SAP Solution Brief
SAP ERP

SAP Asset Retirement Obligation Management

SAP® ASSET RETIREMENT OBLIGATION MANAGEMENT

MANAGE THE FINANCIAL LIFECYCLE OF YOUR LONG-LIVED ASSETS

Managing asset retirement obligations is challenging for companies in asset-intensive industries. With the SAP® Asset Retirement Obligation Management application, you can automate many of the calculations required to meet these requirements – all while complying with relevant accounting principles.

As a company in an asset-intensive industry, your organization likely struggles to perform financial accounting and reporting of asset retirement obligations in a timely, compliant, and auditable manner – one that satisfies relevant accounting principles. It's difficult to handle the variety of necessary calculations, and, if you rely on manual computations housed within spreadsheets, it's challenging to trigger related financial postings. Moreover, you increase the risk of data errors.

The SAP® Asset Retirement Obligation Management application is designed to help asset-intensive industries more easily manage their asset retirement obligations.

Improve Processes, Reporting, and Compliance

With SAP Asset Retirement Obligation Management, you can monitor and automate asset retirement obligations along with the necessary evaluation, accounting, and reporting tasks, in accordance with accounting rules including U.S. GAAP, International Financial Reporting Standards (IFRS), and the German accounting principle HGB. Because the software is fully integrated with the SAP ERP Financials solution, it automatically handles postings to the general ledger, accruals, and one-time postings, referring to accounting principles where applicable. Throughout the lifecycle of an asset, you can enter and adjust terms, cost estimates, interest, and inflation rates. When you adjust any of these, the software automatically triggers the necessary postings in accounting.

At any time, you can access a single view into all postings related to a single obligation. Plus, with a history of changes and the ability to generate reports, you can prove compliance with regulations.

Realize a Range of Benefits

SAP Asset Retirement Obligation Management can help you better manage your long-lived assets and realize a range of benefits:

- Reduce the effort to recognize and report on asset retirement obligations
- Decommission point solutions used to manually manage asset retirement obligations
- Increase productivity by eliminating the need for spreadsheets
- Satisfy compliance with U.S. GAAP, IFRS, and other regulatory reporting requirements
- Maximize the value of your SAP ERP application investment by covering the full financial lifecycle of asset retirement obligations
- Manage and flexibly report on all relevant data out of one software system

Find Out More

To learn more about how SAP Asset Retirement Obligation Management can help your business, call your SAP representative or visit us at www.sap.com.

QUICK FACTS

www.sap.com/contactsap

Summary

With the SAP® Asset Retirement Obligation Management application, you can create, change, and terminate asset retirement obligations; automatically perform relevant calculations and trigger postings; and generate reports to prove compliance with accounting principles and regulations.

Business Challenges

- Perform financial accounting and reporting of asset retirement obligations in a timely, compliant, and auditable manner in accordance with relevant accounting principles
- More easily handle adjustments during the lifetime of an asset retirement obligation, such as changes of term, cost estimations, interest, and inflation rates
- Perform necessary calculations and trigger postings
- Eliminate data errors associated with the use of spreadsheets

Key Features

- **Flexible configuration** – Take advantage of a default set of rules, and enter information such as cost estimates and start and end dates
- **Automation** – Perform the necessary evaluation, accounting, and reporting tasks in accordance with accounting principles including U.S. GAAP, International Financial Reporting Standards (IFRS), and the German accounting principle HGB
- **Integration with SAP ERP Financials solution** – Automatically post to the general ledger, accruals, and one-time postings
- **Monitoring** – Keep track of your obligations with a single view into all postings related to a single obligation

Business Benefits

- **Reduce the effort** to recognize and report on asset retirement obligations by automating processes
- **Lower costs and increase productivity** by eliminating the need for spreadsheets
- **Automate the processes** associated with calculating asset retirement obligations and triggering related postings
- **Satisfy compliance** with U.S. GAAP, IFRS, and other regulatory reporting requirements
- **Maximize the value of your SAP ERP application investment** by covering the full financial lifecycle of asset retirement obligations
- **Manage and flexibly report** on all relevant data out of one system

For More Information

To learn more about how SAP Asset Retirement Obligation Management can help you, call your SAP representative or visit www.sap.com.

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