

# Settlement (CO)



HELP.COABR

**BS**

**SAP**™

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## Icons

Icon	Meaning
	Caution
	Example
	Note
	Recommendation
	Syntax

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## Settlement (CO)

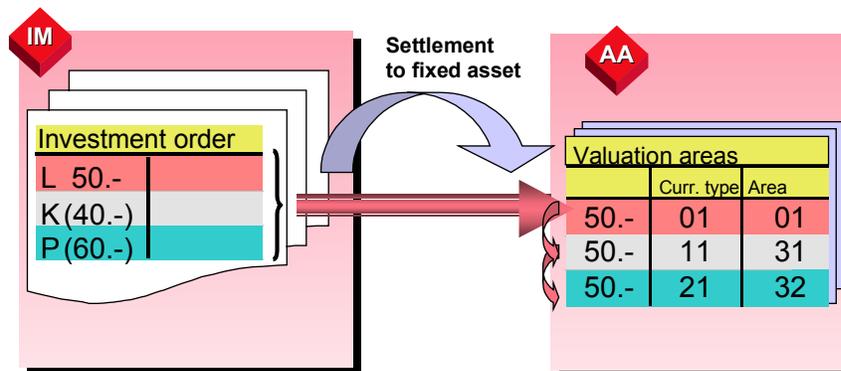
### Purpose

The SAP components all handle settlement of business objects using the same settlement logic.

During settlement, some or all of the plan or actual costs incurred on an object are allocated to one or more receivers. The system automatically generates offsetting entries to credit the sender object. The debit postings assigned once to a sender object remain in place, even after settlement to a receiver (and can therefore be displayed). The costs settled are updated on the corresponding receiver object and displayed in reporting.



Settlement occurs in parallel in all valuations, with the exception of settlement to fixed assets and profitability segments. For the settlement to fixed assets, the system takes the amount used in legal valuation. The system moves back the operational valuation for the settlement to the profitability segment. The following graphic shows how the system debits the order with this amount in all valuations:



A line item settlement to a fixed asset is only possible, if the legal valuation is the operational valuation.

For more information on settlement of investment measures, see the *SAP Library* under *Financials* → *Investment Management (IM)* → *Measures (Orders/Projects)* → [Settlement of Investment Measures \[Extern\]](#).

## Settlement Senders and Receivers

## Settlement Senders and Receivers

Settlement sender (alphabetic)	Notes on settlement receiver
Order items	All correspond to the <b>Settlement receiver</b> table as well as <b>Material</b>
CO Production orders	All correspond to the <b>Settlement receiver</b> table as well as <b>Material</b>
Production orders	All correspond to the <b>Settlement receiver</b> table as well as <b>Material</b>
<a href="#">Real Estate Object [Extern]</a> (WE, GE, GR, ME, MV)	All correspond to the <b>Settlement receiver</b> table
Internal Orders	All correspond to the <b>Settlement receiver</b> table
Maintenance orders	All correspond to the <b>Settlement receiver</b> table
Capital investment order	All correspond to the <b>Settlement receiver</b> table
Cost object	All correspond to the <b>Settlement receiver</b> table
Sales orders, make-to-order production	All correspond to the <b>Settlement receiver</b> table
Network headers	All correspond to the <b>Settlement receiver</b> table
Network activities	All correspond to the <b>Settlement receiver</b> table
Projects	All correspond to the <b>Settlement receiver</b> table

Settlement receiver (alphabetic)	Notes on settlement sender
Fixed assets	All correspond to the <b>Settlement sender</b> table
Orders	All correspond to the <b>Settlement sender</b> table
Order items	All correspond to the <b>Settlement sender</b> table
Profitability segment	All correspond to the <b>Settlement sender</b> table
Business process	All correspond to the <b>Settlement sender</b> table
<a href="#">Real Estate Objects [Extern]</a>	All correspond to the <b>Settlement sender</b> table

**Settlement Senders and Receivers**

Cost center	All correspond to the <b>Settlement sender</b> table
Cost object	All correspond to the <b>Settlement sender</b> table
Sales order item	All correspond to the <b>Settlement sender</b> table
Network	All correspond to the <b>Settlement sender</b> table
WBS element	All correspond to the <b>Settlement sender</b> table
G/L account	All correspond to the <b>Settlement sender</b> table



Revenues can only be settled to revenue-carrying senders (sales documents, billing elements, internal orders with revenues, profitability segments), or to G/L accounts.

Where revenue is not posted to a revenue-carrying sender (sales order, billing element, or order with revenues), for example when a sales order becomes a warranty case, the sender can also be settled to a cost center, business process, or asset. To be able to settle costs and revenues, you may need to create separate source structures for them.

Multi-level settlement is not possible in such cases, because the information that revenue has been posted is not transferred.

---

**Settlement Rule**

## Settlement Rule

### Definition

Determines which portion of the costs on a sender should be settled to which receiver(s).

### Use

You need to create a settlement rule to settle the actual costs of a sender object. The settlement rule contains the distribution rules for the sender.



For some sender objects, the system creates the settlement rule automatically.

#### See also:

[Distribution Rule \[Seite 9\]](#)

### Structure

The settlement rule contains:

- One or more distribution rules
- The [settlement parameters \[Seite 12\]](#) for a sender object.

#### See also:

[Creating Settlement Rules \[Seite 18\]](#)

[Settlement Rule List \[Seite 20\]](#)

You previously had to maintain the settlement rule for internal orders manually. Now the system can [automatically generate settlement rules for internal orders \[Seite 19\]](#).

## Distribution Rule

### Definition

This is part of a [settlement rule \[Extern\]](#) that specifies the following for a settlement sender:

- Which settlement receiver you settle to
- Which part of the costs you settle
- When you make the settlement

Normally there is one distribution rule for each receiver.

### Use

To settle objects from the SAP Controlling component, each settlement rule must have at least one distribution rule.

You need to define the settlement rule **before** the first settlement of the sender object, as subsequent changes are only possible to a limited extent.

The system creates automatic distribution rules for some sender objects, such as networks. The system always generates rules for **settlement to materials** automatically. You cannot enter them manually.

For example, when settling a production order for an internally produced stock item to the warehouse.

## Structure

### Settlement Receivers

You can settle costs to one or more receiving objects. You need to define a distribution rule for each settlement receiver. Statistical receivers (orders or WBS elements) are also posted to, as well as true receivers, but are not debited with true costs.

**You can also settle to each of the following statistical receivers:**

True Receiver	Cost center	Order	WBS element
G/L account	-	-	-
Cost center	-	x	x
Order	x	-	x
WBS element	x	x	-
Fixed assets	-	-	-
Network/-activity	x	x	x
Profitability segment	x	x	x
Sales order item	x	x	x
Cost object	x	x	x

**Distribution Rule**

Business process	x	x	x
<a href="#">Real Estate objects [Extern]</a>	x	x	x

**Settlement share**

You can specify **percentage rates** or **equivalence numbers**. The system distributes the incurred costs to the individual settlement receivers accordingly.

You can also settle fixed **amounts** once costs have been incurred.

- You can settle one fixed amount in each period. You may end up settling more costs than exist on the object, therefore your settlement rule should also contain percentage rules.
  - If you do not call up *Percentage validation*, the system checks automatically when you save the settlement rule.
- You can specify an upper limit amount for all settlements for this sender. At the most, the system settles the costs that are on the sender in each period. The sender cannot receive a negative balance.

**Settlement Type**

The following settlement types are defined in the system:

- **Periodic Settlement (PER):**  
This [settlement type \[Extern\]](#) settles costs by period. Therefore, the system only settles the costs for the settlement period.
- **Full Settlement [Extern] (FUL):**  
The system settles all the costs incurred by a sender object for all previous periods that have not yet been settled. This settlement type only permits settlement of quantities for primary cost elements.



During full settlement you can settle more or less than the order balance, if:

- You maintain distribution rules with an amount for the sender
- There are no FUL rules with percentage rates or equivalence numbers.

Additionally, Investment Management has the following settlement types:

- **Capitalization to asset under construction (AUC):**  
This settlement type is used to make periodic settlements from investment measures to assets under construction. The system generates this settlement type automatically.  
Investment measures are projects or orders used to process expenditure for fixed assets that cannot be posted as direct capitalization to fixed assets, either because they are too large or include too many internal activities.
- **Preliminary Settlement [Extern] (PRE):**  
Preliminary settlement enables you to settle debits (charged to investment measures) to CO receivers before carrying out the periodic settlement to an asset under construction. Preliminary settlement of given line items is a good idea if certain incidental costs for an investment have been assigned to an investment measure, but are not to be activated.

**Distribution Rule**

This may be necessary so that the overall cost for the measure can be monitored in Controlling.

For more information on settling investment measures, see *SAP Library* → *Financials* → [Investment Management \(IM\) \[Extern\]](#)

- Line Item Settlement for asset under construction (LIS):

This type of settlement is used for the line item settlement of assets under construction. The system sets it automatically (not for investment measures).

**Validity Period**

Enter a validity period for the distribution rule using the fields *Valid from* and *Valid to*. The *Valid to* period is the only specification that you can change once you have used the distribution rule. You can change the distribution rule as far back as the period in which the rule was last used.

**See also:**

[Creating Settlement Rules \[Seite 18\]](#)

**Example: Replacing an Existing Distribution Rule with A New Rule**

You either corrected, changed, or specified a settlement rule. In this rule, you settle the collected costs on a sender object periodically to the *Purchasing* cost center and the *Sales and Distribution* cost center (50% to each). As of 1/1/99, you wish to replace the current receiver *Sales and Distribution* with *Vehicles*. To do this, reset the *Valid to* period for the distribution rule to 12/31/98

## Settlement Parameters

# Settlement Parameters

The settlement process is controlled using various parameters, including:

- [Settlement Profile \[Extern\]](#)
- [Allocation Structure \[Extern\]](#)
- [PA Transfer Structure \[Extern\]](#)
- [Source Structure \[Extern\]](#)

You can find out how to define these parameters in the *Implementation Guide (IMG)* for the sender object.

## Settlement profile

The settlement profile is defaulted on the basis of the entries you made in Customizing. For example, for Internal Orders, the settlement profile is transferred from the order type. You need a settlement profile for each settlement rule.

Define the following in the settlement profile:

- Permitted receivers:
  - This is where you define which receivers you can settle to. For example, for overhead orders, you can stipulate that settlement may be made to cost centers and orders, but not to fixed assets.
- Document type for accounting relevant or balance-sheet relevant settlements
- Maximum number of [distribution rule \[Extern\]](#)s
- Residence time for the settlement document
- Whether the portion to be settled may be specified as a percentage and/or using equivalence numbers or whether costs can be settled according to amounts
- Whether the total of the settlement percentage rates must be 100% during periodic settlement, or whether the total can be less than 100% (in other words, that you do not need to settle a sender object completely).
- Whether variances should also be recorded in the costing-based profitability analysis.
- Default values, which are transferred when you create the settlement rule:
  - *Allocation Structure:*

In the settlement structure you combine the primary and secondary cost elements into groups, in which debits are then posted to the sender objects. For each group, you specify whether (for settlement to a given receiver type) settlement is performed by cost element or using a settlement cost element.

For example, you might use settlement cost elements:

    - To document the purpose of an order (such as, repairs or maintenance)
    - To reduce data volumes (you can combine a number of debit cost elements under one settlement cost element).
  - *PA transfer structure*

## Settlement Parameters

The PA transfer structure is only required when you settle objects to Profitability Analysis (CO-PA).

You can use it to assign the fixed and variable costs incurred under **one** cost element or cost element group to different value fields in the operating concern.

- *Account assignment default:*

This enables you, for example, to go directly to the screen for entering a receiver cost center each time you create a settlement rule. You should enter the receiver type *Cost Center* as the default account assignment.

- *Source structure*

In the source structure you group the primary and secondary cost elements into *assignments*, in which debits are then posted to the sender objects. When you enter a distribution rule, you can enter a different receiver for each assignment. You can, for example, use this to settle primary costs using different rules than those required for secondary costs.



During settlement to a G/L account or a fixed asset, the system ignores additional account assignments that were manually specified in the distribution rule.

- Specifications for actual costs or cost-of-sales for the settlement:

- To be settled in full:

When you try to close an object or set the deletion flag, the system generates an error message if the balance for the object is not zero.

- Can be settled:

You can settle the actual costs, but are not under obligation to do so. When you try to close an object or set the deletion flag, the system displays a warning message if the balance for the object is not zero.

- Not for settlement:

The actual costs for the object are not settled, even if you specifically trigger settlement for the object. However, WIP and variances can be settled. When you try to close an object or set the deletion flag, the system does **not** display any messages if the balance for the object is not zero.



The *Production* cost center makes a repair request to the *Work Center* cost center. The costs are distributed as follows:

The *Production* cost center bears all material costs.

The market price for the repairs totals EUR 50 per hour, and the repairs usually take a maximum of five hours. Therefore, the *Production* cost center is liable for labor costs of up to EUR 250.

The *Work Center* cost center is liable for remaining costs.

You create the *Repairs* source structure and define assignments, each with a cost element group.

### Settlement Parameters

- For material costs
- For repair hours

You enter the *Repairs* source structure in the settlement rules for the repairs request and define the following distribution rules:

You settle all of the material costs to the *Production* cost center.

You settle repair hours totaling EUR 250 to the *Production* cost center.



You do not need a source structure if you want to settle all your cost elements using the same rules.

### Activities

Choose *Settlement Rules* → *Goto* → *Parameters for Settlement*, to change the settlement parameters.

## Settlement Hierarchy

### Use

During a settlement run, a settlement object can pass on costs to a settlement receiver that is also settled during the run.



You have internal orders for repair or maintenance costs, as well as for each machine and each of your fixed assets. To receive summarized information on all suborders for your fixed assets, settle your internal orders with repair or maintenance costs to the orders that collect the costs for the relevant machines. Then settle these orders to the internal orders that collect the costs for your fixed assets.

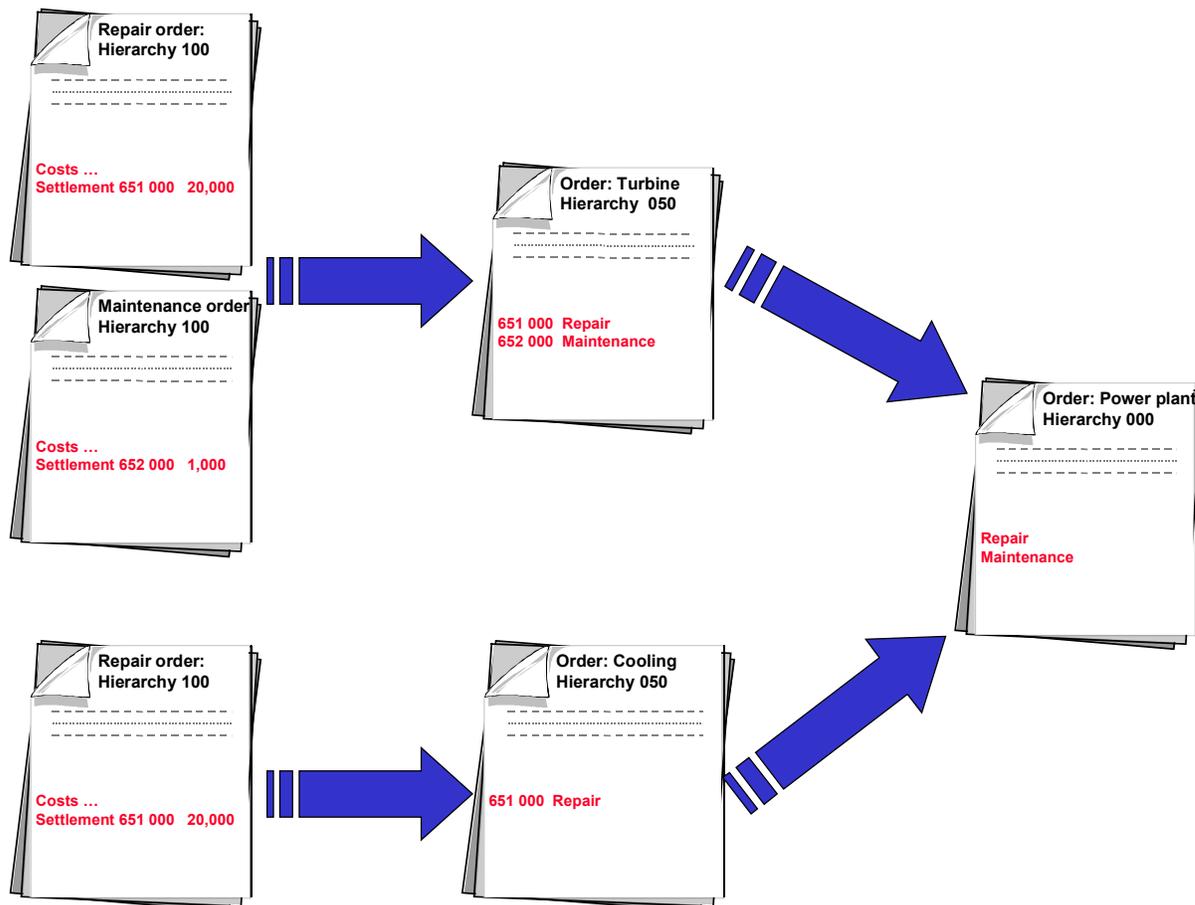
To ensure that you have fully settled all objects following the settlement run, you must settle the objects in the correct sequence. No objects may be settled and later receive costs from another object during the same settlement run. The costs received later would not be settled in this run. For this reason, the system determines a settlement hierarchy.

### Features

On the basis of your entries in the settlement rules, the system automatically determines the processing sequence for the settlement objects so that you can settle all objects completely. Each object is given a hierarchy number between 0 and 999. The object with the highest number is settled first and the object with the lowest number is settled last.



## Settlement Hierarchy



For example, repair or maintenance orders have hierarchy number 100. Orders for a turbine or cooling have hierarchy number 050, and the order for your power station has hierarchy number 000. Therefore, the system first settles the repair- or maintenance costs to the turbine or cooling, and then settles these orders to the power station.

If you settled the orders for the turbine or cooling first, these orders would still receive costs afterwards from the repair- or maintenance orders. These costs would not be settled during this settlement run.

If it is not possible for the system to determine a settlement hierarchy for a settlement run (in which all settlement objects can be completely settled), the system displays a message. In this case especially, you can enter a hierarchy number for your settlement objects if required. You can thus specify which objects in a settlement run are settled first, and, if required, debited later with costs from the same settlement run. In this case you should start the settlement several times, until all objects can be settled down to zero.

## Activities

For an overview of the settlement hierarchy, see: *Settlement rule* → *Settlement rule* → *Settlement hierarchy*.



## Creating a Settlement Rule

# Creating a Settlement Rule

You previously had to maintain the settlement rule for internal orders manually. Now the system can [automatically generate settlement rules for internal orders \[Seite 19\]](#).

## Procedure

1. Choose *Settlement rule* in the master data maintenance for the relevant sender object. The *Maintain Settlement Rules: Overview* screen appears.  
If you stored a default for account assignments in the [settlement profile \[Extern\]](#) then the system displays the existing distribution rules. The settlement receiver is the object type you stored as an account assignment default in the settlement profile.



You maintain settlement rules in Customizing under *Controlling* → *Internal Orders* → *Actual Postings* → *Settlement* → [Maintain Settlement Profiles \[Extern\]](#).

2. Choose *Edit* → *New rule* or enter the value directly.  
Specify how the sender object costs are to be settled to the various settlement receivers:
  - By percentage
  - By equivalence numbers



For distribution rules of the same settlement type (periodic or total) you need to determine the portion using either percentage rates or equivalence numbers.

Specify the [settlement type \[Extern\]](#) for each distribution rule.



The system defaults the settlement type depending on the receiver, for example *PER* for cost center, *FUL* for fixed asset. You can overwrite the default value, if required. When you save the sender object, you automatically save the settlement rule.

### See also:

[Distribution Rule \[Seite 9\]](#)

## Automatic Generation of Settlement Rules

### Procedure

To enable the system to automatically generate a settlement rule for an internal order, you need to assign a strategy sequence to the order. You can display SAP defaulted strategy sequences in customizing, and if required, create a user-defined strategy sequence. You then assign the strategy sequence to an order type. This ensures that all orders created at a later date (for this order type) receive this strategy sequence. However, you can manually maintain the strategy sequence retrospectively in the order master data. For each order type in Customizing, you also need to specify what time the generation should occur, and the change behavior of the settlement rule.

For more information, see the implementation guide (IMG) under *Controlling* → *Internal Orders* → *Actual postings* → *Settlement* → [Automatic Generation of Settlement Rules \[Extern\]](#).

## Settlement Rule List

### Features

You can display [settlement rules \[Seite 8\]](#) for as many senders as required. You can make your selections using settlement parameters and settlement receivers.

The following reports are available:

- **RKASERULES**  
You use the settlement rule fields to make a selection. The system displays all the senders for any object type which meet these criteria.
- **RKASERULES\_OR**  
You only select internal orders, plant maintenance orders, and service orders. You need to specify a selection variant for internal orders. You can also use the settlement rule fields to make your selection if required.
- **RKASERULES\_PR**  
You only select projects (WBS elements, networks, orders). You need to specify a selection variant for projects. If required, you can also use the settlement rule fields to make your selection.

## Settlement Methods

### Use

For almost all sender objects there is an individual and a collective settlement.

You use individual settlement to analyze settlement results in greater detail.

Collective settlement is for processing a large number of sender objects. You normally use this during period-end closing to start settlement in the background.

You can choose to simulate settlement (test run) or start it as an update run. For given objects, you can run the settlement in the background or get the system to display the settlement results in a detailed list.

### Prerequisites

If you have already settled for subsequent periods, you must first reverse the settlements for those periods.

You can only repeat settlements in a period if the [settlement documents \[Seite 22\]](#) have not yet been archived.

When you repeat settlement in a period, the system only includes the postings that you made since the last settlement. This is also the case when you post this type of settlement in a later period.

### Features

You can repeat settlement for a given period at any time. For example, because postings were made in that period after settlement had taken place.

You can also make settlements in a later posting period instead of within the settlement period. This is useful if the settlement period is already locked for the posting period, but not all costs have been settled for the settlement period. However, you need to have made the settlement within the current fiscal year.

### Reversing settlements

Settlements can be reversed both for individual settlement and collective settlement. However, you can only reverse the **last** settlement you performed for a sender. If you have settled a sender more than once within a period, you must also reverse the settlements one by one. First, you reverse the last settlement for the period, then the second-to-last, and so on.

If, within a given period, you want to reverse a settlement from a previous period, you need to reverse the subsequent settlements first.



For example, you are in period 6 and you want to reverse the settlement for period 4. You first have to reverse any settlements for periods 6 and 5.

## Settlement Document

### Definition

A means of uniquely identifying a settlement in the system. To ensure this, the system creates a **settlement document** each time a sender object is settled. This document is stored in the system with a unique number.

### Use

The settlement document is required for reversing settlements.

You define number ranges for the settlement documents in the settings for the sender object.



If you want to perform settlement in different controlling areas at the same time (for example, on the same day), system performance is improved if you define separate number ranges for each controlling area. Therefore, define separate controlling areas and separate number range intervals for the settlement documents.

The settlement documents use up additional storage space. Therefore, you should archive the settlement documents once a posting period has been locked against posting, both in Controlling (CO) and in Financial Accounting (FI). When you specify the residence time in the settlement profile, you should always keep to a security deadline.

### Integration

In addition to the settlement document, the system creates an [accounting document \[Extern\]](#) for the financial accounting part of the settlement. It also creates a [controlling document \[Extern\]](#) for the cost accounting part.

## Carrying Out Settlement

### Prerequisites

After you have created a settlement rule, actual costs have been incurred on the sender object, and all the settlement prerequisites for that sender have been met, you can settle the costs incurred.

You can use individual or collective processing.



Refer to the documentation on the various sender objects for details of what selection possibilities you have for each particular object.

This documentation also tells you what the sender-specific prerequisites are for the objects in question.

### Procedure

1. Choose *Settlement* from the menu of the object you want to settle.
2. Make the relevant entries
  - For the order when you are in individual processing.
  - For the selection variant when you are in collective processing.



In contrast to assessment, you cannot perform settlement across fiscal year boundaries.

The system automatically determines the posting date from the posting period and the fiscal year. The posting date is the last day of the posting period. There is no input field for this, but the date does appear, for example, in settlement documents.

– *Asset value date*

This is the date for valuation in Asset Management. You can enter the date in the initial screen in the settlement or derive it from the settlement rule for the sending or receiving asset. This field does **not** appear, for example, during settlement of production orders.

– *Processing type*

There are 3 processing types defined for settlement:

- Automatic

The system selects all the distribution rules for a sender. Note the following special features:

If a sender only has distribution rules with settlement type PER, the system only selects and settles the costs of the settlement period.

If a sender has distribution rules with settlement type PER (PER rules) as well as distribution rules with settlement type FUL (FUL rules), the PER rules are applied first to the costs for the settlement period. If any costs are left after that, the FUL rules are applied.

## Carrying Out Settlement

A production order with the FUL settlement rule to materials is not settled until the final delivery is received. However, if any work in process is calculated for the order (order accrual), the related values can be transferred to Financial Accounting.

For investment measures, FUL rules are not applied until the measure is technically closed (compare "partial capitalization"). Assets under construction (AUC) are always settled, regardless of status.

- Periodic

All distribution rules with settlement types PER and AUC are selected. PER rules are applied first. In investment measures, this is followed by settlement to assets under construction.

- Partial capitalization

Use this processing type if you want to partially capitalize an investment measure which is not yet complete, that is, if you want to settle part of the overall cost to finished assets.

## Results

### Settlement Log

The settlement log is divided into three main sections:

- Basic list

In the basic list for collective processing, the system displays the results of the settlement, for example, the number of messages. It goes on to list the processing senders based on the following categories:

Category	Number of senders
Fully settled	that were correctly settled.
Fully reversed	that were fully reversed.
Not to be reversed	that were already fully reversed.
Zero balance	that were already settled or senders that do not have inventory (actual costs).
Created/closed	that have system status <i>Created</i> or <i>Closed</i> .
Locked for settlement	that are not planned for settlement A reversal is therefore also not possible.
In processing	that are being processed. A sender is being processed, when a user changes the settlement rule during settlement.
Partially settled	that were not completely settled. A settlement can be described as partial if an object is debited again by another sender during the same settlement run.
Incorrect	Number of senders for which errors occurred. These might be, for example, senders which have been <i>released</i> , but for which no settlement rule was created.

- Messages

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**Carrying Out Settlement**

You can display the messages issued during settlement by choosing *Messages*. During background processing the messages are output in the settlement log.

- Detail list

The system only outputs a detail list if you choose the corresponding option in the *Settlement* initial screen. Choose *Detail list* to see the list displayed. During background processing the messages are output in the settlement log if required.

## Currencies in Controlling

## Currencies in Controlling

### Use

You can use different currencies in the Controlling component (CO):

### Features

The following currencies are valid in Controlling:

- [Controlling area currency \[Extern\]](#)

The system uses this currency for cost accounting. This currency is set up when you create the controlling area. It is based on the assignment control indicator and the currency type.

(see: [Specifying Controlling Area Currency \[Extern\]](#) )
- [Object currency \[Extern\]](#)

Each object in Controlling, such as cost center or internal order, may use a separate currency specified in its master data. When you create an object in CO, the SAP system defaults the currency of the company code to which the object is assigned as the object currency. You can specify a different object currency only if the controlling area currency is the same as the company code currency. There is an object currency for the sender as well as one for the receiver.
- [Transaction currency \[Extern\]](#)

Documents in Controlling are posted in the transaction currency. The transaction currency can differ from the controlling area currency and the object currency. The system automatically converts the values to the controlling area currency at the exchange rate specified.



The system always translates actual data with the average rate (exchange rate type *M*).

You store the exchange rate type for each currency. You can specify a different exchange rate type for planning data in the version.

All three currencies are saved in the totals records and the line items. This enables you to use the different currencies for evaluations in the information system. This is only possible if you specified that all currencies should be updated for the given controlling area (see: [Maintain Controlling Area \[Extern\]](#)).



The transaction currency is USD, the controlling area currency is EUR, and the object currency is SFR (Swiss francs). The system converts the amounts as follows:

- 1.) From transaction currency to controlling area currency (*USD* → *EUR*)
- 2.) From controlling area currency to object currency (*EUR* → *SFR*)

The following additional currencies may also appear as controlling area currencies in Controlling if you use cross-company code cost controlling:

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**Currencies in Controlling****Local Currency:**

Company code currency (country currency) used for local ledgers in external accounting.

For each company code you can specify one or two parallel currencies (= second and third local currencies) which are stored in the documents and updated parallel to the local currency in the general ledger.

**Group Currency:**

Currency in which the group balance sheet is displayed.

You can specify it as a parallel currency (additional local currency) for a company code.

**Hard Currency:**

Secondary currency for countries with high inflation. You can specify it as a parallel currency (additional local currency) for a company code. You need to specify the hard currency in the detail screen for the corresponding country.

**Index-Based Currency:**

Country-specific, fictitious currency stipulated in certain countries with high inflation for tax returns. You can specify it as a parallel currency (additional local currency) for a company code. You need to specify the index-based currency in the detail screen for the corresponding country.

**Global Company Currency:**

Currency used in a corporate group. In the CO application component you can create companies to represent divisions, regions, or product groups.

You can specify it as a parallel currency (additional local currency) for a company code. You need to store the global company currency in the detail screen for the corresponding company.

For more information on defining parallel currencies, see Customizing under *Financial Accounting* → *FI Global Settings* → *Company Code* → *Parallel Currencies* → [Defining additional local currencies \[Extern\]](#).

**See also:**

[Examples: Currencies in Controlling \[Extern\]](#)