

SAP PPM User Guide – How to Enter Project Accruals and Adjust Forecasts

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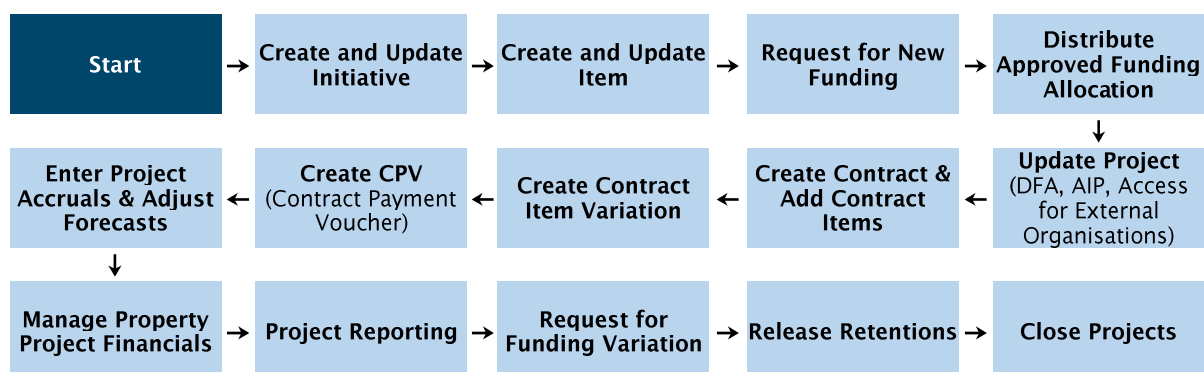
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Click to open an SAP PPM Guide from this general process diagram below. These links are valid for internal staff members only.



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Purpose

This document will step you through SAP PPM to enter accrued expenses and adjust forecasts.

Scope

This document does not cover distribution of approved funding allocation to the SAP Project's Phases or Tasks. This can be found in the [SAP Guide – How to Request for New Funding and Funding Variation](#).

Prerequisites

A SAP Project with approved funding allocation, and where these funds are distributed to its Phases or Tasks.

Responsible Role

- Project Manager
- Contract Manager
- Network Manager
- Professional Services Consultant (the Consultant)

Definitions

Allocation	The amount of funding your project has had approved
Allocation Distribution	When you split your allocation across your Phases (capital projects) and Tasks (for NOC/MOR)
Funding Variation	You request for this if you need more funds, return surplus funds, or transfer surpluses or losses to the next financial year
Forecasts	Are what you calculate and expect you'll spend in the current month, and future months. You should reassess your forecasts every month in SAP.
Actuals	Are your costs (or income) charged to your project. Actual expenses are calculated from vendor invoices, accruals, accounts receivable, and journal entries.
Accruals	Are costs for goods and services consumed that hasn't been recorded as an actual cost. Accruals recognise work that has been completed and there is an obligation to pay, but you haven't received the invoice or contract payment voucher yet. Accruals are generally: <ul style="list-style-type: none"> - invoices not approved yet - invoices not received yet - invoices dated in the wrong period.
NOC/MOR	NOC = Network Outcomes Contract, MOR = Maintenance, Operations and Renewal

1. MONTH END PROCESS

This is a very important process you must do each month end, so we know Waka Kotahi’s cashflow and financial position.

	Working Days from Month End	-1 day	1 day	2 day	3 day	4 day	5 day	6 day	7 day
1	AIP closes (Automatic Invoice Processing system)	3pm							
2	Enter & check accruals and forecasts								
3	SAP closes previous month at 3pm							3pm	
	Monthly Reports Run								>>

1. AIP closes at 3pm on the last working day of the month. No further invoices can be processed against the project for that month.
2. Between the 1st and 6th working day of the following month – check actuals, enter accruals, and adjust forecasts of future months and years if necessary. Waka Kotahi managers should check their external consultants entries.
3. On the 6th working day by 3pm, everyone **must** (emphasised) log out of SAP. The system will be shut-off to perform month end roll over.

How Accruals Work in SAP

Assume it is February. Between the 1st and 6th working day (3pm) of February, you enter your January accruals into SAP for each WBS number (e.g. \$900).



[Accruals are calculated from invoices related to January work that have been approved in early February, or best-estimate costs of January work not yet invoiced].



At 3pm on the 6th working day, SAP closes January from further financial entry.



Overnight, SAP combines the January accruals (e.g. \$900) you entered to any January actuals (e.g. \$100) you had. This combined cost is set as the new January Actual (e.g. \$1000).



At the same time, SAP will create a negative entry in February to the accrual (e.g. -\$900). This is called an accrual reversal.






Later when the invoices (e.g. \$900) are processed (even if the invoice is dated 30 January), it will be added to the negative February entry (-\$900) to give a 0 balance.



If the invoice is more (e.g. \$1200) than you had accrued, then February will get balance of \$300 (because -\$900 + \$1200 = \$300).

SAP Financial Processing Differences between Capital and NOC/MOR

When you enter forecasts, accruals and actuals into SAP, the financials are processed at different elements/levels:

 SAP Task WBS Level	For NOC/MOR
 SAP Phase WBS Level	For Capital Projects
 SAP unfunded Item / SAP funded Project	Do not process expenses on this level
SAP Initiative	Do not process expenses on this level

2. ENTER ACCRUALS AND ADJUST FORECASTS

Screen: Index

Portfolio and Project Management

1 In the SAP Index Screen, click the PPM icon to open up Overview list. If you click the title, it expands the entire Overview.

Overview

- Overview Work Center
- Reporting >
- Project Management 2 >**
- Contract Management >
- Portfolio Management >
- PPM Administration >

Project Management

You can complete project management related activities, based on your responsibility.

- Allocation Distribution
- PPM Accruals and Forecasts 3**
- Checklist Items
- Projects
- Tasks

Screen: Project Accruals and Forecast

Project Accruals and Forecast

Save Cancel Edit Back

4 Click on your project, and the Accrual and Forecast Values will appear below

If the project is not here, click **Back** to search for it. This screen shows projects which you are a phase, task or project manager.

Project	Project Name	Project Type	Item Type	Region	Project Manager	Team L...	Work category
60027164	Marlborough Local...	NMA	NOC	Marlborough			
60027231	Route conversio...	Improvements	Construction/Imple...	Bay of Plenty			New roads
60027243	Corridor Optimisati...	Programme Busin...	Programme Busin...	Waikato			Transport model ...
60027281	East West Connec...	Improvements	Property	Auckland			Property purchas...

Accrual and Forecast Values

Show Next Year Periods Show TECO WBSE

Name	WBS EI...	Notes	Submit	Total Fcast	Total Alloc	PY Actuals	A...	S...	O...	D...	Accr DEC	Total DEC
Summary of TEC...												
Total												
Previous Forecast												

a. For Capital Projects

This example scenario is set on 5 January, so this screen shows last December as the current month. Complete the steps and **Save** regularly to preserve your work.

Screen: Project Accruals and Forecast

5 Accrual and Forecast Values

Save **Edit** If you can't edit your project, click 'Edit'

Click to show next financial years forecasts by month

Click to show your hidden Technically Complete WBSE

This is Actuals + Accruals you record for the month of Dec

CY = Current Year

Name	WBS El...	Notes	Submit	Total Fcast	Total Alloc	PY Actuals	Actuals						Accr DEC	Total DEC	DEC	Forecast						CY Fcast	CY Alloc	Y1 Fcast	Y1 Alloc	
							JUL	AUG	SEP	OCT	NOV	DEC				JAN	FEB	MAR	APR	MAY	JUN					
Physical works	60051515	<input type="checkbox"/>	<input checked="" type="checkbox"/>	240	240	0	20	10	10	10	10	6	4	10	10	10	10	10	10	10	10	10	130	130	110	110
MSQA	60051516	<input type="checkbox"/>	<input type="checkbox"/>																							
Design Fees	60051517	<input type="checkbox"/>	<input type="checkbox"/>																							
Total row >>																										
Previous Forecast row >>																										

1 Accr DEC

2 Forecast (JAN-JUN)

3 Notes

4 Submit

Actuals approved so far for the current month (of Dec)

You may leave the current month forecast as it is

Y# = # Year ahead

STEP	COLUMN	INSTRUCTION (IN GREEN) OR INFORMATION
	Symbols	➔ = Phase, ⦿ = Task (Do not enter any values to these lines)
	Name	Name of the Phase or Task of this Project
	WBS Element	Work Breakdown Structure (WBS) = Phase or Task number. Click the WBS number to see all its actual expenses.
●3	Notes button	<input type="checkbox"/> If significant, you may want to enter why you adjusted your forecasts
●4	Submit boxes	<input checked="" type="checkbox"/> Tick the box with your adjusted forecasts (the emphasis is with forecasts, not accruals). IMPORTANT This step doesn't apply to external consultants if the box isn't visible, however internal staff must tick the Submit box.
	Total Fcast	Total lifetime forecast and actuals
	Total Alloc	Total lifetime approved allocation
	PY Actuals	Previous Years actuals (all)
	<Previous Months>	Actuals of previous months of the current financial year.
	<Current Month>	Actuals of current month (The last month displayed is current month. In this example, the current month is December)
●1	Accr <Current Month>	Between 1st working day and 3.00pm of 6th working day, enter your accruals for work done and expenses incurred of the current month. Include previous months not recorded yet (e.g. late invoices). These can't be adjustments based on previous month's figures, so they must be 'true' accruals. Accruals can't be entered for Property Projects.
	Total <Current Month>	Sum of current month actuals and current month accruals
	<Current Month>	Forecast for the current month (do not change)
●2	<Future Months>	Enter any adjusted forecasts in the upcoming months (in the white cells). You can adjust forecasts anytime of the month. These numbers aren't accumulative / running totals.
	CY Fcast	Total forecast expenditure for the current financial year. (Previous months actuals + current forecasts + future forecasts)
	CY Alloc	Total approved distributed allocation for the current financial year.
	Y# Fcast	Total forecasted for the next financial year(s), denoted by the number.
	Y# Alloc	Total approved allocation for the next financial year(s), denoted by the number.
	Total row	Sum of fields as displayed on screen (before the adjusted forecast is submitted)
	Previous Forecast Row	Total of all submitted forecasts.

b. For NOC/MOR

This example scenario is set on 5 January, so this screen shows last December as the current month. Complete the steps and **Save** regularly to preserve your work.

Screen: Project Accruals and Forecast

STEP	COLUMN	INSTRUCTION (IN GREEN) OR INFORMATION
	Symbols	🕒 = Task, 🚩 = Phase (Do not enter any values to these lines)
	Name	Name of the Phase or Task of this Project
	WBS Element	Work Breakdown Structure (WBS) = Phase or Task number. Click the WBS number to see all its actual expenses.
●3	Notes button	If significant, you may want to enter why you adjusted your forecasts
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	Total <Current Month>	Sum of current month actuals and current month accruals
	<Current Month>	Forecast for the current month (you may leave this current month forecast as is)
●2	<Future Months>	Enter any adjusted forecasts in the upcoming months (in the white cells). You can adjust forecasts anytime of the month. These numbers aren't accumulative / running totals.
	CY Fcast	Total forecast expenditure for the current financial year. (Previous months actuals + current forecasts + future forecasts)
	CY Alloc	Total approved distributed allocation for the current financial year.
	Y# Fcast	Total forecasted for the next financial year(s), denoted by the number.
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