Billing Plan (SD-BIL-IV)

Release 4.6C

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Billing Plan (SD-BIL-IV)

Billing Plan

Purpose

A billing plan is a schedule of individual billing dates for a single item in a sales document. You can define a billing plan at header level, which is then valid for all items assigned to it.

Depending on the kind of business process you are carrying out, the system can automatically propose one of two different types of billing plan: *periodic billing* or *milestone billing.*

Billing types

Milestone billing
      % of net item value
      fixed amounts
      final calculation

Periodic billing
      Lease/contract
      fixed period
      always 100 %

- Periodic billing means billing a total amount for each individual billing date in the plan. For example, if you are creating a rental contract, the system can propose a schedule of monthly rental payments, according to the length and conditions of the contract.

- Milestone billing means distributing the total amount to be billed over multiple billing dates in the billing plan. For example, you can use a billing plan for billing a make-to-order item that is assigned to a project in the SAP Project System. When you enter the project-related make-to-order item in the sales order (or assembly order), the system proposes a billing plan based on milestones defined for networks in the project. As each milestone is successfully reached, the customer is billed either a percentage of the entire project cost or simply a pre-defined amount.

During sales order processing, the system determines from the item category whether a billing plan is required and, if so, which type of plan: The type of billing plan that is determined at this point is set up in Customizing and cannot be changed in the sales document. For each billing plan you create, you can enter a freely-definable search term in the details screen of the billing plan in the sales document. When you save the document, the system automatically assigns a number that later uniquely identifies the individual plan. You can use the search term later to locate specific billing plans.

Billing plans for rental contracts and billing plans for project-related milestone billing have different overview screens so that you can enter data relevant to your processing. For example, for milestone billing, you must be able to enter data to identify the individual milestones.

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> For more information about project milestones, see the Production Planning documentation about the Project System.

Billing Plan Functions

Billing plan processing includes the following functions:

- Automatic creation of billing plan dates

- Pricing

- Billing block

- Billing index

- Billing status

- Billing rule for milestone billing

- Fixed dates in milestone billing

- Document flow

- Creating with reference

- Exchange rate determination

Automatic Creation of Billing Plan Dates

In Customizing for Sales, you control how the system automatically creates the schedule of dates in a billing plan. The system determines the schedule of individual dates based on general date information, such as the start and end dates. This general date information is copied either from contract header data or from proposals in the billing plan type.

Pricing

Sales document items are billed as each billing date in the plan becomes due. The system determines the amount to be billed either from the condition records that are applicable to the item or from the values that are explicitly entered in the billing plan for a particular billing date. In milestone billing, for example, you can specify a percentage to be billed or an actual amount.

Billing block

A billing block can be set for each date in a billing plan. The block prevents processing for a particular billing date but does not necessarily affect any of the other dates in the plan. In milestone billing, the system automatically sets a billing block for each billing date. This block remains in effect until the project system reports back that the milestone in the corresponding network has been successfully completed. At this point the system removes the block.**Billing index**

For every billing date in a plan, the system creates and updates a billing index. If a billing date is blocked for billing, the system copies this information into the index.

Billing status

The system assigns a billing status to each billing date in the plan. The status indicates to what extent the billing has been processed for that particular date. After billing has been carried out successfully, the billing status is automatically set to 'C'. This prevents a billed date from being billed again.

Billing Rule for Milestone Billing

For every date in the milestone billing plan, you can specify a billing rule. The rule determines how the billing amount for the particular date is calculated. For example, you can specify whether the billing amount is a percentage of the total amount or whether it is a fixed amount. The following figure shows an example of how a billing value can be determined.

Item 1: Turbine

PR00		100.000
KA00 -	10 %	10.000
FR00 + 10 kg	+	500
Net value		**90.500**

Net value * (%) of billing plan =
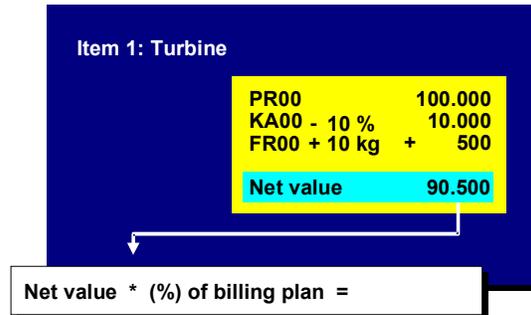
In addition, you can specify that the amount to be billed is a final settlement that takes into account billing that has not yet been processed. For example, price changes may take place after billing dates in the plan have already been processed. The price differences can be taken into account during final settlement.

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Final settlement is not automatically proposed in the billing plan by the system; you must enter it manually during processing.

Fixed dates in milestone billing

You can control for each date in a billing plan, whether the date is fixed or whether the system copies the date from the planned or actual milestone dates in a project.

Document flow

After a particular date in a billing plan is processed for billing, the system updates the document flow for the corresponding sales document item. The following figure shows an example of document flow for a billing plan.

Sales order 4711

	120.000
Item 1	100.000
Item 2	20.000

Billing plan data

10.06.95	10.000
.	.
.	.

Posting status

Billing index   B. bl.

10.06.95	10.000	4711
.	.	
.	.	

Bill. Doc.

10.06.95	
	10.000
Item 1	**10.000**
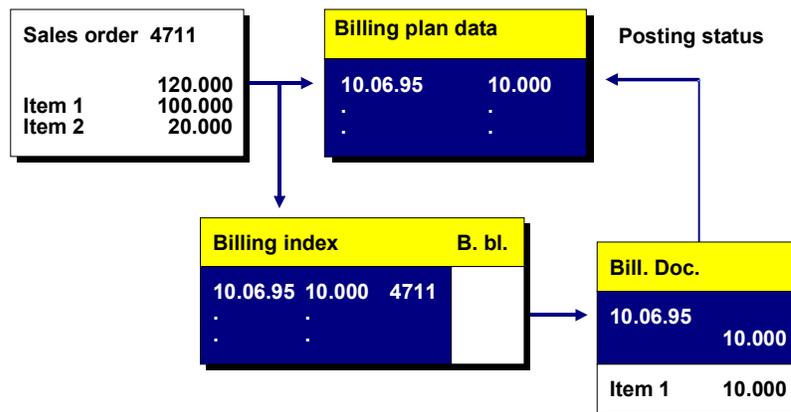
The document flow for the sales document displays the following data:

- Creation date

Billing Plan Functions

- Billing date

- Billed value

Creating with reference

When you define a billing plan type in Customizing for Sales, you can enter the number of an existing billing plan to serve as a reference during subsequent billing plan creation. During sales order processing for items that require billing plans, the system automatically proposes the reference plan and, if necessary, re-determines the billing dates (based on the current date rules) for inclusion in the new billing plan.

Exchange rate determination

In the billing plan with partial billing, you can store a certain exchange rate for each date. The amount billed is the amount determined after using this exchange rate to convert from the local currency into the document currency.

An exchange rate can also be stored at item level for the sales document (field: *Exchange rate for FI* on the *Billing* tab page. This fixed rate is valid for all dates in the item billing plan for which no rate is specified in the billing plan. If an exchange rate is entered both for the date in the billing plan *and* at item level in the exchange rate field, then the system uses the rate specified for the date during billing.

If no exchange rate is entered for the the date or at item level, then the system uses the exchange rate used for invoice creation and it is forwarded to FI.

When using a header billing plan, all billing plans linked to this header billing plan are automatically updated. If, for example, you enter an exchange rate manually for the first date in the header billing plan, this is automatically copied to the corresponding dates for the item billing plans.

How Billing Plans are Controlled

Billing plans are controlled in Customizing for Sales by the following elements:

- Billing Plan Type

- Date Description

- Date Category

- Proposed Date Category

- Proposed Date

- Assigning billing plan types to sales document items

Billing Plan Type

The billing plan type defines the basic control data for the billing plan. For example, the billing plan contains rules for date determination. These rules determine, for example, the beginning and end dates for the schedule of billing dates. The billing plan type also contains a date rule for determining the *horizon* for the billing plan. The horizon calculates the last billing date in the billing plan, based on the current date plus a specified time period (for example: today's date plus one year). The standard version of the SAP R/3 System includes the following billing plan types:

- Milestone billing (for example, billing dates determined by the percentage of project completion)

- Periodic billing (for example, monthly fees for a rental contract)

The billing plan type is displayed in the sales document but cannot be changed.

Date Description

Date descriptions are defined to describe the various purposes for which billing plans can be used. Depending on the date category you use, the system proposes a date description for the billing dates in the billing plan. The descriptions are for information purposes only and do not affect processing.

Date Category

The date category defines data for each billing date that appears in the billing plan. For example, the date category determines the following data:

- Billing rule (determines whether the billing date is based on, for example, the percentage of project completion or a monthly periodic payment for a service contract, and so on)

- Date description (specifies, for example, whether the billing date is for a rental contract, maintenance contract, and so on)

- Billing block (the billing date may be blocked, for example, if a project milestone has not been confirmed)

- Whether the date is fixed or not (in milestone, you may want the system to use the actual date of the milestone, for example)

- Billing type (proposes the type of billing document to be used during billing: invoice, pro forma, and so on)

How Billing Plans are Controlled

Proposed Date Category

For every billing plan type, you can assign a date category. During sales order processing, the system then automatically proposes the date category and its corresponding data for each billing date in the plan.

> The date category "Final settlement" is not proposed as part of the standard version of the SAP R/3 System and must be entered manually during processing.

Proposed Date

The date proposal function is used only for milestone billing. This function enables you to create a standard billing plan as a reference. This reference can be used during order processing. The dates can be used as the basis for an actual billing plan and changed if required.

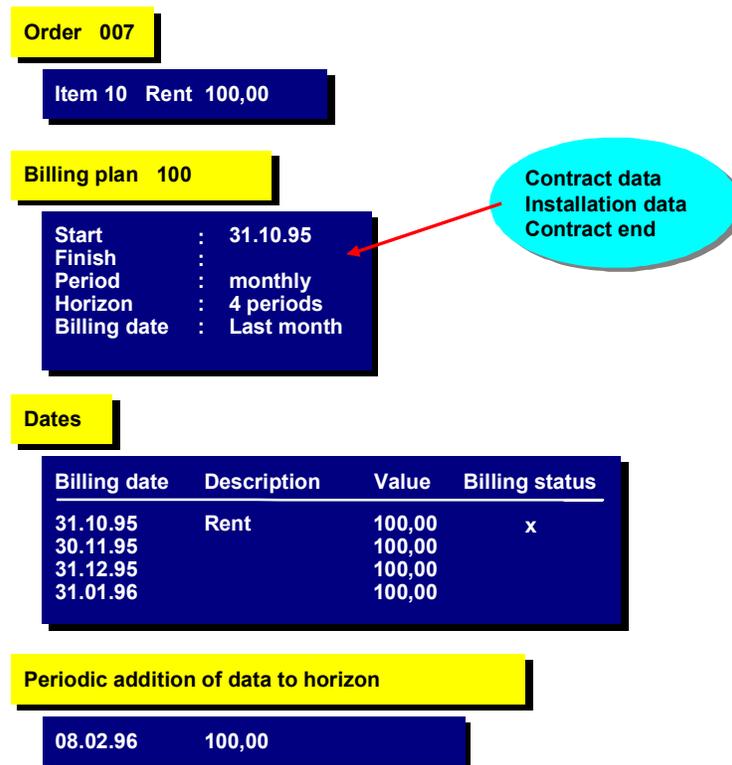## Assigning Billing Plan Types to Sales Document Items

Billing plans are controlled by item category. In Customizing for Sales, you can specify that individual item categories are relevant for order-related billing by means of a billing plan. You can also specify a billing plan type for each item category.

Periodic Billing

Periodic billing can be used, for example, in rental contracts. The billing dates in a periodic billing plan can be determined from the following sources:

- Control data in the billing plan

- Header data in the rental contract

- Manually entered dates

The following figure shows an example of periodic billing:

```
Order   007

  Item 10   Rent   100,00


Billing plan   100                          Contract data
                                            Installation data
  Start       :   31.10.95                  Contract end
  Finish      :
  Period      :   monthly
  Horizon     :   4 periods
  Billing date :   Last month


Dates

  Billing date   Description    Value    Billing status

  31.10.95       Rent           100,00       x
  30.11.95                      100,00
  31.12.95                      100,00
  31.01.96                      100,00


Periodic addition of data to horizon

  08.02.96        100,00
```

The following dates are important for billing date determination:

- Start and end dates

- Period (monthly, quarterly, annually)

- Horizon

Start and end dates

Start and end dates define the duration of the billing plan and, whenever possible, are copied from the start and end dates of the corresponding rental contract. Depending on the configuration of your system, these dates may be indirectly determined by the system. For example, the contract start date may be determined automatically as soon as the installation date is entered.

Period (monthly, quarterly, annually)

The periodicity of the billing dates determines the frequency with which the billing dates are created in the billing plan and, in addition, whether a billing date is processed for billing on the first or last day of the month.

Horizon

In case no end date is entered, or the end date lies so far in the future that not all billing dates can established, then a rule for determining the horizon can be entered. The horizon for periodic billing determines the last date of the billing plan.

The horizon is always determined by a rule that uses the current date as a baseline. If the current date is updated during processing, the system automatically extends the horizon and the schedule of billing dates into the future.

The determination of dates according to the current horizon must be triggered manually via the following menu path.

1. Select *Logistics* → *Sales and Distribution* → *Sales*.

2. Choose *Outline agreement* → *Contract* → *Subsequent functions* → *Horizontal/periodic billing*.

Report RVFPLAN01 which supports this function can be scheduled to run at regular intervals.

Credit Memo Date in the Billing Plan

Use

After cancellation of a contract, depending upon your agreement with the customer, settlement periods that have already been billed can be recredited automatically.

The most important criterion is that if the **end date** or **'to- date'** is changed, it comes before the last billed data. It is unimportant whether the end date changed because of a rule (e.g. contract end date) or whether it was entered manually.

Correction dates are created automatically if the field **Corr** is activated in the document billing plan data. Activation of this field can be carried out manually or automatically via Customizing.

Deactivating the field removes the correction dates again.

Example:

The contract had a duration of 4 months and all dates were billed. After further negotiations with the customer, the contract was canceled on April 15 1998 and it was agreed that the amount for the remaining period would be credited to the customer.

As soon as the end date is changed, a corresponding correction date is set.

Billing plan

Start   01/01/98   First of each month
End   04/30/98
Settlement period   Sts

01/01/98 – 01/31/98 01/01/98   USD   100.00 C
02/01/98 – 02/28/98 02/01/98   USD   100.00 C
03/01/98 – 03/31/98 03/01/98   USD   100.00 C
04/01/98 – 04/30/98 04/01/98   USD   100.00 C

→

Billing plan

Start   01/01/98   First of each month
End   04/15/98
Settlement period   Sts

01/01/98 – 01/31/98 01/01/98   USD   100.00 C
02/01/98 – 02/28/98 02/01/98   USD   100.00 C
03/01/98 – 03/31/98 03/01/98   USD   100.00 C
04/01/98 – 04/30/98 04/01/98   USD   100.00 C
Correction   04/16/98 – 04/30/98 04/01/98   USD   -50.00 A
date →

The value of a correction date cannot be changed. If you only want to reimburse a certain amount to the customer, then you can only do this by fixing the end date.

Credit Memo Date in the Billing Plan

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Correction dates which have already been billed can no longer be changed.

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The billing dates to which the correction dates refer cannot be canceled.

Prerequisites

You need to make the following settings in Customizing for billing plans:

- Billing plan type for periodic billing:

  In the **'Aut.cor.date'** field, you activate the automatic creation of credit memo dates in the billing plan.

- Date category maintenance:

  In the **billing type** field, you maintain the proposal billing type for the credit memo date in the billing plan.

  In the **billing block** field you maintain a block indicator for credit memo in the billing plan.

All fields represent a proposal for the billing plan and can be overwritten in the billing plan.

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You can configure authorizations for changing the billing block in the document (activating and deactivating) using authorization object V_VBAK_AAT.
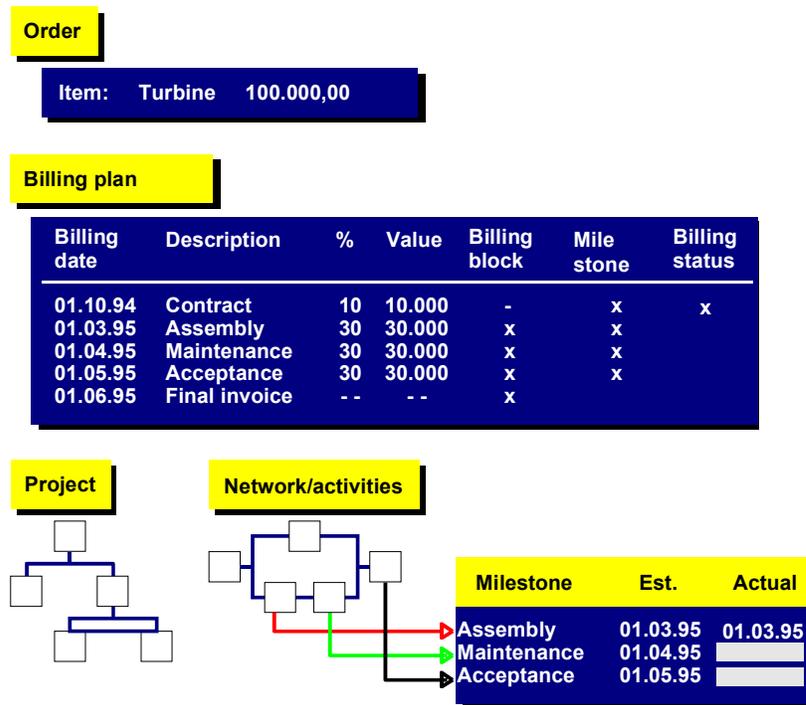
Milestone Billing

Milestone billing is typically used for billing projects, such as plant engineering and construction projects. Such projects often include a series of milestones that mark the completion of different stages of the work. In the SAP R/3 System, milestones are defined in a network along with planned and actual dates for the completion of work. The milestones are also assigned to the billing dates in the billing plan. Each milestone-related billing date is blocked for processing until the Project System confirms that the milestone is completed.

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> Delivery-relevant order items for which a milestone billing plan applies are billed on the basis of the requested delivery quantity and not on the total of the confirmed quantities.

The following figure shows an example of milestone billing:

Order

Item:	Turbine	100.000,00

Billing plan

Billing date	Description	%	Value	Billing block	Mile stone	Billing status
01.10.94	Contract	10	10.000	-	x	x
01.03.95	Assembly	30	30.000	x	x	
01.04.95	Maintenance	30	30.000	x	x	
01.05.95	Acceptance	30	30.000	x	x	
01.06.95	Final invoice	- -	- -	x		

Project   **Network/activities**

Milestone	Est.	Actual
Assembly	01.03.95	01.03.95
Maintenance	01.04.95	
Acceptance	01.05.95	

For each billing date in a milestone billing plan, you can specify whether the billing date is:

- fixed

- always updated with the actual date of the milestone

- updated with the actual date of the milestone, if the date is earlier than the planned billing date for the date

Milestone Billing

- updated with the actual date of the milestone, if the date is earlier than the planned billing date for the date

As of Release 3.0C it is also possible to assign milestones to the dates of the billing plan during milestone billing if no network plan has been opened.

In order to do this you must assign the milestone manually in billing plan maintenance. For you to be able to make this assignment, the *Fixed date* field of the proposed date category of the billing plan type must not be blank. The additional fixed value (as of Release 3.0C) of *Fixed date* ' ' means that you cannot assign it to a milestone. Milestone assignment is possible for all other values. You make these settings in the Implementation Guide.

Integration Between Sales and the Project System

The connection between the project and the sales document item is made in the individual schedule lines of the item. Each schedule item can be assigned to a network in a project.

To display the project-related data for a schedule line, proceed as follows:

1. In one of the overview screens of the sales document, select *Item* → *Schedule lines.*

2. Mark the schedule line and select *Procurement details.*

Billing Plans at Header Level

Up to and including Release 3.0D, billing plans for milestone and periodic billing were created and maintained exclusively at item level. When making changes to documents across all items, however, a large amount of manual work was required. Due to the large number of manual changes, there was also a high risk of error.

As of Release 3.0E, you can define a billing plan at header level which is valid for all items assigned to it. The header billing plan is maintained at header level. Data copied to the assigned items cannot be changed in the items.

Functions in Header Billing Plans

- Automatically attaching item billing plans to the header billing plan

  All items with the same billing plan type (controlled by the item category) refer to the header billing plan. By marking the header billing plan field on the item billing plan screen, you can display the relevant item/header billing plan assignment. If you want to define billing plans for specific items, you can remove the assignment and maintain the item billing plan separately.

  You can remove or set an item assignment with the assignment indicator. Once an item has been partially billed, it can be removed from the header but no longer attached to it.

- Copying the header billing plan to item billing plans

  You can copy global changes made at header level to item billing plans assigned to that header. Dates which have already been billed can no longer be changed. In periodic billing, the system carries out pricing, determines billing document value and determines document status at item level, independent of the header.

- Dynamically determining totals and status at header level

  Information displayed in the header billing plan is valid for all items which refer to that header. In milestone billing, billing document value and status at header level are determined dynamically from all assigned items. The document value at header level is the sum of all assigned items.

Displays

- In the sales order, you can branch to the header billing plan with *Header → Contract → Billing plan*.

- The header billing document field in the item billing plan (*Item → Contract → Billing plan*) indicates whether it has been assigned to a header billing plan.

- There are two new fields in the Billing overview screen (*Overview → Billing*):

    The *Billing relevance* field indicates for each item whether the sales order isrelevant for an order-related billing document and whether a billing plan exists(billing relevance 'I')

    The *Header billing plan* field indicates whether the item billing plan refers to the header billing plan (Header Bill Plan "X")

Header Billing Plans in Milestone Billing

The system copies the basis for the header billing plan from Customizing. In milestone billing, the following functions are carried out at item level:

- Determining billing document value on a percentage basis

- Dates at header level are copied from all item billing plans assigned to that header. When you make changes at header level (e.g. new billing dates or changes to percentage rates), the related items are automatically changed accordingly. The system does not allow you to make changes at item level.

Handling milestones

Dates generated in the header billing plan and milestones set in the header billing plan (*Edit → Generate dates → Manual milestones*) are copied to the item billing plans assigned to that header.

If you want to schedule milestones in an item separately from the header, you must first remove the item from the header billing plan before milestones can be assigned to it.

All manually set milestones will be deleted when you reassign this item to the header billing plan. Header data will once again be valid for the item.

Header Billing Plans in Periodic Billing

In periodic billing, the following functions are carried out exclusively at item level:

- Pricing

- Determining status

- Determining date-from and date-to

For this reason, no billing document value or status appear in the header billing plan.

> Changes to validity period
>
> Start and end dates establish the billing validity period and can be determined automatically using a rule or entered manually. These dates are copied to the item billing plans. If you change the rule or the manual validity period at header level, the resulting dates will be copied to the item level.
>
> To maintain different dates at item level, proceed as follows:
>
> If you specify a validity period manually in the Date-from and Date-to fields in the item billing plan, the system deletes the rule and uses the manual dates from these two fields to determine the relevant billing dates. The dates which the system determines at item level remain valid even if you make changes to the header billing dates. If the manual dates from the *Date-from* and *Date-to* fields are deleted, the system will again use the rule in the billing header to determine billing dates.