Split Valuation - Customizing Settings

Purpose
The purpose of this page is to provide detailed information about split valuation.

Summary
In split valuation, you can distinguish between partial stocks of a material according to certain criteria and valuate them separately. A typical business example is to differentiate stocks based on its origin, if a material can be either produced internally and procured and depending on the origin the material master data (e.g. price) can be different.

Configuration
You can activate or deactivate the split valuation in your system under the customizing path Materials Management Valuation and Account Assignment Split valuation Activate Split Valuation. As default this is activated in the SAP standard system, but it is actually used only if you determine it for the corresponding material.

To configure the split valuation you have to define the valuation categories and valuation types under the customizing path Materials Management Valuation and Account Assignment Split valuation Configure Split Valuation (transaction OMWC). Here you will find 3 options, to define global types, global categories and local definitions.

Global valuation categories
The valuation category defines the criteria for splitting the material stocks. With the option ‘Global categories’ the valuation categories can be defined, not depending on the valuation area. If we take the example of the external procurement / inhouse production, you will find among the predefined SAP valuation categories: valuation category ‘B’:

- B procurement type
- H Origin
- X automatic valuation (only for batch)

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You can set the default valuation types for the valuation categories if you click on the valuation category and select ‘Change’.
Global valuation types

If the necessary valuation categories are defined you have to define the valuation types, first under 'Global Types', independently of the valuation area and the valuation category. You can create new entries here with additional information (if external / internal PO is allowed for the valuation type; account category reference).

If we take the example of the external procurement / inhouse production, the corresponding entries can be inhouse (in the standard system: eigen) and external (in the standard system: fremd).

Allocation of valuation types and valuation categories

The last step of the global setting is to order the valuation types to valuation categories (e.g. the valuation types inhouse and external to the category 'B' procurement type). To do that you have to go back to the global valuation categories and click on 'Types -> Cat.' You will be directed to a list where all of the valuation types are listed for the corresponding valuation category and you can activate the ones you would like to use for the category.

In the above example we selected the valuation category 'B'. You can switch to an other category with the buttons 'Valuation category + / -'. The valuation type 01, 02, EIGEN and EIGEN_HALB are active for this category, so these will be available for the selection in the corresponding transactions. By pressing the 'Cat. -> Ous' button you will be directed to a list where you can activate the categories for the plants.
In the example above the valuation category 'B' can only be used for the material in plant 001, 002 and 1000. If you would like to use it in the plant 1100, you should activate it for that plant as well.

**Local definitions**

If the global settings are ready you have to create the local definitions for the plants. If you click on 'Local definitions' you will get a list of the plants. If you click on the line of the plant and then to 'Local categories', you get a list of the categories that you assigned to this plant according to the description above (Allocate to plants function). Local valuation types will be assigned automatically based on the global valuation category – valuation type assignment. With the functions 'Local types' / 'Local categories' you have the possibility to customize the settings according to the specific plants. With the function 'Cats. -> OU' you can activate the local valuation categories for the plants.

Check the example of the plant 1000. If we click on 'Local definitions' in OMWC, click on the line of the plant 1000 and press 'Local categories', we will get a list of the valuation categories that were assigned to this plant under the path 'Global categories' / 'Types -> Cat.' -> 'Cat. -> Ous'.

If you want to assign a new category to the plant 100, for example category 'A', you have to go to 'Global categories' / 'Types -> Cat.', select the category 'A', press 'Cat. -> Ous', select the line with plant 1000 and click on 'Activate'.
Material master settings

If you would like to activate the split valuation for a material, you can set it on the view ‘Accounting 1’. Here you can select from the valuation categories that you predefined for this plant. This material master entry will be the ‘valuation header record’, you have to create accounting data for all valuation types that would be used for this material. You can create the ‘valuation header record’ only with price control ‘V’, but the material with the specific valuation type can either be standard price valuated or moving average price valuated.

In the example below the header record was created with the valuation category ‘B’, material is FA88-SPLIT, plant is 0001, the price control must be set to ‘V’. For the same material the accounting view was created for the valuation type ‘EIGEN’ and ‘FREMD’, you can see on the header level to which valuation type the data refers. For the material / plant / valuation type combination you can define either ‘V’ or ‘S’ price control.
Valuation of split valuated material

The reason of the above setting is that a split valuated material is valuated on the ‘valuation header’ level and on the level of the material with valuation types. The best way to understand this logic is to check the corresponding mbew table for the material:

<table>
<thead>
<tr>
<th>Material</th>
<th>Valuation Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>FA88-SPLIT</td>
<td>FREMD</td>
</tr>
<tr>
<td>EIGEN</td>
<td>FREMD</td>
</tr>
<tr>
<td>FREMD</td>
<td>FREMD</td>
</tr>
</tbody>
</table>

The first row shows the values of the ‘valuation header’, the 2 below lines show the entries with the valuation type (field BWTAR: valuation type). The price control indicator (standard ‘S’ or moving average price ‘V’) can be found in the field VPRSV. As it was set in the material master, for ‘EIGEN’ the price control is ‘S’, for ‘FREMD’ the price control is ‘V’, for the header it can only be ‘V’.

If a material is split valuated you must enter the valuation type of the material for all of the valuation relevant transactions (goods movement, physical inventory, invoice receipt etc). This way it can be ensured that the stocks can be followed up on valuation type level. For example if you enter a goods movement for the material FA88-SPLIT with valuation class ‘FREMD’ the current stock quantity (LBKUM) and stock value (SALK3) of the line with ‘BWTAR = FREMD’ will change - additionally the moving average price ‘VERPR’ if it is affected). The entry with ‘BWTAR = EIGEN’ will not be changed by this transaction.

Furthermore each valuation relevant transaction will change the values of the ‘header’, so the entry without ‘BWTAR’. For this total stock entry the values are calculated from the sum of the stock and the stock quantities of the individual partial stocks. In this example

\[
LBKUM_{1} = LBKUM_{EIGEN} + LBKUM_{FREMD} = 10 + 19 = 29
\]

\[
SALK3_{1} = SALK3_{EIGEN} + SALK3_{FREMD} = 285 + 60 = 345
\]

The moving average price of the ‘header’ is calculated with the following formula:

\[
VERPR_{1} = \frac{SALK3_{1}}{LBKUM_{1}} = \frac{345}{29} = 11.90
\]

The moving average price of the ‘header’ cannot be changed with MR21.

### Related SAP Notes/KBAs

- [1896058 - Update moving average price at plant level when the material is managed by split valuation](https://support.sap.com/1896058)