

Managing Special Stocks (MM-IM)



HELP.MMITM

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Icons

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	Caution
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Managing Special Stocks (MM-IM)

Definition

Special stocks are stocks that are managed separately as a result of their not belonging to your company or being stored at a particular location.

Structure

Special stocks and special procurement types are divided into the following areas:

- Consignment
- Subcontracting
- Stock transfer using stock transport order
- Third-party processing
- Returnable transport packaging
- Pipeline handling
- Sales order stock
- Project stock

The following sections outline the special features of each area in the *Purchasing*, *Inventory Management*, and *Invoice Verification* components.

Company's Own Special Stocks

Definition

Stocks belonging to your company that are stored with the vendor or the customer.

In the R/3 System the following types of company's own special stocks are available:

- Stock of material provided to vendor
- Consignment stock at customer
- Returnable packaging stock at customer

Since these special stocks are not located at your own company, they are managed at plant level and not at storage location level.

Two stock types are possible:

- Unrestricted-use stock
- Quality inspection stock

All stock types can be inventoried.

Use

Stock of Material Provided to Vendor

These are your company's own stocks that you provide to the vendor (subcontractor) to manufacture a product you have ordered. However, this stock is still your company's property. This stock is available for Materials Planning.

The goods movements for materials provided to vendor are described in [Subcontracting \[Page 27\]](#).

Consignment Stock at Customer

This is consignment material belonging to your company that is stored with the customer. This stock is not available for materials planning.

In Inventory Management, you can post the following goods movements (with reversal):

- Initial entry of stock balances (movement types 561, 563)
- Transfer posting from plant to plant in one step (301)
- Transfer posting from material to material (309; also refer to [Entering Transfer Postings from Material to Material \[Ext.\]](#))

Other goods movements are processed using the *Sales (SD-SLS)* component. See also: [Managing Consignment Stocks \[Ext.\]](#).

Returnable Packaging Stock at Customer

This is packaging materials or means of transport (for example, pallets or crates) which are supplied by your company to a customer and must be returned. Returnable packaging stock is not available for Materials Planning.

In Inventory Management, you can post the following goods movements (with reversal):

Company's Own Special Stocks

- Initial entry of stock balances (movement types 561, 563)
- Transfer posting from plant to plant in one step (301)
- Transfer posting from material to material (309; also refer to [Entering Transfer Postings from Material to Material \[Ext.\]](#))

Other goods movements are processed using the *Sales (SD-SLS)* component. See also: [Managing Returnable Packaging Stock \[Ext.\]](#).

Externally-Owned Special Stocks

Definition

Externally-owned special stocks belonging to a vendor or customer that are stored at your company.

In the R/3 System the following types of externally-owned special stocks are available:

- Vendor consignment
- Returnable transport packaging
- Sales order stock
- Project stock

Since these special stocks are located at your company, they are managed at storage location level.

These special stocks can be allocated to three different stock types:

- Unrestricted-use stock
- Quality inspection stock
- Blocked stock

All stock types can be inventoried.

Use

Vendor Consignment

This type of stock comprises consignment material belonging to the vendor that is stored on your premises.

Consignment stocks from the vendor are available for MRP.

Goods Movements for consignment stocks from the vendor are described in the section [Consignment \[Page 13\]](#).

Returnable Transport Packaging (RTP)

Multi-trip packaging medium (such as pallets or containers) in which goods can be transported between vendors and customers. It is the property of the vendor and is therefore not included in the customer's valuated stock.

Goods Movements for returnable transport packaging are described in [Returnable Transport Packaging \[Page 74\]](#).

Sales Order Stock

Stock that is used for a sales order. It is directly allocated to a sales order. Components can only be used to produce material ordered by the customer and the finished product can only be delivered to the customer via the sales order.

Sales order stock is explained in [Sales Order Stock \[Page 86\]](#).

Externally-Owned Special Stocks

Project Stock

Quantity of a material which is held in stock for the completion of a project. The project stock is allocated to a work breakdown structure (WBS) element. Components can only be withdrawn for the WBS element.

Project stock is explained in [Project Stock \[Page 89\]](#).

Special Procurement Types

In standard procurement, a customer buys a material from an external vendor and the material is delivered to the customer. Upon delivery, the goods ordered belong to the customer's company.

In special procurement, the goods are not necessarily delivered from the vendor to the customer. In third-party processing, for example, the ordered material is delivered directly from the vendor to a customer of the customer. In stock transfer processing a material is procured **internally** and transported from a storage location to the location where it is required.

The following special procurement types exist in the R/3 System:

- Consignment
- Subcontracting
- Stock Transfer Using Stock Transport Order
- Third-Party Processing
- Returnable Transport Packaging
- Pipeline Handling

Consignment

When buying goods on consignment, the ordered goods still belong to the vendor, even after delivery. The goods only become the property of the company supplied when they are consumed. The quantity consumed/withdrawn is settled with the vendor periodically, for example on a monthly basis.

Subcontracting

In subcontracting, the vendor (the subcontractor) receives components from which it produces a product. The product is then ordered by your company through a purchase order. The components required by the vendor to manufacture the ordered product are listed in the purchase order and provided to the subcontractor. The components can be determined by the system via a bill of material.

Stock Transfer Using Stock Transport Order

In stock transfer processing, goods are procured and supplied within a company. One plant orders the goods internally from another plant (receiving plant/issuing plant).

The goods are procured with a special type of purchase order - the stock transport order. You can request and monitor the transfer of goods with a stock transport order. The delivery can be processed in Inventory Management or in the Shipping component (*LE-SHP*).

Third-Party Processing

In third-party processing, a company passes on a sales order to an external vendor who sends the goods directly to the customer. The sales order is not processed by your company, but by the vendor. Third-party items can be entered in purchase requisitions, purchase orders, and sales orders.

Third-party processing is integrated with the Sales and Distribution (*SD*) component. If the sales order contains third-party items, the system creates a purchase requisition from the order.

Special Procurement Types**Returnable Transport Packaging**

The company orders goods from a vendor. The goods are delivered with returnable transport packaging (pallets, containers) that belongs to the vendor and is stored on the customer premises until they return it to the company.

Pipeline Handling

In pipeline handling, the company does not need to order or store the material concerned. It is ready available as and when required via a pipeline (for example, oil or water), or some other type of cable (for example, electricity). Consumption of the material is settled with the vendor on a regular basis.

Consignment

Use

In consignment processing, the vendor provides materials and stores them on your premises. The vendor remains the legal owner of the material until you withdraw materials from the consignment stores. Only then does the vendor require payment. The invoice is due at set periods of time, for example, monthly. In addition, you can also arrange with the vendor that you take over ownership of the remaining consignment material after a certain period of time.

Features

- The consignment stock is managed under the same number as your own stock. Consignment stock can, therefore, be transferred to the available stock.
- You can define consignment prices in foreign currency. The currency in which the order is placed with the vendor applies for consignment withdrawals.
- You can determine period-specific consignment prices.
- You can specify the consignment price in any unit of measure. The conversion factor is stored in the info record. (For information on consignment info records, refer to [Pricing for Consignment Stocks \[Page 14\]](#).)
- Using consignment info records, you can make use of other condition functions used in Purchasing, such as discounts and price quantity scales.
- Consignment stocks of the same material from different vendors can be managed independently from one another and at the price of the individual vendors.
- Consignment stocks are not valuated. When the material is withdrawn it is valuated at the price of the respective vendor.
- A consignment material can be allocated to one of three stock types:
 - Unrestricted-use stock
 - Quality inspection stock
 - Blocked stock

You can make transfer postings between these three stock types. Withdrawals can only be posted from unrestricted stock, however.

Archiving Consignment Stock Data

For information about archiving consignment stock data, see [Archiving Special Stock Records \(LO-MD-MM\) \[Ext.\]](#).

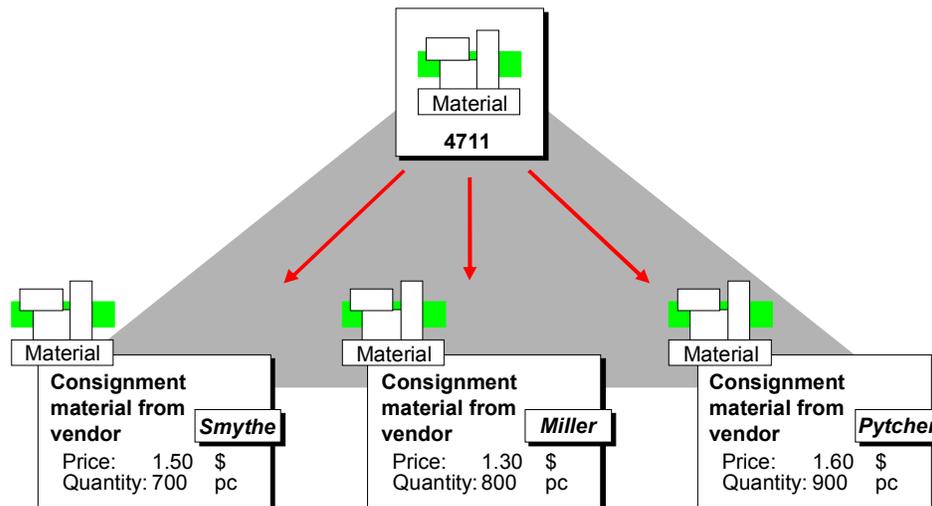
Pricing for Consignment Stocks

Pricing for Consignment Stocks

Use

Before you can order a material from a vendor or post a goods receipt to consignment stock, you must maintain the consignment price for the vendor in an info record. The price is required for material valuation and accounting purposes.

If you order consignment material from several vendors, the system maintains the consignment stock separately for each vendor, since the individual quantities of the material can have different prices with each vendor.



Activities

Creating Info Records for Consignment Stocks

To enable you to create an info record for a material, the material master record must already exist for the plant concerned. To create an info record, choose *Master data* → *Info record* → *Create*. Maintain the data as required and save the info record.

Procurement of Consignment Material

Use

You can procure consignment material via purchase requisitions, purchase orders and outline agreements for consignment material.

Activities

Creating Purchase Requisitions for Consignment Material

You enter purchase requisitions for consignment materials in exactly the same way as for other materials.

You accept the order category (such as NB) that the system proposes as a default and enter the item category *K* (for consignment).

Creating Purchase Orders / Outline Agreements for Consignment Materials

The procedure for creating consignment orders is the same as for standard purchase orders or outline agreements. However, you must note the following:

- Enter the item category *K* for the consignment item. To ensure that the goods receipt is posted to the consignment stores and an invoice receipt cannot be generated for the item.
- Do not enter a net price.

Stock Movements for Consignment Material

Use

This section describes the different movement types for consignment material.

Posting Goods Receipts for Consignment Material

Goods receipts to your consignment stores can either:

- refer to a purchase order or
- be made by the vendor directly without a purchase order

The posting procedure differs slightly.

A goods receipt to consignment stock is possible for three stock types:

- Unrestricted-use stock
- Quality inspection stock
- Blocked stock

Goods Receipt With Purchase Order

If a purchase order exists for the consignment material delivered, enter a goods receipt as follows:

1. From the Inventory Management menu, choose *Goods movement* → *Goods receipt* → *For purchase order* → *PO number known*. The initial screen is displayed.
2. Enter the number of the purchase order to which the goods receipt refers. You can also enter the plant and storage location.
3. Select the movement type with *Movement type* → *PO to warehouse*.
Press ENTER to display the item overview.
4. Select the items you wish to process and check the quantities delivered. If required, enter a stock type in column **S**. Copy (adopt) the selected items.
5. Post the goods receipt.

Goods Receipt Without Purchase Order

If the vendor's goods receipt is not based on a purchase order, proceed as follows:

1. Choose *Goods movement* → *Goods receipt* → *Other* from the Inventory Management menu.
2. On the initial screen choose *Movement type* → *Receipt* → *W/o purchase order* → *To consignment unr*. Enter the plant and storage location. Press ENTER to display the collective entry screen.
3. Enter the number of the vendor.
4. Enter the number and quantity of the consignment material.
5. Post the goods receipt.

Updating Consignment Stock

After a goods receipt for consignment material has been posted, the consignment stock of the material increases. The consignment stock is available for MRP.

However, the material's valuated stock does **not** increase since the consignment stock still belongs to the vendor.

Posting Goods Receipts for Consignment Material

Displaying Consignment Stock

Use

You can display data for consignment stock using the following functions:

- Display consignment info record
- Display the stock overview
- Display consignment stocks

Activities

Display consignment info record

From the Purchasing menu, choose *Master data* → *Info record* → *Create*. Maintain the data on the initial screen and choose *Continue*.

Display the stock overview

In the stock overview you can display the consignment stock of a material for all vendors. In addition, all the other stock types (for example, own stock) are displayed.

From the Inventory Management menu, choose *Environment* → *Stock* → *Stock overview*. Maintain the data on the initial screen and carry out the evaluation.

An overview is displayed of your own stock and the consignment stock according to your selection criteria.

If consignment stock exists, the line *Vendor consignment* is displayed for the relevant storage location. Select this line to display detailed information on the consignment stock.

Display consignment stocks

This function allows you to display the consignment stocks of more than one material at the same time. From the Inventory Management menu, choose *Environment* → *Consignment* → *Vendor consignment* → *Stock*. Maintain the data on the initial screen and carry out the evaluation.

Goods Issue from Consignment Stock

Goods Issue from Consignment Stock

Use

You can only post a goods issue from consignment stock to consumption if the material belongs to unrestricted-use stock. If the consignment material is in quality inspection or blocked stock, you must first transfer it to the unrestricted-use stock.

Activities

Choose *Goods movement* → *Goods issue*. Enter the data as required, including movement type, account assignment object, and vendor.

After the goods issue, the vendor is due the net value of the goods issue.

Transferring Consignment Stocks

If, for example, you want to transfer consignment material within a plant from one storage location to another, proceed as follows:

1. From the Inventory Management menu, select *Goods movement* → *Transfer posting*. The initial screen is displayed.
2. Enter the plant and the issuing storage location. Choose *Movement type* → *Transfer posting* → *Consignment* → *SLoc unre. to unre.* (Storage location unrestricted to unrestricted). It is also possible to transfer quality inspection stock or blocked stock.
3. Press ENTER. The collective entry screen appears.
4. Enter the following data:
 - Receiving storage location
 - Vendor
 - Material
 - Quantity
5. Post the stock transfer.

The transferred quantity is now managed in the consignment stock of the receiving plant.

Transferring Consignment Material to Another Stock Type

Transferring Consignment Material to Another Stock Type

If you posted the consignment material to the quality inspection stock or blocked stock, you must transfer it to the unrestricted-use stock before it can be withdrawn.

To transfer a consignment material from one stock to another, proceed as follows:

1. From the Inventory Management menu, select *Goods movement* → *Transfer posting*. The initial screen appears.
2. Enter the plant and storage location. Choose *Movement type* → *Transfer posting* → *Consignment* and then the stock type (for example, *QI to unrestricted*).
3. Press ENTER. The collective entry screen appears.
4. Enter the following data:
 - Vendor
 - Material
 - QuantityOnly enter a receiving storage location if the material should be stored in another storage location.
5. Post the document.

The consignment material is now managed with a different stock type.

Transferring Consignment Material Into Own Stock

Prerequisites

Supposing you agreed with the vendor that after six months you will take over ownership of the remaining consignment stock. To do this, carry out the following goods movement:

Procedure

1. Choose *Goods movement* → *Transfer posting*. The initial screen appears.
2. Enter the plant and storage location. Choose *Movement type* → *Transfer posting* → *Consignment* → *Consignment to own*. (Movement type **411** with special stock indicator **K**)
3. Select *Continue*. The collective entry screen appears.
4. Enter the vendor, material, and quantity. Only enter a receiving storage location if the material should be stored in another storage location.
5. Post the document.

Result

The transfer results in a liability towards the vendor.

Settling Consignment Liabilities

Settling Consignment Liabilities

Use

Removing material from consignment stores or transferring material to your company's own stock results in liabilities towards the vendor. You should settle these liabilities at regular intervals.

Consignment materials are settled without the vendor issuing an invoice, as the vendor company is unable to track withdrawals directly. The vendor can only manage its consignment stock by taking deliveries and payments into account.

You can initiate payment for consignment withdrawals using the *Logistics Invoice Verification* application component.



For more information on settling consignment material, see [Consignment and Pipeline Settlement \[Ext.\]](#).

Physical Inventory of Consignment Material

This section explains to what extent the physical inventory of consignment material differs from a standard physical inventory. You start from the physical inventory menu.

For detailed information on physical inventory, please see *MM – Inventory Management*.

You take a physical inventory by:

- creating a physical inventory document
- entering the physical inventory count
- posting inventory differences

Creating a Physical Inventory Document

This section explains how to create a physical inventory document. The inventory document is used as a work sheet for the warehouse count and as a basis for further physical inventory transactions.

1. From the Physical Inventory menu, choose *Phys. inventory document* → *Create*. The initial screen appears.
2. Fill out the initial screen. Enter **k** in the *Special stock* field.
3. Press ENTER. The item overview is displayed.
4. Enter the vendor and all the materials that are to be counted. If you want to include the quality inspection stock or blocked stock of a material, enter a new item for the material number and enter the relevant stock type in the field *STy* (Stock type).

You can enter materials for another vendor by choosing *Edit* → *New items*. On the screen for entering new items overwrite the entry in the field *Vendor*.

5. Post the document.

Entering the Physical Inventory Count

This section explains how to enter the results of the warehouse inventory count into the R/3 System.

1. From the physical inventory menu, choose *Inventory count* → *Enter*. On the initial screen enter the physical inventory document number.
2. Press ENTER and enter the counted quantity for each item on the next screen.
3. Post the document.

Posting Inventory Differences

After entering the count, you must post the differences between the stock in the R/3 System and the counted stock. To do this, proceed as follows:

1. Choose *Difference* → *Post*.
2. Enter the document number and press ENTER. The difference quantity is displayed.
3. Post the document.

Subcontracting

This section describes how to procure materials using a subcontract order. It describes how subcontract orders are processed in Purchasing, Inventory Management, and Invoice Verification.

Use

In subcontract order processing, the vendor receives materials (components) with which it produces the end product. The following are involved:

1. You order the end product using a subcontract order. The components that the vendor needs to manufacture the end product are specified in the purchase order.
2. In Inventory Management, the components are posted to the stock of material provided to vendor. The components are then supplied to the vendor.
3. The vendor performs its service and delivers the ordered material (the end product). The consumption of the components is posted.
4. If, after the goods receipt has been posted, the vendor informs you that a larger or smaller quantity of the components was actually consumed than planned in the purchase order, you must make an adjustment.
5. The vendor charges for his or her service. The invoice is posted in Invoice Verification.

Stock of Material Provided to Vendor

The quantities of the components to be provided to the vendor are entered into the *stock of material to be provided to vendor*. This stock has the following features:

- It is managed as part of your total valuated stock, and is available for MRP.
- It is only managed at plant level, since it is not stored at your own company but on the vendor's site.
- Two stock types are possible:
 - unrestricted-use stock
 - quality inspection stockStock can be transferred between the two stock types. Withdrawals can only be posted from unrestricted stock, however.
- You can take a physical inventory of the stock of material to be provided to vendor.

Subcontracting in Purchasing

Subcontracting in Purchasing

Use

The material to be produced by the vendor can be ordered as a subcontract item in a purchase requisition, purchase order, or scheduling agreement. Each subcontract item has one or more sub-items that contain the individual components the vendor needs to perform the subcontract work or value-added service.

The individual component items can either be

- Entered or changed manually
- Copied from an existing bill of material (this is known as a BOM explosion)

Features

Purchase Requisition

If you enter a subcontract item with components in a purchase requisition or copy it from a bill of material, the system automatically creates dependent requirements for each component. These are only relevant for MRP.

Purchase Order

Each subcontract item in the purchase order has component items. They are either copied from the purchase requisition, entered manually, or copied from a bill of material.

The purchase order price is the subcontract price for manufacturing the ordered material (see also [Creating a Subcontract Order \[Page 30\]](#)).

Scheduling Agreements and Schedule Lines

In a scheduling agreement you enter the material that is to be produced in a subcontract item. In each schedule line you enter the components that are to be provided to the vendor or copy them from the bill of material. This means that the components and their reservation items and arranged below the schedule lines. This also applies to scheduling agreement schedule lines and schedule lines in purchase requisitions and purchase orders (see also [Entering Delivery Schedules \[Page 31\]](#)).

Changes to the Purchasing Document

When you process subcontract orders in Purchasing, please note the following:

- If you change the order quantity or scheduled quantity, the quantities of the components to be provided are changed proportionally, providing the indicator *Fixed quantity* is not set.
- If you change the delivery date, the system only recalculates the date required, the components are not automatically redetermined in the bill of material. In this case, you must request a new BOM explosion.

Purchasing Master Data

The conditions for the material to be produced are stored in a subcontract info record.

You enter the special procurement type *L* (subcontracting) when making quota arrangements.

Monitoring Materials to be Provided to Vendor

By monitoring the material stocks to be provided to a vendor, you can determine whether the components required for subcontract work at the vendor's site are actually available in the warehouse (see also [Monitoring Stocks of Material Provided to Vendor \[Page 32\]](#)).

Creating a Subcontract Order

Creating a Subcontract Order

To create a subcontract order, proceed as follows:

1. Enter the material you want to order and the item category for subcontracting (**L**) in the order item.

Press ENTER to display the screen for component processing.

2. Enter the components that the vendor requires to manufacture the product. Please note:
 - You do not need to enter the date required for the components. This date is proposed by the system when you press ENTER. It is calculated as follows:

Delivery date of the item - Planned delivery time

- If you do not want the quantity of the components to be changed if the order quantity of the end product is altered, set the indicator *Fixed quantity* (column *F*).
 - You can determine whether the components are available on the date required by selecting *Edit* → *Availability check*.
3. If you entered a bill of material as the material in the subcontract order, the components are created automatically.

If you want to determine the components in the bill of material at a later date (for example, if the bill of material is subsequently changed), choose *Item* → *Component* → *New BOM explosion*. The existing components are deleted and redetermined in the bill of material.

4. Save the purchase order.
5. When you print the purchase order, the components are printed per order item.

Entering Delivery Schedules

To enter several delivery dates for a subcontract order item, proceed as follows:

1. Display the scheduling screen for the item.
2. Enter the quantities and dates.
3. If the ordered material has a bill of material, the components are copied from the bill of material.
4. If you do not use bills of material, you must either enter the components manually or refer to an existing purchase requisition. You have to enter the components for every delivery schedule.

Position the cursor on a schedule line and choose *Item* → *Component* → *Overview* to display the screen for processing components. You can enter or change the individual components in the same way as an order item.

To make entering the schedule lines easier, copy the components for other delivery schedule items. To do this, select *Edit* → *Repeat components* → *Activate*.

When you enter the next delivery schedule for the material, the components will be copied from the selected delivery schedule. The quantity and the date required are redetermined.

5. Save the delivery schedule.
6. When you print the scheduling agreement, the quantity required per component and date required are reprinted.

Monitoring Stocks of Material Provided to Vendor

Monitoring Stocks of Material Provided to Vendor

Use

To obtain an overview at any time of the current situation for stocks of material provided to vendor, you can use report *SC Stock Monitoring for Vendor* (RM06ELLB).

The report provides the following information:

- current stock situation
- planned issues
- planned receipts

Activities

You can start the report from the Purchasing menu. Choose *Purchase order* → *Reporting* → *SC stocks per vendor*. For more information, refer to the report documentation.

From this list you can provide components for existing purchase orders. Refer to [Providing Components for Existing Purchase Orders \[Page 36\]](#).

Subcontracting in Inventory Management

Use

The following functions are supported in Inventory Management:

- Provision of components

The components that are provided to the subcontractor are managed as stock provided to vendor. In Inventory Management, the provision represents a transfer posting from unrestricted-use stock to the stock of material provided to vendor. Components in a subcontract order that are consumed can only be debited from the stock of the material provided to the particular vendor.
- Goods receipt of the end product (with consumption of the components)

You post the goods receipt for the end product with reference to the subcontract order item. At goods receipt, a consumption posting for the components is also made from the stock of material provided to vendor. For each goods receipt item, the system copies the components with their quantities as goods issue items. If the vendor (subcontractor) consumed a greater or smaller quantity than was planned in the purchase order, you can adjust the component quantity at goods receipt.
- Subsequent adjustment for over/under consumption

If the vendor only tells you after the goods receipt has been posted that a greater or smaller quantity of the components was consumed than had been planned in the purchase order, the difference must be posted as a subsequent adjustment.
- Transfer postings

You can carry out the following transfer postings for stock of material provided to vendor:

 - Plant to plant in one step (301)
 - Material to material (309; also refer to [Entering Transfer Postings From Material to Material \[Ext.\]](#))
 - Unrestricted-use stock to quality inspection stock and vice versa (movement types 321/322; also refer to [Posting Material Provided to Vendor to Another Stock Type \[Page 42\]](#))

Provision of Components

Provision of Components

The components that are provided to the subcontractor are managed as stock provided to vendor. Components in a subcontract order that are consumed can only be debited from the stock of the material provided to the particular vendor.

Components can be provided to a vendor as follows:

- They are posted from unrestricted-use stock.

The transfer posting can be made without referencing a purchase order. Alternatively you can provide vendors with the components required for existing purchase orders.

See also:

[Providing Components With No Order Reference \[Page 35\]](#)

[Providing Components for Existing Purchase Orders \[Page 36\]](#)

- They are delivered by another vendor.

This involves you ordering the components from a second vendor which you require for the subcontractor.

See also:

[Providing Materials From Another Vendor \[Page 39\]](#)

Providing Components With No Order Reference

To post components from the unrestricted-use stock to the stock of material provided to vendor, proceed as follows:

1. From the Inventory Management menu, select *Goods movement* → *Transfer posting*.
2. Enter the issuing plant and storage location. Choose *Movement type* → *Transfer posting* → *Stock with subcontractor* → *From unrestricted*.
3. Press ENTER. The collective entry screen appears.
4. Enter a vendor and the individual items.
5. Post the document.

Stock Update

As a result of the transfer posting

- the unrestricted-use stock in the issuing storage location is reduced
- the stock of material provided to vendor at plant level is increased. The stock of material provided to vendor is not managed at storage location level, since the stock is no longer stored at your company.

Documents

No accounting document is created for this material document, since the components remain in the valuated stock.

Goods Receipt/Issue Slip

This movement type allows you to print GR/GI slips. The standard system provides the following output types for this purpose:

- **WLB1:** GI slip for subcontracting version 1
- **WLB2:** GI slip for subcontracting version 2
- **WLB3:** GI slip for subcontracting version 3

Providing Components for Existing Purchase Orders

Providing Components for Existing Purchase Orders

Use

You can provide components for existing purchase orders in the following ways:

- from the *SC Stock Monitoring for Vendor* list as a goods issue via Inventory Management
- from the *SC Stock Monitoring for Vendor* list as a delivery via Shipping
- from the Inventory Management menu

From *SC Stock Monitoring for Vendor* as a Goods Issue via Inventory Management

1. From the Purchasing menu, choose *Purchase order* → *Reporting* → *SC stocks per vendor*.
2. Enter your selection criteria on the initial screen, for example, the number of the vendor, plant, and the date required.
3. Carry out the evaluation.
The list of components that belong to the selected subcontract orders is displayed.
4. Select the components you wish to provide to the vendor.
5. Choose *Edit* → *Post goods issue*.
A dialog box appears, in which you can enter the data required to post the goods issue.
6. Choose *Continue*.

The system posts the goods issue in the background and, after posting, it informs you in a dialog box how many items were posted.

You can also display this information by choosing *Goto* → *Processing log*.

The list is automatically updated after the items are posted.

From *SC Stock Monitoring for Vendor* as a Delivery via Shipping

From the *SC Stock Monitoring for Vendor* list, you can also create a delivery via Shipping. The advantage of this procedure is that you have shipping documents and delivery notes for the shipment of the materials to be provided to the subcontractor (refer to [Goods Movements via Shipping \[Ext.\]](#))

To create a delivery, the following data has to be maintained in the system:

- the plant must be assigned a sales organization, a distribution channel, and a division. You can define this in Customizing for Purchasing, in the step *Set Up Stock Transport Order*.
- A delivery type has to be defined for the plant from which the items are to be delivered. You can define this in Customizing for Purchasing, in the step *Set Up Subcontract Order*.

Providing Components for Existing Purchase Orders

- If you want to reference a reservation when you create a delivery, you also have to set the *Predecessor necessary* indicator to L (Provision to subcontractor necessary) when defining the delivery type. This means that the requirements generated by the reservations can be correctly offset against the deliveries created. You can define this in Customizing for Shipping, in the step *Define Delivery Types*.
- The vendor for the stock with subcontractor must be entered as the customer in the organizational units in the delivering plant, such as sales organization, distribution channel, and division.
- The material to be provided has to be entered for the organizational units in the delivering plant, such as sales organization, distribution channel, and division.
- The combination of shipping condition (from the subcontractor's customer master record), loading group (from the material master record for the components to be provided), and the plant have to be assigned to a shipping point. You can define this in Customizing for Shipping, in the step *Assign Shipping Points*.

To create a delivery, choose *Edit* → *Create delivery*. A dialog box appears, in which you can enter the data required to post the delivery. The system posts the delivery in the background and, after posting, it informs you in a dialog box how many items were posted.

Providing Components from Inventory Management

1. From the Inventory Management menu, choose *Goods movement* → *Transfer posting*.
2. Enter the issuing plant and storage location. Choose *Movement type* → *Transfer posting* → *Stck w. subcontract.* → *From unrestricted*. Enter the vendor and then choose *Transfer posting* → *Create with reference* → *To purchase order*.

A dialog box appears in which you can enter up to 4 purchase orders.

3. Choose *Continue*.

The collective entry screen appears. The vendor and the components contained in the purchase orders entered are automatically proposed by the system.

4. Edit and adopt (copy) the desired items.
5. Post the document.



Entering the purchase order number is simply a way of saving you time re-entering data. No data in the purchase order is actually updated - i.e. you can make transfer postings for components more than once.

Posting with Reference to a Stock Transfer Reservation

If MRP generates a stock transfer reservation because of shortage of stock, you can convert the stock transfer reservation into a delivery or post the goods issue with reference to the stock transfer reservation in order to complete the reservations. In the case of a delivery, the reservation is not completed from the MRP view until the goods issue has been posted for the delivery in Shipping.

Select the reservations you want to reference and choose *Post goods issue* or *Create delivery*. The system suggests the total of the quantities of all the selected reservations. If you select the

Providing Components for Existing Purchase Orders

header line of the material instead of the reservation, the system suggests the total of all the reservations.

If you do not change the suggested quantity, the system creates a document line for each reservation. This completes all the selected reservations. If you change the suggested quantity, the quantity is distributed among the selected reservations. If the quantity is reduced, the earliest reservations are completed, and the latest remain open.

If no stock transfer reservations exist, the system suggests the shortage quantity. If all the requirements are covered by stock or receipts, the system suggests the quantity of zero.

You can manually delete individual reservations. Select the reservations to be deleted and choose *Edit* → *Delete reservation*.

Printing Goods Receipt/Issue Slips

If you post the components in Inventory Management, you can print goods receipt/issue slips. The following output types are provided for this purpose:

- WLB1: GI slip for subcontracting version 1
- WLB2: GI slip for subcontracting version 2
- WLB3: GI slip for subcontracting version 3

However, goods receipt/issue slips are only printed if the following prerequisites are fulfilled:

- The output determination and printer determination facilities have been set in the Customizing system of Inventory Management, that is, condition records and printers have been maintained for the output types.
- A print version for transaction ME2O has been maintained in Customizing for Inventory Management (print control).
- In the user defaults, the value **X** (capital letter) has been entered for parameter **NDR**.

See also:

[Monitoring Stocks of Material Provided to Vendor \[Page 32\]](#)

Providing Materials From Another Vendor

If components to be provided to a vendor are supplied not by your company but by a third-party, you can order the components from the third-party and specify the subcontractor in the purchase order as the delivery address. At goods receipt the components are posted directly to the stock of the material provided to vendor.

Entering a Purchase Order for Components

To order components for a subcontract order from a vendor and have them delivered direct to the subcontractor, enter a standard purchase order with a different delivery address:

1. From the Purchasing menu, choose *Purchase order* → *Create* → *Vendor known*.
2. Maintain the data on the initial screen. Make sure you enter the vendor of the components and the plant concerned.
3. Enter the items.
4. Then choose *Item* → *More functions* → *Delivery address*.
A dialog box appears in which you enter the delivery address.
5. In the field *Vendor* enter the number of the subcontractor and select the *SC vendor* box.
Selecting the box causes the components at goods receipt to be posted directly to the stock of the material provided to vendor when the goods receipt is posted.
6. Save the purchase order.

Posting the Goods Receipt of the Components

If the subcontractor lets you know that the components have arrived, you can enter the goods receipt for the purchase order. The components are posted directly to the stock of the material provided to vendor.

Stock Update

A goods receipt posting has the following results in the system:

- the stock of material provided to vendor at plant level is increased. The stock of material provided to vendor is not managed at storage location level, since the stock is no longer stored at your company.
- Valuated stock at plant level increases.

Documents

An accounting document is created for the material document.

Entering Goods Receipt for the Subcontract Order

Entering Goods Receipt for the Subcontract Order

When the vendor delivers the ordered material (the end product), you post a goods receipt for the subcontract order in the same way as for a standard purchase order. The system determines the components for each order item and creates a goods issue item for each component. As a result, the material document consists of the following items:

- Goods receipt items for the materials supplied by the vendor
- Goods issue items for the components

After you have copied an order item, you can change the quantities in the goods issue items.

Valuation

The goods receipt is valued at the subcontract price plus the value of the components consumed.



If by-products are planned in the purchase order as components with negative quantities, receipt of the by-products is automatically posted to the stock of material provided to vendor at goods receipt.

Posting Subsequent Adjustment

If the vendor informs you after goods receipt that a greater or smaller quantity of the components was actually consumed than planned in the purchase order, you must post a subsequent adjustment to correct the goods issue posting. To do this, proceed as follows:

1. From the Inventory Management menu, choose *Goods movement* → *Subseq. adjustment*.
The initial screen for this function appears.
2. On the initial screen enter the order number and if required, the order item.
Press ENTER to display the selection screen for GR items.
3. Copy the goods receipt items for which you want to correct component consumption. The selection screen for GI items is displayed. The consumption amount already posted is displayed on the second line of each item.
4. Enter the quantity difference. If more of the components were consumed, enter a positive amount, if fewer were consumed enter a negative amount.
5. Copy the items you have changed and post the document.

Valuation

The value of the goods receipt is recalculated to include the subsequent quantity.

Posting Mat. Prov. to Vendor to Other Stock Type

Posting Mat. Prov. to Vendor to Other Stock Type

Material provided to vendor can either be for unrestricted use or in quality inspection. Withdrawals can, however, only be posted from unrestricted-use stock of material provided to vendor.

1. Select *Goods movement* → *Transfer posting*.

The initial screen appears.

2. Enter the plant and storage location. Choose the movement type as follows:
 - a. For a transfer posting from stock in quality inspection to unrestricted-use stock:
Movement type → *Transfer posting* → *Stck w. subcontract.* → *SC qual. to SC unr.*
 - b. For a transfer posting from unrestricted-use stock to stock in quality inspection:
Movement type → *Reverse tfr. posting* → *Stck w. subcontract.* → *SC qual. to SC unr.*

3. Choose *Continue*.

The collective entry screen appears.

4. Enter the following data:

- a. Vendor
- b. Material
- c. Quantity

5. Post the document.

The material provided to vendor is now managed in the stock type posted to.

By-Products in Subcontracting

You can use subcontract orders to plan the receipt of by-products from subcontracting:

1. Similar to production order processing, by-products are entered in the subcontract order as components with negative quantity.
2. In the provision of the components (with reference to the purchase order, for example), the system ignores the negative component items.
3. In the goods receipt for the purchase order, the system automatically posts the receipt of the by-products. In the material document, you can identify the by-product items from their movement type 544. Note that the by-products are posted to the “stock of material provided to vendor” (also referred to as “subcontracting stock”).

The receipt can still be corrected using the Subsequent Adjustment function.

Due to the receipt of the by-products, the value of the manufactured material is reduced.

4. To transfer the by-products quantities from the “stock of material provided to vendor” (or subcontracting stock) to the unrestricted-use stock, you enter a transfer posting using movement type **542** (reversal of the provision of the components).

Subcontracting for Sales Order Stock and Project Stock

Subcontracting for Sales Order Stock and Project Stock

Use

Subcontracting is also possible in conjunction with sales order stocks and project stocks. The subcontracting orders are account-assigned to a sales order or a WBS element. Thus, the components are not transferred (using a transfer posting) to the “stock of material provided to vendor” but are directly withdrawn from the sales order stock or the project stock at the time of the goods receipt. The material manufactured is also posted to the sales order stock or to the project stock. The cost of subcontracting is then debited to the sales order or WBS element.



Since the components are not transferred to the “stock of material provided to vendor”, we recommend that you use a transfer posting to transfer the provided components to a new storage location (for example, 9999). This enables you to obtain an overview of those stocks that are physically located at the subcontractor. This information is particularly important when you carry out a physical inventory of the sales order stocks and project stocks.

Features

Withdrawal from Stock of Mat. Provided or Sales Order/Project Stock

For components that are managed in sales order stock or project stock, you can define whether the components are to be withdrawn directly from each sales order/project stock or from the stock of material provided to vendor. You manage this via the dependent requirements indicator for individual customer requirements and collective requirements (*MARC-SDBKZ*).

You can maintain this indicator in the following places:

- in the MRP view of the material master record (MRP 4)
- in the explosion types for the BOM item (in Customizing for *Production* in the step *Basic Data* -> *Bill of Material* -> *Item Data* -> *Define explosion types*)

Configuring the explosion types has priority over the configuration in Inventory Management.

If the indicator is set at *Collective requirements only (2)*, the materials are withdrawn from the stock of material provided to vendor. If this indicator is set any other way, the system withdraws materials from sales order stock or project stock.

Subcontracting in Invoice Verification

You check an invoice for a subcontract order in the same way as for a standard purchase order. Additional account postings do, however, occur if a price variance has occurred. These postings are shown in the following example.

Postings for a Subcontract Order

In this example, a subcontract order was created for the end product "ASSEM-1". The components COMP-1 and COMP-2 were provided to the subcontractor.

Purchase order

50 pieces of material ASSEM-1 were ordered. The subcontract price is \$10/piece (total value = \$500).

The following components were provided to the subcontractor:

- 15 kg of the component COMP-1
- 5 pcs of the component COMP-2

Goods receipt

The subcontractor delivers 50 pieces of material ASSEM-1.

At goods receipt, a consumption posting for the components provided to the subcontractor is automatically made. It is valued at the price from the material master record, for example:

- 15 kg of the component COMP-1 at \$20/kg = \$300
- 5 pcs of the component COMP-2 at \$30/pc = \$150

The goods receipt is valued with \$950. This is calculated as follows:

- The subcontract price (50 pcs * \$10/pc = \$500) and
- Value of the components (\$300 + \$150).

Invoice receipt

The vendor (subcontractor) sends you an invoice for the subcontract work. However, the price is \$10.50/pc. Therefore the invoice is 50 pieces ASSEM-1 * \$10.50/pc = \$525.

Posting Schema for Moving Average Price Control

In this example, the following postings are made at goods receipt and invoice receipt, if the material (end product) is valued at moving average price.

Postings	At goods receipt	At invoice receipt
Vendor account		525 -
GR/IR clearing account	500 -	500 +
External service account	500 +	25 +
Stock account: end product	950 +	25 +
Change involving stocks	950 -	25 -

Subcontracting in Invoice Verification

Stock account: comp.	450 -	
Consumption account	450 +	

Posting Schema for Standard Price Control Without Price Differences

For materials (end products) with standard price control also note that

- No price differences are posted if the total of the external service value (for example, \$500) plus the “material to be provided” value (for example, \$450) varies from the value at standard price (for example, \$1000). Posting of a price difference is not required because each posting line has its own offsetting entry.
- No posting lines are created on the stock account or on the stock change account when an invoice is received.

In the above example, the following postings are made for a material with a standard price of \$20.

Postings	At goods receipt	At invoice receipt
Vendor account		525 -
GR/IR clearing account	500 -	500 +
External service account	500 +	25 +
Stock account: end product	1000 +	
Change involving stocks	1000 -	
Stock account: comp.	450 -	
Consumption account	450 +	

Posting Schema for Standard Price Control With Price Differences

However, if you wish to generate a price difference posting in those cases where the manufactured material is managed at standard price and the standard price varies from the receipt value (externally performed service + value of components + delivery costs), you can configure this in the Customizing system of Inventory Management.

In the above example, the following postings (including price differences) are made for a material with a standard price of \$20.

Postings	At goods receipt	At invoice receipt
Vendor account		525 -
GR/IR clearing account	500 -	500 +
External service account	500 +	25 +
Stock account: end product	1000 +	
<i>Change involving stocks</i>	<i>950 -</i>	
<i>Price difference</i>	<i>50 +</i>	
Stock account: comp.	450 -	
Consumption account	450 +	

Stock Transfer Using Stock Transport Order

Stock Transfer Using Stock Transport Order

Use

A number of procedures are available to enable you to transfer materials from one plant to another:

- [Stock Transfer Between Plants in One Step \[Page 50\]](#)
- [Stock Transfer Between Plants in Two Steps \[Page 51\]](#)
- [Stock Transport Order Without Delivery \[Page 52\]](#)
- [Stock Transport Order with Delivery via Shipping \[Page 53\]](#)
- [Stock Transport Order with Delivery and Billing Document/Invoice \[Page 54\]](#)

Features

Advantages of the Stock Transport Order

The transfer of stock using a stock transport order has the following advantages over the transfer of stock without a stock transport order:

- A goods receipt can be planned in the receiving plant.
- You can enter a vendor (transport vendor) in the stock transport order.
- Delivery costs can be entered in the stock transport order.
- The stock transfer order is part of MRP: Purchase requisitions that were created in MRP can be converted into stock transport orders.
- The goods issue can be entered using a delivery via Shipping (*LE-SHP*).
- The goods receipt can be posted directly to consumption.
- The entire process can be monitored via the purchase order history.

Characteristics of the Various Stock Transfer Procedures

The following table lists the characteristics of the individual procedures used for stock transfer.

	Plant to plant 1 step	Plant to plant 2 steps	St. trnsp. ord. w/o SD	St. trnsp. ord. with SD	St. trnsp. ord. with billing
Order type MM-PUR	-	-	UB	UB	NB
Movement type MM-IM	Transfer postg. using 301	GI: 303 GR: 305	GI: 351 GR: 101	GI: 641 GR: 101	GI: 643 GR: 101
Delivery type SD	-	-	-	NL	NLCC
Billing type SD	-	-	-	-	IV
Doc. type MM-IV	-	-	-	-	RE

Stock Transfer Using Stock Transport Order

Price	Valuation price	Valuation price	Valuation price	Valuation price	Pricing in SD and MM
Planning via...	Reservation	-	Purchase order	Purchase order	Purchase order
Stock after GI	-	Stock in transfer	Stock in Transit	Stock in Transit	(Stock in transit CC)
Delivery costs	-	-	yes	yes	yes
Cross-company-code via...	Company code clearing	Company code clearing	Company code clearing	Company code clearing	Revenue account; GR/IR clearing



You can find an overview of all the movement types in the Implementation Guide (IMG) for Inventory Management in the step *Copy/Change Movement Types*.

Activities

Goods Issue in Inventory Management or in Shipping

You can enter a goods issue for the stock transport order in either Inventory Management (*MM-IM*) or Shipping (*LE-SHP*). For goods issues in Shipping, a replenishment delivery is created (see also [Posting Goods Issue in Shipping \[Page 59\]](#)).

Prerequisites for Goods Issues in Shipping:

To process the goods issue via Shipping, the following prerequisites must be fulfilled (see also [Goods Movements via Shipping \[Ext.\]](#)):

- In Customizing for Purchasing, a delivery type must be assigned to the purchasing document type. If the document type does not have a delivery type, you can post the goods issue only in Inventory Management.
- The customer number of the receiving plant must also be maintained in Customizing for Purchasing.
- In the Customizing system of Sales & Distribution, the shipping point determination must be maintained.
- In the material master record, shipping data must be maintained.

If the document type contains a delivery type but another requirement is missing (for example, shipping data), you receive either a warning message or an error message (depending on the system configuration) when you try to enter the stock transport order.

If you receive a warning message, you can create the stock transport order, but you can post the goods issue for this item only in Inventory Management.

Stock Transfer Using the Stock Determination Function

If you want to withdraw material for stock transfers from various storage locations and stocks according to a particular strategy, the R/3 System can support you using [Stock Determination \[Ext.\]](#).

Stock Transfer Between Plants in One Step

Stock Transfer Between Plants in One Step

Use

This type of stock transfer can only be carried out in Inventory Management. Neither Shipping in the issuing plant nor Purchasing in the receiving plant is involved in the process.

Transferring stock in one step has the following characteristics:

- The stock transfer is entered as a transfer posting in Inventory Management.
- The transfer posting can be planned by creating a reservation.
- The quantity of the stock transferred is posted immediately from the unrestricted-use stock of the issuing plant to the unrestricted-use stock of the receiving plant
- The transfer posting is valued at the valuation price of the material in the issuing plant.
- If the plants involved belong to different company codes, the transfer between plants is also a transfer between company codes. In this case, the system creates two accounting documents for the transfer posting. The stock posting is offset against a company code clearing account.

Stock Transfer Between Plants in Two Steps

Use

This type of stock transfer can only be carried out in Inventory Management. Neither Shipping in the issuing plant nor Purchasing in the receiving plant is involved in the process.

The stock transfer includes the following processes:

1. A goods issue in the issuing plant
2. A goods receipt in the receiving plant

Transferring stock in two steps has the following characteristics:

- The transfer posting cannot be planned by creating a reservation.
- The quantity posted from stock is first of all managed as stock in transfer in the receiving plant. Only once the goods receipt has been posted is the quantity posted to the unrestricted-use stock of the receiving plant.

This enables the quantity “on the road” to be monitored.

- The transfer posting is valued at the valuation price of the material in the issuing plant.
- If the plants involved belong to different company codes, the transfer between plants is also a transfer between company codes. In this case, the system creates two accounting documents when the goods issue is posted. The stock posting is offset against a company code clearing account.

Stock Transport Order Without Delivery

Stock Transport Order Without Delivery

Purpose

This type of stock transfer not only involves Inventory Management but Purchasing in the receiving plant. The goods issue posting in Inventory Management is carried out without the involvement of SD.

Characteristics of a Stock Transfer Order

- The quantity posted from stock is first of all managed as stock in transit of the receiving plant. Only once the goods receipt has been posted is the quantity posted to the unrestricted-use stock of the receiving plant.
This enables the quantity “on the road” to be monitored.
- Delivery costs can be entered in the stock transport order.
- The transfer posting is valued at the valuation price of the material in the issuing plant.
- If the plants involved belong to different company codes, the transfer between plants is also a transfer between company codes. In this case, the system creates two accounting documents when the goods issue is posted. The stock posting is offset against a company code clearing account.

Process Flow

1. Creating a stock transport order in the receiving plant
Plant A would like to order materials from plant B. Plant A enters a stock transfer order. The stock transfer is used to plan the movement.
2. Posting a goods issue in the issuing plant
Plant B supplies the goods to plant A. Plant B enters the goods issue for the stock transfer order. The goods are then posted to the stock in transit of the receiving plant.
3. Posting a goods receipt in the receiving plant
Once the goods arrive in the receiving plant, the plant posts the goods receipt. The stock in transit is therefore reduced and the unrestricted-use stock increased.
The goods receipt is entered with reference to the purchase order.

Stock Transport Order with Delivery via Shipping

Purpose

The following components are involved in this type of stock transfer:

- Purchasing (*MM-PUR*) in entering the order
- Shipping (*LE-SHP*) in making the delivery from the issuing plant
- Inventory Management (*MM-IM*) at goods receipt in the receiving plant

Characteristics of a Stock Transfer Order

- The quantity posted from stock is first of all managed as stock in transit of the receiving plant. Only once the goods receipt has been posted is the quantity posted to the unrestricted-use stock of the receiving plant.
This enables the quantity “on the road” to be monitored.
- Delivery costs can be entered in the stock transport order.
- The transfer posting is valued at the valuation price of the material in the issuing plant.
- If the plants involved belong to different company codes, the transfer between plants is also a transfer between company codes. In this case, the system creates two accounting documents when the goods issue is posted. The stock posting is offset against a company code clearing account.

Process Flow

1. Creating a stock transport order in the receiving plant
Plant A would like to order materials from plant B. Plant A enters a stock transfer order. The stock transfer is used to plan the movement.
2. Posting a delivery in the issuing plant
Plant B supplies the goods to plant A. Plant B enters a replenishment delivery in Shipping. The goods are then posted to the stock in transit of the receiving plant.
3. Posting a goods receipt in the receiving plant
Once the goods arrive in the receiving plant, the plant posts a goods receipt for the delivery. The stock in transit is therefore reduced and the unrestricted-use stock increased.

Stock Transport Order with Delivery and Billing Document/Invoice

Purpose

With this type of stock transfer, the transfer posting is not valuated at the valuation price of the material in the issuing plant but is defined in both the issuing and receiving plants using conditions.



Stock transfers that include deliveries and billing documents/invoices are only possible between plants belonging to different company codes.

The following applications are involved in this type of stock transfer:

- Purchasing (*MM-PUR*) in entering the order
- Shipping (*LE-SHP*) in making the delivery from the issuing plant
- Billing (*SD-BIL*) in creating the billing document for the delivery
- Inventory Management (*MM-IM*) at goods receipt in the receiving plant
- Invoice Verification (*MM-IV*) at invoice receipt in the receiving plant

Characteristics of a Stock Transfer Order

- The quantity posted from the stock of the issuing plant is managed neither in the issuing plant nor in the receiving plant. Only once the goods receipt has been posted is the quantity posted to the unrestricted-use stock of the receiving plant. After the goods issue has been posted, the stock overview displays the quantity transferred as *Stock in trans. CC*. This stock is determined dynamically for stock balance display.
- With this transfer posting, price determination is carried out in both Purchasing and Sales & Distribution (SD).
 - In Purchasing, the price of the material in question is determined in the usual manner (from the info record, for example).
 - In SD, pricing is also carried out as normal during the billing process.
- The goods movements are valuated at the price determined in each case.
- Accounting documents are created for the following transactions:
 - Goods issue
 - Goods receipt
 - Billing
 - Invoice receipt

Stock Transport Order with Valuated and Non-Valuated Sales Order Stock

When entering goods issues for cross-company-code stock transport orders, you can work with both valuated and non-valuated sales order stock (E) using the one-step procedure (movement type 645) and the two-step procedure (movement type 643). In the MRP view of the material

Stock Transport Order with Delivery and Billing Document/Invoice

master record (MRP 4) you define the stock from which material is to be withdrawn by using the *Dependent requirements indicator for individual and collective requirements*. There are three options:

- Indicator set to *Blank* (individual and collective requirements): material is removed from sales order stock
- Indicator set to *1* (individual requirements only): material is removed from sales order stock
- Indicator set to *2* (collective requirements only): material is removed from unrestricted-use standard stock

Process Flow

1. Creating a stock transport order in the receiving plant
Purchasing also determines the price for the materials.
2. Posting a delivery in the issuing plant
The issuing plant enters a replenishment delivery in Sales and Distribution. Unlike a stock transfer without a billing document, no stock in transit is created.
3. Creating a billing document in the issuing plant
The issuing plant creates the billing document for the delivery. SD also determines the price for the delivery
4. Posting a goods receipt in the receiving plant
The receiving plant posts a goods receipt for the delivery. The goods are posted to unrestricted-use stock
5. Posting an invoice in the receiving plant
The invoice referring to the billing document is entered in the receiving plant.

See also:

[Cross-Company Stock Transfer \[Page 62\]](#)

Stock Transfer in Purchasing

Stock Transfer in Purchasing

Use

In Purchasing, you can request and monitor a stock transfer with a:

- Stock transfer order
- Purchase requisition
- Scheduling agreement



When a stock transfer involves two company codes and the issuing of a bill, you do not create a stock transport order but a standard purchase order (see also [Cross-Company Stock Transfer \[Page 62\]](#)).

Activities

Creating a Stock Transfer Order

From the Purchasing menu, choose *Purchase Order* → *Create* → *Vendor/Supplying Plant Known*. Choose order type *Stock transfer order*. The item category must be *U* (stock transfer).

Maintain the data for all items as required and save the stock transfer order. In Materials Planning, the stock transport order is taken into account for both the receiving and the issuing plant.



If the material is not valued in the receiving plant, it is not possible to enter an account assignment. Therefore, the material can only be ordered for the warehouse.

Creating a Purchase Requisition for a Stock Transfer

You can request a stock transfer in a purchase requisition. From the Purchasing menu, select *Requisition* → *Create*. Maintain data as required. A stock transfer order is created from the saved stock transfer requisition once it has been released.

Creating a Stock Transport Scheduling Agreement

When you create a stock transport scheduling agreement, you can schedule the exact delivery dates for a stock transfer. From the Purchasing menu, select *Outline Agreement* → *Scheduling Agreement* → *Create* → *Stock Transport Scheduling Agreement*. Maintain data as required. The agreement type *LU* is defined in the standard system. The item category must be *U*. Enter the runtime end: Save the scheduling agreement.

Enter the delivery schedule for the scheduling agreement by choosing *Outline Agreement* → *Scheduling Agreement* → *Delivery Schedule* → *Maintain*.

Goods Issue for a Stock Transport Order

Use

You can either post the goods issue for a stock transport order in Inventory Management or in SD Shipping, depending on your system configuration. (Also refer to [Stock Transfer Using a Stock Transport Order \[Page 48\]](#)).

When the stock transfer involves two different company codes and a bill is issued, you have to post the goods issue in Shipping.

See also:

[Posting a Goods Issue in Inventory Management \[Page 58\]](#)

[Posting a Goods Issue in Shipping \[Page 59\]](#)

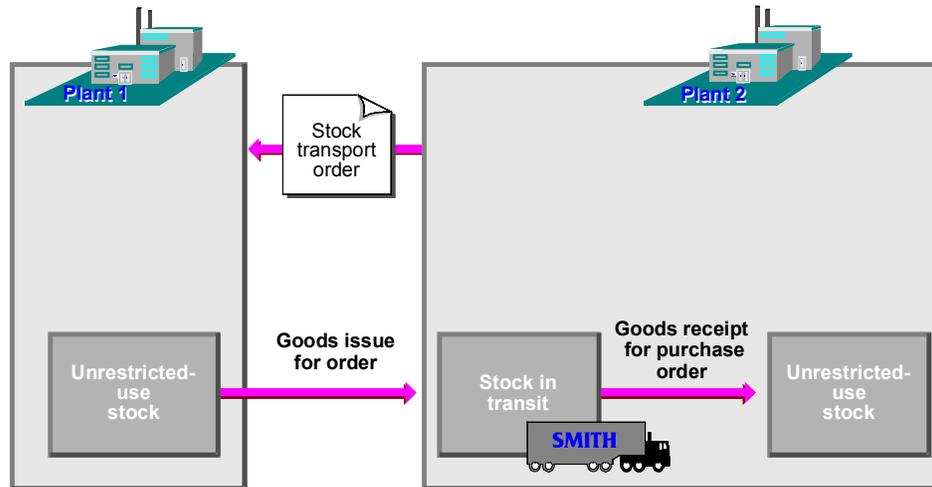
[Displaying Stock in Transit \[Page 60\]](#)

Posting a Goods Issue in Inventory Management

Posting a Goods Issue in Inventory Management

Use

If you post the goods issue in Inventory Management, you subsequently enter the goods receipt with reference to the stock transport order.



Activities

From the Inventory Management menu, choose *Goods movement* → *Transfer posting*. Enter the data as required, entering the issuing plant and the issuing storage location as default values for the individual items. Choose movement type 351 (goods issue for a stock transport order).

Results of a Goods Issue

The goods issue posting results in the following:

- Documents
 - The system creates a material document for the movement. If the plants belong to different valuation areas, an accounting document is created in addition to the material document.
- Change involving stocks
 - The quantity is debited from the issuing plant in the receiving plant, the quantity is entered into stock (not into the unrestricted-use stock but the stock in transit on plant level). A receiving storage location has not yet been specified.
- Purchase order history
 - When you post a goods issue, the system automatically creates an order history record.

Posting a Goods Issue in Shipping

Use

If you process the goods issue via a replenishment delivery in *Shipping (LE-SHP)*, you can then refer to the replenishment delivery or the stock transfer order at goods receipt.

Procedure

1. From the shipping menu, choose *Delivery → Process delivery due list*. The initial screen is displayed.
2. Enter the data required. Select *Purchase order as Documents to be selected*.
3. Choose *Delivery → Display delivery due list*. A basic list is displayed from which you can select the deliveries to be processed. The list only contains order items that contain shipping data.
4. Choose *Delivery → Save*. The system creates a replenishment delivery for the selected orders. A log of the deliveries created can be displayed.
5. When you choose the function *Delivery → Change*, you can enter the picking and post the goods issue.

Processing in the issuing plant is complete when the goods issue is posted.

Result

A replenishment delivery has the same effects as a goods issue in Inventory Management (see [Effects of a Goods Issue Posting \[Ext.\]](#)).

The quantity is debited from the issuing plant. In the receiving plant, the quantity is entered into stock (not into the unrestricted-use stock but the stock in transit on plant level). A receiving storage location has not yet been specified.

The system automatically creates an order history record for the replenishment delivery and for the subsequent goods issue posting.

Displaying Stock in Transit

Displaying Stock in Transit

The stock in transit is the quantity of a material that was withdrawn from the stock of the issuing plant but has not yet arrived at the receiving plant. You can display the stock in transit using the following functions.

- Stock overview
- Plant stock availability list

Displaying Transit Stock in the Stock Overview

You can display the stock in transit in the stock overview of a material.

1. From the Inventory Management menu, choose *Environment* → *Stock* → *Stock overview*.
2. Enter your selection criteria (for example, the material and receiving plant).
3. Carry out the evaluation. A stock overview of your selected plants is displayed.
4. Select a plant. The stocks in the plant are displayed in a pop-up window.

Scroll down until the stock in transit is displayed.

Displaying Transit Stock in the Plant Stock Availability List

The transit stock for the receiving plant is also displayed in the plant stock availability list for a material. To do this, proceed as follows:

1. From the Inventory Management menu, choose *Environment* → *Stock* → *Plant stock availability*.

The initial screen for this function appears.

2. Enter the material and the receiving plant.
3. Enter the scope of list (for example, **DD**).
4. Carry out the evaluation. A list of the plant stock availability for the material is displayed.



This list also includes the stock in transit. In the case of inter-company-code stock transport orders with SD billing documents, the system does not create a stock in transit. For stock balance display, the posted quantity is calculated dynamically and displayed in the field *Stock in trans.* CC.

Posting a Goods Receipt for a Stock Transport Order

Use

If you posted the goods issue in Inventory Management, you post the goods receipt in the receiving plant with reference to the stock transport order.

If you posted the goods issue in the Shipping component (*LE-SHP*), you can post the goods receipt with reference to the stock transport order or the replenishment delivery.

Activities

Posting a Goods Receipt for Stock Transport Order

You enter a goods receipt for the stock transport order in the same way as a goods receipt for a standard purchase order. However, it is not possible to post the goods receipt into goods receipt blocked stock since the stock in transit has already been valued.

Posting a Goods Receipt for Replenishment Delivery

You enter a goods receipt for the replenishment delivery in the same way as a goods receipt for an unknown purchase order.

Results of the Goods Receipt

Placement into storage results in the following in the system:

- Documents
 - The R/3 system creates a material document for the movement. (The system does not create an accounting document because it is a transfer posting within the plant.)
- Change in stock in the receiving plant
 - The quantity is transferred from the transit stock to the unrestricted-use stock in the receiving storage location. The open purchase order quantity is also reduced with the stock placement.
- Purchase order history
 - At goods receipt posting, a purchase order history record is created automatically.
- Document Flow
 - At goods receipt for a delivery, the goods receipt in the receiving plant is documented in the SD document flow, based on the material document.

Cross-Company Stock Transfer

Cross-Company Stock Transfer

Use

Even when the plants involved in a stock transfer belong to different company codes, you can use conventional methods to transfer the stock:

- By transferring the stock between plants in one or two steps
- By carrying out a stock transport order without the delivery function via Shipping
- By carrying out a stock transport order with the delivery function via Shipping

In these cases the value of the transfer posting is posted to a company code clearing account in both the issuing and the receiving plants. The stock transfer is valued at the valuation price of the material in the issuing plant.

Features

Stock Transport Order that Includes Delivery via Shipping and Billing Document/Invoice

You can carry out stock transfers with the delivery and billing function. In this procedure, the stock is transferred in the form of a sale between two plants. This is only possible if the plants involved belong to different company codes

When you use the delivery function in Shipping, the whole transaction - from the delivery through billing and invoice verification - is reflected in the system. The following Shipping functions are available for this:

- Delivery:
For example, planning shipping activities, picking, packing
- Billing:
For example, price determination

Before you can transfer stock (using a stock transport order) with the delivery function and a bill is issued, the plant must be assigned to a vendor. You maintain the vendor - plant assignment in the vendor master record.

If a user enters a vendor when creating a stock transport order, the plant is automatically copied from the vendor master record.

A stock transport order with delivery and billing is a mixture of a standard purchase order and a stock transport order: as in the standard purchase order, when items are entered (standard items with no item category) price determination is carried out and shipping data established; as in the stock transport order, the transfer of stocks from one location to another is monitored.

Stock Transport Order with Valuated and Non-Valuated Sales Order Stock

When entering goods issues for cross-company-code stock transport orders, you can work with both valuated and non-valuated sales order stock (E) using the one-step procedure (movement type 645) and the two-step procedure (movement type 643). In the MRP view of the material master record (MRP 4) you define from which stock material is to be withdrawn by selecting the *Dependent requirements indicator for individual and collective requirements*. There are three options:

Cross-Company Stock Transfer

- Indicator set to *Blank* (individual and collective requirements): material is removed from sales order stock
- Indicator set to *1* (individual requirements only): material is removed from sales order stock
- Indicator set to *2* (collective requirements only): material is removed from unrestricted-use standard stock

Prices

In Purchasing, the price of the material in question is determined in the usual manner (from the info record, for example).

In SD, pricing is also carried out as normal during the billing process.



Your company has to maintain settings in the Customizing system determining whether stock transfers between two plants should be with or without billing.

You can also determine whether individual users can carry out stock transfers, for example, with or without billing or in either of the two ways.

If you choose *Purchase order* → *Create* → *Stock transfer* (i.e. a stock transport order without billing) and stock transfer with billing has been defined for the plants in the Customizing system, a message appears indicating that you should create a standard purchase order.

See also:

[Stock Transport Order Including Delivery and Billing Document/Invoice \[Page 54\]](#)

Making the Vendor - Plant Assignment

Making the Vendor - Plant Assignment

To transfer stock with a bill being issued, a vendor master record has to be created for the issuing plant. You create the vendor master record in the same way as a standard vendor master record.

To assign a vendor master record to the supplying plant, proceed as follows:

1. From the Purchasing menu, choose *Master data* → *Vendor* → *Purchasing* → *Change*.
2. Enter the vendor and the purchasing organization.
Select *Purchasing data* and press ENTER.

The purchasing data detail screen appears.

3. Choose *Extras* → *Add. purchasing data*. A window appears in which you can enter the plant.
4. Save your data.

Process for Stock Transport Orders that Include SD Deliveries and Billing Document

The process for stock transport orders with SD delivery and billing document includes the following steps:

1. Creating a Purchase Order

In the receiving plant, you create a standard purchase order for the vendor to which the issuing plant is assigned. To do this, choose *Purchase order* → *Create* → *Vendor known*. As a result of the vendor entered, the system recognizes that the purchase order is in fact a stock transport order with delivery and billing.

2. Creating Delivery and Billing Document

The issuing plant enters a delivery for the stock transport order and a billing document. This is an intercompany billing document (billing type **IV**). Pricing takes place as normal.

This intercompany billing document can be posted as an invoice for a purchase order via EDI using Idoc. It is then posted in Financial Accounting as a receivable in the supplying company code.

When the material leaves the plant, the issuing plant posts a goods issue for the delivery, resulting in a reduction in stock in the issuing plant. The total stock remains the same in the receiving plant. Unlike a stock transport order without billing, no posting is made to the stock in transit. You can see from the purchase order history that the material is “on the road”. The posted quantity is displayed in the stock overview of the receiving plant as *Stock in transit CC*.

3. Posting Goods Receipt

When the goods arrive, the receiving plant posts a goods receipt for the purchase order. The unrestricted-use stock increases and an accounting document is created.

4. Posting Invoice Receipt

The invoice is checked with reference to the purchase order.

Valuation of Stock Transfers

Valuation of Stock Transfers

The account movements that result from a cross-company-code stock transport order with billing document can be seen from the following example:

Plant 0002 orders 10 kg of a material from plant 0001. The following prices apply:

- Valuation price of material (plant 0001): 10 \$/kg
- Price for intercompany billing (plant 0001): 12 \$/kg
- Order price (plant 0002): 11 \$/kg

The following postings are made for the individual transactions:

Plant	Transaction	Value	Account
0001	Goods issue	100 -	Stock account
		100 +	Change involving stocks
0001	Billing	120 -	Sales revenue account
		120 +	Customer account
0002	Goods receipt	110 -	GR/IR clearing
		110 +	Stock account
0002	Invoice receipt	120 -	Vendor account
		110 +	GR/IR clearing
		10 +	Price difference account or stock account

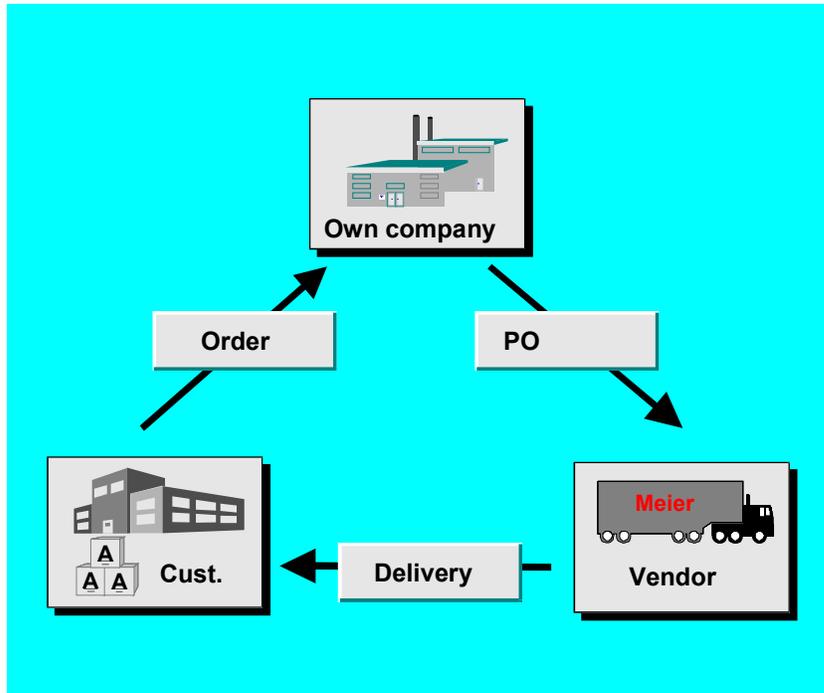
You can display the value of a material's cross-company stock in transit. To do this, choose *Environment* → *Stock* → *Stock in transit CC* from the Inventory Management menu.

Third-Party Processing

Purpose

In third-party processing, you place a purchase order with a vendor to deliver goods or perform a service for a third party (for example, for a customer).

This means that your company does not deliver the material. You forward the order to an external vendor instead, who then sends the material directly to the customer and invoices you.



Third-party processing is carried out in the components *SD* (Sales and Distribution) and *MM* (Materials Management). By creating a third-party item in a sales order, purchase requisition, or purchase order, you can request that the vendor sends the goods directly to your customer. A document can consist of one or more third-party items.

Activities

Entering a Sales Order

You enter a third-party item in a sales order. The system automatically creates a purchase requisition item for each third-party item in the sales order.

Entering a Purchase Order to Vendor

You enter a purchase order with a third-party item with reference to the requisition third-party item.

Third-Party Processing

Delivering Goods to Customer

The vendor supplies the goods to the customer. To document this step in the system, you can post a statistical goods receipt in Inventory Management. However, this is not compulsory.

Entering a Vendor Invoice

The vendor sends you an invoice. You enter the invoice receipt in Invoice Verification. The invoice receipt is necessary before a billing document can be created in *SD*.

Creating a Billing Document for the Customer

In *SD*, you create a billing document for the sales order. Depending on the Customizing settings (whether or not the billing-relevant indicator is set for the item category in *SD*), you draw up the billing document on the basis of the order quantity or on the basis of the quantity specified in the vendor invoice. If the customer is billed on the basis of the order quantity, you can create the billing document immediately after the sales order is entered. If the customer is billed on the basis of the quantity specified in the vendor invoice, you cannot create the billing document until the vendor invoice has been entered in Invoice Verification.



If you do not use the *SD* component, third-party orders can be handled completely in Materials Management. Here you enter a third-party order (or a purchase requisition) manually with the item category **S** and account assignment category **X**. In this procedure, the activities *Entering a sales order* and *Creating a billing document for the customer* are eliminated.

Third-Party Processing in Sales

Third-party items in a sales order can be entered manually or be created automatically by the system. For example, if a material can only be procured externally, you can specify in the material master record that it is always processed as a third-party item when a sales order is processed.

Please refer to the *SD - Sales Guide* for detailed information on how to enter third-party items in a sales order.

Resulting Activities in Purchasing

The following activities result from the creation of a sales order with third-party items:

- A purchase requisition is created.
If a third-party item from the sales order calls for more than one delivery schedule, the system creates a purchase requisition item for **each** individual quantity.
- The number of the purchase requisition is updated in the sales order.
- The item is scheduled automatically.
The delivery time required by the vendor and the processing time in Purchasing are taken into account.

The person who created the sales order can directly access the purchase requisition in order to assign the correct vendor in automatic source determination.

Changes to the Sales Order

The quantity and delivery date for a third-party item can be changed later in the sales order. The changes are then made automatically to the purchase requisition if the release status of the purchase requisition allows changes still to be made.

Third-Party Processing in Purchasing

Third-Party Processing in Purchasing

In Purchasing you can enter third-party items in purchase requisitions as well as in purchase orders.

Purchase Requisition

When you create a third-party order in SD, the system automatically creates a purchase requisition.

Changing an Automatic Purchase Requisition

If a purchase requisition was created from the sales order, you can only make certain changes to the requisition. You can, for example, change the allocated purchasing group. However, the order quantity and scheduled delivery date can only be changed in the sales order. The system updates the change in the purchase requisition.

You can also determine to which purchase requisition the sales order refers. You can display the account assignments for the requisition item by choosing *Item* → *Account assignments*.

Creating a Third-Party Item Manually

If you do not use SD, you can plan a third-party business transaction using a purchase requisition. To enter a purchase requisition with a third-party item manually, proceed as follows:

1. Enter the item category **s** and an account category (for example, **x** - all account assignments). When you press ENTER, the account assignment screen is displayed.
2. Enter the account assignment data (for example, the number of the G/L account). Which account assignment data you have to maintain depends on the account assignment category.
3. Save the purchase requisition.

Purchase Order

A third-party order is usually created referencing a third-party item in a purchase requisition. You can create purchase orders in this way individually or collectively. Both procedures are described in the *MM - Purchasing* guide.

If you do not use SD and have not entered a purchase requisition, you can also enter a third-party order manually.

Creating a Third-Party Item Manually

To enter a third-party item in a purchase order without an SD order or purchase requisition, proceed as follows:

1. Enter a third-party item manually in the same way as the purchase requisition.
2. After entering the account assignment, you receive a screen in which you can enter the address of the sold-to party.
3. Enter either the customer number or a delivery address.
4. Check whether goods receipts can be made for the third-party item. Goods receipts are possible if the goods receipt indicator is set in the item.
5. Save the purchase order.

Third-Party Processing in Purchasing**Setting the Goods Receipt Indicator**

The account assignment category **X** in the Customizing system of Purchasing determines whether a goods receipt can be posted for a third-party item. Here you define whether a goods receipt is possible, not allowed or compulsory.

If a goods receipt is possible, the *GR* indicator in the purchase order item is changeable. When you enter the purchase order, you decide if a goods receipt is to be posted or not.

Reference to Purchase Requisition

If you enter an order item with reference to a purchase requisition, the vendor's address is copied and cannot be changed.

Special Features when Printing

When issuing the purchase order, if the delivery address is identical for all items, it is printed once in the header. If the items have different delivery addresses, a delivery address is issued for **each** item.

Third-Party Processing in Inventory Management

Use

Since a third-party order involves a movement from the vendor direct to the customer, Inventory Management is not in any way affected. If you wish to document the movement in the system, however, you can create a goods receipt for the third-party order.

Prerequisites

You can only enter a goods receipt for a third-party order if the goods receipt indicator is set in the order item.

Features

Entering a Goods Receipt

You enter a goods receipt for a third-party order in the same way as a standard goods receipt for a purchase order with account assignment.

Results of the Goods Receipt

The goods receipt has the same effect as a goods receipt for a purchase order with account assignment:

- No stock update is made, as the goods receipt is posted to consumption
- The value of the purchase order is posted to a GR/IR clearing account for the purposes of Invoice Verification.
- The goods receipt can be tracked in the PO history.

Third-Party Processing in Invoice Verification

Use

When the vendor invoice arrives, you then enter the invoice for the third-party order in Invoice Verification.

You enter the invoice in the same way as an invoice for a standard purchase order.

If you posted a statistical goods receipt for the purchase order, the invoice receipt results in an offsetting entry on the GR/IR clearing account, which is cleared.

If the customer is to be billed in Sales and Distribution based on the invoice quantity specified in the vendor invoice, this quantity is used as the basis for the billing document in Sales and Distribution. The billing document can only be posted once the vendor invoice has been posted.

Returnable Transport Packaging

Returnable Transport Packaging

Use

Returnable transport packaging (RTP) is a multi-trip packaging medium (for example, pallets or containers) in which goods can be transported more than once between vendors and customers.

Returnable transport packaging from a vendor that is stored at a location on your premises is managed as special stock and clearly assigned as belonging to the vendor. It is the property of the vendor and is therefore not included in the customer's valuated stock.

Features

Structure of Special Stock Data

To enable you to manage the returnable transport packaging stocks of material belonging to different vendors separately, special stock data is required in addition to material master data.

This special stock data is defined for every vendor at the storage location level.

Special stock data is created automatically when the first receipt is posted into the returnable transport packaging stock. This data cannot be maintained directly by the user but is updated automatically with every goods movement (or physical inventory).

What Type of Stock is This?

RTP stocks from vendors are externally owned and are not valuated.

RTP stock is always unrestricted-use stock. The stock can neither be in quality inspection nor blocked.

Depending on the system configuration, returnable transport packaging stock can also be negative. Negative stocks occur when you return an RTP quantity to the vendor before you have entered the goods receipt in the system (i.e. the goods issue is posted before the goods receipt).

Which Goods Movements are Supported?

The following goods movements (and the respective reversal or return movements) are defined:

- [Posting Other Goods Receipts to Returnable Transport Packaging \(RTP\) Stock \[Page 75\]](#)
- [Posting Returnable Transport Packaging \(RTP\) Quantities at Goods Receipt for Purchase Order \[Page 76\]](#)
- [Transfer Posting Between Storage Locations \[Page 77\]](#)



The transfer of RTP stock to your own stock is not supported.

Posting Other Goods Receipts to Returnable Transport Packaging (RTP) Stock

Posting Other Goods Receipts to Returnable Transport Packaging (RTP) Stock

Other goods receipts (such as initial entry of stock balances, goods receipt without a purchase order or a delivery free of charge) are entered as followed:

1. From the Inventory Management menu, choose *Goods movement* → *Goods receipt* → *Other*. The initial screen for this function appears.
2. Maintain the data on the initial screen. Two movement types are available for goods movement for material with returnable transport packaging:
 - When a receipt is not for a purchase order, choose *Movement type* → *Receipt* → *W/o purchase order* → *To RTP unrestr.* (Movement type **501 M**)
 - When stock balances are entered for the first time, choose *Movement type* → *Receipt* → *Init.stck entry (ext)* → *To RTP unrestr* (Movement type **561 M**)
3. Maintain the data on the collective entry screen:
 - a. Enter the vendor.
 - b. Enter the items.
4. Post the goods movement.



You post a return with reversal movement types 502 M and 562 M.

Stock Updates

This goods movement results in an increase in the unrestricted-use RTP stock from the vendor. The total valuated stock remains unchanged.

Posting Returnable Transport Packaging (RTP) Quantities at Goods Receipt for Purchase Order

Posting Returnable Transport Packaging (RTP) Quantities at Goods Receipt for Purchase Order

A quantity of returnable transport packaging can be entered at goods receipt for a purchase order as follows:

1. From the Inventory Management menu, choose *Goods movement* → *Goods receipt* → *For purchase order* → *PO number known* or *PO number unknown*.
2. On the initial screen enter the movement type (usually **101**) and the order number (or the selection criteria for the purchase order).
3. Select the required items and copy them.
4. From the overview screen, choose *Edit* → *W/o purchase order* → *Enter...*

A window appears in which you can enter the movement type and the special stock indicator (e.g. **501 M**) for the quantity of returnable transport packaging.

5. Enter the returnable transport packaging items.
6. Post the goods movement.

Stock Updates

This goods movement results in an increase in the unrestricted-use RTP stock from the vendor. The total valuated stock remains unchanged.

Goods Receipt/Issue Slip for Returnable Transport Packaging (RTP) Items

If this is configured in Customizing for output determination, a goods receipt/issue slip is printed for the RTP items the same way as for other goods receipts. Since the RTP items do not contain any reference to the purchase order, it is not possible to print a goods receipt slip with purchase order data.

Transfer Posting Between Storage Locations

A transfer posting of RTP stock between two storage locations is entered as follows:

1. From the Inventory Management menu, select *Goods movement* → *Transfer posting*.
2. Enter the data on the initial screen:
 - a. Choose *Movement type* → *Transfer posting* → *RTP stock* → *SLoc to SLoc (311 M)*.
 - b. Enter the plant and the issuing storage location.
3. Enter the vendor and the receiving storage location on the next screen.

Enter the items.
4. Post the goods movement.

Stock Updates

This goods movement results in a decrease in the unrestricted-use RTP stock from the vendor at the issuing storage location. The unrestricted-use RTP stock at the receiving storage location increases.

Displaying Returnable Transport Packaging Stock

Displaying Returnable Transport Packaging Stock

RTP stock can be viewed using the following functions:

- Stock overview
- Plant stock availability

Both functions can be found in the Inventory Management menu under *Environment* → *Stock*.

Pipeline Handling

Use

A pipeline material is a material that flows directly into the production process from a pipeline (for example, oil), from a pipe (for example, tap water), or from another similar source (for example, electricity).

A material from the pipeline is always available; i.e. it can be withdrawn from the pipeline at any time and in any quantity.

Depending on the system configuration, a material can be withdrawn only from the pipeline or, in addition to the pipeline, normal stocks of the material can also be managed.

- **Materials with Material Type PIPE**

Pipeline handling is mandatory for materials with material type PIPE; i.e. only withdrawals from the pipeline can be posted for these materials.

These materials have the following characteristics:

- They are neither procured nor planned. They can be withdrawn from the pipeline at any time and in any quantity.
- They are not stored or kept in stock. No physical inventory is taken.
- Pipeline movements are mandatory in all valuation areas; i.e. no other goods movements may be posted.

- **Other Material Types**

For each material type, you can specify in the valuation area whether pipeline movements are:

- Mandatory
- Allowed

If pipeline movements are not mandatory but allowed, the material can be kept in stock and both pipeline and other movements can be posted.

A material of this type can be withdrawn from your company's own stock, from consignment stock, or from the pipeline.

Activities

Pipeline Withdrawal

You can enter a pipeline withdrawal for an order or for a cost center. Pipeline withdrawals differ from other goods movements in that they are entered with the special stock indicator **P**.

The withdrawal is valued at the price defined in the pipeline info record.

A withdrawal from the pipeline results in the following updates in the system:

- The pipeline withdrawal results in a vendor liability that must be settled periodically in a similar way to the management of consignment stocks. In the standard system the same account is used for both pipeline and consignment liabilities, but a different pipeline liabilities account can be defined in Customizing.

Pipeline Handling

- A consumption history is kept.

The pipeline withdrawal has no effect on existing warehouse stock or on the availability of the material.

Creating a Pipeline Material

When creating a pipeline material, it is important that you note the following:

- Assign the material a material type that allows pipeline movements. Pipeline movements are mandatory for material type **PIPE**.
- Always maintain the *Purchasing* and *Accounting* views.



Choose price control **V** (moving average price), so that any pipeline consumption is posted to the consumption account at the pipeline price. In this case, the moving average price entered is not relevant since withdrawals are posted at the pipeline price.

With price control **S** (standard price), the difference between the pipeline price and the standard price is posted to a price difference account. In extreme cases (standard price = 0), the total pipeline consumption is posted to the price difference account. When a withdrawal for an order occurs, the consumption account is updated by an amount corresponding to the actual cost in the order.

Creating a Pipeline Info Record

Creating a Pipeline Info Record

You determine the price of a pipeline material from a vendor in a pipeline info record. You can only post pipeline movements after you have created the pipeline info record.

You create a pipeline info record as follows:

1. From the Purchasing menu, choose *Master data* → *Info record* → *Create*.
2. On the initial screen enter the vendor, material and standard purchasing organization assigned to the plant.
Select the info category *Pipeline*.
3. Maintain the info record data.
4. Save the info record.

Maintaining the Source List

If only one pipeline info record has been defined, this appears automatically as a default when you post goods movements.

If you have more than one pipeline info record for a material, you can enter the preferred vendor in the source list. This vendor then appears as a default when you enter goods movements. If no vendor has been entered in the source list, you have to select a vendor with every goods movement.

Posting Goods Issue from the Pipeline

Posting Goods Issue from the Pipeline

A withdrawal from the pipeline is posted as follows:

1. From the Inventory Management menu, choose *Goods movement* → *Goods issue*.
2. Maintain the data on the initial screen. Choose *Movement type* → *Consumption* → *To cost center (or To order, To network, All account assignments)* → *From pipeline* (Movement types : **201 P**, **261 P**, **281 P**, or **291 P**)
3. On the collective entry screen, enter the account assignment. Enter the items.
You do not have to enter the vendor as this will be found automatically by the system.

If more than one vendor is possible, a pop-up window appears with a list of pipeline vendors, from which you can select the vendor you require.
4. Post the goods movement.

Updates

A withdrawal from the pipeline results in the following updates in the system:

- The pipeline withdrawal results in a vendor liability that must be settled periodically in a similar way to the management of consignment stocks.
- A consumption history is kept.

The pipeline withdrawal has no effect on existing warehouse stock or on the availability of the material.

Settling Pipeline Liabilities

If pipeline liabilities are to be posted to the same account as consignment liabilities, you have to settle consignment and pipeline liabilities together.

If pipeline liabilities and consignment liabilities are to be posted to different accounts, you settle them separately.

You settle pipeline liabilities for a vendor in the same way that you settle consignment liabilities. For more information, see [Settling Consignment Liabilities \[Page 24\]](#).

Sales Order Stock

Sales Order Stock

Definition

Stock that is used for a sales order. It is directly allocated to a sales order. Components can only be used to produce material ordered by the customer and the finished product can only be delivered to the customer via the sales order.

You can manage valuated or non-valuated sales order stock.

If the sales order stock is not valuated, it is managed via a cost collector. The system does not carry out invoice verification postings for goods movements, and you cannot obtain an overview of how the stock is valuated until the end of the settlement period in Controlling.

If the sales order stock is valuated, you have immediate access to its value in Financial Accounting. The assigned accounts are debited and credited as a result of the valuated goods movements. From the viewpoint of MRP, the sales order stock is available for the sales order only.



The transactions for sales order stock are described in the *Sales (SD-SLS)* component in the sections [Make-to-Order Production \[Ext.\]](#) and [Individual Purchase Orders \[Ext.\]](#).

Use

Creating Valuated Sales Order Stock

If you want to work with valuated sales order stock, in the Accounting view of the material master record you can define your own valuation classes and thereby create your own stock accounts under *Sales order stock valuation class*.

Displaying Valuated Sales Order Stock

You can display the valuated sales order stock. Choose *Environment* → *Stock* → *Valuated special stock*.

Possible Movements

The following movement types are defined for valuated and non-valuated sales order stock (in each case they can be reversed or canceled):

- Receipts
 - Goods receipt for purchase order, if the order item is account assigned to a sales order
 - Goods receipt for subcontract order
 - Goods receipt for order, if the order is account assigned to a sales order
 - Goods receipt for run schedule header
 - Goods receipt without purchase order
 - Goods receipt without production order

- Initial Entry of Inventory Data
 - Goods receipt of by-products
- Issues
 - Goods issue for sales order, order, project, network
 - Taking of a sample
 - Scrapping
- Transfer Postings
 - Transfer into own stock
 - Stock Transfer Using Stock Transport Order
 - Transfer posting from storage location to storage location in one step
 - Transfer posting from plant to plant in one step
 - Transfer (using transfer posting) between unrestricted-use stock, stock in quality inspection and blocked stock
 - Transfer postings from material to material
 - Transfer posting from one sales order stock to another sales order stock
 - Transfer posting to project stock
- Returns

You can only enter a return from the customer via a returns delivery in the component *Sales (SD-SLS)*. The quantity is posted directly to the sales order stock and not to the blocked stock returns. Subsequent transfer to own stock using movement type 411 is possible.
- Subcontracting

Refer to [Subcontracting for Sales Order Stock and Project Stock \[Page 44\]](#)

Entering Goods Movements

When you enter a goods movement for sales order stock, you should consider the following:

- When you enter a goods movement with reference to a purchase order or a production order, the sales order number and item are copied from the reference document.
- When you enter other goods movements, you must specify the sales order number and item.

Goods movements for sales order stock are entered as follows:

- Other goods receipts, goods issues, transfer postings:

Enter the relevant movement type with the special stock indicator *E* and the sales order number and item.
- Transfer to own stock:

On the initial screen, enter movement type *411* and the special stock indicator *E*.

Sales Order Stock

This movement allows you to change the material number. This is required if the material is not managed in valuated stock (for example, configurable materials).

- Goods receipt for purchase order/for order:

Enter a goods receipt for a purchase order or for an order as normal using the movement type *101*. If an item is assigned to a sales order (account assignment category *E*), the system automatically sets the special stock indicator at goods receipt.

Project Stock

Definition

Quantity of a material which is held in stock for the completion of a project. The project stock is allocated to a work breakdown structure (WBS) element. Components can only be withdrawn for the WBS element.

You can manage valuated or non-valuated project stock.

If the project stock is not valuated, it is managed via a cost collector. The system does not carry out invoice verification postings for goods movements, and you cannot obtain an overview of how the stock is valuated until the end of the settlement period in Controlling.

If the project stock is valuated, you have immediate access to its value in Financial Accounting. The assigned accounts are debited and credited as a result of the valuated goods movements.

Project stock is available for the project from an MRP point of view.

Use

Creating Valuated Project Stock

If you want to work with valuated project stock, in the Accounting view of the material master record you can define your own valuation classes and thereby create your own stock accounts under *Project stock valuation class*.

Displaying Valuated Project Stock

You can display the valuated project stock. Choose *Environment* → *Stock* → *Valuated special stock*.

Possible Movements

The following movement types are defined for valuated and non-valuated project stock (in each case they can be reversed or canceled):

- Receipts
 - Goods receipt for purchase order, if the order item is account assigned to the project
 - Goods receipt for subcontract order
 - Goods receipt for order, if the order is account assigned to the project
 - Goods receipt for run schedule header
 - Goods receipt without purchase order
 - Goods receipt without production order
 - Initial Entry of Inventory Data
 - Goods receipt of by-products
- Issues
 - Goods issue for project, sales order, order, network

Project Stock

- Taking of a sample
- Scrapping
- Transfer Postings
 - Transfer into own stock
 - Stock Transfer Using Stock Transport Order
 - Transfer posting from storage location to storage location in one step
 - Transfer posting from plant to plant in one step
 - Transfer (using transfer posting) between unrestricted-use stock, stock in quality inspection and blocked stock
 - Transfer postings from material to material
 - Transfer posting from one project stock to another project stock
 - Transfer posting to sales order stock
- Subcontracting
 - Refer to [Subcontracting for Sales Order Stock and Project Stock \[Page 44\]](#)

Entering Goods Movements

When you enter a goods movement for project stock, you should consider the following:

- When you enter a goods movement with reference to a purchase order or production order, the WBS element is taken from the reference document.
- When you enter other goods movements, you must specify the WBS element manually.

Goods movements for project stock are entered as follows:

- Other goods receipts, goods issues, transfer postings:
 - Enter the relevant movement type with the special stock indicator Q and the WBS element.
- Transfer to own stock:
 - Enter movement type 411 and the special stock indicator Q.
- Goods receipt for purchase order/for order:
 - Enter a goods receipt for a purchase order or for an order as normal using the movement type 101. If an item is assigned to a project (account assignment category Q), the system automatically sets the special stock indicator at goods receipt.