

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 use the SAP Easy Access transaction: **OKENN**

Transaction

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

COAr	Name	Crcy	ChAc	FV	StdHierarchy
EU00	GBI Europe	EUR	GL00	K1	EU00
GL00	GBI Global	USD	GL00	K1	
NA00	GBI North America	USD	GL00	K1	NA00

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 **Continue** or press Enter. This should produce the following screen.

	Standard Hierarchy	Name	Activation status
<input checked="" type="checkbox"/>	NA00	GBI North America CCtr Std. Hi...	
<input type="checkbox"/>	> N1000	Corporate	
<input type="checkbox"/>	> N2000	Administration and Financials	
<input type="checkbox"/>	> N3000	Marketing & Sales	
<input type="checkbox"/>	> N4000	Operations	
<input type="checkbox"/>	> 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 status	Person respon...
<input checked="" type="checkbox"/>	NA00	GBI North America CCtr Std. Hi...		
<input type="checkbox"/>	> N1000	Corporate		
<input type="checkbox"/>	> N1100	Executive Board		
<input type="checkbox"/>	> N1200	Internal Services		
<input type="checkbox"/>	> N2000	Administration and Financials		
<input type="checkbox"/>	> N3000	Marketing & Sales		
<input type="checkbox"/>	> N4000	Operations		
<input type="checkbox"/>	> 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 status	Person respon...	Company Code
<input checked="" type="checkbox"/>	NA00	GBI North America CCtr Std. Hi...			
<input type="checkbox"/>	> N1000	Corporate			
<input type="checkbox"/>	> N1100	Executive Board			
<input type="checkbox"/>	NAEX1	NA Executive: John Davis	<input checked="" type="checkbox"/>	John Davis	US00
<input type="checkbox"/>	NAEX2	NA Executive: Peter Weiss	<input checked="" type="checkbox"/>	Peter weiss	US00
<input type="checkbox"/>	> N1200	Internal Services			
<input type="checkbox"/>	CC-CA	Canteen 000	<input checked="" type="checkbox"/>	Julia Smith	US00
<input type="checkbox"/>	CC-CA	Canteen 300	<input checked="" type="checkbox"/>	Sebastian Purk	US00
<input type="checkbox"/>	CC-CA	Canteen 400	<input checked="" type="checkbox"/>	Max Mustermann	US00
<input type="checkbox"/>	CC-CA	Canteen 700	<input checked="" type="checkbox"/>	Shchetinin	US00
<input type="checkbox"/>	CC-CA	Canteen 800	<input checked="" type="checkbox"/>	Sebastian Purk	US00
<input type="checkbox"/>	KS-KA	KS-KA000	<input checked="" type="checkbox"/>	Gärtner	US00
<input type="checkbox"/>	KS-KA	KS-KA600	<input checked="" type="checkbox"/>	purk	US00
<input type="checkbox"/>	KS-KA	KS-KA999	<input checked="" type="checkbox"/>	Julia Smith	US00
<input type="checkbox"/>	NAIS1	NA Internal Services	<input checked="" type="checkbox"/>	NA Int Serv Mgr	US00

What is N5000?

What is NAMK1000 (Search at N3000)? \_\_\_\_\_

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 Shamblyn (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

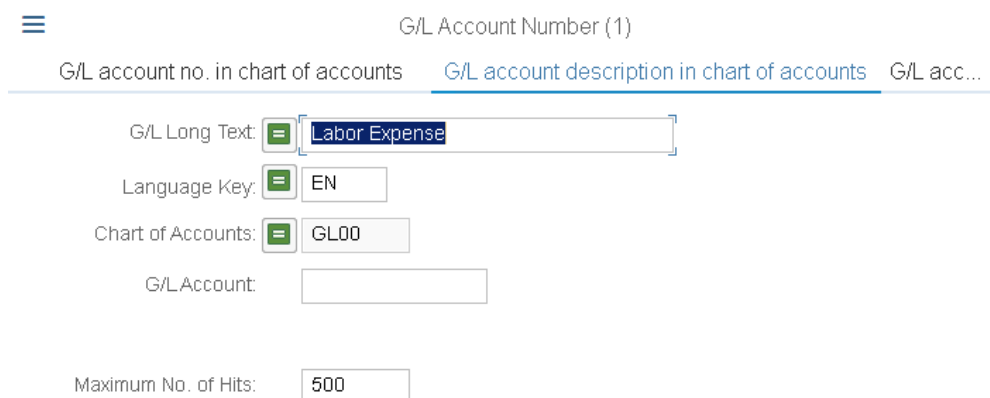
**Accounting ► Controlling ► Cost Element Accounting ► Master Data ► Cost Element ► Individual Processing ► Edit Cost Element**

This takes you to the Edit G/L Account Centrally Screen. In SAP S/4HANA Cost Elements are stored, because of performance issues, together with G/L Accounts. Because you do not know any element IDs, you need to find them. In order to do so, in the G/L Account field press **F4**.

F4

In the G/L Account Number (1) screen, navigate to the G/L account description in chart of accounts tab (second tab). Enter **Labor Expense** in the field G/L long text and press Enter.

Labor Expense



≡ G/L Account Number (1)

G/L account no. in chart of accounts    G/L account description in chart of accounts    G/L acc...

G/L Long Text:

Language Key:

Chart of Accounts:

G/L Account:

Maximum No. of Hits:

Double-click on LABOR (700000) to select it.

700000

Long Text	ChAc	G/L Acct
Labor Expense	GL00	700000

Back on the Edit G/L Account Centrally screen, press Enter or click on

Continue

In the field G/L Account Type you can see, that the Account 700000 is a primary cost.

Use the tabs to answer the following questions:

What is the CElem catagory? \_\_\_\_\_

What is the assigned Controlling Area? \_\_\_\_\_

Use again **F4** in the field G/L Account. In the G/L Account Number (1) screen, navigate to the G/L account description in chart of accounts tab (second tab). Enter **Labor** in the field G/L long text and press Enter.

F4  
Labor

Double-click on LABOR (800000) to select it.

Long Text	ChAc	G/L Acct
Labor	GL00	800000

Back on the Edit G/L Account Centrally screen, press Enter or click on

**Continue**

Display G/L Account Centrally

Next tab Send mail More

\* G/L Account: 800000 Labor

\* Company Code: US00 Global Bike Inc.

Type/Description Control Data Create/bank/interest Key w

Control in Chart of Accounts GL00 GBI Global

G/LAccount Type: Secondary Costs

What is this G/L Account Type? \_\_\_\_\_

What is the assigned Controlling 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 **Exit** 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**

If you are asked to enter a Controlling Area, choose **NA00**.

NA00

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

NAPRIM1000	NA Primary Cost Element Total
700000	799999
700000	Labor Expense
720000	Raw Material Consumption Expense
720100	Finished Product Consumption Expense
720200	Trading Good Consumption Expense
720300	Semi-Finished Consumption Expense
735000	Debit of Stock Exchange Orders
740000	Supplies Expense

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**).

740300

The screenshot shows the SAP 'Display G/L Account Centrally' interface. At the top, the account number '740300' is entered in the 'G/L Account' field, and 'Rent Expense' is shown in the description field. The company code is 'US00' for 'Global Bike Inc.'. Below this, the 'Control in Chart of Accounts' section shows 'GL00 GBI Global' as the control. The 'G/L Account Type' is set to 'Primary Costs or Revenue' and the 'Account Group' is 'Profit and loss'. The 'Detailed Control for P&L Statement Accounts' section shows the 'Functional Area' as an empty field. At the bottom, the 'Description' section shows the 'Short Text' as 'Rent Expense'.

Click on **Exit** 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 **Exit** until you are back on the SAP Easy Access screen.