SAP MM Account Determination

Title: SAP MM Account Determination

SAP MM (Material Management) Account Determination is a crucial process that involves the automatic assignment of general ledger accounts to different procurement and inventory-related transactions. It ensures accurate financial accounting and reporting in the SAP system. Below are the step-by-step instructions to configure SAP MM Account Determination:

Step 1: Access the SAP Implementation Guide (IMG)

To start configuring the account determination settings, you need to access the SAP Implementation Guide (IMG). You can do this by executing transaction code SPRO in the SAP GUI or by navigating through the following path:

Menu Path: SPRO > SAP Reference IMG

Step 2: Navigate to Financial Accounting

(New) > Financial Accounting Global Settings (New) > Ledgers > Fields > Extended Fields > Assign G/L Accounts per Valuation Area

Step 3: Define Valuation Classes

Valuation classes are used to group materials with similar accounting requirements. Define valuation classes that represent the different types of materials used in your organization. To do this:

Select "Define Valuation Classes" from the IMG screen or navigate to the following path:

Menu Path: Financial Accounting (New) > Financial Accounting Global Settings (New) > Ledgers > Fields > Extended Fields > Valuation > Define Valuation Classes

Create new valuation classes or modify existing ones as per your organizational requirements.

Step 4: Assign G/L Accounts to Valuation Classes

Once valuation classes are defined, you need to assign the appropriate general ledger (G/L) accounts to each valuation class. To do this:

Select "Account Determination Without Wizard" or navigate to the following path:

Menu Path: Materials Management > Valuation and Account Assignment > Account Determination Without Wizard > Define G/L Accounts for Material Management

Enter the chart of accounts and the valuation area for which you want to configure the account determination.

Assign G/L accounts for different transaction keys, valuation classes, and account modification keys. The transaction keys define the type of transaction (e.g., goods receipt, goods issue, invoice verification, etc.).

Step 5: Define Valuation Grouping Code (If Applicable)

Valuation Grouping Code is used to group valuation areas for the purpose of account determination. If you have multiple valuation areas and want to assign the same G/L accounts for certain transactions, you can use a valuation grouping code. To do this:

Select "Define Valuation Grouping Code" or navigate to the following path:
Menu Path: Materials Management > Valuation and Account Assignment > Account Determination Without Wizard > Define Valuation Grouping Code

Define the valuation grouping code and assign the relevant valuation areas to it.

Step 6: Check Customizing Consistency

It is essential to check for customizing consistency to ensure that all relevant account determination settings are correctly configured and consistent. To do this:

Select "Check Customizing Consistency" from the IMG screen or navigate to the following path:
Menu Path: Materials Management > Valuation and Account Assignment > Account Determination Without Wizard > Check Customizing Consistency

Run the consistency check to identify any potential issues or missing configurations.

Step 7: Test the Account Determination

After completing the configuration, it's important to test the account determination settings thoroughly. Create test scenarios for different material transactions, such as purchase requisitions, purchase orders, goods receipts, and invoice verifications. Verify that the system is correctly determining the G/L accounts based on the valuation class, transaction keys, and other relevant factors.
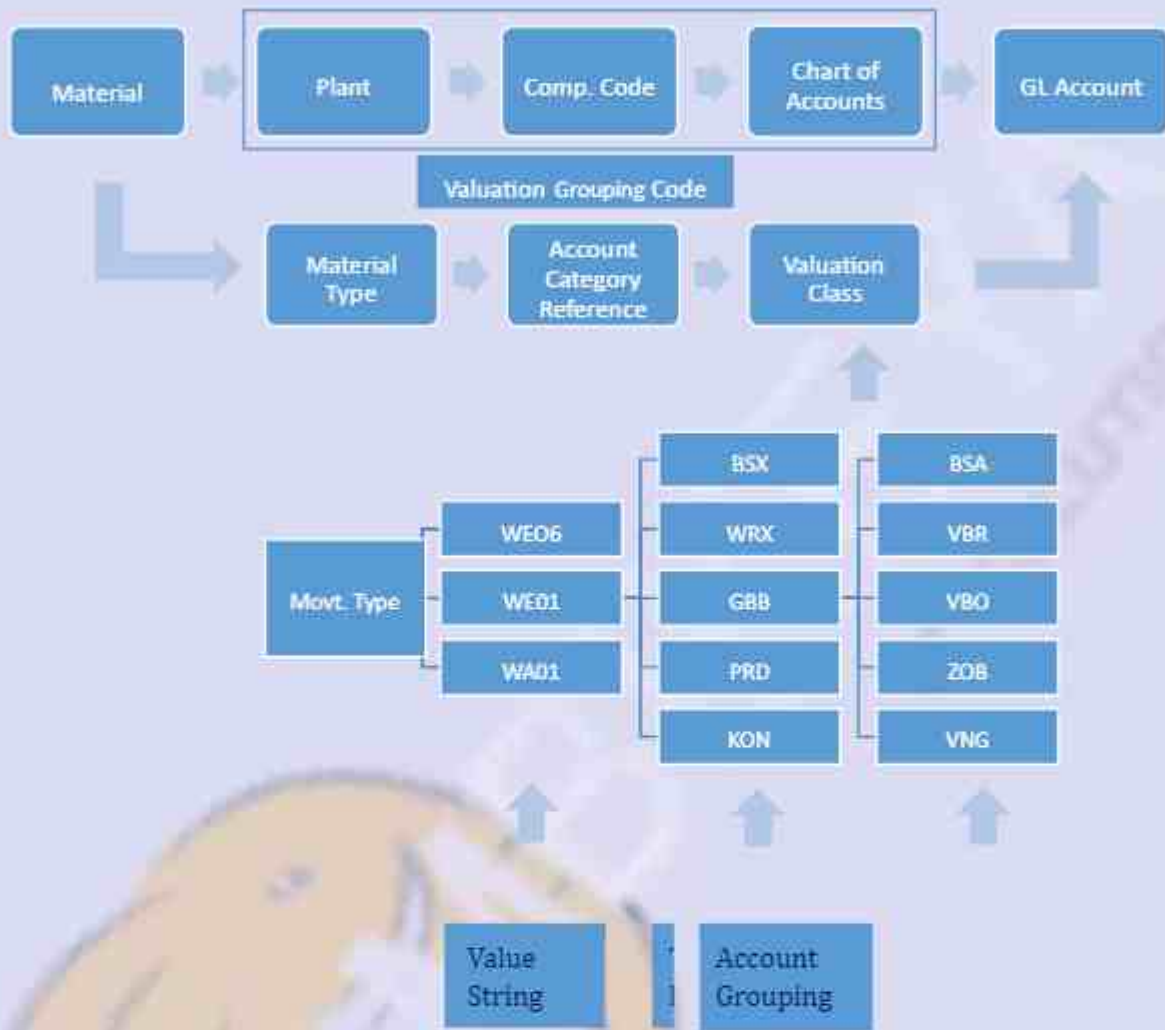
Step 8: Transport the Configuration (If Applicable)

If you are working in a system landscape with multiple SAP instances, you may need to transport the account determination configuration from the development system to the testing and production systems. Use the appropriate SAP transport mechanisms to move the settings.

- The system creates an accounting document during inventory management transactions and posts the amount in the appropriate general ledger (G/L) accounts. G/L accounts are automatically triggered with the help of automatic account determination settings.
- Automatic account determination can be configured either with or without the automatic account determination wizard.

Account Determination Without Wizard

- Account determination without the wizard permits you to make a more complex configuration than account determination with the wizard, but one should be familiar with the principle of automatic account determination in the ERP System.
- The Process flow chart as shown below gives the idea about automatic postings that are made to respective GL account automatically during various goods movements.

➤ Account Determination Process Chart

```
┌──────────┐   ┌──────────┐   ┌──────────┐   ┌──────────┐   ┌──────────┐
│ Material │──▶│  Plant   │──▶│Comp. Code│──▶│ Chart of │──▶│GL Account│
└──────────┘   └──────────┘   └──────────┘   │ Accounts │   └──────────┘
                                             └──────────┘
                        ┌────────────────────┐
                        │Valuation Grouping Code│
                        └────────────────────┘
    ┌──────────┐   ┌──────────┐   ┌──────────┐
    │ Material │──▶│ Account  │──▶│Valuation │
    │   Type   │   │ Category │   │  Class   │
    └──────────┘   │Reference │   └──────────┘
                   └──────────┘
```

		BSX		BSA
Movt. Type	WEO6	WRX		VBR
	WE01	GBB		VBO
	WA01	PRD		ZOB
		KON		VNG

Value String   Account Grouping

➤ How does the system identifies the appropriate GL account?

During goods movement, the system automatically finds the accounts to which postings are to be made using the following data :

i. Chart of accounts of company code

- A chart of accounts provides a framework for recording values to ensure an orderly rendering of accounting data. The G/L accounts it contains are used by one or more company codes.
- If the user enters a company code or a plant when entering a transaction, the system determines the chart of accounts which is valid for the company code.

ii. Valuation grouping code

The valuation grouping code makes it easier to set automatic account determination. Within the chart of accounts, you assign the same valuation grouping codes to the valuation areas you want to assign to the same GL account.

iii. Transaction/Event key

- Transaction keys are used to determine accounts or posting keys for line items that are automatically created by the system. They're predefined in the system and can't be changed by the user.
- Value string, are assigned to each relevant movement type in inventory management. These strings contain keys for relevant posting transaction such as BSX, WRX etc. GL accounts are assigned to each posting transaction key.
- Following is the list of some important transaction keys:

Sr.No.	Transaction Keys	Description
1	BSX	Stock Posting
2	WRX	GR/IR clearing
3	PRD	Price differences
4	GBB	Offsetting entry for stock posting
5	AUM	Expenditure/income from transfer posting
6	KON	Consignment liabilities
7	KBS	Purchase order with account assignment
8	BSV	Change in stock
9	FRL	External service

iv.

Accounting Group

- An account grouping is assigned to each movement type in inventory management which uses the posting transaction "Offsetting entry for inventory posting".
- "Offsetting entry for inventory posting" is used for different transactions (for example, goods issue, scrapping & physical inventory), which are assigned to different accounts (for example, consumption account, scrapping, and expense/income from inventory differences), it is necessary to divide the posting transaction according to a further key: account grouping code.
- For "Offsetting entry for inventory posting", you must assign G/L accounts for every account grouping.
- Using the account grouping, you can also have different accounts for price differences, consignment liabilities and pipeline liabilities.
- Following are some important account groupings defined in the standard system for offset entry of the stock :

| Sr.No.	Accounting Group Code	Description
1	BSA	for initial entry of stock balances
2	PIP	for pipeline liabilities
3	INV	for expenditure/income from inventory differences
4	VBO	for consumption from stock of material provided to vendor
5	VBR	for internal goods issues (for example, for cost center)
6	VNG	for scrapping/destruction
7	ZOB	for goods receipts without purchase orders
8	ZOF	for goods receipts without production orders

v. Valuation class of material

- A valuation class is used to determine the G/L account for the materials stock account. In automatic account determination, you must create valuation classes and assign them to account category reference. While creating material master records, you must select the appropriate valuation class in the Accounting view.
- The valuation class list in the material master record will depend on the material type. For example, in the standard SAP system, material type ROH (raw material) has three valuation classes: 3000, 3001, and 3002.

Configuration without the Automatic Account Determination Wizard

Step 1: Define Valuation Control (Tcode: OMWM)

Path: SPRO > SAP Reference IMG > Materials Management > Valuation and Account Assignment > Account Determination > Account Determination without Wizard > Define Valuation Control
- For account determination, you can group together valuation areas by activating the valuation grouping code.
- The valuation grouping code can be made active or inactive by choosing the respective radio button.
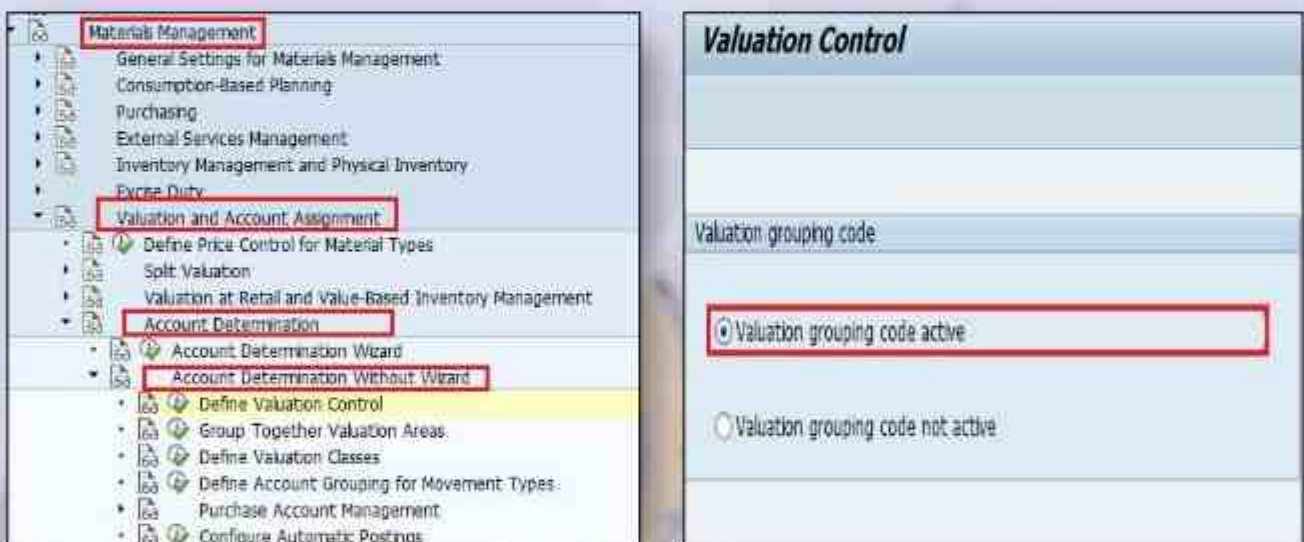
Step 2: Assign Valuation Grouping Codes to Valuation Areas (Tcode: OMWD)

Path: SPRO > SAP Reference IMG > Materials Management > Valuation and Account Assignment > Account Determination > Account Determination without Wizard > Group together Valuation Areas
- Within a chart of accounts, you can use the valuation grouping code to define individual account determination for certain valuation areas or to define common account determination for several valuation areas (company codes or plants).
- As shown in image , valuation grouping code 0001 is assigned to valuation area 1000,1100,1200 etc. and company code 1000

Change View "Acct Determination for Val. Areas": Overview

Val. Area	CoCode	Company Name	Chrt/Accts	Val.Grpg Code
1000	1000	BestRun Germany	INT	0001
1100	1000	BestRun Germany	INT	0001
1200	1000	BestRun Germany	INT	0001
1300	1000	BestRun Germany	INT	0001
1400	1000	BestRun Germany	INT	0001
1500	1000	BestRun Germany	INT	0001
1600	1000	BestRun Germany	INT	0001

Step 3: Define Valuation Classes (Tcode: OMSK)

Path: SPRO > SAP Reference IMG > Materials Management > Valuation and Account Assignment > Account Determination > Account Determination without Wizard > Define Valuation Classes

- Define the valuation classes allowed for material types. Define the account category reference and then the valuation class for each account category reference. After that, assign the account category reference to the material type.
- As shown below, account category reference 0001 is assigned to material type ROH, and valuation classes 3000, 3001, 3002 & 3003 are assigned to account category reference 0001 respectively. While creating the material master record for material type ROH, you can select any one of these valuation classes.

Account Category Reference/Valuation Classes

Process the objects in the specified sequence

| Account category reference |

| Valuation Class |

| Material type/account category reference |

Change View "Account Category Reference/Material Type":

Account Category Reference/Material Type

M...	Material type descr.	ARef	Description
ROCP	Raw materials -cp	0001	Reference for raw materials
RCB	STD RAW MATERIAL	0001	Reference for raw materials
ROB1	Raw material AS	0001	Reference for raw materials
9999	raw material KONDA	0001	Reference for raw materials
SAPG	SANU Tissue FG	0001	Reference for raw materials

Change View "Valuation Classes": Overview of Selected Set

New Entries

Delete (Shift+F2)

Valuation Classes

ValCl	ARef	Description	Description
3000	0001	Raw materials 1	Reference for raw materials
3001	0001	Raw materials 2	Reference for raw materials
3002	0001	Raw materials 3	Reference for raw materials
3003	0001	Raw materials 4	Reference for raw materials

Step 4: Define Account Grouping for Movement Types (Tcode: OMWN)

Path: SPRO > SAP Reference IMG > Materials Management > Valuation and Account Assignment > Account Determination > Account Determination without Wizard > Define Account Grouping for Movement Types

- The account grouping is a finer subdivision of the transaction/event keys for account determination. During a goods movement, the offsetting entry for the inventory posting (transaction GBB) can be made to different accounts, depending on the movement type as shown below.

| Sr.No.	Movement Type	Transaction Key	Account Grouping Code	GL Account
1	501	GBB	ZOB	500000
2	561		BSA	399999

- The account grouping is provided for the following transactions:
- Transaction GBB (Offsetting Entry for Inventory Posting)
- Transaction PRD (Price Differences)
- Transaction KON (Consignment Liabilities)
- **Note:** The account grouping in the standard system is only active for transaction key GBB.
-

Step 5: Configure Automatic Postings (Tcode: OBYC)

Path: SPRO > SAP Reference IMG > Materials Management > Valuation and Account Assignment > Account

Determination > Account Determination without Wizard > Configure Automatic Postings
- In this step, you assign GL accounts for inventory management and invoice verification transactions key that result in automatic postings.
- To assign the G/L account, click on Account Assignment. You'll see a list of transaction keys; double-click on the key for which you want to set the G/L accounts. You need to define the valuation grouping code (also known as the valuation modifier), valuation class, and G/L account, as shown below. You can then check your settings using the simulation function.
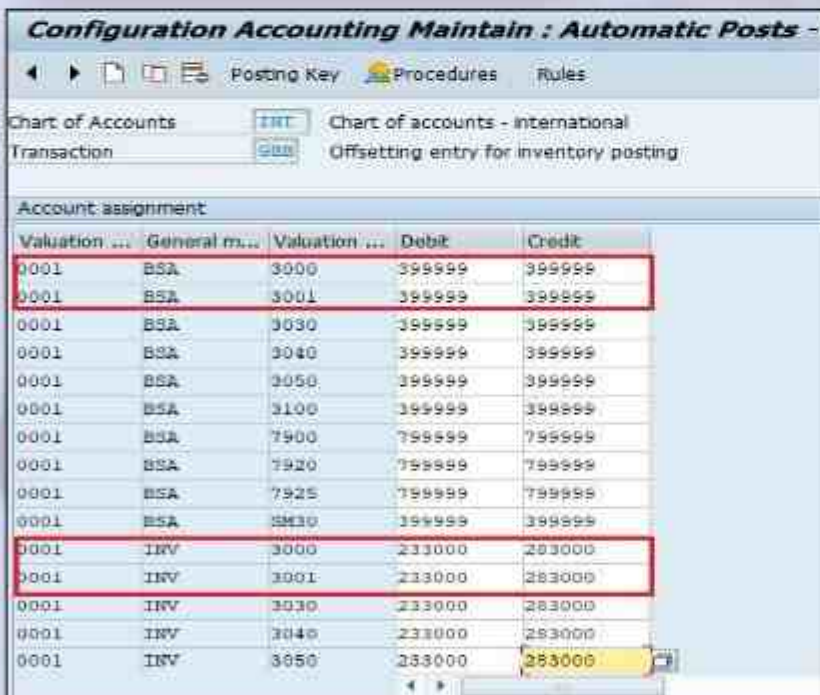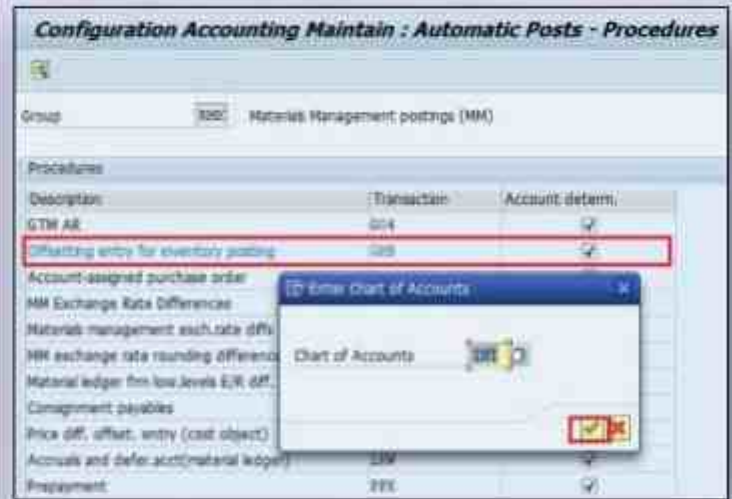
- As shown in above image,GL account assignment is done for transaction key GBB,Valuation grouping code 0001,Valuation classes 3001 & 3002 with account modifier BSA & INV respectively. Similarly you can assign GL accounts to other event keys.

- With above steps, configuration for automatic account determination is completed successfully.

THANK YOU

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SAP Knowledge Hub

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