# SAP Fixed Asset Configuration

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## 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:-

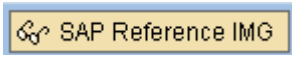
1) Parent (Group) reporting
2) Local Reporting
3) Tax Reporting

We will configure depreciation area 1 for Group reporting
Depreciation area 30 for Local reporting and derived depreciation 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 Project → 

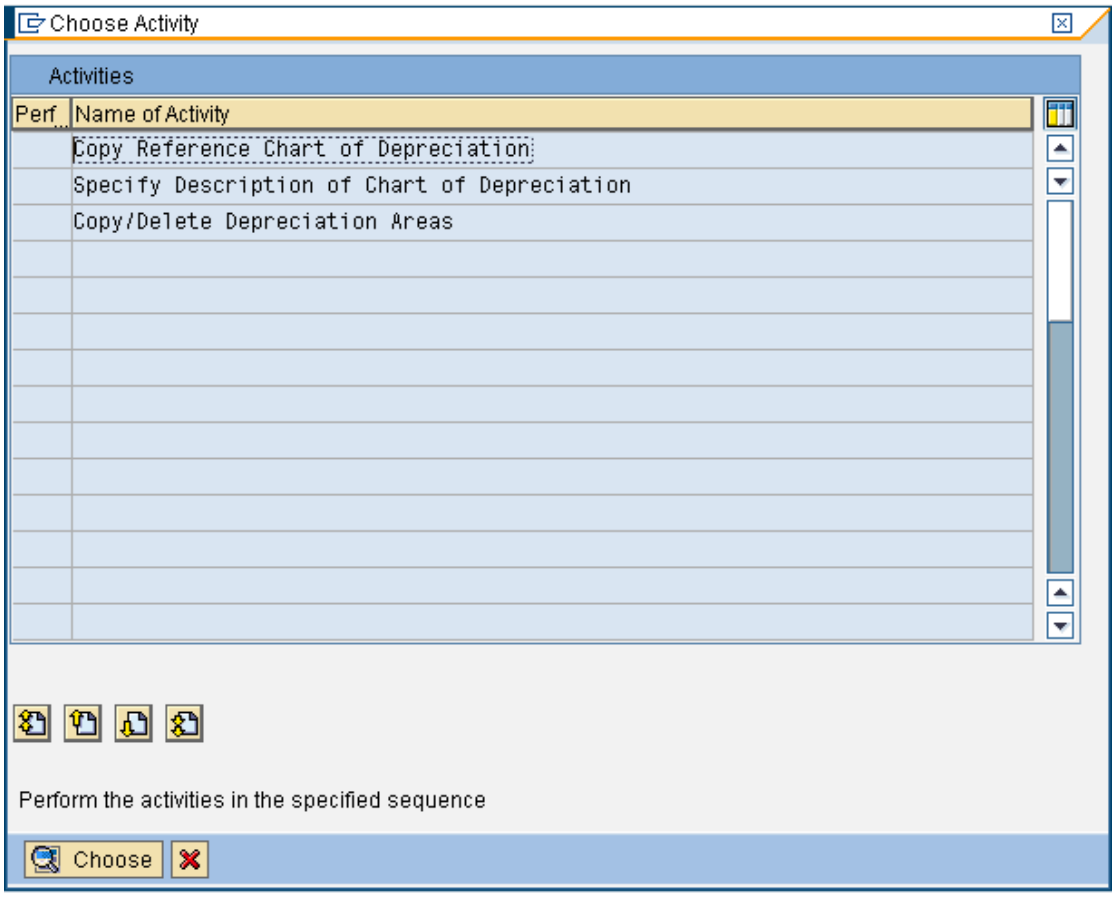

**Configuration for all the modules will be done here. The above path will not refer henceforth; we will directly refer to the IMG node.**

## 1.1 *Copy Reference Chart of Depreciation/Depreciation areas*

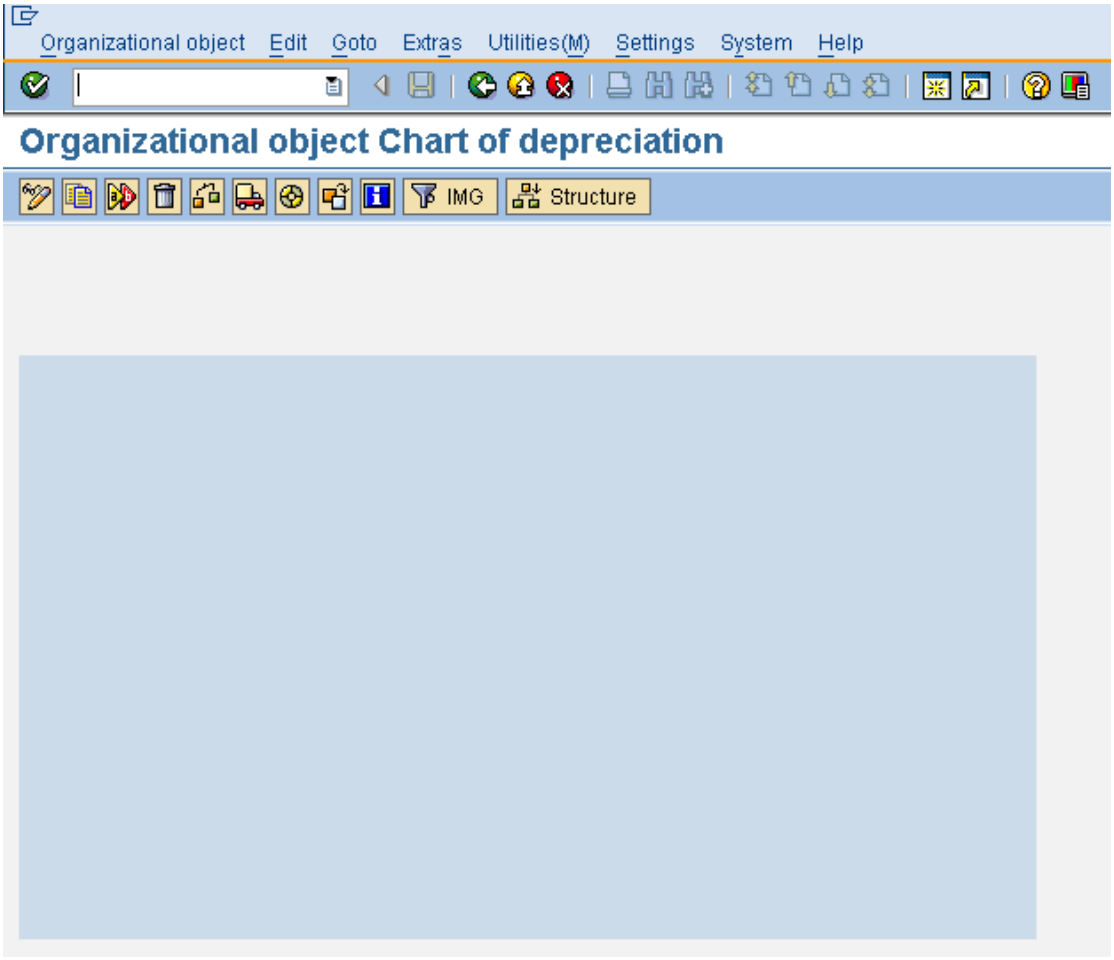
IMG → Financial Accounting (New)→ Asset Accounting → Organizational Structures → Copy Reference Chart of Depreciation/Depreciation Areas

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.

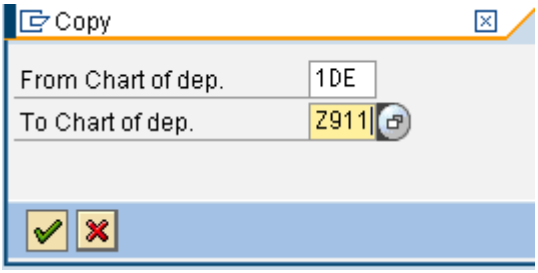



Double Click **on** Copy Reference Chart of Depreciation



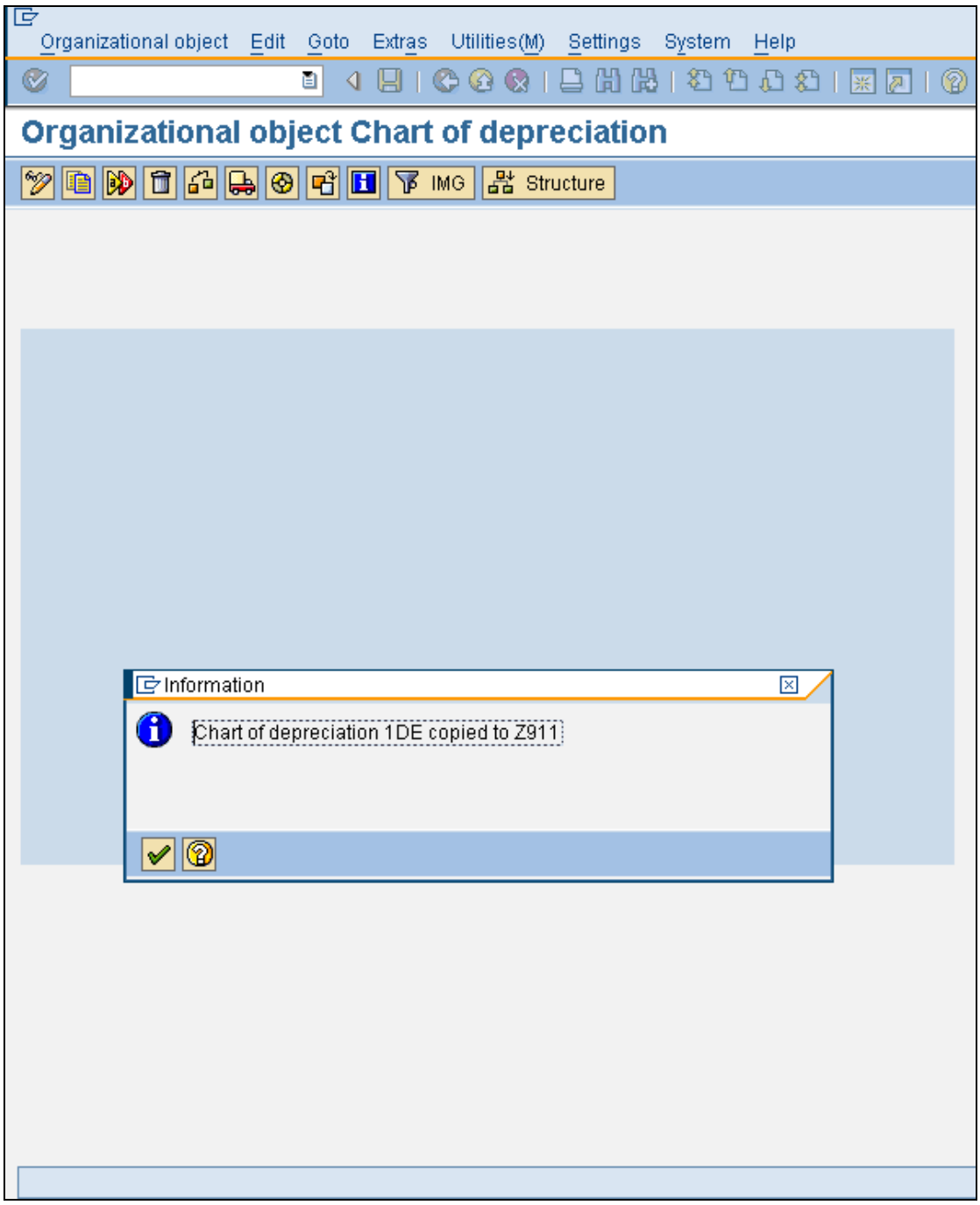

Click on and update the following: -

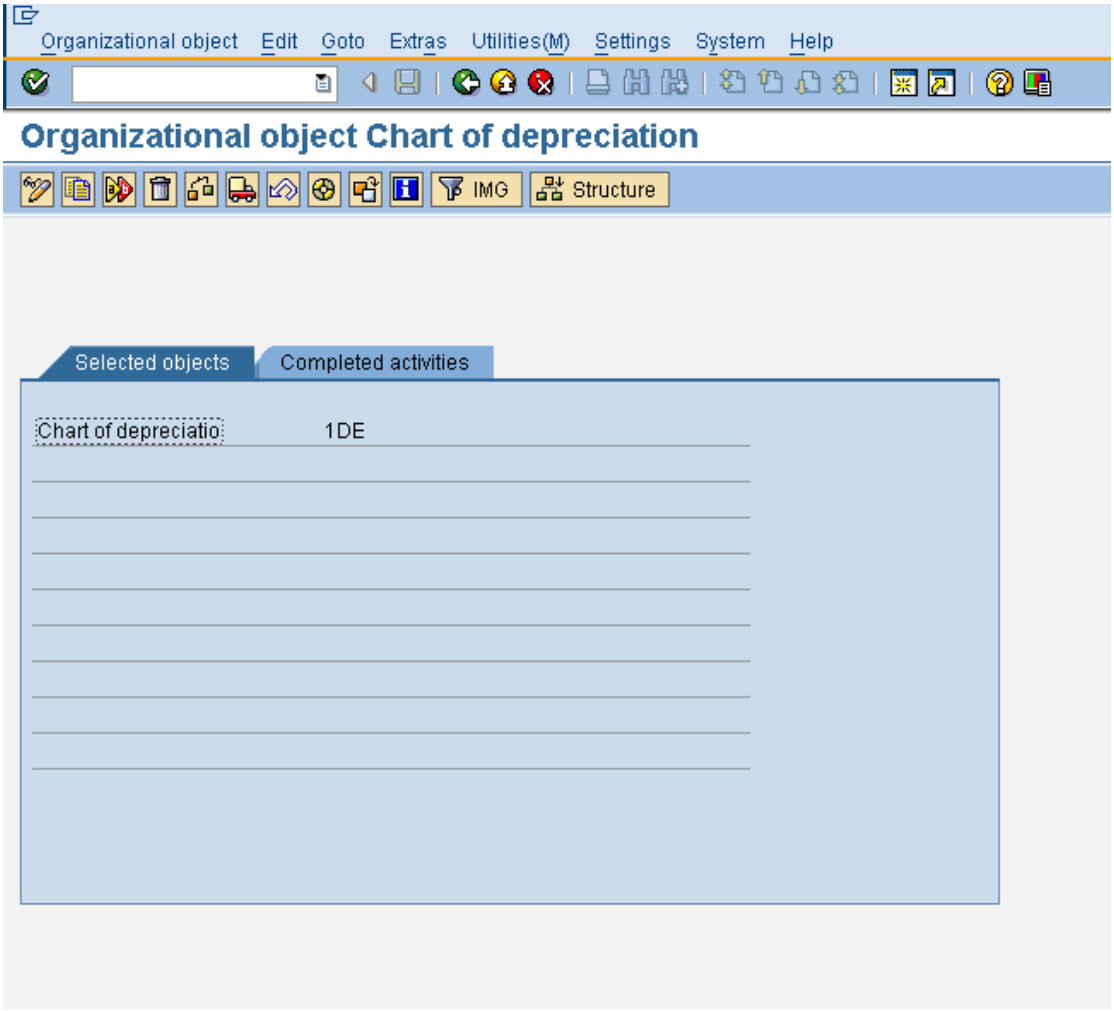
1DE – Sample chart of depreciation for Germany.



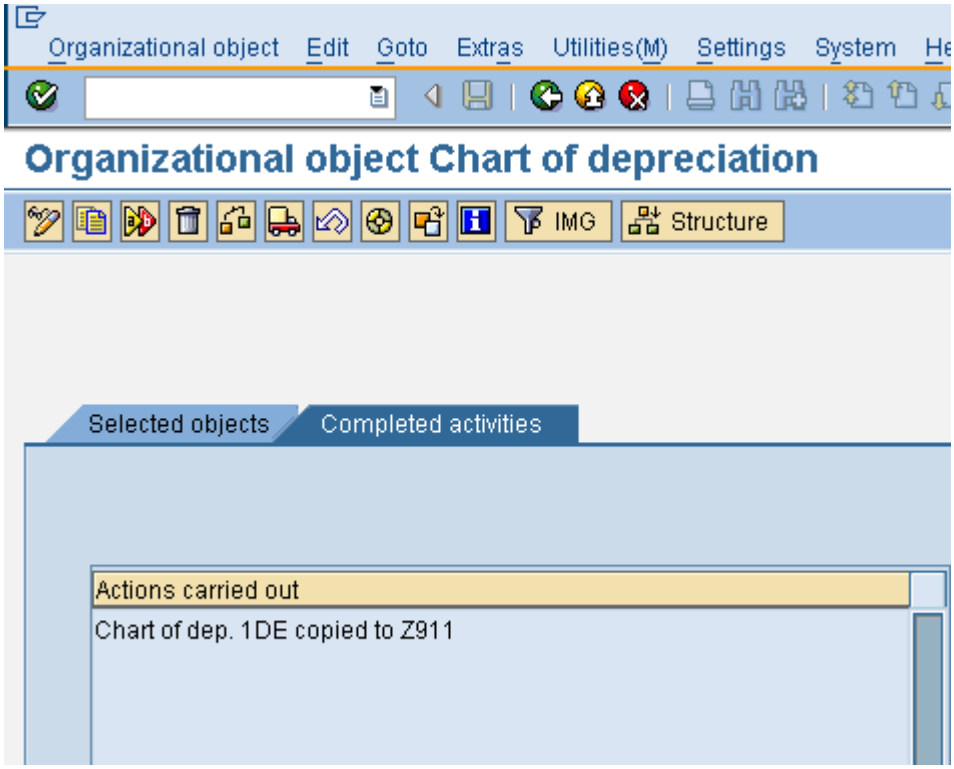

Click

You get the message when copying is finishes as follows:-


Organizational object
Edit
Goto
Extras
Utilities(M)
Settings
System
Help
Organizational object Chart of depreciation
IMG
Structure
Information
Chart of depreciation 1DE copied to Z911


Organizational object
Edit
Goto
Extras
Utilities(M)
Settings
System
Help
Organizational object Chart of depreciation
IMG
Structure
Selected objects
Completed activities
Chart of depreciatio
1DE

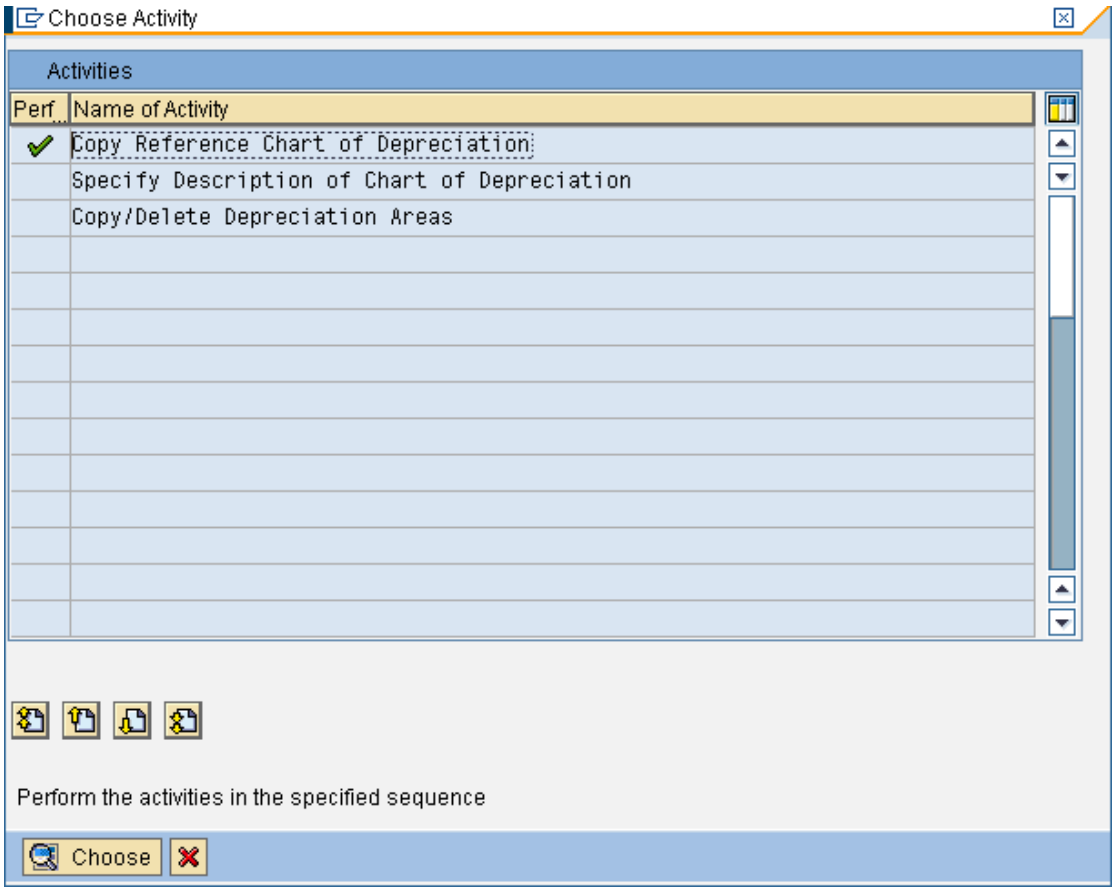
**Click**
Completed activities




## 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: -

| Z911 | Sample chart of depreciation: Germany |
|---|---|

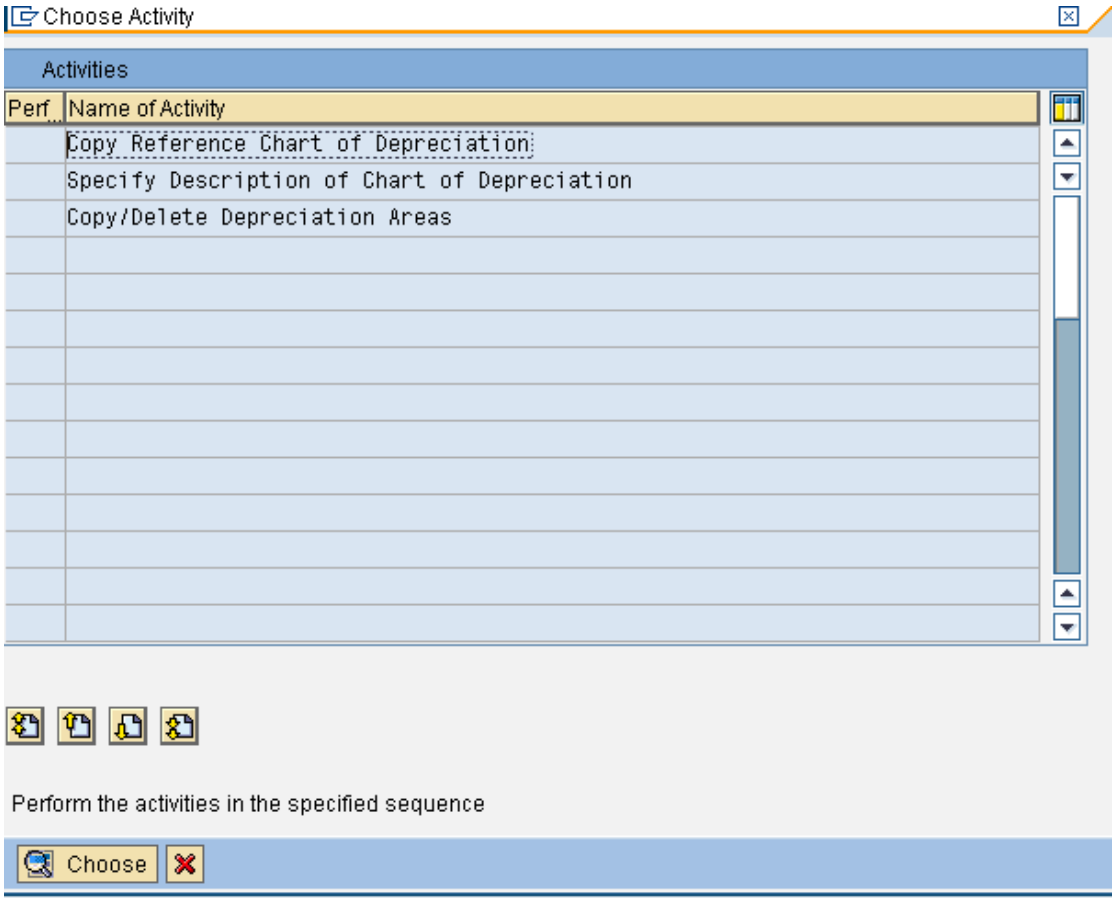
And update the following: -

| Z911 | Chart of depreciation G Ltd. |
|---|---|

Click on Save

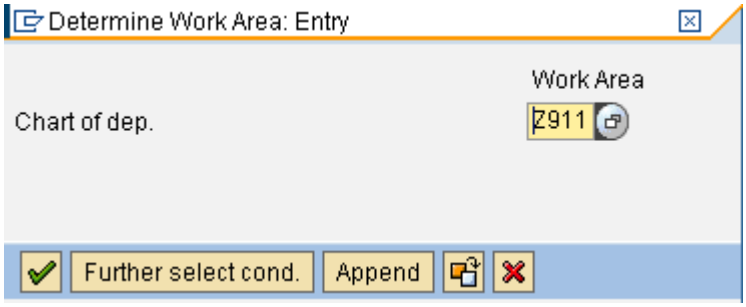
## 1.3 *Copy/Delete Depreciation Areas*

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



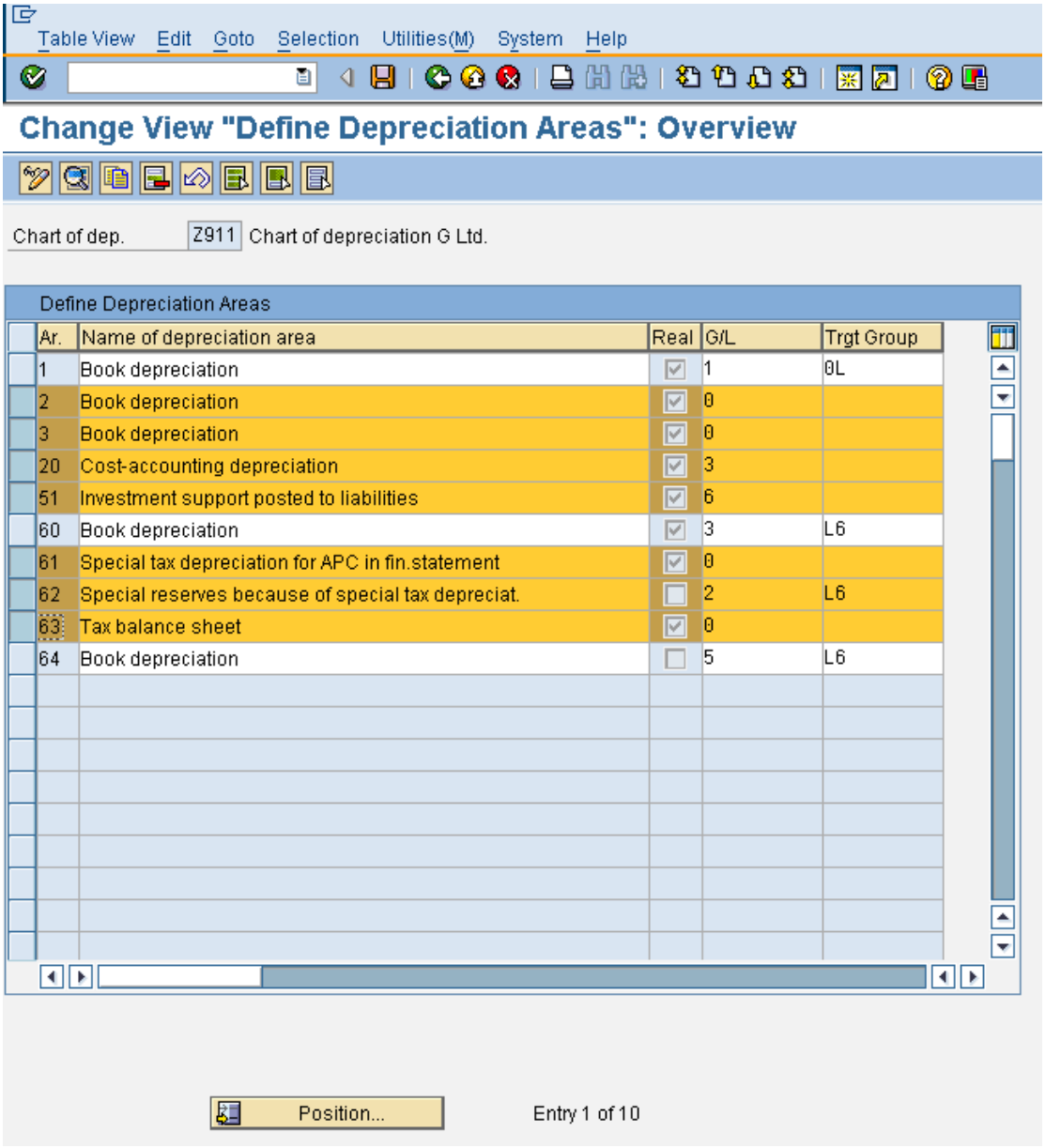

Double Click on Copy/Delete Depreciation Areas

And update the depreciation area



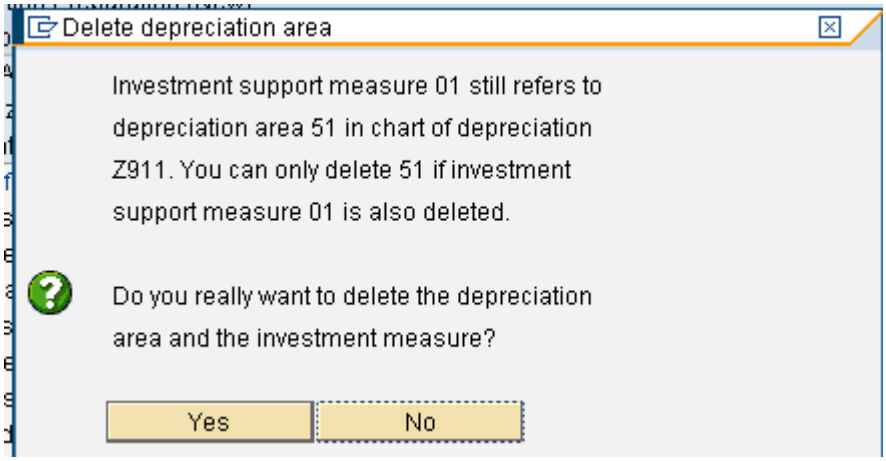

We will delete the unwanted depreciation areas which were copied from the reference chart of depreciation.

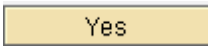
We select the areas for deletion like this

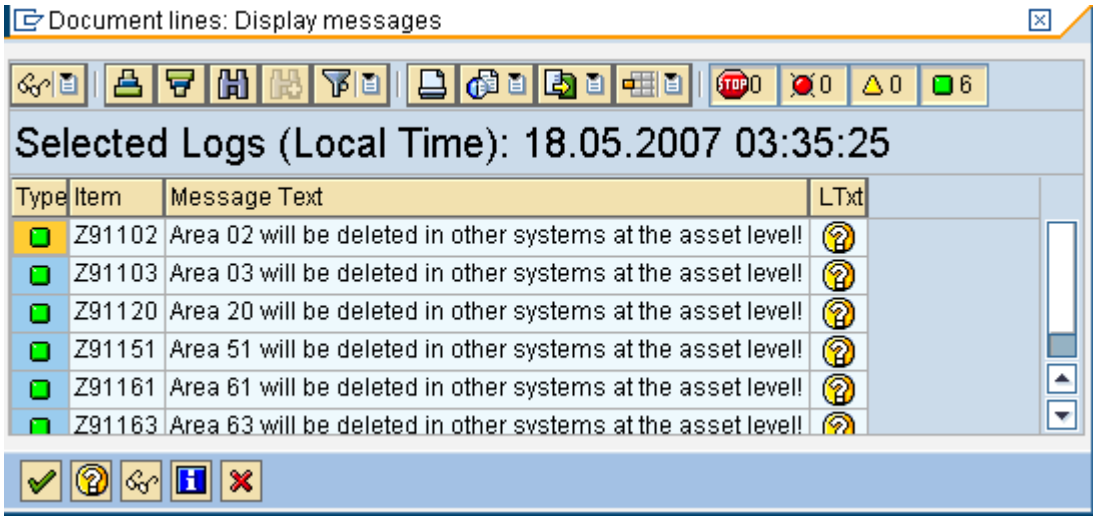



Then **Click on**

Click on




**Click** 


Click

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

**Select**

**Click**

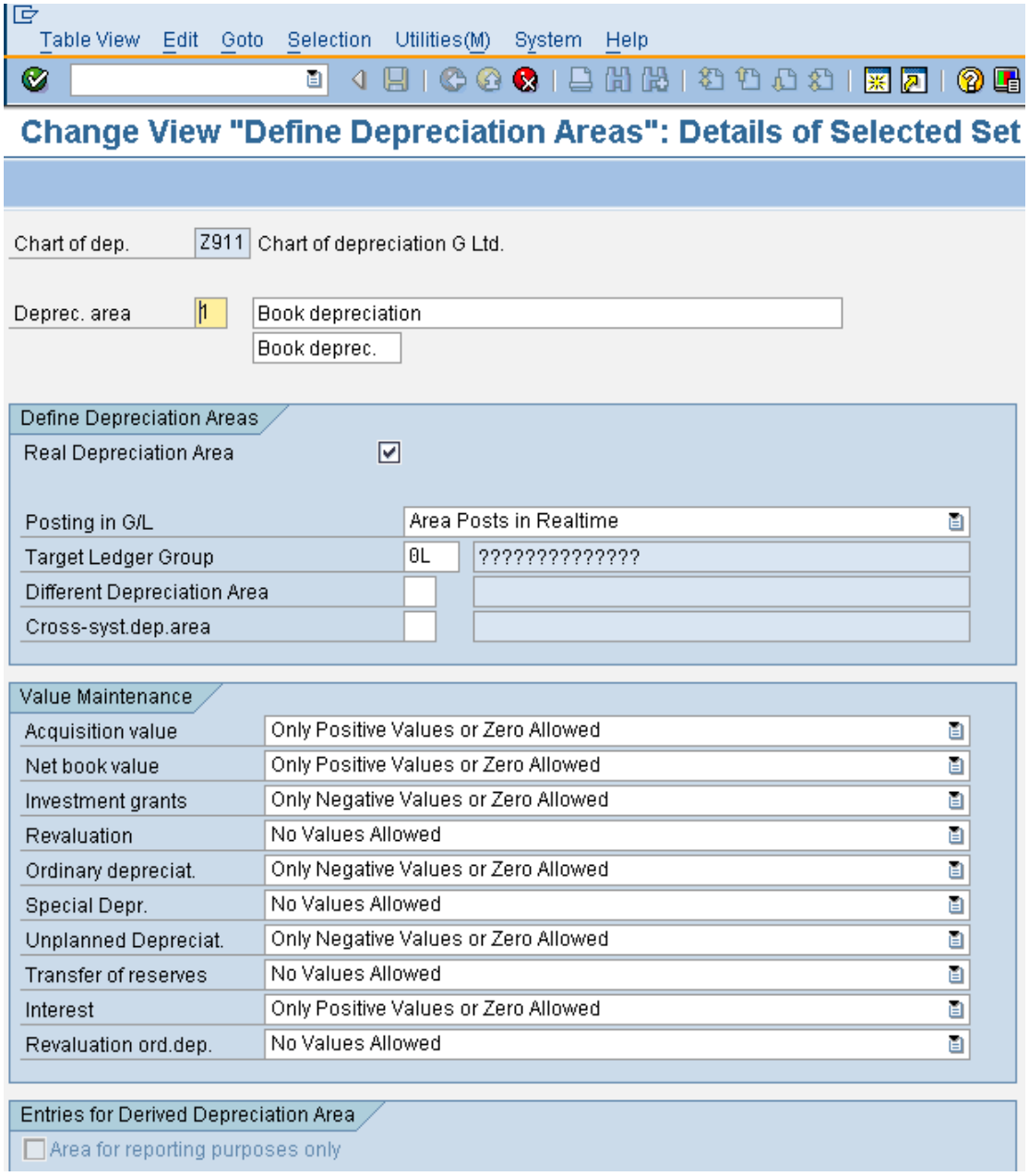
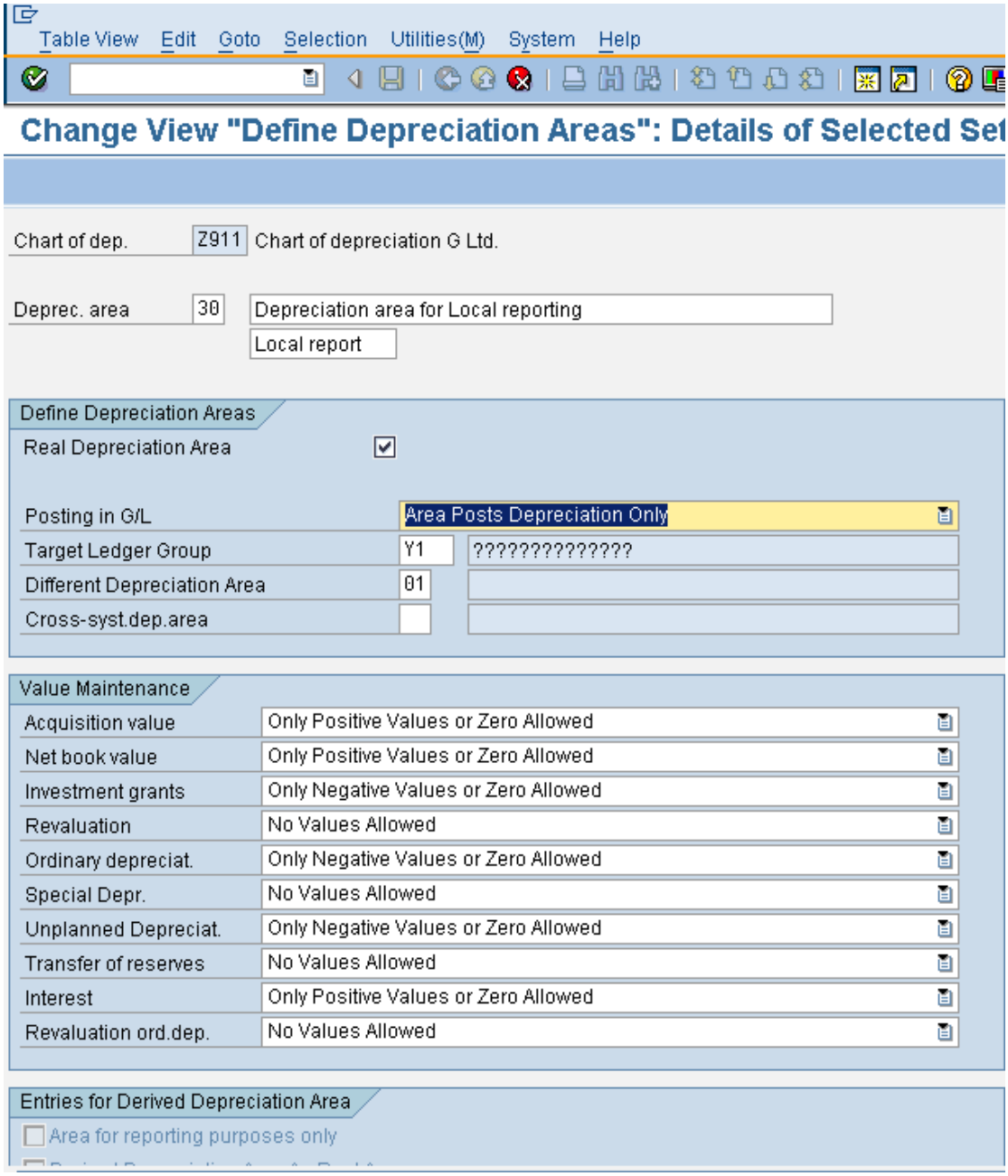
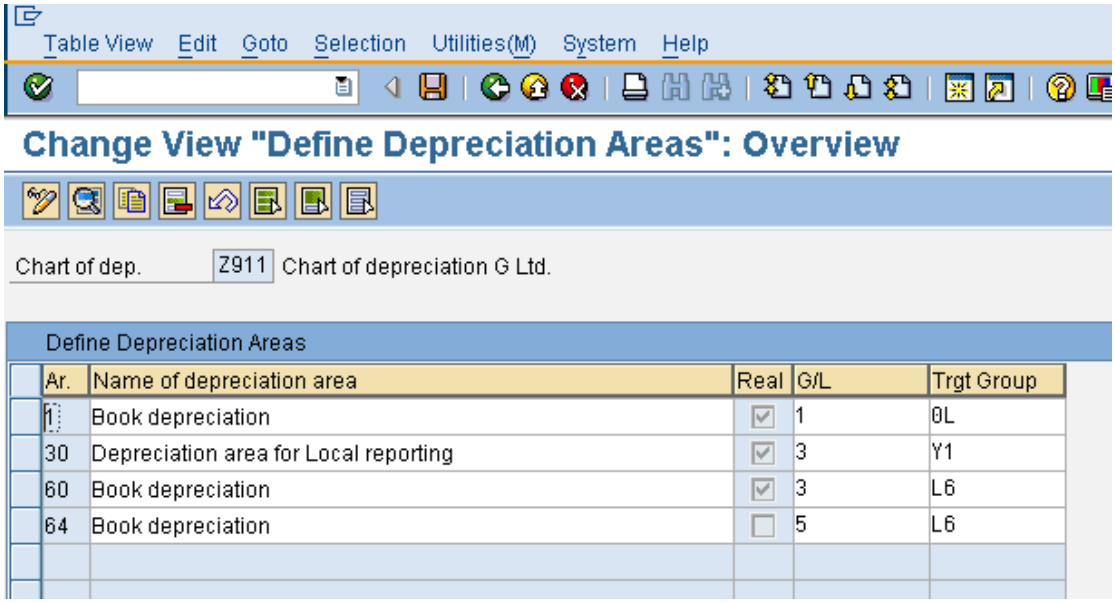


Table View Edit Goto Selection Utilities(M) System Help
Change View "Define Depreciation Areas": Details of Selected Set
Chart of dep. Z911 Chart of depreciation G Ltd.
Deprec. area 1 Book depreciation
Book deprec.
Define Depreciation Areas
Real Depreciation Area
Posting in G/L Area Posts in Realtime
Target Ledger Group 0L ??????????????
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 depreciat. 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 ord.dep. No Values Allowed
Entries for Derived Depreciation Area
Area for reporting purposes only

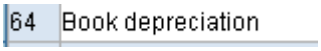
**Now update the following:-**

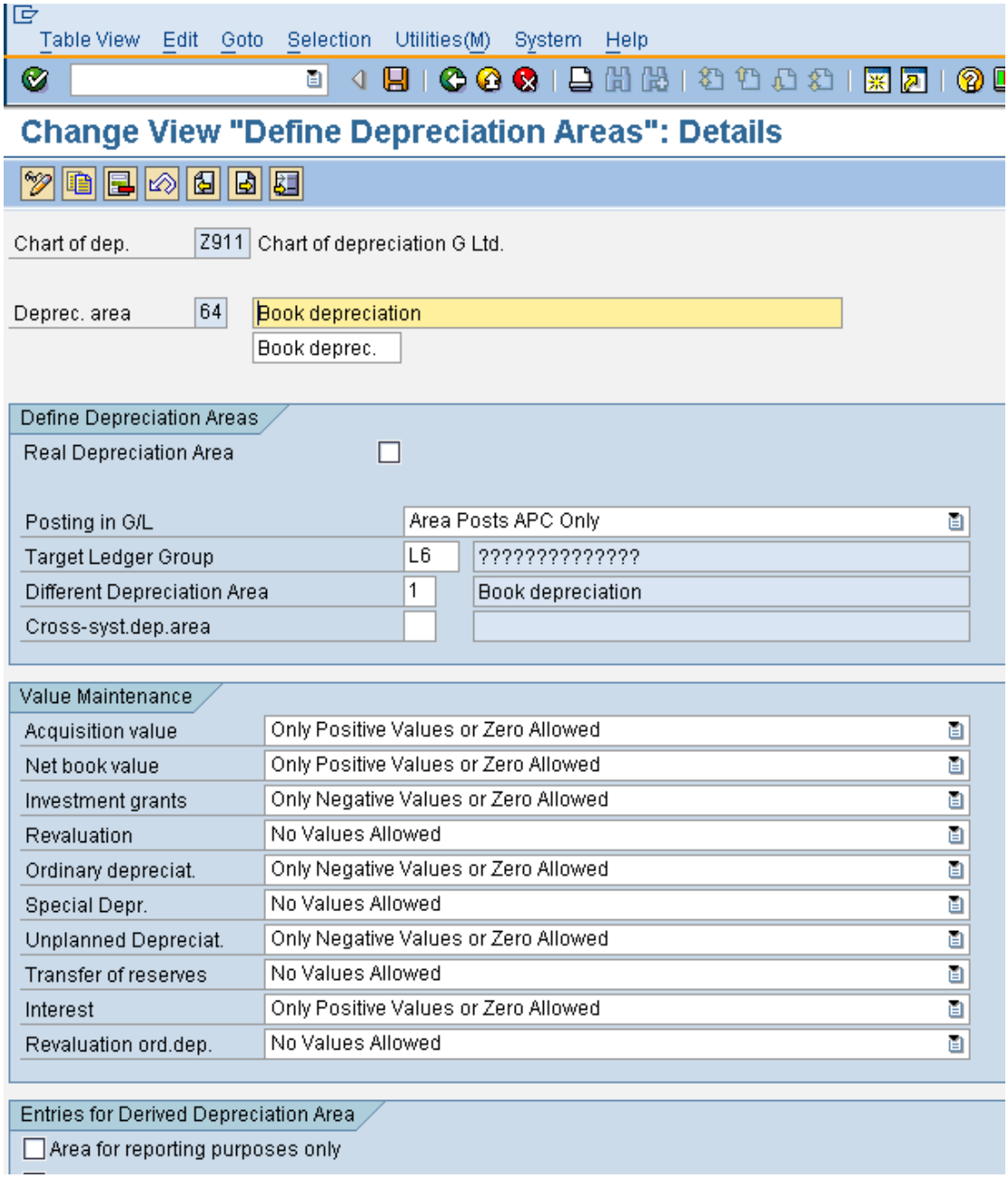




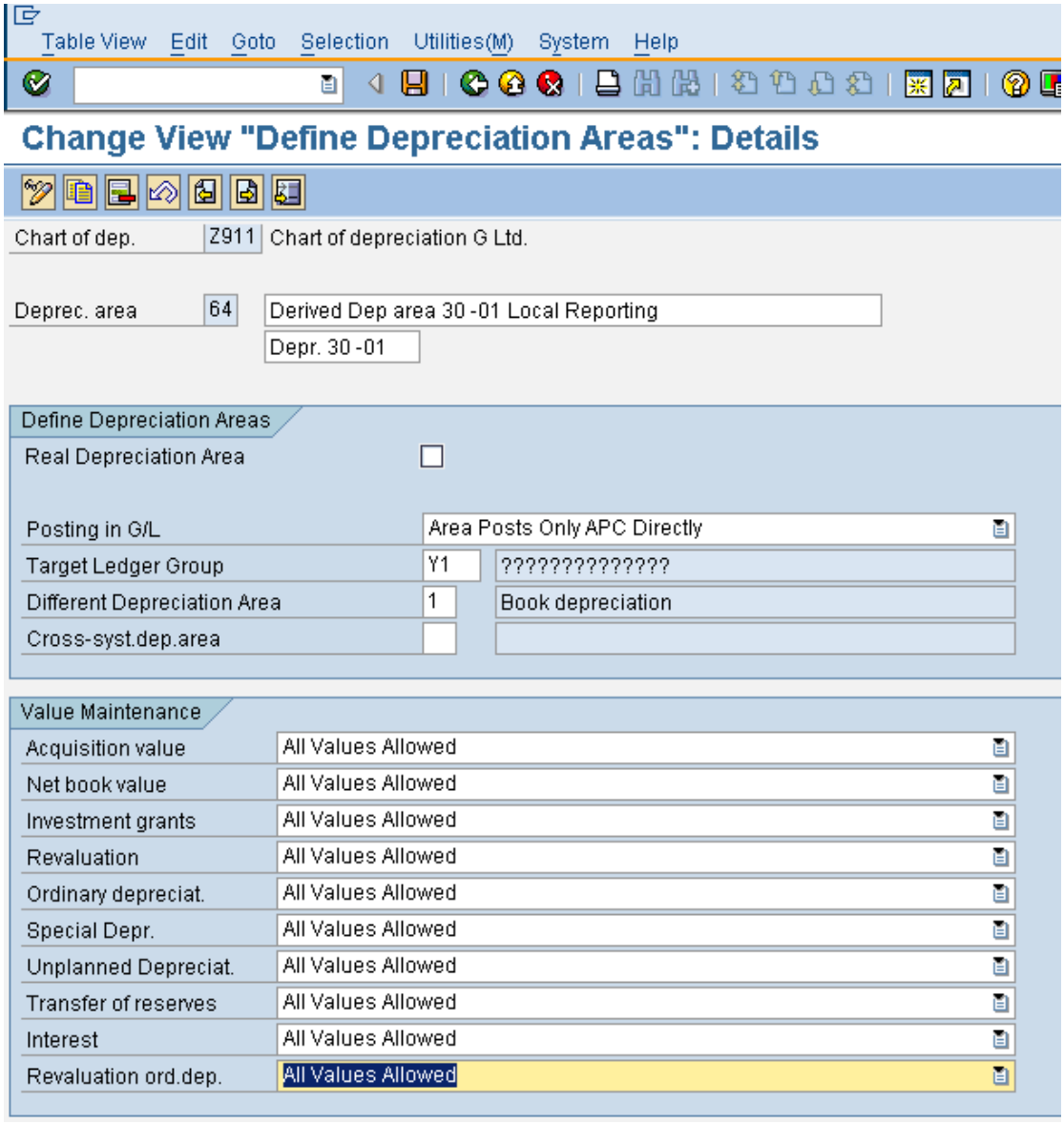

Click on

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

**Double click** 




Update the following:-




**Click to go down**

Update the following:-

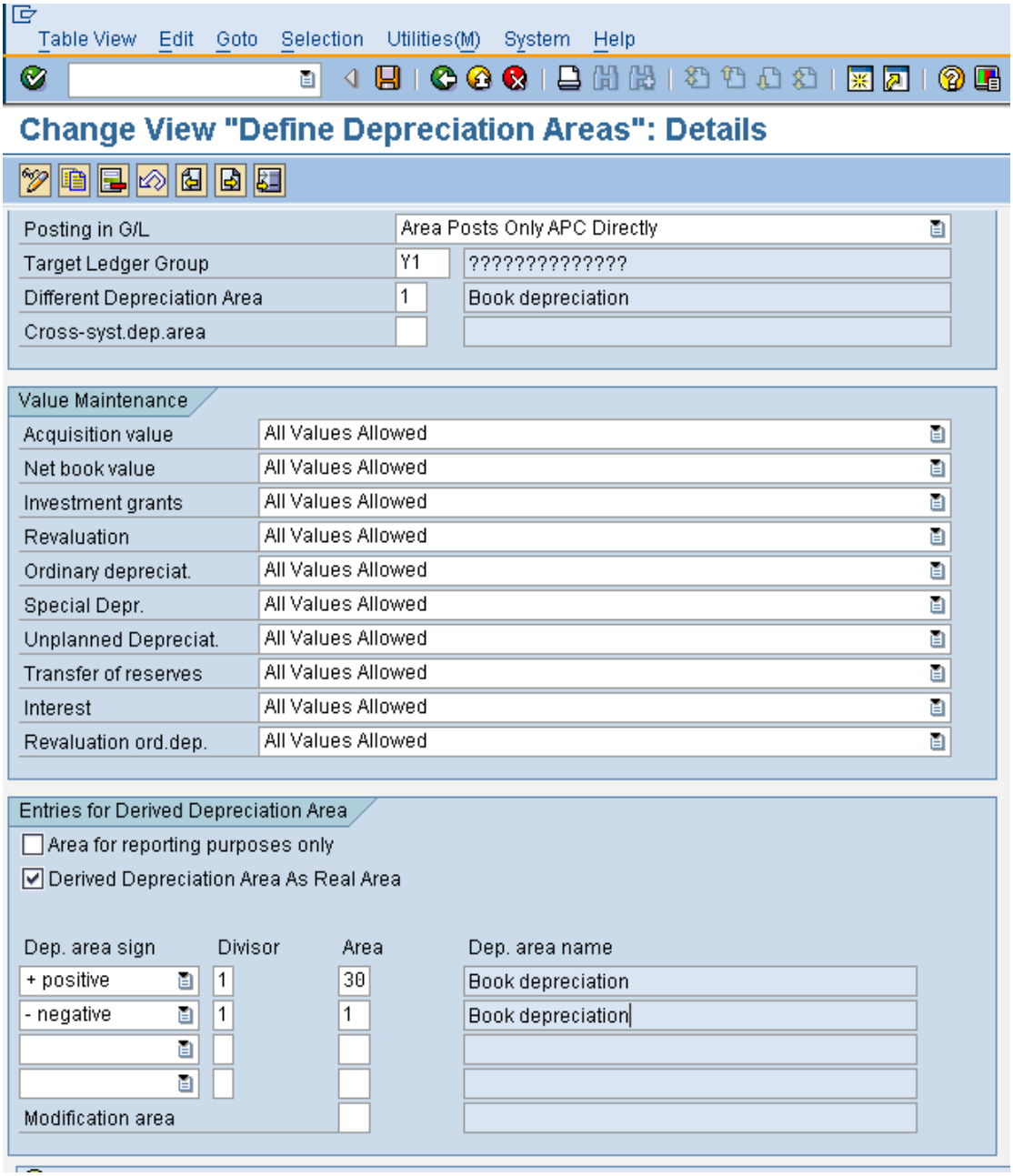
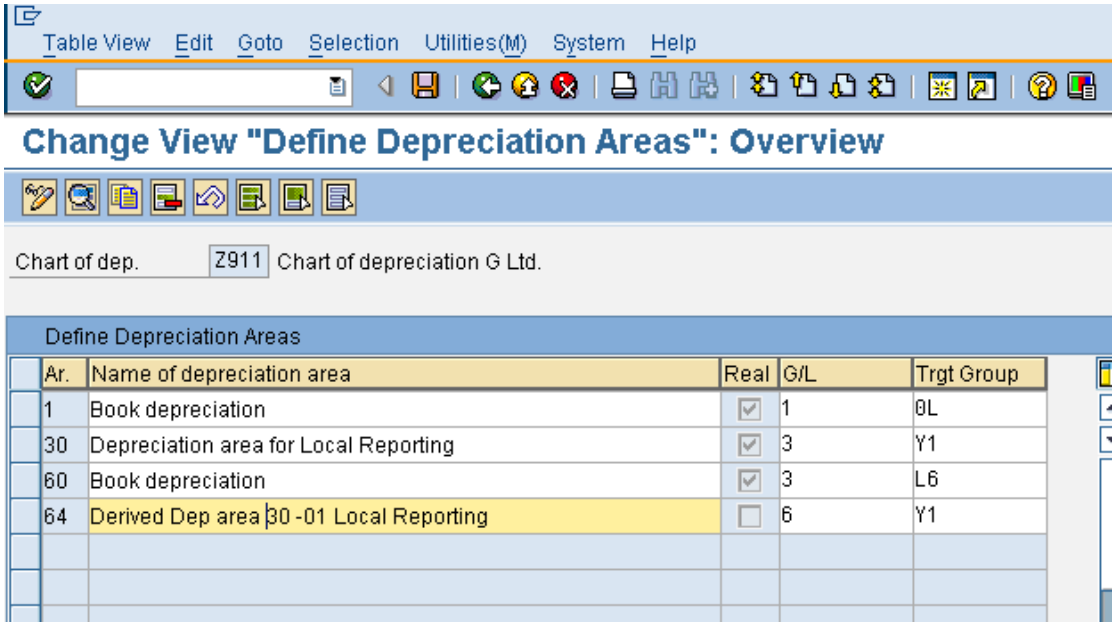
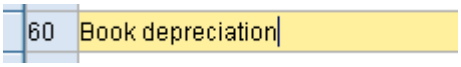


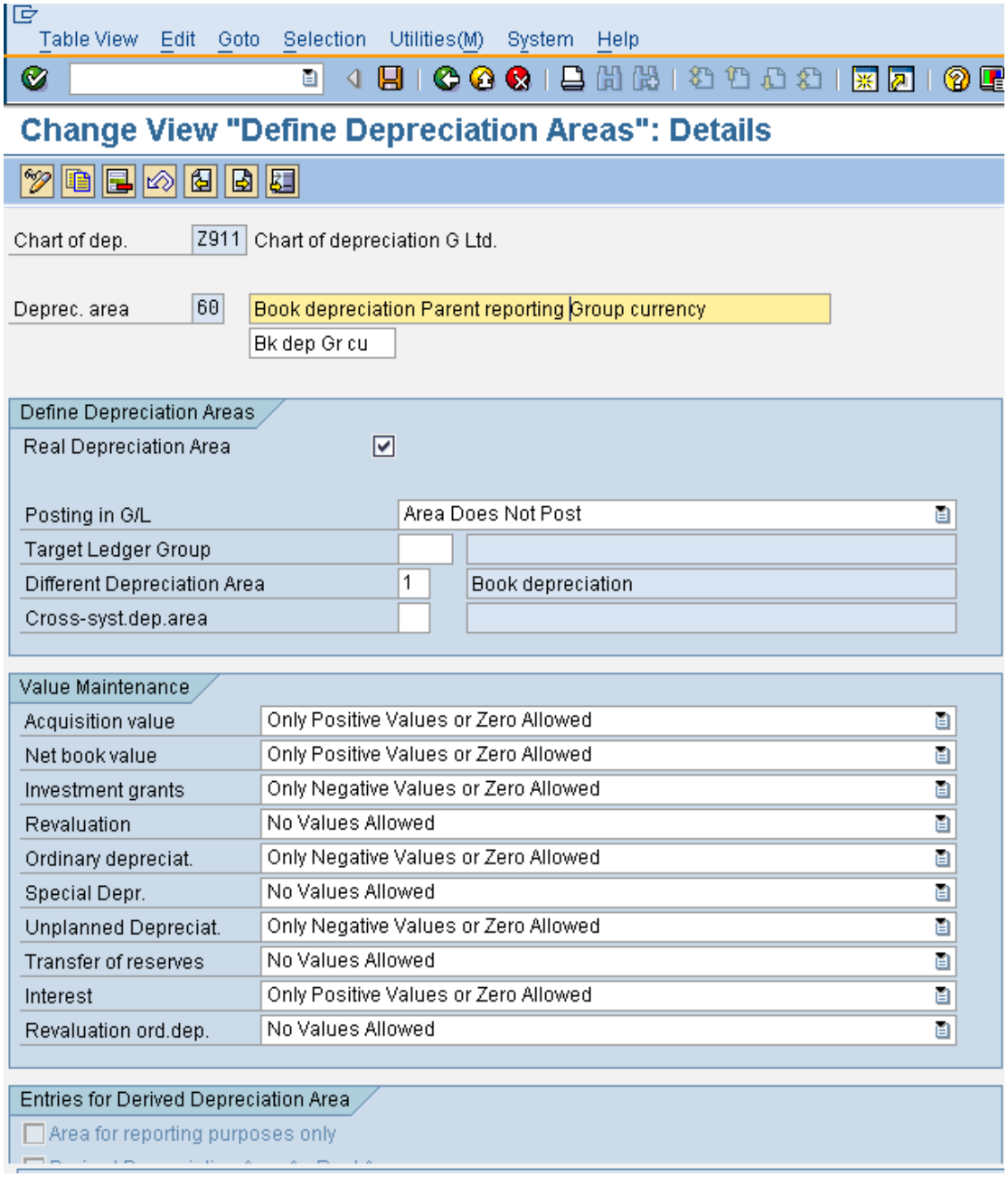
Table View Edit Goto Selection Utilities(M) System Help
Change View "Define Depreciation Areas": Details
Posting in G/L
Area Posts Only APC Directly
Target Ledger Group
Y1
??????????????
Different Depreciation Area
1
Book depreciation
Cross-syst.dep.area
Value Maintenance
Acquisition value
All Values Allowed
Net book value
All Values Allowed
Investment grants
All Values Allowed
Revaluation
All Values Allowed
Ordinary depreciat.
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
Entries for Derived Depreciation Area
Area for reporting purposes only
Derived Depreciation Area As Real Area
Dep. area sign
Divisor
Area
Dep. area name
+ positive
1
30
Book depreciation
- negative
1
1
Book depreciation
Modification area

Click on



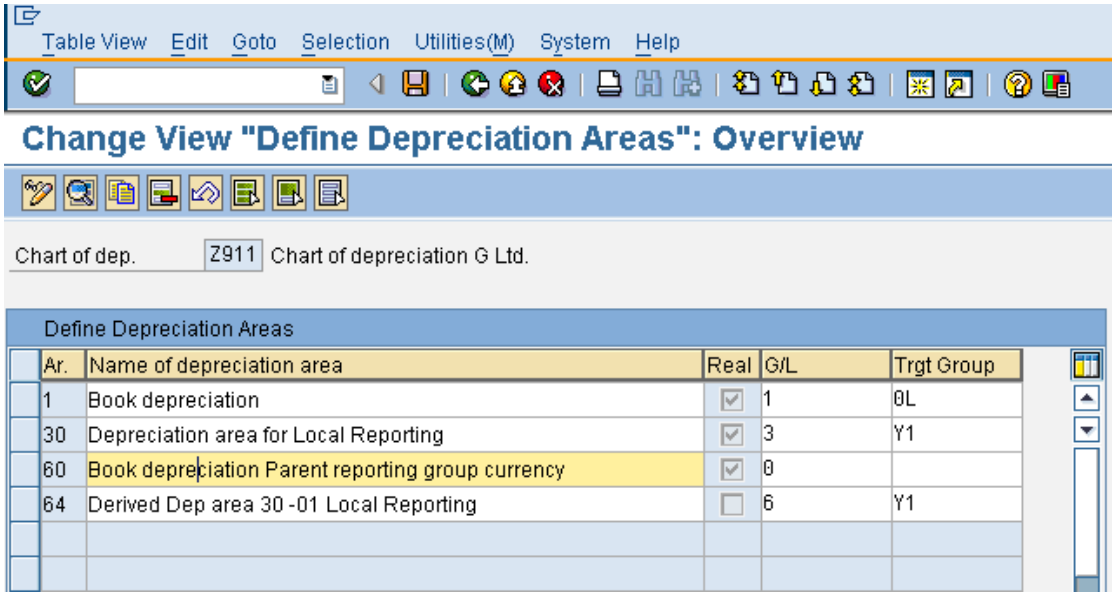

**Double click** 

Update the following:-

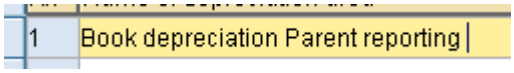



**Click**

Click on




**Also change the description for area 1**

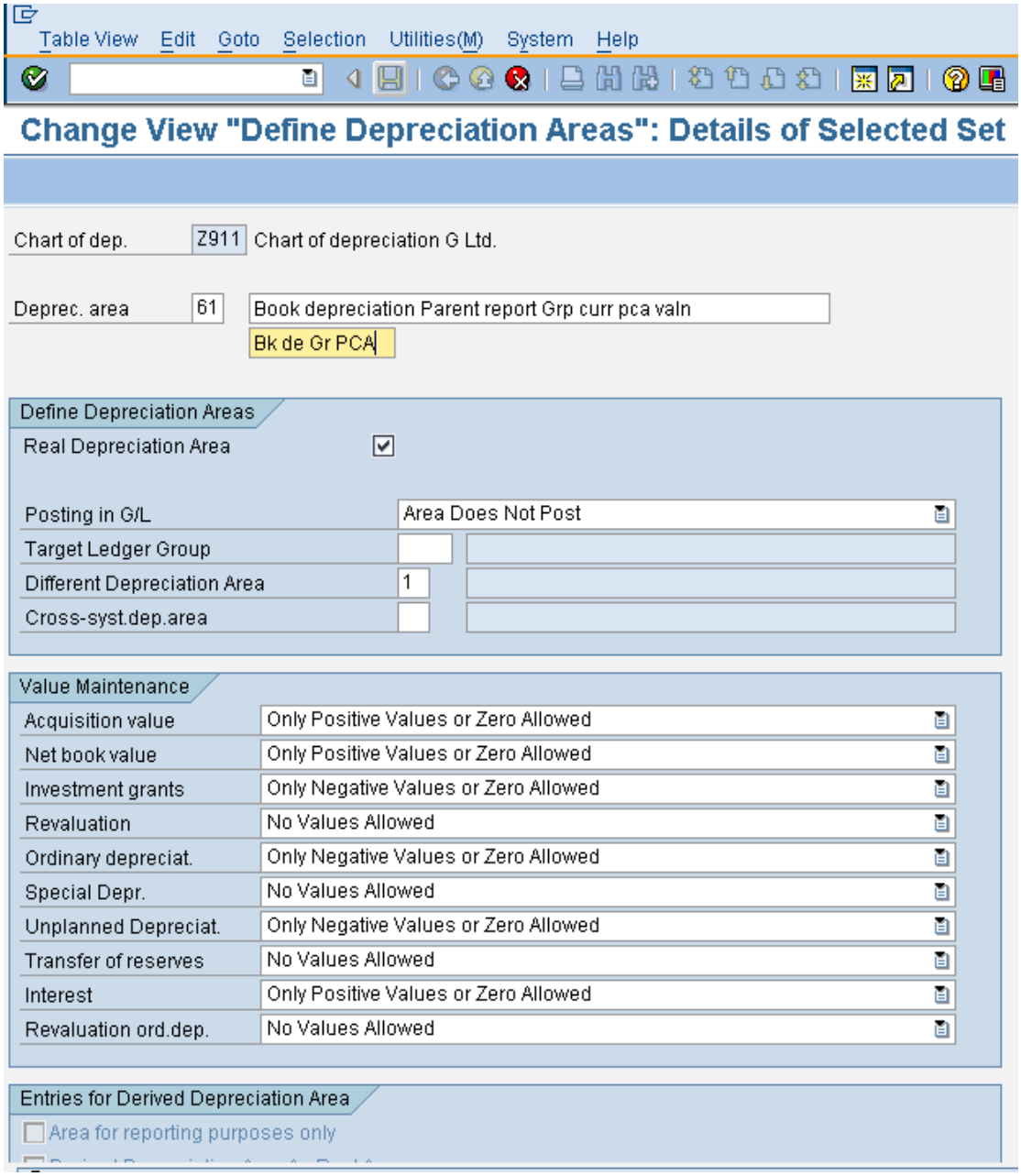



**Click on Save**

**Copy dep area 60**

Click

Update the following:-




Click

Click on

Copy area 30 as follows:-

Click