SAP University Alliances

CO 1: Display Primary Cost Elements

Exercise Display primary cost elements.	**Time** 10 min

Task Use the SAP Fiori Launchpad to display primary cost elements.

Name (Position) Jamie Shamblin (Cost Accountant)

Primary cost elements have a one-to-one relationship with G/L expense accounts in the chart of accounts. They serve to establish postings between FI and CO thereby permitting the sharing of information between financial and managerial accounting. In effect, costs that are entered into a G/L expense account associated with a primary cost element will be posted to both the financial and managerial accounting systems.

Primary cost element

Note In SAP S/4HANA, primary costs are kept in a directory together with G/L accounts. A distinction is made between the following types of G/L accounts:

G/L account types

- *Inventory account* - Account to which business transactions are posted. The balance of an inventory account is carried forward at the end of the fiscal year.
- *Cash account* - Account to simplify payment processes on house bank accounts.
- *Non-operating expenses and income* - A profit or loss account that records expenses or income from services that are not part of the company's primary purpose, such as a manufacturing company's profits realized from financial investments.
- *Primary Costs and Revenues* - Income account that acts as a cost element for primary costs or revenues. Primary costs represent operating expenses such as payroll, sales expenses or administrative costs.
- *Secondary costs* - A profit account that acts as a cost type for secondary costs. Secondary costs arise from the value flows in the company (e.g. cost allocations for own work, overhead allocations and billing processes).

To review cost elements, use the app *Manage G/L Account Master Data*.

This takes you to the view *Manage G/L Account Master Data*. Since you do not yet know any primary cost element, you have to search for it.

First enter **GL00** *(Global Bike Group)* in the field *Chart of Accounts*. Then select the entry **P** *(Primary Costs or Revenue)* in the dropdown menu of the field *G/L Account Type*.

Now make sure that the entry **Chart of Accounts View** is selected in the field *View*. Click Go to initiate the search.

The result is a list of all profit accounts for primary costs and revenues.

G/L Acct External ID	Short Text	Chart of Accounts	G/L Account Type
4000000	Sales	GL00	Primary Costs or Revenue
4100000	Tax-exempt sales	GL00	Primary Costs or Revenue
4200000	Revenue	GL00	Primary Costs or Revenue
4300000	Revenue, 7% VAT	GL00	Primary Costs or Revenue
4400000	Revenue, 19% VAT	GL00	Primary Costs or Revenue
4500000	Special bus. income	GL00	Primary Costs or Revenue

Almost all G/L accounts in account class 4 (G/L account number starting with 4) are revenue accounts and are not relevant in this exercise. On the other hand, take a closer look at G/L account classes 5 and 6 (account numbers beginning with 5 or 6).

Note You can also enter the search sequences 5* and 6* in the *G/L Account* field in order to filter the list of results according to account classes 5 and 6.

Now search for the primary cost type for research and development by entering *R&D* into the search field *Short Text*. You can trigger the update of the result list directly with Enter.

Short Text:

R&D ×

In the only result line click on the symbol on the far right ❯ .

	G/L Acct External ID	Short Text	Chart of Accounts	G/L Account Type	Blocked for Posting	Marked for Deletion	
	6340000	Expence R&D	GL00	Primary Costs or Revenue	No	No	❯

G/L Accounts (1) Standard ⌄ Switch Description Language: English ⌄   Copy Mass Change Create

In the following window, you can see the basic information about the most important properties of this G/L account.

SAP G/L Account Master Data ▾

6340000
Expence R&D

General ⌄   Company Code Data   Controlling Data   Where Used ⌄

Basic Information

Control
Chart of Accounts: GL00 (Global Bike Group)
G/L Account Type: Primary Costs or Revenue
Account Group: 56 (Operating Expenditure)
P&L Statement Account Type: RE (Brought forward PL)
Functional Area: –

Description in Maintenance Lang. (EN)
Short Text: Expence R&D
G/L Account Long Text: Expence of Research and Development

Consolidation Data
Trading Partner No.: –

Administration
Created on: 08/17/2021
Created by: CREICH
Group Chart of Accounts: –

Others
Blocked for Creation: No
Blocked for Posting: No
Blocked for Planning: No
Marked for Deletion: No
G/L Account Not Used: No

Which G/L account type and account group are used for the G/L account?

_____

The connection between finance and controlling is also visible here. Select the tab *Company Code Data*.

The screen will automatically scroll to the appropriate point. You can see the *Company Code Assignment* and the *Controlling Data* directly below it.

Company Code Assignment (2)								
Controlling Area	Company Code	C...	Account Currency	Marked for Deletion	Open Item Manage...	Clearing Spec. to Le...	Post Automatically	
EU00	DE00	Gl...	EUR	No	No		No	>
NA00	US00	Gl...	USD	No	No		No	>

Controlling Data

Controlling Area	Cost Eleme...	Unit of Measurement	Record Quantity	Deletion Flag	Change History
EU00	1		No	No	🗋
NA00	1		No	No	🗋

Click once on the symbol in the navigation bar at the top left ［ ＜ ］ to return to the view *Manage G/L Account Master Data*. Stay in this window for the next exercise.

☐

CO 2: Display Secondary Cost Elements

Exercise Display secondary cost elements.	Time 10 min
Task Use the SAP Fiori Launchpad to display secondary cost elements.	
Name (Position) Jamie Shamblin (Cost Accountant)	

Secondary cost elements are exclusive to managerial accounting (CO). They are used to allocate costs among cost centers exclusively within the managerial accounting system (CO), thereby assigning costs to responsible parties.

Note In SAP S/4HANA, secondary costs are managed in a central directory together with the G/L account types mentioned above. At first glance, this appears to contradict the definition above. In SAP S/4HANA, however, secondary cost types are organized and saved together with G/L accounts for performance reasons. Logically, you still belong only to controlling.

Secondary cost element

You should still be in the app *Manage G/L Account Master Data* after completing the previous step. **GL00** should be entered in the *Chart of Accounts* field and 5* and 6*, if applicable, in the *G/L Account Type* field. The *View* field shows Chart of Accounts and the *Short Text* field shows *R & D*.

First, delete all entries in the fields *G/L Account*, *G/L Account Type* and *Short Text*. Now select the entry *S (Secondary Costs)* in the G/L Account Type field and confirm with Enter or click **Go**.

S (Secondary Costs)

You will receive a list of all G/L Accounts in account class 8 (account number starting with 8). These are used for internal cost and activity allocation as well as for apportioning and distributing overhead costs. The *Cost Element Type* indicates which function a cost element has.

Cost Element Type

To display the respective types of the listed cost types, change the entry in the *View* field to **Controlling Area View** and enter **NA00** (Global Bike North America) in the field *Controlling Area*.

Controlling Area View
NA00

View: *

Controlling Area Vi... ∨

Controlling Area: *

NA00 ×

Press Enter.

In the result line for cost element *8009000 (Machine Hours)*, click the symbol on the far right ❯ .

In the following window you can see the detailed information on this cost type.

8009000

Machine Hours

General ⌄   Company Code Data   Controlling Data   Where Used ⌄

Basic Information

Control

Chart of Accounts: GL00 (Global Bike Group)

G/L Account Type: Secondary Costs

Account Group: 08 (Secondary Costs)

P&L Statement Account Type: RE (Brought forward PL)

Functional Area: —

Description in Maintenance Lang. (EN)

Short Text: Machine Hours

G/L Account Long Text: Machine Hours

Which G/L Account Type and Account Group are used for the G/L Account?

_____

Note If you click on the tab *Controlling Data*, you will see that the cost element category could be maintained differently for each controlling area. This is also the reason why in SAP S/4HANA - unlike in SAP ERP - there is now a *Controlling Area View* for G/L Accounts in addition to the *Chart of Accounts* and the *Company Code View* for maintaining the cost types.

Controlling Area View
Chart of Accounts
Company Code View

Controlling Area	Cost Eleme...	Unit of Measurement	Record Quantity
EU00	43		No
NA00	43		No

Can you describe the main differences between the general ledger accounts *Expence R&D (6340000)* and *Machine Hours (800009000)*?

_____

_____

_____

Click the **SAP** icon on the navigation bar in the top left to return to the SAP Fiori Launchpad.

☐

CO 3: Display Cost Element Groups

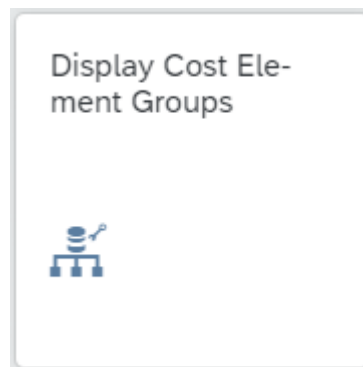|	
Exercise Display cost element groups.	**Time** 10 min
Task Use the SAP Fiori Launchpad to display existing cost element groups.	
Name (Position) Jamie Shamblin (Cost Accountant)	

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

Cost element group

To review cost element groups, use the app *Display Cost Element Group*.

Fiori App

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

NA00

In the *Display Cost Element Group: Initial Screen*, press **F4**. In the following Cost Element Group screen, the Chart of Accounts is already entered. Click ☑ (proceed) to display all Global Bike cost element groups.

F4

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

NAPRIM1000

Display Cost Element Group: Structure

NAPRIM1000	NA Primary Cost Element Total
5000000	6999999
5000000	Cost of raw materials, consumables and s
5001000	Raw Material Consumption Expense
5002000	Finished Product Consumption Expense
5003000	Trading Good Consumption Expense
5004000	Semi-Finished Consumption Expense
5100000	Raw materials, consumables and supplies
5110000	Raw materials, consumables and supplies
5130000	Cost of raw materials, consumables and s
5190000	Fuels (production)
5191000	Fuels (production), 7% input tax
5192000	Fuels (production), 19% input tax
5200000	Cost of merchandise
5300000	Cost of merchandise, 7% input tax
5400000	Cost of merchandise, 19% input tax
5730000	Cash discounts received
5731000	Cash discounts received, 7% input tax
5736000	Cash discounts received. 19% input tax

In this interactive list, you can double click on any cost element to display its master data details. As an example, double-click on Cost of merchandise (**5200000**).

5200000

What is the Account Group? _____

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

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

Click on the home button to return to the SAP Fiori Launchpad.

CO 4: Review Cost Center Standard Hierarchy

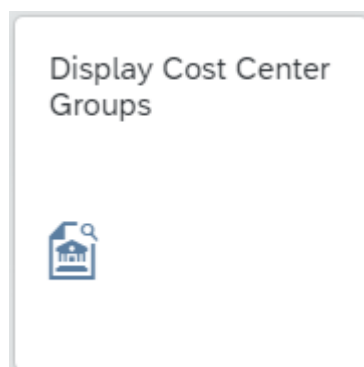|	
Exercise Review the cost center standard hierarchy.	**Time** 10 min
Task Use the SAP Fiori Launchpad to review the cost center standard hierarchy.	
Name (Position) Jamie Shamblin (Cost Accountant)	

The cost center structure is a hierarchically organized data object that is used to capture and assign 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 centers do not generate revenue.
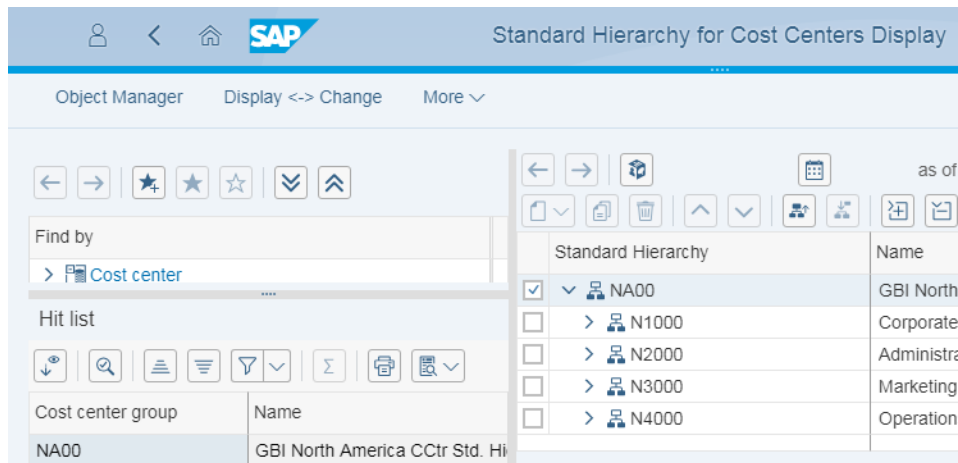
Cost center structure

Cost center

In order to review the cost center standard hierarchy, use the app *Display Cost Center Groups*.

Fiori App

Display Cost Center Groups

NA00

Click on the value help symbol next to the input field ⬚ and select **NA00** for Controlling Area. If the information message Fill out all required entry fields" occurs press the button Confirm. Choose **Go** or click enter. If this field does not appear, choose **More → Settings → Set Controlling Area** and enter **NA00**.

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.

To expand the subtree completely single-click on the root folder and choose **More → Edit → Expand Subtree**. The systems displays now the complete hierarchy.

What is cost center group N5000? _____

Within the cost center group, N3000, what is the specific cost center, NAMK1000? _____

What person is responsible for NASA1000? _____

Click the **SAP** icon on the navigation bar in the top left to return to the SAP Fiori Launchpad.

☐

CO 5: Display Cost Center

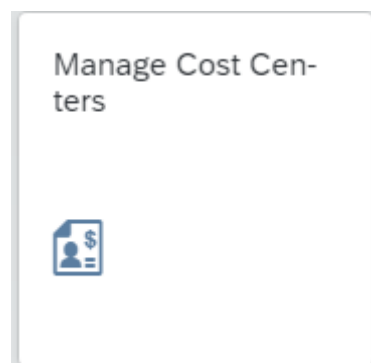|	
Task Display cost centers.	**Time** 10 Min.

Description Use the SAP Fiori launchpad to display individual cost centers.

Name (Position) Jamie Shamblin (Cost Accountant)

In the SAP system, a cost center is an organizational unit within a controlling area. It represents a clearly definable place where costs arise. Cost centers can be divided according to functional, spatial, accounting and performance aspects as well as according to responsibility.

Cost Center

Familiarize yourself with the cost centers in Global Bike by opening the Manage cost center app in the Controlling area.

Manage Cost Centers

Enter **NA00** in the Controlling area field. Leave all other fields blank for now and click Go . The result is a list of all cost centers used by Global Bike in North America.

NA00

Cost Centers (19) | Standard ∨

	Cost Center	Name	Validity	Cost Center Category	Company Code
☐	NAAD1000	Admin Costs	01/01/2009 – 12/31/9999	W (Administration)	US00 (Global Bike Inc.)
☐	NABR1000	NA Bike Rental	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)
☐	NAEX1000	John Davis	01/01/2009 – 12/31/9999	W (Administration)	US00 (Global Bike Inc.)
☐	NAEX2000	Peter Weiss	01/01/2009 – 12/31/9999	W (Administration)	US00 (Global Bike Inc.)
☐	NAGS1000	Global Sales Costs	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)
☐	NAHR1000	HR Costs	01/01/2009 – 12/31/9999	R (Human Resources)	US00 (Global Bike Inc.)
☐	NAHR3000	HR Recruiting	01/01/2009 – 12/31/9999	R (Human Resources)	US00 (Global Bike Inc.)
☐	NAIS1000	Internal Services	01/01/2009 – 12/31/9999	H (Service cost center)	US00 (Global Bike Inc.)
☐	NAIT1000	IT Costs	01/01/2009 – 12/31/9999	H (Service cost center)	US00 (Global Bike Inc.)
☐	NAMK1000	Marketing Costs	01/01/2009 – 12/31/9999	9 (Marketing)	US00 (Global Bike Inc.)
☐	NAPC1000	Procurement Costs	01/01/2009 – 12/31/9999	W (Administration)	US00 (Global Bike Inc.)
☐	NAPL1000	Profit / Loss	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)
☐	NAPM1000	Plant Main Costs	01/01/2009 – 12/31/9999	F (Production)	US00 (Global Bike Inc.)
☐	NAPR1000	Production Costs	01/01/2009 – 12/31/9999	F (Production)	US00 (Global Bike Inc.)
☐	NAPR2000	Loss	01/01/2009 – 12/31/9999	F (Production)	US00 (Global Bike Inc.)
☐	NAQM1000	Quality Mgmt Costs	01/01/2009 – 12/31/9999	F (Production)	US00 (Global Bike Inc.)
☐	NARD1000	R&D Costs	01/01/2009 – 12/31/9999	E (Development)	US00 (Global Bike Inc.)
☐	NASA1000	Sales Costs	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)
☐	NASM1000	CS Costs	01/01/2009 – 12/31/9999	H (Service cost center)	US00 (Global Bike Inc.)

Limit the search result further by entering **NASA1000** in the Cost Center field and confirming twice with Enter. The list of results is then updated and only one cost center is displayed. View their details by clicking at ﹥ at the end of the line.

NASA1000

Cost Centers (1) Standard ⌄					
☐ Cost Center	Name	Validity	Cost Center Category	Company Code	
☐ **NASA1000**	Sales Costs	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)	

Who is responsible for the NASA1000 cost center?

_____

Which node in the standard cost center hierarchy is the cost center NASA1000 assigned to?

_____

Note On the Control tab you can see that this cost center is blocked for revenue postings. Even then, revenues (i.e. postings via cost type 11) would only be made statistically and not cost-effectively.

Revenue postings

Lock Revenue Posting:
ON

Cost credits or corrections can only be made within Controlling with cost element 01 (primary costs / cost-reducing revenues) and a negative value sign.

Click the **SAP** icon in the navigation bar in the top left to return to the SAP Fiori Launchpad.

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