

## How to process the trade-in value of an asset when purchasing its replacement

The following scenario supposes a trade-in value of \$3000 on the asset being retired, and a value of \$8000 on the new, replacement asset.

Role	Step	SAP T-Code	Effect
FA-Bureau Asset Accountant	Create new asset	AS01	<ul style="list-style-type: none"> <li>Asset created and number assigned</li> </ul>
MM-Requisitioner	Create requisition for new asset at full asset price (order unit EA, quantity 1, price \$8000)	ME51N	<ul style="list-style-type: none"> <li>PR encumbrance booked against asset</li> </ul>
MM-Central Buyer (Bureau Buyer if DPO)	Create purchase order from requisition. Enter the following in Header Text on the PO: <b>Vendor invoice must list the full purchase price of the new [insert item name], the trade in value of the old [insert item name], and the net amount owed. Incorrect invoicing may delay payment.</b>	ME21N	<ul style="list-style-type: none"> <li>PR encumbrance relieved</li> <li>PO encumbrance booked against asset</li> </ul>
MM-Goods Receiver (by plant)	Receive quantity 1 of new asset	MIGO	<ul style="list-style-type: none"> <li>Encumbrance relieved</li> <li>Expense of full asset value booked to asset</li> <li><b>Asset value is now \$8000</b></li> </ul>
AP-Bureau AP Processor	Enter invoice for full value of new asset, \$8000, attaching PDF of invoice for full value	MIRO	
AP-Bureau AP Processor	Enter Subsequent Credit for trade-in value of old asset (\$3000) against the purchase order. Attach PDF of credit memo for trade-in value	MIRO	<ul style="list-style-type: none"> <li>Trade-in value deducted from asset</li> <li><b>Asset value reduced to \$5000</b></li> </ul>
AP-Central Accounting Payment Processor	Review invoice and subsequent credit during payment run. Approve for payment if properly documented	S_P99_41000099 F110	<ul style="list-style-type: none"> <li>Payment for \$5000 issued</li> </ul>
FA-Bureau Asset Accountant	Retire the OLD ASSET with revenue, where revenue is the trade-in value (\$3000)	ABAON	<ul style="list-style-type: none"> <li>Trade-in value posted as revenue to GL account 461500</li> </ul>
FA-Bureau Asset Accountant	Post Trade-in revenue to the new asset; and use the offsetting account as 461500.	ABZON	<ul style="list-style-type: none"> <li>Revenue is zeroed out</li> <li>Trade-in value posted to the new asset</li> <li><b>Asset value returned to \$8000</b></li> </ul>