

SAP Controlling Configuration

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INTRODUCTION

The controlling area configuration is the starting point of configuration in the CO module, which will then enable us to configure profit center, product costing and then the profitability analysis module.

In this e-book we will configure controlling area 9100 (A Group). The management of **A group** is desirous of having a single controlling area, whereby they can have cross company code controlling. A Group is fast expanding group and will be setting company across the globe. Each company code then will be attached to this controlling area. Currently A Group has only one company called as 9100 (A Ltd). This company code is attached to controlling area 9100. A group is located in Saudi Arabia. The controlling area currency is kept as group currency SAR.

A Group requires the following modules within controlling:-


- 1) Cost center accounting
- 2) Internal orders
- 3) Profit center accounting
- 4) Profitability analysis

We will cover cost center accounting configuration only in this e-book.

1 Organizational Structures

For doing the configuration we use the following path on the SAP application screen:-

SAP Menu → Tools → AcceleratedSAP → Customizing → SPRO - Edit

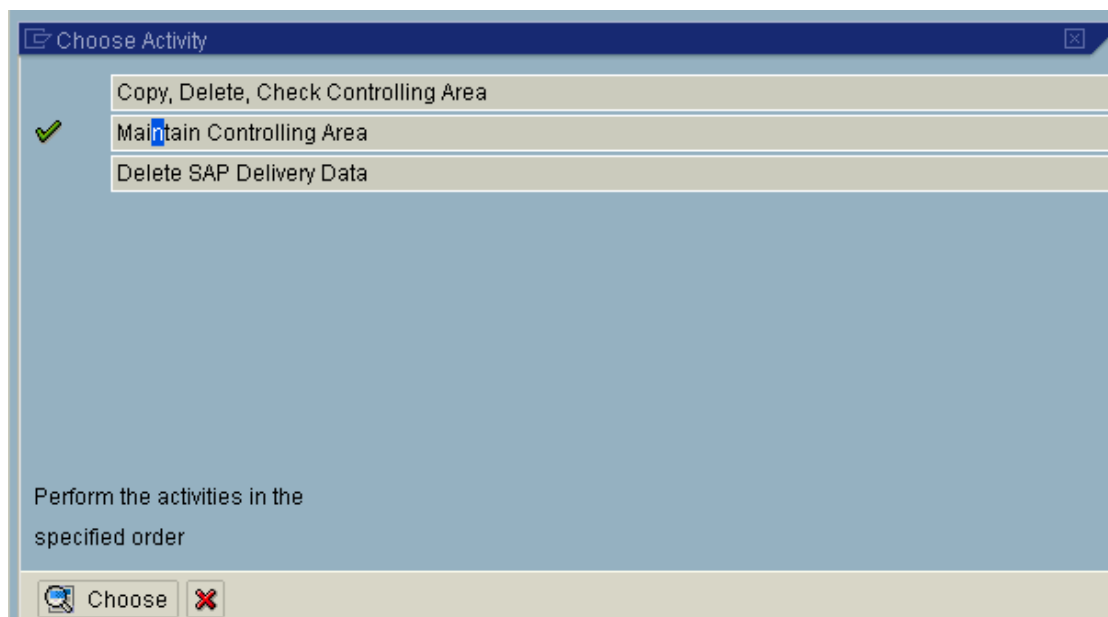
Project →  SAP Reference IMG

Configuration for all the modules will be done here. The above path will not be referred henceforth; we will directly refer to the IMG node.

1.1 Maintain Controlling Area

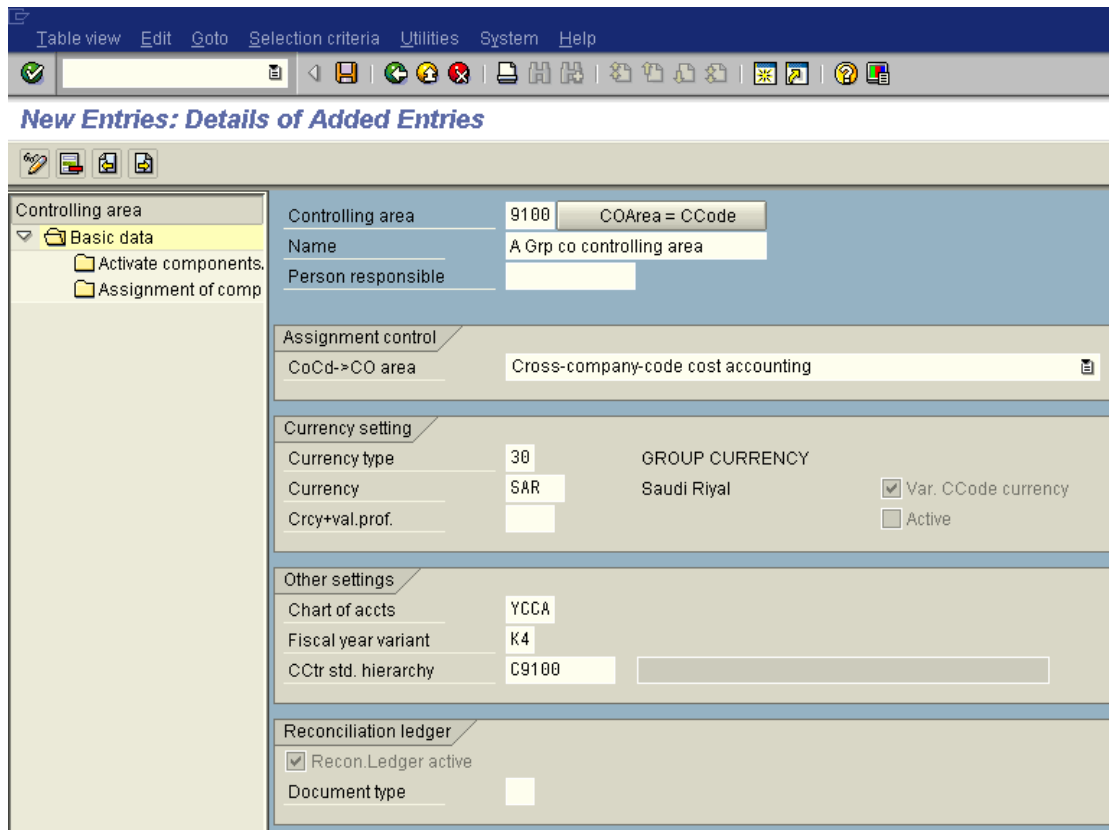
IMG → Controlling → General Controlling → Organization → Maintain Controlling Area

Double click Maintain Controlling Area



Click on  and update the following fields:-

SAP CONTROLLING CONFIGURATION



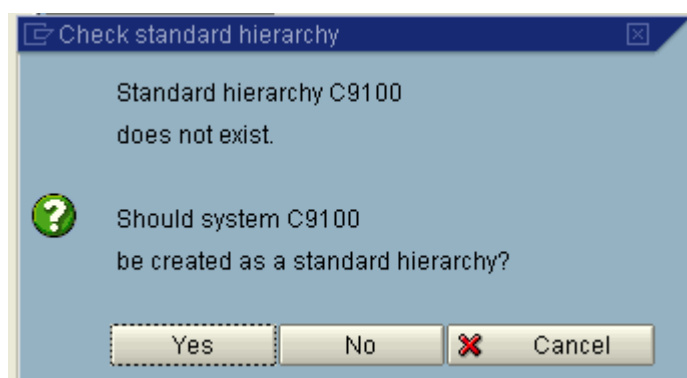
The screenshot shows the SAP 'New Entries: Details of Added Entries' window for configuring a Controlling area. The left sidebar shows the 'Controlling area' tree with 'Basic data' selected. The main area contains several tabs: 'Controlling area', 'Assignment control', 'Currency setting', 'Other settings', and 'Reconciliation ledger'. The 'Controlling area' tab is active, showing fields for 'Controlling area' (9100), 'Name' (A Grp co controlling area), and 'Person responsible'. The 'Assignment control' tab shows 'CoCd->CO area' set to 'Cross-company-code cost accounting'. The 'Currency setting' tab shows 'Currency type' (30), 'Currency' (SAR), and 'GROUP CURRENCY' (Saudi Riyal). The 'Other settings' tab shows 'Chart of accts' (YCCA), 'Fiscal year variant' (K4), and 'CCTr std. hierarchy' (C9100). The 'Reconciliation ledger' tab shows 'Recon.Ledger active' checked and 'Document type' set to 'SA'.


Controlling area	9100	COArea = CCode
Name	A Grp co controlling area	
Person responsible		
Assignment control		
CoCd->CO area	Cross-company-code cost accounting	
Currency setting		
Currency type	30	GROUP CURRENCY
Currency	SAR	Saudi Riyal
Crcy+val.prof.		<input checked="" type="checkbox"/> Var. CCode currency <input type="checkbox"/> Active
Other settings		
Chart of accts	YCCA	
Fiscal year variant	K4	
CCTr std. hierarchy	C9100	
Reconciliation ledger		
<input checked="" type="checkbox"/> Recon.Ledger active		
Document type	SA	

Group Currency definition comes from the client currency. A currency needs to be maintained for the client (when a client is created) in transaction SCC4.

Update document type SA

Click yes to create a standard hierarchy.



Double Click  **Activate components**

Click on 

A grp requires the following modules withing controlling:-

SAP CONTROLLING CONFIGURATION

- 1) Cost center accounting
- 2) Internal orders (order management)
- 3) Profit center accounting
- 4) Profitability analysis (we will update at a later stage)

It does not want activity based costing, further it wants commitments management to be activated.

Accordingly we update the following: -

Table view Edit Goto Selection criteria Utilities System Help

New Entries: Details of Added Entries

Controlling area 9100
Fiscal year 2003 to 9999

Activate components


Cost centers	Component active
<input checked="" type="checkbox"/> AA: Activity type	
Order management	Component active
Commitments mgt	Components active
ProfitAnalysis	Component not active
Acty-Based Costing	Component not active

☒ Profit center
☒ Projects
☒ Sales orders ☐ W. commt management
☒ Cost objects
☐ Real estate mgmt

Other indicators

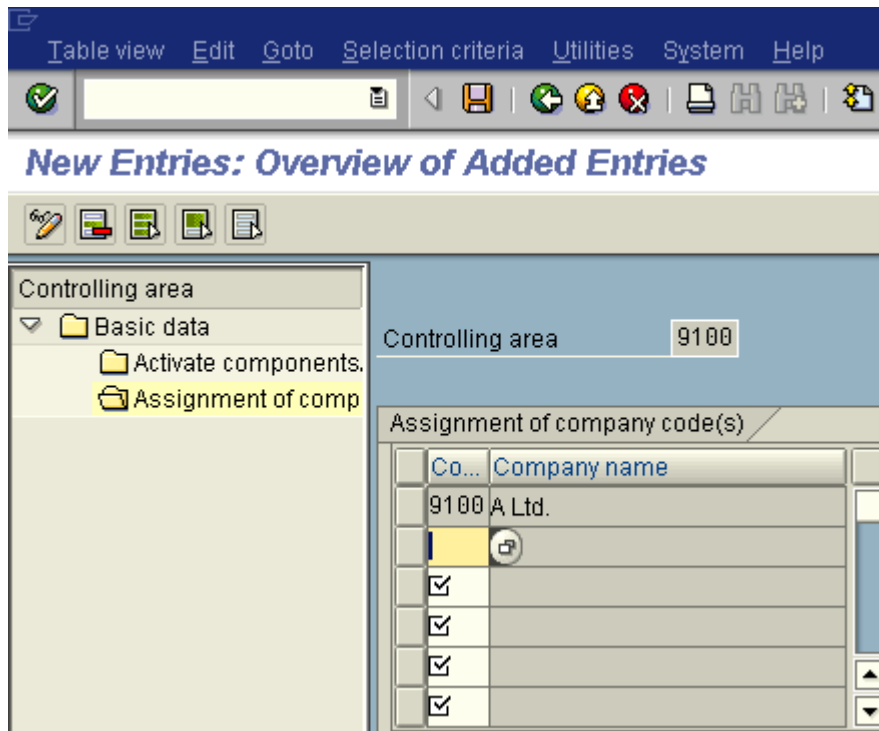
<input checked="" type="checkbox"/> All currencies
<input type="checkbox"/> Variances
<input checked="" type="checkbox"/> CompCode validation

Click on Save 

Double Click on  to attach company code 9100

Click on  and update the following: -

SAP CONTROLLING CONFIGURATION



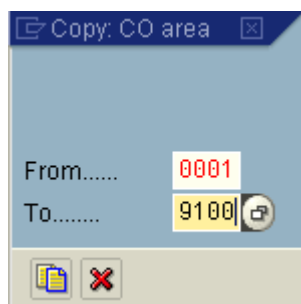
Click on Save 

1.2 Maintain Number Ranges for Controlling Documents

IMG → Controlling → General Controlling → Organization → Maintain Number Ranges for Controlling Documents

We will copy number ranges from the SAP delivered controlling area 001.

Click on Copy  and update the following: -



Click on 

Note that the number intervals are not included in the customizing request they need to be transported manually. Click on Interval → Transport

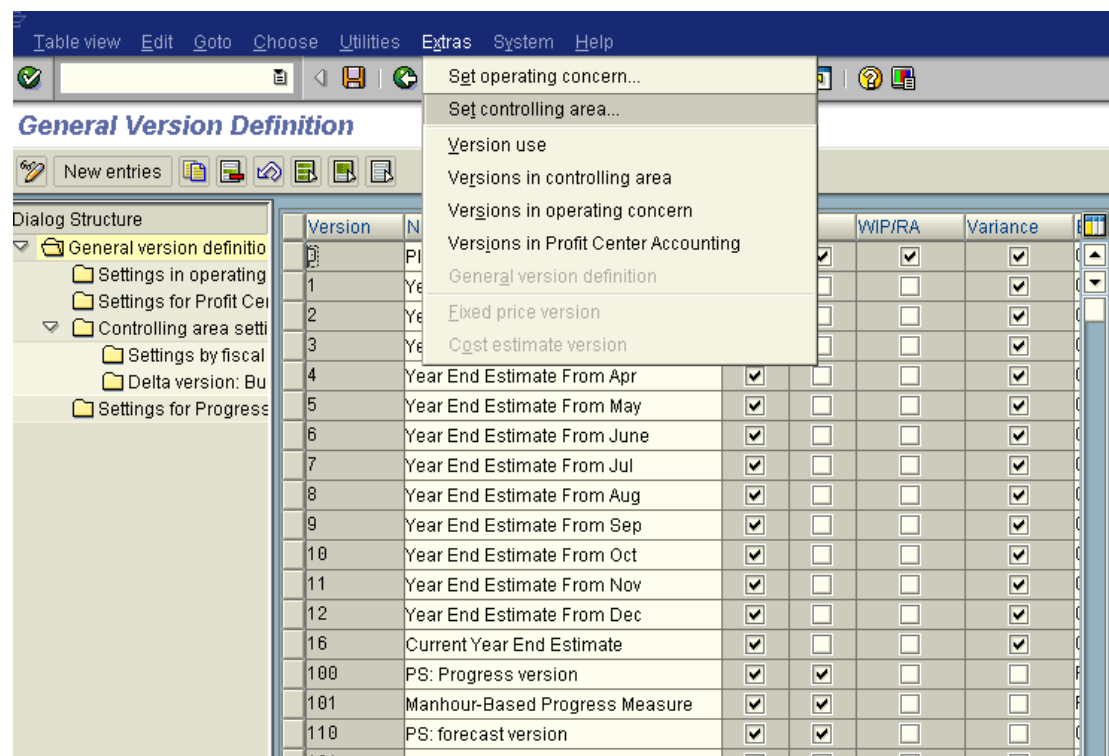
SAP CONTROLLING CONFIGURATION

To ensure data consistency, you should not transport number ranges for CO documents, but rather create them as new in the target system.

1.3 Maintain Versions

IMG → Controlling → General Controlling → Organization → Maintain Versions

Click on Extras → Set Controlling area



And update 9100 as the controlling area.

Select Version 0

Version	Name	Plan	Act.	WIP/RA	Variance
0	Plan/actual version	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

And Double Click  Controlling area setti

Version 0 is automatically created in controlling area 9100

SAP CONTROLLING CONFIGURATION

Controlling area	9100	A Grp co controlling area	Valuation			
Version settings in controlling area						
Version	Version description	Plan	Act.	Valuation view	WIP/R	
0	Plan/Act - Version	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Legal valuation		

Select

Version	Version description	Plan	Act.	Valuation view	WIP/R
0	Plan/Act - Version	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Legal valuation	

Double Click  Settings by fiscal

Versions are automatically created for 5 fiscal years.

Select year 2005 and click on  and update the following: -

Table view Edit Goto Choose Utilities System Help

Change View "Settings by fiscal year": Details

New entries

Dialog Structure

- General version definition
 - Settings in operating
 - Settings for Profit Center
 - Controlling area settings
 - Settings by fiscal**
 - Delta version: Business
 - Settings for Progress

CO area 9100 A Grp co controlling area

Version 0 Plan/Act - Version

Fiscal year 2005

Planning Price calculation

General indicators

- ☐ Version locked
- ☒ Integrated planning
- ☒ Copying allowed

Currency translation

Exchange rate type P Standard translation for cost planning

Value date 01.01.2005

Orders/projects

- ☒ Integrated planning with cost centers/bus. processes
- Version for ind.act.alloc. 0

Resource planning

Val. variant

Click on  and update the following: -

SAP CONTROLLING CONFIGURATION

The screenshot shows the SAP Controlling Configuration dialog box for 'Settings by fiscal year: Details'. The dialog has a menu bar (Table view, Edit, Goto, Choose, Utilities, System, Help) and a toolbar. The left pane shows the 'Dialog Structure' with a tree view containing 'General version definition', 'Settings in operating', 'Settings for Profit Center', 'Controlling area settings', 'Settings by fiscal year' (selected), 'Delta version: Business', and 'Settings for Progress'. The right pane shows the 'Details' for the selected 'Settings by fiscal year'. It includes fields for 'CO area' (9100), 'Version' (0), and 'Fiscal year' (2005). Below these are tabs for 'Planning' and 'Price calculation'. The 'Price calculation' tab is active, showing a checkbox for 'Purely iter. price' (checked). Below this are sections for 'Plan' and 'Actual'. The 'Plan' section has a 'Method' field set to 'Average price'. The 'Actual' section has 'Methods' set to 'Periodic price' and 'Revaluation' set to 'Own business transaction'. At the bottom, there is a 'Cost comp. str.' field.

Click on Save 

Similarly update the values for the remaining fiscal year.

2. Multiple Valuation Approaches/Transfer Prices (Optional)

2.1 Maintain Currency and Valuation Profile

IMG → Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings → Maintain Currency and Valuation Profile

We only need the currency and valuation profiles if we want to manage various valuations in parallel in our system.

We have to take the following rules into account when we maintain the currency and valuation profiles because they are checked when we activate the C&V profile in the controlling area.

- Managing the company code currency in legal valuation is mandatory.
- In addition, we can always manage two further valuation approaches

In valuation, we can select among group valuation (1) and profit center valuation (2),

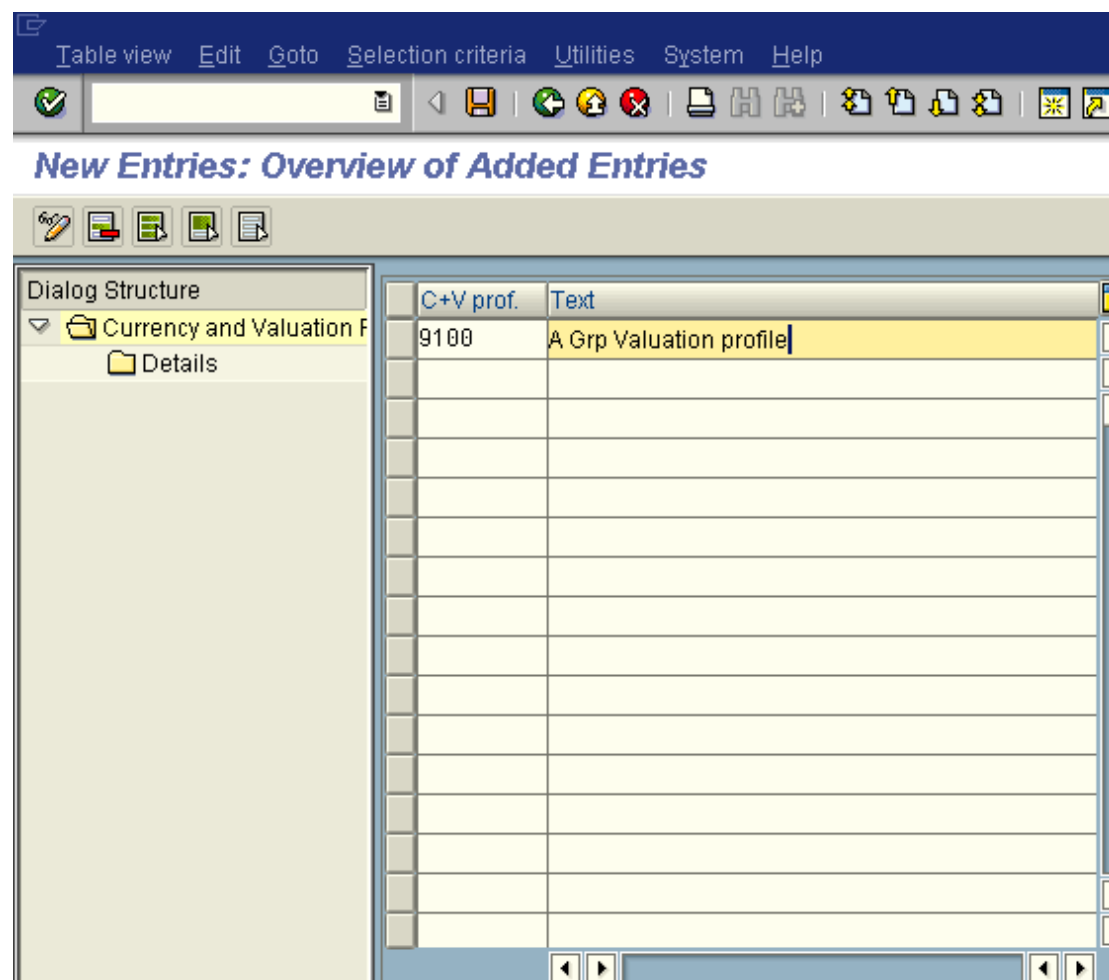
SAP CONTROLLING CONFIGURATION

In the currency, we can select among company code currency (10) and group currency (30).

All valuation approaches we manage in controlling must also be managed correspondingly in the material ledger.

All standard SAP report in controlling are shown in the reporting currency (controlling area currency), to get the object currency (Co. code currency) you will need to define new reports.

Click on  and update the following: -

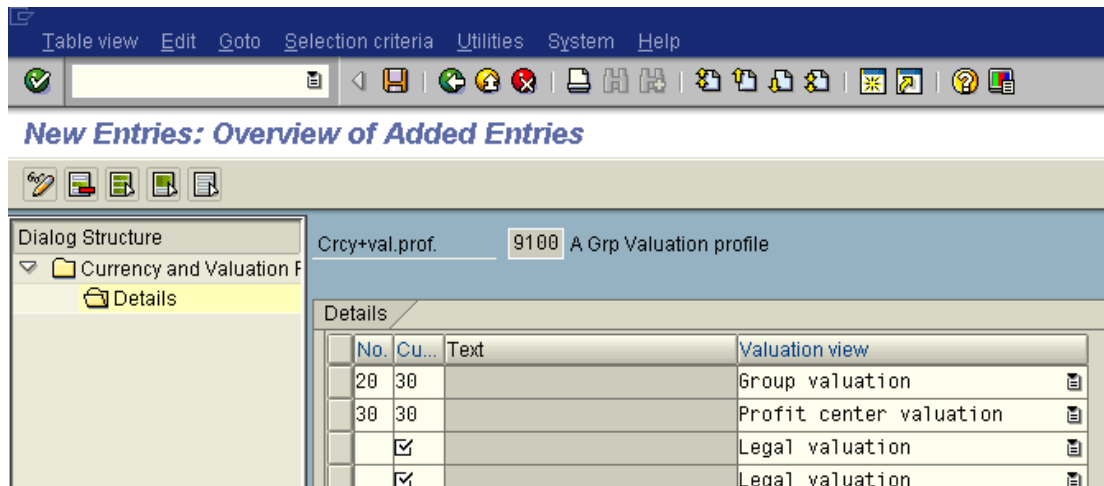


Select **3100** A Grp Valuation profile and

Double Click Details

Click on [New entries](#) and update the following: -

SAP CONTROLLING CONFIGURATION



Click on Save 

2.2 Assign Currency and Valuation Profile to Controlling Area

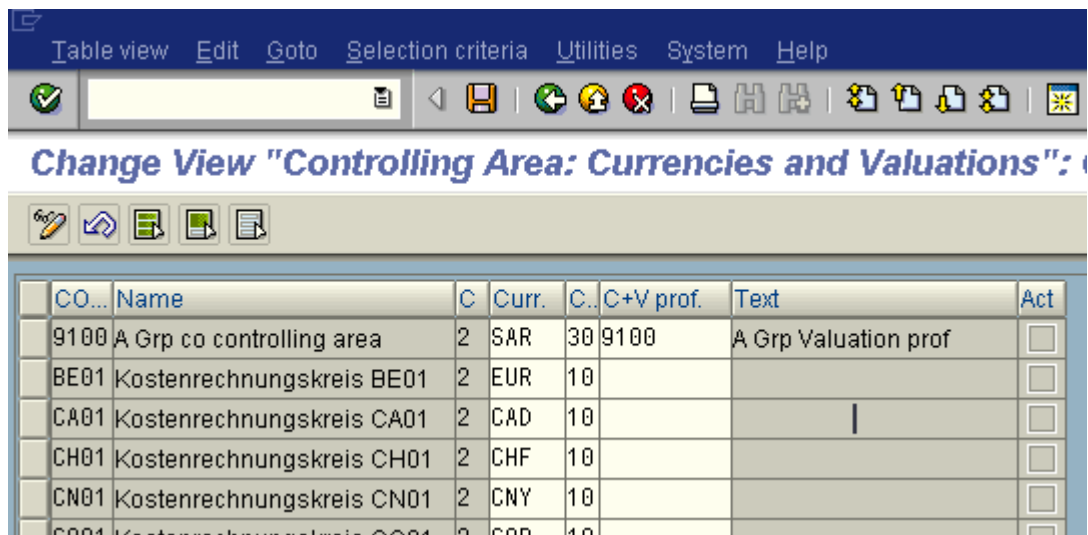
IMG → Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings → Assign Currency and Valuation Profile to Controlling Area

We assign the currency and valuation profiles with which we want to represent scenarios for transfer prices to the respective controlling area. For this purpose, we must ensure that the controlling area currency of the affected controlling area corresponds to either the group currency (currency type = 30) or the company code currency (currency type = 10).

The assignment of the currency and valuation profiles indicates that we want to use transfer prices in the controlling area. It enables us to create actual versions for different valuations.

Assign C+V prof 9100 to controlling area 9100.

SAP CONTROLLING CONFIGURATION




Click on Save 

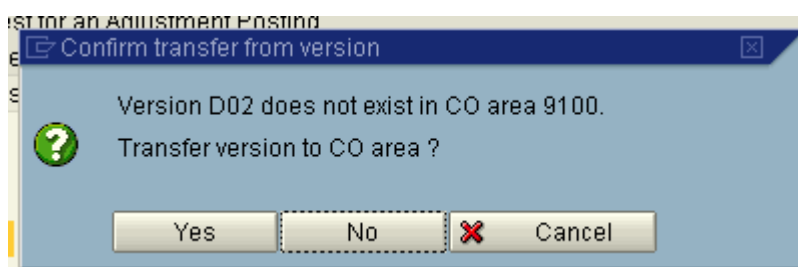
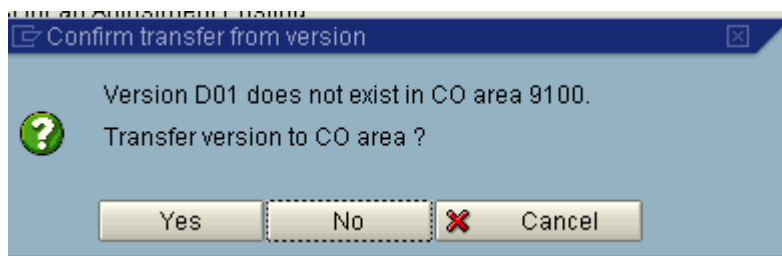
2.3 Create Versions for Valuation Methods

IMG → Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings → Create Versions for Valuation Methods

Select

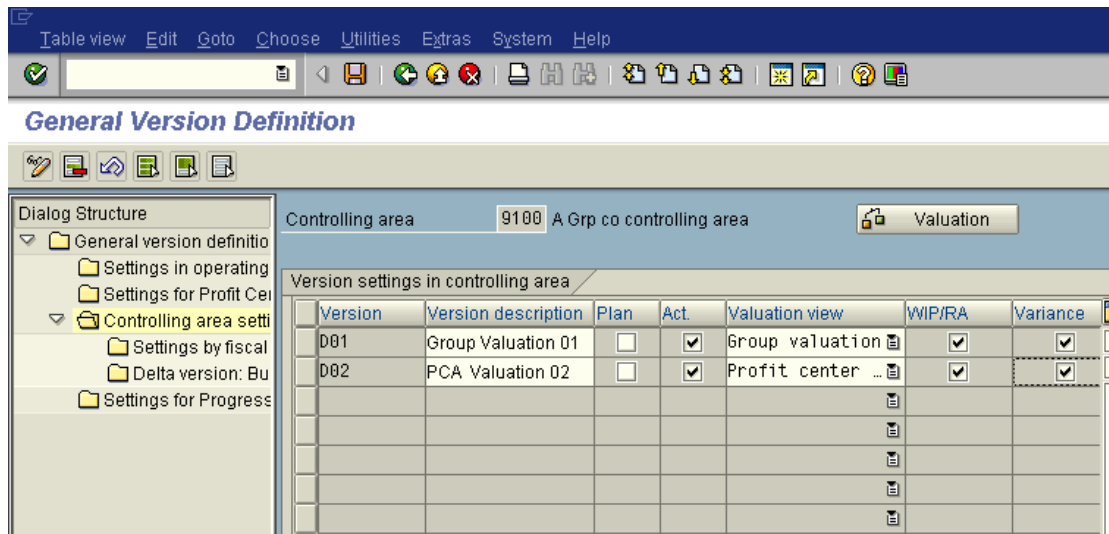
D01	Group Valuation 01	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
D02	PCA Valuation 02	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

And Double Click on  Controlling area settings



SAP CONTROLLING CONFIGURATION

Select Yes to transfer version and update the following: -



The screenshot shows the 'General Version Definition' dialog box in SAP. The 'Controlling area' is set to '9100 A Grp co controlling area'. The 'Valuation' button is visible. The 'Version settings in controlling area' table is displayed with the following data:

Version	Version description	Plan	Act.	Valuation view	WIP/RA	Variance
D01	Group Valuation 01	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Group valuation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
D02	PCA Valuation 02	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Profit center ...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Click on Save 

2.4 Define Valuation Clearing Account

IMG → Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Level of Detail → Define Valuation Clearing Account

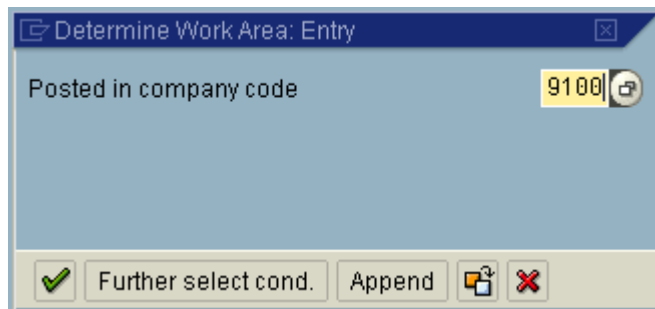
Here we specify profit and loss accounts for valuation differences that arise in business transactions between group companies.

When we use parallel valuation approaches/transfer prices, payables and receivables are only posted using legal valuation, since that represents the amount in which the payment is made. If, however, we want to record other valuation approaches in the valuation clearing account, we need to post the difference to accounts for intercompany profits so that this amount appears in the group report. The system assigns the valuation difference for each item to the corresponding profit center.

With this function we can designate valuation-clearing accounts in which to record valuation differences separately for each company code and partner company.

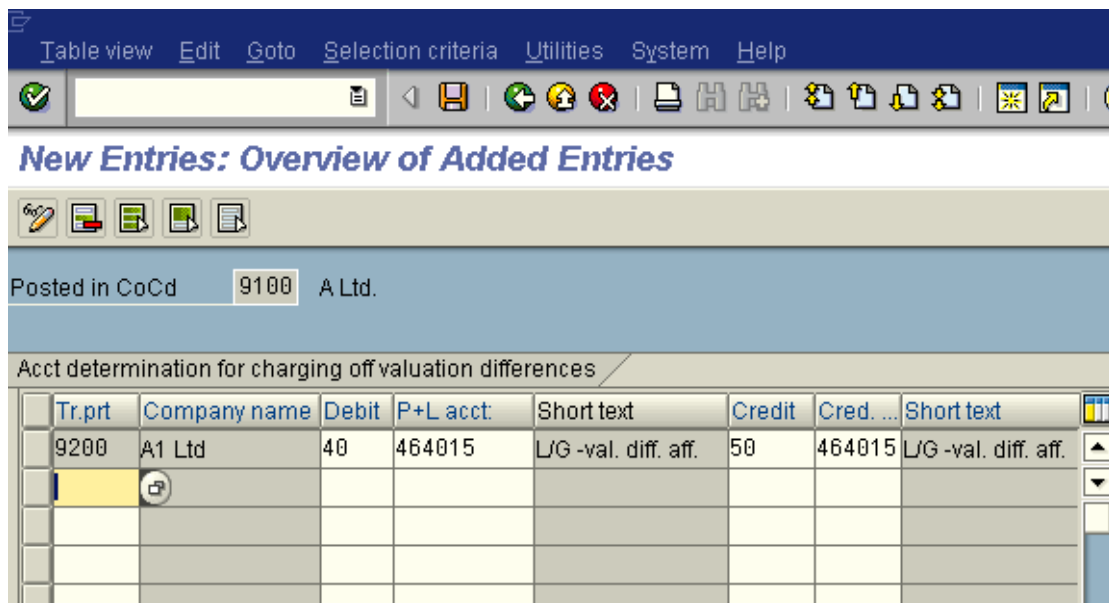
Update the following: -

SAP CONTROLLING CONFIGURATION



Click on

New entries




The trading partner 9200 is the company created for company code 9200.

Click on Save



2.5 Parallel Valuation Approaches: Check Activation / Execute

IMG → Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Activation → Parallel Valuation Approaches: Check Activation / Execute

Enter the controlling area 9100 and click  to check activation.

We also need to maintain the settings in profit center accounting, thereafter, which we can activate the currency and valuation profile

SAP CONTROLLING CONFIGURATION

The screenshot shows the 'Currency and Valuation Profile: Check and Activate in Controlling Ar' window. It has a menu bar (Program, Edit, Goto, System, Help) and a toolbar. The main area contains three fields: 'Controlling area' with the value '9100' and a selection icon, 'Check activation' with a selected radio button, and 'Activate in controlling area' with an unselected radio button.



Click on  to check activation. The message given is as follows

The screenshot shows the 'Document lines: Display messages' window. It contains a table with the following data:

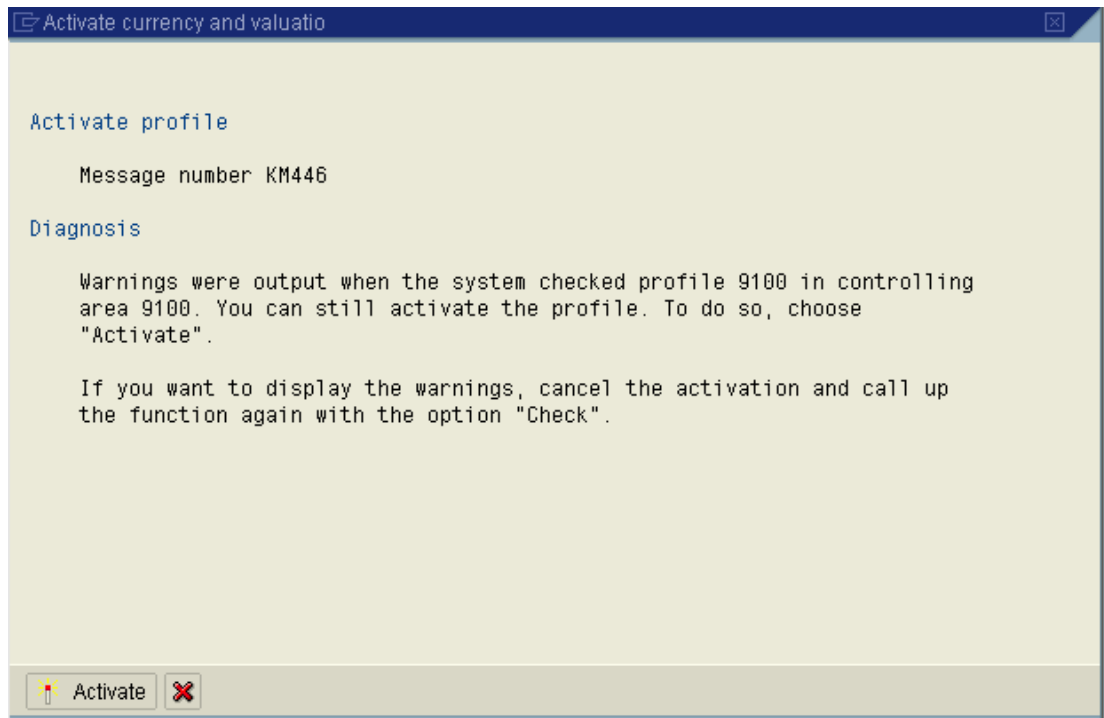
Typ	It	Message text	LT
⚠	000	Create a results analysis version for valuation view 9100	?

Below the table is a toolbar with various icons, including a clock icon.

We need to create result analysis version 0 in the product cost controlling component. Nevertheless we can still activate the currency and valuation profile.

Select radio button  **Activate in controlling area** and click 

SAP CONTROLLING CONFIGURATION



Click  Activate

3 Production Start-Up Preparation

3.1 Set "Update All Currencies" Indicator

IMG → Controlling → General Controlling → Production Start-Up Preparation
→ Set "Update All Currencies" Indicator

In this step we activate or reset the update all currencies indicator. The Update all currencies indicator enables us to reduce the amount of memory used when posting data to CO objects (for example, cost centers or orders). However, it only works if our database system compresses empty fields. If you are not sure whether your database system compresses empty fields, you should **always** activate this indicator.

Click on  remove the test run and select



Click on 

4 Cost Element Accounting

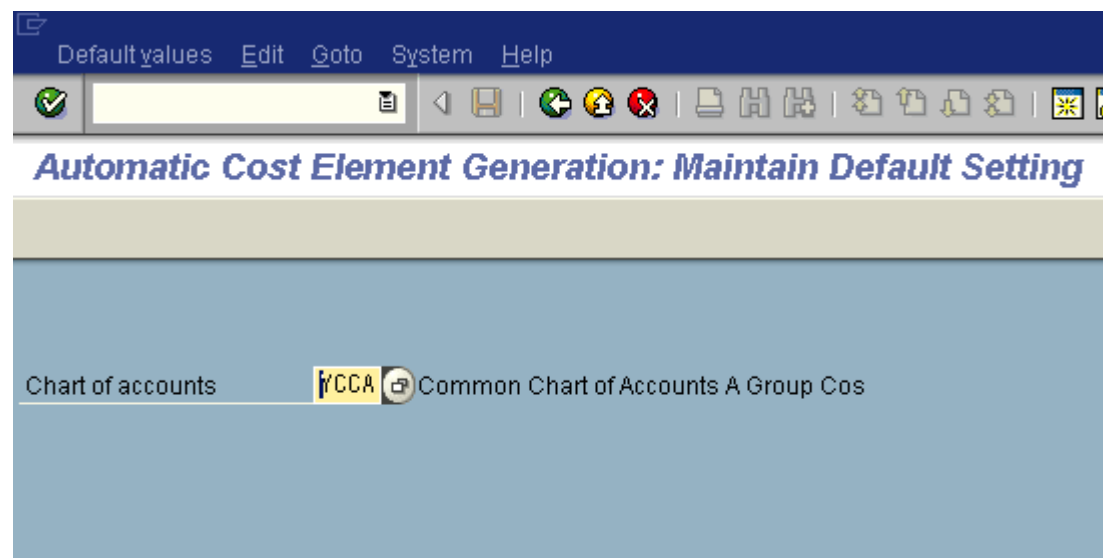
4.1 Make Default Settings

IMG → Controlling → Cost Element Accounting → Master Data → Cost Elements → Automatic Creation of Primary and Secondary Cost Elements → Make Default Settings

Here we give the cost elements individually or as an interval with the corresponding cost element category in the default setting. The cost elements are created by a batch input session using this default setting.

These defaults are used for automatic generation of primary and secondary cost elements.

Update the following: -



SAP CONTROLLING CONFIGURATION

The screenshot shows the SAP 'Automatic Cost Element Generation: Maintain Default Setting' screen. The title bar includes 'Default values', 'Edit', 'Goto', 'System', and 'Help'. Below the title bar is a toolbar with various icons. The main area has a header with 'Chart of accounts' (YCCA) and 'Common Chart of Accounts A Group Cos'. Below this is a table with columns: 'Acct from', 'Account to', 'CE...', and 'Short text'. The table contains 7 rows of data. At the bottom right, there is a status bar showing 'Entry 1 of 7'.

Acct from	Account to	CE...	Short text
400000	465999	1	Primary costs/cost-reducing revenues
466000	466999	22	External settlement
467000	484199	1	Primary costs/cost-reducing revenues
484200	484299	11	Revenues
484300	499999	1	Primary costs/cost-reducing revenues
810000	899799	11	Revenues
899800	899899	1	Primary costs/cost-reducing revenues

Click on Save 

4.2 Create Batch Input Session

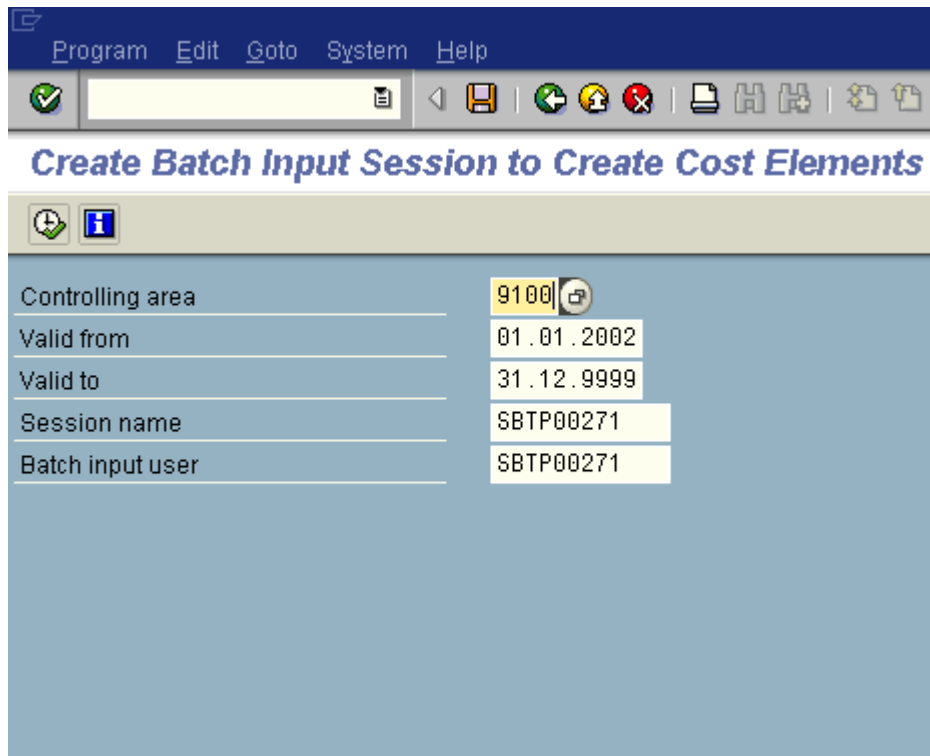
IMG → Controlling → Cost Element Accounting → Master Data → Cost Elements → Automatic Creation of Primary and Secondary Cost Elements → Create Batch Input Session

Here we generate a batch input session for each controlling area in order to create cost elements.

The SAP System determines the chart of accounts to be processed (including the cost elements to be created) according to the company code and chart of accounts to which the controlling area is assigned.

Update the following: -

SAP CONTROLLING CONFIGURATION



The screenshot shows the SAP GUI interface for the transaction 'Create Batch Input Session to Create Cost Elements'. The title bar includes menu options: Program, Edit, Goto, System, and Help. Below the menu is a toolbar with various icons. The main window has a title bar with a clock icon and an information icon. The main area contains a table with the following data:

Field	Value
Controlling area	9100
Valid from	01.01.2002
Valid to	31.12.9999
Session name	SBTP00271
Batch input user	SBTP00271

Click Execute 

SAP CONTROLLING CONFIGURATION


Create Batch Input Session to Create Cost Elements		
Create Batch Input Session to Create Cost Elements		
CEltn	Cat.	Description
400000	1	Raw Material Consumed (Others)
400013	1	Others Material
400300	1	Semi -Finished Material Consumed
400700	1	Packaging Materials Consumed
400800	1	Production Consumable
402001	1	Fuel/ Gas
402002	1	Electricity
402003	1	Fresh Water
402004	1	Sea Water
402005	1	Waste Water
402006	1	Steam
402008	1	Nitrogene
420003	1	Regular Pay - Trainees & Training Costs
420004	1	Transport Allowance
420005	1	Overtime & CallBack Allowance
420006	1	Incentive Pay
420007	1	Shift Allowance
420010	1	Housing Allowance
420011	1	Vacation Pay
420211	1	Bonus
420212	1	Early Retirement
420401	1	Medical
420407	1	Home Leave Expense
420408	1	Furniture Allowance
420409	1	Housing Rentals
420410	1	Housing Maintenance
420411	1	Relocation Allowance
420413	1	Other Employee Benefits (Misc. Payment)
420414	1	Miscellaneous Deduction
420415	1	Food Allowance
420501	1	Training and Seminar Fees
420502	1	Training Seminar Expenses

4.3 Execute Batch Input Session

IMG → Controlling → Cost Element Accounting → Master Data → Cost Elements → Automatic Creation of Primary and Secondary Cost Elements
→ Execute Batch Input Session

Here we execute a batch input session and thereby generate cost elements.

Select the session	Session name	Created by	Date	Time	Lock date
	SBTP00271	SBTP00271	11.04.2005	11:55:14	

and click  Process

Select ☒ Display errors only and run in foreground

Select ☒ Extended log

Select ☒ Expert mode

Deselect ☐ Dynpro standard size

Click

Click on Save 

5 Reconciliation Ledger

5.1. Activate/Deactivate Reconciliation Ledger

IMG → Controlling → Cost Element Accounting → Reconciliation Ledger → Activate/Deactivate Reconciliation Ledger

In the reconciliation ledger, the data from Accounting is summarized and valuated. Cost flows occurring exclusively in Controlling (secondary postings) between company code and business area boundaries which are not noted in Financial Accounting, can be passed on through Reconciliation ledger. Thus Reconciliation between Financial accounting (external) and controlling (internal) is possible.

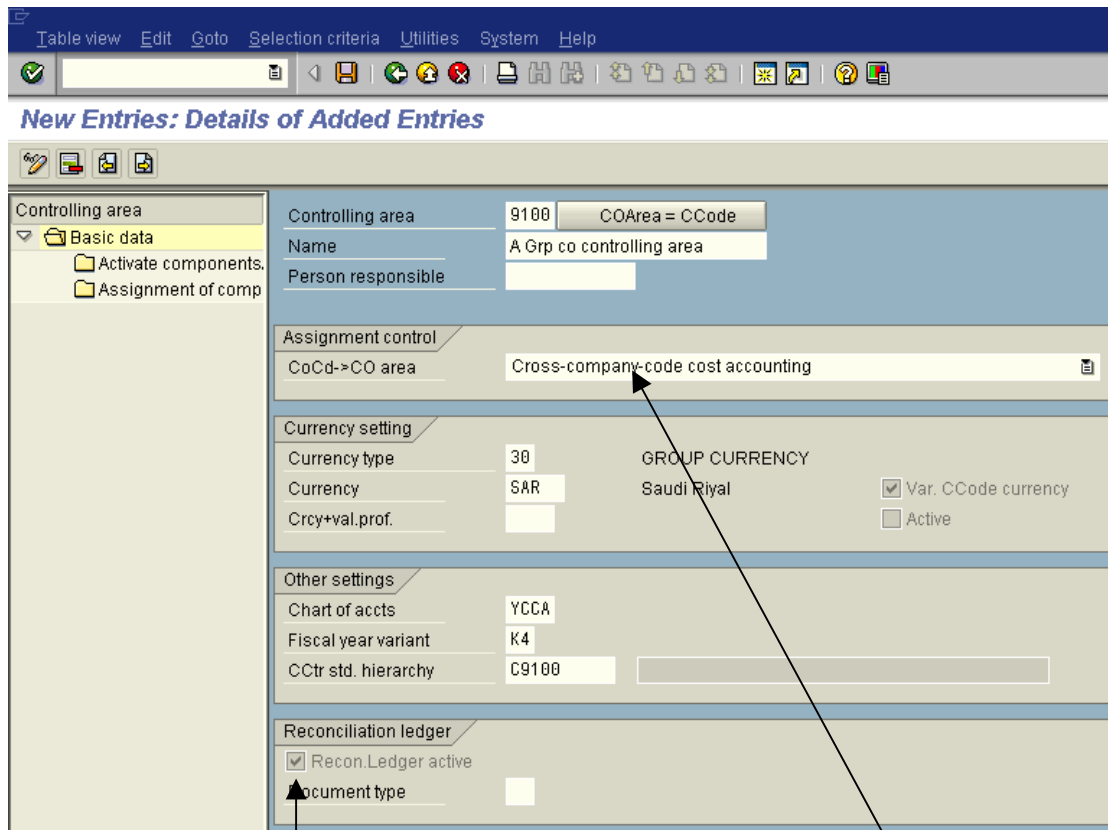
You do not need the reconciliation ledger in the following situations:

- no profit and loss accounting using cost of sales accounting occurs
- there is no interest in cross-application reports
- there is no interest in evaluating cross-company-code and cross-business area postings

Controlling area maintenance indicates whether the reconciliation ledger is activated or deactivated for the controlling area.

This activation step is generally not required if we select cross company cost accounting when maintaining controlling area which can be seen below.

SAP CONTROLLING CONFIGURATION



The screenshot shows the SAP Controlling Configuration interface for 'New Entries: Details of Added Entries'. The left sidebar contains a tree view with 'Controlling area' expanded, showing 'Basic data' (Activate components, Assignment of comp) and 'Assignment control'. The main area is divided into several sections: 'Controlling area' (9100, COArea = CCode, Name: A Grp co controlling area, Person responsible), 'Assignment control' (CoCd->CO area: Cross-company-code cost accounting), 'Currency setting' (Currency type: 30, Currency: SAR, GROUP CURRENCY: Saudi Riyal, Crcy+val.prof., Var. CCode currency: checked, Active: unchecked), 'Other settings' (Chart of accts: YCCA, Fiscal year variant: K4, CCtr std. hierarchy: C9100), and 'Reconciliation ledger' (Recon.Ledger active: checked, Document type:).

Indicates reco. Ledger is active

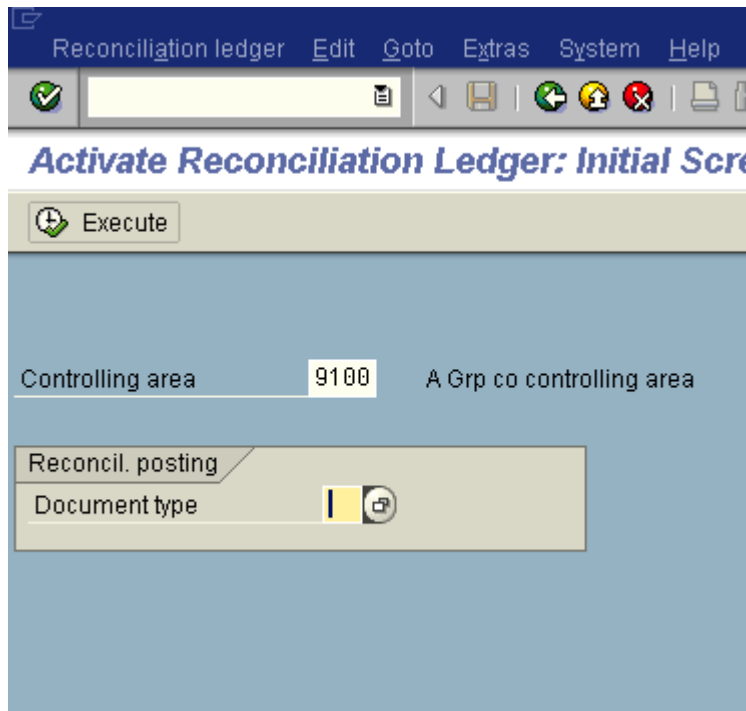
Activation step is generally not required if we select cross company cost accounting when maintaining controlling area which can be seen below.

In case the reconciliation ledger is still not active we can proceed as follows:-

Double Click **Activate Reconciliation Ledger**

Update the following: -

SAP CONTROLLING CONFIGURATION




Click on  Execute

5.2 Define Adjustment Accounts for Reconciliation Posting

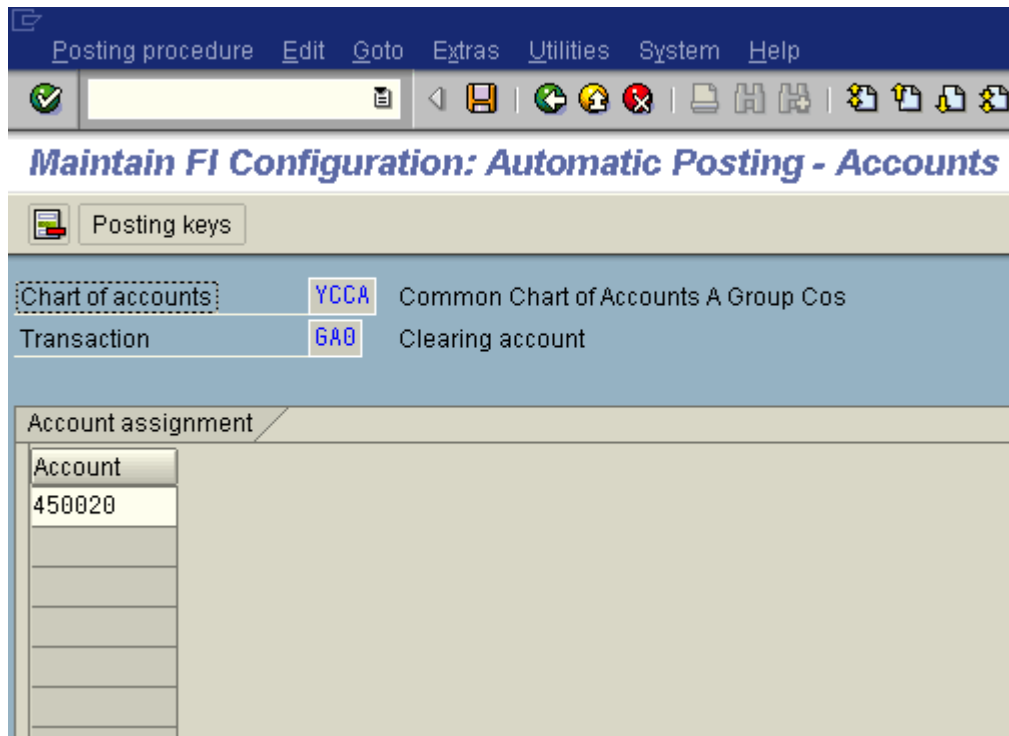
IMG → Controlling → Cost Element Accounting → Reconciliation Ledger → Define Adjustment Accounts for Reconciliation Posting

Create a GL account in FI for the FI-CO reconciliation. In our example we have created a GL code **450020 FICO Reconciliation account**

Double Click  Maintain Clearing Accounts for Business Area/Functional Area

Update chart of accounts YCCA and update the following: -

SAP CONTROLLING CONFIGURATION



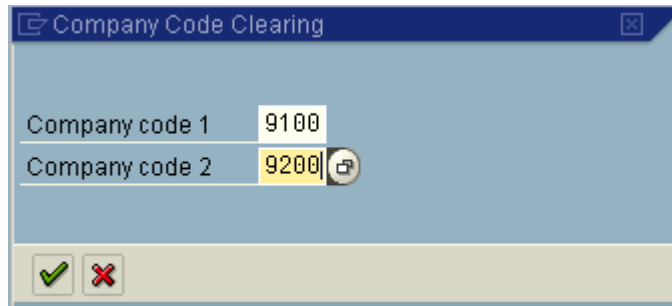
The screenshot shows the SAP 'Maintain FI Configuration: Automatic Posting - Accounts' window. The menu bar includes 'Posting procedure', 'Edit', 'Goto', 'Extras', 'Utilities', 'System', and 'Help'. The toolbar contains icons for save, back, forward, and other functions. The main area is divided into sections: 'Posting keys' (empty), 'Chart of accounts' (YCCA), 'Transaction' (GA0), and 'Account assignment' (450020).

Chart of accounts	YCCA	Common Chart of Accounts A Group Cos
Transaction	GA0	Clearing account

Account
450020

Click on Save 

Double Click **Maintain Clearing Accounts for Company Codes**


























The screenshot shows the 'Company Code Clearing' window. It contains two rows: 'Company code 1' with value '9100' and 'Company code 2' with value '9200'. The 'Company code 2' row has a lock icon. At the bottom, there are checkmark and cross icons.

Company code 1	9100
Company code 2	9200

SAP CONTROLLING CONFIGURATION


Posting procedure Edit Goto Extras Utilities System Help

Maintain FI Configuration: Automatic Posting - Clearing Accounts

Transaction **BUY** Clearing between company codes

Posted in 9100	
Cleared against 9200	
Receivable	Payable
Debit posting key 01	Credit posting key 31
Account debit 9200	Account credit 9200

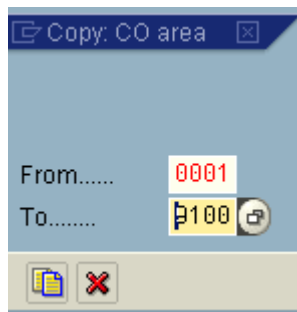
Receivable	Payable
Posted in 9200	
Cleared against 9100	
Receivable	Payable
Debit posting key 01	Credit posting key 31
Account debit 9100 	Account credit 9100

Click on Save 

5.3 Specify Document Number Range for Reconciliation Posting

IMG → Controlling → Cost Element Accounting → Reconciliation Ledger → Specify Document Number Range for Reconciliation Posting

Click on  and update the following: -



Click 

Click on Save 

6 Cost Center Accounting

6.1 Define Standard Hierarchy

IMG → Controlling → Cost Center Accounting → Master Data → Cost Centers → Define Standard Hierarchy

The hierarchy logic is built in the following manner.

The top node (first level) C9100 is the total A group node.

The second level is the company which is represented by 2 digits 91

The third level is the function 01 – Production 02 maintenance etc.
Therefore we create 9101 as production

At the fourth level we create the cost center.

Thus the cost center numbering is 9101000 – Production common.

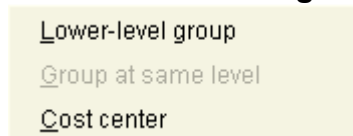
The first 2 digits from the left 91 represent company code

The 3rd and 4th digit represents function

The 5th 6th 7th digit represents running number.

Click 

Select Lower level group



and update the following: -

SAP CONTROLLING CONFIGURATION

Basic data Report information

Group name 91 A Ltd. India Cancel

Click on **Save**

Create a lower level node below 91, by position your cursor on 91

Lower-level group
Group at same level
Cost center

Click on and select and update the following: -

Standard hierarchy Edit Goto Extras Settings System Help

Standard hierarchy for cost centers Change

Object manager

Find by

- Cost Centers
- Cost Center Group

Cost center group Name

C9100	
91	A Ltd...
	New ...

Standard hierarchy Name Activation status

C9100	C9100	
91	A Ltd. India	
	New group	

Details for Cost Center Group New group

Basic data Report information

Group name 9101 Production

SAP CONTROLLING CONFIGURATION

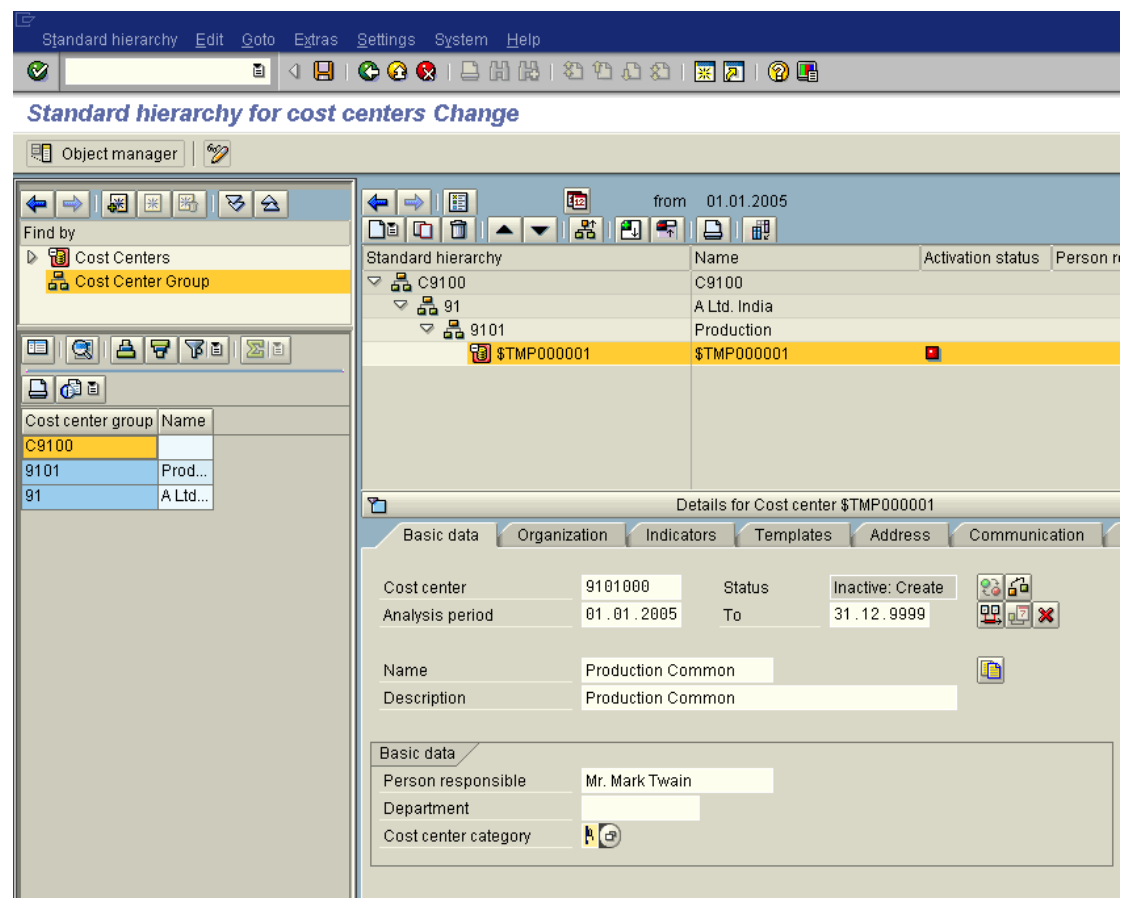
Click on Save 

Now we want to create cost center at this node 9101

Click 

Lower-level group
Group at same level
Cost center

And select cost center and update the following: -



The screenshot shows the SAP 'Standard hierarchy for cost centers' configuration screen. The left pane displays the 'Object manager' with 'Cost Centers' expanded, showing 'Cost Center Group' and '9101'. The right pane shows the 'Standard hierarchy' tree with '9101' selected, displaying its details. The 'Details for Cost center \$TMP000001' section is visible, showing fields for 'Cost center', 'Analysis period', 'Status', 'Name', 'Description', 'Person responsible', 'Department', and 'Cost center category'.

Standard hierarchy	Name	Activation status	Person n
C9100	C9100		
91	A Ltd. India		
9101	Production		
\$TMP000001	\$TMP000001		

Details for Cost center \$TMP000001			
Basic data			
Cost center	9101000	Status	Inactive: Create
Analysis period	01.01.2005	To	31.12.9999
Name	Production Common		
Description	Production Common		
Basic data			
Person responsible	Mr. Mark Twain		
Department			
Cost center category			

SAP CONTROLLING CONFIGURATION

Details for Cost center Production Common

Basic data Organization Indicators Templates Address Communication History

Organizational units

Company code	9100
Business area	
Functional area	
Currency	SAR
Profit center	9999

Production

Click on Save 

Create another cost center group. Position your cursor on  9101


Click 

- Lower-level group
- Group at same level
- Cost center

Select Group at same level and update the following

Details for Cost Center Group New group

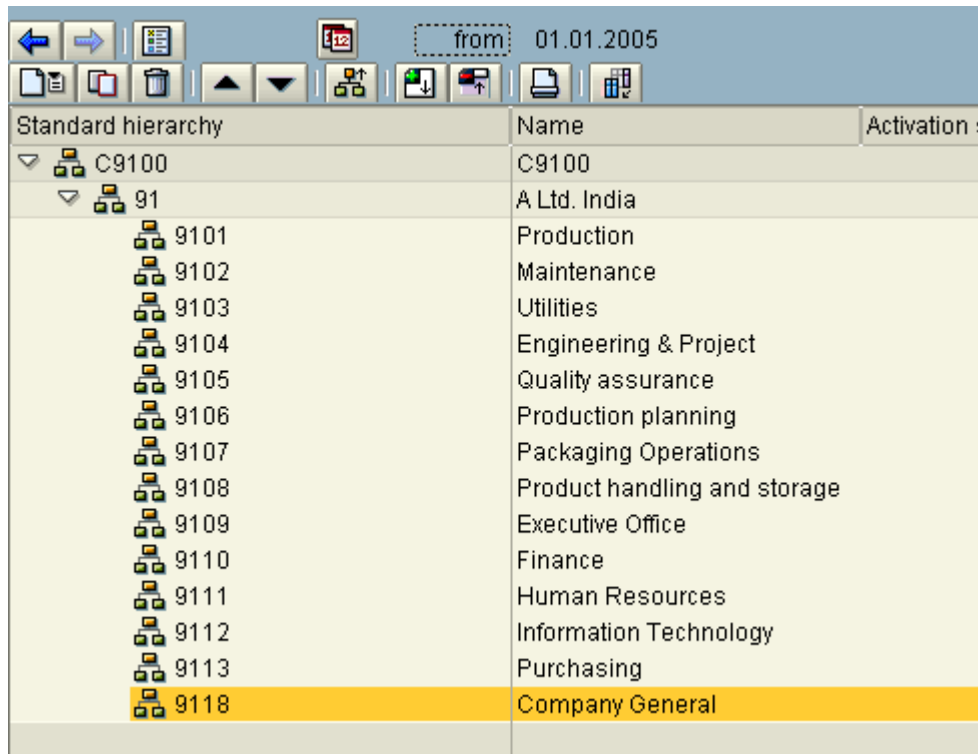
Basic data Report information

Group name 9102 Maintenance  Cancel

Click on Save 

SAP CONTROLLING CONFIGURATION

Similarly create other cost center groups which would like this.



Standard hierarchy	Name	Activation
▼ C9100	C9100	
▼ 91	A Ltd. India	
9101	Production	
9102	Maintenance	
9103	Utilities	
9104	Engineering & Project	
9105	Quality assurance	
9106	Production planning	
9107	Packaging Operations	
9108	Product handling and storage	
9109	Executive Office	
9110	Finance	
9111	Human Resources	
9112	Information Technology	
9113	Purchasing	
9118	Company General	

6.2 Define Cost Center Categories

IMG → Controlling → Cost Center Accounting → Master Data → Cost Centers → Define Cost Center Categories

We can define our own cost center categories or use SAP supplied cost center categories.

We activate/deactivate the following indicators for each cost center category:

- Lock primary postings
- Lock secondary postings
- Lock revenue postings and revenue planning
- Lock commitment update
- Lock primary cost planning
- Lock secondary cost planning
- Lock consumption quantities

We will lock **actual revenue posting** and **Planned revenue posting** in all of the cost center categories.

The cost center category when selected during the cost center master creation, defaults this indicator such as Lock actual revenue and lock plan revenue.

SAP CONTROLLING CONFIGURATION

Table view Edit Goto Selection criteria Utilities System Help

Change View "Cost center categories": Overview

New entries

Cost center categories

CC...	Name	Qty	ActPri	ActSec	ActRev	PlnPri	PlnSec	PlnRev	Cmmt	FA
A	Production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	01
B	Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	02
C	Utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	03
D	Engineering & Projec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	04
E	Quality Assurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	05
F	Production Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	06
G	Product Handling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	07
H	Warehousing & Storag	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	08
I	Executive Office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	09
J	Finanace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10
K	Human Resource	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11
L	Information Technolo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12
M	Purchasing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13
N	General Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14
O	Safety & Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	15
P	Sales & Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	16
R	Research & Technolo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	17
S	Company General	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	18

Click on Save 

6.3 Create Cost Center




IMG → Controlling → Cost Center Accounting → Master Data → Cost Centers → Create Cost Centers

Double Click on 

Click on Extras → Set controlling area

Set controlling area

Controlling area

Update the following: -

The screenshot shows the 'Create Cost Center: Initial screen' dialog box in SAP. The title bar includes menu options: Cost center, Edit, Goto, Extras, System, and Help. Below the title bar is a toolbar with various icons for navigation and actions. The main area of the dialog is divided into two sections: 'Master data' and 'Reference'.

In the 'Master data' section, the 'Cost center' field is populated with '101011' and has a selection icon to its right. The 'Valid from' field is populated with '01.01.2003' and the 'To' field is populated with '31.12.9999'.

The 'Reference' section contains two fields: 'Cost center' and 'Controlling area', both of which are currently empty.

SAP CONTROLLING CONFIGURATION

The screenshot shows the 'Create Cost Center: Basic screen' in SAP. The window has a menu bar with 'Cost center', 'Edit', 'Goto', 'Extras', 'Environment', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area is titled 'Create Cost Center: Basic screen' and contains a 'Drilldown' button. The form is divided into several sections: 'Basic data' (selected), 'Control', 'Templates', 'Address', 'Communication', and 'History'. The 'Basic data' section contains the following fields: 'Cost center' (9101011), 'Controlling area' (9100), 'Valid from' (01.01.2003), 'To' (31.12.9999), 'Name' (EG-1 Plant), 'Description' (EG-1 Plant), 'Person responsible' (Steve Bucknor), 'Department' (empty), 'Cost center category' (A), 'Hierarchy area' (9101), 'Company code' (9100), 'Business area' (empty), 'Functional area' (empty), 'Currency' (INR), and 'Profit center' (1100). The 'Name' and 'Description' fields are highlighted in yellow.

Cost center	9101011	EG-1 Plant
Controlling area	9100	A Grp co controlling area
Valid from	01.01.2003	To 31.12.9999

Basic data | Control | Templates | Address | Communication | History

Names

Name: EG-1 Plant

Description: EG-1 Plant

Basic data

Person responsible: Steve Bucknor

Department:

Cost center category: A Production

Hierarchy area: 9101 Production

Company code: 9100 A Ltd.

Business area:

Functional area:

Currency: INR

Profit center: 1100 Ethylene

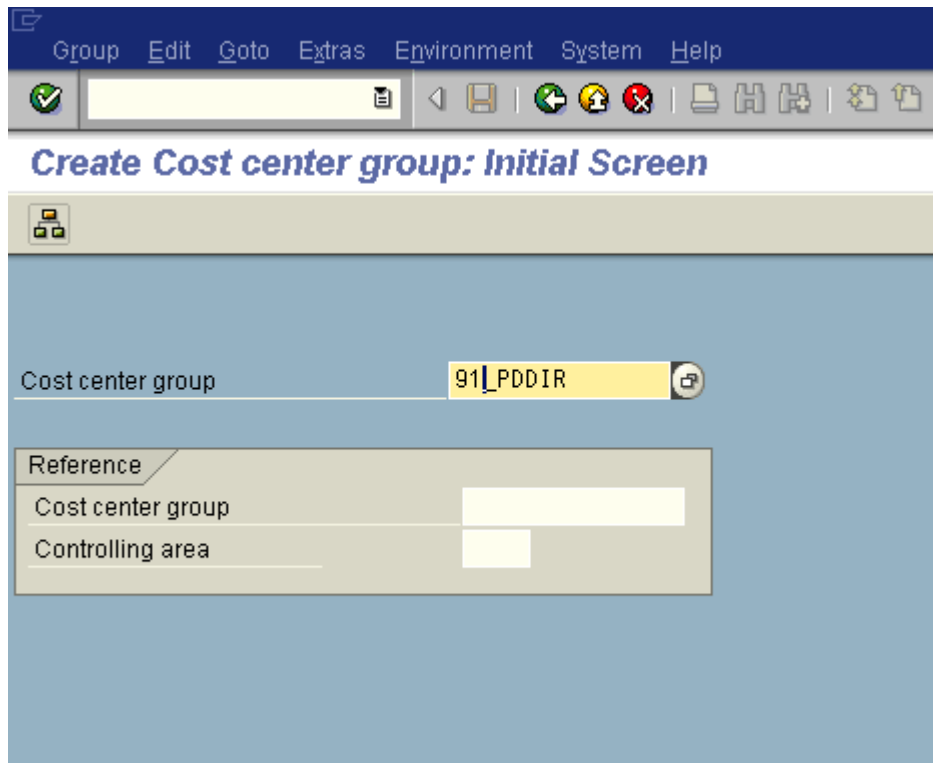
Click on Save 

6.4 Define Cost Center Groups

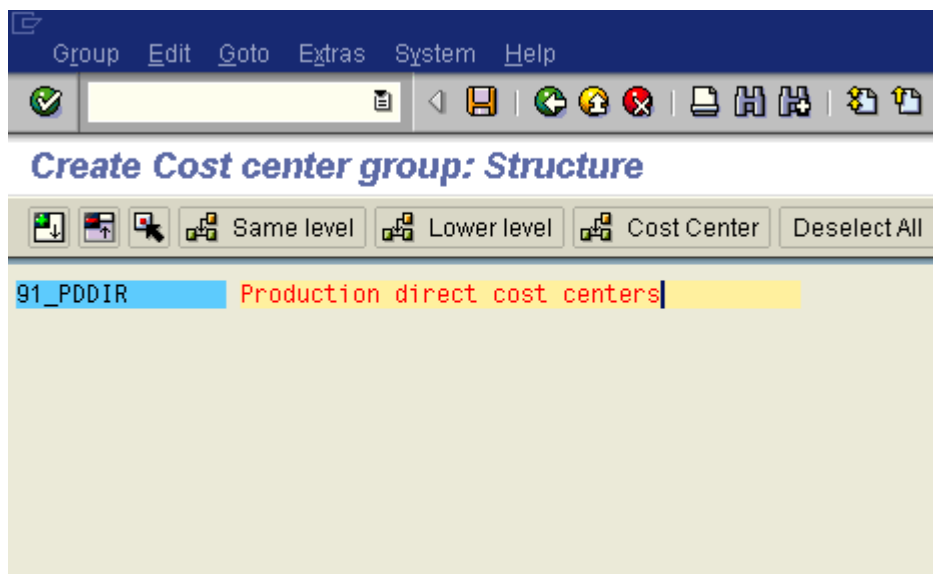
IMG → Controlling → Cost Center Accounting → Master Data → Cost Centers → Define Cost Center Groups

Double Click **Create Cost Center Group** and update the following: -

SAP CONTROLLING CONFIGURATION

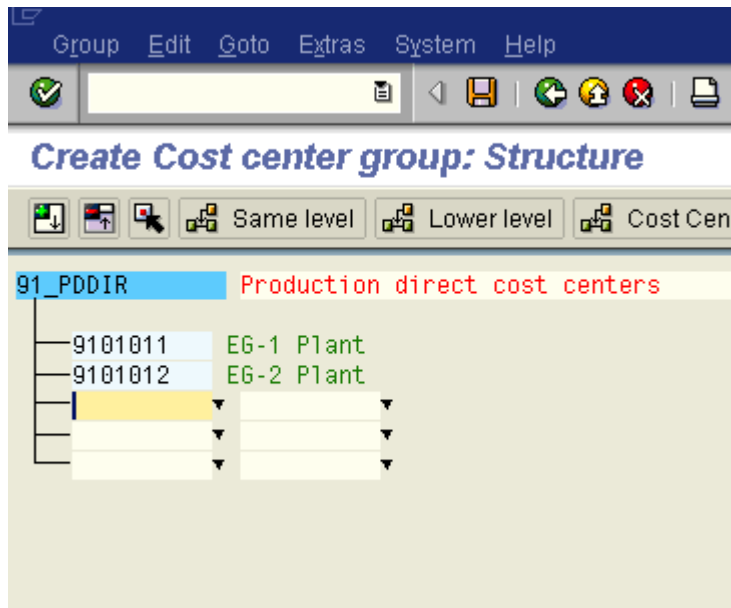


Update the following: -



Click on  Cost Center and update the following: -

SAP CONTROLLING CONFIGURATION

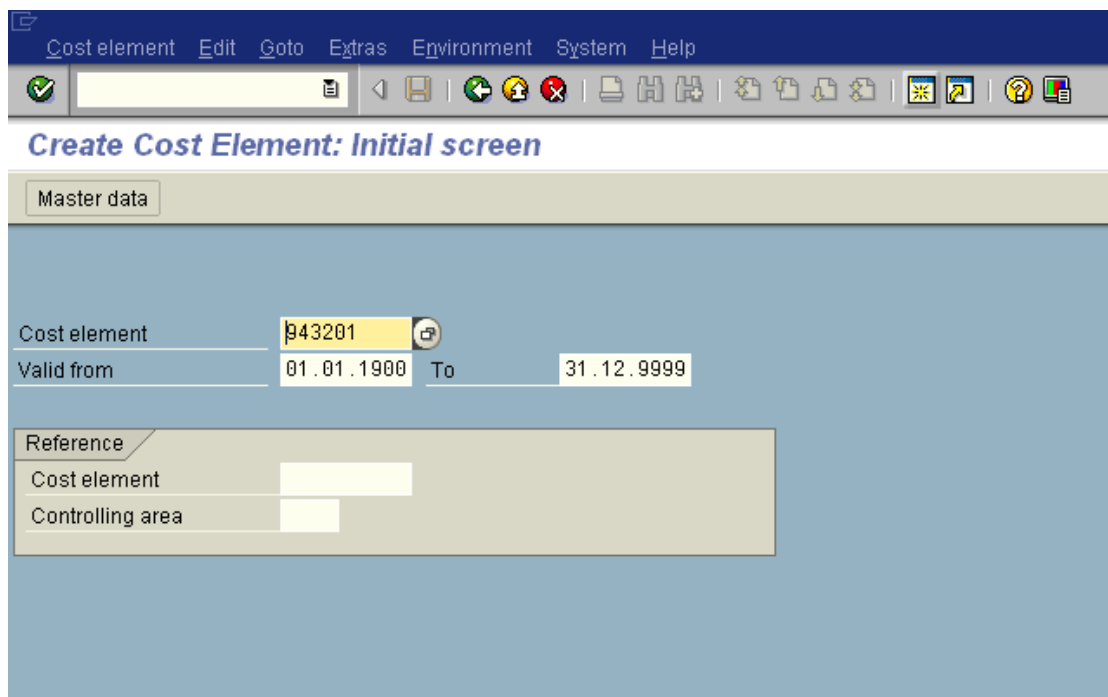


Click on Save 

6.5 Define Cost Elements for Activity Allocation

IMG → Controlling → Cost Center Accounting → Master Data → Activity Types → Define Cost Elements for Activity Allocation

Double Click  and update the following:-



SAP CONTROLLING CONFIGURATION

The screenshot shows the 'Create Cost Element: Basic screen' in SAP. The menu bar includes 'Cost element', 'Edit', 'Goto', 'Extras', 'Environment', 'System', and 'Help'. The toolbar contains icons for save, back, forward, and other functions. The main area is titled 'Create Cost Element: Basic screen' and has a 'Breakdown' button. The form contains the following fields:

Cost element	943201	Production hours	
Controlling area	9100	A Grp co controlling area	
Valid from	01.01.1900	To	31.12.9999

Below the fields are tabs for 'Basic data', 'Indicators', 'Default acct assign.', and 'History'. The 'Names' section contains:

Name	Production hours
Description	Production hours

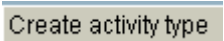
The 'Basic data' section contains:

CElem category	43	Internal activity allocation
Attribute mix		
Functional area		

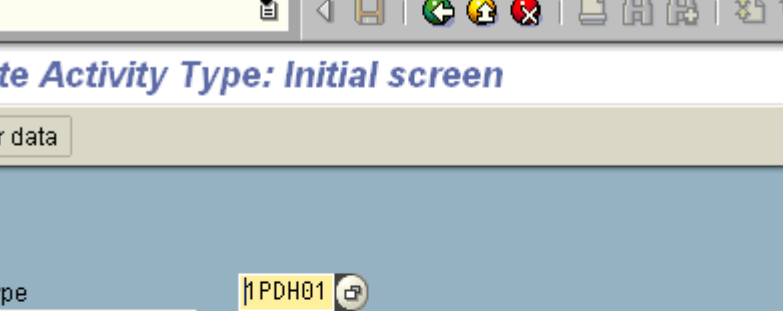
Click on Save 

6.6 Create Activity Types

IMG → Controlling → Cost Center Accounting → Master Data → Activity Types → Create Activity Types

Double click  and update the following:-

SAP CONTROLLING CONFIGURATION



The screenshot shows the SAP 'Create Activity Type: Initial screen' window. The title bar includes menus for Activity type, Edit, Goto, Extras, System, and Help. The main title is 'Create Activity Type: Initial screen'. Below the title bar, there is a 'Master data' tab. The main area contains the following fields:

- Activity type:** 1PDH01 (with a lock icon)
- Valid from:** 01.01.1900
- To:** 31.12.9999

Below these fields is a 'Copy from' section with two rows:

- Activity type:** (empty field)
- Controlling area:** (empty field)

SAP CONTROLLING CONFIGURATION

Activity type Edit Goto Extras Environment System Help

Create Activity Type: Basic Screen

Activity type: 1PDH01 Production hours
 Controlling area: 9100 A Grp co controlling area
 Valid from: 01.01.1900 To: 31.12.9999

Basic data | Indicators | Output | History

Names

Name: Production hours
 Description: Production hours

Basic data

Activity unit: H Hour
 Cctr categories: A

Allocation default values

ATyp category: 1 Manual entry, manual allocation
 Allocation cost elem: 943201 Production hours
 Price indicator: 1 Plan price, automatically based on activity
☐ Actual qty set ☒ Average price
☐ Plan quantity set ☐ PreDistribFixedCosts

Variance values for actual allocation

Act. acty type cat: 1 Manual entry, manual allocation
 Act. price indicator: 5 Actual price, automatically based on activity

Click on Save 

6.7 Maintain Statistical Key Figures









IMG → Controlling → Cost Center Accounting → Master Data → Statistical Key Figures → Maintain Statistical Key Figures

Double Click on Create Statistical Key Figures

Update the following: -


SAP CONTROLLING CONFIGURATION

Statistical key figure Edit Goto Extras System Help

✓        

Create Statistical Key Figure: Initial screen

Master data









Stat. key figure 

Copy from

Stat. key figure

Controlling area

Statistical key figure Edit Goto System Help

✓        

Create Statistical Key Figure: Master data

Link to LIS

Stat. key figure

Controlling area A Grp co controlling area

Basic data

Name

Stat. key fig. UnM. each

Key fig. cat. ☐ Fxd val. ☒ Tot. values

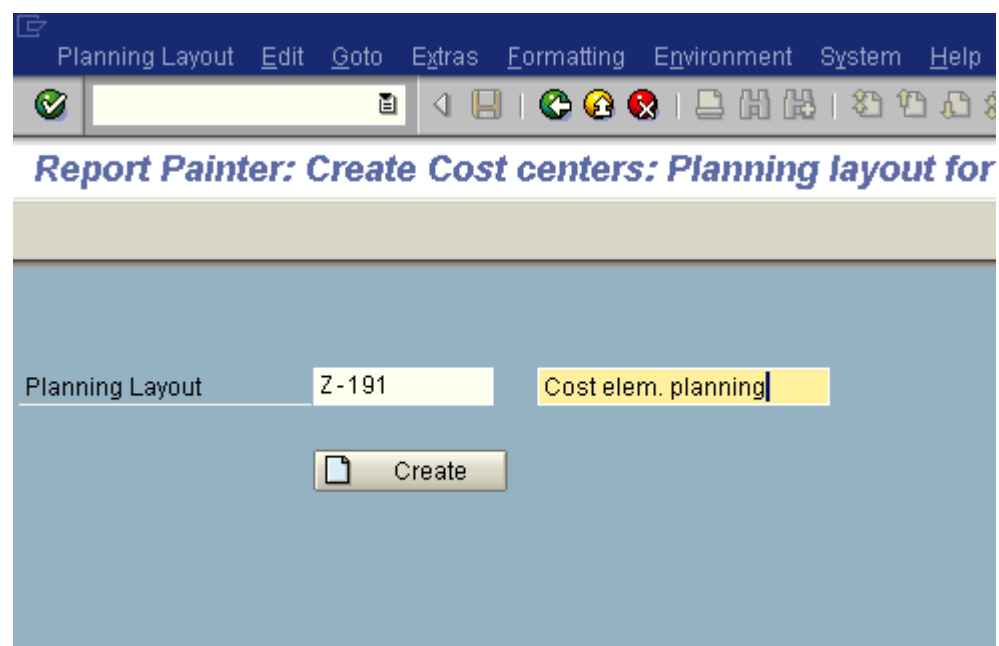
Click on Save 

7 Cost Center Planning

7.1 Create Planning Layouts for Cost Element Planning/Activity type planning/Statistical key figure planning

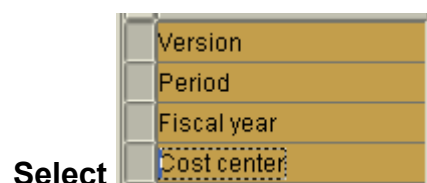
IMG → Controlling → Cost Center Accounting → Planning → Manual Planning → User-Defined Planning Layouts → Create Planning Layouts for Cost Element Planning/Activity type planning/Statistical key figure

Double Click **Create planning layout for cost planning** and update the following: -



Click on  Create

Click Edit → Gen. Data selection



Double Click **Lead column**

SAP CONTROLLING CONFIGURATION

Available characteristics

<input type="checkbox"/>	Name		
<input type="checkbox"/>	Version		
<input type="checkbox"/>	Fiscal year		
<input type="checkbox"/>	Cost center		
<input type="checkbox"/>	Activity type		
<input checked="" type="checkbox"/>	Cost element		
<input type="checkbox"/>	Resource		
<input type="checkbox"/>	Sender cost ctr		
<input type="checkbox"/>	Sender ATyp		
<input type="checkbox"/>	Sender BProc		
<input type="checkbox"/>	Trans.currency		

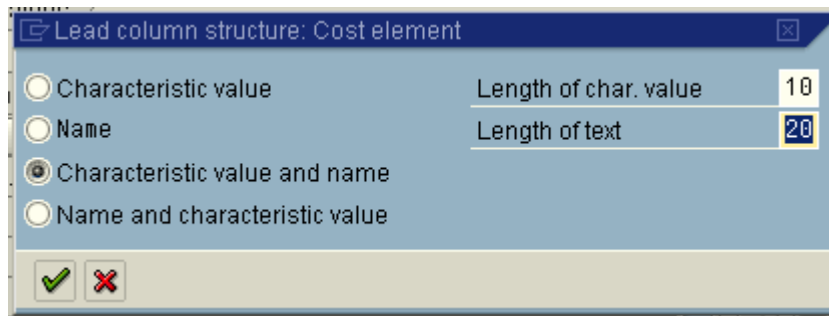
Select and transfer to selected characteristics

[illegible]

Click on

Select Characteristic value and name

SAP CONTROLLING CONFIGURATION



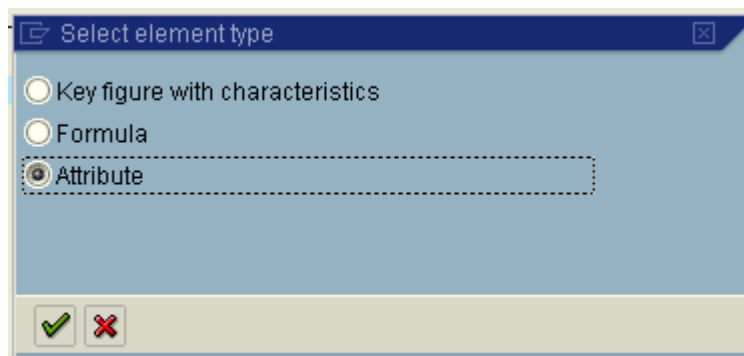
Double Click Column 1

And select PWOG Total plan costs in object currency

Click Confirm

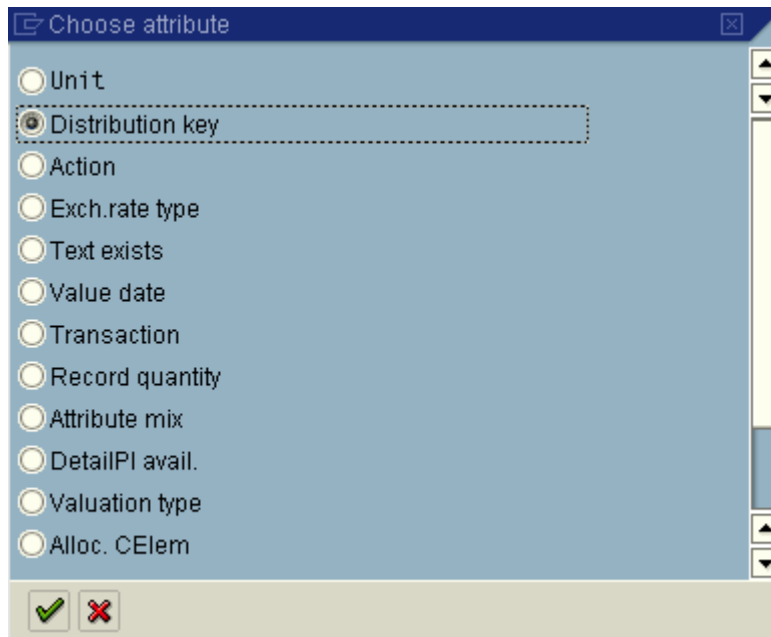
Double Click on the column next Tt1 plan costs 0Cr

And select

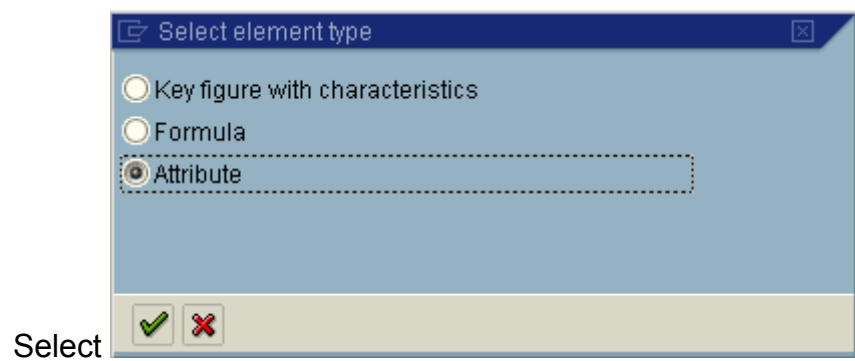


Select distribution key

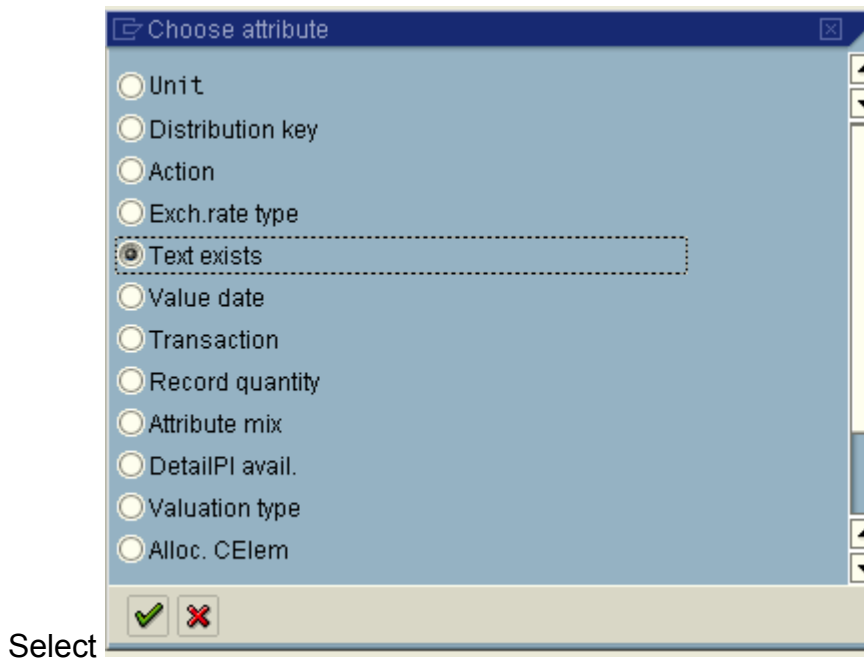
SAP CONTROLLING CONFIGURATION



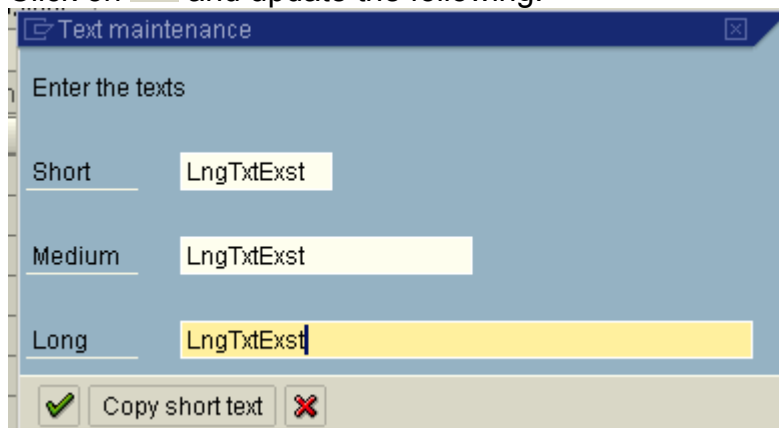
Double Click on Column next to Dist




SAP CONTROLLING CONFIGURATION



Click on  and update the following: -



Click

Click  to check the report. If there are no errors then you can save the planning layout.

7.2 Define User-Defined Planner Profile

IMG → Controlling → Cost Center Accounting → Planning → Manual Planning → Define User-Defined Planner Profiles

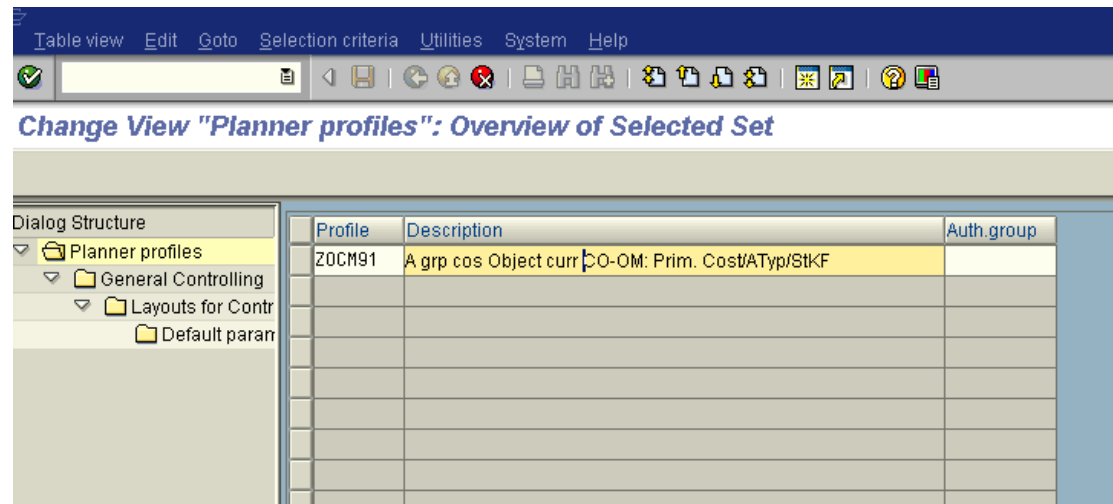


SAP CONTROLLING CONFIGURATION

Click Copy



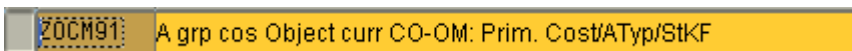
And update the following: -

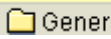


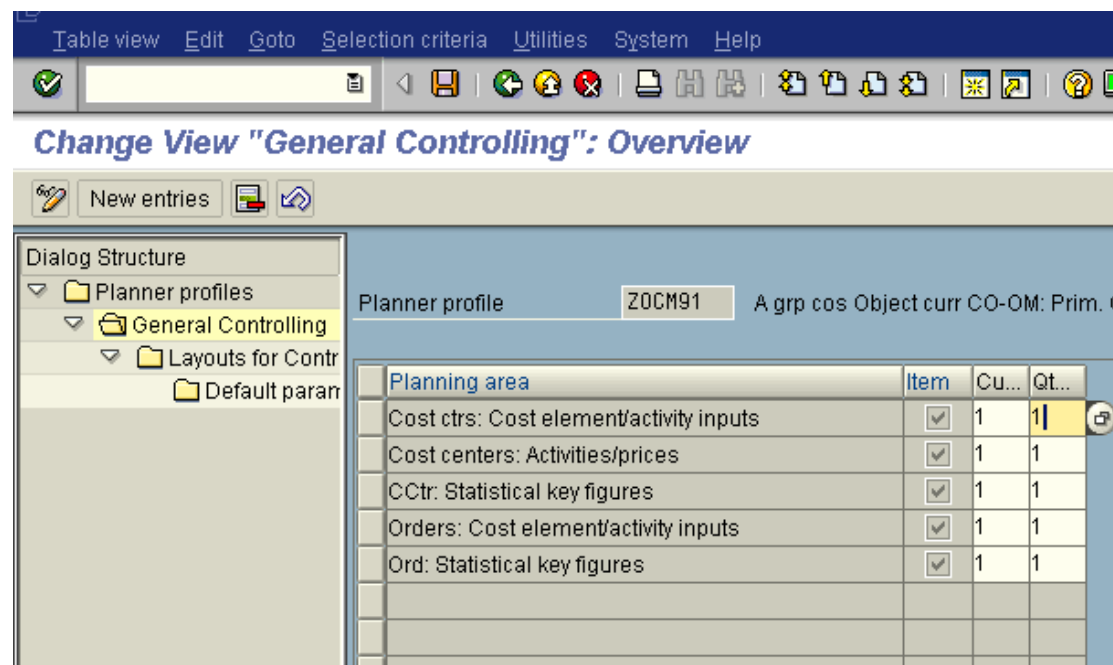
Click on Save



Select



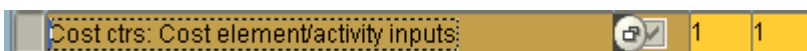
Double Click  and change the distribution keys from 2 to 1



Click on Save



Select



SAP CONTROLLING CONFIGURATION

Double Click 

Delete the SAP layouts by selecting

1	1-161	Cost element planning: simple lay...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	1-162	Cost element planning: central, si...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Click on 

Click on  and update the following: -

Table view Edit Goto Selection criteria Utilities System Help

New Entries: Overview of Added Entries

Dialog Structure

- Planner profiles
 - General Controlling
 - Layouts for Contr
 - Default param

Planner profile Z0CM91 A grp cos Object curr CO-OM: Prim. Cost/ATyp/StKF

Planning area Cost ctrs: Cost element/activity inputs

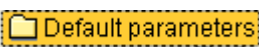
Item	Layout	Description	Deflt	Overw	Integrate...	File de...
1	Z-191	Cost elem. planning	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Position... Entry 1 of 1

Click on Save 

Select

	Z-191	Cost elem. planning	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
--	-------	---------------------	--------------------------	-------------------------------------	--------------------------	--

Double Click  and update the following: -

SAP CONTROLLING CONFIGURATION

Default parameters Edit Goto Extras Settings System Help

Cost Element/Activity Input Planning: Init. screen pre-parameteriz.

Layout Profile

Layout Z-191 Cost elem. planning

Variables

Version	0
Period	1
Period	12
Fiscal year	<input type="text"/>

Cost center

to

Cost center group

Cost element

to

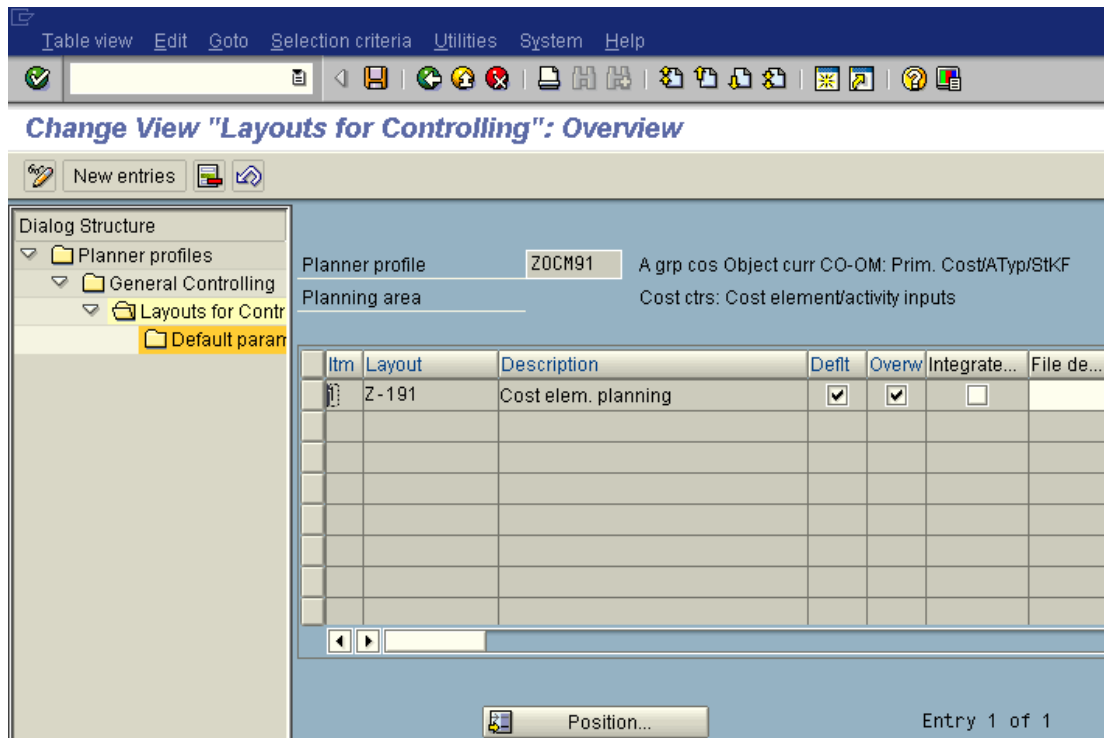
Cost element group

Entry

☐ Free ☒ Form-based

Click on Save


SAP CONTROLLING CONFIGURATION



7.3 Define Distribution

IMG → Controlling → Cost Center Accounting → Planning → Allocations → Distribution → Define Distribution

Distribution is an allocation method which uses the original cost element of the sender cost center to the receiver cost center. Thus only primary costs can be allocated using distribution cycle.

Double Click 

Click extras → Set controlling area and update 9100

Update the following: -

The naming convention of a cycle should be logical. It should have P for plan cycle, A for actual cycle.

91PDCP – 91 is the co. code PDC – Production common and P is plan.

SAP CONTROLLING CONFIGURATION

The screenshot shows the 'Create Plan Distribution Cycle: Initial screen' in SAP. The menu bar includes 'Cycle', 'Edit', 'Goto', 'Extras', 'System', and 'Help'. The toolbar contains icons for saving, undo, redo, and other functions. The main area has the following fields:

Cycle	91PDCP
Starting date	01.01.2003

Below these fields is a 'Copy from' section with a table:

Copy from	
Cycle	
Starting date	
Controlling area	

Iterative and object currency is defaulted.

The screenshot shows the 'Create Plan Distribution Cycle: Header Data' screen in SAP. The menu bar and toolbar are the same as the previous screen. The main area has the following fields:

Attach segment	
Controlling area	9100 A Grp co controlling area
Cycle	91PDCP
Starting date	01.01.2003 To 31.12.9999
Status	new
Text	Production Common Planning

Below these fields are two sections:

Indicators

<input checked="" type="checkbox"/> Iterative

Field groups

<input type="checkbox"/> Consumption
<input checked="" type="checkbox"/> Object currency
<input type="checkbox"/> Transaction currency

Preset selection criteria

Version	0
Plan/Act - Version	

Click on 

In **sender values** we have the following rules:-

- 1) Posted amounts - The posted amounts on the sender serve as the sender values.
- 2) Fixed amounts - You define fixed amounts for senders defined in the selection Criteria on the "Sender Values" screen. The senders are credited directly with these amounts.
- 3) Fixed rates - On the "Sender Values" screen you enter fixed prices for the senders you entered in the selection criteria. These prices are multiplied by the receiver tracing factors and the result allocated to the receivers.

In **receiver tracing factor** we have various options:-

- 1) Variable portions – The tracing factors are determined based on the following parameters: - Plan statistical key figures, Plan activity, plan costs, plan consumption.
- 2) Fixed amounts – We can define fixed amounts in the tracing factor screen. The receivers are charged directly with these amounts. The amount credited to the sender is derived from the total of the receiver debits. The rule for determining the sender values is not used here. SAP system ignores posted sender amounts or defined sender amounts.
- 3) Fixed percentage - We define fixed percentages for the receiver in the tracing factor screen. The value from the sender is distributed to the receivers according to this percentage. The total receiver tracing factor must not exceed 100% .The sender based must be fully distributed. If the total of the receiver tracing factors is less than 100%, then a portion of the sender value remains on the sender.
- 4) Fixed portions - This process is similar to the fixed percentage process, with the exception that the amount is not limited to 100. The sender base is derived from the total of the receiver tracing factors.

We will use **posted amounts** for sender values and **fixed portion** for receiver tracing factors.

SAP CONTROLLING CONFIGURATION

Cycle Edit Goto Extras System Help

Create Plan Distribution Cycle: Segment

Attach segment

Controlling area 9100 A Grp co controlling area
 Cycle 91PDCP Production Common Planning
 Segment name 91PDCP0001 Production common ☐ Lock indicator

Segment header Sender/receiver Sender values Receiver tracing factor

Sender values

Sender rule Posted amounts
 Share in % 100.00 %
☐ Act. vals ☒ Plan vals

Receiver tracing factor

Receiver rule Fixed portions

SAP CONTROLLING CONFIGURATION

[Cycle](#) [Edit](#) [Goto](#) [Extras](#) [System](#) [Help](#)

Create Plan Distribution Cycle: Segment

[Attach segment](#)

Controlling area	9100	A Grp co controlling area
Cycle	91PDCP	Production Common Planning
Segment name	91PDCP0001	Production common <input type="checkbox"/> Lock indicator

[Segment hdr](#) [Sender/receiver](#) [Sender vals](#) [Recvr tracing factor](#)

	From	To	Group
Sender			
Cost center	9101000		
Cost element	400000	999999	
Receiver			
Order			
Cost center			91_PDDIR
Cost object			
WBS element			

SAP CONTROLLING CONFIGURATION

Create Plan Distribution Cycle: Segment

Controlling area: 9100 A Grp co controlling area
Cycle: 91PDCP Production Common Planning
Segment name: 91PDCP0001 Production common ☐ Lock indicator

Segment hdr | Sender/receiver | Sender vals | Recvr tracing factor

Receivers

Cost ctr	Portion/percent
9101011	100.00
9101012	100.00

Entry 1 of 2 Total 200.00

You can attach further segments if you want.

Click on Save 

Click 

Click on  to check the cycle.

7.4 Create Assessment Cost Elements

SAP CONTROLLING CONFIGURATION

IMG → Controlling → Cost Center Accounting → Planning → Allocations → Assessment → Create Assessment Cost Elements

Update the following: -

The screenshot shows the 'Create Cost Element: Initial screen' dialog box in SAP. The window has a menu bar with 'Cost element', 'Edit', 'Goto', 'Extras', 'Environment', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area is titled 'Create Cost Element: Initial screen' and contains a 'Master data' tab. The 'Master data' section has the following fields:

Cost element	942001	
Valid from	01.01.2003	To 31.12.9999

Below the 'Master data' section is a 'Reference' section with the following fields:

Cost element	
Controlling area	

SAP CONTROLLING CONFIGURATION

Cost element: 942001 Purchasing costs
Controlling area: 9100 A Grp co controlling area
Valid from: 01.01.2003 To: 31.12.9999

Basic data Indicators Default acct assign. History

Names
Name: Purchasing costs
Description: Purchasing costs

Basic data
CElem category: 42 Assessment
Attribute mix
Functional area

Click on Save 

7.5 Define Allocation Structures

IMG → Controlling → Cost Center Accounting → Planning → Allocations → Assessment → Define Allocation Structures

If the assessment for each segment is not made with a pre-defined assessment cost element, you can assign the source cost elements to the desired Assessment cost element in the allocation structure. During cycle definition, enter the allocation structure instead of an assessment cost element in the segment.

An allocation structure for the assessment consists of at least one assignment, stating the assessment cost element to which the source element is assigned. The original cost elements will already have assignments in the source.

In our scenario we are not using the allocation structure.

7.6 Define Assessment

IMG → Controlling → Cost Center Accounting → Planning → Allocations → Assessment → Define Assessment

Assessment is a method of allocation which allocates costs using assessment cost element. Thus there is no traceability of original cost elements on the receiver cost center from the sender cost center. Various Costs elements from the sender are summarized under a single assessment cost element. The assessment cost elements are updated both on the sender and receiver.

We are allocating costs from purchasing department to the production departments based on output of production departments. The output is entered as statistical key figures.

Double Click Create Plan Assessment


The screenshot shows the 'Create Plan Assessment Cycle: Initial screen' dialog box in SAP. The window has a menu bar with 'Cycle', 'Edit', 'Goto', 'Extras', 'System', and 'Help'. Below the menu is a toolbar with icons for back, forward, home, and other navigation functions. The main area contains the following fields:



















Cycle	91PURP
Starting date	01.01.2003

Below these fields is a 'Copy from' section with a sub-dialog box containing:



Cycle	
Starting date	
Controlling area	


SAP CONTROLLING CONFIGURATION

 Cycle Edit Goto Extras System Help

Create Plan Assessment Cycle: Header Data

  **First segment** **Attach segment**

Controlling area	9100	A Grp co controlling area	
Cycle	91PURP	Status	new
Starting date	01.01.2003	To	31.12.9999 
Text	A Ltd. 9100 Purch cost alloc		

Indicators	Field groups
<input checked="" type="checkbox"/> Iterative	<input checked="" type="checkbox"/> Object currency
	<input type="checkbox"/> Transaction currency

Preset selection criteria

Version	0	Plan/Act - Version
---------	---	--------------------

Click on **Attach segment**

SAP CONTROLLING CONFIGURATION

Cycle Edit Goto Extras System Help

Create Plan Assessment Cycle: Segment

Attach segment

Controlling area 9100 A Grp co controlling area
Cycle 91PURP A Ltd. 9100 Purch cost alloc
Segment name 91PDCP0001 Purc to Production cost center ☐ Lock indicator

Segment hdr Sender/receiver Sender vals Recvr tracing factor Rec.wght.factors

Assessment CEle 942001 Purchasing costs
Allocation structure

Sender values

Sender rule Posted amounts
Share in % 100.00 %
☐ Act. vals ☒ Plan vals

Receiver tracing factor

Receiver rule Variable portions
Var.portion type Plan costs
Scale neg. tracing factors No scaling

SAP CONTROLLING CONFIGURATION

Create Plan Assessment Cycle: Segment

Controlling area: 9100 A Grp co controlling area
 Cycle: 91PURP A Ltd. 9100 Purch cost alloc
 Segment name: 91PDCP0001 Purc to Production cost center ☐ Lock indicator

Segment hdr Sender/receiver Sender vals Recvr tracing factor Rec.wght.factors

	From	To	Group
Sender			
Cost center	9113000		
Cost element	400000	899999	
Receiver			
Order			
Cost center			91_PDDIR
Cost object			
WBS element			

SAP CONTROLLING CONFIGURATION

Menu: Cycle Edit Goto Extras System Help

Toolbar: [Icons]

Create Plan Assessment Cycle: Segment

Toolbar: [Icons] Attach segment

Controlling area	9100	A Grp co controlling area
Cycle	91PURP	A Ltd. 9100 Purch cost alloc
Segment name	91PDCP0001	Purc to Production cost center <input type="checkbox"/> Lock indicator

Segment hdr | Sender/receiver | Sender vals | Recvr tracing factor | Rec.wght.factors

Sender values

Share in % 100.00

☐ Act. vals ☒ Plan vals

Selection criteria

	From	to	Group
Version			

SAP CONTROLLING CONFIGURATION

Create Plan Assessment Cycle: Segment

Controlling area: 9100 A Grp co controlling area
 Cycle: 91PURP A Ltd. 9100 Purch cost alloc
 Segment name: 91PDCP0001 Purc to Production cost center ☐ Lock indicator

Segment hdr Sender/receiver Sender vals Recvr tracing factor Rec.wght.factors

Tracing factor

Var.portion type: Plan stat. key figures
 Scale neg. tracing factors: No scaling

Selection criteria

	From	to	Group
Version	0		
Stat. key fig.	PRDUNT		
Activity type			

SAP CONTROLLING CONFIGURATION

Create Plan Assessment Cycle: Segment

Controlling area: 9100 A Grp co controlling area
Cycle: 91PURP A Ltd. 9100 Purch cost alloc
Segment name: 91PDCP0001 Purc to Production cost center ☐ Lock indicator

Segment hdr | Sender/receiver | Sender vals | Recvr tracing factor | Rec.wght.factors

Receivers

Cost ctr	Factor per
9101011	100
9101012	100

Entry 1 of 2

Click on Save 

Click on 

Click on  to see whether cycle is Ok.

7.7 Define Activity Types for Indirect Activity Allocation

IMG → Controlling → Cost Center Accounting → Planning → Allocations → Activity Allocation → Indirect Activity Allocation → Define Activity Types for Indirect Activity Allocation

SAP CONTROLLING CONFIGURATION

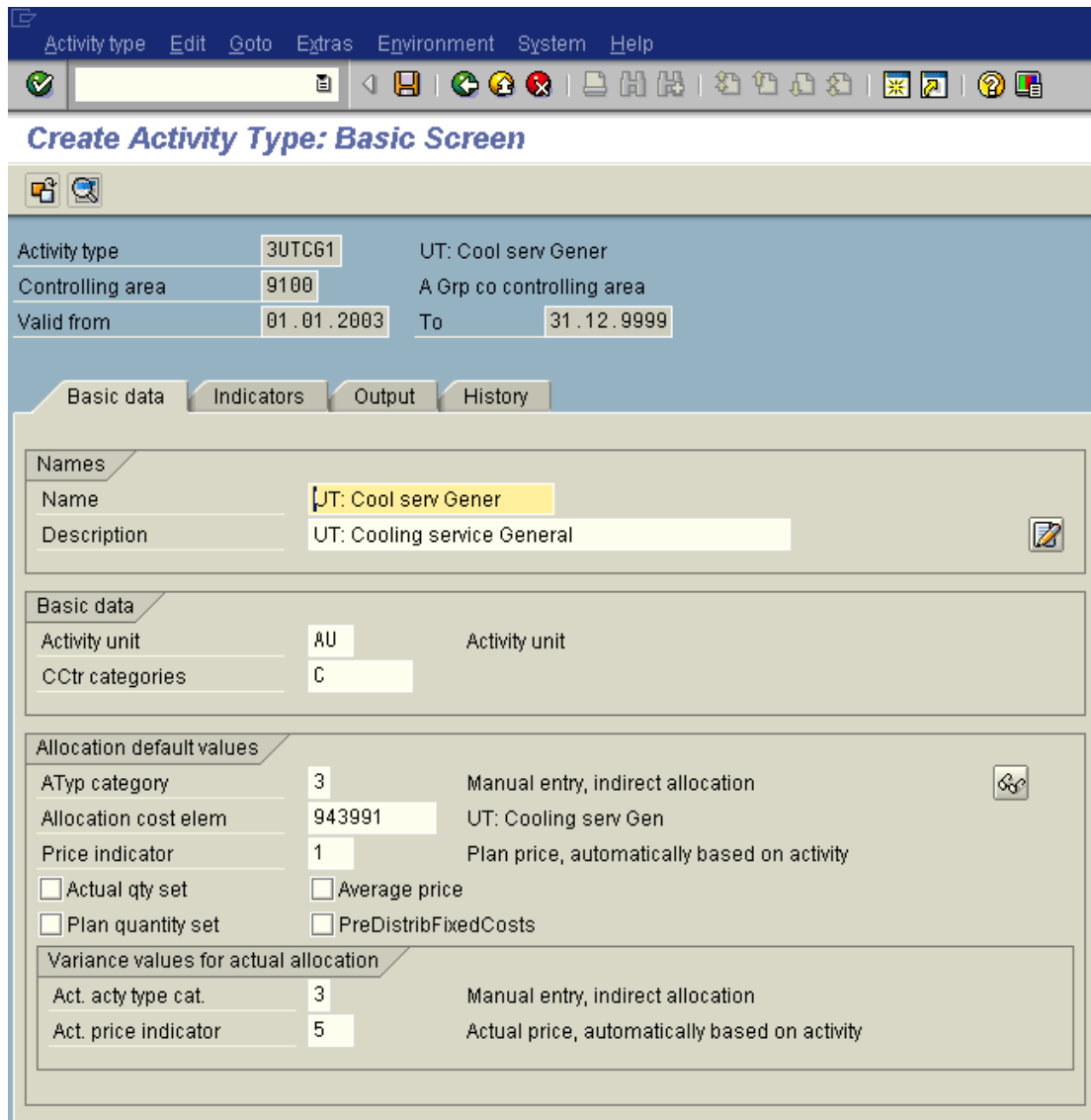
Double Click Create activity type

Update the following: -

The screenshot shows the 'Create Activity Type: Initial screen' dialog box in SAP. The window has a menu bar with 'Activity type', 'Edit', 'Goto', 'Extras', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area is titled 'Create Activity Type: Initial screen' and contains a 'Master data' section. In this section, the 'Activity type' field is populated with '3UTC61'. The 'Valid from' field is populated with '01.01.2003' and the 'To' field is populated with '31.12.9999'. There is a 'Copy from' section with fields for 'Activity type' and 'Controlling area', both of which are empty.

Master data	
Activity type	3UTC61
Valid from	01.01.2003 To 31.12.9999
Copy from	
Activity type	
Controlling area	

SAP CONTROLLING CONFIGURATION



Activity type: 3UTC61 UT: Cool serv Gener

Controlling area: 9100 A Grp co controlling area

Valid from: 01.01.2003 To: 31.12.9999

Basic data Indicators Output History

Names

Name: UT: Cool serv Gener

Description: UT: Cooling service General

Basic data

Activity unit: AU Activity unit

CCtr categories: C

Allocation default values

ATyp category: 3 Manual entry, indirect allocation

Allocation cost elem: 943991 UT: Cooling serv Gen

Price indicator: 1 Plan price, automatically based on activity

☐ Actual qty set ☐ Average price

☐ Plan quantity set ☐ PreDistribFixedCosts

Variance values for actual allocation

Act. acty type cat.: 3 Manual entry, indirect allocation

Act. price indicator: 5 Actual price, automatically based on activity

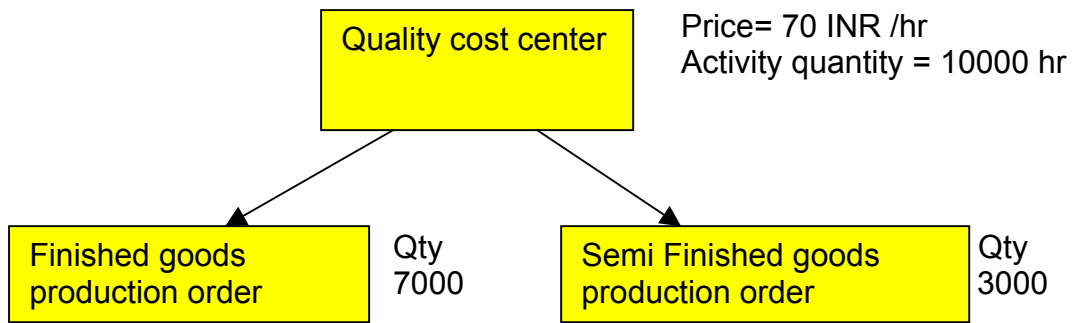
Click on Save 

7.8 Define Indirect Activity Allocation

IMG → Controlling → Cost Center Accounting → Planning → Allocations → Activity Allocation → Indirect Activity Allocation → Define Indirect Activity Allocation

Indirect activity allocation is used when direct activity allocation is not possible. For example:- Quality control departments spending time on checking the finished goods, semi finished goods. It is difficult to measure the time spent on each product. In such a scenario indirect activity allocation is done based on the output produced of finished goods and semi finished goods.

SAP CONTROLLING CONFIGURATION



Thus Quality cost center has a cost of 70000 INR (70 INR X 10000 hr).

This cost will be allocated to finished goods production order based on the output (70000 INR X 7000 qty) / 10000 qty = 49000 INR
And to semi finished goods production order (70000 INR X 3000 qty) / 10000 qty = 21000 INR

We are creating a cycle for allocating costs from Cooling services General to Cooling services EG-1 and EG-2.

The planned output will be entered on cooling services general using activity type 3UTC1. (Here the total cost to be allocated will be entered with price 1)


The output will be entered on the Cooling services EG-1 and EG-2 using Statistical key figures.












Double Click [Create plan indirect activity allocation](#)

We will name the cycle 91CGP (91 the company code CG – Cooling services general 1st cycle and P – Plan)

Update the following: -


SAP CONTROLLING CONFIGURATION

 Cycle Edit Goto Extras System Help

Create Plan Indirect Activity Allocation Cycle: Init

Cycle 91CG1P

Starting date 01.01.2003 

Copy from

Cycle	
Starting date	
Controlling area	

SAP CONTROLLING CONFIGURATION

The screenshot shows the SAP 'Create Plan Indirect Activity Allocation Cycle: Header Data' screen. The interface includes a menu bar (Cycle, Edit, Goto, Extras, System, Help) and a toolbar with various icons. The main form contains the following fields:

Attach segment	
Controlling area	9100 A Grp co controlling area
Cycle	91C61P Status new
Starting date	01.01.2003 To 31.12.9999
Text Cooling service General - Plan	
Indicators	Field groups
	<input type="checkbox"/> Output quantity
Preset selection criteria	
Version	0 Plan/Act - Version

Click on

Attach segment

The following options are available in Sender values:-

- 1) Posted quantities- The quantities posted to the sender are taken as the sender values.
- 2) Fixed quantities – On the sender value tab, enter fixed quantities for the senders we defined in the selection criteria. The senders are directly credited with these quantities.
- 3) Quantities calculated inversely – The sender values are calculated indirectly from the receiver tracing factors. We can value these sender values with a weighting factor. We define the weighting factors on the Sender values tab.

The following options are available in Receiver tracing factor:-

- 1) Variable portions- The tracing factors are determined based on the following parameters:- Plan statistical key figures, Plan activity, plan costs, plan consumption.

SAP CONTROLLING CONFIGURATION

- 2) Fixed quantities – We can define fixed quantities in the tracing factor screen. The receivers are charged directly with these quantities. The quantity credited to the sender is derived from the total of the receiver debits.
- 3) Fixed percentages – We define fixed percentages for the receiver in the tracing factor screen. The quantity from the sender is distributed to the receivers according to this percentage. The total receiver tracing factor must not exceed 100% .The sender based must be fully distributed. If the total of the receiver tracing factors is less than 100%, then a portion of the sender value remains on the sender.
- 4) Fixed portions – This process is similar to the fixed percentage process, with the exception that the quantity is not limited to 100. The sender base is derived from the total of the receiver tracing factors.

The screenshot shows the SAP 'Create Plan Indirect Activity Allocation Cycle: Segment' screen. The title bar includes menus: Cycle, Edit, Goto, Extras, System, Help. Below the title bar is a toolbar with various icons. The main header area contains the following fields:

Controlling area	9100	A Grp co controlling area
Cycle	91C61P	Cooling service General - Plan
Segment name	91C61P001	Cooling services General <input type="checkbox"/> Lock Indicator

Below the header are several tabs: Segment hdr, Sender/receiver, Sender vals, Recvr tracing factor, and Rec.wght.factors. The 'Sender vals' tab is currently selected. It contains the following fields:

Rule	Posted quantities
Share in %	100.00 %
<input type="radio"/> Act.values	<input checked="" type="radio"/> Plan vals

The 'Receiver tracing factor' tab is also visible and contains the following fields:

Rule	Variable portions
Var.portion type	Plan stat. key figures
Scale neg. tracing factors	No scaling

SAP CONTROLLING CONFIGURATION

Plan stat. key figures

- Actual costs
- Plan costs
- Actual consumption
- Plan consumption
- Actual stat. key figures
- Plan stat. key figures**
- Actual activity
- Plan activity
- Actual statistical costs
- Statistical plan costs

Cycle Edit Goto Extras System Help

Create Plan Indirect Activity Allocation Cycle: Segment

Attach segment

Controlling area: 9100 A Grp co controlling area

Cycle: 91CG1P Cooling service General - Plan

Segment name: 91CG1P001 Cooling services General ☐ Lock indicator

Segment hdr Sender/receiver Sender vals Recvr tracing factor Rec.wght.factors

	From	To	Group
Sender			
Cost center	9103001		
Activity type	3UTC61		
Receiver			
Order			
Cost center	9103002	9103003	
Activity type			
WBS element			
Cost object			

SAP CONTROLLING CONFIGURATION

[Cycle](#) [Edit](#) [Goto](#) [Extras](#) [System](#) [Help](#)

Create Plan Indirect Activity Allocation Cycle: Segment

Attach segment

Controlling area	9100	A Grp co controlling area
Cycle	91CG1P	Cooling service General - Plan
Segment name	91CG1P001	Cooling services General <input type="checkbox"/> Lock indicator

Segment hdr | **Sender/receiver** | **Sender vals** | **Recvr tracing factor** | **Rec.wght.factors**

Sender values

Share in %

☐ Act. vals
 ☒ Plan vals

Selection criteria

	From	to	Group
Version	<input type="text"/>		

SAP CONTROLLING CONFIGURATION

Create Plan Indirect Activity Allocation Cycle: Segment

Controlling area: 9100 A Grp co controlling area
 Cycle: 91CG1P Cooling service General - Plan
 Segment name: 91CG1P001 Cooling services General ☐ Lock indicator

Segment hdr Sender/receiver Sender vals Recvr tracing factor Rec.wght.factors

Tracing factor

Var.portion type: Plan stat. key figures
 Scale neg. tracing factors: No scaling

Selection criteria

	From	to	Group
Version			
Activity type			
Stat. key fig.	UTC601		

SAP CONTROLLING CONFIGURATION

The screenshot shows the SAP 'Create Plan Indirect Activity Allocation Cycle: Segment' screen. The title bar includes menus: Cycle, Edit, Goto, Extras, System, Help. Below the title bar is a toolbar with various icons. The main area contains the following fields:

Controlling area	9100	A Grp co controlling area
Cycle	91CG1P	Cooling service General - Plan
Segment name	91CG1P001	Cooling services General <input type="checkbox"/> Lock indicator

Below the fields are tabs: Segment hdr, Sender/receiver, Sender vals, Recvr tracing factor, Rec.wght.factors. The 'Segment hdr' tab is active, showing a table of receivers:

Receivers	Factor per
Cost ctr	100
9103002	100
9103003	100

Click on Save 

Click on 

Click on  to check the cycle

7.9 Define Splitting Structure

IMG → Controlling → Cost Center Accounting → Planning → Allocations → Activity Allocation → Splitting → Define Splitting Structure

Need for a splitting structure:- If a cost center is rendering 2 activities (which are activity independent) then we need to apportion the costs of the cost center to these activities. If we do not define a splitting structure, SAP system will divide the costs equally between these activity types. In case you don't want this to happen we need to define the splitting structure. Thus in splitting structure we define which cost elements will get allocated to which activity type. This applies to both plan and actual costs.

A splitting structure consists of one or more assignments, which define the connection between the cost element(s) or cost element group to be split and the splitting rule used to divide the costs.

SAP CONTROLLING CONFIGURATION

Each splitting rule is based on a splitting method. Based on the splitting methods, which are fixed in the R/3 System, we can split plan costs according to the following criteria:

- Activity quantity
- Equivalence number
- Capacity
- Output
- Scheduled activity
- Statistical key figure (quantity)
- Statistical key figure (maximum quantity)
- No splitting is executed


After we define a splitting structure, we must assign it to the cost centers on which we want to split costs according to the given rules. We can assign a structure to:

All cost centers

All cost centers in a given group

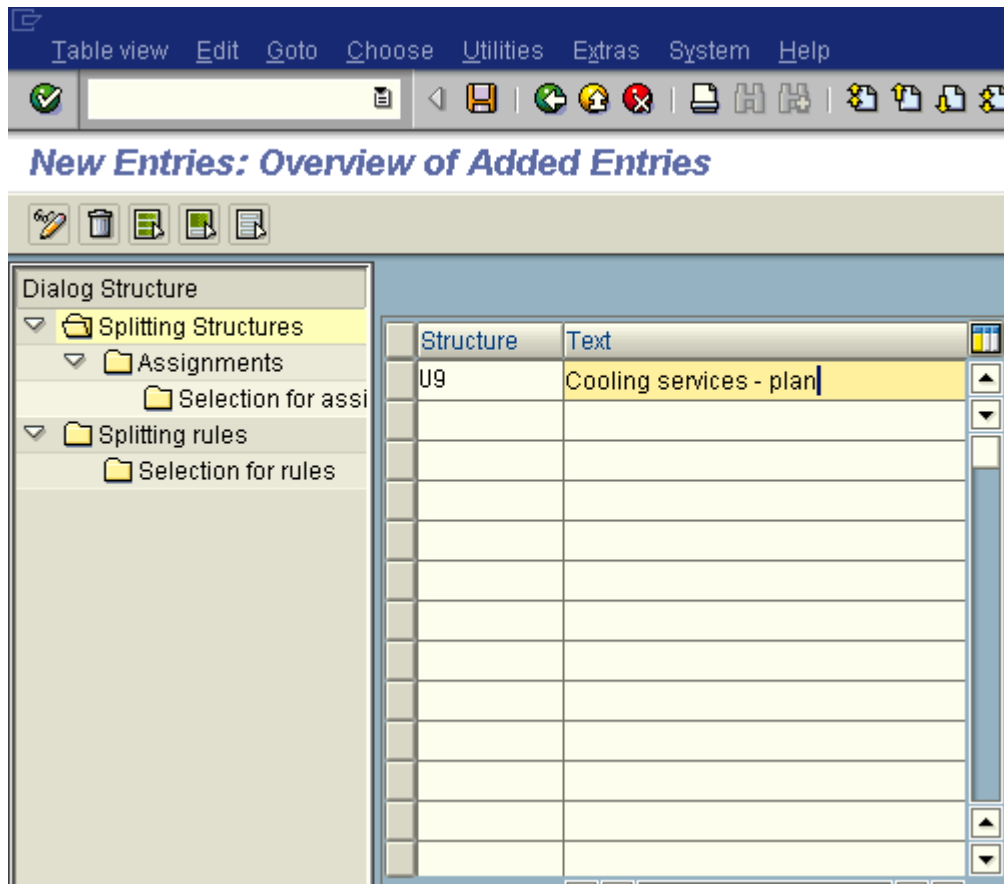
All cost centers in a given interval

The structure can apply to a single version or to all versions in a controlling area for a fiscal year.

Double Click 

Click on  **and update the following: -**

SAP CONTROLLING CONFIGURATION



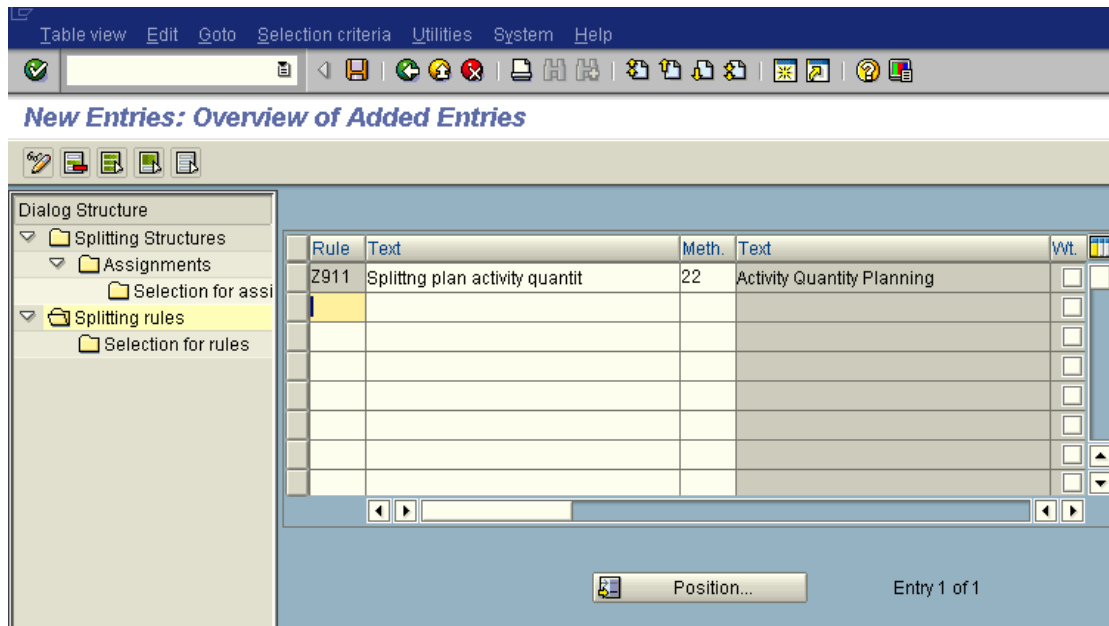
Click on Save

Create splitting rule

Double Click Splitting rules

Click on  and update the following: -

SAP CONTROLLING CONFIGURATION



Click on Save 

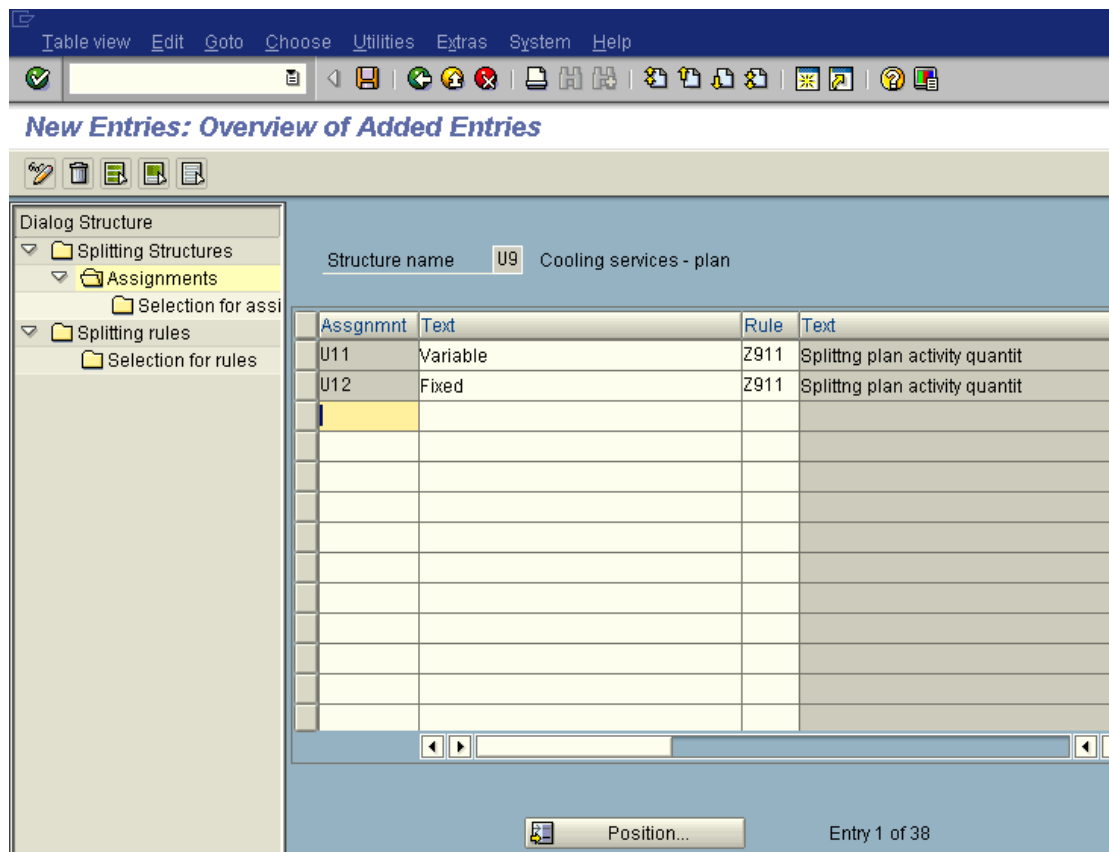
Assign the splitting structure to rule

Select  **U9** 

Double Click  **Assignments**

Click on  **New entries** and update the following: -

SAP CONTROLLING CONFIGURATION



Select	U11	Variable	Z911	Splitting plan activity quantiti
--------	-----	----------	------	----------------------------------

Double Click Selection for assi

Click on  and update the following: -

SAP CONTROLLING CONFIGURATION

Table view Edit Goto Choose Utilities Extras System Help

Change View "Selection for assignment": Overview

Dialog Structure

- Splitting Structures
 - Assignments
 - Selection for assi
 - Splitting rules
 - Selection for rules

Structure name	U9	Cooling services - plan
Assignment	U11	Variable
Splitting rule	Z911	Splitting plan activity quantit
CO area	9100	A Grp co controlling area

	From value	To value	Group
Cost element	400000	419999	
Activity type	UTC SV		

Click on Save 

Click 

Select

U12	Fixed	Z911	Splitting plan activity quantit
-----	-------	------	---------------------------------

Double Click  Selection for assi

Click on  and update the following: -

SAP CONTROLLING CONFIGURATION

Table view Edit Goto Choose Utilities Extras System Help

Change View "Selection for assignment": Overview

Dialog Structure

- Splitting Structures
 - Assignments
 - Selection for assignment**
 - Splitting rules
 - Selection for rules

Structure name U9 Cooling services - plan

Assignment U12 Fixed

Splitting rule Z911 Splitting plan activity quantit

CO area 9100 A Grp co controlling area

	From value	To value	Group
Cost element	420000	799999	
Activity type	1UTCSE		

Click on Save 

8 Actual Postings

8.1 Edit Automatic Account Assignment

IMG → Controlling → Cost Center Accounting → Actual Postings → Manual Actual Postings → Edit Automatic Account Assignment (**OKB9**)

Here we define automatic additional account assignments for postings to primary cost elements.

Automatic assignment occurs during postings in external accounting (within the FI, MM, or SD components) if we did not enter a CO account assignment object (cost center, order, or project) for a cost accounting relevant posting.

This always happens in SAP in case of automatically created line item.

Examples of Automatically Created Items are:-

Discounts, exchange rate differences, and banking fees in FI

Price differences and minor differences in MM

Possible automatic additional account assignments include:

Cost center

Order

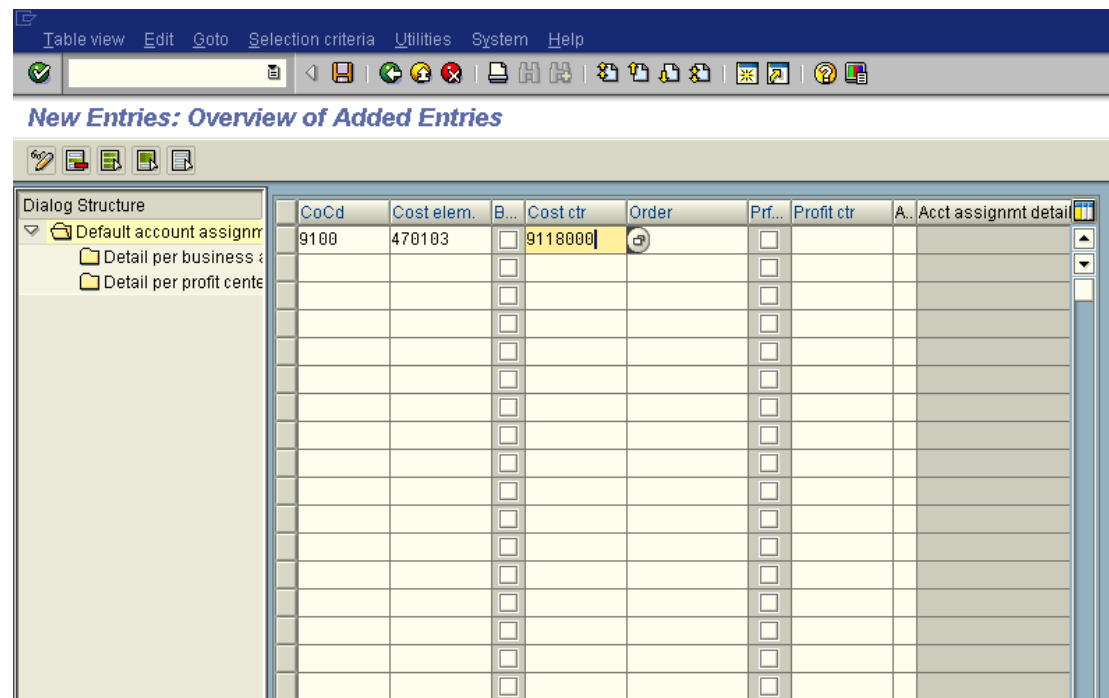
Profit center (for revenue postings)

Account assignment can be made mandatory for business area, valuation area or the profit center level. We need to select the relevant mandatory account assignments

SAP CONTROLLING CONFIGURATION

Bank charges should be defaulted to a particular cost center. In our case Bank charges GL code is 470103 and should be defaulted to Company General profit center 918000

Click on [New entries](#) and update the following: -



Click on Save

8.2 Distribution

IMG → Controlling → Cost Center Accounting → Actual Postings → Period-End Closing → Distribution → Define Distribution

Configuration similar to plan distribution except that no version needs to be selected. **You can copy the plan distribution cycle into actual cycles.**

8.3 Assessment

IMG → Controlling → Cost Center Accounting → Actual Postings → Period-End Closing → Assessment → Maintain Assessment

Configuration similar to plan assessment except that no version needs to be selected. **You can copy the plan assessment cycle into actual cycles.**

8.4 Define Indirect Activity Allocation

IMG → Controlling → Cost Center Accounting → Actual Postings → Period-End Closing → Activity Allocation → Indirect Activity Allocation → Define Indirect Activity Allocation

Configuration similar to plan indirect activity except that no version needs to be selected. **You can copy the plan indirect activity cycle into actual cycles.**

8.5 Define Splitting Structure

IMG → Controlling → Cost Center Accounting → Actual Postings → Period-End Closing → Activity Allocation → Splitting → Define Splitting Structure

Configuration similar to plan Splitting structure