

Contents

<i>Purpose</i>	<i>2</i>
<i>Background Information on Exception Processes</i>	<i>2</i>
Transfer between storage locations linked to different Fund/Fund Center in same Plant.....	2
Receipt into stock without reference to a Purchase Order (Addition to Stock).....	3
Return to stock of new items with a value	3
<i>Accounting Implications.....</i>	<i>4</i>
<i>Overview of Exception Processes</i>	<i>4</i>
Transfer between storage locations linked to different Fund/Fund Center in same Plant.....	4
Receipt into stock without reference to a Purchase Order (Addition to Stock).....	5
Return to stock of new items with a value	7




Purpose

The purpose of this document is to provide an overview of the Exception Processes in Inventory Management.

The Exception Processes considered in this overview are:

- Transfer between storage locations linked to different Fund/Fund Center in same Plant
- Receipt into stock without reference to a Purchase Order (Addition to Stock)
- Return to stock of new items with a value

Dedicated Job Aids with detailed instructions are available for each one of the Exception Processes in the Umoja website on iSeek:

-  Exception Process - Transfer between Storage Locations in the same Plant
-  Exception Process - Additions to Stock
-  Exception Process - Returns to Stock

Background Information on Exception Processes

1 - Transfer between storage locations linked to different Fund/Fund Center in same Plant

At Umoja C3/C4 go-live, the transfer between storage locations linked to different fund/fund centers in the same plant is not possible; since each storage location is linked to a specific fund/fund center and functional area, transferring stock implies budget movement.

After C3/C4 go-live, the need to transfer between storage locations linked to different fund/fund centers has been raised in several scenarios, e.g.:

- Stock erroneously converted in a storage location during initial data conversion
- Stock received in the wrong storage location due to errors during shopping cart and procurement processing
- Need to transfer stock between to storage locations under the same sections but different budgets to replenish stock
- Change of fund center associated to a storage location involves the need for creating a new storage location and the transfer between the two.

In order to address in Umoja the exception scenarios mentioned above, new ad-hoc movement types are available, with which it is possible to:

- generate the required accounting entries
- define budget relevance
- include reason codes to provide justification
- limit the access to the new movement types to specific user roles
- report and monitor the transfer between storage locations in the same plant using standard reporting

2 - Receipt into stock without reference to a Purchase Order (Addition to Stock)

At Umoja C3/C4 go-live, the receipt of stock into inventory is possible only in the following modality:

- Goods Receipt against a vendor PO for stock
- Goods Receipt against an internal Stock Transport Order
- Return to stock at zero value (for valuated materials, valuation type “OLD”)

After C3/C4 go-live, the following exception scenarios have been raised:

- Stock items received against Purchase Orders converted in Umoja without Material Master during initial data conversion
- Stock items not reported during the initial inventory conversion process
- Goods received upon completion of a construction contract (e.g. construction materials in excess that would be used for repair, maintenance)
- Goods received with reference to a service contract (e.g. spare parts that would be used for repair, maintenance)
- Receipt of PO delivery overage at no cost

In order to address the exception scenarios mentioned above in Umoja, new ad-hoc movement types are available, with which it is possible to:

- specify the value of the received goods, as/if applicable.
- generate required accounting entries
- define budget relevance
- include reason codes to provide justifications
- limit the access to the new movement types to specific user roles
- report and monitor the addition to stock

3 - Return to stock of new items with a value

At Umoja C3/C4 go-live, the return of stock into inventory is possible only in the following modality:

- Return to stock at zero value (for valuated materials, valuation type “OLD”)
- Goods Issue reversal in case of errors (in this case, items can be received at the current MAP)

After C3/C4 go-live, the following exception scenarios have been raised:

- Return of items that had been issued before the conversion (no value in plant)
- Return to stock of new items (not used)

In order to address the exception scenarios mentioned above in Umoja, new ad-hoc movement types are available, with which it is possible to:

- specify the value of the received goods, as/if applicable.
- generate required accounting entries
- define budget relevance
- include reason codes to provide justifications
- limit the access to the new movement types to specific user roles

- report and monitor the returns to stock

Accounting Implications

The execution of the new movement types for the exception scenarios generates accounting documents according to the posting schema that is available in the Annex A.

Recommendation

Due to the exceptional and integrated characteristics of the processes described in this document, it is recommended to raise an iNeed ticket to Umoja for consultation on the most appropriate approach.

Overview of Exception Processes

1 - Transfer between storage locations linked to different Fund/Fund Center in same Plant

The movement types indicated in the table below have been implemented in Umoja in order to be able to manage the Transfer scenarios mentioned in the Background Information Section.

Transfer Scenarios	Reason Code for the Transfer	Step	Budget Relevance	Movement Type	Description	Reversal / Cancellation Mvt. Type	Description
1) Stock erroneously converted in a storage location to be transferred to the correct storage location 2) Stock requested and received in the wrong storage location 3) Need to transfer stock between to storage locations under the same sections but different budgets to replenish stock 4) Change of fund center associated to a storage location involves the need for creating a new storage location and the transfer between the two	01 - Correction of conversion 02 - Correction of Procurement 03 - Stock replenishment 04 - Change of FC	1	BR	ZB1	(BR) Sloc Trns GI	ZB2	(BR) Sloc Trns GI RV
			Stat	Z11	Sloc Trns GI	Z12	Rev Sloc Trns GI
		2	Stat	Z13	Sloc Trns GR	Z14	Rev Sloc Trns GR

Accountability

Since this is an exception process, the relevant staff member provisioned with the Umoja User Role “Senior Inventory User” performs it. If the Storage Location is linked to a Warehouse in Umoja, then the Warehouse Senior User/Warehouse User shall perform the required steps in Warehouse Management.

Accounting aspects

The execution of this process has financial relevance since it implies a transfer between different budget elements. As such, all transfers should be discussed with, and approved by, relevant Accounting/Budget Divisions (e.g. OAH Accounting Division, PK or SPM Accounting / Budget department).

In particular, before executing the transfer, the following elements have to be clarified:

A) Accounts / Budget Division will determine whether the transfer should be Budget Relevant or Statistical, in order to determine the specific movement types to be used for Step 1 (withdraw from the issuing Storage Location) depending on the scenario:


Z11 – Goods Issue from SLOC– Non-budget relevant (Statistical to FM)

Or

ZB1 - Goods Issue from SLOC– Budget relevant

With movement type Z11 there is no budget consumption, with movement type ZB1 the budget of the receiving Storage Location is consumed. The step 2 (Receiving in the destination storage location) is only statistical.

B) The Accounts Division of the related OAH/PK/SPM will indicate the specific Funds / Cost Centers to be used for Step 1 and Step 2.

 Detailed Instructions are available in the Job Aid Exception Process - Transfer between Storage Locations in the same Plant

2 - Receipt into stock without reference to a Purchase Order (Addition to Stock)

The movement types indicated in the table below have been implemented in Umoja in order to be able to manage the Addition to Stock scenarios mentioned in the Background Information Section.

Scenario	Movement Type	Value	Accountability for transaction (Umoja User Role)	Budget Relevance
Stock items received against Purchase Orders converted in Umoja without Material Master	Z21 - Add to Stock (Val)	-At the PO value	- Senior Asset Accountant	Statistical
Stock items not reported during the inventory conversion process	Z21 - Add to Stock (Val)	-At the MAP, if existing in plant -At PO or at a fair market value, if not existing in the plant -At zero, if used	- Senior Asset Accountant	Statistical
Goods received upon completion of a construction contract (e.g. construction materials in excess that would be used for repair, maintenance)	Z21 - Add to Stock (Val)	-At the MAP, if existing in plant -At a fair market value, if not existing in the plant -At zero, if used	- Senior Asset Accountant	Statistical
Goods received with reference to a service contract (e.g. spare parts that would be used for repair, maintenance)	Z21 - Add to Stock (Val)	-At the MAP, if existing in plant -At a fair market value, if not existing in the plant -At zero, if used	- Senior Asset Accountant	Statistical

Receipt of PO delivery overage at no cost	511 - Delivery w/o charge	-At zero (will decrease the MAP)	- Inventory Senior user	Statistical
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Movement type Z21

With the movement type Z21 it is possible to add items to stock and specify a value for the receipt. This movement type can be used only in the scenarios indicated in the above table. The reversal movement type is Z22.

Note: If this relates to an error performed when raising a PO within Umoja, the PO MUST be corrected before goods receipt. This movement type should only be used in cases where the PO could not be corrected.

Budget relevance

- The movement type Z21 is not relevant from a budget perspective (statistical)

Value of the items returned to stock

- The movement types allow specifying a value for the items returned to stock. This is applicable only to new (untouched, never used) items. The value to be indicated is to be determined based on the criteria illustrated in the above table.

Responsibility

- The movement type Z21 can be executed by a staff member assigned with the Umoja User Role “Senior Asset Accountant”; the “Inventory Senior User” responsible for the stock to be added will a) support assessing the status of the goods as new / old and b) assist the Senior Asset Accountant preparing and executing the transaction in Umoja. The Inventory Senior User can create a Stock Reservation to be used as a reference to facilitate the execution of the goods receipt.

Account Assignment

- When executing the movement type Z21, the account assignment will indicate the Fund / Fund Center related to receiving Plant / Storage Location

Movement type 511

With movement type 511 it is possible to perform receipt of PO delivery overage at no cost. The items that are delivered in excess are therefore received with value = 0. The reversal movement type is 512.

Budget relevance

- The movement type 511 is not relevant from a budget perspective (statistical)

Value of the items returned to stock

- The items that are delivered in excess are received with value = 0

Responsibility

- The movement type 511 can be executed by a staff member assigned with the Umoja User Role “Inventory Senior user

Account Assignment

- When executing the movement type 511, the account assignment will indicate the Fund / Fund Center related to receiving Plant / Storage Location.
- As the value of the items is zero there will be no Financial Accounting posting.

 Detailed Instructions are available in the Job Aid: Exception Process - Additions to Stock

3 - Return to stock of new items with a value

The movement types indicated in the table below have been implemented in Umoja in order to be able to manage the Return to Stock scenarios mentioned in the Background Information Section.

Status	Type	Scenario	Umoja User Role	Budget Implications	t-Code	MvT	Description	Reversal MvT
Functionality available in Umoja since Go-Live	Return to stock of old (USED) items at zero value	Return to stock of used items at zero value. The items is returned with Valuation type = "OLD".	Inventory User	Statistical	MIGO	Z01	GR Used Goods	Z02
	Reversal of goods issue	A goods issue can be reversed in case of errors or quantity issued in excess. As effect of reversing the goods issue, the items are returned to stock. The return through reversal ensures this reflects the information entered at time of goods issue	Inventory user	Statistical or Budget Relevant depending on the original goods issue	MIGO	Z02 Z22 Z62 Z62 ZK2 Z02 ZW2	RE for cost center RE for project RE for order RE for order (BR) GI Cost.Cnt.rev (BR) GI Order.rev (BR) GI Proj.rev	
NEW Movement Types in Umoja available in November 2016	Return to stock of new (NOT USED) items at a value	Return to stock of new items (not used) when the material has MAP = 0 in the Plant. In the transaction it is possible to specify a value for the item. The items is returned with Valuation type = "NEW".	Senior Asset Accountant	Budget Relevant (if the items had been issued as BR)	MIGO	Z41	(BR)Ret to stk (Val)	Z42
				Statistical (if the items had been issued statistically)	MIGO	Z43	Ret to stock (Val)	Z44
		Return to stock of new items (not used) when the material has MAP in the Plant. The material is returned at the MAP. The items is returned with Valuation type = "NEW".	Inventory Senior User	Budget Relevant (if the items had been issued as BR)	MIGO	Z45	(BR)Ret to stk (MAP)	Z46
				Statistical (if the items had been issued statistically)	MIGO	Z47	Return to stk (MAP)	Z48

Movement types Z41 and Z43

With these movement types, it is possible to specify a value for the items to be returned to stock. This is applicable only in exceptional cases, e.g. when the materials are new but the current value of the MAP = 0 in the plant.

MAP = 0 occurs where the item does not (or has not previously) existed in the stock of the plant location. The condition of the items to be returned must be new (never used).

Budget relevance

- The movement type Z41 is relevant from a budget perspective; therefore, it should be used when the office / department returning the items is to be reimbursed and the budget related to the storage location receiving the returned materials will be charged.

For example in the case where 10 items were issued from stock but only 8 were used, so 2 are returned to stock as new.

- The movement type Z43 is statistical from a budget perspective; therefore, it should be used when the receiver was not charged for the cost of the items when the items were originally issued from stock (statistical goods issue).

Value of the items returned to stock

- The movement types Z41 and Z43 allow specifying a value for the items returned to stock if the MAP of the materials is zero in the relevant Plant. Assigning a value is applicable only to new (untouched, never used) items. In general, the items should be returned at the MAP for the plant, but if the material has MAP = 0, then below criteria should be applied:
 - At a contract price, if existing
 - At a fair market value

Responsibility

- Movement types Z41 and Z43 can be executed by a staff member assigned with the Umoja User Role “Senior Asset Accountant”; the “Inventory Senior User” responsible for the stock to be returned will a) support assessing the status of the goods as new / old and b) assist the Senior Asset Accountant preparing and executing the transaction in Umoja.

Movement types Z45 and Z47

With these movement types it is not possible to specify a value for the items returned to stock; when the materials are returned, they are received at a value corresponding to their MAP in the plant, therefore is applicable only to materials that have a MAP in the plant. The condition of the items to be returned must be new (never used). These movement types may be used, for example, in exception scenarios such as when a Service Order is completed and the stock originally issued for its execution is only partially used, so the left over components are returned to stock.

Budget relevance

- The movement type Z45 is relevant from a budget perspective; therefore it should be used when the office / department returning the items is to be reimbursed of their value. This is the case when the cost of the items was recovered when originally issued from stock.
- The movement type Z47 is statistical from a budget perspective; therefore, it should be used when the cost of the items was not recovered when originally issued from stock (statistical goods issue).

Value of the items returned to stock

With these movement types the items are received at the current MAP for the material in the plant.

Responsibility

- Movement types Z45 and Z47 can be executed by a staff member assigned to the Umoja User Role “Inventory Senior User”, responsible for the stock to be returned.



Detailed Instructions are available in the Job Aid: Exception Process - Returns to Stock

Annex A: Posting schema summary FM FI

PART A: Transfers

A.1 Budget relevant transfers between SLOC. Done in two steps issuance (from old) receipt (to new).

Action/ Movement type	Debit/ Credit	GL Acct Series (FI)	Acct type FI	Eg. Fund/Fund Center	Commitment item (FM)	Real/ Statistical	Value
Step 1 Issuance old SLOC: ZB1 (reversal ZB2)	Debit	77XXXXXX	Expense	Deriving from SLOC of receiving	77XXXXXX	Real	MAP X QTY= A
	Credit	17XXXXXX	Inventory	Deriving from SLOC of sending	17XXXXXX	Real	MAP X QTY=A
(Automatic posting where relevant)	Debit	11701010	Cash Main Pool	Fund of sending	NA	NA	A
	Credit	11701010	Cash Main Pool	Fund of receiving	NA	NA	A
Step 2 Receipt to new SLOC: Z13 (reversal Z14)	Debit	17XXXXXX	Inventory	Deriving from SLOC of receiving	77XXXXXXS	Statistical	MAP X QTY
	Credit	77XXXXXX	Expense	Deriving from SLOC of receiving	77XXXXXXS	Statistical	MAP X QTY

A.2 Non budget relevant transfers between SLOC. Done in two steps issuance (from old) receipt (to new).

Action/ Movement type	Debit/ Credit	GL Acct Series (FI)	Acct type FI	Eg. Fund/Fund Center	Commitment item (FM)	Real/ Statistical	Value
Step 1 Issuance old SLOC: Z11 (reversal Z12)	Debit	77XXXXXX	Expense	Deriving from SLOC of sending	77001000S	Statistical	MAP X QTY= A
	Credit	17XXXXXX	Inventory	Deriving from SLOC of sending	77001000S	Statistical	MAP X QTY=A
Step 2 Receipt to new SLOC: Z13 (reversal Z14)	Debit	17XXXXXX	Inventory	Deriving from SLOC of receiving	77001000S	Statistical	MAP X QTY
	Credit	77XXXXXX	Expense	Deriving from SLOC of receiving	77001000S	Statistical	MAP X QTY

Note: Fund should be the same as it is the receiving SLOC for both MVT types (no cash movement ZZ doc posting)

PART B: RETURN OF UN-USED ITEMS**BUDGET RELEVANT**

B1. BUDGET RELEVANT RETURN OF NEW ITEMS (THAT HAVE NOT BEEN USED) THAT HAVE NO MAP IN THE PLANT: USER ENTERS VALUE

Action/ Movement type	Debit/ <i>Credit</i>	GL Acct Series (FI)	Acct type FI	Eg. Fund/Fund Center	Commitment item (FM)	Real/ Statistical	Value
RECEIPT OF ITEMS TO SLOC Z41 (Reversal Z42)	<i>Debit</i>	17XXXXXX	<i>Inventory</i>	<i>Deriving from SLOC of receiving</i>	17XXXXXX	<i>Real</i>	<i>Unit Value* X QTY= B</i>
	<i>Credit</i>	77XXXXXX	<i>Expense</i>	<i>Entered by user, fund/fund center to where budget to be returned</i>	77XXXXXX	<i>Real</i>	<i>Unit Value* X QTY=B</i>
<u>If Fund/Grant is different between sending and receiving cash is moved as follows</u>							
<i>(automatic posting were relevant)</i>	<i>Debit</i>	11701010	<i>Cash Main Pool</i>	<i>Fund of where budget returned</i>	NA	NA	B
	<i>Credit</i>	11701010	<i>Cash Main Pool</i>	<i>Fund of SLOC receiving the inventory back</i>	NA	NA	B

*Unit value entered by user

B2. BUDGET RELEVANT RETURN OF NEW ITEMS (THAT HAVE NOT BEEN USED) TO STOCK at MAP

Action/ Movement type	Debit/ Credit	GL Acct Series (FI)	Acct type FI	Eg. Fund/Fund Center	Commitment item (FM)	Real/ Statistical	Value
RECEIPT OF ITEMS TO SLOC Z45 (Reversal Z46)	Debit	17XXXXXX	Inventory	Deriving from SLOC of receiving	17XXXXXX	Real	MAP X QTY= A
	Credit	77XXXXXX	Expense	Entered by user, fund/fund center to where budget to be returned	77XXXXXX	Real	MAP X QTY=A
<u>If Fund/Grant is different between sending and receiving cash is moved as follows</u>							
(automatic posting were relevant)	Debit	11701010	Cash Main Pool	Fund of where budget returned	NA	NA	A
	Credit	11701010	Cash Main Pool	Fund of SLOC receiving the inventory back	NA	NA	A

NON-BUDGET RELEVANT

B2. NON-BUDGET RELEVANT RETURN OF NEW ITEMS (THAT HAVE NOT BEEN USED) TO STOCK: USER ENTERS VALUE

Action/ Movement type	Debit/ Credit	GL Acct Series (FI)	Acct type FI	Eg. Fund/Fund Center	Commitment item (FM)	Real/ Statistical	Value
RECEIPT OF ITEMS TO SLOC Z43 (Reversal Z44)	Debit	17XXXXXX	Inventory	Deriving from SLOC of receiving	77001000S	Statistical	Unit Value* X QTY= B
	Credit	77XXXXXX	Expense	Should be the same as the receiving SLOC	77001000S	Statistical	Unit Value* X QTY=B

*Unit value entered by user

Note: Fund should be the same as it is the receiving SLOC for both MVT types (no cash movement ZZ doc posting)

B3. NON-BUDGET RELEVANT RETURN OF NEW ITEMS (THAT HAVE NOT BEEN USED) TO STOCK AT MAP

Action/ Movement type	Debit/ Credit	GL Acct Series (FI)	Acct type FI	Eg. Fund/Fund Center	Commitment item (FM)	Real/ Statistical	Value
RECEIPT OF ITEMS TO SLOC Z47 (Reversal Z48)	Debit	17XXXXXX	Inventory	Deriving from SLOC of receiving	77001000S	Statistical	MAP X QTY= A
	Credit	77XXXXXX	Expense	Should be the same as the receiving SLOC	77001000S	Statistical	MAP X QTY=A

Note: Fund should be the same as it is the receiving SLOC for both MVT types (no cash movement ZZ doc posting)

PART C: RECEIPT OF INVENTORY WITHOUT A PO

C1. NON-BUDGET RELEVANT RETURN OF NEW ITEMS (THAT HAVE NOT BEEN USED) TO STOCK AT MAP

Action/ Movement type	Debit/ Credit	GL Acct Series (FI)	Acct type FI	Eg. Fund/Fund Center	Commitment item (FM)	Real/ Statistical	Value
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RECEIPT OF ITEMS TO SLOC Z21 (Reversal Z22)	<i>Debit</i>	<i>17XXXXXX</i>	<i>Inventory</i>	<i>Deriving from SLOC of receiving</i>	<i>77001000S</i>	<i>Statistical</i>	<i>MAP X QTY= A</i>
	<i>Credit</i>	<i>76XXXXXX- 77XXXXXX</i>	<i>Expense (QTY CHANGE)</i>	<i>Should be the same as the receiving SLOC</i>	<i>77001000S</i>	<i>Statistical</i>	<i>MAP X QTY=A</i>

C2. INVENTORY RECEIPT AT NO COST (I.E. INCREASE TO QUANTITY ONLY)

No FI FM documents are posted (Movement types 511 or 512).

Please find attached the excel file with full details of the full schema.



Movement Types
(Exception processes)