Delivery cost to Non inventory account

1. Delivery Costs to Non Inventory Account

1.1 Delivery Costs Definition:

Delivery costs are one of the important conditions in MM pricing procedure and also in procurement process. As per the standard SAP functionality, these delivery costs can be paid separately to specific delivery vendor although materials are procured from other vendor.

1.2 Introduction Delivery costs to non inventory account:

Delivery costs are paid to main vendor or transport vendor as per the requirement but generally it loads on material cost. In some industries Freight/Customs duty/insurance paid to the vendor can be reimbursed, in such cases costs incurred for these activities should not be inventoried (Legal requirement in some countries). It should be collected in different account and can be utilized / reimbursed. To map this requirement, we should follow a separate process with few settings in configuration. In this document, I have explained the process with detailed configuration steps.

1.3 Required accounting entries

Let's take Material Price is 30 INR and Quantity 10. Freight cost is 30 INR.

Goods Receipt:

Stock Account - 300 Dr

GR/IR Clearing - 300 Cr

Freight on non inventory - 30 Dr

Freight clearing account - 30 Cr

Invoice Receipt:

Vendor Account - 330 Cr

GR/IR Clearing Account -300Dr

Freight Clearing Account -30 Dr

1.4 Application Design

- New condition type to be created by copying the standard condition type FRA1/FRB1/FRC1
- Condition category of the new condition type should be Blank and maintain X-Negative value in the plus/minus field. Accrual must be flagged.
- Create new account key and assign this account key to new condition type in pricing procedure
- Maintain new GL account for this account key in OBYC
- Assign new condition type next to the standard condition type in the pricing procedure. Both the condition types must be maintained in the pricing procedure.

1.5 Step by step configuration:

New condition type needs to be created by copying FRA1/FRB1/FRC1 along with below mentioned settings. This is done in below path:

SPRO→IMG→Material Management→Purchasing→Conditions→Price determination process→ Define Condition types

OR

Transaction Code: M/06

Accruals must be activated for the condition type ZFRA

Create new account key ZFR in below path
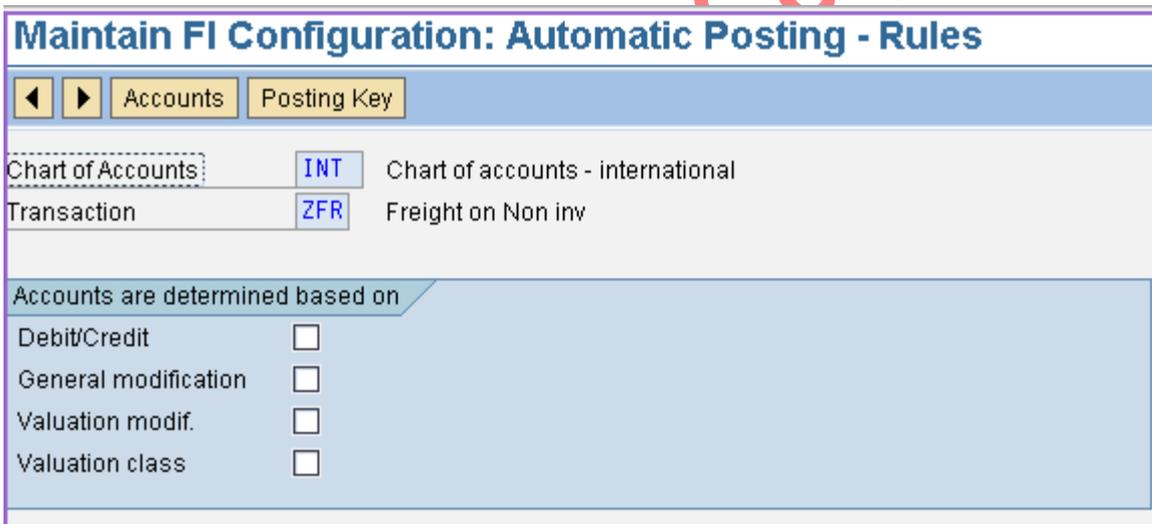
SPRO→IMG→Material Management→Purchasing→Conditions→Price determination process→ Define Transaction/Event Keys

New Entries: Overview of Added Entries

ActKy	Name
ZFR	Freight on Non inv
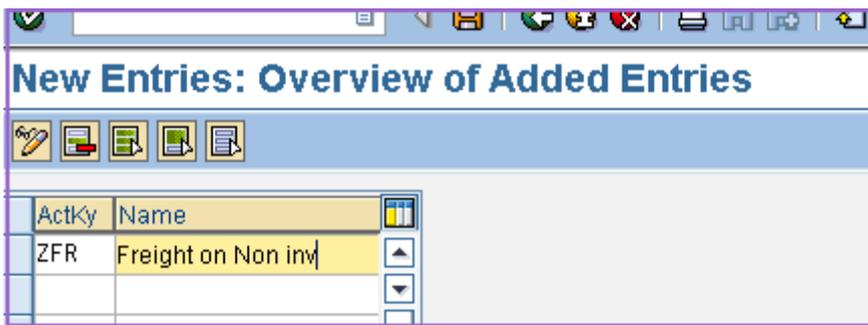
Assign G/L account to account key ZFR in transaction code OBYC with below settings

Maintain FI Configuration: Automatic Posting - Rules

◀ ▶ | Accounts | Posting Key

Chart of Accounts	INT	Chart of accounts - international
Transaction	ZFR	Freight on Non inv

Accounts are determined based on

Debit/Credit	☐
General modification	☐
Valuation modif.	☐
Valuation class	☐

Maintain FI Configuration: Automatic Posting - Posting Keys

◀ ▶ | Accounts | Rules

Transaction   ZFR   Freight on Non inv

Posting Key
Debit   40
Credit   50

Note   Posting keys are independent of chart of accounts

Maintain FI Configuration: Automatic Posting - Accounts

◀ ▶ ▣ | Posting Key | 👤 Procedures | Rules

Chart of Accounts   INT   Chart of accounts - international
Transaction   ZFR   Freight on Non inv

Account assignment

Account
86100

Assign new condition type next to standard condition type in pricing procedure and also assign new account key to new condition type.

Procedure   RM0000   Purchasing Document (Big)

Control

Reference Step Overview

Step	Co	CTyp	Description	Fro	To	Ma	R	Stat	P	SuTot	Reqt	CalTy	BasTy	AccK	Accru
31	2	ZFRA	Freight %	20		☐	☐	☑						FRE	ZFR

Step	Co	CTyp	Description	Fro	To	Ma	R	Stat	P	SuTot	Reqt	CalTy	BasTy	AccK	Accru	
21	2	NAVM	Non-Deductible Tax			☐	☐	☑			29					
22	0		Net incl. tax	20	21	☐	☐	☐								
31	1	FRA1	Freight %	20		☑	☐	☑						FRE	FR1	
31	2	ZFRA	Freight % on Non Inv	20		☑	☐	☑						FRE	ZFR	
31	3	FRC1	Freight/Quantity	20		☑	☐	☑						FRE	FR1	
31	4	RUE1	Neutral % Accruals	20		☑	☐	☑						FRE	RUE	

1.6 Transaction (General Procurement) Process Step by Step

Once the configuration settings are completed, purchase order needs to be created with below conditions. Same freight condition amount has to be given for both FRA1 and ZFRA.

Then document needs to be posted in MIGO. Accounting entries are given below after posting

Then Invoice posting will be done against purchase order and the accounting entries are given below

Data Entry View												
Document Number	5100000021		Company Code	FGCD		Fiscal Year	2014					
Document Date	28.01.2015		Posting Date	28.12.2014		Period	12					
Reference	4500017305		Cross-CC no.									
Currency	INR		Texts exist	☐		Ledger Group						

C...	Itm	PK	S	Account	Description	Amount	Curr.	Tx	Cost Center	Order	Profit Center	Segment	Billing Doc.	Acct Type	T
FGCD	1	31		100223	vendor for regular	330.00-	INR	V0						K	
	2	86		191100	Goods Rcvd/Invoice R	300.00	INR	V0						S	
	3	40		192100	Freight Clearing Acc	30.00	INR	V0						S	

1.7 Important Transaction Codes:

- SPRO- Customizing-Edit Project
- M/06- Define Condition Types
- M/08 – Conditions: Schema for Purchasing
- OBYC - C FI Table T030
- ME21N - Create Purchase Order
- MIGO - Goods Movement
- MIRO - Enter Incoming Invoice

1.8 Helpful Hints:

- Press F1 for help

- Press F4 for getting input values

- Click to go to previous screen.

- Click to go to Exit the transaction or to log off.

Click to go to cancel the transaction

Thanks for downloading this document. I hope this document will be helpful. Share with your friends and colleagues who are learning SAP to make it more useful

 Have a good day

Best Regards,

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