12 |
| 1.8.97 | 31.12.97 | 5 |
| 15.9.97 | 20.12.97 | 4 |
| 12 defined booking periods, one period for each month of a normal calendar year | | |

## Calculation of Reset Total Value

This refers to the determination of total value of a sales document item for revenue recognition in the system. The billing plan type used for the sales document determines which reset total value is calculated by the system.

The calculation for all billing plan types is shown in the table below.

**Calculation of Reset Total Value: Hierarchy**

| Billing plan type | End of contract date | Calculation of reset value |
|---|---|---|
| No billing plan | Not available | Item net value |
| Milestone billing plan | No<br><br>Yes | Total value of all existing milestones<br>Item net value |
| Periodic billing plan | N/Y | Total value of all existing settlement periods |

## Calculating the Accrued Amount

The accrued amount is the amount, which revenue recognition posts for each item in the posting period in financial accounting.

Revenue recognition determines this amount by dividing the length of the posting period by the length of the accrual period and multiplying the resulting value by the reset total value. This invoice is shown as follows:

$$\text{Accrued amount} = \frac{\text{Length of posting period}}{\text{Length of accrued period}} * \text{Reset total value}$$

## Example: Standard Calendar Year

Your financial calendar contains 12 posting periods, which correspond to the 12 calendar months. At the same time you have a reset total value of 12000. If the length of your accrual period (in calendar months) is 12 and the length of your posting period one month, you can calculate your accrued amount as follows:

**1000 = 1/12 *12000**

## Example: Non Standard Calendar Year

The table below shows a few posting examples, for companies whose financial calendar does NOT correspond to the normal calendar year:

| Ex. | Period | Calculating period length | Calculating the amount | Amount per period |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| 1 | 1 May to 27 May | 27/31 or 0.87097 months | 0,87098/12 * 12000 | 870.98 |
| 2 | 28 October to 29 November | 33/31 or 1,0645 months | 1,0645/13 * 12000 | 982.62 |
| 3 | 29 June to 16 July | 18/30 or 0,6 months | 0,6/13 * 12000 | 553.84 |

The denominator for calculating the period is determined by the length of the calendar month, in which the posting period begins.

# Service-related Revenue Recognition

## Use

Using service-related revenue recognition you can carry out recognition on the basis of a specific event. An example of this is revenue recognition for a service contract, where services are included.

For service-related revenue recognition, the accrual period is insignificant. The introduction of service-related revenue recognition supports amongst other things:

- Goods which must be delivered.
- Services which do not require a delivery

Revenue recognition for service-related items takes place at sales document item level. The supported documents contain:

- Sales contracts
- Sales orders
  - Release sales orders
  - Release credit memo requests

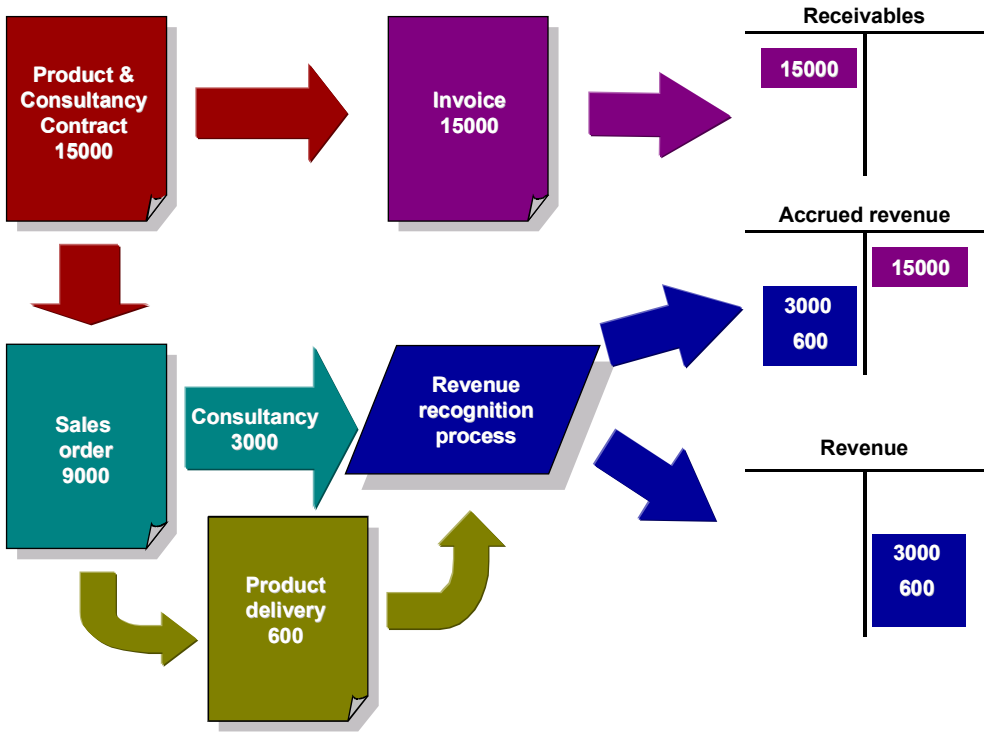
Here you can see an example of service-related revenue recognition methods.

You agree a service contract with a customer and the whole amount is invoiced at the beginning of the contract's validity. You can however only carry out recognitions if the agreed services are actually carried out. If the whole contract amounts to 15000 and the value of each individual service 3000, each time you carry out a service, the value is 3000. If you carry out the service once, the remaining 12000 counts as credit on a deferred revenue account, until you have carried out the remaining services.

In the following diagram, you will see a graphical representation of the revenue recognition processes used in this example.

**Example of a service-related revenue recognition:**

## Service-related Revenue Recognition



# Basic Values

## Use

The method for service-related revenue recognition requires basic values, which can be calculated during the revenue recognition process. The following basic dates and values are concerned:

- the reset total value
- the revenue value

### Calculation of Reset Total Value

This refers to the determination of total value of a sales document item in the system. The determined total value is used in financial accounting.

The reset total value for service-related items is determined using the net value of the sales document item. If, for example, you want to create a contract for a service-related item, which has a net value of 5000, the reset total value amounts to 5000.

## Calculating the Revenue Value

This refers to the determination of the amount, which should be posted for a service-related item in each results analysis period. The revenue value posted by revenue recognition for service-related items is determined using the amount from the individual events. If, for example, you create a contract, which has a net value of 5000 and implement a release order of 300, the revenue value amounts to 300.

# Revenue Recognization

## Use

When working with a revenue recognition list, enter selection criteria. The system selects all accrual entries that fulfil selected criteria and creates these in the revenue recognition list. If you want to work with this type of list, you must carry out the following steps:

## Coordination of Accrual Entries Which Should be Implemented.

If you implement recognitions, you must refer to a sales document.

You can specify the documents, for which you want to carry out recognitions, by either entering the document numbers or document number intervals.

## Working with Revenue Recognition Lists

You do not need to enter individual document numbers into the revenue recognition list. The system produces a list of the documents that need to be implemented, using the selection criteria entered.

If you want to call up the revenue recognition list, choose the transaction VF44.

## Changing the Data Proposed by the System

If you edit the revenue recognition list, the system proposes data for implementation. Before executing revenue recognition, you have the option of changing the posting period.

If you do not enter a period, the system uses the financial accounting period, containing the date from the field *Revenue recognition by: Dat.*

### Posting Level

One of the characteristics of the revenue list is the inclusion of a field for the *Posting level.* The posting level determines at what point revenue recognition should be used when creating accounting documents. In the following table you can see what options are available to you:

**Posting level: Options**

| Option | Description |
|---|---|
| Blank character | Sales document level<br>Revenue recognition creates an accounting document for each sales document. |
| 1 | Collective processing level<br>Revenue recognition creates an accounting document for the whole run. If you select this option and an accounting document has more than 999 lines, the system automatically creates another document for the extra lines. |
| 2 | Sales document item level<br>Revenue recognition creates an accounting document for each sales document item. |
| 3 | Sales document item level per posting period<br>Revenue recognition creates an accounting document for each sales document item and posting period. |

## Canceling Revenue Recognitions

You can use transaction VF46 to cancel the revenue recognition postings that you posted with transaction VF44. The selection screen for cancellation is the same as the screen for revenue posting. You can therefore cancel postings for a documents in a specific period, for example.

# Evaluation

## Document flow

You have the option of displaying revenue recognition documents that have been created in the revenue recognition process using standard document flow functionality.

It is possible to display document flow in the header and in the item.

To display document flow, choose, for:

- Sales orders

  *Logistics → Sales and Distribution → Sales → Order → Display → Environment → Display document flow*

- Contracts

  Logistics → Sales and Distribution → Sales → Contract → Display → Environment → Display document flow

The following are shown for information:

- the sales document number and item number
- the collective processing number from revenue recognition list processing.
- the status ‘implemented’

You can get more detailed information by branching from the document flow display directly into the financial accounting document.

## Evaluation

You can use the report SDRRAV51 (transaction VF45) to obtain the following information for a document such as a contract:

- what has already been carried out?
- what still has to be carried out?
- what has already been billed?

# Customizing

## Use

To control revenue recognition, make the following settings:

- the revenue recognition method for the required item categories
- special account determination

# Determining Revenue Recognition Methods

## Use

Revenue recognition methods are determined using the settings in the item category. By setting up two fields, you can determine what type of revenue recognition is used. These two fields are *Rev. recognition* and *Acc. period start*

You maintain these fields in Customizing. Choose:

*Sales and Distribution -> Basic Functions -> Account assignment/Costing -> Revenue Recognition*

## Choosing Revenue Recognition Methods

The field *Revenue Recognition* controls revenue recognition methods, which the system uses for all sales document items affecting this item category. You can use the values from the following table:

**Revenue recognition methods: Options**

| Option | Description |
|---|---|
| Blank character | Revenue recognition in accordance with Billing<br>If you do not make any entries, all sales document items with this item category use the standard R/3 standard revenue recognition method. |
| A | Time-related revenue recognition<br>If you choose this option, all sales document items with this item category use the time-related method for revenue recognition. |
| D | Time-related revenue recognition with reference to a billing document<br>Time-related revenue recognition is carried out. But only for everything that has already been billed. |
| B | Service-related revenue recognition<br>If you choose this option, all sales document items with this item category use the service-related method for revenue recognition. |

## Choosing the Start Date of the Accrual Period

The accrual period start date determines the beginning of the period, when the recognitions should be carried out. You choose the proposed date, by entering one of the following keys in the document item category field *Acc. period start.* You have the following options:

**Start date of accrual period: Options**

| Option | Description |
|---|---|
| Blank character | Not relevant |
| A | Proposal based on start of contract.<br>If you choose this option, revenue recognition proposes the start date of the item sales contract as the start of the accrual period. |
| B | Proposal based on start of billing plan.<br>If you choose this option, revenue recognition proposes one of the following dates as the start of the accrual period.<br>• Milestone billing plan<br>– The billing date of the first milestone<br>• Periodic billing plan<br>The system uses the earlier of the following two dates.<br>– Start date of the billing plan<br>– Start date of the first settlement period |

Both fields cannot be overwritten in the document item for billing dates.

# Account Determination

## Use

To be able to use revenue recognition, you should select several special general ledger accounts. Choose: *Sales and Distribution -> Basic Functions -> Account assignment/Costing -> Revenue Recognition*

### Determining the Revenue Account

Revenue recognition uses revenue account determination. To set up revenue account determination, use transaction VKOA.

### Determining Non-Billed Receivables Accounts

The account for non-billed receivables is a special general ledger account, used to determine revenue which has been implemented but not yet billed.

If you want to set up an account, join an account with non-billed receivables together with a customer reconciliation account which is a part of your chart of accounts. You can use the transaction OVUR for this.

The standard system has the balance sheet account 142100 for non-billed receivables in the USA and in Canada (Accruals and Deferred Income).

### Determining the Deferred Revenue Account

The deferred revenue account is a special general ledger account, used to determine revenue which has been billed but not yet implemented.

The system determines the deferred revenue account for a document item using standard SD account determination. Use the transaction VKOA for this.

You must enter the deferred revenue account number in the second column.

# Installment Plan

## Use

The installment plan allows the customer to pay in installments. With the installment plan the system creates one invoice for all installments. On the basis of this billing document you can print an invoice listing all the installments with the relevant payment dates and amounts to be paid by those dates.

The installments are calculated by the system by taking a percentage of the total invoice amount for each installment. These percentages can be defined by your system administrator. The system takes into account any rounding differences for the last payment date.

For each installment the system creates a customer line item in financial accounting.

The installments are defined by the payment terms, which are controlled by the payment terms key. Your system administrator can define the folloowing data for this key:

- the number of installments
- the payment dates
- the percentage of the billling value

A customer buys a washing machine for USD 1,000.00. The customer makes a down payment of 20% - USD 200.00 The remaining amount is paid in monthly down payments of 13,33% over six months.

**Down payment**:

1. February 1: USD 200

**Monthly installments**:

1. March 1: USD 133.33

1. April 1: USD 133.33

1. May 1: USD 133.33

1. June 1: USD 133.33

1. July 1: USD 133.33

1. August 1: USD 133,35

You can:

- store the default payment terms key in the customer master record (on the *Billing Sales Area* screen, field: *payment terms).*
- overwrite the payment terms key in the sales order header or item (menu path *Header* or *Item* → *Business data,* field *Payment terms)*

You can use the payment terms key to print a suitable text on the order confirmation.

# Resource-Related Billing

The resource-related billing function has been developed further for Release 4.5A. Resource-related as it existed previous to Release 4.5 will only be supported until the next functional release. A conversion program is provided to support the cross-over to the new functionality.

The following documentation describes the old function. For information on the new function see Resource Related Billing [Ext.].

## Use

In many cases, the prices for customer-specific activities are neither stored in the form of fixed prices nor calculated using standard pricing. This is because it may be the first time that you are carrying out particular activities. This means that you have no reference values on which to calculate a costing before you close the contract. Examples of where this might happen include:

- make-to-order production
- external maintenance in the service sector
- specific services, such as consulting

Orders of this kind are billed according to the resources consumed in executing them. In resource-related billing, individual materials, internal company services and costs are passed on to the customer.

Billing requests during resource-related billing serve as the basis for creating billing documents. You can create billing requests for customer orders, customer projects and service orders. Items are created in the billing request on the basis of information on the resources to be billed.

# Billing Requests

## Use

The billing request is a document in which the resources to be billed are contained as items.

You can create a billing request for:

- Sales orders
- Customer projects
- Service orders without reference to the customer order

The hierarchy structure of the objects that have been valued as sales order items (internal orders and service orders with the sales order; WSB elements, transactions, internal orders and service orders with the customer project) form the billing structure.

# Creating a Billing Request

To create billing requests, proceed as follows:

1. In the SD Sales Screen [Ext.] select,

   *Order → Subsequent functions → Resource-rel.billing. Billing document*.

   You reach the *Create Billing Request for Resource-Related Billing.*

   You can enter a sales order item or an order number in the initial screen.

   When the system creates billing requests, it differentiates between two views:

   View for the sales order

   During billing, all objects are included in a sales order item. In this way, either one item of a sales order (maintenance order) is billed or the billing hierarchy underlying the item is billed.

   View for the order

   During billing, the resource items are determined for individual orders. For example, for internal or PM orders which are assigned to a sales order item.

   For further information on the objects in the billing structure, see billing objects [Page 139] .

   You can adjust the settings in several ways in the initial screen.

2. In the date field you can restrict the period for which the documents are to be selected.

3. Select the required indicator.

   *Statistical key figures*

   If this indicator is set, the document to be billed is determined with statistical key figures. For example, kilometers completed, in the case of road construction. Otherwise the document to be billed is determined on the basis of cost and services.

   For further information, see Determining Resources to be Billed [Page 141].

   *Object selection*

   If this indicator is marked, you can select the objects relevant for billing manually.

   You reach the overview list for all objects in the billing hierarchy. You can suppress individual objects or branches of the object hierarchy. The resource items contained in the suppressed objects are not taken into account during billing. This is how you form a partial billing structure.

   If you have not marked either of the indicators, all of the objects belonging to the sales order item are copied into the billing request.

4. You can now:

   a) save the billing request

      The system copies all resource items belonging to the billing hierarchy objects into the billing request. The system copies all resource items without quantity changes as items in the billing request.

If you set the *Object selection* indicator, you can edit the billing hierarchy as required beforehand. If you formed a partial hierarchy structure, press `Bill structure`. You reach the initial screen. The billing request is created.

b) call the overview for items in the billing request. Depending on whether you have set the *Object selection* indicator, you either reach the list of the billing hierarchy objects or you branch directly to the: *Create Debit Memo Request: Overview*

The resource items of the selected objects are displayed as items in the billing request. You can now edit these items.

Save the billing request upon finishing editing.

5. The system issues a document number for the billing request. The

Editing items in the billing request [Page 136]

Canceling the billing request [Page 137]

# Editing Items in a Billing Request

Items are created in a billing request from the resource items relevant for billing. The individual items can be edited when you create or change the billing request.

You can use the following functions when processing the items:

- Quantity changes in the resource items

  You can reduce the quantity (to be billed) offered for a resource item, so that only the partial quantity is entered in the current billing request. The remaining value is proposed again for subsequent billing transactions.

  Resource items with no quantity (e.g., posting of costs), are automatically assigned quantity 1.

- Resource item marked as not relevant for billing

  You can mark items as not relevant for billing using a reason for rejection. These items are treated as completed from the billing point of view and will no longer be proposed in subsequent billing documents.
  You can use this function to set up grace periods.

- Resetting the resource item

  You can use a rejection reason to reset items. These items are not taken into account in the current billing request but appear again in subsequent billing requests.

- Changing the conditions for pricing

  You can change the conditions for pricing for each item. This reevaluates the resource items.

  If items are unbilled or partially billed, these items become available for billing again in subsequent billing requests. The item quantity determines whether an item can be designated as partially billed.

  You can not add new resource items. If you want to add new resource items, you must delete the old billing request and create a new one.

# Canceling a Billing Request

You may want to cancel the billing document if you do not want to process the items in a billing request or if you want to make them available for a new billing request.

For technical reasons, you can not use the cancel function. You can, however, provide it with a suitable reason for rejection. This means that it will not be taken into account in the current billing document but it will be available for billing in subsequent billing documents.

You can define reasons for rejection in the online Implementation Guide.

System Settings [Page 144]

# Working with Billing Documents

## Creating and changing billing documents

You can create a billing document from the billing request. The procedure is the same as for creating a billing document from an order.

## Billing block

You set a billing block in the billing request. You have to delete the billing block before the billing document can be created.

## Canceling billing document

If a billing document is canceled, then the billing request is can be edited again. You can edit the billing request for a subsequent billing run or the items can be set as having cancellation as the reason for rejection.

## Updating the cost of sales

The revenue represented by the billing document is set off against the following line item amounts (costs),

- line items (costs) billed to the customer
- line items (costs) that were marked as not relevant for billing, e.g., because of a stipulation made in the order

When the billing document is created, these costs are updated as the cost of sales and can be taken into account for results analysis.

# Billing Objects

Resource-related billing is possible in the following objects:

- sales order items
- maintenance service orders
- internal orders assigned to a sales order
- assembly orders
- Projects

The explanations which follow cover two objects - **sales orders** and **customer projects**.

- For sales orders, the revenue is copied onto the cost collector for sales order items
- For customer projects, the revenue is copied to the corresponding project

## Sales orders

As defined in resource-related billing, a sales order means a **sales order with a cost collector**.

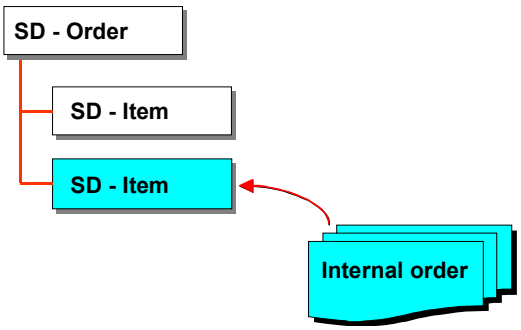
- Billing is carried out at sales order item level. This means that revenue is retained in the cost collector for the sales order item.

This sales order need not be wholly self-contained; more usually, the following objects can be assigned to individual sales order items:

- Internal orders
- Networks or production orders during assembly order processing.
- Maintenance orders

A typical example would be a regular maintenance contract, which may contain items from several different maintenance orders.

Only maintenance orders of order type *SV01* (service orders) can be billed without the corresponding sales order.
For further information on resource related billing of a service order, see the documentation on service management.



**Billing Objects**

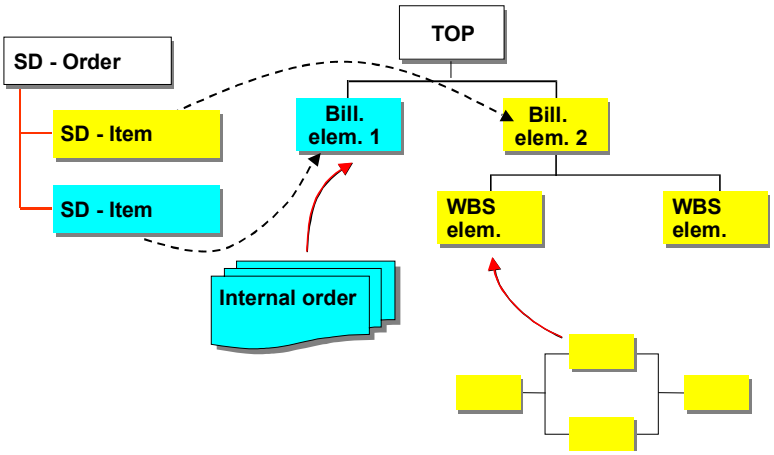
The sales order item and the order assigned to it, including the subordinate hierarchy objects form the billing hierarchy.

You assign an order to a sales order item by:

- entering the corresponding sales order item when maintaining order master data for CO internal orders
- maintaining the settlement rule correctly for PM orders. If the settlement is carried out for a sales order, the order is assigned to the sales order item specified.
- In the assembly order.....

## Customer projects

The term “customer project” describes a sales order which is linked to one or more projects.




In customer projects, revenues are recorded in the assigned billing elements in the project itself, not in a sales order.

The billing element referenced in the sales order item is the highest element in a billing hierarchy. The billing hierarchy includes all objects (WBS elements, orders networks, network activities) hierarchically subordinate to the billing element.

Sales order items should always be assigned to only one WBS element.

Otherwise, when creating the billing request, the system cannot determine to which sales order item the individual resource items are to be assigned. The system then assigns the resource items to the first order item found.

# Determining Resources to be Billed

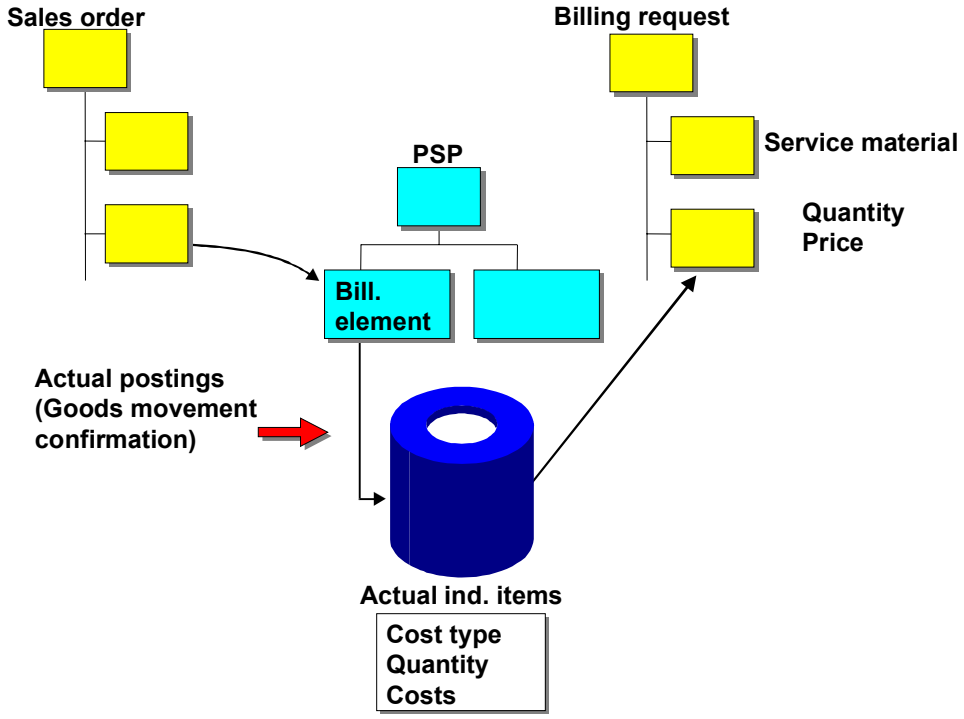
In resource-related billing, individual materials, internal company services and costs are passed on to the customer.

You can access expenditure information:

- from the CO line items for costs and services (in the standard settings)
- using the statistical key figures when billing is carried out for measured amounts, if the *statistical key figure* is set in the billing request
- using the additional information from other data structures contained in the customer enhancement.

The resource items determined are assigned to sales order items using service materials. Internal company services and costs are represented as activities. You define activities for the corresponding application (internal orders, maintenance, project system) in the Implementation Guide for cost elements cost center/activity type combinations statistical key figures

If you want resource-related billing to take these activities into account, you need to create activity materials for them.




During billing the system converts the cost centers/activity type combinations contained in the line items for the corresponding service and they are copied into the billing request. There, the activities form the basis of pricing and text determination. An item is created in the billing request for each of the resource items determined.

Information on the quantity and cost is also copied to the billing request from the individual items.

If the system can not determine a quantity for the service, then it automatically assigns quantity 1 (e.g., converting costs into activities).

**Determining Resources to be Billed**

The cost information is copied to a special condition type. Valuating individual resource items is carried out using the conditions set in the Implementation Guide.

For further information on pricing, see *Sales and Distribution → Conditions and Pricing.*

If a billing document has already been created for an object, then the system checks which items have already been billed when creating a new billing request.

In the billing request, the system only copies items that have not yet been billed.

If only a partial quantity was billed, only the remaining quantity is copied into the billing request.

Customer Enhancement for Performance-Related Billing [Page 143]

System Settings [Page 144]

# User Exit for Resource-related Billing

During resource-related billing, individual resource items are created using information on company costs. You can select the resource items to be billed for each customer individually with the user exit.

You can carry out the following with the user exit:

- Adding resource items that are not selected in the standard for new documents
- Checking items in existing documents
- Updating the document flow

You create the enhancement in the Implementation Guide for the relevant application.

# System Settings for Resource-related Billing

When you work with resource-related billing, you will need to change some of the system settings in the online Implementation Guide. The most important system settings are as follows:

- Settings for document types in SD
- Settings for pricing
- Determining activities for billing request items
- Defining reasons for rejection

For further information, see the online Information Guide.

## 1. Settings for document types in SD

We recommend that you make the following changes in the document types for sales orders and billing requests:

- To be able to create a billing request for a sales order you need to specify the document type for the subsequent billing request in the settings for the sales order document type.
- You need to specify a condition type in the settings for the billing request document type. The item line values (costs) based on billing are set in the condition type. The condition type must be type Q. The standard proposal is EK01.

You make the settings for the document type in SD Customizing via *Sales → Sales documents → Sales document header*.

## 2. Settings for pricing

During resource-related billing the customer is charged for costs such as bills from vendors, hotel costs etc. In these cases, no general sales price can be specified for the materials that these items represent in the billing request. More often, the price can only be determined from costs in question.

For this reason, conditions for these kinds of prices (e.g. PR00) cannot be marked as mandatory in pricing procedure used for pricing in the billing request.

You can find the settings for pricing in SD Customizing via *Basic functions → Pricing*.

## 3. Determining activities for billing request items

In resource-related billing, information on the resources required is used when the system creates items in the billing request. The resource items are represented in the billing request as activities. For this reason, you need to assign the following to the activities in the appropriate application (internal orders, maintenance, project system).

- cost elements
- cost center/activity type combinations
- statistical key figures

This is carried out in Customizing.

Internal company services and costs are represented as activities in the standard system. You need to create service materials for these activities so that resource-related billing can take them into account.

## 4. Defining reasons for rejection

Reasons for rejection are used during resource-related billing to:

- Mark items in the billing request as not relevant for billing
- Reset items in the billing request to be dealt with in subsequent billing requests
- Cancel items in a billing request if you want to mark the billing request as canceled.

You can enter a description in the online Implementation Guide for individual reasons for rejection. For each reason for rejection the system also specifies how an item marked with that particular reason for rejection is treated when subsequent new billing requests are created.

For example, the following reasons for rejection could be specified:

- VN: Items not relevant for billing

  You can mark an item as not relevant for billing using this reason for rejection also. It is also no longer proposed in subsequently created billing requests.

  The following indicators are set for this reason for rejection:

  - Ndr = ‘X’, the item will not be forwarded for printing

  - EPO = ‘_’, the item is treated as completed for subsequent billing requests

  - FKE = ‘X’, the item cannot be transferred to the billing document

  - STAT = ‘-’, the item value is not considered when determining the overall value of the document

- VB: Reset item

  You can mark an item as not relevant for billing using this reason for rejection also. It is still proposed for subsequently created new billing requests, however.

  The following indicators are set for this reason for rejection:

  - Ndr = ‘X’, the item will not be forwarded for printing

  - EPO = ‘X’, the item is still open

  - FKE = ‘X’, the item cannot be transferred to the billing document

  - STAT = ‘-’, the item value is not considered when determining the overall value of the document

- VS: Cancel item

  You use this reason for rejection to mark an item in a billing request when a billing document had already been created for the billing request but was then canceled.

  You can no longer simply delete the billing request item. You can also use this reason for rejection to mark an item that is to be transferred to another billing request.

  The following indicators are set for this reason for rejection:

  - Ndr = ‘X’, the item will not be forwarded for printing

  - EPO = ‘X’, the item is still open

- FKE = ‘X’, the item cannot be transferred to the billing document- STAT = ‘-’, the item value is not considered when determining the overall value of the document

The SAP standard version does not maintain any reasons for rejection specific to resource-related billing.

# Intercompany Business Processing

## Use

Intercompany business processing describes business transactions which take place between two companies (company codes) belonging to one organization. The ordering company orders goods from a plant which is assigned to another company code.

The following intercompany business transactions are possible:

- Intercompany sales processing [Page 148]

  A sales organization which is assigned to the ordering company code creates a sales order ordering goods from a plant assigned to another company code.

  The plant in the delivering company code delivers the goods to the customer for whom the sales organization placed the order.

- Intercompany stock transfer [Page 150]

  A purchasing organization which is assigned to the ordering company code creates a purchase order ordering goods from a plant assigned to another company code.

  The plant in the delivering company code delivers the goods to the plant for which the purchasing organization ordered the goods.

Because the two companies balance their accounts independently, the delivering company must bill the ordering company  for the goods. This internal billing transaction is carried out by means of an **intercompany billing document**. The delivering company bills the ordering company at a price that allows the delivering company to cover its costs.

# Working with Intercompany Sales Processing

Intercompany sales processing consists of the following three stages:

- Processing sales orders
- Processing deliveries
- Billing

The **sales organization** and the **plant** are assigned to different company codes and have the following responsibilities:

| | |
|---|---|
| Sales organization: | Processes the sales order |
| | Bills the customer |
| Plant: | Delivers goods to the customer |
| | Bills the ordering company code (sales organization) - this is intercompany billing. |
| | Intercompany billing uses SAP EDI to carry out posting to vendor account for the ordering company code. |

Company Structure

| Company code | Sales organization | Plant |
|---|---|---|
| 0001 | 0001 | 0001 |
| 0002 | | 0002 |

**Condition Record**

A condition record specifies that plant 0002 bills sales organization 0001 for goods at 80% of the net invoice value.

**Sales orders**

Sales organization 0001 receives the following sales order from customer XYZ:

Item 10 Product A 20 pcs (Plant 0001) USD 200

Item 20 Product B 50 pcs (Plant 0002) USD 500

The second item requires intercompany sales processing, since product B must be delivered from a different company (company code 0002).

**Intercompany Sales Processing**

The intercompany sales functions are carried out as follows:

- Pricing for customer invoice: Sales organization 0001

- delivery: Plant 0002
- billing: Sales organization 0001 bills the customer for USD 500

Sales organization 0002 bills sales

organization 0001 for USD 400

(with an intercompany billing

document)

- inancial accounting: In company code 0001, SAP EDI

is used to carry out posting to vendor account

## Relationship to Pricing

The system processes intercompany pricing elements in exactly the same way as other pricing elements. The data for intercompany sales is stored in condition records. Pricing for intercompany billing is controlled by condition types, pricing procedures, and access sequences. Intercompany billing itself is controlled in a separate menu point in Customizing. This control data is defined in Customizing for Sales by your system administrator.

**See also:**

Working with Intercompany Sales Orders [Page 156]

Working with Intercompany Deliveries [Page 157]

Working with Intercompany Billing [Page 158]

For further information, see Conditions and Pricing [Ext.].

# Working with Intercompany Stock Transfer

You can transfer stock from one plant to another where the plants belong to different companies (i.e. have different company codes).

Since the plants belong to different company codes, the following points have to be considered from the sales point of view:

- delivery: the procedure for delivering on the basis of a purchase order from another plant should be similar to delivering on the basis of a sales order from a customer
- billing: the delivering plant will be charging the receiving plant for the material.

To deal with these points, the stock transfer can be carried out with a normal purchase order type *NB*.

The delivering plant can then create a delivery and an intercompany billing document on the basis of this purchase order.

An incoming invoice with reference to the purchase order can be posted in the following ways:

- Manually, after the invoice has been checked
- Automatically, with an internal billing document via SAP EDI

The following example outlines the procedure for intercompany stock transfer.

**Company Structure**

| Company code | Plant | City | Name |
|---|---|---|---|
| 0001 | A | Atlanta | |
| 0002 | B | Boston | Smith & Co. |

**Business Transaction**

Plant A orders 100 tons of “Steel-1” from plant B at a price of USD 10.00 per ton.

1. Plant A, company code 0001:

   The clerk responsible creates a normal purchase order (type *NB*) for the vendor Smith & Co. who is assigned to Plant B. The clerk can enter prices and delivery costs as usual.

2. Plant B, company code 0002:

   On receipt of the purchase order, the vendor Smith & Co. enters a delivery for 100 tons of “Steel-1”.

3. When the material leaves the premises, the vendor Smith & Co. posts goods issue.

   The values and the quantity are not yet posted in the receiving plant (Plant A).

4. Plant A, company code 0001:

When the material arrives at Plant A, the clerk responsible posts goods receipt against the purchase order. The system now posts values and quantities in the receiving plant.

5. Plant B, company code 0002:

On the basis of the delivery, the system creates a billing document (intercompany billing) amounting to USD 1000.

6. Plant A, company code 0001:

In company code 0001, the incoming invoice can be posted in the following ways:

– The receiving plant checks the invoice with reference to the purchase order and posts invoice receipt.

– Invoice entry is posted with an internal billing document via SAP EDI

**See also:**

Working with Intercompany Deliveries [Page 157]

Working with Intercompany Billing [Page 158]

# Prerequisites for Intercompany Business Processing

Certain prerequisites must be met before you can process intercompany sales.

The following data must be defined in Customizing for Sales by your system administrator:

- If you need to use the intercompany billing document, billing type *IV* must be maintained and assigned to the relevant sales document types
- Output type RD04 is used to enable intercompany billing to carry out posting to vendor account or invoice entry. In the standard system, billing type IV is assigned to output procedure V40000, which contains this output type.

  For information on setting up intercompany billing, see the online *Implementation Guide*.

  Billing type *IG* is used for internal credit memos.
- For condition records used in intercompany sales processing, one of the following condition types must be maintained:

– *PI01* (fixed amount per material unit)

– *PI02* (percentage of the net invoice amount)

- Permissible combinations of plant and sales organization must be defined
- Sales area data (sales organization, distribution channel, and division) must be assigned to each plant that participates in intercompany sales processing
- You must also create the following Sales master data:
- A customer master record for intercompany billing [Page 153]; this must be assigned to the ordering company code.
- Condition records for intercompany billing [Page 154] for every permissible combination of plant and sales organization

# Working with a Special Customer Master Record

A customer master record must be created to represent the ordering company. This is created in the sales organization representing the delivering plant.

When you create the special customer master record, you define how billing is carried out. You can maintain billing-related data just like in any other customer master record. For example, you can specify the periods in which intercompany billing is to be carried out.

If your intercompany business processing involves foreign currency conversion, you can control the exchange rate that the system applies. You control the exchange rate by entering a value in the *Exchange rate type* field in the *Sales* view of the customer master record.

**See also:**

For further information on the customer master, see Customers and Business Partners [Ext.].

# Working with Intercompany Condition Types

When a delivering plant invoices a sales organization, the plant can use one of the following condition types:

- *PI01* Intercompany: fixed amount per material unit
- *PI02* Intercompany: percentage of the net invoice amount

These condition types specify that the price charged by the delivering plant to the sales organization is shown as a statistical value in the sales order and an effective charge in the internal invoice.

The condition records you create and maintain for intercompany billing are the same kind of records that you create for pricing in general.

**See also:**

Creating a Condition Record for Intercompany Sales Processing [Page 155]

For further information on condition records, see Introduction to the Condition Technique [Ext.].

# Create Condition Record for Intercompany Processing

To create a condition record for one of the two condition types associated with intercompany business processing, proceed as follows:

1. In the SD Master Data Screen [Ext.] select, *Conditions* → *Selection using condition type* → *Create*.

   The *Create Condition Records* screen appears.

2. Enter one of the following conditions in the *Condition type* field:
   - *PI01* (intercompany price)
   - *PI02* (intercompany %)
3. Choose ENTER.
4. Enter the following data:
   - The sales organization of the sales order (i.e. the ordering company)
   - The delivering **plant**
   - The **material,** if necessary
   - The **rate** at which the plant will charge the sales organization that processes the orders (percentage of net invoice value or fixed amount per sales unit of the material).
5. Save the condition record.

# Working with Intercompany Sales Orders

When you create a sales order, you specify the sales organization of the ordering company code. The system can propose a delivering plant from the following master records:

- Customer-material info
- Customer
- Material

The order of priority is as in the list above.

To maintain the delivering plant information in the sales order, select one of the following:

- for the whole sales order: *Overview* → *Procurement*
- for each item: *Item* → *Business data*

You can overwrite the proposed delivering plant or use a matchcode to list the alternative plants from which the material may be delivered.

The system then checks to see if the combination of sales organization and delivering plant is allowed. If it is, you can proceed with the intercompany transaction.

The system automatically carries out pricing using pricing master data from the sales organization.

The intercompany charge appears in the pricing screen of the sales order as a statistical value (the charge has no effect on the final value of the sales order for the customer). Since the intercompany charge is of internal interest only, this pricing element is not printed out on documents for the customer.

**See also:**

For further information on sales order processing, see Sales [Ext.].

# Working with Intercompany Deliveries

Depending on the intercompany business transaction, the goods are delivered as follows:

| when | where to |
|---|---|
| for intercompany sales processing | to the customer |
| for intercompany stock transfer | to the plant assigned to the ordering company code |

You process the delivery as usual, selecting a shipping point that is assigned to the delivering plant.

Goods issue is carried out in the delivering plant.

You can create the delivery just like any other delivery on the *Shipping* screen:

- `for a single delivery with the menu path` *Delivery* → *Create.*

  You can then enter the shipping point assigned to the delivery plant in the field *Shipping Point*.

- `for several deliveries with the menu path` *Delivery* → *Process dlv. due list.*

  You can

  – select *Settings* → *Organizational data* to enter relevant sales area data as some of the selection criteria for your delivery due list.

  – `select` *Settings* → *Further sel. screen* to enter further selections (such as the ship-to party or the material number).

  If you are delivering to another plant on the basis of a purchase order (i.e. stock transfer):

- you cannot process a single delivery; i.e. you must process the delivery due list and mark the field *Stock transport*

- `you can enter the purchase order number by selecting` *Settings* → *Further sel. screen* and use the field *Purchase doc. from*.

**See also:**

For further information on processing deliveries, see Shipping [Ext.].

# Working with Intercompany Billing

After goods issue has taken place, you can process the delivery for billing. You can create the billing documents just like any other billing document on the *Billing* screen:

- for a single billing document with the menu path *Billing document* → *Create.*
- for several billing documents with the menu path *Billing document* → *Billing due list.*

  The delivery may have to be processed for billing twice.
- The delivering plant processes the delivery to create an intercompany billing document (billing document type *IV*) for the selling company. This company code posts invoice entry for this billing document.

  The billing document is automatically billed to the internal **payer** that is assigned to the sales organization. The intercompany charges that appear in the intercompany billing document represent the actual amount that the delivering plant is charging the sales organization.
- If the selling company is selling the goods to a customer, it processes the delivery to create an invoice for this customer. The system can take the prices from the order or determine new prices. It takes the quantity to be invoiced from the delivery.

  The billing due list for the intercompany invoice is generated after the customer invoice has been created.

**See also:**

Offsetting Entries for Intercompany Business [Page 159]

Processing Billing Due List [Page 53]

For further information, see Billing [Page 1].

# Offsetting Entries for Intercompany Business

The delivering company and the ordering company belong to the same organization. Therefore, the intercompany billing document for the delivering company is posted as invoice receipt for the ordering company.

The ordering company can post an invoice receipt:

- manually after posting goods issue: on the *Invoice Verification* screen with the menu path *Document entry* → *Enter invoice*
- automatically with the intercompany billing document: via IDOC/EDI.

For intercompany stock transfer the intercompany billing document can be posted as an incoming invoice against the purchase order.

**See also:**

For more information on Invoice Receipt see the Materials Management documentation.

# The General Billing Interface

## Use

Until now, you could only use standard interfaces to bill orders and deliveries in the SAP system. With the general billing interface, you can now bill external business transactions.

Data from an external system to be used in your billing process must first be prepared in a sequential file of specified format.

All data necessary for billing can either be made available to you in this way or can be taken from existing master data. Material master data and pricing elements are not necessarily required in the system.

You may decide to work with a CpD customer master record instead of taking data (such as an address) from a customer master.

Pricing elements and/or VAT amounts can be transferred. Alternatively, you can carry out new pricing in billing, entirely or only for taxes.

You can also enter external reference numbers in the interface such as an external delivery or order number. When you create a billing document, the system records document flow using these reference numbers. This allows you to find a relevant billing document by entering an external reference number. Additionally, the system ensures that this number is billed only once.

# Working with the General Billing Interface

## Use

Data to be used in billing is prepared in a sequential file of a specified format. Billing documents and the relevant subsequent documents are created from this data.

**See also:**

Extracting Data from an External System [Page 162]

The communication structure of the general billing interface distinguishes the following fields during the transfer of data from an external system:

- Required fields, which **must** be transferred
- Optional fields, which **may** be transferred, or fields which are determined from available master data in the system during the billing document run

**See also:**

Communication Structures [Page 164]

You can transfer pricing elements by making the appropriate settings in Customizing. User exits available in the system allow you to handle special cases related to using this interface.

**See also:**

Working with User Exits [Ext.]

Report *RVAFSS00* in the standard system illustrates how the function module in the general billing interface can be used efficiently.

As in the above sample report, we recommend that you install a check routine to check the sequential file for correctness and to display any incorrect records. The sample report shows how to create an appropriate sequential file. Display it using sample report *RVAFSS02.*

# Extracting Data from an External System

## Use

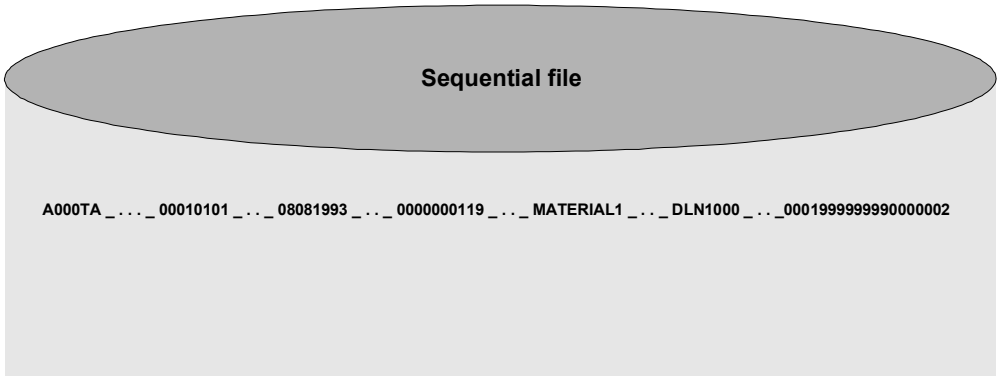
Billing data from an external system must be prepared in a sequential file which must fulfill the following requirements:

- Sequential file structure

| Record | Data |
|---|---|
| 1. 1st main record (Billing data) | Indicator *A* in first position |
| | Structure as of 2nd position analogue communication structure *KOMFKGN* |
| 1st - nth secondary record (Pricing element) | Indicator *B* in first position |
| | Structure as of 2nd position analogue communication structure *KOMFKKO* |
| | The client in the secondary record (*MANDT*) must correspond to the client in the main record (*MANDT*) |
| | The document condition number in the secondary record (*KNUMV*) must correspond to the document number of the reference document in the main record (*VGBEL*) |
| | The condition item number (*KPOSN*) must correspond to the item number of the reference business transaction item in the main record (*VGPOS*) |

- Sorting main records in the sequential file according to:

| Object | Field name |
|---|---|
| Sales organization | VKORG |
| Distribution channel | VTWEG |
| Sold-to party | KUNAG |
| Document number of the reference document | VGBEL |
| Item number of the reference item | VGPOS |




- Processing errors

  You can carry out a check run with sample report *RVAFSS00* to display faulty records in the sequential file before final billing. All errors are displayed in an error log. After correcting the faulty records in the sequential file, you must restart the billing procedure. The system ignores records which have already been billed and creates billing documents for records which have been corrected. Optionally, a list of new billing documents is presented with the error log.

# Communication Structures

## Use

Sample report *RVAFSS00* supplies communication structures *XKOMFKGN* and *XKOMFKKO* with data from the sequential file and initiates the billing process.

The following fields in the sequential file's main record must be maintained:

| Field name | Field length | Field description |
|---|---|---|
| MANDT | 3 | Client |
| AUART | 4 | Sales document type |
| VKORG | 4 | Sales organization |
| VTWEG | 2 | Distribution channel |
| SPART | 2 | Division |
| FKDAT | 8 | Billing Data |
| KUNAG | 10 | Sold-to party |
| MATNR<br>and<br>WERKS<br>**or**<br>LAND1 | 18<br><br>4<br><br>3 | Material number<br>and<br>Plant<br>**or**<br>Country key |
| PSTYV | 4 | Item category |
| KWMENG | 8 | Cumulative order quantity |

The following fields do not have to be maintained but it is recommended that you do so as it gives information on document flow.

| | | |
|---|---|---|
| VGBEL | 10 | Document number of the reference document |
| VGPOS | 6 | Item number |

If you are also transferring pricing elements, you must maintain the following fields in the sequential file's secondary record:

| Field name | Field length | Field description |
|---|---|---|
| MANDT | 3 | Client in main record |

| | | |
|---|---|---|
| KNUMV | 10 | VGBEL in main record |
| KPOSN | 6 | VGPOS in main record |
| KSCHL | 4 | Condition type |
| KBETR | 6 | Condition amount |

All other fields in both communication structures *KOMFKGN* and *KOMFKKO* are optional. You may fill them with data from the system as necessary during the billing run (the payer field, for example).

Once the communication structures have been maintained, the system initiates billing with function module *GN_INVOICE_CREATE.*

# Text Transfer

## Use

As from Release 4.6A texts (header and item) can be transferred in the general billing interface.

You can use the test report RVAFSS01 to write text information in a flat file.

The report RVAFSS00 imports a flat file and completes the interface tables for the program N_INVOICE_CREATE depending on the record type. This program is then called up.

| Record type | Interface table | Purpose |
|---|---|---|
| A | XKOMFKGN | Item data |
| B | XKOMFKKO | Condition data |
| C | XKOMFKTX | Text data |

The interface table has the structure XKOMFKTX.

| Component | Component type |
|---|---|
| MANDT | MANDT |
| VGBEL | VGBEL |
| VGPOS | VGPOS |
| TDOBJECT | TDOBJECT |
| TDID | TDID |
| TDSPRAS | SPRAS |
| TDFORMAT | TDFORMAT |
| TDLINE | TDLINE |

Texts are only transferred into the billing document if the following are completed:

- VGBEL or VGBEL/VGPOS
- TDOBJECT (as a rule TDOBJECT = ‘VBBK’ or ‘VBBP’)
- TDID

If only VGBEL is complete, this is a header text. If VGBEL/VGPOS is complete, this is an item text.

# Reading the Material Master

If the *NO_MARA* field in the main record of the sequential file is marked, the material master will not be read. In this case, the following additional fields in the main record must also be maintained:

| Field name | Field length | Field description |
|---|---|---|
| VRKME | 3 | Sales unit |
| WAERK | 5 | Currency |
| ARKTX | 40 | Material - short text |
| TAXM1 | 1 | Material - tax indicator |

# Customizing

The following parameters should be taken into consideration:

## Billing Document Type

Use billing document type *FX* for billing external transactions or create your own.

## Control of Document Flow

If you wish to take into account secondary records copied to the sequential file, maintain one of the following pricing types in Customizing under 'Copying control for billing documents':

| Pricing type | Description |
|---|---|
| D | Copy pricing element unchanged |
| G | Copy pricing element unchanged, redetermine tax |
| C | Copy manual pricing element unchanged, redetermine all others |

You may also copy a scale quantity (*XKOMFKGN-SMENG*) from the interface with pricing type B (new pricing). The system determines scale-dependent prices on this basis.

## Condition types

Condition types that are transferred into secondary records must be set up so that

the manual value has priority (manual entry = C).

## Pricing procedure

To prevent the material master from being read, make sure that no conditions which initiate reading of the material master are set in the pricing procedure (for instance, costs - VPRS).

## Copying control

Copy control *013* in copying control for billing documents at item category level ensures that the customer master block is observed and that records having a billing quantity of 0 are ignored.

## Item category

Item categories used in external business transactions must be relevant for pricing and billing.

# Function Module Parameter

Function module *GN_INVOICE_CREATE* is the main component of the general billing interface.

The system immediately initiates posting when you enter *A* and *B* in import parameter *WITH_POSTING*. Among other things, this function module returns values from the following tables:

| Table number | Table name |
|---|---|
| XVBFS | Error logs |
| XVBSS | Collective processing number |
| XVBRK | Billing documents |
| XVBRP | Billing items |
| XKOMV | Condition records |

# Processing One-Time Customers

## Use

You must work with a CpD customer master record if customer master data (such as an address) can not be used.

If you are using a data extract in the biling interface to transfer CpD customer data, address data must exist in this data extract. Maintain the following fields in the main record of the sequential file:

| Field name | Field length | Field description |
|---|---|---|
| LAND1 | 3 | Country key |
| NAME1 | 35 | Name 1 |
| PSTLZ | 10 | Zip code |
| ORT01 | 35 | City |

Address data transferred to the file is assigned to the partner functions (except for *SP*) described in the following fields.

| Field name | Partner function - Example |
|---|---|
| CPD_PARVW1 | BP (Bill-to party) |
| CPD_PARVW2 | PY (Payer) |
| CPD_PARVW3 | SH (Ship-to party) |
| CPD_PARVW4 | |

**Exception**:

Partner function *SP* (Sold-to party) must be a CpD customer and is always supplied with the transferred CpD address data.

No check is carried out for partner function usage.

In addition to required fields, the following fields in table structure *KOMFKGN* are available for CpD customer processing:

| Field name | Field length | Field description |
|---|---|---|
| ANRED | 15 | Form of address |
| NAME2 | 35 | Name 2 |

| | | |
|---|---|---|
| ORT02 | 35 | District |
| STRAS | 35 | Street and house number |
| REGIO | 3 | Region |

You can add additional fields to table structure *SADR* in INCLUDE structure *KOMFKZZ* if the fields in table structure *KOMFKGN* are not sufficient for processing CpD customers.

# Converting to Synchronous Updating

In order to use only one update initiator for a billing run, reset the update function to synchronous. See note *8197* in the SAP information system for more information.

# Down Payments for Sales Orders

## Purpose

Normally, down payment agreements are made for producing and delivering goods to customers in the capital goods, or plant engineering and construction industries.

Down payments are payments made before completion of the product, with no interest. They represent short or medium term outside capital procurement and therefore improve the company's liquidity situation.

## Features

### Down Payment Agreements in the Sales Order

Down payments form part of the agreement with the customer and are saved in the sales order.

A down payment agreement is created as a deadline in the billing plan. This enables you to agree on as many down payments as required for different dates. The date for the down payment request yet to be created is specified in the deadline, and the system uses payment conditions to assign a due date to the down payment.

The value of the agreed down payment can either be created as an amount or percentage value of the item.

If a down payment agreement is assigned to one item with a billing plan, the down payment agreement is contained as a deadline in this billing plan.

### Down Payment Request

A down payment request is sent to the customer in time for the deadline. The request can be generated by the system from the billing due list, or you can enter it manually. The down payment request is automatically posted as such to Financial Accounting.

You can see the created down payment requests in the document flow for the sales order.

### Incoming Payments for a Down Payment Request

When you post an incoming down payment, the system proposes and assigns the available down payment requests.

### Partial or Final Invoice with Down Payment Clearing

In partial invoices and for the final invoice, the down payments that have been made are copied to the billing document as down payments for clearing. The value of the down payments for clearing is displayed in the customer invoice.

In the partial invoice or final invoice, you can change the down payment amounts for clearing.

The down payments for clearing that have been assigned to a billing document cause the system to clear all the completed down payments against the receivables in Financial Accounting.

Cancellation is possible not only for the down payment request but also for an invoice with down payment clearing.

## Constraints

Down payments in sales orders can only be used with the billing plan. Down payments cannot be cleared for delivery-related billing documents.

# Customizing

## Use

The following Customizing settings have to be made for down payment processing:

### Settings for the billing plan:

To activate the billing plan function, maintain the materials, for which you wish to process down payments, with item category group 0005 (milestone billing). This gives the item type TAO via item type determination. The item type TAO calls up the billing plan function.

You need to implement the following activities in the billing plan for down payments:

- Maintaining the deadline type: This determines the billing rule (percentage or value down payment) for the down payment request.
- The system assigns billing type FAZ (payment request) defined in the standard system with billing category P. (For the billing type FAZ there is the cancellation billing document type FAS in the standard system).
- Maintaining deadline proposal: Use the down payments that are due for the proposed deadlines.

### Maintaining a Pricing Procedure with the Condition Type AZWR:

- In the standard system the condition type AZWR is delivered for the down payment value already provided but which has not yet been calculated. You must include this condition type in the relevant pricing procedure before output tax.
- Enter condition 2 (item with pricing) and the calculation formula 48 (down payment clearing value must not be bigger than the item value) for the condition type AZWR.
- Before the condition AZWR you can create a subtotal with the base value calculation formula 2 (net value). If the condition AZWR is changed manually, you can get information on the original system proposal from the subtotal.
- Maintain the printing indicator.
- The pricing procedure can not be marked as a transaction-specific pricing procedure (field *Spec.proc.*)
- The condition type AZWR has the calculation type B (fixed amount) and the condition category E (down payment request / clearing).

No statistical or inactive conditions are set in a down payment item. If you require these conditions, use the user exit USEREXIT_PRICING_COPY in include RV61AFZA.

### Maintaing the Billing Document

- In the standard system there is the billing type FAZ (down payment request) and for cancelling the billing type FAS.

**Customizing**

- Controlling the down payment is done using the billing category P of the billing type. A billing type becomes a down payment request when the billing category P is assigned.
- You have to maintain blocking reason 02 (complete confirmation missing) for the billing documents and assign it to billing type FAZ.
- Copying control:

  Copying requirement 20 must be entered in copying control at item level for the down payment request. In the standard system the order type TA for copying control is set up according to the billing type FAZ for the item category TAO.

  Copying requirement 23 must be entered in copying control at item level for down payment clearing. In the standard system the order type TA for copying control is set up according to the billing type F2 for the item category TAO.

### Financial Accounting settings:

A prerequisite for down payment processing is that the account is assigned to the underlying sales document. To do this, change the field status settings in Customizing as follows:

- Set reconciliation accounts (transaction OBXR)

  For the ‘received down payments’ and ‘down payment requests’ from the G/L accounts you have selected, you should assign the field status definition G031.
- Maintain accounting configuration (transaction OBXB)

  For the down payments (posting key ANZ in the standard system) and the output tax clearing (posting key MVA in the standard system), you must maintain the posting key.

  You must also carry out a G/L account number assignment for the tax account.
- Maintain the posting key (transaction OB41)

  For posting key 19 **set the sales order as an optional field !!!**
- Maintain the field status definition (transaction OB14)

  For field status variant 0001, field status group G031, **set the sales order as an optional field !!!**
- Assign the company code to the field status variants (transaction OBC5)

# Down Payment Processing Procedure

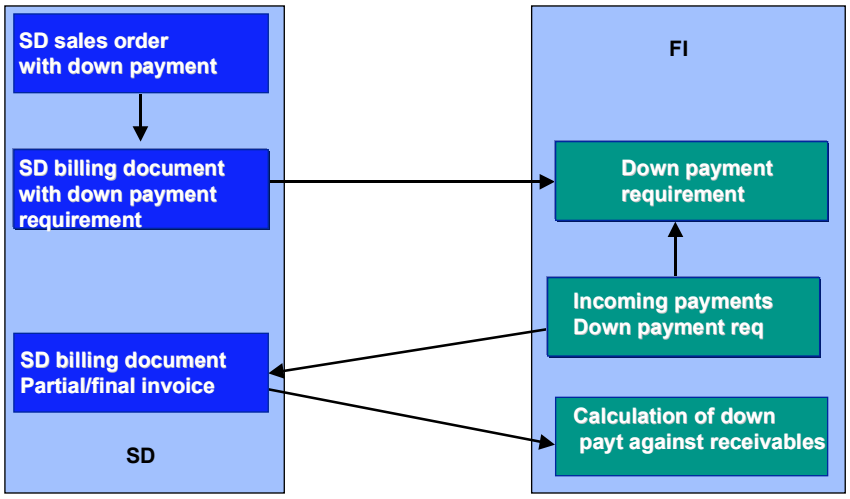
## Process Flow

The following units describe the individual steps in the down payment processing process.

The following different steps in down payment processing are looked at:

- Down Payment Agreements in the Sales Order
- Down Payment Request
- Payments made
- Milestone billing with down payment clearing
- Final billing with down payment clearing

**Down Payment Processing Procedure**



# Down Payment Agreements in the Sales Order

## Process Flow

You specify the agreed down payments in the sales order. The down payment requests are deadlines for an item in a billing plan. It can only be used for order-related billing and not for delivery-related billing. You can control this in the billing rule:

- Billing rule 4: Down payment for percentage milestone billing
- Billing rule 5: Down payment for value milestone billing

For percentage milestone billing, the percentage share of the down payment is not included in the overall calculation of the individual milestone billing documents. The percentage specified for the down payment is always based on the total sum of the individual milestone billing documents.

As soon as you take away the billing block and save the sales order, a billing index is created for the individual dates.

An example is given for down payment processing for the documents in SD and for postings in financial accounting. In order to keep things clear and simple, no country-specific VAT posting for down payments is contained in the example.

## Down Payment Agreements in the Sales Order:

Sales order (OR)

1111 | Peter Lustig | 150.000 USD

| Item | Description | Quantity | Amount | Item cat. |
|---|---|---|---|---|
| 10 | Printing machine | 1 | 100.000 USD | (TAO) |

Billing plan

| Deadline | Description | % | Amount | Bill. rule | Bill. type | Status |
|---|---|---|---|---|---|---|
| 01.02.99 | Down payment | 40% | 40.000 USD | 4 | FAZ | A |
| 01.06.99 | Outbound del. | 40% | 40.000 USD | 1 | F2 | A |
| 01.10.99 | Final invoice | 60% | 60.000 USD | 1 | F2 | A |

| Item | Description | Quantity | Amount | Item cat. |
|---|---|---|---|---|
| 20 | Cutting machine | 1 | 50.000 USD | (TAO) |

Billing plan

| Deadline | Description | % | Amount | Bill. rule | Bill. type | Status |
|---|---|---|---|---|---|---|
| 01.02.99 | Down payment | 40% | 20.000 USD | 4 | FAZ | A |
| 01.06.99 | Outbound del. | 40% | 20.000 USD | 1 | F2 | A |
| 01.10.99 | Final invoice | 60% | 30.000 USD | 1 | F2 | A |

# Down Payment Request

## Process Flow

You create the down payment request as a special billing document in SD (Sales and Distribution). You can either carry this out using the billing index (transaction VF04) or specifically for a sales order with down payment agreements (transaction VF01). In the standard system the billing type FAZ is set as the down payment requirement using billing category P.

In the standard system the billing type FAS is available for canceling a down payment requirement.

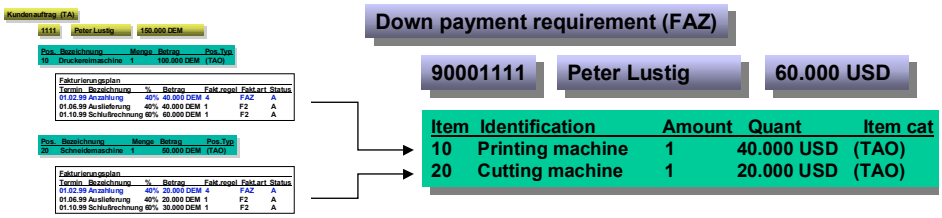
When transfering into FI (financial accounting) a down payment requirement is created as a noted item in the ‘down payment requirement’ account in financial accounting. The account ‘down payment requirement’ has no effect on the balance sheet or the profit and loss account.

You can see the created down payment requests in the document flow for the sales order.

You can print out the down payment requirement and send it. To print out you do not need an extra printing program or form. You just use RVADIN01 which is set up for billing documents in the standard system with the form RVINVOICE01. The following information is also given for down payment requests:

- ‘Down payment request appears in the billing header.
- The total is labeled as ‘payment to be made’.
- The billing value contains the text ‘Amount to be paid’

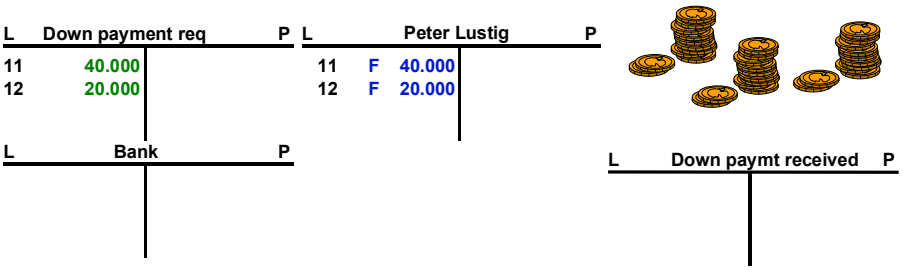
Down payment request:




## Postings in Financial Accounting:

**1. Open items:**

By "Peter Lustig" (F) 40.000 USD
By "Peter Lustig" (F) 20.000 USD
By down payment req 40.000 USD
By down payment req 20.000 USD



# Payments Made

## Process Flow

The customer makes the payment. The incoming payment is posted in financial accounting with reference to the payment request. In this transaction the down payment request is labeled as cleared. This clearing can also be seen in the sales order document flow.

The noted items in the customer account which were generated by the down payment requests become cleared posts.

The payment request is determined by assigning the down payment request to the sales order item.

If the customer only pays part of the amount required, the down payment request will be cleared completely nevertheless. Later down payments must therefore be assigned manually to the sales order and the corresponding sales order item.

**Postings in Financial Accounting:**

| | | | |
|---|---|---|---|
| **Down payment:** | **By bank** | **60,000 USD** | |
| | **To "Peter Lustig" (A)** | | **40,000 USD** |
| | **To "Peter Lustig" (A)** | | **20,000 USD** |
| | **To down payment received** | | **40,000 USD** |
| | **To down payment received** | | **20,000 USD** |

| P | Down payment req | L |
|---|---|---|
| 11 | 40.000 | |
| 12 | 20.000 | |

| P | Peter Lustig | | | | | L |
|---|---|---|---|---|---|---|
| 11 | F | 40.000 | 21/1 | A | 40.000 | |
| 12 | F | 20.000 | 21/2 | A | 20.000 | |

| P | Bank | L |
|---|---|---|
| 21 | 60.000 | |

| P | Down payment received | L |
|---|---|---|
| | 21/1 | 40.000 |
| | 21/2 | 20.000 |

# Milestone Billing with Down Payment Clearing

## Process Flow

The billing plan for the sales order contains billing-relevant deadlines. As soon as you take away the billing block, you can carry out billing.

In billing those payments already made by the customer should be cleared. This happens because those payments already made are taken into the billing document as items to be cleared. They are set as items, after the billing items to which they refer, in the billing document. When printing (Report RVADIN01 with form RVINVOICE01) the customer receives for the down payment items the text ‘payments made’ printed out. The down payment item value corresponds to those down payments made.

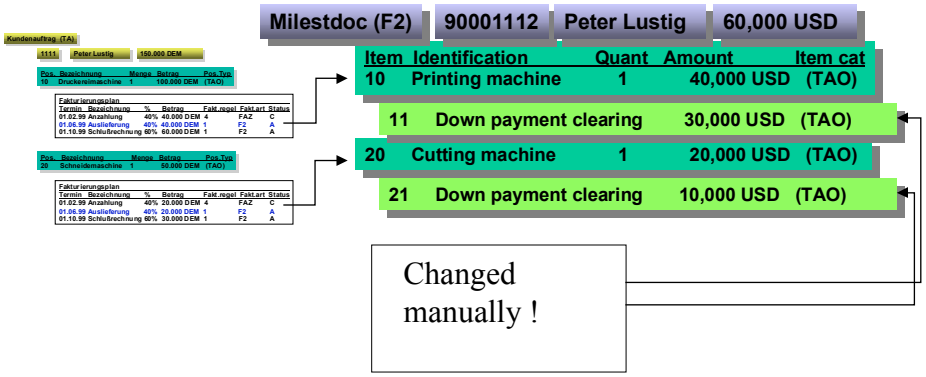
> There is **no** billing: Billing amount - Down payment amount = the remaining amount to be paid. The customer merely receives the information concerning which amount he can transport during payment.

You can change the proposed down payment amount for clearing manually. The reason for this can be that part of the down payment should be proposed for further billing. Calculation formula 48 in the pricing procedure for the condition type AZWR merely checks that the amount cannot be increased.

The down payments assigned to a billing document for clearing cause the system to offset all the completed payments against receivables in Financial Accounting (FI).

The total amount of the final invoice is automatically posted in FI as a receivable, and the allotted down payments are cleared directly (down payment clearing).The transaction is finished with the incoming payment posting and the open items are cleared. Postings made to the relevant general ledger account in Financial Accounting reduce the down payments left to be cleared.

## Milestone Billing with Down Payment Clearing:




In the above example the system had originally proposed 40, 000 (item 11) and 20 000 (item 12). The down payment clearings were then manually reduced. The customer is then required to take the down payments (30 000 + 10 000) from the total amount (60 000 DEM). For the example there is 20 000 DEM left to pay. The remaining down payment amounts are then automatically proposed in the following final invoice (see example in the next unit).

## Milestone Billing with Down Payment Clearing

### Postings in Financial Accounting:

| | | | |
|---|---|---|---|
| 1. Milestone doc: | By "Peter Lustig" | 60,000 USD | |
| | By receivables | 60,000 USD | |
| | To revenues | | 60,000 USD |
| 2. Down paymt clearing: | To "Peter Lustig" | 30,000 USD | |
| | To "Peter Lustig" | 10,000 USD | |
| | By down payment received | 30,000 USD | |
| | By down payment received | 10,000 USD | |
| | To "Peter Lustig" | | 30,000 USD |
| | To "Peter Lustig" | | 10,000 USD |
| | To receivables | | 30,000 USD |
| | To receivables | | 10,000 USD |
| 3. Payment: | By bank | 20,000 USD | |
| | To "Peter Lustig" | | 20,000 USD |
| | To receivables | | 20,000 USD |

| L | Down payment req | P |
|---|---|---|
| 11 | 40.000 | |
| 12 | 20.000 | |

| L | | Peter Lustig | P |
|---|---|---|---|
| 31 | | 60.000 | |
| 31 | 21/1 A | 30.000 | |
| 31 | 21/2 A | 10.000 | |
| | 21/1 A | | 40.000 |
| | 21/2 A | | 20.000 |
| 31 | 21/1 | | 30.000 |
| 31 | 21/2 | | 10.000 |
| 22 | | | 20.000 |

| L | Rev | P |
|---|---|---|
| | | 31 60.000 |

| L | Bank | P |
|---|---|---|
| 21 | 60.000 | |
| 22 | 20.000 | |

| L | | Receivables | P |
|---|---|---|---|
| 31 | | 60.000 | |
| 31 | 21/1 | | 30.000 |
| 31 | 21/2 | | 10.000 |
| 22 | | | 20.000 |

| L | | Down paymt received | P |
|---|---|---|---|
| 31 | 21/1 | 30.000 | 21 40.000 |
| 31 | 21/2 | 10.000 | 22 20.000 |

# Final Billing with Down Payment Clearing

## Process Flow

The sales order billing plan also contains the final billing date. As soon as you take away the billing block, you can carry out final billing.

In billing those payments already made by the customer should be cleared. This happens because those payments already made are taken into the billing document as items to be cleared. They are set as items, after the billing items to which they refer, in the billing document. When printing (Report RVADIN01 with form RVINVOICE01) the customer receives the text ‘payments made’ printed out for the down payment items. The down payment item value corresponds to those down payments made and not yet cleared.

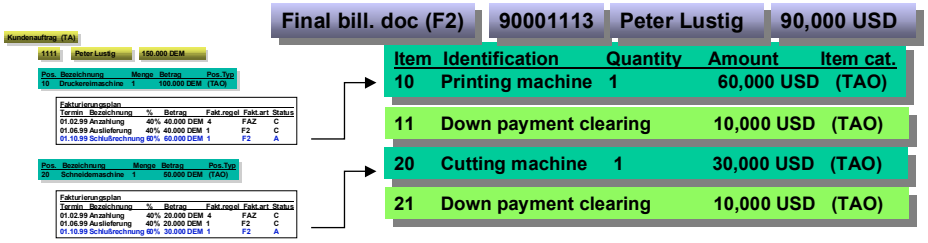
> There is **no** billing. Billed amount - Down payment amount = remaining amount to be paid. The customer merely receives the information concerning which amount he can transport during payment.

The down payments assigned to a billing document for clearing cause the system to offset all the completed payments against receivables in Financial Accounting (FI).

The total amount of the partial/final invoice is automatically posted in FI as a receivable, and the allotted down payments are cleared directly (down payment clearing).The transaction finishes when the incoming payment is posted and the open items are cleared. Postings made to the relevant general ledger account in Financial Accounting reduce the down payments left to be cleared.

## Final Billing with Down Payment Clearing

### Final billing document:



## Postings in Financial Accounting:

| | | | |
|---|---|---|---|
| 1. Final billing doc: | By "Peter Lustig" | 90,000 USD | |
| | By receivables | 90,000 USD | |
| | To revenues | | 90,000 USD |
| 2. Down payt clearing.: | By "Peter Lustig" | 10,000 USD | |
| | By "Peter Lustig" | 10,000 USD | |
| | By down payment received | 10,000 USD | |
| | By down payment received | 10,000 USD | |
| | To "Peter Lustig" | | 10,000 USD |
| | To "Peter Lustig" | | 10,000 USD |
| | To receivables | | 10,000 USD |
| | To receivables | | 10,000 USD |
| 3. Payment: | By bank | 70,000 USD | |
| | To "Peter Lustig" | | 70,000 USD |
| | To receivables | | 70,000 USD |

| P | Down payment req | L |
|---|---|---|
| 11 | 40.000 | |
| 12 | 20.000 | |

| P | Peter Lustig | | L |
|---|---|---|---|
| 32 | | 90.000 | |
| 32 | 21/1 A | 10.000 | |
| 32 | 21/2 A | 10.000 | |
| | 21/1 A | | 10.000 |
| | 21/2 A | | 10.000 |
| | 32 21/1 | | 10.000 |
| | 32 21/2 | | 10.000 |

| P | Rev | L |
|---|---|---|
| | | 31 60.000 |
| | | 32 90.000 |

| P | Bank | L |
|---|---|---|
| 21 | 60.000 | |
| 22 | 20.000 | |
| 23 | 70.000 | |

| P | Receivables | | L |
|---|---|---|---|
| 32 | | 90.000 | |
| | 32 21/1 | | 10.000 |
| | 32 21/2 | | 10.000 |
| | 23 | | 70.000 |

| P | Down payment rec. | | L |
|---|---|---|---|
| 31 21/1 | 30.000 | | 21 40.000 |
| 31 21/2 | 10.000 | | 22 20.000 |
| 32 21/1 | 10.000 | | |
| 32 21/2 | 10.000 | | |

In the above example only those items still open are shown (those down payments not yet cleared) due to the overview given by the customer account. That is both lines 21/1 and 21/2 each with 10, 000 DEM.

The customer is therefore asked to take the 20 000 DM that have not yet been cleared from the 90 000 DM due and to pay 70 000 DEM.

# Cash on Delivery

## Purpose

The customer orders from you. Transportation of the goods is carried out by a forwarding agency, for example, by post or UPS (The post is used as an example below). The goods are delivered to the customer with an invoice and the customer pays upon delivery.

## Prerequisites

### Triggering cash on delivery

You enter the forwarding agent as the payer in order entry and this ensures that the forwarding agent is determined as a selection criterion for shipping.

Determining the forwarding agent from the payer can be set in Customizing for partner determination. If, however, you want to use different determination of the forwarding agent, e.g., via the sold-to party, then you need to create a new partner type as forwarding agent for cash on delivery.

### Standard conditions for pricing

- NAPG: Package fee (absolute amount; weight scale, group condition)

  The forwarding agent demands this from the goods vendor and reimburses it upon payment by the customer.

- NANG: Cash on delivery fee (absolute amount; weight scale, group condition)

  The forwarding agent demands this from the goods vendor and reimburses it upon payment by the customer.

- NAUE: bank transfer fee

  The post office demands this from the customer upon payment.

### Access sequence:

Access sequence *NANA* for pricing with the payer in the access.

### Output:

- Invoice
- Packaging slip
- Payment slip

# Process Flow

## Order entry

You trigger the cash on delivery transaction by entering the post office as the payer.

When you enter the order, the system then determines the same forwarding agent from the selection criteria in shipping.

When you change the order, it is not possible to redetermine the forwarding agent automatically. You must then enter the forwarding agent manually in addition to the payer.

Example of pricing for cash on delivery

| | | | |
|---|---|---|---|
| Price | 100,-- | USD | |
| Cash on delivery fee | 3,50 | USD | |
| Package fee | 9,00 | USD | |
| Transfer fee | 3,00 | USD | Statistical condition |
| | | | |
| Final amount | 115,50 | | |
| VAT | 6,50 | | |
| Open items | 112,50 | USD | Without statistical condition |

## Picking/Shipping

- The following organizational issues are raised in the shipping department:
- Worklist for deliveries by selecting the forwarding agent, this is identified as a cash on delivery transaction.
- Billing must be created for cash on delivery.
- The following documents must be printed and delivered with the goods:
- Invoice
- Packaging slip
- Payment slip

## Transportation/Inbound Delivery

Inbound delivery for the forwarding agent with the papers listed above and cash for:

Package fee

Cash on delivery fee

## Cash on Delivery

### Incoming Payments

Incoming payment for transfer from forwarding agent.