ERS Functionality in SAP MM

**Applies to:** SAP R/3 and SAP ECC

**Summary**

The objective of this document is to assist consultants in setting up the Evaluated Receipt Settlement (ERS) Functionality in SAP Materials Management. The business process flow and the IMG settings are discussed in this document.

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Prerequisite
The basic knowledge of SAP MM is required to make use of this document in real practice

Overview
Evaluated Receipt Settlement is the procedure for settling the Goods receipts automatically. Purchaser enters into the agreement with the vendor that the purchaser system posts the invoice document automatically on the basis of the purchase order and the goods receipts. Main advantage of this process is that this process eliminates the invoice variances and there is no requirement for the vendor invoices.

Purpose
The aim of this document is to provide an understanding of the Evaluated Receipt Settlement (ERS) process in SAP Materials Management.

Evaluated Receipt Settlement (ERS) is particularly suitable for creating settlement documents at regular intervals.

ERS has the following advantages over the Logistics Invoice Verification done by MIRO

- Purchasing transactions are closed more quickly.
- Communication errors are avoided.
- There are no price and quantity variances in Invoice Verification.

In test mode, the system can issue a list of goods receipts that can be settled and goods receipts that cannot be settled. The system makes no postings; it only lists the invoices selected.

It is recommended to implement ERS only if a clear agreement exists with the vendor on the applicable conditions. The purchase order has to be updated for any price condition changes and has to be current.

ERS Settings

1) Vendor Master

In the vendor master purchasing data, the relevant settings for ERS has to be maintained.
GR-Based Inv Verification: Indicator specifying that provision has been made for goods-receipt-based invoice verification for a purchase order item or invoice item.

Auto Eval GR Settlement Delivery: specifies that evaluated receipt settlement or the automatic generation of the invoices are allowed in relation to materials supplied or services performed

Auto Eval GR Settlement Return: Specifies that automatic evaluated receipt settlement of return items is allowed.

2) Purchase Info Record

Ensure that No ERS indicator is not checked in the info record for the vendor, Material + Vendor + Plant + Purchase organization. This field can be potentially used to disallow the ERS for the specific combination of Material, Vendor, and Plant and purchase organization. The indicator GR-Based IV defaults from the Vendor Master
3) Purchase Order

The Settings 1) GR-Based IV and ERS are defaulted from Vendor Master and Purchase Info record. Ensure that the above settings are maintained in the Purchase order. Tax code must be maintained in the purchase order so that auto settlement considers this tax code.
ERS Process

Evaluated Receipt Settlement (ERS) process posts the invoice documents for all open goods receipts without expecting the invoice from the vendor.

The Process can be run using the transaction code MRRL. The important key fields are available for document selection like Company code, Plant, Vendor, Purchasing Document number etc.

The Simulation is also possible by test run so that the goods receipts which can be posted are listed and also the documents which can not be posted are also listed. At this point, the system makes no postings and only goods receipt documents are listed.

After simulation run, the transaction can be executed to settle the documents by unchecking the test run indicator. The Background job also can be scheduled for the program RMMR1MRS to settle the documents periodically.
The invoice document is generated for the particular vendor which is specified in the selection screen and is listed. During the ERS settlement, the message is generated. The message can be transmitted to the vendor based on the business requirement.

**IMG Settings**

There is a legal requirement for the companies in France and Spain to have Consecutive number for each vendor invoices which can be achieved by the customizing setting here. The number range groups are created here and assign this number range group to tax number 3 field in Vendor Master record.

**Define the Message type**

The message type ERS is set up in the path

SPRO> IMG>MM>LIV>Message determination > Maintain Message Types
The access sequence is maintained in the message type.

**Maintain Message Schemas**

Maintain the message type (ERS) in the message Schemas MR0004 – ERS Procedure in the following IMG path

SPRO> IMG>MM>LIV>Message determination > Maintain Message Schemas

**Maintain Conditions**

Create the condition record for the message type ERS in the following IMG path

SPRO> IMG>MM>LIV>Message determination > Maintain Conditions

(Transaction code – MRM1)
Assign Forms and Programs

Assign the forms and programs for the message type ERS in the following IMG path. In case custom program and form is designed, same has to be assigned to the message type ERS.

If the Form is different for different medium of output, the relevant forms have to be assigned to the message type and medium.

SPRO> IMG>MM>LIV>Message determination > Assign Forms and programs
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