Managing Costing Effectively through CK40N

[FIN Controlling](http://www.learntips.net/category/fin-controlling/)

*Introduction*

This document is about how we can manage costing of materials effectively through CK40N transaction. In this I will explain what are the key points that need to be taken care while doing the costing at plant or co. code level. From when we create a costing run till the release of cost estimate, the system can give different types of error messages, so here we will see how can avoid or resolved such issues.

*Costing Run Name:*

In CK40N first of all we need to define eight digits (alpha numerical number) as costing run name with costing run date. This is used to execute the costing at plant or company code level. While defining the costing run name we need to be careful for the name of costing run keeping last **six digits as unique**, otherwise at the time of executing Analysis step in CK40N the system could overwrite the details of some other costing run.

For example if we create two costing run at the same date (e.g. first run as “AA110000” & second run as “BB110000”.) In both the costing run the last six digits are same and if we run both the costing run on the same date then whichever costing run executed last will overwrite the Analysis of first costing run. So as a result the cost analysis becomes inconsistent in first costing run and if we are using more than two costing runs then only one costing run will give correct analysis and remaining will give wrong analysis of materials. In that situation the details can be displayed for material of other plant and other company codes.

So to avoid the issues at the time of Analysis step; need to use last six digits as unique for costing run name (for more details please refer SAP Note 853273)

***3.***

***3.         Errors handling at Costing step:***

When we execute costing in CK40N, then system calculates the cost estimate for all the materials selected at the step “Structure Explosion”. Here system calculates the standard cost of materials on the basis of strategic sequence mentioned in the “Valuation variant” in costing variant. It considers the planned price and additive cost for external procured materials and in addition BOM, production version, routing and recipe for in-house produced materials.  The most of the costing errors occurred at this step.

**i.                    CK694: No structure could be determined for cost element:**

CK694 is generally a program error. But need to check for which cost element the issue has occurred. First of all check the cost component structure whether the said cost element is assigned in structure or not. Generally if a cost element is newly created then it can be issue of cost component structure, otherwise not. If everything is correct in cost component structure then check type of cost element, if it’s a secondary cost element and representing an internal activity then check whether Plan activity price has been calculated or not. For maintaining plan activity price we may need to maintain capacity in KP26 and plan expenses in KP06. If activity price is already maintained for the cost center and activity then check whether cost component structure is working fine or not.

Check the report S\_ALR\_87013644, whether the cost component split is working or not for the activity and cost center. Here if we don’t find the split of cost into cost component that indicates the program error. To resolve the error get OSS note 1872228 “No Cost Component Split in Plan Price Calculation” implemented.

**ii.                  CK168 Cost estimate for material /plant is incorrect**

CK168 error generally occurs at main materials due to the issues in raw material or semi-finished goods of lower level.

Check the material types of all the lower level materials from BOM of material xxxxx. If the lower level material is external procured “F”, then planned prices could be missing or with invalid date. To resolve the issue for “F” material check the valuation strategy of costing variant, see the priorities maintained for calculating the material cost, like Planned Price 1/2/3 etc and then validate in the material master data whether a proper price is maintained or not. Always keep in mind that the date of planned price should always be equal or less than the costing run date.

If the materials are in-house produced materials then check whether any activity price is missing or not or the issue can be because of Bill of materials.

**iii.                CK239 Cost element is not assigned to cost component**

If the cost element is newly created then check cost element in cost component structure and see whether the cost element is properly maintained or not.

If the cost element is representing an internal activity then the issue is relating to Plan activity rate calculation. Cross verify with activity rate report KSBT, whether a valid plan activity rate exist or not, if not then maintained the plan activity rate through the standard process.

**iv.                 CK 466 No price could be determined for internal activity**

CK466 is occurred because of missing plan activity price. The same process need to be followed as that in case of CK239. First check KSBT report, whether a valid plan price exist for cost center and activity if not then maintained capacity in KP26 and plan expenses in KP06. After entering the data need to execute the Plan cost split through KSS4 and then Plan activity rate calculation through KSPI.

**v.                   CK 465 No price could be determined for material/batch /plant**

CK465 occurred for in-house produced materials. The reason could be the missing planned price or fixed values for materials from material master data.  To resolve first check the valuation strategy of costing variant, see the priorities maintained for calculating the material cost, like Planned Price 1/2/3 etc and then validate in the material master data whether a proper price is maintained or not with correct date.

**vi.                 CK256 No cost field for fixed costs has been defined**

Solution for error is same as that of CK465. This issue also occurred in external procured materials.

**vii.               CK424 Material in plant has no BOM**

CK245 errors occurred due to the incorrect BOM for in-house produced materials. To resolve the issues check whether the Bill of material is maintained correctly or not. In some of the cases this error can arise to a sub-contracting materials i.e. procurement type “F” with special procurement key as “30”.

**viii.             CK476 Recipe group does not match selection ID**

CK476 occurs when production version is not maintained properly. Check whether any production version maintained to consider the costing lot size in material master data. If the costing lot size of material in not in the range of different production version then system can issues this error. It may arise due to wrong recipe group. Cross verify the production version with material master data team.

**ix.                 CK 740 Material in plant belongs to cycle xxxx costed with error**

This error generally arises due to error CK476. Same process need to be applied.

Check whether the system is picking “Alternative BOM” in place of “Main BOM”. If the system is picking alternative BOM then ask the production team to rectify the production version.

**x.                   CKBK010 Field overflow in cost component split**

This error can occur because the resulting quantity or value cannot be recorded in the corresponding data element field as it goes beyond the 999,999,999 max thresholds.

As an example, the program can select a Production Version rework (Alternative version) and not an ordinary one (main production version), with a material made up of the same material and quantity. This results in an exponential value after the cost estimate pre-defined iterations higher than the 999,999,999 limit.

Check with the master data management team to rectify the production version.

**xi.                 CK692 Production Version x for material x in plant x does not exist**

This error message means arise when Production Version (PV) is missing. So check PV, if it does not exist then create the production version or if it is existing then this error can be ignored and only analyzed the previous/subsequent errors ones referring to the same material/plant combination.

xii.                **CK430 Missing formula in work center x**

It happens seldom when an activity type’s quantity is entered in the recipe group’s operation and no formula has been maintained beforehand in the resource of the operation.

This error is to be corrected by MDM (master data management) team under the supervision business make team.

xiii.              **CK240 Cost component split costed with value of zero**

This error does not come alone. It only happens when other errors prevent the material from being costed. Focus should be on identifying another error belonging to the same material and resolving it. Once done, both errors will disappear.

This message can be ignored and only analyzed the previous/subsequent ones referring to the same material/plant.

xiv.              **CK322 Consumption account cannot be determined**

This error is caused by material master data issues i.e. assignment of the material to the temporarily valuation class. This message can be ignored and only analyzed the previous/subsequent ones referring to the same material/plant, normally CK597 Costing items for material x in plant x without cost element.

xv.               **CK380 No valid source of supply could be found**

This error occurs only for subcontracted materials, procurement type F-30. It means that source of supply (Transaction ME01) has not been maintained correctly or it expired (either validity dates, or fixed vendor). It may also mean that info record subcontracting (Transaction ME11) has been maintained incorrectly. When it happens, purchasing department must be contacted to check the source list and the correctness of master data and update the missing details such as validity dates or fixed vendor switch.

***4.***

***Conclusion***

With the help of this document, I have tried to explain how we can manage costing of products and how to overcome from different types of costing errors.