Accounts Payable Sub Module

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Page 1

- ❖ **Accounts Payable are the obligations of Divisions/Circles & Corporate Office towards payments against receipt of Material supplies and Services. Normally Payables can be classified as follows.**

- ➤ **CENTRALISED MATERIAL PURCHASES (Corp Office):** Payables to Suppliers and Contractors for receipt of materials or services(Capital and O&M).

  - Entry :Receipt of Goods at Stores   T.Code   **MIGO**.
      22XXXXX Stock Account Dr.
          To 4200301 ó 4200305 GR/IR Account (Off setting GL)

  - Entry : Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4.**
          4200301 ó 4200305 GR/IR Account Dr. (Off setting GL)
              To Vendor Account

  - Entry : Upon Payment to Supplier/Contractor (Centralized at Corp Office)
      T.Code   **F-53** Post Outgoing Payments.
          Vendor Account Dr. Circle BA&PC
          3000200 Account   Corp BA&PC
              To Bank Out Going A/c. Corp BA&PC
              To 3000200 Account   Circle BA&PC

Price Variation Bills: Processing of subsequent Invoice in case of any (+/-) price variation in the material. The Price Variations are of 2 types:

   + Positive PV Claim: If there is any positive PV, then initially the differential price is to be appended in the respective Purchase Order (i.e. to be done by the MM Core team). Later on, the differential invoice is to be processed as per rules in Vogue.

  - Entry : Raising of Invoice (Park)   T.Code   **MIR7** thru selecting subsequent Debit & after verification Post the entry in **MIR4.**
          4200301 ó 4200305 GR/IR Account Dr. (Off setting GL)
              To Vendor Account

  - Entry : Upon Payment to Supplier/Contractor (Centralized at Corp Office)
      T.Code **F-53** Post Outgoing Payments.
          Vendor Account   Dr.   Circle BA&PC
          3000200 Account   Dr.   Corp BA&PC
              To Bank Out Going A/c.   Corp BA&PC
              To 3000200 Account   Circle BA&PC

- **Negative PV Claim:** If there is any negative price variation then there are two situations.

    <u>Negative Price variation during the execution of the relevant PO:</u> In this case the differential price is to be recovered from the subsequent invoice of the same PO, then the differential amount is to be Credited to GL A/c.8500311, duly reducing the Vendor Liability.

- Entry : Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4.**

    4200301 ó 4200305 GR/IR Account Dr. (Off setting GL)
    To Vendor Account
    To 8500311 Price Diff MM (PV-Invoice Verify) A/c.

    <u>Negative Price variation after exhausting of the relevant PO.</u> In this case the differential price is to be recovered from the subsequent invoice of subsequent PO, then also the differential amount is to be Credited to GL A/c.8500311, duly reducing the Vendor Liability.

- Entry : Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4.**

    4200301 ó 4200305 GR/IR Account Dr. (Off setting GL)
    To Vendor Account
    To 8500311 Price Diff MM (PV-Invoice Verify) A/c.

Mode of Accounting/Processing of Certain Works which are under the purview of Quality Control:

Certain Works Agreement against which the works are being executed at the field are subject to Certification by the Quality Control Department of Corporate Office. If any such work has been executed, then upon claiming of the Invoice by the requisite contractor/vendor, the Invoice has to be processed by the respective Circle Office and forwarded to Corporate Office for release of payment. The Payment of such bills are made on a predefined ratio ie. **90%:10%.** It means 90% of the Payment is made immediately upon claiming of the Invoice and the balance 10% is made upon certification by the Quality Control wing. The Invoice is bifurcated automatically in the predefined ratio (90%:10%) basing on the payment term **CB00** while applying LOC. The processing of the bill should be thru T.Code MIR7 & MIR4, by assigning appropriate payment terms.

PAYMENT TERMS.

In Case of Centralized Work Agreement, 90% would be paid at Corporate Office and for the balance 10%, respective units got to apply LOC for release of funds to pay to the Contractor.

In Case of Decentralized Work Agreement, both 90% and 10% would be paid by the respective unit through application LOC. In order to release the payments thru LOC the payment term to be assigned should be **CB01 for 90% CBQ0 for 10%**

Processing of CREDIT MEMO: Upon verification of the works executed by the QC Dept, if in any case certain defects are identified then such quality of the work should be analyzed and the contractor has to be penalized for the defective portion of the work, while processing the 10% invoice. The T.Code to process the Credit Memo is **FB60.**

Entry: Vendor Account Dr.
          To 6200924 Fines/Penalties from Suppliers.

NOTE: Normally and amount of penalities should be charged to respective work orders, but by the time the bill is processed the Work Orders would be closed, hence it is charged to GL A/c. 6200924.If the respective Work Order is not closed then it should be credited to the respective Consumption GL A/c in 73XXXXX.

❖ **LPO for receipt of Material - Decentralized.**

➢ **DECENTRALISED MATERIAL PURCHASES (Circle Office/Division Office):**

- Entry :Receipt of Goods at Stores T.Code **MIGO.**
  22XXXXX Stock Account Dr.
        To 4200301 ó 4200305 GR/IR Account (Off setting GL)

- Entry : Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4**
        4200301 ó 4200305 GR/IR Account Dr. (Off setting GL)
              To Vendor Account

- Entry: Upon Payment to Supplier/Contractor T.Code **F-53** Post Outgoing Payments.
  Vendor Account Dr.
        To Bank Out Going A/c.

❖ **Payables under Transport Contract Agreements.**

➢ **SERVICES AVAILED: DECENTRALISED ONLY:** Initially, an Agreement is entered with the Vendor, and the agreement is divided into monthly PO. Basing on the PO, Service Entry Sheet is posted in T.Code **ML81N** & the Service Entry Sheet is released thru T.Code **ML85** (Both Transactions are executed by Technical Staff).
  - Upon release of Service Entry Sheet, the following entry gets posted.
    Entry: 73xxxxx (Consumption GL) A/c. Dr.
          To 4200306 SR/IR Account. (Off setting GL)

  - Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4** (UNIT LEVEL)
  - Entry : 4200306 SR/IR Account Dr. (Off setting GL)
                To Vendor Account

- Upon Payment to Supplier/Contractor T.Code **F-53** Post Outgoing Payments. (Unit Level)
  Entry: Vendor Account Dr.
  To Bank Out Going A/c.

- Upon month end Settlement thru T.Code**: CJ88**
  Entry: 74xxxxx (R&M) /14xxxxx AUC Account Dr.(14 Series for Capital)
  To 73xxxxx Account.

- Entry upon Capitalisation: T.Code**: CJ88/CJ8G**
  Entry: 10xxxxx Account Dr.
  To 14xxxxx Account

❖ **Sub Contracting :** All the Fabrication Works such manufacture of Cross arms etc are being accounted under Sub Contracting process basing on Virtual Stores Concept, by issuing material on OBD (Out Bound Delivery):

PROCESS:
- Initially Raw Material is issued to the respective Contractor from the Stores to his manufacturing location i.e. Virtual Location. NO Accounting Entry is Passed
- After the manufacturing of Cross Arms (called as Semi Finished Goods) upon delivery into stores, the following cumulative accounting entry is passed duly covering the following:
- Issue of raw material to virtual Stores.
- Labour Cost
- Accounting of Receipt of Semi-Finished Goods into Stores.

➢ **Receipt of Finshed goods against Sub-Contracting PO : T.Code MB1B**

7300953 Sub-Contracting Consumption a/c (Raw material)	DR	
To 2200501 Cable and Lines material (Raw material)		CR
7300955 Sub-Contracting Consumption services (Labour)	DR	
To 4200301 GRIR Clearing a/c Capital (Labour)		CR
2200152 Semi Finished Material-Fabrication (Fabricated)	DR	
To 7300959 Exp. Cr Capital and Other materials (material + labour)		CR

(Price variation A/c will operate as per the rates in material master)

➢ **Invoice verification after receipt of bill**   MIR7

4200301 GRIR Clearing a/c Capital (Labour)	DR	
To 4301000 Works Creditor (Liability)		CR
To 6209000 Mis revenue (for electricity charges)		CR
To 4600924 TDS- Outside payments		CR

❖ **Payables for Administrative expenses like Vehicle insurance , PSCC Poles center license fees, Vehicle Oil Bills, Rental of Buildings, Legal Expenses, Telephone Expenses , consultancy expenses and Stationery and Printing Expenses, Professional Services, Spot Billing and Collection Agencies, Quarterly TDS Return Filing charges)**

NOTE: *All the items cited are supposed to be cleared under Vendor Concept. But in case if they are not done so, then it can be cleared under GL Concept by creating a liability to GL Account No: 4604080 Admn & General Other Liabilities.*

Option (a) VENDOR CONCEPT.

- Entry : Upon Raising of Invoice:T.Code **FV60/FB60**
  76xxxxx Account Dr.
        To Vendor Account

- Entry: Upon Payment **T.Code F-53 Post Outgoing Payments**
   Vendor Account Dr.
        To Bank Outgoing Account

Option (b) GL CONCEPT.

- Entry: Upon Raising of Invoice: **F-02/F-65/FV50/FB50**
  76xxxxx Account Dr.
        To 4604080 Admn & General Other Liabilities.

- Entry: Upon Payment T.Code **F-07**
  4604080 Admn & General Other Liabilities Account Dr.
        To Bank Outgoing Account.

❖ **Payment of Advances/Down Payment for receipt of Materials and Services.**
  This can be done in either of the two methods.

➢ **By Creating a Noted Item to Vendor (Spl GL Ind "A") for payment of Deposit to Vendor against a specific purchase order.T.Code F-47.**

- Entry: Vendor (Spl GL) Account Dr. (Noted Line item)

- Entry: For making Advance Payment/Down Payment to the Vendor **F-53 Post Outgoing Payments.**
  Vendor (Spl GL) Account
        To Bank Out Going Account.

- Entry: Upon Receipt of Mateial at Stores. T.Code **MIGO**
  22XXXXX Stock Account Dr.
        To 4200301 ó 4200305 GR/IR Account

- Entry :Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4**

  4200301 ó 4200305 GR/IR Account Dr.

  To Vendor Account

  To Vendor Spl GL õAö Account.

  Note: While Raising the Invoice the Down Payment made earlier is adjusted.

- Entry: Upon making payment to the Vendor T.Code **F-53.**

  Vendor Account (Bal Amt after adj Down Payment) Dr.

  To Bank Out Going A/c.

(OR)

➢ **By Creating a provision to make advance payment against a specific purchase order.**

- Entry: For Creating a Provision for making Advance Payment T.Code **F-02.**

  Pst ky 29   Vendor (Spl GL Ind õAö) Account Dr.

  Pst ky 31   To Vendor Account

  (Note: The cited entry is to be posted duly selecting the specific Purchase Order, against which the Advance/Down Payment is to be made)

- Entry: For making Advance/Down Payment to the Vendor.T.Code **F-53 Post Outgoing Payments**

  Vendor Account Dr.

  To Bank Out Going Account.

- Entry: Upon Receipt of Mateial at Stores. T.Code **MIGO**

  22XXXXX Stock Account Dr.

  To 4200301 ó 4200305 GR/IR Account

- Entry :Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4**

  4200301 ó 4200305 GR/IR Account Dr.

  To Vendor Account

  To Vendor Spl GL õAö Account.

  Note: While Raising the Invoice the Advance/Down Payment made earlier is adjusted.

- Entry: Upon making payment to the Vendor T.Code **F-53 Post Outgoing Payments**

  Vendor Account (Bal Amt after adj Down Payment) Dr.

  To Bank Out Going A/c.

❖ **Release of Deposits such as Security Deposits, Retention money, 25% or 10% QC Deposits and EMD etc,.**

Note: Initially we are suppose to know how the Deduction/ Recovery is made from the Respective Vendor before going to Release the Deductions/Deposits.

- Entry: For deduction of any amounts as cited. This is to be done only while processing the Invoice itself. i.e. **MIR7 & MIR4**.
  4200301 ó 4200305 GR/IR Account Dr.

     To Vendor Account
     To 4600950 Debts & Deposits Payable Account.

  (Note: Initially any recovery, which is to be later refunded are placed in 4600950, duly mentioning in the Text Field the specific Vendor name. Later the amount is to be transferred to the Vendor Spl GL mandatorily. This is done because there is no provision to provide direct credit to the Vendor spl GL while executing MIR7/MIR4)

- Entry: For Transferring the amount placed in 4600950 Debts & Deposits Payable Account, to the respective Vendor. T.Code **F-04 Trasfer post with Clearing**.
  4600950 Debts & Deposits Payable Account

     To Vendor Spl GL Ind õHö (Security Deposit) or
     To Vendor Spl GL Ind õCö (EMD) or
     To Vendor Spl GL Ind õRö (Rentention Money)or
     To Vendor Spl GL Ind õBö (Bank Guarnatee)

- Entry: For Arranging payment to the Vendor. (To make payment to the Vendor the amounts placed in Spl GL are to be transferred back to Vendor Normal GL, in order to apply LOC. T.Code. **F-04 Transfer Post with Clearing**.

    Vendor Spl GL Ind õHö (Security Deposit) or
    Vendor Spl GL Ind õCö (EMD) or
    Vendor Spl GL Ind õRö (Rentention Money)
    Vendor Spl GL Ind õBö (Bank Guarnatee)
     To Vendor Account.

- Entry: Upon making payment to the Vendor T.Code **F-53.**
  Vendor Account Dr.
     To Bank Out Going A/c.

❖ **Payables to Statutory Agencies (Property Tax &water tax)**

- Entry for Creating of a liability to pay.T.Code **FV50/FB50.**
  76xxxxx Rent, Rates & Taxes Account Dr.
     To 4604080 Other Administrative and General Liability A/c

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August 2011 ... Oct 2011   Page 8

- Entry for making Payment. T.Code **F-07**
  4604080 Other Administrative and General Liability A/c
      To Bank Outgoing Account

❖ **Payables under Permanent Imprests and Temporary Advances.**

➢ **Permanent Imprests:**
- Entry: Initally a noted item is to be created in T.Code **F-47.** Spl GL õEö.

  Employee Vendor Spl GL õEö A/c Cr. (Noted Item)

- Entry: Upon making Payment to the Employee Vendor. T.Code **F-53 Post Outgoing Payments.**
  Employee Vendor Spl GL õFö A/c Dr.
      To Bank Outgoing Account

- Entry: Upon Recoupment of PT Imprests.T.Code **F-04.**
  7600511 Misc Expenditure.
      To 73xxxxx Consumption GL (If it is against Order)
      To Employee Vendor Spl GL õEö A/c Cr

➢ **Temporary Advances:**
- Entry: Initally a noted item is to be created in T.Code **F-47**. Spl GL õNö.

  Employee Vendor Spl GL õNö A/c Cr. (Noted Item)

- Entry: Upon making Payment to the Employee Vendor. T.Code **F-53 Post Outgoing Payments.**
  Employee Vendor Spl GL õFö A/c Dr.
      To Bank Outgoing Account

- Entry: Upon Recoupment of PT Imprests.T.Code **F-04.**
  7600511 Misc Expenditure.
      To 73xxxxx Consumption GL (If it is against Order)
      To Employee Vendor Spl GL õNö A/c Cr

❖ **Refund of Development and Service Line Charges.**

- Entry for Creating of a liability to pay.T.Code **FV50/FB50.**
  5500101 Development Charges
  5500102 Service connection (line) charges from consumers
      To 4604080 Other Administrative and General Liability A/c

- Entry for making Payment. T.Code **F-07**
  4604080 Other Administrative and General Liability A/c
    To Bank Outgoing Account

❖ **Payables to Railways towards Power Block charges.**

NOTE: Normally, the issue of Power Block charges is to be mentioned in the Agt/PO itself. Power Block Charges are to be paid to railways for Blocking the Traction during construction /erection of lines over traction. Hence it is treated as Capital Work and as such, the expenditure incurred towards it, is to be capitalized. The following is the procedure.

- Entry: For capturing the Power Block Charges.

Initially, an Agreement is entered with the Vendor, and the agreement is divided into monthly PO. Basing on the PO, Service Entry Sheet is posted in T.Code **ML81N** & the Service Entry Sheet is released thru T.Code **ML85.**

- Upon release of Service Entry Sheet, the following entry gets posted.
  Entry: 73xxxxx (Consumption GL) A/c. Dr. (Power Block chrgs incl)
    To 4200306 SR/IR Account.

- Raising of Invoice (Park) T.Code **MIR7** & after verification Post the entry in **MIR4** (UNIT LEVEL)
  Entry : 4200306 SR/IR Account Dr.
    To Vendor Account

- Upon Payment to Supplier/Contractor T.Code **F-53 Post Outgoing Payments**. (Unit Level)
  Entry: Vendor Account Dr.
    To Bank Out Going A/c.

- Upon month end Settlement thru T.Code: **CJ88**
  Entry: 14xxxxx AUC Account Dr.(14 Sereis for Capital)
    To 73xxxxx Account.

- Entry upon Capitalisation: T.Code: **CJ88/CJ8G**
  Entry: 10xxxxx Account Dr.
    To 14xxxxx Account

- ❖ **Deposit of Amounts with the Telephone Authorities for new connection and Deposit of amounts with the EPF Tribunal or Any other Judicial proceedings.**

  - Entry: For Capturing the Liability T.Code **FV50/FB50**
    2800604 Deposit with Telecommunication Authorities A/c Dr
    2800620 Deposits with telephone authorities A/c Dr.
        To 4600950 Debts & Deposits Payable Account

  - Entry: For making payments. T.Code **F-53 Transfer Post with Clearing.**
    4600950 Debts & Deposits Payable Account
        To Bank Outgoing Account

- ❖ **Payables to Employees and Rtd Employees.**

  - Entry: For Capturing the Liability T.Code **FV50/FB50**
    7600576 Gifts& other Articles purchased for Retirement A/c. Dr
        To 4604080 Other Administrative and General Liability A/c

  - Entry: For making Payment. T.Code **F-07**
    4604080 Other Administrative and General Liability A/c
        To Bank Outgoing Account

- ❖ **Payment of Funeral charges.**
  - Entry: For Capturing the Liability T.Code **FV50/FB50**
    7500665 Funeral Charges Account Dr.
        To 4400312Liability for Salaries Bank Transfers A/c.

  - Entry: For making Payment. T.Code **F-07**
    4400312 Liability for Salaries Bank Transfers A/c.
        To Bank Outgoing Account
- ❖ **Payables under compensation for Dept Accidents**
  - Entry: For Capturing the Liability T.Code **FV50/FB50**
    8500304 Compensation for Injuries, Death and Damages Staff
        To 4600933 Compensation payable towards death, injuryTostaff

    OR

    8500305 Compensation for Injuries,Death&Damages Outsiders
        To 4600934 Compensation payable towards death,injuryToOther

  - Entry: For making Payment. T.Code **F-07**
    4600933 Compensation payable towards death, injuryTostaff
    4600934 Compensation payable towards death,injuryToOther
        To Bank Outgoing Account

❖ **Remittance of Statutory Deductions to the Statutory Authorities.**
   Note: The Statutory Deductions are of Two Types.

➢ **Employee Related:** Income Tax, Professsional Tax, EPF, LIC, Bank Loans, Court Attachments etc.
➢ **Vendor Related:** Income Tax, Sales Tax etc.

- **Employee Related:**
- **Entry** : For Capturing the Liability. T.Code **FV50/FB50.**
   75xxxxx Basic Pay, DA, HRA, CCA etc A/c. Dr.
       To 4400401 Income Tax Payable A/c.
       To 4400406 Bank Loan Recoveries A/c.
       To 4400402 EPF Payable A/c.
       To 4400405 LIC Premium Payable A/c.
       To 4400448 Professional Tax Payable A/c.
       To 4400417 Court Attachments Payable A/c.

- **Entry:** For making Payment. T.Code **F-07**
       4400401 Income Tax Payable A/c.
       4400406 Bank Loan Recoveries A/c.
       4400402 EPF Payable A/c.
       4400405 LIC Premium Payable A/c.
       4400448 Professional Tax Payable A/c.
       4400417 Court Attachments Payable A/c.
           To Bank Outgoing Account

- **Vendor Related:** Entry for Capturing the Liability -- The Vendor Liability is Caputured at the time of Raising of Invoice in **MIR7/MIR4**. Basing on the Liability created (Doc No:) then the Liability is discharged now as follows.

   4600924 Tax Deducted at Source on Outside payment Account
   4600927 VAT on Sales Tax on Scrap/Material Account
           To Bank Outgoing Account

❖ **Refund of Penalties:** The penalties recovered while processing the original invoice through **MIR7/MIR4** is later refunded for certain reasons. Upon Refund of penalties, the following entries are posted.

- Entry: For Creation of Liability: **T.Code FB60**
   6200924 Fines/Penalties from Suppliers/Mat Cust. A/c. Dr.
           To Vendor Account

- Entry : Upon Payment to Supplier/Contractor T.Code **F-53 Post Outgoing Payments**.
Vendor Account Dr.
    To Bank Out Going A/c.

❖ **Quarterly TDS filing Report:** In ECC 6.0 the TDS Report can be generated automatically, subject to the following conditions.
    1. While Processing MIR7/MIR4, the assignment of WHT is mandatory.
    2. Execution of J1INCHLN for payment of TDS is mandatory. In otherwords, the payment of TDS should not be made thru F-07. J1INCHLN is the transaction code for posting TDS payment entry. The entry so posted would feature as follows:
    Entry: T.Code **J1INCHLN**
    4600924 TDS Payable Account Dr.
        To Bank Outgoing Account.

❖ **Quraterly TDS Report Execution: T.Code: J1INMIS & J1INQEFILE**

❖ **Works being executed at Corporate Office AO CPR Section: The Following Receipts are made in AO CPR FBCJ.**

✓ Receipts of Unspent Temporary Advances: If any Temporary Advances is refunded then the following entry is updated thru FBCJ.
Entry: 599 Cash Account Dr.
    To Employee Vendor Account (Spl GL õNö) GL A/c. No:2404903

✓ Receipts of Unspent Imprests: Receipts of Unspent Temporary Advances: If any Temporary Advances is refunded then the following entry is updated thru FBCJ.
Entry: 599 Cash Account Dr.
    To Employee Vendor Account (Spl GL õNö) GL A/c. No:2404903

✓ Receipts of Unspent Travelling Advances: If any Travelling Advances is refunded then the following entry is updated thru FBCJ.
Entry: 599 Cash Account Dr.
    To 7600567 Travelling Expenses.

✓ Advances from Scrap Customers: If any Advance is received from Scrap Customers, then the following entry is updated thru FBCJ.
Entry: 599 Cash Account Dr.
    To Customer Account (Spl GL õCö) GL A/c. No:4608500 thru Doc Split

- ✓ Other Receipts.

- ✓ Tender Schedule Income. If any income is received towards Tender Schedule, then the following entry is updated thru FBCJ.
  Entry: 599 Cash Account Dr
       To 6200931 Sale of Tender Schedule Income.
       To 4603055 VAT-Sale-TendrSchdls

- ✓ Security Deposits from Vendors: If any Security Deposit is received from Vendors, then the following entry is updated thru FBCJ.
  Entry: 599 Cash Account Dr.
       To Vendor Account (Spl GL õHö) GL A/c. No:4601010

- ✓ Income from Investments: If any Interest is received on STI/LTI, then the following entry is updated thru FBCJ.
  Entry: 599 Cash Account Dr.
       To 6200220 Income from Long Term on Investments.

- ✓ Receipts from EMD: If any EMD is received, then the following entry is updated thru FBCJ.
  Entry: 599 Cash Account Dr.
       To Vendor Account (Spl GL õCö) GL A/c. No:4601020

- ✓ Receipts from Inter Discom Customers: If any amount is received from Inter Discom, then the following entry is updated thru FBCJ.
  Entry: 599 Cash Account Dr.
  To Discom Customer GL A/c. 2006010

- ✓ Receipts of RITES Inspection Charges.
  Entry: 599 Cash Account Dr
  To

- ✓ Receipts of CC Charges of HT Customers: Certain HT Customers of the DISCOM, pay their CC Charges bills at Corporate Office. Then the following entry is passed thru Document splitting, duly clearing the customers in **Transaction Code F-28 Post Incoming Payments**.

- ✓ Entry: 599 Cash Account Dr Corp BA & PC
       3000200 IUA Dr. Unit BA&PC
            To HT Customer Account. Unit BA&PC
            To 3000200 IUA Dr. Corp BA & PC

- ✓ Receipts of CC Charges of LT Customers. (i.e. Centralised Payments & Internet Payments): Certain LT Customers make payments at Corporate Office and the Payment made by Certain LT Customer thru Internet is also account in AO CPR Cash account. The Following entry is passed in FBCJ.
LT Centralised Receipts:

- ✓ Entry: 599 Cash Account Dr   Corp BA & PC
  3000200 IUA Dr.   Unit BA&PC
  To 2300301 Account Unitwise   Unit BA&PC
  To 3000200 IUA Dr.   Corp BA & PC

  Internet Online Receipts:
- ✓ 599 Cash Account Dr   Corp BA & PC
  3000200 IUA Dr.   Unit BA&PC
  To 2800529 Account Unitwise   Unit BA&PC
  To 3000200 IUA Dr.   Corp BA & PC

- ✓ Unpaid Salaries/Pensions: If any unspent salaries/pensions is received then the following entry is updated thru FBCJ
  Entry: 599 Cash Account Dr
        To 4400201 Unspent Salaries & pensions.

- ✓ Self Office Cash from Bank: In case if any excess LOC is applied and the amount is to be remitted back to the Receipt Account duly withdrawing from the Drawing Bank, then the following entry is passed thru FBCJ.
  Entry: 599 Cash Account Dr
        To 599 Drawing Outgoing Bank Account.

- ➢ Stationery Purchase and Payment at Circle Offices: The Procurement of Stationery is being done by issue of Purchase Order, at Circle Office. The following steps are involved. (Vendor Concept)
  - • Creation of Purchase Order: ME21N
  - • Creation of Service Entry Sheet ML81N
    Entry: Stock Account Dr.
          To SR/IR Account
  - • Raising of Invoice: MIR7 & MIR4
    Entry: SR/IR Account Dr.
          To Vendor Account
  - • Payment through Clearing: F-53.
    Entry: Vendor Account Dr.
          To Bank Outgoing Account

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August 2011 ... Oct 2011   Page 15

Works being Executed at AO CPR Section at Corporate Office:

✓ <u>Employee Related Liability Creation and Discharging:</u> All the employee related payments are made only through HCM.

The HCM Run for Pension & Salaries is done on 15th & 24th of every month finally . For Pension the initiating process starts from 10th onwards and for Salaries the it starts from 16th onwards. Prior to Final HCM Payroll run for posting the following runs are made.

- Payroll run after affecting monthly changes.
- Live Payroll run. After this the units are to download the FCR and verify the correctness.
- Payroll run for FI Posting (FINAL)
- PA30 is an HCM TCode to affect Master Changes.

Sl.No:	Nature of Payment	Module	Mode	Accounting Entry
1 a	Pensions	HCM	Auto Entry thru HCM	5400142 Pension A/c Dr. To 4400300 Pension Payable A/c. To 3000300 A/c. (3rd Party Vendor Liability)
1b	Creation of Third Party Vendor wise Liability Contra Entry.	HCM	Auto Entry thru HCM	3000300 A/c. (3rd Party Vendor Liability) To 46/44 Series Third Party Vendor A/c.
1c	Discharge of Pension & Third Party Vendor Liability T.Code F-07 & F-53 to clear GL & Vendor Liability	FI	FI-GL & Vendor Clearing	4400300 Pension Payable A/c 46/44 Series Third Party Vendor A/c. Dr. To Bank Outgoing A/c.
2a	Salaries	HCM	Auto Entry thru HCM	75XXXXX Series (Employee Cost) A/c Dr. To 4400312 (Staff Related Liability) To 3000300 A/c. (3rd Party Vendor Liability)
2b	Creation of Third Party Vendor wise Liability Contra Entry.	HCM	Auto Entry thru HCM	3000300 A/c. (3rd Party Vendor Liability) To 44XXXXX Series Recoveries Vendor wise Account
2c	Discharge of Salary & Third Party Vendor Liability. T.Code F-07 & F-53 to clear GL & Vendor Liability	FI	FI-GL & Vendor Clearing	4400312 (Staff Related Liability) 46/44 Series Third Party Vendor A/c. Dr. To Bank Outgoing A/c.
3a	Employees Supplimentary Bills (Off Cycle)	HCM	Auto Entry thru HCM	76XXXXX Series (Admin & Gnrl Exp) A/c Dr. To 4400312 (Staff Related Liability)
3b	Discharge of GL Liability	FI	FI-GL Clearing	4400312 (Staff Related Liability) To Bank Outgoing A/c.
4a	Festival, Education, Marriage, Bike, Car, Laptop Loans & Advances (Off Cycle)	HCM	Auto Entry thru HCM	27XXXXX Sereis A/c Dr (Othr Loans & Adv) To 4400310 (Staff Related Liability) To4400313(Liability-LT Loans and Adv etc
4b	Discharge of GL Liability	FI	FI-GL Clearing	4400310 (Staff Related Liability) 4400313(Liability-LT Loans and Adv etc To Bank Outgoing A/c.
4c	Recoveries of Loans & Advances from Employee	FI	FI-GL Clearing	75XXXXX Series (Employee Cost) A/c Dr. To 27XXXXX Sereis A/c Dr (Othr Loans & Adv)
5a	GPF Loan & Part Payments (Off Cycle)	HCM	Auto Entry thru HCM	5400121 A/c. Dr (GPF Prov)Staff Reserve Fund To 4400312 (Staff Related Liability)
5b	Discharge of GL Liability	FI	FI-GL Clearing	4400312 (Staff Related Liability) To Bank Outgoing A/c.

5c	Recoveries of GPF Loans & Advances from Employee	FI	FI-GL Clearing	75XXXXX Series (Employee Cost) A/c Dr. To 5400121 A/c. Dr (GPF Prov)Staff Reserve Fund
6	Temporary Advances and PT Imprests	FI-AP	Creation of Noted Item & Discharge	Same as stated earlier thru creation of Noted item.
7a	Statutory Liability Remittances i.e IT	HCM	Employee Related (i.e for Employees)	75XXXXX Series (Employee Cost) A/c Dr. To 4400411 IT Deduction A/c.
		FI	Vendor Related (i.e. for outside vendors)	Vendor A/c. Dr. To 4400411 IT Deduction A/c.
7b		FI	Discharge of GL Liability	4400411 IT Deduction A/c. To Bank Outgoing A/c.
8a	Payment of Travelling Allowance Bills (Off Cycle)	HCM	Auto Entry thru HCM	7600567 Travelling Exp A/c Dr. To 4400312 Staff Related Lia A/c.
8b	Discharge of GL Liability	FI	FI-GL Clearing	4400312 Staff Related LiaA/c. Dr. To Bank Outgoing A/c.
9a	PG Increments	HCM	Auto Entry thru HCM	7500102 Adv Increments (PGI) A/c. Dr. To 4400312 Staff Related LiaA/c.
9b	Discharge of GL Liability.	FI	FI-GL Clearing	4400312 Staff Related LiaA/c. Dr. To Bank Outgoing A/c.
10a	Reimbursement of Bus Passes (Off Cycle)	HCM	Auto Entry thru HCM	7500613 Bus Pass Reimbur A/c. Dr. To 4400312 Staff Related Lia A/c.
10b	Payment of Bus Passes	FI	FI-GL Clearing	4400312 Staff Related LiaA/c. Dr. To Bank Outgoing A/c.
11a	Broad Band Bills	HCM	Auto Entry thru HCM	7600205 Broad Band & InternetA/c. Dr. To 4400312 Staff Related Lia A/c.
11b	Payment of BB Bills	FI	FI-GL Clearing	4400312 Staff Related LiaA/c. Dr. To Bank Outgoing A/c.
12a	News Paper Bills	HCM	Auto Entry thru HCM	7600503 Books & Periodicals A/c. Dr. To Bank Outgoing A/c.
12b	Payment of News Paper Bills.	FI	FI-GL Clearing	4400312 Staff Related LiaA/c. Dr. To Bank Outgoing A/c.
13a	Medical Bills Reimbursement	HCM	Auto Entry thru HCM	7500611 Medical Bills Reimbursement A/c. Dr. To 4400312 Staff Related Lia A/c.
13b	Payment of Medical Bills	FI	FI-GL Clearing	4400312 Staff Related LiaA/c. Dr. To Bank Outgoing A/c.
14a	Children Education Reimbursement	FI-AP	Creation of GL Liability	7500667 Education ReimburA/cDr To4400410 Salaries Liability A/c.
14b	Payment of Children Edu Reimbursement	FI-AP	Discharge of GL Liability	4400410 Salaries Liability A/c. To Bank Outgoing A/c.
15a	Peshi, Out of Pocket,Liason Office, Toll Gate bills etc	FI-AP	Creation of GL Liability	7600511 Misc Expenditure A/c Dr To 4604080 Adm & Genrl Exp
15b	Payment of Peshi, Out of Pocket,Liason Office, Toll Gate Bills etc	FI-AP	Discharge of GL Liability	4604080 Adm & Genrl Ext A/cDr To Bank Outgoing A/c.

✓ Vendor Related Liability Creation and Discharge

Sl.No:	Nature of Payment	Module	Mode	Accounting Entry
1	LPO Related Bills	FI-AP	Creation & Discharge of Vendor Liability	Same as stated above.
2	Receipt of Deposits from Vendors	FI-AP	FBCJ	Same as stated above.
3	Refund of Deposits to Vendors	FI-AP	Creation of Request and Discharge of Liability	Same as stated above.
4	Stationery Bills	FI-AP	Creation & Discharge of Vendor Liability	Same as stated above.
5	Work Bills	FI-AP	Creation & Discharge of Vendor Liability	Same as stated above.
6a	Medical Bill Payment against Credit Card.	FI-AP	Creation of Vendor Liability thru FB60	7500611 Medical Expenses A/c To Vendor A/c. Recon 4604060 Liability for Expenses A/c.
6b	Payment to respective Corporate Hospital Vendors	FI-AP	Discharge of Vendor Liability F-53	Vendor A/c. Recon 4604060 Liability for Expenses A/c. To Bank Outgoing A/c.
7a	Payment to Skilled, Semi-Skilled and Un Skilled Workers.	FI-AP	Creation of Service Entry Sheet ML81N	7400501 R&M SS A/c. Dr O&M 7500175 Sal App A/c. Dr Prov To 4200306 SR/IR Clg Services
7b	Upon raising of Invoice	FI-AP	Creation of Vendor Liability MIR7 & MIR4	4200306 SR/IR Clg Services To Vendor /c Recon A/c4604030
7c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53	Vendor /c Recon A/c4604030 To Bank Outgoing Account
8a	Hired Vehicle Bills	FI-AP	Creation of Service Entry Sheet ML81N	7600308 HV Cars & Jeeps A/c 7600310 HV Lorries, Vans A/c To 4200306 SR/IR Clg Services
8b	Upon raising of Invoice	FI-AP	Creation of Vendor Liability MIR7 & MIR4	4200306 SR/IR Clg Services To Vendor Recon A/c 4604030 Other Adm & Gen Lia
8c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53	Vendor Recon A/c 4604030 To Bank Outgoing A/c.
9a	Call Center Bills	FI-AP	Creation of Vendor Liability	4200306 SR/IR Clg Services To Vendor A/c Recn A/c4604030
9b	Upon raising of Invoice	FI-AP	Creation of Service Entry Sheet ML81N	7600309 Coll Agencies A/c Dr. To 4200306 SR/IR Clg Services
9c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53	Vendor A/c Recon A/c. 4604030 To Bank Outgoing Account
10a	BMS IT Activities	FI-AP	Creation of Vendor	4200306 SR/IR Clg Services

				Liability	To Vendor A/c Recn A/c4604030
10b	Upon raising of Invoice	FI-AP	Creation of Service Entry Sheet ML81N		7600309 Coll Agencies A/c Dr. To 4200306 SR/IR Clg Services
10c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53		Vendor A/c Recon A/c. 4604030 To Bank Outgoing Account
11a	Collection Agencies Service Charges	FI-AP	Creation of Vendor Liability		4200306 SR/IR Clg Services To Vendor A/c Recn A/c4604030
11b	Upon raising of Invoice	FI-AP	Creation of Service Entry Sheet ML81N		7600309 Coll Agencies A/c Dr. To 4200306 SR/IR Clg Services
11c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53		Vendor A/c Recon A/c. 4604030 To Bank Outgoing Account
12a	AMC Bills for AC, Systems etc	FI-AP	Creation of Vendor Liability		4200306 SR/IR Clg Services To Vendor A/c Recn A/c4604030
12b	Upon raising of Invoice	FI-AP	Creation of Service Entry Sheet ML81N		7600309 Coll Agencies A/c Dr. To 4200306 SR/IR Clg Services
12c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53		Vendor A/c Recon A/c. 4604030 To Bank Outgoing Account
13a	House Keeping Charges Bills	FI-AP	Creation of Vendor Liability		4200306 SR/IR Clg Services To Vendor A/c Recn A/c4604030
13b	Upon raising of Invoice	FI-AP	Creation of Service Entry Sheet ML81N		7600309 Coll Agencies A/c Dr. To 4200306 SR/IR Clg Services
13c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53		Vendor A/c Recon A/c. 4604030 To Bank Outgoing Account
14a	Security Bills	FI-AP	Creation of Vendor Liability		4200306 SR/IR Clg Services To Vendor A/c Recn A/c4604030
14b	Upon raising of Invoice	FI-AP	Creation of Service Entry Sheet ML81N		7600309 Coll Agencies A/c Dr. To 4200306 SR/IR Clg Services
14c	Payment to Services Vendor	FI-AP	Discharge of Liability F-53		Vendor A/c Recon A/c. 4604030 To Bank Outgoing Account
15a	Payment of Interest on Loans STL/LTL	FI-AP	Creation of GL Liability		78XXXXX Sereis A/c. Dr To 4604080 Adm & Genl Lia A/c.
15b	Upon Payment	FI-AP	Discharge of GL Liability		4604080 Adm & Genl Lia A/c To Bank Outgoing Account.
16a	Auditors Bills	FI-AP	Creation of Vendor Liability		7600401 Audit Fees A/c.Dr To Vendor A/c Recn A/c4604030
16b	Upon Payment	FI-AP	Discharge of Liability F-53		Vendor A/c Recon A/c. 4604030 To Bank Outgoing Account

✓ Customer Related Receipts:

Sl.No	Nature of Payment	Module	Mode	Accounting Entry
1	LT Customers Receipts	FI-AR	FBCJ	Cash Account Dr To 2300301 S/D Coll Control A/c (Thru Document Splitting)
2a	HT Customers Receipts	FI-AR	F-28	2400500 Cheq Coll Clrg A/c.Dr. To HT Customer A/c.
2b		FI-AR	FBCJ Automated Entry	599 Cash Account Dr. To 2400500 Cheq Coll Clrg A/c.
3	Scrap Customers Receipts	FI-SD	FBCJ	Cash Account Dr To Scrap Customer Spl GL H (Thru Document Splitting)
4	Discom Customers	FI-AR		
5	Receipt of Interest on Investments	FI-AR	F-04/F-30 Post with Clearing.	Bank Inc Account Dr. TDS Account Dr. To 6200926 Int on Bnk Deposits

LETTER OF CREDIT (LOC)
&
LETTER OF ADVISE (LOA)

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August 2011 ... Oct 2011

Page 21

- ❖ **LOC (Letter of Credit) & LOA (Letter of Advice) Process in SAP : For implementation of LOC & LOA Process in Sap the following are mandatory.**

- ➢ All Contract Agreements /MOU /Job Agreements /Local Purchase Orders entered and placed at the Circles/Divisions should invariably brought into Sap.

- ➢ All bills/claims against the above should be passed in MIR7 (Material Management Module).

- ➢ Bank Account Details /PAN numbers /Vendor Registration should invariably maintained in Sap.
- ➢ LOC Applications for decentralized payments should invariably received through Sap.

- ➢ LOC Receipt should be confirmed and Automated Entry will be passed in Sap for funds receipt entry.
- ➢ LOA for centralized payments should invariably received through Sap from Circle Office.

- ➢ NEFT/RTGS statements required for Transfer of Funds should be generated from Sap.

- ➢ Vendors for Accounts Officer BSNL for both Land Lines and Cell Phones for the respective offices should be created in SAP for passing of Telephone Bills in TCODE FB60.

- ➢ For Oil Bills, Courier Charges and Postage the Agencies account should be created as vendors to enable their claims process in FB60.

- ➢ WCT & Seniorages Payable to Govt Authorities will also be Opened as Vendors of respective regional offices and LOC Application will also be made Vendor Standard Method.

- ➢ All employees related claims(salaries and other than salaries) should be processed in HCM Module.

- ➢ FCR Statement for the Employees Claims generated for the Employees Claims run in Off Cycle should be enclosed with the LOC Application in respect of Employees Related claims.

- ➢ Make use of Text Fields in MIR7/FB60 such as Assignment, Text, Header Text for recording necessary information Sanction Number for Legal Charges, Manual Agreement Numbers, KMs run for Hire Vehicles no field should be left unfilled.

- ➢ The Object is that to bring all Supplier/Vendor claims under standard LOC Application System and Employees related under Manual System in SAP.

❖ **LOC- Letter of Credit**, is a an official requisition placed by the Expenditure Units to Corporate Office (B&R Section), to release the funds to meet requisite expenditure. The Process of application and release of LOC is mapped in SAP as per the rules in vogue. The funds so released is disbursed as per the nature of expenditure and is accounted accordingly at respective units.

Broadly, the application of LOC is classified into two categories in SAP:
➢ Standard LOC
➢ Manual LOC

- **Standard LOC** is a LOC applied for making payments to Vendors, including Third Party Vendors, ie. Remittences made to respective institutions duly deducting from employees salaries. Hence, any application of LOC, in order to make payments to the Vendors are to be applied only in STANDARD.

- **Manaul LOC** is a LOC applied for making all the GL related liabilities including Employees Salaries. Hence, any application of LOC, in order to make payments against GL liability is to be applied only in MANUAL.

PROCESS OF APPLICATION OF LOC:

The basis of application of LOC is SAP Document number. In order apply for funds, it is mandatory to create a liability for payment. Basing on the Liability Document so posted, the respective Document number is captured for LOC.

Steps	Nature of Business Transaction	T.Code	Journal Entry	USER
1	Application of LOC by units	ZLOC01 / ZFIALOC_01	No Entry	JAO Cash
2	Issue of Budget for LOC Application.	ZLOCBUDGET	No Entry	Core Team
3	Approval of LOC & Forwarded by units	Workflow	No Entry	Unit Head
4	LOC Application Printout after approval by units	ZLOC07	No Entry	JAO Cash
5	Approval of LOC & Forwarded	Workflow	No Entry	JAO B&R
6	Approval of LOC & Forwarded	Workflow	No Entry	AAO B&R
7	Approval of LOC & Forwarded	Workflow	No Entry	PAYOFFICER

8	For Processing Note for release of funds	ZNOTE_GEN	No Entry	AAO B&R
9	For preparation & approval of Note	ZLOC_NOTE	No Entry	AAO B&R
10	Approval of LOC NOTE & Forwarded	Workflow	No Entry	PAYOFFICER
11	Approval of LOC NOTE & Forwarded	Workflow	No Entry	CGM EXP
12	Approval of LOC NOTE & Forwarded	Workflow	No Entry	Dir Finance
13	Approval of LOC NOTE & Forwarded	Workflow	No Entry	CMD
14	Release of Funds (Automated Entry)	ZLOC04	Unit LOC-IN-TRANSIT A/c Dr 3000200 A/c. 589 BA&PC Dr To 589 Drawing Bank Out A/c To 3000200 A/c. Unitwise	PAYOFFICER
15	Preparation of Bank Advise	ZLOC05	No Entry	PAYOFFICER
16	Preparation of Field Advise	ZLOC_ADVISE	No Entry	JAO B&R
17	Confirmation of Funds by respective Units. (Automated Entry)	ZLOC06	Unit Drawing Bank Inc. A/c Dr To Unit LOC-IN-TRANSIT A/c	Unit Head
18	Generation of NEFT & RTGS Statements	ZRTGS	No Entry	JAO Cash
19	View of LOC Status	ZLOC14	No Entry	Any authorized USER
20	To update the assignment of erroneous payment terms of Units after rectification	ZTERM_UPDATE	No Entry	Coreteam

Standard LOC & LOA Payment Terms

The Process of LOC & LOA is purely based on the Payment Terms. Hence, assignment of appropriate Payment terms while applying LOC and LOA is of prime importance. The allocation of inappropriate Payment Terms would lead to application of LOC/LOA under different heads. As such any Expenditure Head Wise periodical report drawn would errorprone.

If in case a wrong allocation of a payment term is identified prior to application of LOC, then it can be rectified thru editing the document thru T.Code FB02/FB03. In case if it is identified after application of LOC then it can be rectified T.Code ZTERM_UPDATE, by the Core Team only. The following are the Payment Terms defined in SAP for application of LOC & LOA.

SI No.	PayTerms	Description
1	AA00	LOA-Payable Immediately-Material
2	AA30	LOA-Payable on or after 30 days-Material
3	AC00	LOA-Payable Immediately-Capital works -75-25 Ratio
4	ACQ0	LOA-Payable Immediately-Capital works - 25% QC
5	AD00	LOA-Payable Immediately- Capital Works
6	AD30	LOA-Payable on or after 30 days-Capital works
7	AE00	LOA-Payable Immediately-Capital works -90-10 Ratio
8	AEQ0	LOA-Payable Immediately-Capital works - 10% QC
9	AF00	LOA-Payable Immediately- Capital Works
10	AG00	LOA-Payable Immediately-R&M-Works
11	CA00	LOC - Material
12	CA30	LOC-Payable on or after 30 days-Material
13	CC00	LOA-Payable Immediately-Capital works -75-25 Ratio
14	CCA0	LOC - Collection Agency
15	CCQO	LOA-Payable Immediately-Capital works - 25% QC
16	CCW0	LOC - Civil Works Contracts
17	CD00	LOC - Capital works
18	CDD0	LOC - Debts and Deposits
19	CE00	Payable immediately - Employee Vendors
20	CF00	LOC - Franchising Agency
21	CG00	LOC - R&M - Trans
22	CH00	LOC - R&M - Manning of SS
23	CI00	LOC - R&M - Others
24	CIM0	LOC - Imprests
25	CIT0	LOC - BMS/IT-Activites
26	CLP0	LOC-Payable immediately-Loan Instalement(P&Int)

27	CM00	LOC - Service Contracts for Maintenance
28	CN00	LOC - ADM& Gen
29	CO00	LOC - ADM& Gen-Legal
30	CP00	LOC - P A A P C A Bills
31	CQ00	LOC - Rent & Hire Vehicles
32	CR00	LOC - Man Power -Hire
33	CRRT	LOC - Rent, Rates & Taxes
34	CS00	LOC - Stationery Bills
35	CS30	LOC-Payable on or after 30 days-Stationery bills
36	CSB0	LOC - Spot Billing
37	CSSS	LOC - Semiskilled staff
38	CSW0	LOC - Contract Skilled Workers
39	CT00	LOC - Telephones
40	CTP0	LOC - Transportation of Poles
41	CTPI	LOC - Third Party Inspection Contracts
42	CU00	LOC - Emp Recovies
43	CUW0	LOC - Unskilled Staff
44	CV00	LOC - Vehicle Oil Bills
45	CXR0	LOC - Xerox Expenditure

❖**LOA – Letter of Advice:** In respect of all the Centralized Purchase Orders and Contract Agreements, the payments would be made at Corporate Office only. But, the material would be delivered at respective District Stores, & the Invoices would be submitted by the Vendor at respective Circle Offices. The following Accounting Entries are captured;

Entry: Receipt of Stock at District Stores: T.Code **MIGO:**
  Stock Account Dr.
    To 4200301-305 GR/IR Account.

Entry: Raising and Approval of Invoice at Circle Office: T.Code **MIR7/MIR4:**
  4200301-305 GR/IR Account Dr.
    To Vendor Account

Entry: Upon making Payment at Corporate Office: T.Code **F-53:**
  Vendor Account Dr.
  3000200 Inter Unit Bal Account Dr.
    To 589 Drawing Bank Out going Account
    To 3000200 Inter Unit Bal Account

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August 2011 … Oct 2011   Page 26

In order to arrange payment to Vendor as per the rules in vogue, the Invoice/Bills received at respective Circle Office, against the material delivered at Stores are to be processed and furnished to Corporate Office thru LOA . The process of LOA preparation and approval would be as stated below:

Steps	Nature of Business Transaction	T.Code	Journal Entry	USER
1	Application of LOA	ZLOA01	No Entry	JAO APS
2	Acceptance of LOA	ZLOA02	No Entry	SAO Circle
3	Acceptance of LOA	ZLOA03	No Entry	JAO B&R
4	Acceptance of LOA	ZLOA04	No Entry	AAO B&R
5	Acceptance of LOA	ZLOA05	No Entry	PAYOFFICER
6	Acceptance of LOA	ZLOA06	No Entry	CGM EXP
7	View of LOA Status	ZLOA09	No Entry	Any authorized USER
8	Capturing Process delay	ZLOA10	No Entry	Core Team
9	Generation of Form 15	ZLOAFORM15	No Entry	AAO B&R

Banking
Sub Module

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August 2011 ... Oct 2011

Page 28

❖ In ECC 6.0, the Banking Sub module is customized in accordance to Discom requirements. The Creation of House Banks, Account IDs, House Bank Keys, Bank GLs updation of bank GLs in ZFIANEWGLA Table thru SM30 are some of the activities to be executed in Banking Sub module. The Creation of House Banks & Account IDs are a part of customizing activity. House Bank Keys can be created directly in Production Client.

- Creation of House Bank & Account ID T.Code FBZP
- Creation of House Bank Key T.Code: FI01

The Banks Accounts in the Discom are broadly classified into two categories.

- Non Operative Receipts Account: It is an account being maintained to deposit all the receipts made by an accounting unit. All the day to day receipts are to be deposited in this account and the said amount is transferred to Head Quarter Account. All the AAO/EROs & HT Units at Circle Office, are operating Non Operative Receipt account only.

- Drawing Account: It is an account being maintained to arrange payments at respective unit level in accordance to their payment obligations. All the Expenditure units are entitled to operate the Drawing account apart from Receipt accounts. The payment obligations are met by obtaining LOC from Corporate Office.

- NO-LIEN Account: All the funds transferred from the Non Operative Receipt Accounts of the respective units (except Visakhapatnam LT Units and all Divisions, being used by the Discom towards Working Capital) are accounted into No-Lien Account of Corporate Office, and from there onward transfer to APPCC Pool Account for meeting Power Purchase Cost.

➢ In ECC 6.0 in order to facilitate the accounting, the Bank GLs are created duly segregating Receipt Account & Drawing Account in broad. Further, each GL account is separated for identifying Main Bank Account, Incoming Account, Outgoing Account & Unidentified Account in respect of both Receipt and Drawing Account. The following is the naming convention adopted for Bank GLs:

- Non Operative Receipt Account GLs:
  24XXXX0 Main Bank Account
  24XXXX1 Incoming Account
  24XXXX4 Out Going Account
  24XXXX5 Unidentified Account

- Drawing Account GLs:
  24XXXX0 Main Bank Account
  24XXXX3 Incoming Account
  24XXXX2 Out Going Account
  24XXXX5 Unidentified Account

Thus, each Bank would be having 4 GL accounts in order to identify the funds not transferred, inflow, outflow and unidentified amounts.

➤ BANK RECONCILIATION:

In ECC 6.0 the BRS is to be executed in SAP. As such upon execution/generation of BRS in SAP, the bank GLs gets updated automatically, thereby the Trail Balance also get updated. The BRS is to be executed for both Non Operative Receipt Account and Drawing Account. The Following is the procedure to generate the BRS.

Transaction Code for Generation of Bank Reconciliation Report are:
- ZBRS
- FEBAN
- ZBRSREPORT

• BRS OF NON OPERATIVE RECEIPT ACCOUNT:

- All the day to day receipt are to be entered in to the respective unit FBCJ (Cash book). Upon posting / updation of FBCJ, the following Follow on document is posted in FBCJ:
  Entry: Cash Journal Account Dr.
       To Respective Receivable Head

- Upon remittance of the said receipt into bank, the following Follow on document is posted in FBCJ:
  Entry: 24XXXX1 Receipt Bank Incoming Account Dr.
       To Cash Journal Account

- Upon Transfer of amounts from the Non Operative Receipt account to Head Quarters Branch: T.Code : FV50/FB50/F-02/F-65
  Entry: 2404XXX Remittance in Transit Account Dr.
       To 24XXXX4 Receipt Bank Outgoing Account

- In order to Post a Dishonour Cheque Entry basing on the Scroll / Banker intimation. T.Code: F-22
  Entry: Customer Account Dr.
       To 24XXXX1 Receipt Bank Incoming Account

- In order to Post a Bank Charges Entry basing on on the Scroll / Banker intimation. T.Code: F-22
  Entry: 7800206 Other Bank Charges Account Dr
       To 24XXXX1 Receipt Bank Incoming Account

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August 2011 ... Oct 2011   Page 30

- In order to Transfer Outstation Cheque Clearing Charges to the Customers, basing on the Scroll / Banker intimation. T.Code: F-22

  Entry: Customer Account Dr.

  To 24XXXX1 Receipt Bank Incoming Account

CHECKS TO BE EXECUTED BEFORE APPROACHING TO GENERATE BRS IN SAP:

- ✓ Ensure to tally the Cash book entries and closing balances
- ✓ Ensure tally whether the amounts remitted into bank have tallied as per the vouchers. T.Code FAGLL03, GL Account should be Incoming GL Account of the respective Bank.
- ✓ Remittances are to be posted instrument wise, in order to track them individually during BRS
- ✓ Amount Transferred to Head Quarter should be posted day wise, duly debiting the requisite Remittance in Transit account and crediting the respective bank outgoing account T.Code FV50.
- ✓ Never Debit the GL A/c. 24XXXX4/24XXXX2 bank outgoing account.
- ✓ Ensure to tally whether the amounts transferred to Head quarters have tallied as per the vouchers duly segregating Transfers, Bank Charges , Dishonour cheques, Outstation Cheques Clearing Charges, Wrong Debits, Auto Sweep Charges etc.
- ✓ Ensure to Post the following entries if any appearing in the Scroll/ banker intimation.

  Dishonour Cheque

  Bank Charges

  Outstation Cheque Clearing Charges

  Wrong Debits/Wrong Credits
- ✓ All the Wrong Debits and Wrong Credits appearing in the bank scroll are to be captured while execution of BRS

  AP10 ó Wrong Credit

  AP12 ó Wrong Debit
- ✓ Never post any direct entry to 24XXXX5 Account ie. Unidentified Bank GL Account.
- ✓ Identify the Board Excess & Bank Excess of the Current period.
- ✓ The Bank Reconciliation is to be generated duly assigning the Scroll Closing Balances to the end of the period. As such the balances are depicted in the BRS report under 24XXXX0 is the scroll Opening and Scroll Closing Balance.
- ✓ Upon Generation of BRS check the GL A/c. 24XXXX0 Main Bank balance thru T.Code FS10N. The cumulative balance should be equal to the Bank Scroll Closing Balance.

  Upon Generating the BRS in SAP, the following entries gets posted automatically.

  24XXXX0 Main Bank Account Dr.

  To 24XXXX1/24XXXX3 Incoming Bank Account

  24XXXX4/24XXXX2 Outgoing Bank Account Dr.

  To 24XXXX0 Main Bank Account

  24XXXX5 Unidentified Bank Account Dr. (W/D)

  24XXXX0 Main Bank Account Dr.

  To 24XXXX5 Unidentified Bank Account (W/C)

  To 24XXXX0 Main Bank Account

- **BRS OF DRAWING ACCOUNT:**

  - On Release of LOC at Corporate Office and Upon Confirmation at respective Units:
    - Release of LOC at Corporate Office:
      LOC in Transit Account Dr.   Unit BA&PC
      3000200 IUA Account Dr   589 BA&PC
           To 24XXXX2 589 Unit Bank Out A/c   589 BA&PC
           To 3000200 IUA Account   Unit BA&PC

    - Upon execution of Confirmation of Funds thru LOC by the respective unit.
      24XXXX3 Unit Drawing Bank Incoming Account.
           To LOC in Transit Account

  - On Issue of Cheques to the Vendors/Suppliers/Payment of any GL related expenditure thru T.Code F-53/F-07.
    Entry: Vendor Account/ Expenditure Account Dr.
         To 24XXXX2 Drawing Bank Outgoing Account

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August 2011 ... Oct 2011   Page 32

Asset Management

ACCOUNTING PROCEDURE IN PS, PM, MM & IMAM MODULES IN ECC 6.0

- ✓ Estimate: It is a statement of approximate cost for execution of a work. Prior to issue of work order, it is mandatory to arrive at an estimate.
- ✓ Work Order: It is an official document to execute any specified work, issued by a competent authority to the field engineers.
- ✓ Classification of Work Order in SAP: Depending upon the nature of works, the Work Orders are covered in different modules of SAP ECC 6.0 i.e. (PS/PM/MM)
- ✓ After Re-implementation of SAP ECC 6.0, all the Capital Work Orders Estimates (PS Module related) are drafted in EPIMRS module. After designing of the estimates, all the Estimates featured in DE/O login in EPIMRS which are due to be issued are copied & pasted in SAP.

❖ EPIMRS KNOWLEDGE SAKE: Procedure of Designing Estimates.

1. Consumer gets his application registered, at Call Center duly paying the application charges.
2. All the application registered at Call Centers are forwarded to the respective Section Officers, at the end of the day.
3. The Section Officers, verify and satisfy themselves, the requirement of an estimate.
4. If an estimate is required, then an estimate is designed in EPIMRS module by the Section Officer, and is sent for approval of the respective ADE/DE/SE based on the monetary limits.
5. Upon approval of the respective superior, it is forwarded to the Call Center duly communicating the respective customer to pay the requisite amounts for SD/DC/SLC.
6. Upon Payment of the requisite amounts at the Call Center, communication of payment of amounts is forwarded to the Section Officer, under work order module in EPIMRS itself. After filling the requisite information it is forwarded to respective DE.
7. The application would be featuring, underö Work Order Pending to Issueö, in DE login.
8. The DE has to issue the work order duly assigning the WO number. After that it would be eliminated from the pending list.
9. The respective AE/T has to copy the Estimate from EPIMRS in Work Order module and has to paste in SAP with the respective work order no.
10. From here on the SAP activity startsí

✓ Broad Classification of Works and relative SAP modules:

Sl.No:	Nature of Work	PM	PS	SD	MM
1	Capital work Orders	✓	✓		
2	O&M work orders	✓			
3	Deposit Contributions	✓			
4	Temporary Connectons	✓			
5	Burnt meters	✓			
6	Fabrication Works				✓
7	PSCC poles works	✓			
8	Scrap sales			✓	
9	Inter Discom sales			✓	

✓ Process of Execution of any work involves the following steps:
- Drawing of Estimate.   -NO JE-
- Sanction of Estimate.   -NO JE-
- Issue of Work Order.   -NO JE-
- Release of Work Order -
- Drawal of Material from stores.-
- Booking of Labour expenditure.-
- Execution of Work.   -NO JE-
- Calculation of Overhead (i.e Employee Cost & Adm & Genrl Charges @ 11%)
- Calculation of IDC for Capital nature works.-
- Month End Settlement of Consumption GLs (irrespective of the stage of work). Either R&M Expenditure or AUC depending upon nature of Work.-
- Closure of Work Order. óNO JE-
- Final Settlement /Capitalisation (Transfer from AUC to Asset in case of Capital Nature) to be done only from the õDate of Asset put into Commerial use. -

➢Erstwhile Manual Accounting:

1. Drawl of material and Labour Payment against Work Orders

Capital Works A/c (14 series)	Dr
R&M Works A/c (74 series)	Dr
Deposit A/c (47.6)	Dr
Temporary A/c (47.6)	Dr
Burnt Meter A/c (47.601)	Dr
Suspense A/c (22.7)	Dr
Scrap A/c (28.101)	Dr

       To
       Stock (22.6)
       Vendor A/c (42.1)

2. Calculation of Over head Charges

    14.000 CWIP A/c   Dr
       To
  75.900 Employee Cost charged to Capital works

3. Calculation of Interest during Construction Period

    14.000 CWIP A/c   Dr
       To
  78.900 Capitalisation of interest on Funds used
     During construction period

4. Capitalisation CWIP as per physical completion certificate

    10.000 Fixed Assets A/c   Dr
       To
  14.000 CWIP

5. Calculation of Depreciation

    77.000 Depreciation each Asset wise   Dr
       To
  12.000 Depreciation Reserve each Asset Wise

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August 2011 ... Oct 2011   Page 36

➤ **Order Types in SAP 4.7 VERSION and ECC 6.0**

Order Types in 4.7 version mapped in ECC 6.0 version			
Order Type in 4.7 version	Description	ECC 6.0	
E10	Capital Investment Order	Project systems	
E11	Capital Investment Order (Turnkey)	Project systems	
E12	Service Connection Order (Simplified)		Plant Maintenance
E13	Service Connection Order LT & HT	Project systems	
E14	Service Connection Order LT&HT (Turnkey)	Project systems	
E15	Rolling Stock Orders		Plant Maintenance
E16	Direct Asset Acquisitions Order	Project systems	Plant Maintenance
E17	Provisional Orders	Project systems	Plant Maintenance
E26	R & M Order - Bldg & Civil Works		Plant Maintenance
E27	R & M Order - Manning of Substation		Plant Maintenance
E28	R & M Order - Transformers		Plant Maintenance
E29	R & M Order - Plant & Machinery		Plant Maintenance
E30	R & M Order - Lines & Cable Network		Plant Maintenance
E31	R & M Order - Meters & Metering Equip		Plant Maintenance
E32	R & M Order - Vehicles		Plant Maintenance
E33	R & M Order - Furniture & Fixtures		Plant Maintenance
E34	R & M Order - Office Equipments		Plant Maintenance
E35	R & M Order - Computers & I T Equip		Plant Maintenance
E36	R & M Order - Airconditioners		Plant

			Maintenance	
E37	Asset Dismantlement Order		Plant Maintenance	
E38	Asset Scrap Devolution Order		Plant Maintenance	
E51	Deposit contribution work (DCW) order	Project systems	Plant Maintenance	
E52	Temporary connection (TCW) order	Project systems	Plant Maintenance	
E53	Burnt Meters order		Plant Maintenance	
E54	PSCC/RCC Pole order		Plant Maintenance	
E55	Fabrication order			Sub-Contracting
E56	Scrap sale Release Order			SD Module
E57	Inter Discom sale to CPDCL order			SD Module/MM Module
E58	Inter Discom sale to EPDCL order			SD Module/MM Module
E59	Inter Discom sale to NPDCL order			SD Module/MM Module
E60	Inter Discom sale to SPDCL order			SD Module/MM Module
E61	Inter Discom sale to AP Transco order			SD Module/MM Module
E62	Inter Discom sale to AP Genco order			SD Module/MM Module

➢**Accounting Procedure in SAP ECC 6.0**

In SAP the expenditure incurred against all types of Orders initially booked under consumption Account. The consumption Account will be transferred to concerned Head of Account in month ending Settlement process.

The Consumption GL's Created in ECC 6.0

G/L Acct	Long Text
Capital, R&M,DCW,TCW consumption GL's	
7300102	Land & Land Rights
7300201	Buildings & Civil Consumption
7300202	Buildings & Civil-Services
7300401	Plant & Equipments Consumption
7300402	Plant & Equipments-Services
7300451	Transformers Consumption
7300452	Transformers-Services
7300501	Cables & Line Materials Consumption
7300502	Cables & Line Materials-Services
7300551	Meters &metering Equipment Consumption
7300552	Meters &metering Equipment-Services
7300601	Vehicle Parts Consumption
7300602	Vehicle Parts-Services
7300701	Furniture & Fixtures Consumption
7300702	Furniture & Fixtures-Services
7300751	Office Equipment Consumption
7300752	Office Equipment-Services
7300801	Computer&IT Equiment Consumption
7300802	Computer&IT Equiment-Services
Sub-Contracting consumption GL's	
7300953	Sub-contract Consumption
7300955	Sub-contract Consumption Services
7300959	Exp. Credit Capital & others-Mateiral
Consumable consumption GL's	
7301000	Consumables Consumption
7301002	Consumables-Services
Scrap consumption GL's	
7301100	Scrap Materials Consumption
7301102	Scrap Materials-Services
Stationery consumption GL's	

7301200	Stationery Consumption
7301202	Stationery-Services
Legacy consumption GL's	
7301951	Material consumption A/c legacy
7301952	Labour / Services Legacy Account
7301953	Overhead & IDC Legacy Account
DCW/TCW consumption GL's	
7309000	Settlement Cost Element
7309001	SettlmntCostDCW/TCW

At the month end, the amount under consumption GLøs is to be zero after completion of the month ending processes, otherwise the amount shown under the above heads will reflect in Profit and Loss Account.

Accounting Procedure for in Project systems (Capital Work Orders)   T Code

In Project system, for Each work one WBS element and one Net work order will be created . The expenditure initially booked against Net work order and at the Time of settlement the amount transferred to WBS element.

I. Capital Works

1. Issue of material to Net work order by ADE stores (Amt Posted to N/W Order)   **MIGO**
7300XXX Consumption GLøs material end with 1   (N/W)   DR
        To 2200XXX Stock GLøs   CR

2. Raising of bill and Entry Sheet by AE/T (Amt Posted to N/W Order)   **ML85N**
7300XXX Consumption GLøs services ends with 2   (N/W)   DR
        To 4200306 SRIR Clearing a/c services   CR

3. Invoice verification/Bill passing by APS/JAO (i.e. Booking of Labour)   MIR7
4200306 SRIR Clearing a/c services   DR
        To 4301000 Creditor for works   CR

4. Calculation of Over head charges 11%(Controlling entry)/JAO   CJ44
9904100 Net work order Emplyee cost9.35%   DR
        To 9904100 Employee cost   (Cost Centre)   CR   For Emp Cost
9904200 Net work order Adm and General charges1.65%   DR
        To 9904200 Adm and Gen charges   (Cost Centre)   CR   For Adm & Gen Cost

(Note: The cited Entry No:4 is purely Controlling JE, which does not have any impact on the FI.)

5. Settlement of Net work order (<u>Controlling & FI Entry</u>)Automatic/JAO   CJ88

7300XXX Consumption GLøs **(WBS element)**   DR ⎤ CO Entry
   To 7300XXX Consumption GLøs **(N/W)**   CR ⎦

9904100 Cost element WBS element   DR ⎤ For Emp Cost
   To 9904100 Cost element Net work order   CR ⎦

9904200 Cost element WBS element   DR ⎤
   To 9904200 Cost element Net work order   CR ⎦ Adm & Gen Cost

1400101 Asset Under Construction **(CWIP)**   DR ⎤
   To 7509000 Emp Costs Charged to Capital Works   CR ⎥
   To 7609000 Adm Exp Charged to Capital Works   CR ⎥ FI Entry
   To 7300XXX Consumption GLøs material Starts with 1**(WBS)**   CR ⎥
   To 7300XXX Consumption GLøs services starts with 2 **(WBS)**   CR ⎦

Calculation of Interest During construction period/JAO (Doc Split)   CJZ1

7809001 IDC pending Capitalisation	Unit BA & PC	DR
3000200 IU Account	HQ BA & PC	DR

(Reflects in Unit level Trial Balance)

To 7809000 Interest charged to capital works HQ BA & PC		CR
To 3000200 IU Account	Unit BA & PC	CR

(Reflects in Head quarters Trial Balance)

(Note: The cited entry gets posted because, initially at Corporate Office, the Interest on Loans against the respective schemes are paid regularly, The entry on payment of Interest at Corporate Office is as follows.)

7809000 Interest charged to Capital Works A/c   DR
     To Bank Outgoing Account   CR

(Hence, with the cited entry the GL A/c. No: 7809000 gets nullified and with the subsequent entry i.e. 7809001 is transferred to GL A/c.1400101.)

6. Settlement of IDC in WBS element Automatic/JAO   CJ88
1400101 Asset Under Construction (CWIP)   DR
   To 7809001 IDC pending capitalisation   CR

ASSET CLASS: Asset classes are the most important means of structuring fixed assets. Any number of Asset Classes can be defined in the system. Asset classes are used to structure the assets according to the requirements of enterprise. Each Asset is assigned to a specified Asset Class. The functions of Asset Class are:

Account Determination: One of the most important functions of the asset class is to establish the connection between the asset master records and the corresponding accounts in the general ledger in Financial Accounting. This connection is created by the account determination key in the asset class

Assignment of Depreciation Key: Defining Rates of Depreciation. The depreciation key contains the value settings which are necessary for determining depreciation amounts. It represents a combination of calculation rules, which are used for the automatically calculated depreciation types. Depreciation keys are defined in |Chart of Depreciation.

Controlling of Asset Numbers: The assignment of asset numbers can be controlled by the asset class. i.e. Assets of similar nature at different rating and specifications would be assigned one %Asset Super Number" and are assigned to the related Asset Class.

TECHO: It is an Official communication of the respective section officer, for completion of work.

NOTE: Upon completion of work and Calculation of OH, IDC, the value would be existing in AUC. Here, it is mandatory create an Asset Master. From One Work Order, any No: of Assets can be created. For each Asset one Master Record is to be created, under the respective Asset Super Number above the ASN there would be Asset Class.

7. **Creation of Asset Master Records/JAO**   **AS01**
   No FI entry

   Note: An Asset Master Contains the following Master Data.
         Name of the Asset.
         Asset Class / Asset Super Number.
         Cost Center.
         Quantity/KMS/SFT etc.

8. **Creation of Settlement Rule/JAO**   **CJIC**
   Assignment of Asset master Data to Order

   Note: The Settlement Rule establishes the link between the AUC and the related work Order.

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August 2011 ... Oct 2011   Page 42

9. Settlement of WBS element/Final/Partial/JAO (Capitalisation)   **CJ88**

    1000 XXX Fixed Assets   DR

        To 1400101 Assets Under Construction (CWIP)   CR

    Note: Ultimately the AUC is transferred to the Fixed Assets.

    ZWORKORDER: It is a T.Code for ....

        Releasing a Work Order.

        Techo

        Closing a Work Order.

II. Deposit Contribution Works and Temporary Connection Works: PM 66&67

1. Issue of material to Net work order by ADE stores   **MIGO**

    7300XXX Consumption GLøs material end with 1   DR

        To 2200XXX Stock GLøs   CR

2. Raising of bill and entry Sheet by AE/T   **ML81N**

    7300XXX Consumption GLøs services ends with 2   DR

    (amout posted in Net work Order)

        To 4200306 SRIR Clearing a/c services   CR

3. Invoice verification/Bill passing by APS/JAO   **MIR7**

    4200306 SRIR Clearing a/c services   DR

        To 4301000 Creditor for works   CR

4. Settlement of Net work Order by JAO (Controlling)   **CJ88**

    7300XXX Consumption GLøs WBS elements   DR

        To 7300XXX Consumption GLøs Net work Order   CR

5. Executing of Result Analysis Key   **KKA2/KKAJ**

    NO FI entry (Transferred to WIP)

6. Settlement of WBS element after Result Analysis Key   **CJ88**

    4700551 DCW/TCW WIP   DR

    To 7309001 Settlement Cost DCW/TCW   CR

    (The WBS element is not Zero as the above not posted in WBS element)

7. **Creation of Settlement Rule**   **ZESTIMATE**
   GL Account 4700501 is to be assigned

8. **Technical completion of WBS element**
        ZESTIMATE
   No changes in FI

9. **Final Settlement after Technical completion**   **CJ88**

   7309001 Settlement Cost DCW/TCW   DR
   4700551 DCW/TCW WIP   CR
   4700501 Deposit Contribution Works   DR
   4700601 Temporary Connection Works   DR
   7300XXX Consumption GLøs   CR
   (The WBS element will be Zero)

Accounting Procedure for Plant Maintenance Module

I. Capital Works (order types PM 70,75,80,85)

1. **Issue of material to PM order by ADE stores**   **MIGO**

   7300XXX Consumption GLøs material end with 1   DR
   To 2200XXX Stock GLøs   CR

2. **Raising of bill and Entry Sheet by AE/T**   **ML85N**

   7300XXX Consumption GLøs services ends with 2   DR
   (Amount posted in PM Order)
   To 4200306 SRIR Clearing a/c services   CR

3. **Invoice verification/Bill passing by APS/JAO**   **MIR7**

   4200306 SRIR Clearing a/c services   DR
   To 4301000 Creditor for works   CR

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August 2011 ... Oct 2011   Page 44

4. **Calculation of Over head charges 11%(Controlling entry)/JAO**   **KO88**

9904100 Cost element PM order Emplyee cost9.35%   DR
To 9904100 Cost element Cost Centre Employee cost   CR
9904200 Cost element PM Order Adm and General charges1.65%   DR
To 9904200 Cost element Cost Centre Adm and Gen charges   CR

5. Calculation of IDC for PM orders
    NO IDC for PM orders

6. **Settlement of PM order Automatic/JAO**   **KO88**
    1400101 Assets Under Construction (CWIP)   DR
    To 7509000 EC Charged to Capital Works   CR
    To 7609000 Adm Exp Charged to Capital Works   CR
    To 7300XXX Consumption GLøs material Starts with 1   CR
    To 7300XXX Consumption GLøs services starts with 2   CR

7. **Creation of Asset Master by JAO**   **AS01**

8. **Creation of Settlement Rule/JAO**   **KOB5**
    Assignment of Assets with Orders

9. **Settlement of PM order/Final/Partial/JAO**   **KO88**
    1000XXX Fixed Assets   DR
    To 1400101 Asset Under Construction (CWIP)   CR

II. O&M Orders (Order Type 10,20,30,40,90)
1. **Issue of material to PM order by ADE stores**   **MIGO/IW41**

    7300XXX Consumption GLøs material end with 1   DR
        To 2200XXX Stock GLøs   CR

2.   **Raising of bill and entry Sheet by AE/T**   **ML85N**

    7300XXX Consumption GLøs services ends with 2   DR
    (amout posted in PM Order)
    To 4200306 SRIR Clearing a/c services   CR

---

3. Invoice verification/Bill passing by APS/JAO MIR7

4200306 SRIR Clearing a/c services DR
To 4301000 Creditor for works CR

4. Settlement of PM order Automatic/JAO KO88

7400XXX Repairs and Maintenacnce - DR
To 7300XXX Consumption GLøs material Starts with 1 CR
To 7300XXX Consumption GLøs services starts with 2 CR

II. Survey Report and Scrap Orders (Order types orders PM 50,60)
1. **Devolution of material to PM order by ADE stores** MIGO

2200XXX Stock GLøs DR
To 7300XXX Consumption GLøs material end with 1 CR

2. **Raising of bill and entry Sheet by AE/T** ML81N

7300XXX Consumption GLøs services ends with 2 DR
(amout posted in PM Order)
To 4200306 SRIR Clearing a/c services CR

3. **Invoice verification/Bill passing by APS/JAO** MIR7

4200306 SRIR Clearing a/c services DR
To 4301000 Creditor for works CR

5. **Settlement of PM order Automatic/JAO** KO88
7300XXX Consumption GLøs material Starts with 1 DR
To 7300XXX Consumption GLøs services starts with 2 CR
To 8000105 Scrap transferred to store a/c CR

IV. De-Capitalisation Process for Survey reported Orders PM 50,60

1. System will generate a mail automatically in AO (Expr) Login for every equipment at the time of dismantlement and sanction of Survey Report Estimate.

2. **Scrapping of Asset**   **ABAVN**
   8000101 Written down value of scrapped Asset   DR
   1000XXX Fixed Assets 90% or Net book value   CR
   1200XXX Provision for Depreciation   DR

3. **Profit or Loss on Survey reported Assets**   **F-02**
   8000105 Scrap transferred to store a/c   DR
   7400954 Loss on Scrapping   DR
   8000105 Scrap transferred to store a/c   CR

At the yearend A/c No's 8000105 and 8000101 is to be reconciled at circle level

V. Accounting Procedure for PM orders PM 65

1. **Issue of material to PM order by ADE stores**   **MIGO**
   7300XXX Consumption GLøs material end with 1   DR
   To 2200XXX Stock GLøs   CR

2. **Raising of bill and entry Sheet by AE/T**   **ML81N**
   7300XXX Consumption GLøs services ends with 2   DR
   (amout posted in PM Order)
   To 4200306 SRIR Clearing a/c services   CR

3. **Invoice verification/Bill passing by APS/JAO**   **MIR7**
   4200306 SRIR Clearing a/c services   DR
   To 4301000 Creditor for works   CR

4. **Settlement of PM order Automatic/JAO**   **KO88**
   4700401 Deposits for Burnt Meters   DR
   7300XXX Consumption GLøs material Starts with 1   CR
   7300XXX Consumption GLøs services starts with 2   CR

5. **Transfer of exces/short amount under Burnt Meter PM order**   **F-02**
   4700401 Deposits for Burnt Meters   DR/CR
   To 6200900 Other income   DR/CR

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August 2011 ... Oct 2011   Page 47

Accounting Procedure in Material Management

I. Fabrication works which are covered under Sub-Contracting

1. **Creation of Sub-Contracting Purchase Order**   **ME21N**
   No entry

2. **Issue of goods against sub-Contracting PO**

   No financial entry for goods movement. But goods transferred
   from ADE stores location to Contractor a/c.

3. **Receipt of Finshed goods against Sub-Contracting PO**   **MB1B**
   7300953 Sub-Contracting Consumption a/c(Raw material)   DR
           To 2200501 Cable and Lines material(Raw material)   CR
   7300955 Sub-Contracting Consumption services(Labour)   DR
           To 4200301 GRIR Clearing a/c Capital(Labour)   CR
   2200152 Semi Finished Material-Fabrication(Fabricated)   DR
           To 7300959 Exp. Cr Capital and Other materials(material+labour) CR
    (Price variation A/c will operate as per the rates in material master)

4. **Invoice verification after receipt of bill**   **MIR7**

   4200301 GRIR Clearing a/c Capital(Labour)   DR
   4301000 Works Creditor   CR
   6209000 Mis revenue (for electricity charges)   CR
   4600924 TDS- Outside payments   CR

➢**SALE OF SCRAP** (S & D Sub Module)

1. Creation of Sale order **VA41**

2. Release order **VA01**

3. Issue of goods against Release order (At Book Value)ADE/Stores **VL01N**
   Automated Entry
   6400301 Cost of Scrap sold DR
      To 2200XXX Stock A/c CR

4. Creation of Billing Document: (At Sale Value) AO(Expr) **VF01**
   Automated Entry
   2805160 Receivable from sale of stores DR
      To 6400302 Revenue from sale of Scrap CR
      To 4600925 TCS on sale of scrap CR
      To 4600927 Sales tax Scrap CR

NOTE: At the month end A/c No's 6400301 and 6400302 is to be reconciled and difference is to be transferred Profit and Loss A/c.

➢Inter Discom Sales (S & D Sub Module)

A. Material Sold Other Discoms

1. Creation of Sale order for issue of material to other Discoms   **VA41**

2. Release Order   **VA01**

3. Issue of goods against Sale order   **VL01N**

   6400304 Revenue from sale of stores   DR
       To 2200XXX Stock a/c   CR

4. Creation of Billing document   **VF01**

   2600102 Receivable from Discom   DR
       To 6400305 Revenue from Sale of stores   CR
       To 4600927 Sales tax   CR

NOTE: At the month end A/c No's 6400304 and 6400305 is to be reconciled and difference is to be transferred Profit and Loss A/c.

B. Purchase of Material From Other Companies

1. Creation of Purchase of Order   **ME21N**

2. Creation of Liability for Advance Payment to Other Discom   **F-47**
   No FI but Open item created for applying LOC

3. Payment of Advance payment to Other Discom   **F-53**
   2501010 Advance to Supplier/Contractor (Spl GL)   DR
       To 24XXXX Drawing Bank Out going A/c   CR

4. Receipt of Goods   **MIGO**
   2200XXX Stock A/c   DR
       To 4200301 GRIR Clearing A/c   CR

5. Invoice verification after Receipt of material **MIR7**

    4200301 GRIR Clearing A/c   DR
        To 4201400 Creditors for Other Discoms   CR

6. Clearing of Advance payment to Discoms **MIR7**

    4201400 Creditors for Other Discoms   DR
        To 2501010 Advance to Supplier/Contractor   CR

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August 2011 ... Oct 2011   Page 51

➢ **Sub-Store concept**

1. Creation of Purchase Requisition by ADE /O ME51N
2. Creation of STO at circle office by AE ME21N
3. Allotment of material to Sub-Divisions by AE VL10D
4. Issue of material to Sub-Divisions by Stores VL02N

NOTE: No FI. Change material from ADE storage location to ADE O storage location

5. Good issue to PM order i.e confirmation by ADE IW41
   7300XXX Consumption GLØs material end with 1 .... DR
       To 2200XXX Stock GLØs .... CR

NOTE: Till confirmation of Orders the O&M material drawn from stores are available at storage location of ADE O only.

6. Pending of materials at various storage locations is MB52