Overview
This job aid addresses the necessary entries for real estate objects regarding coding blocks. The coding block controls both the source and destination of the fund. This document provides guidance on how to set up your coding block effectively for both objects and contracts.

In addition, this document provides a brief overview of the posting logic when it comes to both lease out external and lease out internal contracts. A new posting logic for lease-out externals has recently been introduced to resolve issues with rounding for non-USD contracts and objects with multiple objects. As a result, the posting scheme has since changed. These changes are discussed in the Posting Logic & Posting Scheme section of this job aid. It is anticipated that this is a temporary issue while the Umoja team works with SAP for a solution.

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Enterprise Roles involved
  • Facility Planner
  • Senior Finance Officer
  • Real_Estate: Lease_Processor (RE.03)

Relevant T-Codes
RE80 – RE Navigator

Trigger
When you set up either a new object or a new contract you are required to assign the appropriate coding block.

Objects: For objects, this is used for posting revenue when associated with a lease out contract. Through RE periodic postings (RERAPP). This is the coding block that will be credited.

Lease In: Used to disseminate who is paying for the space, note the RE lease-in is for statistical purposes only, actual postings are on the Service Delivery purchase order.

Lease-Out External: A recent technical change now requires the posting parameters of your target object to be assigned to the contract.

Lease-Out Internal: This is the coding block of your tenant. This will be the coding block that will be debited.
1. Navigate to the usage object via RE80. On the Posting Parameters tab, you can select the Organizational Assignment section.

We can see an example of a rental space coding block above.

**Business Area** – This is the entity who controls the space and we want to credit.

**Fund** – This should be a non-spendable fund. There is a method to move revenue collected against a spendable condition onto a spendable fund.

**Funds Center** – Defines the funds center you want to credit.

**Functional Area** – This is derived when you save your changes based on the make up of the Business Area, Fund, and Funds Center combination.

**Lease-In Contracts**

The coding block for Lease-In contract should be maintained on the usage object. This should be a record of the coding block you are using to pay this landlord.
Within this contract, we can see the building referenced is 1000/201271/1. Below is the coding block associated with the object:

| Object Hierarchy | Object Type | Name                           | From | To   | Obj. From | Ql
|------------------|-------------|--------------------------------|------|------|-----------|-----
| ▼ REC 1000/100001532 | BU          | RCAP Building - 3F- Incheon   |      |      | 01.11.2011 |     |

**Job Aid: Coding Block for Real Estate Objects and Contracts**
If we review the coding block associated with the building, the coding block is as follows:

![Building 1000/201271/1 Display: Posting Parameters](image)

**Lease-Out External Contracts**

The coding block for your lease-out external contract should be maintained in two areas, on the target object and the contract. First, make sure the usage object has the coding block you intend to credit because this will ultimately receive the revenue.

To pass through the revenue from the contract and onto the rental object, we recommend the coding block on your contract match that of the target object.

In this example, the contract posting parameters have been set to match that of the usage object:
Lease-Out Internal Contracts

The coding block on the lease-out internal contract should be that of your tenant. Within the posting parameters you have a choice between a cost center, WBS element, or Internal Order.

In the event that your tenant would like to provide multiple coding blocks to pay for a single period, it’s recommended that you request them to consolidate the funds into a single internal order / WBS and pay via this method.

**IMPORTANT:** You need to assign GMNR to the Grant field **before** initiating the EMF approval process. If you forget this step, you cannot assign it later and, as a result, the Contract Approver will not be able to approve the contract and a new contract will need to be created.

**Cost Center**

The screen shots below demonstrate a common example of a Cost Center being debited against the internal tenant. You are required to populate the Cost Center, Business Area, Fund, Funds Center and Grant. The Functional Area will be derived based on these entries.
WBS

The screen shots below depict a common example of debiting a WBS element against the internal tenant. You are required to populate the Cost Center, Business Area, Fund, Funds Center and Grant. The Functional Area will be derived based on these entries.
One important point regarding EMF approval document is that the WBS will not appear on the document. This is a known issue that we are working to resolve.

However, when the contract is posted it correctly debits the WBS.
Internal Order

The screen shots below show a common example of an Internal Order debited against the internal tenant. You are required to populate the Internal Order, Business Area, Fund, Funds Center and Grant. The Functional Area will be derived based on these entries.
A recent change has been observed to the posting logic for:

- All lease out external (LOE) contracts in USD; and
- Certain contracts in non-USD currencies with multiple usage objects. The Umoja team is working with SAP to understand why certain items are impacted.

Previously, when posting LOE contracts, the posting logic would create an open item against the customer record and then credit the usage object directly.

After changes to the posting logic, we are seeing a different scenario for all USD contract types and some non-USD. The posting logic is similar to that of the Lease out Internal (LOI) contract where it will transfer revenue through the contract with offsetting postings to the revenue G/L account and then onto the usage objects.

Variations have been observed between multiple usage objects and the type of currency being posted. Below is a summary of the posting logic you can expect to see. This is expected to be a temporary scenario while we work with SAP to resolve the posting logic.
<table>
<thead>
<tr>
<th>Scenario</th>
<th>Currency</th>
<th>Target Objects</th>
<th>Posting Logic</th>
<th>New Logic?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Non-USD</td>
<td>Single</td>
<td>Tenant→UO</td>
<td>No</td>
</tr>
<tr>
<td>2</td>
<td>Non-USD</td>
<td>Multiple</td>
<td>Tenant→UO</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Non-USD</td>
<td>Multiple*</td>
<td>Tenant→CN→UO</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>USD</td>
<td>Single</td>
<td>Tenant→CN→UO</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>USD</td>
<td>Multiple</td>
<td>Tenant→CN→UO</td>
<td>Yes</td>
</tr>
</tbody>
</table>

UO – Usage Object
CN – Contract

**Scenario 1 – Non-USD Single Usage Object**
There is no change to the previous posting logic, revenues are transferred directly to the usage object.

**Scenario 2 - Non-USD Multi Usage Object**
There is no change to the previous posting logic, revenues are transferred directly to the usage object.
Scenario 3 – Non-USD Multi Usage Object
This is an example of the new posting logic. You can see on line 2 there is a credit to the contract revenues. You can then see on line 3 there is an offsetting debit to the contract revenue followed by a subsequent credit on line 4 to credit the usage object revenues. This continues for all rental objects.

Scenario 4 – USD – Single UO
Similar to scenario 3 you can see the new posting logic, however this is only going to a single usage object. Line 2 and 3 credit and debit the contract revenue and line 4 credits the usage object.
Scenario 5 – USD – Multiple UO’s
You can see similar to scenario 4 it transfers the item onto the contract before moving onto the usage objects.