

CO 1: Review Cost Center Standard Hierarchy

Exercise Review the cost center standard hierarchy.

Time 10 min

Task Use the SAP Easy Access Menu to review the cost center standard hierarchy.

Name (Position) Jamie Shamblin (Cost Accountant)

The cost center structure is a hierarchically organized data object that is used to assign and capture costs in a meaningful manner thereby permitting managerial accounting analyses that support decision-making. A cost center is an area of responsibility within a company that is deemed to be accountable for incurring and influencing costs.

Cost center structure

Cost center

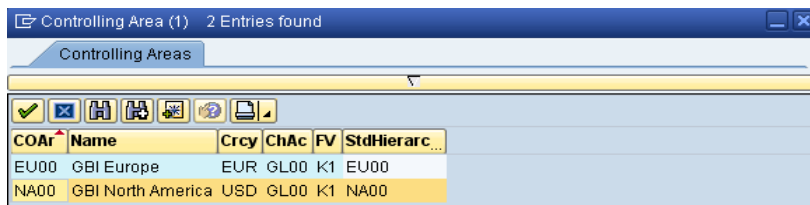
In order to review the cost center standard hierarchy, follow the SAP Easy Access menu path:

Menu path

Accounting ► Controlling ► Cost Center Accounting ► Master Data ► Standard Hierarchy ► Display

In the Set Controlling Area window, press **F4** to display a list of controlling areas defined in GBI. You should see the following screen.

F4



Double-click on the GBI North America controlling area (**NA00**) to select it.

NA00


Back on the Set Controlling Area screen with controlling area NA00 filled in, click on or press Enter. This should produce the following screen.

Standard Hierarchy	Name	Activation stat...	Person respo...	Company code
NA00	GBI North America CCtr Std...			
▶ N1000	Corporate			
▶ N2000	Administration and Financials			
▶ N3000	Marketing & Sales			
▶ N4000	Operations			
▶ N5000	Information Technology			

Initially, the system displays the root folder NA00 (GBI North America CCtr. Std. Hierarchy) and its second level elements. Clicking on the triangle will expand that section to display lower level groups or individual cost centers.

Opening the first sub-level folder (Corporate), reveals the third-level folders shown below.

Standard Hierarchy	Name	Activation stat...	Person respo...	Company code
NA00	GBI North America CCtr Std. ...			
N1000	Corporate			
N1100	Executive Board			
N1200	Internal Services			
N2000	Administration and Financials			
N3000	Marketing & Sales			
N4000	Operations			
N5000	Information Technology			


You may single-click on the root folder and choose the  button to expand the subtree completely. The systems displays you now the complete hierarchy.

Standard Hierarchy	Name	Activation stat...	Person respo...	Company code
NA00	GBI North America CCtr Std. ...			
N1000	Corporate			
N1100	Executive Board			
NAEX1000	NA Executive: John Davis	■	John Davis	US00
NAEX2000	NA Executive: Peter Weiss	■	Peter Weiss	US00
N1200	Internal Services			
NAIS1000	NA Internal Services	■	NA Int Serv Mgr	US00
N2000	Administration and Financials			
N2100	Administration			
NAAD1000	NA Administrative Costs	■	NA Admin Mgr	US00
N2200	Human Resources			
NAHR1000	NA Human Resources Costs	■	NA HR Mgr	US00
N2300	Procurement			
NAPC1000	NA Procurement Costs	■	NA Proc Mgr	US00
N3000	Marketing & Sales			
N3100	Marketing			
NAMK1000	NA Marketing Costs	■	NA Mark Mgr	US00
N3200	Sales			
NASA1000	NA Sales Costs	■	NA Sales Mgr	US00
N3300	Global Sales			
NAGS1000	NA Global Sales Costs	■	NA Glob Sales ...	US00
N4000	Operations			
N4100	Research & Development			
NARD1000	NA Research and Developm...	■	NA R&D Mgr	US00
N4200	Production			
NAPR1000	NA Production Costs	■	NA Prod Mgr	US00
N4300	Plant Maintenance			
NAPM1000	NA Plant Maintenance Costs	■	NA Plnt Main Mgr	US00
N4400	Quality Management			
NAQM1000	NA Quality Management Costs	■	NA QM Mgr	US00
N5000	Information Technology			
NAIT1000	Global IT Costs	■	Glob IT Mgr	US00

Double-clicking on any element displays details on the bottom of the screen.

What is N5000? _____

What is NAMK1000? _____

Click on the exit icon  to return to the SAP Easy Access screen.



CO 2: Display Cost Elements

Exercise Display cost elements.

Time 10 min

Task Use the SAP Easy Access Menu to display primary and secondary cost elements.

Name (Position) Jamie Shamblin (Cost Accountant)

Primary cost elements have a one-to-one relationship with expense accounts activated for a chart of accounts. They serve to establish postings between FI and CO thereby permitting the sharing of information between financial and managerial accountants. In effect, costs that are entered into an expense account that has been associated with a primary cost element will be posted to both the financial and managerial accounting systems concurrently. Secondary cost elements are exclusive to managerial accounting. They are used to distribute and/or divide expenses thereby assigning costs to responsible parties exclusively within the managerial accounting system.

Primary cost element

Secondary cost element

To review cost elements, follow the menu path:

Menu path

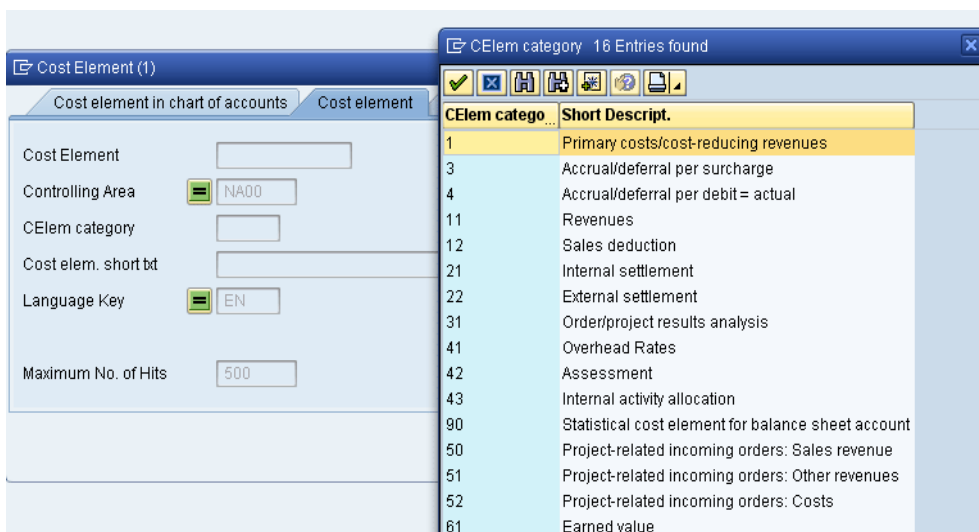
Accounting ► Controlling ► Cost Element Accounting ► Master Data ► Cost Element ► Individual Processing ► Display

This takes you to the Display Cost Element: Initial Screen. Because you do not know any element IDs, you need to find them. In order to do so, in the Cost Element field press **F4**.


F4

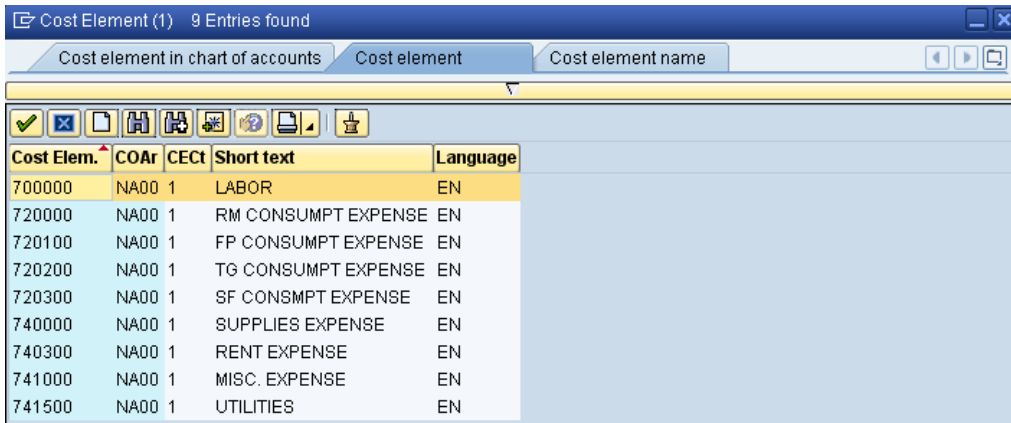
In the Cost Element (1) screen, navigate to the Cost element tab (second tab). In the CElem category field, press **F4** again.

F4



From the list of all cost element categories defined in the SAP system, double-click on Primary costs/cost-reducing revenues (1).

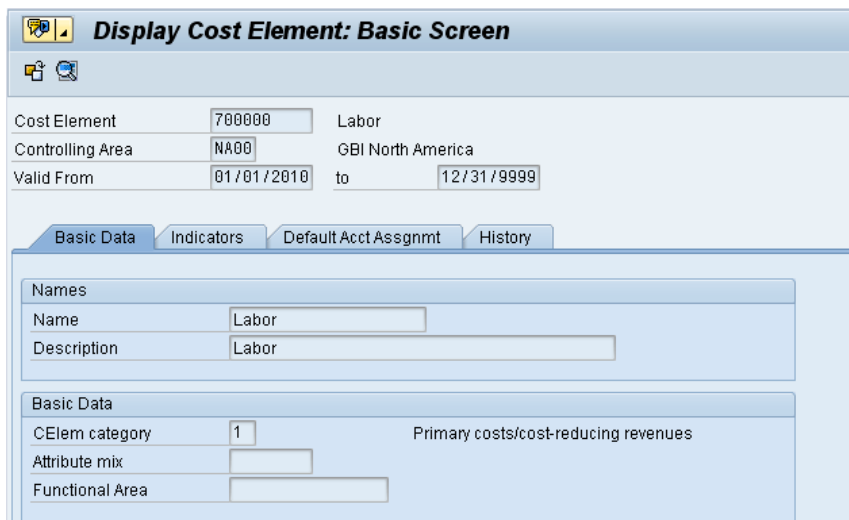
Back on the Cost element (1) screen, press Enter or click on  to display all primary cost elements defined in the GBI North America controlling area.



Cost Elem.	COAr	CECt	Short text	Language
700000	NA00	1	LABOR	EN
720000	NA00	1	RM CONSUMPT EXPENSE	EN
720100	NA00	1	FP CONSUMPT EXPENSE	EN
720200	NA00	1	TG CONSUMPT EXPENSE	EN
720300	NA00	1	SF CONSMPT EXPENSE	EN
740000	NA00	1	SUPPLIES EXPENSE	EN
740300	NA00	1	RENT EXPENSE	EN
741000	NA00	1	MISC. EXPENSE	EN
741500	NA00	1	UTILITIES	EN

Double-click on LABOR (700000) to select it. Back on the Display Cost Element: Initial Screen and with the correct Cost Element number filled in, press Enter.

700000



Display Cost Element: Basic Screen



Cost Element: 700000 Labor
 Controlling Area: NA00 GBI North America
 Valid From: 01/01/2010 to 12/31/9999

Basic Data | Indicators | Default Acct Assgnmt | History

Names
 Name: Labor
 Description: Labor

Basic Data
 CElem category: 1 Primary costs/cost-reducing revenues
 Attribute mix:
 Functional Area:

What is this cost element's validity period? _____

Click on  to go back to the Display Cost Element: Initial Screen. Now, you want to display a secondary cost element. In the Cost Element field, press **F4** again. This time, on the Cost element tab, leave the CElem category field blank and click on  or press Enter to display the complete list of cost elements in North America (including secondary cost elements).

F4

Cost Elem.	COAr	CECt	Short text	Language
700000	NA00	1	LABOR	EN
720000	NA00	1	RM CONSUMPT EXPENSE	EN
720100	NA00	1	FP CONSUMPT EXPENSE	EN
720200	NA00	1	TG CONSUMPT EXPENSE	EN
720300	NA00	1	SF CONSMPT EXPENSE	EN
740000	NA00	1	SUPPLIES EXPENSE	EN
740300	NA00	1	RENT EXPENSE	EN
741000	NA00	1	MISC. EXPENSE	EN
741500	NA00	1	UTILITIES	EN
741600	NA00	22	MANUFAC. OUTPUT SETT	EN
741700	NA00	22	MFAC OUTPUT SETT VAR	EN
800000	NA00	43	LABOR	EN
800100	NA00	42	ASSESSED COSTS	EN
800200	NA00	21	INTERN. ORD.SETTLEM.	EN
800300	NA00	21	PROD. ORD. SETTLEM.	EN

Double-click on LABOR (800000) to select it. Back on the Display Cost Element: Initial Screen, press Enter.

800000

Display Cost Element: Basic Screen

Cost Element: 800000 Labor
 Controlling Area: NA00 GBI North America
 Valid From: 01/01/2010 to 12/31/9999


Basic Data | Indicators | Default Acct Assgnmt | History

Names
 Name: Labor
 Description: Labor

Basic Data
 CElem category: 43 Internal activity allocation
 Attribute mix:
 Functional Area:

What is this cost element's CElem category? _____

Can you explain the difference between cost element Labor (700000) and Labor (800000)?

Click on the exit icon  twice to return to the SAP Easy Access screen.



CO 3: Display Cost Element Groups

Exercise Display cost element groups.

Time 10 min

Task Use the SAP Easy Access Menu to display existing cost element groups.

Name (Position) Jamie Shamblin (Cost Accountant)


These groups facilitate working with both primary and secondary cost elements by creating logical groupings. A cost element “group” is an organizational unit consisting of a particular collection of cost elements.

Cost element group

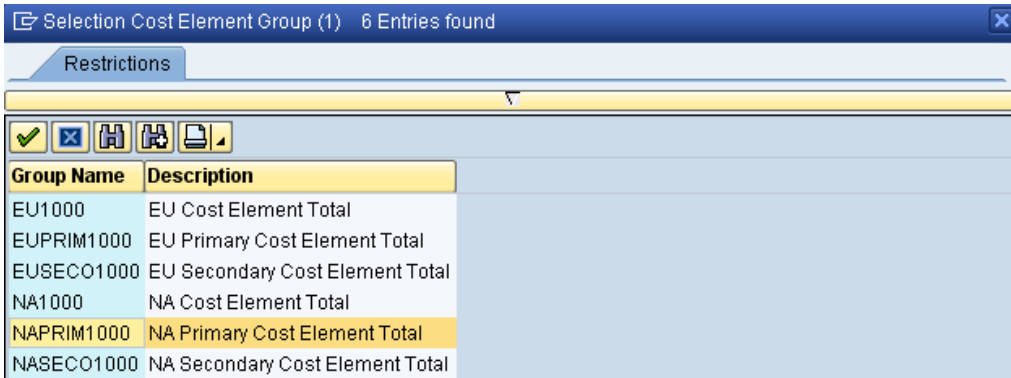
To review cost element groups, follow the menu path:

Menu path

Accounting ▶ Controlling ▶ Cost Element Accounting ▶ Master Data ▶ Cost Element Group ▶ Display

In the Display Cost element group: Initial Screen, press **F4**. In the following Cost Element Group selection screen, the Chart of Accounts is already entered. Simply press Enter or click on  to display all GBI cost element groups.

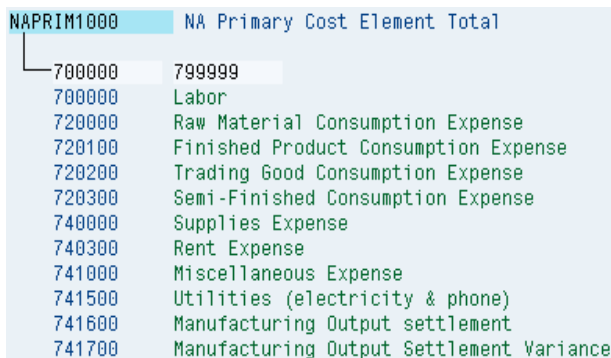
F4



Group Name	Description
EU1000	EU Cost Element Total
EUPRIM1000	EU Primary Cost Element Total
EUSECO1000	EU Secondary Cost Element Total
NA1000	NA Cost Element Total
NAPRIM1000	NA Primary Cost Element Total
NASECO1000	NA Secondary Cost Element Total

Double-click on the cost element group for all primary cost elements in North America (NAPRIM1000). Back on the initial screen, press Enter.

NAPRIM1000



Group Name	Description
NAPRIM1000	NA Primary Cost Element Total
700000	799999
700000	Labor
720000	Raw Material Consumption Expense
720100	Finished Product Consumption Expense
720200	Trading Good Consumption Expense
720300	Semi-Finished Consumption Expense
740000	Supplies Expense
740300	Rent Expense
741000	Miscellaneous Expense
741500	Utilities (electricity & phone)
741600	Manufacturing Output settlement
741700	Manufacturing Output Settlement Variance

In this interactive list, you can double-click on any cost element to display its master data details. As an example, double-click on Rent Expense (**740300**).


Cost Element	740300	Rent Expense
Controlling Area	NA00	GBI North America
Valid From	01/01/2010	to 12/31/9999

Basic Data	Indicators	Default Acct Assgnmt	History
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Names	
Name	Rent Expense
Description	Rent Expense

Click on  twice to go back to the Display Cost element group: Initial Screen and repeat the same procedure for the secondary cost elements in Europe.

What is the unique number for cost element group “EU Secondary Cost Element Total”? _____

Click on the exit icon  until you are back on the SAP Easy Access screen.



CO 4: Display Individual Line Items

Exercise Display individual line items

Time 5 min

Task Use the SAP Easy Access Menu to display line items for the North America Internal Services cost center and its primary cost elements.

Name (Position) Jamie Shamblin (Cost Accountant)

Note: You need to have successfully processed exercise FI 6 (Post Purchase of Office Supplies) from the set of Financial Accounting exercises in order to do this CO exercise!

Requirement:
FI 6 exercise

To display cost center line items, follow the menu path:

Menu path

Accounting ▶ Controlling ▶ Cost Center Accounting ▶ Information System ▶ Reports for Cost Center Accounting ▶ Line items ▶ Cost Centers: Actual Line Items

In the Cost Center field (left), find and select cost center Internal Services (NAIS1000). Make sure to delete any entries in the Cost Center Group, Cost Element and Cost Element Group fields. If not already entered, select the **current month** as Posting Date (enter first and last day of month).

NAIS1000

current month

Display Actual Cost Line Items for Cost Centers : Initial Screen

Further Selection Criteria...

Cost Center to

or

Cost Center Group

Cost Element to

or

Cost Element Group

Posting Data

Posting Date to

Then, click on

Display Actual Cost Line Items for Cost Centers

Document Master Record

Layout 1SAP Primary cost posting
 Cost Center NAIS1000 Internal Services
 Report currency USD US Dollar

Cost Elem.	Cost element name	Σ	Val.in rep.cur.	Total quantity	PU	Offst.acct	Name of offsetting account
740000	Supplies Expense		80.00			S 101000	Alt Bank
Cost Center NAIS1000 Internal Services			80.00				
		**	80.00				

As you may remember, in the FI exercise you posted office supply expenses in of \$80.00 to your alternate bank account. Here, you see the impact on the CO side of the posting.

Note: In your screen, you may see multiple lines of \$80.00 supply expenses. Remember that you share the same company code with its set of books with your fellow students analogous to employees in GBI's accounting department.

Double-click on any line to display the corresponding FI document.

Display Document: Data Entry View								
Display Currency General Ledger View								
Data Entry View								
Document Number	100000017		Company Code	US00		Fiscal Year	2010	
Document Date	05/22/2010		Posting Date	05/22/2010		Period	5	
Reference	000		Cross-CC no.					
Currency	USD		Texts exist	<input type="checkbox"/>		Ledger Group		
C...	Item	PK	S	Account	Description	Amount	Curr.	Tx
US00	1	40		740000	Supplies Expense	80.00	USD	
	2	40		740000	Supplies Expense	95.00	USD	
	3	50		101000	Alt Bank	175.00-	USD	

Click on twice and choose Yes to exit the line item list. Then, repeat the procedure for cost center North America IT Costs (NAIT1000) to find the \$95.00 software expenses from the FI exercise.

Click on the exit icon until you are back on the SAP Easy Access screen.

