SAP Fixed Asset Configuration

Product of
www.sapficoconsultant.com
“SAP” is a trademark of SAP AG, Neurottstrasse 16, 69190 Walldorf, Germany.
SAP AG is not the publisher of this material and is not responsible for it under any aspect.

Warning and Disclaimer

This product is sold as is, without warranty of any kind, either express or implied. While every precaution has been taken in the preparation of this material, www.sapficoconsultant.com assumes no responsibility for errors or omissions. Neither is any liability assumed for damages resulting from the use of the information or instructions contained herein. It is further stated that the publisher is not responsible for any damage or loss to your data or your equipment that results directly or indirectly from your use of this product.
# TABLE OF CONTENTS

**INTRODUCTION** ............................................................................................................. 5

1 *Organizational Structures* .................................................................................................. 6

1.1 Copy Reference Chart of Depreciation/Depreciation areas ........................................... 6
1.2 Specify Description of Chart of Depreciation ................................................................. 11
1.3 Copy/Delete Depreciation Areas ...................................................................................... 13
1.4 Assign Input Tax Indicator for Non-Taxable Acquisitions ............................................. 29
1.5 Assign Chart of Depreciation to company code ............................................................ 31
1.6 Specify Number Assignment Across Company codes (Optional) .................................. 34
1.7 Specify Account Determination ...................................................................................... 34
1.8 Create Screen Layout Rules ........................................................................................... 35
1.9 Define Number Range Interval ....................................................................................... 37

1.10 Define Asset Classes ..................................................................................................... 42

1.11 Specify Chart-of-Dep.-Dependent Screen Layout/Acct Assignment (Optional) ........... 50

2 *Integration with the General Ledger* .................................................................................. 50

2.1 Define How Depreciation Areas Post to General Ledgers ............................................ 50
2.2 Assign G/L Accounts ...................................................................................................... 53
2.3 Specify Financial Statement Version for Asset Reports ............................................... 67
2.4 Specify Document Type for Posting of Depreciation ....................................................... 69
2.5 Specify Intervals and Posting Rules .............................................................................. 70
2.6 Activate Additional Account Assignment Objects .......................................................... 74
2.7 Specify Account Assignment Types for Account Assignment Objects ............................. 76
2.8 Specify Document Type for Periodic Posting of Asset Values ....................................... 79

3 *Valuation* .......................................................................................................................... 83

3.1 Specify Transfer of APC Values ....................................................................................... 83
3.2 Specify Transfer of Depreciation Terms ......................................................................... 84
3.3 Set Up Areas for Parallel Valuation ............................................................................... 85
3.4 Determine Depreciation Areas in the Asset Class ............................................................ 97
3.5 Define Screen Layout for Asset Depreciation Areas ....................................................... 102
3.6 Deactivate Asset Class for Chart of Depreciation .......................................................... 107
3.7 Specify Max. Amt for Low-Value Assets+Asset Classes (Optional) ............................... 109
3.8 Specify Rounding of Net Book Value and/or Depreciation (Optional) ............................ 110
3.9 Specify Changeover Amount (Optional) ......................................................................... 111
3.10 Specify Memo Value (Optional) .................................................................................... 112
3.11 Specify Other Versions on Company Code Level (Optional) ....................................... 114
3.12 Specify Other Versions on Depreciation Area Level (Optional) .................................... 114
3.13 Specify the Use of Parallel Currencies (Optional) ....................................................... 115
3.14 Specify Depreciation Areas for Group Assets (Optional) ............................................ 119
3.15 Specify Asset Classes for Group Assets (Optional) ...................................................... 120

4 *Depreciation* ..................................................................................................................... 121

4.1 Determine Depreciation Areas for Unplanned Depreciation ......................................... 121

5 *Configuring the depreciation key* .................................................................................... 122

5.1 Define Base Methods ..................................................................................................... 122
5.2 Define Declining-Balance Methods (Optional) .............................................................. 124
5.3 Define Maximum Amount Methods (Optional) ............................................................ 125
5.4 Define Multi-Level Methods (Important) ..................................................................... 126
5.5 Maintain Period Control Methods .................................................................................. 130
5.6 Maintain Depreciation Key ............................................................................................. 131
5.7 Define the Cutoff Value Key (Optional) ............................................. 135
5.8 Define Maximum Base Value (Optional) ........................................... 138
6 Master data ....................................................................................... 138
   6.1 Define Screen Layout for Asset Master Data .................................. 138
7 Transactions ..................................................................................... 143
   7.1 Maintain Allocation Structures ................................................... 143
   7.2 Define/Assign Settlement Profiles ................................................. 152
   7.3 Maintain Number Ranges for Documents for Line Item Settlmt ...... 156
8 Information system ........................................................................... 160
   8.1 Define or Assign Forms ............................................................... 160
9 Asset data transfer ........................................................................... 163
   9.1 Specify Transfer Date/Last Closed Fiscal Year ............................... 163
   9.2 Specify Last Period Posted in Prv.System (Transf.During FY) .......... 164
   9.3 Recalculate Depreciation for Previous Years ................................. 166
   9.4 Create/Change/Display Legacy Asset(AS91, AS92, AS93) ............. 168
10 Preparing for Production Startup ..................................................... 175
   10.1 Transfer Balances (OASV) .......................................................... 175
   10.2 Activate Company Code ............................................................ 178
11 Capitalization through Internal order/WBS as Investment Measure .. 180
   11.1 Define Capitalization Versions ..................................................... 180
   11.2 Maintain Capitalization Keys ....................................................... 185
   11.3 Determine Accounts for Non Operating Expense ......................... 193
INTRODUCTION

Asset accounting module in SAP manages fixed assets data of an organization by way of asset master records. Asset accounting module thus acts as a sub ledger to the FI module for managing asset records.

SAP gives us the functionality in Asset module of managing depreciation and assets in parallel according to various reporting requirements i.e. Local Reporting, Parent company reporting, Tax reporting, US GAAP reporting and so on.

You must assign a chart of depreciation to each company code that is defined in Asset Accounting. SAP provides country-specific charts of depreciation with predefined depreciation areas. These charts of depreciation serve only as a reference for creating your own charts of depreciation, and are therefore not directly accessible in the SAP system. When creating a chart of depreciation, you have to copy the reference chart of depreciation.

We configured in the SAP FI – GL configuration book a company G Ltd with the company code 9101. The currency of the company code is INR. The reporting period is considered as Jan to December. The parent company of G Ltd is located in Germany. Therefore G Ltd is required to report figures in Euro. 3 currencies are configured for the company code INR (Local reporting), 2 currencies in EUR.

A Ltd is required to report depreciation for local reporting as per the statutory reporting requirement of India. Further it is also required to report depreciation as per the parent company located in Germany.

With the introduction of New GL structure from SAP ECC 5 there is no longer a need to maintain different GL codes for different depreciation areas. The only requirement is to maintain for each reporting 2 additional depreciation areas i.e. one real depreciation area and second derived depreciation

Since we have 3 different reporting requirements:-

1) Parent (Group) reporting
2) Local Reporting
3) Tax Reporting

We will configure depreciation area 1 for Group reporting
Depreciation area 30 for Local reporting and derived deprecation area 64 (30 -1)
Depreciation area 70 for tax reporting and derived depreciation area 71(70 -01)

Let us proceed with the configuration with new GL structure set up.
1 Organizational Structures

For configuration we use the following path on the SAP application screen:-

SAP Menu → Tools → AcceleratedSAP → Customizing → SPRO - Edit

Configuration for all the modules will be done here. The above path will not refer henceforth; we will directly refer to the IMG node.

1.1 Copy Reference Chart of Depreciation/Depreciation areas

IMG → Financial Accounting (New) → Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas

The chart of depreciation is a list of depreciation areas arranged according to business and legal requirements. The chart of depreciation enables you to manage all rules for the valuation of assets in a particular country.

You must assign a chart of depreciation to each company code that is defined in Asset Accounting. SAP provides country-specific charts of depreciation with predefined depreciation areas. These charts of depreciation serve only as a reference for creating your own charts of depreciation, and are therefore not directly accessible in the SAP system. When creating a chart of depreciation, you have to copy the reference chart of depreciation.

When you create a chart of depreciation, the system copies all of the depreciation areas in the reference chart of depreciation. You have to delete any depreciation areas that you do not need in your chart of depreciation.

Depreciation areas that are not used can still be activated at a later point in time (after the production startup). A newly activated depreciation area can take over values from another depreciation area.

SAP has provided chart of depreciation for various countries. Unfortunately for India it has not provided any chart of depreciation. Therefore we use German chart of depreciation.

Let us copy the chart of depreciation from German chart of depreciation to create new chart of depreciation.
Double Click on Copy Reference Chart of Depreciation.
Click on and update the following:

1DE – Sample chart of depreciation for Germany.

Click

You get the message when copying is finishes as follows:
Organizational object Chart of depreciation

Chart of depreciation IDE copied to 2011

Information
1.2 Specify Description of Chart of Depreciation

IMG → Financial Accounting (New) → Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas

Change the Description of chart of depreciation so copied.
Double Click Specify Description of Chart of Depreciation

Change the following: -

| 2911 | Sample chart of depreciation: Germany |

And update the following: -

| 2911 | Chart of depreciation G Ltd |

Click on Save
1.3 **Copy/Delete Depreciation Areas**

**IMG → Financial Accounting (New) → Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas**

Perform the activities in the specified sequence

**Double Click on** **Copy/Delete Depreciation Areas**

**And update the depreciation area**

**We will delete the unwanted depreciation areas which were copied from the reference chart of depreciation.**
We select the areas for deletion like this

Then **Click on**

**Click on**
Let us create a real depreciation area 30 by copying area 01.

Select

Click
### Change View "Define Depreciation Areas": Details of Selected Set

<table>
<thead>
<tr>
<th>Chart of dep.</th>
<th>Chart of depreciation G Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deprec. area</td>
<td>Book depreciation</td>
</tr>
<tr>
<td></td>
<td>Book depres</td>
</tr>
</tbody>
</table>

**Define Depreciation Areas**

- Posting in G/L: [ ]
- Target Ledger Group: [BL]
- Different Depreciation Area: [ ]
- Cross-syst. dep. area: [ ]

**Value Maintenance**

- Acquisition value: Only Positive Values or Zero Allowed
- Net book value: Only Positive Values or Zero Allowed
- Investment grants: Only Negative Values or Zero Allowed
- Revaluation: No Values Allowed
- Ordinary deprec.: Only Negative Values or Zero Allowed
- Special Depr.: No Values Allowed
- Unplanned Depreciat.: Only Negative Values or Zero Allowed
- Transfer of reserves: No Values Allowed
- Interest: Only Positive Values or Zero Allowed
- Revaluation and dep.: No Values Allowed

**Entries for Derived Depreciation Area**

- [ ] Area for reporting purposes only
Now update the following:

```
<table>
<thead>
<tr>
<th>Chart of dep.</th>
<th>2911</th>
<th>Chart of depreciation G Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deprec. area</td>
<td>30</td>
<td>Depreciation area for Local reporting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local report</td>
</tr>
</tbody>
</table>

**Define Depreciation Areas**

- **Real Depreciation Area**: 
  - checkbox: checked

**Posting in G/L**

- **Target Ledger Group**: Y1
- **Different Depreciation Area**: G1

**Value Maintenance**

- **Acquisition value**: Only Positive Values or Zero Allowed
- **Net book value**: Only Positive Values or Zero Allowed
- **Investment grants**: Only Negative Values or Zero Allowed
- **Revaluation**: No Values Allowed
- **Ordinary depreciation**: Only Negative Values or Zero Allowed
- **Special Dep.**: No Values Allowed
- **Unplanned Depreciat.**: Only Negative Values or Zero Allowed
- **Transfer of reserves**: No Values Allowed
- **Interest**: Only Positive Values or Zero Allowed
- **Revaluation ord. dep.**: No Values Allowed

**Entries for Derived Depreciation Area**

- **Area for reporting purposes only**: 
  - checkbox: off
```
Click on 

Now change the depreciation area 64 which is a derived depreciation as follows:-

Double click 64 Book depreciation
Update the following:-

<table>
<thead>
<tr>
<th>Entry</th>
<th>Description</th>
<th>Allowed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acquisition value</td>
<td>Only Positive Values or Zero Allowed</td>
</tr>
<tr>
<td></td>
<td>Net book value</td>
<td>Only Positive Values or Zero Allowed</td>
</tr>
<tr>
<td></td>
<td>Investment grants</td>
<td>Only Negative Values or Zero Allowed</td>
</tr>
<tr>
<td></td>
<td>Revaluation</td>
<td>No Values Allowed</td>
</tr>
<tr>
<td></td>
<td>Ordinary deprec.</td>
<td>Only Negative Values or Zero Allowed</td>
</tr>
<tr>
<td></td>
<td>Special Depr.</td>
<td>No Values Allowed</td>
</tr>
<tr>
<td></td>
<td>Unplanned Depreciat.</td>
<td>Only Negative Values or Zero Allowed</td>
</tr>
<tr>
<td></td>
<td>Transfer of reserves</td>
<td>No Values Allowed</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
<td>Only Positive Values or Zero Allowed</td>
</tr>
<tr>
<td></td>
<td>Revaluation ord. dep.</td>
<td>No Values Allowed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Entry</th>
<th>Description</th>
<th>Allowed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Area for reporting purposes only</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Chart of Dep.** 2911
**Chart of depreciation** 
**Deprec. area** 64
**Book depreciation**

**Define Depreciation Areas**

**Real Depreciation Area**

**Posting in DFL**

**Target Ledger Group** L0

**Different Depreciation Area**

**Cross-sys dep. area**

**Value Maintenance**

**Entries forDerived Depreciation Area**

**Area for reporting purposes only**
Update the following:

- Chart of depreciation: G Ltd
- Depreciation area: Derived Dep area 30-01 Local Reporting
- Posting in OIL: Area Posts Only AFC Directly
- Target Ledger Group: Y1
- Different Depreciation Area: 1
- Cross-syst.dep.area: Book depreciation

Value Maintenance:
- Acquisition value: All Values Allowed
- Net book value: All Values Allowed
- Investment grants: All Values Allowed
- Revaluation: All Values Allowed
- Ordinary deprecat.: All Values Allowed
- Special Depr.: All Values Allowed
- Unplanned Depreciat.: All Values Allowed
- Transfer of reserves: All Values Allowed
- Interest: All Values Allowed
- Revaluation ord dep.: All Values Allowed
### Change View "Define Depreciation Areas": Details

<table>
<thead>
<tr>
<th>Posting in G/L</th>
<th>Area Posts Only APC Directly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Ledger Group</td>
<td>Y1</td>
</tr>
<tr>
<td>Different Depreciation Area</td>
<td>1</td>
</tr>
<tr>
<td>Cross-syst.depl.area</td>
<td></td>
</tr>
</tbody>
</table>

#### Value Maintenance

<table>
<thead>
<tr>
<th>Category</th>
<th>All Values Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition value</td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
</tr>
<tr>
<td>Investment grants</td>
<td></td>
</tr>
<tr>
<td>Revaluation</td>
<td></td>
</tr>
<tr>
<td>Ordinary depreciat.</td>
<td></td>
</tr>
<tr>
<td>Special Dep.</td>
<td></td>
</tr>
<tr>
<td>Unplanned Depreciat.</td>
<td></td>
</tr>
<tr>
<td>Transfer of reserves</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
</tr>
<tr>
<td>Revaluation ord.depl.</td>
<td></td>
</tr>
</tbody>
</table>

#### Entries for Derived Depreciation Area

- Area for reporting purposes only
- Derived Depreciation Area As Real Area

<table>
<thead>
<tr>
<th>Dep. area sign</th>
<th>Divisor</th>
<th>Area</th>
<th>Dep. area name</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ positive</td>
<td>1</td>
<td>30</td>
<td>Book depreciation</td>
</tr>
<tr>
<td>- negative</td>
<td>1</td>
<td>1</td>
<td>Book depreciation</td>
</tr>
</tbody>
</table>

Click on [ ]
## Change View "Define Depreciation Areas": Overview

**Chart of dep.**: 2911  
**Chart of depreciation & Ltd.**

### Define Depreciation Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Name of depreciation area</th>
<th>Real</th>
<th>GL</th>
<th>Trgt Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Book depreciation</td>
<td>x</td>
<td>1</td>
<td>0L</td>
</tr>
<tr>
<td>30</td>
<td>Depreciation area for Local Reporting</td>
<td>x</td>
<td>3</td>
<td>Y1</td>
</tr>
<tr>
<td>60</td>
<td>Book depreciation</td>
<td>x</td>
<td>3</td>
<td>L0</td>
</tr>
<tr>
<td>64</td>
<td>Derived Dep area 30-01 Local Reporting</td>
<td></td>
<td>6</td>
<td>Y1</td>
</tr>
</tbody>
</table>

**Double click**  

60  
Book depreciation
Update the following:-

Change View "Define Depreciation Areas": Details

- Chart of dep.: 2011
- Deprec. area: 08
  - Book depreciation
  - Parent reporting
  - Group currency
  - 0k dep
  - Or cu

Define Depreciation Areas
- Real Depreciation Area: 

Value Maintenance
- Acquisition value: Only Positive Values or Zero Allowed
- Net book value: Only Positive Values or Zero Allowed
- Investment grants: Only Negative Values or Zero Allowed
- Revaluation: No Values Allowed
- Ordinary deprec.: Only Negative Values or Zero Allowed
- Special Depr: No Values Allowed
- Unplanned Deprec: Only Negative Values or Zero Allowed
- Transfer of reserves: No Values Allowed
- Interest: Only Positive Values or Zero Allowed
- Revaluation ord.depr.: No Values Allowed

Entries for Derived Depreciation Area
- Area for reporting purposes only: 

Click ✅

Click on ✂️
Also change the description for area 1

Click on Save

Copy dep area 60

Click
Update the following:

Change View "Define Depreciation Areas": Details of Selected Set

<table>
<thead>
<tr>
<th>Chart of dep.</th>
<th>2011</th>
<th>Chart of depreciation G Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deprec. area</td>
<td>61</td>
<td></td>
</tr>
</tbody>
</table>

**Define Depreciation Areas**

<table>
<thead>
<tr>
<th>Posting in GL</th>
<th>Area Does Not Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Ledger Group</td>
<td></td>
</tr>
<tr>
<td>Different Depreciation Area</td>
<td>1</td>
</tr>
<tr>
<td>Cross-syst dep.area</td>
<td></td>
</tr>
</tbody>
</table>

**Value Maintenance**

<table>
<thead>
<tr>
<th>Acquisition Value</th>
<th>Only Positive Values or Zero Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net book value</td>
<td>Only Positive Values or Zero Allowed</td>
</tr>
<tr>
<td>Investment grants</td>
<td>Only Negative Values or Zero Allowed</td>
</tr>
<tr>
<td>Revaluation</td>
<td>No Values Allowed</td>
</tr>
<tr>
<td>Ordinary deprec.</td>
<td>Only Negative Values or Zero Allowed</td>
</tr>
<tr>
<td>Special Depr</td>
<td>No Values Allowed</td>
</tr>
<tr>
<td>Unplanned Depr.</td>
<td>Only Negative Values or Zero Allowed</td>
</tr>
<tr>
<td>Transfer of reserves</td>
<td>No Values Allowed</td>
</tr>
<tr>
<td>Interest</td>
<td>Only Positive Values or Zero Allowed</td>
</tr>
<tr>
<td>Revaluation ord.depr.</td>
<td>No Values Allowed</td>
</tr>
</tbody>
</table>

**Entries for Derived Depreciation Area**

| Area for derived depreciation area | Area for reporting purposes only |

Click ✅

Click on 🔊

Copy area 30 as follows:-

| 30 | Depreciation area for Local reporting | 3 | Y1 |

Click 📁