



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 →  SAP Reference IMG

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.

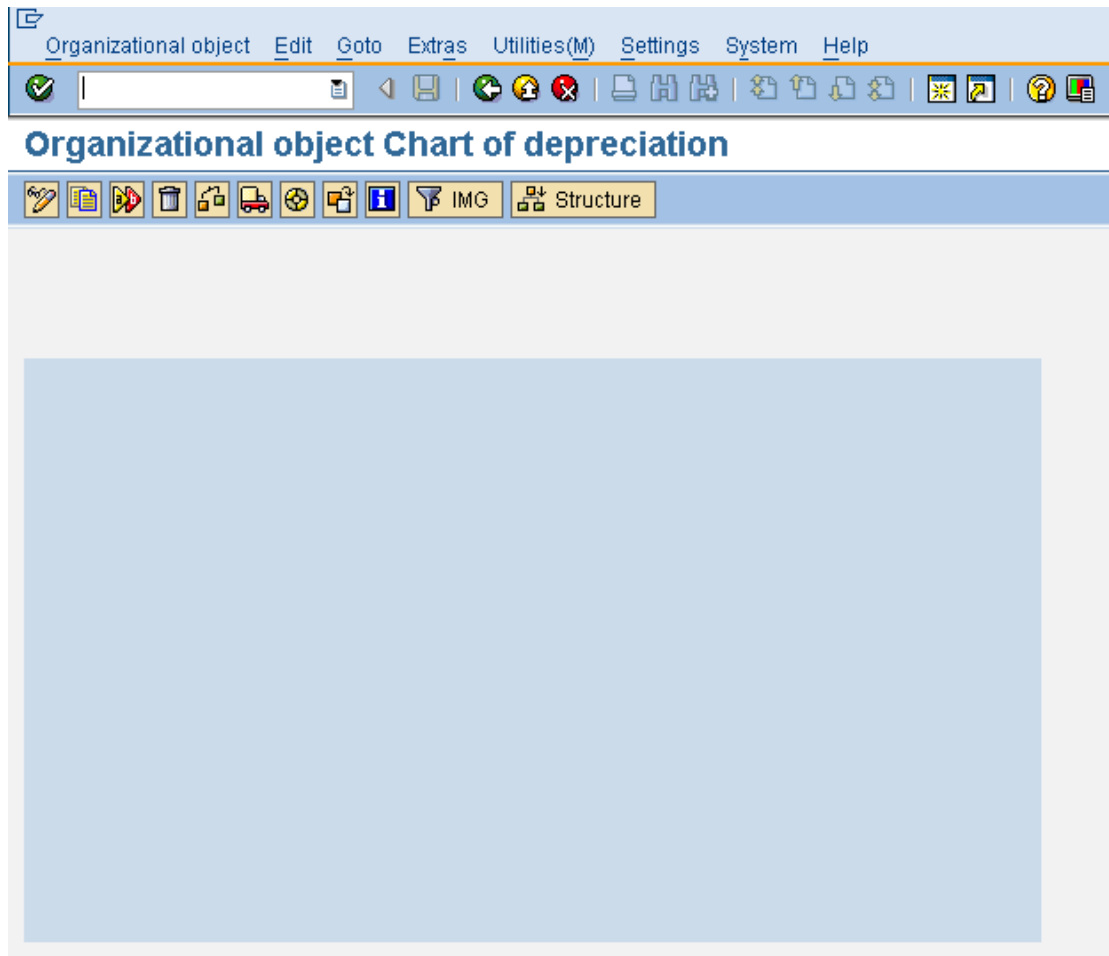
You must assign a chart of depreciation to each company code that is defined in Asset Accounting. SAP provides country-specific charts of depreciation with predefined depreciation areas. These charts of depreciation serve only as a reference for creating your own charts of depreciation, and are therefore 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.

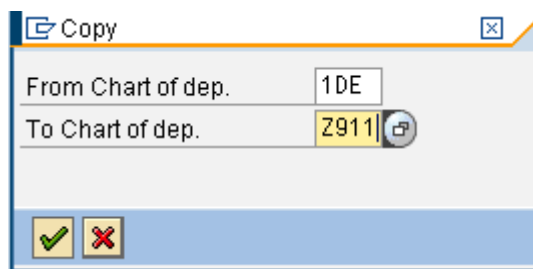
SAP has provided chart of depreciation for various countries. Unfortunately for India it has not provided any chart of depreciation. Therefore we use German chart of depreciation.

Let us copy the chart of depreciation from German chart of depreciation to create new chart of depreciation.



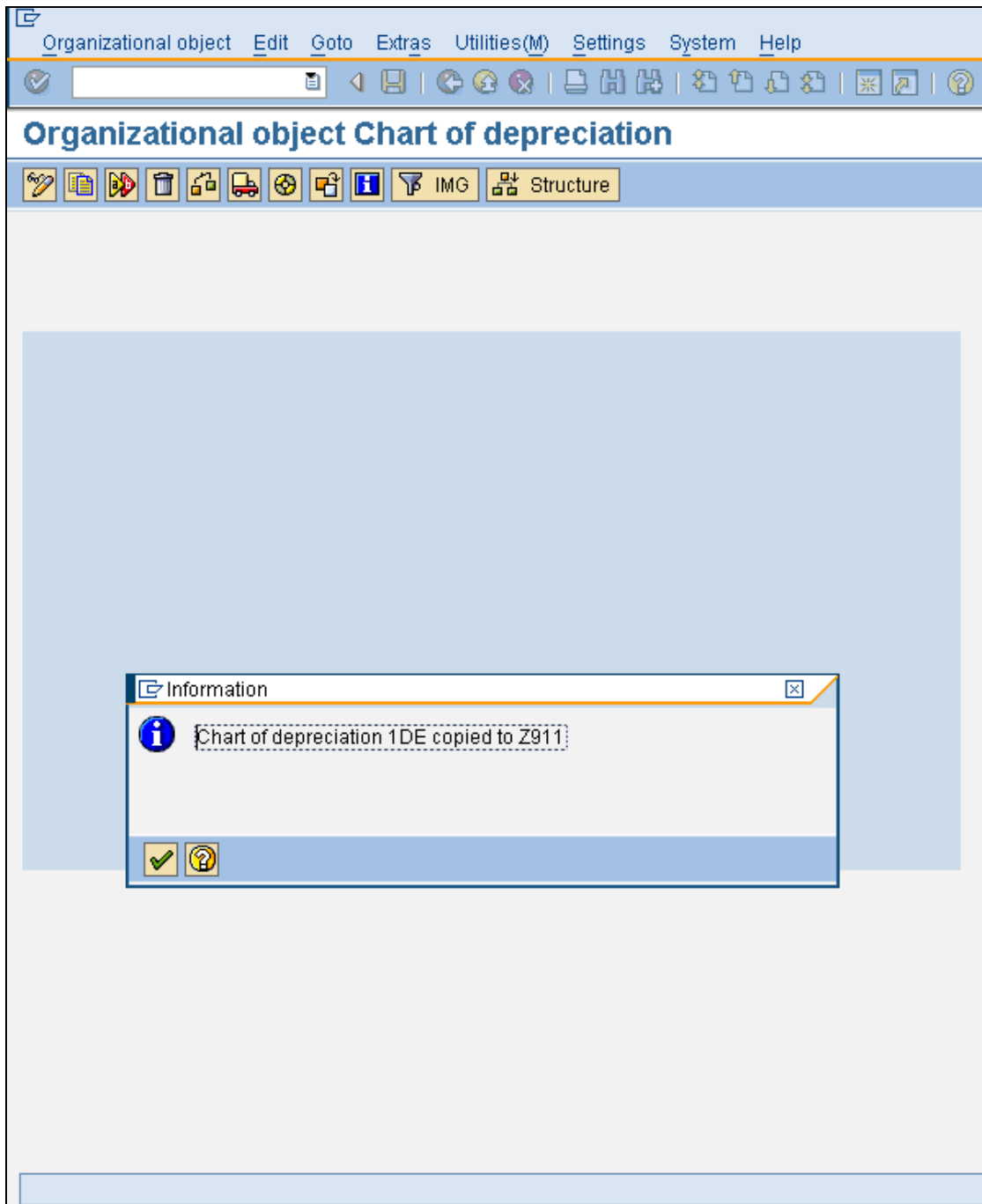
Click on  and update the following: -

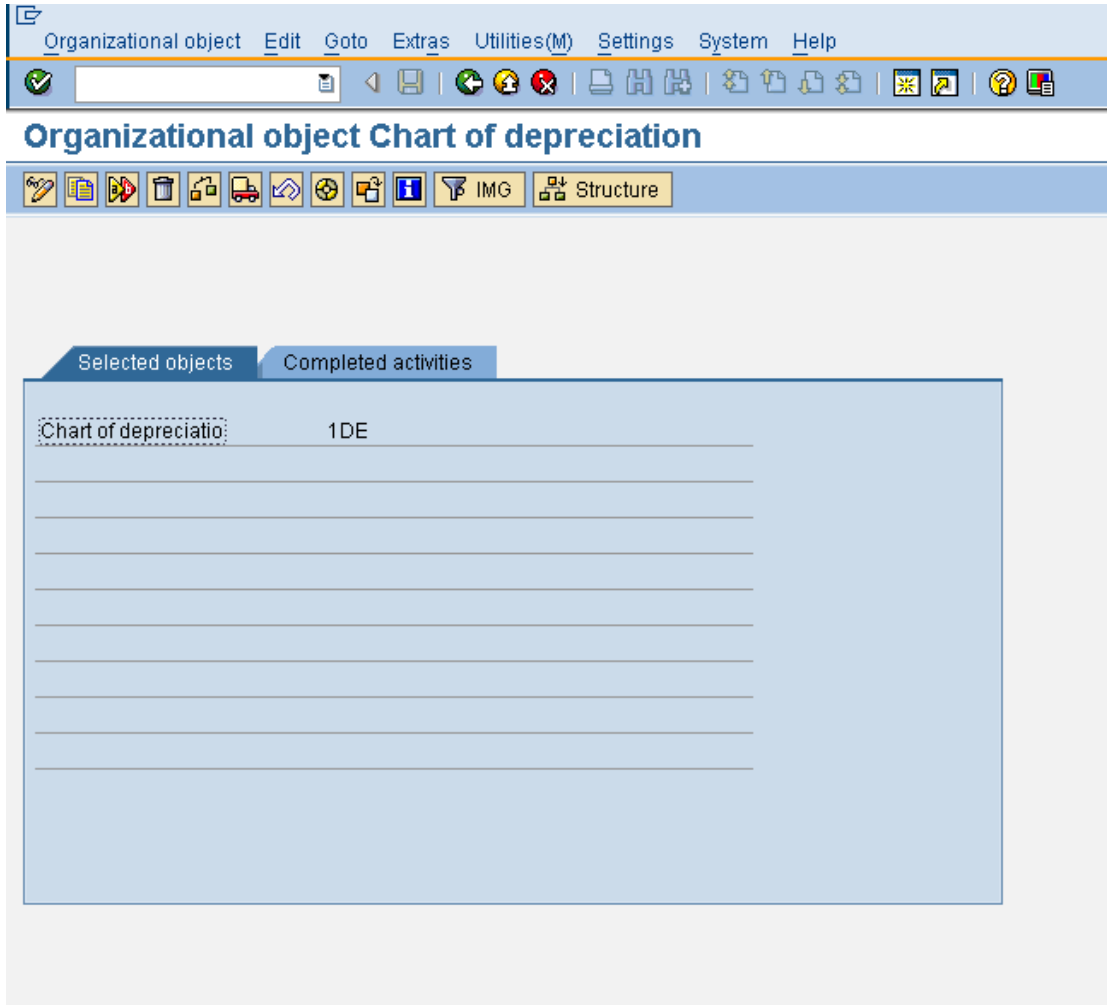
1DE – Sample chart of depreciation for Germany.



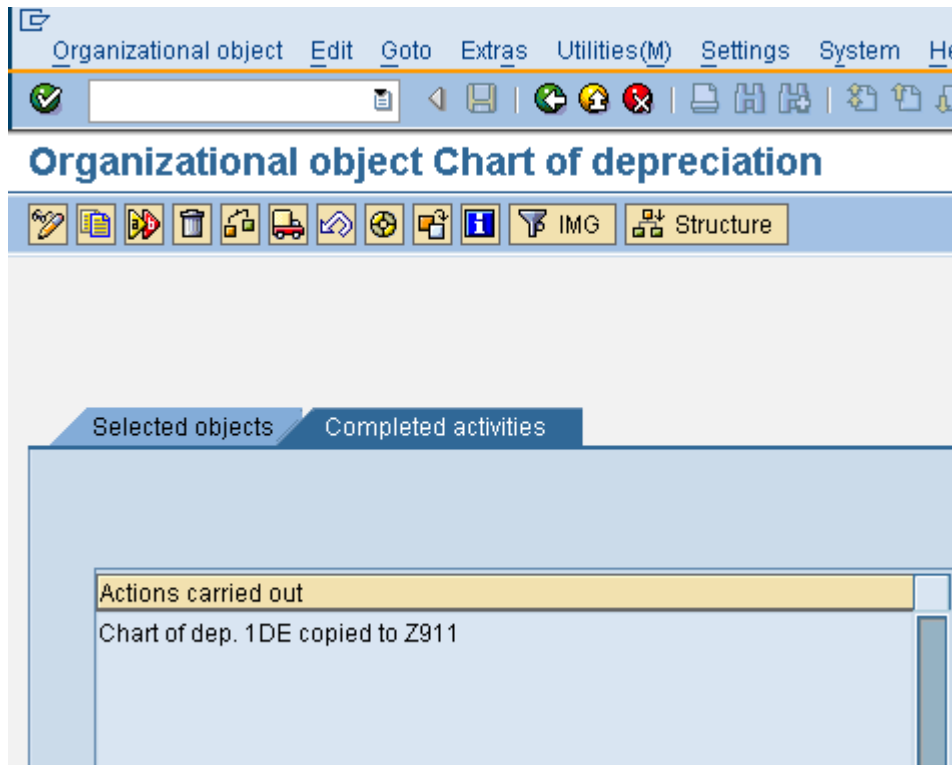
Click 

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





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.

We select the areas for deletion like this

Table View Edit Goto Selection Utilities(M) System Help

Change View "Define Depreciation Areas": Overview

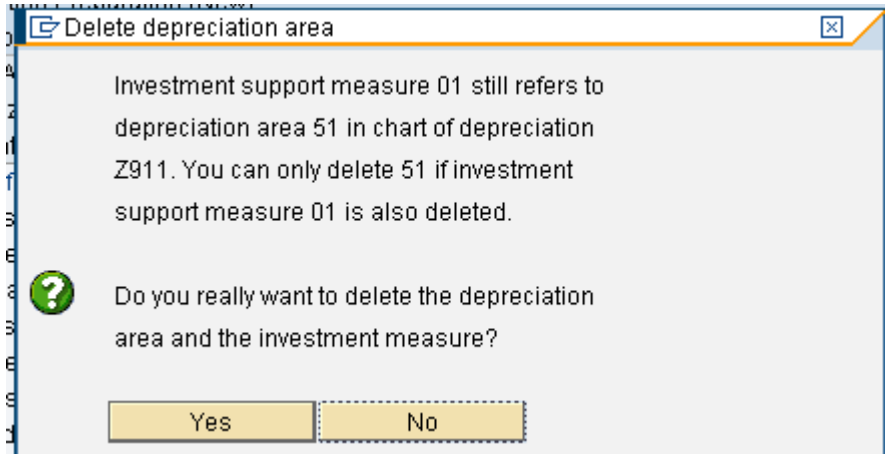
Chart of dep. Z911 Chart of depreciation G Ltd.

Ar.	Name of depreciation area	Real	G/L	Trgt Group
1	Book depreciation	<input checked="" type="checkbox"/>	1	0L
2	Book depreciation	<input checked="" type="checkbox"/>	0	
3	Book depreciation	<input checked="" type="checkbox"/>	0	
20	Cost-accounting depreciation	<input checked="" type="checkbox"/>	3	
51	Investment support posted to liabilities	<input checked="" type="checkbox"/>	6	
60	Book depreciation	<input checked="" type="checkbox"/>	3	L6
61	Special tax depreciation for APC in fin. statement	<input checked="" type="checkbox"/>	0	
62	Special reserves because of special tax depreciat.	<input type="checkbox"/>	2	L6
63	Tax balance sheet	<input checked="" type="checkbox"/>	0	
64	Book depreciation	<input type="checkbox"/>	5	L6

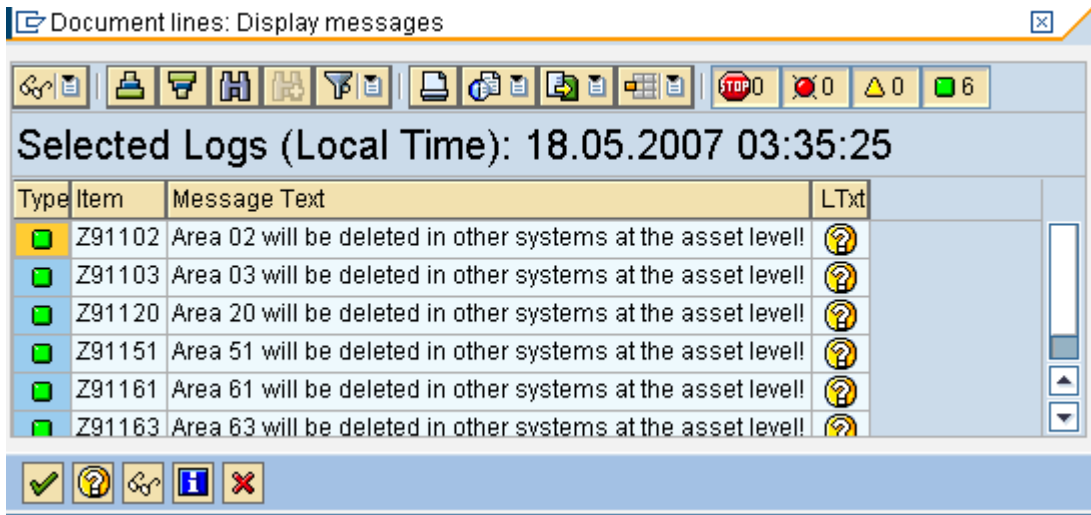
Position... Entry 1 of 10

Then **Click on** 

Click on 



Click 



Click 

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

Select

Ar.	Name of depreciation area	Real	G/L	Trgt Group
1	Book depreciation	<input checked="" type="checkbox"/>	1	0L

Click 

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

Chart of dep. Chart of depreciation G Ltd.

Deprec. area

Define Depreciation Areas

Real Depreciation Area

Posting in G/L

Target Ledger Group

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:-

Table View Edit Goto Selection Utilities(M) System Help

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

Chart of dep. Chart of depreciation G Ltd.

Deprec. area

Define Depreciation Areas

Real Depreciation Area

Posting in G/L

Target Ledger Group

Different Depreciation Area

Cross-syst.dep.area

Value Maintenance

Acquisition value	<input type="text" value="Only Positive Values or Zero Allowed"/>
Net book value	<input type="text" value="Only Positive Values or Zero Allowed"/>
Investment grants	<input type="text" value="Only Negative Values or Zero Allowed"/>
Revaluation	<input type="text" value="No Values Allowed"/>
Ordinary depreciat.	<input type="text" value="Only Negative Values or Zero Allowed"/>
Special Depr.	<input type="text" value="No Values Allowed"/>
Unplanned Depreciat.	<input type="text" value="Only Negative Values or Zero Allowed"/>
Transfer of reserves	<input type="text" value="No Values Allowed"/>
Interest	<input type="text" value="Only Positive Values or Zero Allowed"/>
Revaluation ord.dep.	<input type="text" value="No Values Allowed"/>

Entries for Derived Depreciation Area

Area for reporting purposes only

Table View Edit Goto Selection Utilities(M) System Help

Change View "Define Depreciation Areas": Overview

Chart of dep. Chart of depreciation G Ltd.

Define Depreciation Areas

Ar.	Name of depreciation area	Real	G/L	Trgt Group
	Book depreciation	<input checked="" type="checkbox"/>	1	0L
30	Depreciation area for Local reporting	<input checked="" type="checkbox"/>	3	Y1
60	Book depreciation	<input checked="" type="checkbox"/>	3	L6
64	Book depreciation	<input type="checkbox"/>	5	L6

Click on 

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

Double click Book depreciation

Table View Edit Goto Selection Utilities(M) System Help

Change View "Define Depreciation Areas": Details

Chart of dep. Z911 Chart of depreciation G Ltd.

Deprec. area 64 Book depreciation
Book deprec.

Define Depreciation Areas

Real Depreciation Area

Posting in G/L Area Posts APC Only

Target Ledger Group	L6	????????????????
Different Depreciation Area	1	Book depreciation
Cross-syst.dep.area	<input type="checkbox"/>	

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

Update the following:-

Table View Edit Goto Selection Utilities(M) System Help

Change View "Define Depreciation Areas": Details

Chart of dep. Z911 Chart of depreciation G Ltd.

Deprec. area 64 Derived Dep area 30 -01 Local Reporting
Depr. 30 -01

Define Depreciation Areas

Real Depreciation Area

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

Click  to go down

Update the following:-

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			
<input type="checkbox"/> Area for reporting purposes only			
<input checked="" type="checkbox"/> 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 

Table View Edit Goto Selection Utilities(M) System Help

Change View "Define Depreciation Areas": Overview

Chart of dep. Chart of depreciation G Ltd.

Define Depreciation Areas				
Ar.	Name of depreciation area	Real	G/L	Trgt Group
1	Book depreciation	<input checked="" type="checkbox"/>	1	0L
30	Depreciation area for Local Reporting	<input checked="" type="checkbox"/>	3	Y1
60	Book depreciation	<input checked="" type="checkbox"/>	3	L6
64	Derived Dep area 30 -01 Local Reporting	<input type="checkbox"/>	6	Y1

Double click Book depreciation

Update the following:-

Table View Edit Goto Selection Utilities(M) System Help

Change View "Define Depreciation Areas": Details

Chart of dep. 2911 Chart of depreciation G Ltd.

Deprec. area 60 Book depreciation Parent reporting Group currency
Bk dep Gr cu

Define Depreciation Areas

Real Depreciation Area

Posting in G/L Area Does Not Post

Target Ledger Group

Different Depreciation Area 1 Book depreciation

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

Click 

Click on 

Table View Edit Goto Selection Utilities(M) System Help

Change View "Define Depreciation Areas": Overview

Chart of dep. Chart of depreciation G Ltd.

Define Depreciation Areas				
Ar.	Name of depreciation area	Real	G/L	Trgt Group
1	Book depreciation	<input checked="" type="checkbox"/>	1	0L
30	Depreciation area for Local Reporting	<input checked="" type="checkbox"/>	3	Y1
60	Book depreciation Parent reporting group currency	<input checked="" type="checkbox"/>	0	
64	Derived Dep area 30 -01 Local Reporting	<input type="checkbox"/>	6	Y1

Also change the description for area 1

1	Book depreciation Parent reporting
---	------------------------------------

Click on Save 

Copy dep area 60

60	Book depreciation Parent reporting Group currency	<input checked="" type="checkbox"/>	0
----	---	-------------------------------------	---

Click 

Update the following:-

Table View Edit Goto Selection Utilities(M) System Help

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

Chart of dep. 2911 Chart of depreciation G Ltd.

Deprec. area 61 Book depreciation Parent report Grp curr pca valn
Bk de Gr PCA

Define Depreciation Areas

Real Depreciation Area

Posting in G/L Area Does Not Post

Target Ledger Group

Different Depreciation Area 1

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

Click 

Click on 

Copy area 30 as follows:-

30	Depreciation area for Local reporting	<input checked="" type="checkbox"/>	3	Y1
----	---------------------------------------	-------------------------------------	---	----

Click 